

Need for Effective Leaders in Financial Management in Public Secondary Schools to Eradicate Poverty in Tanzania “Sub-Themes-Education Access and Quality”

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Abstract

The writer attempts to draw on good management of financial (compensation fees and grant capital offered by Government) in well-performing public schools, which accommodate majority of students from poor and rich families; to illustrate the role and outcome of financial management leaders in public secondary schools on how can lead to changes of reducing and ending poverty from youth generation, who are in secondary school through attaining modern teaching and learning materials. The authors advocates the need for leaders managing financial resources effectively in public secondary schools, so that can help Society and nation to end poverty through using financial guideline, capacity building, professional development, control system, financial monitored by board of schools, head of schools to prepare plan and school budget as tool financial management. Also the authors addressed barriers which faced strategies of financial management are inadequate strategic plan to resolve problem, inadequate knowledge and skills, leave decision to the head of schools, inadequate of committed heads, inadequate of operational money, interferences of politicians final authors come up with remedies that training of educational leaders about financial management and employee professional in finance to help head of schools. Scholar on basing on the literature findings from other scholars' works, public secondary school leaders who are responsible in financial management in fifth government in Tanzania need training for doing well in financial management because they are not well off in financial management. Scholar recommends that School leaders 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 workshop, seminars, attending Conferences which will keep them updated on any emerging issues.

Keywords: Effective leaders, financial management, public school and poverty

1. Introduction

The purpose of this theoretical paper/review paper is to explain about the need for effective leaders in financial management in public secondary schools to eradicate poverty in Tanzania with the intention of looking education access and quality. Poverty eradication is first among of seventeen sustainable development goals in Tanzania.

As a member of the United Nations, the United Republic of Tanzania has endorsed Agenda 2030 for Sustainable Development and the 17 Sustainable Development Goals which are zero hunger, Good health and well-being, Quality education, Gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, Reduced inequality, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on water, peace, justice and strong institutions, partnership for goals (UN report, 2019).

According to Gitman (2003), finance is the art and the science of managing money and is concerned with the process, institutions, markets and instruments involved in the transfer of money among individuals, institutions (including schools) and governments. According to Oosthuizen (2003), financial management in education is the distribution and use of money for the purpose of providing educational services and producing learner achievement. Financial management in contemporary education management aims to: Mobilize allocation and expenditure. The school heads are responsible for efficient and effective management of school finances in order to promote delivery of services (Munge, Kimani and Ngugi, 2016).

Nowak and Dahal (2016) argued that, lack of adequate management of capital and human resources, developing countries often fail to exploit their natural resources. Todaro and Smith (2015) pointed out the lack of skilled manpower in developing economies as one of the constraints for development. Drucker (1974) observed that a country is underdeveloped because it is undermanaged and unexpectedly, management has become a critical constraint in the underdeveloped countries. Effective financial management in public secondary schools is necessary thing because it brings conducive environment for learning for students due to presence of enough teaching and learning materials which enhance good output and outcome for economic development.

During the twentieth century, education, skills, and the acquisition of knowledge have become crucial determinants of a person's and a nation's productivity. Educating is probably the single most effective investment a developing country. Countries in the Middle East are increasingly integrated in world markets for manufactured goods. Their ability to compete in these markets and in globalizing service markets will depend on the excellence of human capital they bring to the competition (Ilhan, 2001). No country has achieved constant economic development without considerable investment in human capital and this it will succeed through giving quality education by effective management of financial management in secondary schools.

The United Republic of Tanzania espouses the socio-economic transformation of the country to a middle income semi- industrialized country. This is enshrined in the Tanzania Development Vision 2025 and the Zanzibar Development Vision 2020 with attributes including zero abject poverty, high quality livelihoods, a learning society and competitive industrial sector (VNR, 2019).

