

Financial management competence of school heads and performance of schools in Leyte division

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Abstract

The study investigates the financial management competence of elementary school heads and the performance of schools in Leyte Division. The research involved 70 school heads and 369 teachers involved in the School Financial Task Force for the 2016-2017 school year. The findings revealed that most school heads are middle-aged with low family income and lack training in school financial management. They manage various financial resources, with small enrollment and teacher populations. In terms of budgeting, accounting, procurement, and asset management, most school heads are competent, but few are less competent. Family income and number of trainings attended are related to asset management competence. The National Achievement Test results are average, and school performance is not related to the financial management competence of school heads. The study recommends that school heads attend training and seminars related to school financial management, involving school planning teams and community involvement. Effective management of school financial resources is crucial for financing all school activities.

Keywords: Financial Management; Performance; School; School Heads; School Financial Task Force

1 Introduction

School financial managers need the right education, experience, skills and qualities to be successful in order to perform their roles stressed in the National Competency Based Standards for school Heads or NCBSSH domain six (6), specifically; prepares a financial management plan, develops a school budget which is consistent with SIP/AIP, generates and mobilizes financial resources, manages school resources in accordance with DepEd policies and accounting and auditing rules and regulations and other pertinent guidelines, accepts donations, gifts, bequests and grants in accordance with RA 9155, manages a process for the registration, maintenance and replacement of school assets and dispositions of non-reusable properties, organizes a procurement committee and ensures that the official procurement process is followed, utilizes funds for approved school programs and projects as reflected in SIP/AIP, monitors utilization, recording and reporting of funds, accounts for school fund, prepares financial reports and submits / communicates the same to higher education authorities and other education partners (DepEd Order No. 32, s. 2010-National Competency Based Standards for School Heads).

School financial management comprises the planning and implementation of a financial plan, accounting, reporting and the protection of assets from loss, damage and fraud. All items of financial management are exposed to the risk of incorrect, improper and ineffective school management, which is particularly reflected in the accounting control of an institution. Schools can regulate their accounting with at least two internal rules: accounting rules and instructions on inventory check.

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If the school does not have the abovementioned internal rules, there is a risk that internal controls are not set. And this means a great risk for incorrect and ineffective management as well as unintended use of school's public or private financial resources (Horvart, 2012).

According to Dr. Horvart (2012), if the school has no financial plan, there is a risk that the funds for the operation of the school are not properly planned and harmonized with the school's work program. This means that the bases for preparing a financial plan and the intended use of funds according to individual programs in the financial plan or their explanations are not correspondingly shown. It is impossible to report on achieved objectives and results at the end of the year if there are no correspondingly adopted plans. In education systems through the world, financial management has become, and continues to become, of much increased importance. This is partly because of the onerous financial constraints under which education systems now have to operate, this is because of trends in many countries towards delegating at least some degree of financial control to individual schools and colleges, and relatively because of moves towards increased accountability in all service system (Hough, 2003).

Kiayiapi (2011), in Republic of Kenya asserts that the children deserve quality service delivery and education resources should be managed in an efficient and effective manner. Kiayiapi said that education managers must lead in promoting sound leadership and good governance of public schools.

The capacity building helps the head of schools to implement management policies, procedures and reforms in the education sector and utilize modern management tools in education institutions (David, 2007).

1.1 Background of the Study

As the largest agency in the Philippines with the biggest share of the government's budget, the Department of Education (DepEd) is faced with the daunting task of managing billions of pesos worth of resources. To ensure that the funds are invested in quality programs and services that the Filipino learners deserve, having a comprehensive and efficient financial management system is very critical.

The Australian Government has always been one of the Department of Education's key partners in implementing education reforms in the Philippines. Through the Philippines-Australia Public Financial Management Program (PFMP), this partnership has extended to improving the management of financial resources for education as well (BR. Armin A. Luistro, FSC former Secretary, Department of Education).

Furthermore, supporting education has always been a cornerstone of Australia's development cooperation program with the Philippines. The Australian Government would like to see every Filipino child have access to quality education and it has committed substantial financial resources and technical assistance to support the country's education system.

The Australian Government also supports the Philippine education system through the Philippines Australia Public Financial Management Program or PFMP. The PFMP aims to promote transparency and accountability in public financial management across the whole of government and is implementing a series of reform initiatives in cooperation with the Government of the Philippines.

The Department of Education (DepEd) is a critical agency for delivering public financial management reform initiatives. DepEd represents more than 25 percent of spending agencies' budget allocations, and this figure is growing year on year. In addition, DepEd is strategically important to the development of the nation – we think it is important that every peso committed to the education system is invested in the education of Filipino children, ensuring they get an early start on the path to a better future ((Bill Tweddell, Australian Ambassador to the Philippines).

In relation with this, the Department of Education (DepEd) in Division of Leyte calls for school managers who have calibre skills to manage the various financial resources in the school where they are assigned.

Undeniably, every school accomplishment depends on the way a school head manages school funds given by the government, namely; Maintenance and Other Operating expenses (MOOE) which is released every month to the personal ATM of the school head, the School-Based Management Grants (SBM) and School- Based Repair and Maintenance Scheme funds (SBRMS), which could be released it depends on the availability of funds in the central office and if the priority needs of the school is identified and reported to central office, initiated Parents Teachers Association Fund (PTA) and Special Education Fund (SEF) from the LGU to be released annually among selected school.

That is why, in order to utilize all these funds, the DepEd central office implementing School Based Management (SBM), which clearly states that an effective school head is one who can implement continuous school improvement, who can produce better learning outcomes among its learners and who can help change institutional culture among others.

In consonance with DepEd Order No. 32, 2010 stipulated the National Competency Based Standard for School Heads (NCBSSH) in Domain six (6) specifically, School Management and Operation focuses on the following roles of school heads namely; Managing School Operations, Fiscal Management, and Use of technology in the Management of Operations.

Moreover, some school heads in Leyte Division did not able to submit liquidation reports on time to the division office due to some personal reasons. Some school heads and even district supervisors were being detained to the division office because of this misconduct and others did not able to enjoy their lump sum pay during their retirement because of the ineligibility of not liquidating MOOE and other funds for many months during their administration.

Certainly, to manage different financial resources in school is as easy as managing own wealth if a school financial manager has the ample competence on budgeting, accounting, procurement procedure, and asset management, nevertheless, if one is tempted to spend it out from the approved Annual Procurement Plan or APP, there would be chaos results toward the whole school system.

To be competent in managing financial resources in term of budgeting, accounting, and asset management will provide a systematic way for school fiscal manager and both internal and external stakeholders to set and reach financial goals and it helps the school build a sound financial foundation.

In the Department of Education, it is the focus dream that every school financial manager must strengthen financial management transparency and accountability throughout the department by ensuring effective planning, budget preparation, execution and monitoring processes are implemented consistently throughout the Department, sufficient internal controls are in operation and effective over the Department's revenues, expenses, assets, liabilities and contingencies, financial management procedures are standardized and consistently applied by all offices within the Department, the capacity of financial management staff throughout the Department by providing one single reference governing their regular duties and responsibilities; and better quality and timeliness of statutory and ad hoc financial reporting (DepEd, Financial Management Manual).

Thus, this study was a reserved effort to assess and gauge the financial management competence of every school head as a 21st century school manager being the direct implementer to every school program and project in the Division of Leyte.

1.2 Statement of the Problem

The main task of the study was to determine the financial management competence of School Heads and Performance of Schools in Leyte Division SY 2016- 2017. Specifically, this study sought to answer the following questions:

- What is the profile of the respondents in terms of?
 - Age
 - Sex
 - Civil Status
 - Educational Attainment
 - Years of experience
 - Monthly Family Income
 - Position/Designation
 - Trainings Attended related to Financial Literacy
 - What is the profile of the schools in terms of;
 - Enrolment
 - Number of Teachers
 - Amount of Funds Allocated
 - MOOE
 - SBM
 - SBRMS
 - SEF
 - PTA Funds

➤ Brigada Eskwela

- What is the level of financial management competence of school heads as rated by teachers and school heads themselves in terms of;
 - Budgeting
 - Accounting
 - Procurement
 - Asset Management
- Is the financial management competence of school heads related to;
 - Profile of school heads
 - Profile of schools
- What is the performance of the school in the National Achievement test?
- Is the school's performance related to the financial management competence of the school head?
- What intervention scheme maybe proposed based on the findings of the study?

1.3 Significance of the Study

The study is geared towards upholding an expressive financial management competence and positive motivation for employees. Results of this endeavor are advantageous to the following:

Department of Education. As a department where the school leaders and the rest of educators are connected, this study would serve as a basis for reference to know the level of school managers' financial management competence in the school where they lead and to plan for the best intervention as regards to financial literacy.

School Head. As a school financial manager, this study would serve as a guide for him/her to become a successful financial manager in various school resources. This would help them become competent enough in the field of financial literacy and in dealing with different financial resources given by the government and private sectors for the benefits of the learners, teachers, stakeholders in the community, and the department as well.

Teachers. As one of the significant members of the school system, this study would serve as a source of information and motivation on how to manage efficiently and effectively all financial resources in school, as they are considered as the wings of the school head in all the implementation of programs and projects for the benefits of the majority. It also suggests that financial management competence matters a lot for the advancement of the school they serve, especially for the future of the learners they build.

Pupils. As one of the primary clients of the learning environment, this study would serve them as a reliable basis for the best output that may be bring through the efficient and effective financial management competence of their school head. The competent school head they have, the great chance to gain high school performance.

Researchers. This study would serve as a modernization source of new body of knowledge and information on financial management competence that would serve as a point source of information for future researches.

1.4 Scope and Delimitation of the Study

This study looked into the financial management competence of school heads and performance of schools in Division of Leyte during the school year 2016-2017. However, the data that measure on financial management competence and performance of schools was based on the Department of Education Financial Management Manual and DepEd Order no. 12, s. 2014 entitled Implemented Guidelines on the Direct Release of Maintenance and Other Operating Expenses (MOOE) Allocation of Schools to the Respective Implementing Units. The Standard itself are simple statements about the competencies that are supposed to possess by the school heads in managing the school financial resources and how a school that is financially well managed would look like. It provides a clear and consistent benchmark that schools can use to encourage self- improvement of the school heads and teachers to attain best performance of the school.

In addition, it will look into the profile of the respondents in terms of age, sex, civil status, educational attainment, monthly family income, position/designation, years of experience as a school head, and number of days of trainings attended related to financial literacy and the profile of the school in terms of number of teachers, total enrolment, MPS of National Achievement Test (NAT), and amount of funds allocated to school MOOE, SBM, SBRMS, SEF, PTA and Brigada Eskwela funds.

The respondents of this study were the 125 public elementary school heads and 125 classroom teachers selected randomly from Area I, II, III, IV and V of Leyte Division.

2 Review of related literature and conceptual framework

This chapter presents related literatures and studies taken from various sources. These materials have been lifted and presented to verify the researcher's assumptions and strengthen the findings of the present study. It also shows the conceptual framework of the study.

2.1 Related Literature

The succeeding discussion presents concepts that have bearing on the variables under study. It include the financial management competence of school heads and performance of school.