According to the World Bank (2017) Tanzania's population of 53 millions is estimated to grow at an annual rate of 3%. This coupled with an urbanization rate of 30%, has resulted in increased consumer and credit demand. An increased population will also trigger increased demand for social amenities and infrastructure. Tanzania's economic growth is expected to average 6.2% between 2017 and 2026. The growth is underpinned by infrastructure development and a growing consumer base. Heavy infrastructure investment into rail, port and road is expected to be one of the main drivers of Gross Domestic Product (GDP) growth between 2017 and 2026. BMI forecasts the real growth of fixed capital formation to average 7.1% within this period. The increased investment in infrastructure is expected to widen the trade deficit between 2017 and 2018. It is also expected to weigh in on the Tanzanian currency as demand for capital imports increases. Macroeconomic performance Real GDP growth was an estimated 6.7% in 2018, down from 7.1% in 2017. The services sector was the main contributor to GDP (39.3%). Private investment was the main demand-side contributor (63.9%). The external sector stymied economic growth as the current account deficit increased (despite the real depreciation of the Tanzanian shilling), due to a higher volume of imports in 2018 than in 2017. The increase is due largely to increased imports of transport equipment, building and construction materials, industrial raw materials, and petroleum products for large public investment projects, such as the Standard Gauge Railway. The import bill also increased as a result of the rise in the price of key commodities, such as crude oil (African Development Bank, 2019).

2. Statement of the Problem

Management of school finances is one of the core responsibilities of the school head. School finances have to be managed properly for the school to benefit from them. And yet there is an outcry that school heads are misappropriating funds and in the process disadvantaging the schools particularly the learners (Amos, & Koda, 2018). As Ndlovu (2013) posits, although some criminal elements amongst the heads are responsible for the misuse of school funds, in the majority of cases, heads fail to account for finances due to lack of financial background and expertise on financial matters. Financial management remains a challenge in many schools because most managers lack proper training (Thenga, 2012). According to (Maliposa, Ncube, Tshabalala and Khosa, 2016). There are many principals and school governing board members who lack the necessary financial knowledge and skills and are placed under tremendous pressure because they are unable to work out practical solutions to problems.

3. Theoretical Analysis

There is evidence that in developed countries, those with higher financial literacy are better able to manage their money, participate in the stock market and perform better on their portfolio choices, and that they are more likely to choose mutual funds with lower fees (Clark, Lusardi and Mitchell, 2017).

The education leaders are not active in financial management which led mismanagement of school fund. In India (Education audit report 2007) found out that mismanagement still occur in schools due to lack of adherence to guidelines like; Procurement without tender, non-maintenance of records, irregular assignments and avoidable expenditure. New Zealand office of the AG- education Audit (2012) In the case of the New York School District, at least \$11.2 million of public funds were misappropriated for the benefit of individuals employed by the district. Among the items purchased or paid for with the district's resources were private mortgages and loans, unauthorized salaries and personal benefits (Nasieuku and Wairima, 2019).

Robbins, Bernard, and Jack, (2018) declared that, financial management challenges facing newly appointed head teachers in public day secondary schools in Siaya sub-county, Kenya Findings reveal that the newly appointed head teachers faced procurement challenges. The study concludes that head teachers were facing serious challenges like school debt, lack of financial resources, frequent changes in policy, poor procurement procedures, doubling roles by the head teachers, lack of financial resources, skewed tendering, delay in financial secondary education funds and influence from other stakeholders.

Kenya Education Management Institute has been inducting Secondary school Head teachers on financial management skills, some Principals are still involved in financial mismanagement through: misappropriation, misallocation and embezzlement of school meager financial resources. In addition there has been unprecedented continuous poor students' academic performance in national examinations especially in schools with poorly managed finances leading to outcry from stakeholders (Phylisters, Mulwa and Kyalo, 2018).

Management of Secondary School finances in Tanzania has been a challenging activity to most of the Heads of Schools in last ten years (Edmund and Lymtane, 2018). This is especially when the Government of Tanzania embarked on massive programs; the Primary Education Development Program (PEDP) and Secondary Education Development Program (SEDP) which started in 2002 following the elimination of school fees. Problems associated with financial management, This constitutes management problem, which to a large extent results to shortage of teaching aids, seats, desks, labour tools. These are negative effect of financial mismanagement in secondary schools. Mgeni(2015) reveal that head of school are not aware about effective implementation of the school budget.

Hakielimu (2012) argue that, financial analyses in which resources were used to purchase some books and a number of books purchased show there were some schools financial data that was compromised. Example Ntuzu secondary school at Bariadi district spent 3,800,000/=Tsh to buy

70 books implying that the price was 54,286/=Tsh per book, Serengeti secondary school at Serengeti district spent 13,000,000/=Tsh implying the price was 43,333Tsh per book, more over PanganiAbushiri secondary school spent 5,083,000 to buy 167 books implying the price was 30,437/=Tsh per book.