The Financial management refers to the efficient and effective management of money or funds in such a manner as to accomplish the objectives of the organization. It is the specialized function directly associated with the top management. The significance of this function is not seen in the 'Line' but also in the capacity of 'Staff' in overall of a company. It has been defined differently by different experts in the field. The term typically applies to an organization or company's financial strategy (Miriam Webster Dictionary).

On the other hand, according to Nussbaum (2006) and Sen (1999) financial competence is the control over money, which encompasses both the ability to exercise control over money (which usually requires an appropriate level of financial literacy) and the opportunity to exercise control over money (which usually requires access to the formal financial system) is a basic freedom. An absence of financial capability, whether characterized by a low level of financial literacy, or by the denial of access to the formal financial system, is the denial of the right to participate in the money economy.

As the money economy has progressively become globally pervasive, financial competence, the demonstrated ability to exercise control over money, has become increasingly viewed as a possible tool in the alleviation of poverty. However, empirical evidence to support the use of financial literacy training and increased access to the formal financial system (financial inclusion) to enhance financial capability and thereby promote competent financial behavior in order increase wellbeing, is limited.

Shapiro (1995:1), said that the beginning of the management activities goes back to very early ages. Since the existence of mankind human found himself in the term of management. It can be said management activities can be seen even in very primitive societies. This term effected people's and nations' lives deeply. Because people founded organizations to make easier their lives or to manage things that they couldn't manage to do alone.

Financial management involves financial planning and budgeting, financial accounting, financial analysis, financial decision making and action.

According to Hart (1993:2), financial management includes reviewing, forecasting and building of a budget control and monitoring.

According to Mestry (2004; 129), a view supported by Clarke (2008; 282) the governing body of every public school must ensure that there are proper policies and procedures in place for the effective, efficient and economic management of the schools finances and the school governing body must also have systems in place to monitor and evaluate the correct implementation of the policies and procedures and to report thereon.

Clarke (2008; 291) stated that one of the main purposes of the schools financial policy is to put in place a system of controls (checks and balances) to ensure that the schools finances are safeguarded and correctly managed. One of the more important, if not the most important, control/s is a system of internal checks whereby the work of one person is checked by another and there is a clear segregation of duties.

Internal controls are systems, procedures and processes that are implemented to minimise the risk (and any financial consequences) to which the department (school) might otherwise be exposed as a result of fraud, negligence, error, incapacity or other cause [Guidelines for Accounting Officers (2000; 28)].

Moreover, Rajah (2003), stressed that, a member of the school governing body shall not be liable for any debt, damage or loss incurred by the school unless he or she acted without authorisation or with malicious intent, in which case he or she may be held responsible for the debt, damage or loss.

Jones (2000; 9) stated that the ultimate responsibility for the accuracy of the books (of account) is the school principal even if he or she does not have the task of maintaining the books on a regular basis – the management of the schools finances is, however, a primary function of the school governing body.

Ingram and Media (2002) revealed that financial management is all about risk, and each comes to the table with a different tolerance for risk. In an agency relationship, chances are high that principals and agents have different risk tolerances, which can lead to misunderstandings and a failure to agree on investing decisions. Even when agents act toward principals' goals, their means of doing so may conflict with principals' risk tolerances.

Clark (2008; 278) discussed that the management of school finances can be one of the most challenging of principals responsibilities, because for many it is an area in which they have little or no training or expertise. It is also likely that the elected members of the (school) governing body may be equally ill equipped for the task. As a separate subject of discipline, finance is still in its infancy. It was only the latter half of the twentieth century that witnessed most of major developments in finance with scientific rigor.

Meanwhile, Cook and Campbell (1979) said that the treatment of financial theory should not ignore the real world problems that gave rise to its development in the first place. In this sense, bridging the gap between theory and practice poses as a constant challenge to finance researchers and instructors.

Furthermore, Mestry (2004) and Ntseto (2009) concurred that the administration of a school's finances is an integral part of effective school administration, each of the aforementioned tasks will briefly be considered regarding financial management.

Bisschoff (1997) stated that in an education organization its financial administration activity means bringing all possible input from staff, parents, students and the community together to render the service of quality education).

Kruger (2005) and Ntseto (2009) revealed that organizing of school finances should include aspects such as drawing up a school financial policy; setting up a structure within the school to handle administrative and financial matters; delegating certain functions to clerks, class teachers and the treasurer; and coordinating activities.

Ntseto (2009) added that the financial planning of school finances and its control are interdependent and closely linked with each other. It can be deduced that the same relationship exists between the budget and control since a "budget is a planning instrument" (Bisschoff 1997). This means that financial planning is about budgeting and in this regard Ntseto (2001) argues that a "budget is a financial control technique as well as a plan".

Role is a prescribed or expected behavior associated with a particular position or status in a group or a school. A school head is expected to show patterns of behaviors and responsibilities associated with a headship position within a school. A school head that is in charge of a school has a lot of responsibilities to accomplish. For example, developing strategic vision and direction of the school development, management of staff, students and finances, supervision of the implementation of school curriculum and developing the relationship with the wider community (Business Dictionary, 2013).

2.2 Related Studies

Tasic et al (2011) concluded that education is one of substantial factors of efficiency and speed of economic development. It presents social value for itself, because operations improvement and changing of social relations depend at the most of people's knowledge and education. Schooling qualifies a person to be an active agent of economic changes. The management of the organizations of economical type is similar as the management in school system. The management function is assigned to managers, leaders respectively.

Leaders and managers with their management, guidance and planning ought to create positive working climate, so that the participants in school system would take pains and as well invest more greater endeavor in it. People like to be motivated and led, and, of course, they dislike to be controlled and frightened by sticky forms of management. In spite of some critics' opinion that management cannot be applied in the field of school system, there are very certain opportunities for it if general observing of government participation in school managing changes.

Fong (2011) conducted a study on teachers' perceptions of contemporary school Principals' competencies, the essential elements that affect the overall quality of school management and the continuous improvement and development of the schools. This study examines Principal competencies from the individual and school perspective, with a focus on the

evaluation of contemporary principals. The information explored is to develop principal competencies and improve school effectiveness.

Another study of De Vaus (2002) on effective management shows and reveals its ideas this way, effective management is the key to school improvement and development, especially when schools now have experienced increasingly diverse change and challenges. Managing change in education is inevitable and it is important to implement it effectively. Successful schools do not just happen, they are successful because people make them so and all such people have a stake in management.

In schools, it is important to develop an outstanding and professional management force. To manage change successfully, the work forces need to identify the areas in the school that require change or are in the process of being changed. The hopes rest on the contributions of the teachers and the Principal.

Koonnaree (2009) revealed the findings that the experience of a principal is very necessary in financial effectiveness of management and to a large extent the principals' education level influences effectiveness of financial management the influence of Principals' financial management on school physical facilities. The study recommended that School principals should be trained on financial management so that they can be effective in their financial management. This can be done by holding regular capacity building workshops and seminars which will keep them updated on any emerging issues.

The study of Beal and Delpachitra, 2003; CBF, 2004b; Raven (2005) showed that financial literacy skills enable individuals to navigate the financial world, make informed decisions about their money and minimize their chances of being misled on financial matters.

Cranston (2002:3), who has conducted a study on School-based Management and its changes and challenges for principal, in schools in Queensland, Australia, states that apart from the financial role that principals have to now fulfil, other changes in skills and capacities. Respondents reported that there was a shift with regard to the principal's role in financial school management. Some of the reasons varied, certain respondents felt that there have become more accountable in every decision that is made of principals have been identified.

When investigating the principal's role in ensuring transparency, accountability and responsibility in financial management of the school, principals interviewed indicated that strict documentation and records are kept, there is constant reporting to the various stakeholders (parents, educators, and governing body). Schools have internal auditors as well as external auditors who check the schools financial records annually.

A similar view is held by Dimmock (1993:128) when he says that the management literature stresses accountability as an important consequence of delegation. If you manage it, you are accountable for it. Principals are accountable for their budgets (see 2.5.3 pg.30).

Another study was conducted of De Grauwe (2005:9) when considering the skills required by principals for effective and efficient financial management, responses received from principals indicated that one needs training in effective financial management of a school. Some respondents felt that financial management training should begin before an educator can apply for the principal's position. A similar system of early identification of promising future principals was recently developed in Malaysia. They are given training before occupying their post including thorough mentoring by practicing principals.

This view supports a study by Cole (2003); Kadavil (2008) and Bartlett (2001) who found that training is an investment that may offer a greater pay off at a later date through reciprocity. Administrative time spent on financial management aspects of the school, responses received from principals indicated that this aspect of administration was done outside school hours, some spend Saturdays at school going through the finances, others indicated that they take work home to complete.

For the financial management responsibilities to other senior management team, principals felt that since they were accountable for the school budget, it makes it difficult to delegate the financial duties to other senior members. Although duties were delegated principals still make sure that they check all the necessary accounting practices.

Kiayiapi (2011) in Republic of Kenya asserts that the ministry of Education established the Kenya Education Management Institute (KEMI) to continually upgrade the core competencies (knowledge, skills and attitude) of

education managers. The capacity building helps the head of schools to implement management policies, procedures and reforms in the education sector and utilize modern management tools in education institutions (David, 2007).

It is clear that the roles and responsibilities of principals have changed and continue to change, as have the skills and jobs to undertake these. According to Cranston (2002:10) school based management has contributed significantly in this regard in recent years.

Karia, et al (2000) studied the importance of training on financial literacy for continual updating and improvement in Malaysia and found that one source of human motivation at work was intrinsic motivation; desire to grow; learn and develop oneself. The findings further noted that employees view general training as a gift, this leads to a sense of debt to the company which the employee strive to repay (reciprocate) by increasing commitment, exerting more effort and increasing productivity.

Meador (2013), recent research findings such as show that a good school head is the one who always leads by example, is positive, enthusiastic, has high energy, initiative, tolerance for ambiguity, sense of humor, analytical ability, and common sense and have a hand in the day-to-day activities of the school, and listen to what their constituents are saying. An effective leader is available to teachers, staff members, parents, students, and community members. Good leaders stay calm in difficult situations, think before they act, and put the needs of the school before themselves. An effective leader steps up to fill in gaps as needed, even if it isn't a part of their daily routine.

According to Mobegi et al., 2010; and Getange & Orodho, 2014) Finance is crucial to retention and performance of students since it determines the quality of physical facilities, teaching and learning materials, quality of teacher motivation and teachers employed in the time of shortage.

The aforementioned related literature and studies provided the theoretical framework of the study.

2.3 Theoretical and Conceptual Framework

The study was anchored on various related theories on financial management competence and Performance of Schools among school managers.

The theories included in the study contain the theory of Tasic et al (2011) concurred that education is one of substantial factors of efficiency and speed of economic development. It presents social value for itself, because operations improvement and changing of social relations depend at the most of people's knowledge and education. Schooling qualifies a person to be an active agent of economic changes. The management of the organizations of economical type is similar as the management in school system.

Cuban (1988) theorizes that one of the clearest distinctions between leadership and management. He links leadership with change while management is seen as a maintenance activity. He also stresses the importance of both dimensions of organizational activity: By leadership, I mean influencing others' actions in achieving desirable ends. Leaders are people who shape the goals, motivations, and actions of others. Frequently they initiate change to reach existing and new goals ... Leadership ... takes ... much ingenuity, energy and skill.