4. Strategies Taken to Remove Financial Management Problem

4.1 Guideline of financial management are provided to the head of schools

According to Edmund and Lyamtane(2018) argued that, the purpose of these guidelines is to enable those who will be involved in the day to day activities of the SEDP perform their duties in an orderly manner, transparently, effectively and efficiently while at the same time providing the necessary information for effective decision making. Application controls are controls over procedures and individual transactions. Traditionally, there was no formal set of guidelines on internal control procedures available to all schools. To this end, the guidelines outlined in this manual are designed to assist schools to put in place a control procedure which addresses such areas as.

The Education act 28/12/2015 gives directives on using the capitation grants, food money and tuition fees for secondary education of governments plan to implement free Education. The use of the compensation fee is as follows; the general use of the office includes the cost of identification card, diary, lesson plan, security, and electricity, water, and subsistence funds. (less than 10 percent of those funds), operation of professionals include rims of paper, chalk, grants, quality education and operating contributions, Extensive examinations involve weekly, monthly, seminar and mock tests(URT,2015).A good accounting system which includes procedures to identify, assemble, classify, calculate, analyses, record, summarize and report the transactions. A standardized accounting and reporting system will ensure that all transactions are recorded, reported and monitored (financial support service unit, 2006).

4.2 Capacity building

Capacity building, which is a process of devising and implementing empowerment strategies for conceptualising, running, monitoring and sustaining a programme or set of objectives in a self-reliant manner(Mosha,2006). School Leadership meetings, many countries have emphasized the importance of involving social partners in order to move workforce reform forward. On the other hand, stakeholder groups should not be able to block important reforms that are mandated through democratic process (OECD, 2005). In order to find the right balance, it is essential to engage in ongoing and open dialogue between school leaders and their representation and policy makers. Capacity building goes beyond staff training or development it involves removing fear, cultural transformation, mobilization, national assessment.

4.3 Professional development in finance

In a number of countries school leaders' professional organizations play a very active role in providing training and development opportunities to professionals. In Ireland, two professional associations have been set up over the past decade to provide advice, support and training for principals. In the Netherlands, the general Association of School Leaders (AVS) has taken the initiative to establish the Netherlands School Leaders Academy, an organization that stimulates and monitors the quality and professionalism of school leaders in basic education. In Australia, the four Australian principals' associations own a national professional development body, which delivers a range of professional development programmes and initiatives on behalf of the professional associations.(OEC,2008).

4.4 Control system

Mgand.,Mathuva and Egondi (2017) declared that, financial control practices such as Cash purchases restrictions, Petty cash limits, Budget restrictions, Expenditure authorization and financial management committees were found to influence the capability of principal's financial management in public secondary schools .FFARS will help in planning, budgeting, and reporting revenue across multiple levels of government, FFARS serves as an accounting and reporting system for facilities such as schools and health centers, where funding for public services is increasingly being managed(Us-embassy in Tanzania open page,2017).

Also;Financial management Performance appraisal of school leaders can play an important role in identifying areas of needed improvement and providing targeted support to develop school leadership and improve practice. While most countries have performance appraisal processes, many report concerns about the scarcity of sound tools and mechanisms to best monitor and assess leaders' performance electing balanced school board (2016). The experience of a school principal helps them to acquire resource mobilization and management skills which include: management of cash receipts, payments and safeguarding cash balances (Phylisters, Mulwa and Kyalo,2018).

4.5 Financial management monitored by school Boards of Management

The school board is responsible for approving school development plans and budgets, and overseeing their implementation, advising District Secondary Education Officer on schools management and Demanding, on a regular basis, accountability for students' performance and deliberating on quarterly school performance reports (both financial and physical) (URT,2008).Financial support services unit(2006) argued that, Trustees bear ultimate responsibility for the operation of the schools and devolve power to the Boards of Management including certain financial functions.