Khan (2002) theory provides a managerial perspective on budget theory by looking at budgets as portfolios. Khan's argument rests on a simple premise that budget requests in government are very similar to portfolios the finance managers in the private sector deal with on a regular basis. To be considered acceptable, from their perspective, the portfolios must be efficient. Not all portfolios will be efficient, but some will, depending on the amount of risk and return they produce for a decision maker.

An Agenda Based Theory of Budgeting by Meagan M. Jordan" stated that usually budgets reflect frequent and small incremental changes, but infrequent and large policy shifts occur. Jordan examines the nature of agenda changes on the budget and the research challenges that emerge from this perspective.

The theory of Hendrickson (1977) which asserted that there is no generally accepted accounting theory at this time even though many attempts have been made to formulate one. According to Eldon S. Hendriksen in Accounting Theory, a theory as it applies to accounting is the coherent set of hypothetical, conceptual and pragmatic principles forming the general frame of reference for a field of inquiry. Thus accounting theory may be defined as logical reasoning in the form of a set of broad principles that provide a general frame of reference by which accounting practices can be evaluated and guide the development of new practices and procedures.

The theory of Yosuf (2011) stressed that good asset management is concerned with the effective utilization of a property owner’s asset. It is the management process of ensuring that the portfolio of properties held meets the overall requirements of the users. In short, it is the process of identifying the user’s requirement and the rationalization of property holdings to match that requirement best, followed by a monitoring and ongoing review of practice. Internationally, a good practice of asset management in the public sector leads to a better transparency.

Paul et al (2014) theorizes that procurement decisions are often about much more than risk mitigation, however. Where there is an interest in the benefits that can flow from P&SCM practice (value appropriation, value-creating innovation, or improved efficiency and responsiveness), then the mechanisms associated with the organizational relationships literature or the integrated SCM literature are the appropriate focus.

World Bank (2008) theorizes that much research has demonstrated that retention and the quality of education depends primarily on the way schools are managed, more than the abundance of available resources, the capacity of schools to improve teaching and learning is strongly influenced by the quality of the leadership provided by the head teacher.

Mobegi, Ondigi and Oburu (2010) concurred that head teachers should take up their roles as quality assurance officers in their schools and ensure that there is

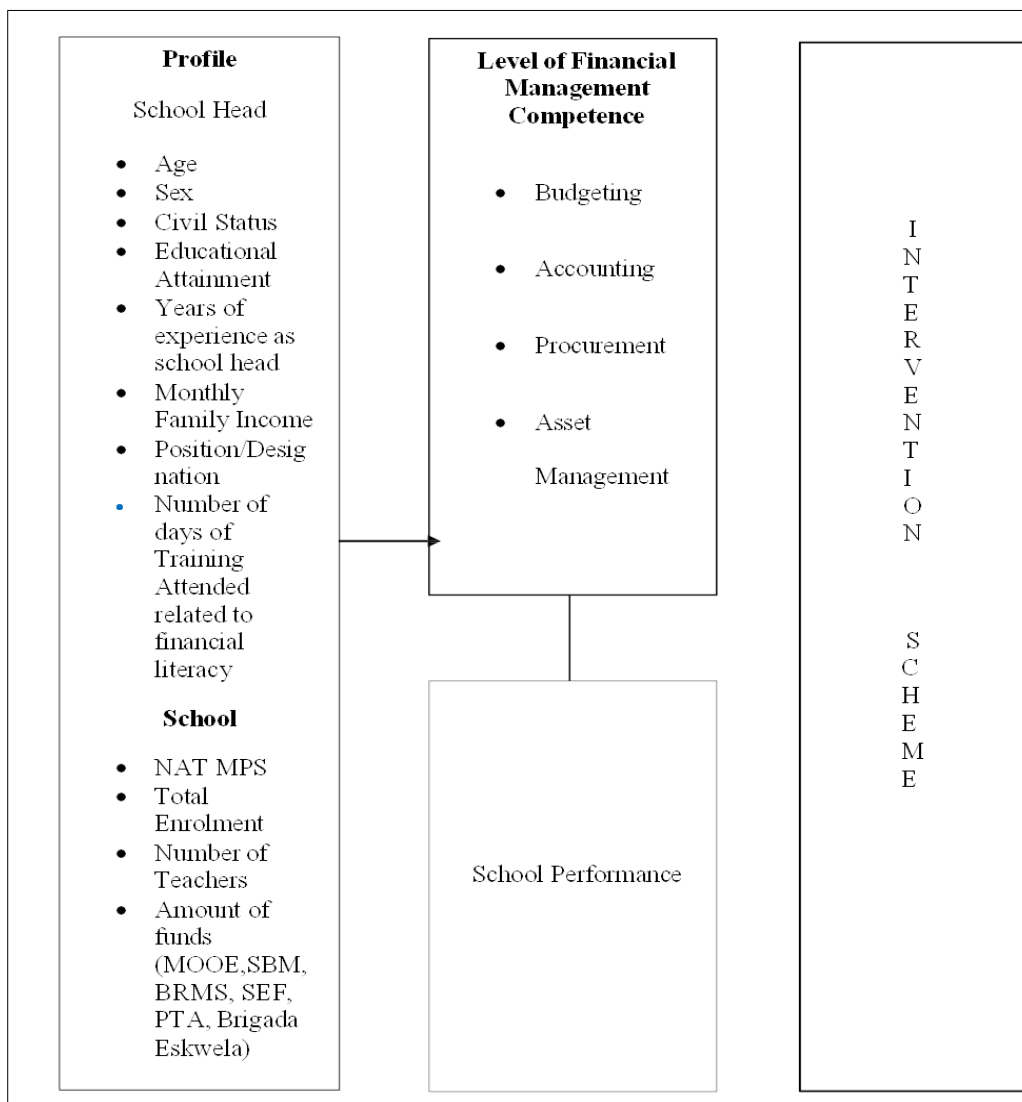


Figure 1 Schema showing the Conceptualization of the Study

adequate departmental supervision. They should introduce staff appraisal through locally designed forms to enhance standards and engage in evaluative class observation to ensure that a variety of teaching methods apart from class

discussion is utilized. Head teachers should devise school income generating activities to alleviate current financial problems that result in student absenteeism, transfers, indiscipline and inadequate facilities.

Mpondo (2004) speculates also that a head of school should formulate a vision direction, which secures effective teaching, student's achievement in learning, spiritual, moral, cultural, mental and physical development, and prepare the students for adult life to be responsible and functional citizens. Furthermore, a school head provides the direction on how to implement the strategic plan based on the finance allocated, which should be identified by stating the priorities that ensure high students' academic achievements and increasing teachers' effectiveness.

Therefore, the theory of Babyegya (2002) asserted that school head is required to have the vision and direction that motivate people to work as a team. He or she should organize staff to carry out different tasks, manage the school curriculum and manage finances/resources in the way that teaching and learning process is improved.

It is the light of the aforesaid concepts and theories that the researcher developed the framework shown in figure 1.

2.4 Null Hypothesis

Based on the questions formulated, the following null hypotheses were tested:

- There is no significant relationship between financial management competence of school heads to;
 - Profile of school heads
 - Profile of schools

- There is no significant relationship between the school's performance and financial management competence of the school head

2.5 Definition of Terms

The following terms are defined for a clear understanding of their meanings as they are used in this study.

Accounting. As used in this study, this term refers to the school head systematic and comprehensive recording of financial transactions as well as the process of summarizing, analysing and reporting various school financial transactions.

Annual Implementation Plan. As used in this study, this term refers to a one- year plan of programs and projects in both public elementary and secondary school formulated by the School Planning Team (SPT) under the leadership of school head in DepEd and approved by the Division Office that serves as a plan to implement in a year that focuses on Access, Quality and Governance.

Asset Management. As used in this study, it refers to any system that school head monitors and maintains things of value to an institution where he/she is assigned. It may apply to both tangible assets such as buildings and to intangible assets such as human capital, intellectual property, and goodwill and financial assets. Furthermore, asset management is a systematic process of deploying, operating, maintaining, upgrading, and disposing of assets cost-effectively to achieve such educational goals.

Budgeting. As used in this study, it refers to the school head systematic process of identifying, recording, measuring, classifying, verifying, summarizing, interpreting and communicating school financial information. It reveals profit or loss for a given period, and the value and nature of a firm's assets, liabilities and owners' equity.

Enhanced- School Improvement Plan. As used in this study, this term refers to the three-year plan of programs and projects crafted by the School Planning Team (SPT) under the leadership of the school head in the Department of Education and approved by the Division Office to be implemented by every elementary and secondary school within three years that focuses on Access, Quality, and Governance.

Financial competence. As used in this study, this term refers to school head mastery of—at least to a moderate degree—the skills and knowledge to make sound decisions in the following areas: Personal financial data (e.g, budgeting income and expenses, net worth analysis).

Financial management. As used in this study, this term refers to the efficient and effective management of money (funds) by the school head and School Financial Task Force in such a manner as to accomplish the objectives of the organization. It is the specialized function directly associated with the top management.

Funds Allocated. As used in this study, it refers to the process of dividing a budget to subcategories. Moreover, it is a fund allocated to a certain school program and project implementation to be supervised by the school head and School Planning Team (SPT).

Intervention Scheme. As used in this study, it refers to a well-planned approach of resolving such existing problem based on the findings of the study. It may be a seminar-workshop related to financial literacy in order to develop and enhance school heads financial management competence.

Maintenance and Other Operating Expenses Fund Management. As used in this study, this term refers to the management of the allocated funds for public elementary and secondary schools that can be spent on activities and necessities (i.e. electricity and water, school programs and projects) found in the approved E-SIP/AIP that support learning programs and help maintain a safe and healthy environment in schools through the close checking and management of the school head.

Parents Teachers Association Fund Management. In this study, this term refers to the management of fund raised from the internal stakeholders or PTA which is intended for learners' development and school facilities throughout the school year under the close monitoring and supervision of the school head.

Procurement. As used in this study, this term refers to the act of obtaining or buying goods and services for the school children through a designated school purchaser under the close supervision and monitoring of the school head. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. It often involves purchase planning, standards determination, specifications development, supplier research and selection, value analysis, financing, price negotiation, making the purchase, supply contract administration, inventory control and stores, and disposals and other related functions.

School Based Management Fund Management. In this study, this term refers to the management of resources under the General Appropriations Act (GAA). One of such efforts resulted in the implementation of the Support to Philippine Basic Education Reform (SPHERE), an AusAid-assisted grant administered by the World Bank.

School Based Repair and Maintenance Scheme Fund Management. As used in this study, this term refers to the school head and School Planning Team (SPT) management of DepEd program which guidelines will cover the utilization of the SBRMS funds for the repair and maintenance of the DepED regional and division offices and school facilities.

Special Education Fund Management. This term refers to the management of allocated budget from the Local Government Unit (LGU) intended for education sector released annually for school minor repairs, and learners' and teachers' development.

School Head. In this study, this term refers to the one who leads a school system and gives leadership to the teachers, learners, parents, and stakeholders. This covers to School Principal, Head Teacher, Teacher In-Charge, and Officer- In-Charge being the respondents of the study.

School Performance. In this study, this term refers to the overall outcomes/results of the school based on the competence of the school head in terms of budgeting, accounting, procurement and asset management. Usually, it focuses on individual learner's achievement through effective practices or interventions initiated by the teachers and school head.

3 Methodology

This chapter discusses the research designs, locale of the study, respondents involved, research instruments, validation of research instrument, data gathering procedure, method of scoring and interpretation as well as the corresponding analysis of the data gathered from the research instruments fielded out to respondents.

3.1 Research Design

To attain the purpose of the study, the descriptive-correlational method of research was used to determine the financial management competence of school heads and performance of schools.

A descriptive-analytical correlational method because its logic is based on the statistics of the research analysis and it also concentrates on the process of the final result. Then, the variables used in the study were figured out its relationship or connection.

A validated researcher-made survey questionnaire patterned from combination of profile, financial management competence of school heads and performance of schools was employed to gather data. Results were analysed using frequently tally and percentages, means, t-test correlated, Pearson's product moment correlation coefficient, point biserial correlation coefficient, eta correlation and chi-square were used.

3.2 Locale of the Study

Table 1 The locale of this research was the elementary schools in every District of Leyte Division.

Area	Schools Per District	No. of School Heads	No. of Teachers	Total
I	5	5	5	50
II	5	5	5	50
III	5	5	5	50
IV	5	5	5	50
V	5	5	5	50
			Total	250

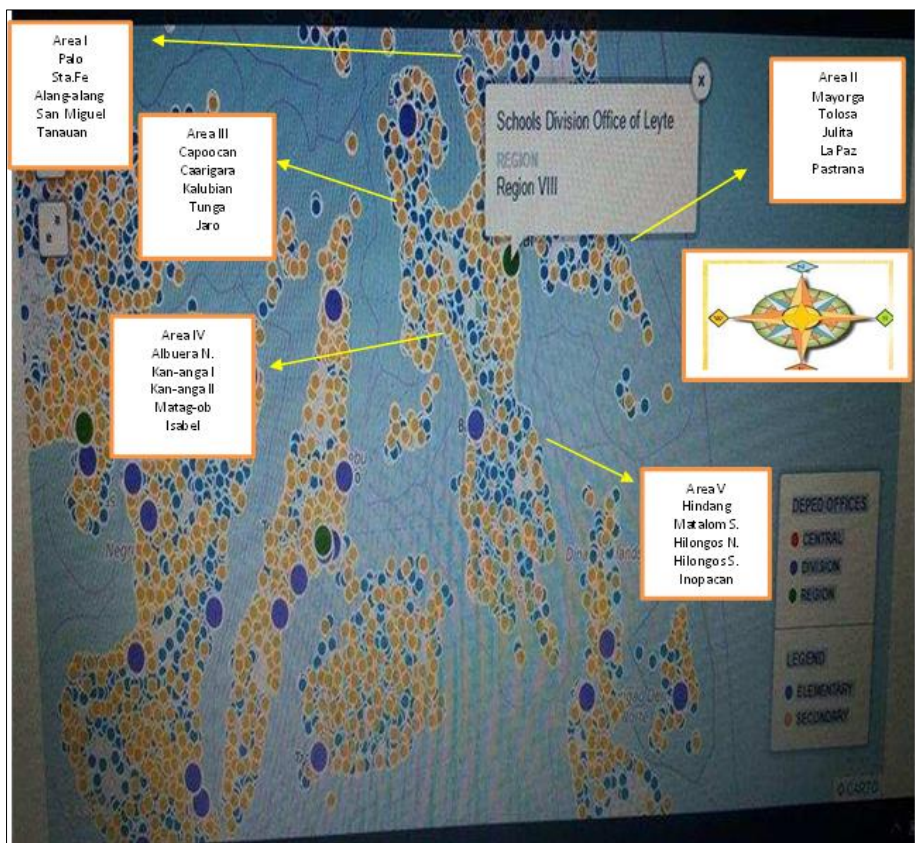


Figure 2 The Location Map of the Schools Involved in the Study

3.3 Respondents of the Study

The respondents of the study were the 125 School Heads and 125 teachers involved in the School Financial Task Force from Area I- Area V in Leyte Division, for School Year 2016-2017. There were five randomly selected districts in each area. The chosen respondents were five (5) School Heads in every district presently managing in a public elementary school and five (5) teachers presently teaching in the selected school and involved in the School Financial Task Force.

3.4 Research Instruments

The researcher used a researcher-made questionnaire adapted from Department of Education Financial Management Manual and DepEd Order no. 12, s. 2014 entitled Implemented Guidelines on the Direct Release of Maintenance and Other Operating Expenses (MOOE) Allocation of Schools to the Respective Implementing Units.

- Part I elicited the Profile of the Respondents in terms of age, sex, civil status, educational attainment, family monthly income, position/designation, amount of MOOE received, other funds received, years of experience as school head, and number of days of training attended related to financial literacy.
- Part II focused on the school profile in terms of total number of enrolment, total number of teachers and National Achievement Test (NAT) Mean Percentage Score (MPS).
- Part III is a 5-point rating scale questionnaire which determined the financial management competence among school heads, namely; budgeting with ten (10) statements, accounting with ten (10) statements, procurement with ten (10) statements and asset management with fifteen (30) statements.

3.5 Validation of the Research Instrument

The researcher selected Albuera North District located at Albuera, Leyte as the locale for the validation of the instrument. This district was chosen because of its practice on managing financial matter with competence and accessibility of the town from the researcher's hometown.

The conduct of the validation of instrument started by sending the letter request to the District Supervisor of Albuera North District as part of the typical functional process. The selected five (5) school heads and five (5) teachers involved in the School Financial Task Force in the said district were chosen through random selection.

3.6 Data Gathering Procedure

The researcher started his data gathering by first conducting pre-survey in all elementary complete schools in Division of Leyte as suggested by the members of the panel during the pre-oral defense. The pre-survey was done to know the elementary school head that truly implement financial management with competence.

After the pre-survey, a letter of request was submitted for approval to the District Supervisor/Principal In-Charge in every district of Leyte Division to secure permit to conduct the study and access documents on the financial management competence of every school head.

The researcher prepared the questionnaires based on the total number of selected school heads in every District. The researcher personally distributed the questionnaires and were retrieved a week after. The retrieval of the research instrument was thru channel of the District Supervisor who in turn gave it to the researcher.

Measures were undertaken to ensure the confidentiality of information gathered especially on the level of financial management competence of school heads. The data gathered were tabulated in Microsoft Excel and the Statistical Package for Social Sciences (SPSS) was used to analyse the data.

3.7 Method of Scoring and Interpretation

To facilitate the accurate scoring and interpretation of findings, the following scales will be utilized.

The following ranges and corresponding descriptions will be utilized in scoring the data pertaining to the personal profile of school heads in public elementary and secondary schools.

Table 2 The age of the respondents will be categorized and interpreted

Range	Description
51 years and above	Above Middle Age
36-50 years old	Middle Age
35 years and below	Young

Sex. This variable will be categorized as Male and female.

3.7.1 Civil Status

This will be categorized as Single, Married, Separated, widow and widower

3.7.2 Educational Attainment

The educational attainment of school heads will be categorized as follows:

- Doctorate Degree
- Master's Degree with CAR/Units in Ph.D.
- Master's Degree
- Bachelor' Degree with CAR/MA units Bachelor's Degree

3.7.3 Years of Experience

The number of years of experience as school head will be categorized as follows:

Table 3 The number of years of experience as school head categorized and interpreted

Range	Qualitative Description
7-10 years above	Experienced
5-6 years	Mid-Career
3-4 years	Novice
2 years	Neophyte

3.7.4 Family Income

The monthly family income of school heads will be categorized as follows:

Table 4 The monthly family income of school heads will be categorized and interpreted

Range	Qualitative Description
50,001 and above	Very High
40,001- 50,000	High
30,001-40,000	Average
20,001-30,000	Low
20,000 below	Very Low

3.7.5 Position/Designation

The designation/position of school heads will be categorized as follows:

- Principal I-IV

- Head Teacher I-IV
- Teacher In-Charge (with S.O from Div. Office)
- Officer In-Charge (with S.O from Div. Office)

3.7.6 Training Attended Related to Financial Literacy

The training attended related to financial literacy among school heads in Leyte Division will be categorized as follows.

Table 5 The training attended related to financial literacy among school heads in Leyte Division will be categorized and interpreted

Days	Qualitative Description
7-10 & above	Very Highly Trained
4-6	Highly Trained
1-3	Moderately Trained
1-3	Fairly Trained
0	Not Trained

3.7.7 Level of Financial Management Competence of School Heads

The level of financial management competence of school heads in term of budgeting, accounting, procurement, and asset management in Leyte Division will be categorized and interpreted as follows:

Table 6 The level of financial management competence of school heads in term of budgeting, accounting, procurement, and asset management in Leyte Division will be categorized and interpreted

Range	Qualitative Description
4.51-5.00	Very Competent
3.51- 4.50	Competent
2.51- 3.00	Moderately Competent
1.51- 2.50	Less Competent
1.00-1.50	Incompetent

3.7.8 National Achievement Test (NAT) MPS

The school performance can be categorized as follows;

Table 7 The school performance will be categorized and interpreted

Range	Qualitative Description
96%-100%	Mastered
86%-95%	Moving Towards Mastery
66%-85%	Moderately Competent
35%-65%	Average
15%-34%	Low
5%-14%	Very Low
0%-4%	Absolutely No Mastery

3.7.9 Total Number of Enrolment

The total number of enrolments in school can be categorized as follows;

Table 8 The total number of enrolments will be categorized and interpreted

Range	Qualitative Description
300 & above	Big School
299 below	Small School

3.7.10 Total Number of Teachers

The total number of teachers can be categorized as follows;

Table 9 The total number of teachers will be categorized and interpreted

Range	Qualitative Description
10 & above	Big
9 below	Small

3.7.11 School Funds

The MOOE, SBM, SBRMS, SEF, PTA and Brigada Eskwela school funds can be categorized as follows;

Table 10 The MOOE, SBM, SBRMS, SEF, PTA and Brigada Eskwela school funds will be categorized and interpreted

Range	Qualitative Description
40,001 and above	Very High
30,001- 40,000	High
20,001-30,000	Average
10,001-20,000	Low
10,000 below	Very Low

3.8 Statistical Analysis

To analyze the data gathered on the profile variables of the school heads and school profile in the Division of Leyte, frequency counts and percentages will be employed.

To measure the level of financial management competence of school heads in term of budgeting, accounting, procurement and asset management, frequency counts and computation of the means will be utilized.

To test if there is a significant relationship between the financial management competence of school heads and profile variables, t-test and ANOVA will be used.

To establish significant relationship between school's performance and financial management competence of school heads, Pearson's Product Moment Correlation Coefficient and Eta correlation will be used using the Statistical Package for Social Science (SPSS). The null hypotheses will be tested at the 0.05 level of significance.

4 Conclusion

The study found that to maintain school financial management competence, school heads should refer to the Financial Management Manual, intensify training, involve planning teams, and practice effective budgeting, accounting,

procurement, and asset management. The study of financial management is important not just to the school but to society as a whole because it enables leaders to raise and distribute funds, make critical financial choices, and maintain the financial stability of the organization.

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