4.6 To prepare School plan and Budget documents tool

According Amirize and Ololube(2018)support that, principals of the schools should be responsible for the preparations of the budgetdocument. However, the head teachers need to consult the other relevant authorities and department and government guideline. Heads of

Schools implement the procedures in managing School finances is not encouraging and does not adhere to the financial guidelines given by the Government (Edmund&Lyamtane,2018).

5. Barriers Facing the in Improving Financial Management

5.1 Inadequate of strategic plan to end problem of financial management in secondary schools

However, the advice alone without stepwise induction and training of the principals on formulation and subsequent implementation of ministry activities it will be difficult to in our nation to resolve the problem. Formulating a consistent strategic plan is a difficult task for any management team. Making that strategy for resolving the problem may after 15 years or 20 years work implementing (Hrebiniak, 2006).

According to Amirize and Ololube (2018) add that, planning of school finances usually starts with the preparation of a budget which describes the statement of the school expressed in monetary terms. A budget is an estimate of income and expenditure for a set period of time. It is therefore a planning which contributes in a constructive way towards preventing the disruption of educational programmes as a result of insufficient or exhausted resources. Therefore, for there to be an efficient planning and management of funds in schools, there is need for proper and correct record keeping. Schools should keep records of all financial transactions and dealings which are to be made available any time they may be requested to do so. A qualified accountant should be appointed by the principal to manage the accounts (funds) of the school for efficiency.

5.2 Leave decision making to the head

According to Edmund and Lyamtane (2018) argued that, School board in Tanzania does not approve School financial documents like annual School budget, School plans and all financial reports. This implies therefore that Schools uses some of the financial to implement School plans and School budget without the approval of the School board as the directions from the Government guidelines states as results it may lead to the poor financial management of the School funds. Maliposa,Ncube,Tshabalala and Khosa (2016) add that School boardleaving the head to make decisions alone since he/she is at school and experiences the pressures that require speedy decisions for the benefit of the school and have very little time to spend in the school.

It emerged that school development committees were there to perform the ritual of endorsing what the head thought was good for the school Most cases, members of the school development committee are known friends of the head who have been in their positions for many years and some gullible parents think that it is pointless to challenge them during elections to choose new school board. Karlson (2002) argues that heads still play a dominant role in meetings and decision-making during school development committee meetings and yet their role should just be in an advisory capacity since the law states that they are just ex-officio members of the school board. Chikoko (2008) argues, most heads of schools and members of school development

committees are not experts on financial management issues and as a result, some heads find themselves discharged from service due to ignorance rather than criminal behavior.

5.3 Inadequate of committed leaders in school financial Management

Phylisters, Mulwa and Kyalo,(2018) Although the Kenya Education Management Institute has been inducting Secondary school Head teachers on financial management skills, some Principals are still involved in financial mismanagement through: misappropriation, misallocation and embezzlement of school meager financial resources. In addition there has been unprecedented continuous poor students' academic performance in national examinations especially in schools with poorly managed finances leading to outcry from stakeholders.

5.5 Inadequate operational money

Ministry of education does not have funds to conduct workshops or to carry out visits to provide guidance to heads; but when cases of embezzlement or misappropriation of funds are reported, funds for an entire team from the Ministry to travel across the district suddenly become available (UNICEF,2018). Without effective strategic planning, leaders in the ministry of education and local government, regions, district, ward and school will be involved in crisis management, spending their time putting out fires instead of lighting fires of passion of universal basic education (ECRA, 2015 and URT,2017).

5.5 Politician influence on financial management

The principal is no longer able to see him/herself as the authority. Instead the principal must become a coordinator of a number of people representing different interest groups, such as the School board, educators, learners who together will determine the direction the school will follow. Uncertainty is a key channel through which political factors affect financial management. During periods that feature politicians affect system to serve voters, the uncertainties associated with possible changes in government policies and in the macro- environment may dramatically increase capital management participants' risk perception (Zhang and Dai, 2019).

5.6 Inadequate skills and knowledge in budget preparation

For proper management of resources to achieve the educational objective in schools, Okumbe (1998) states that, education managers must draw a budget to establish priorities of the organization. According to Aliyu(2018) add that, the problem of shortage of qualified teachers and lack of instructional facilities do not exclusively rest on funding as often depicted, rather the problems are made complex due to poor management.

6. Remedies of Effective Leaders in Public Secondary Schools

6.1 Training of educational leaders in financial management

Miriti and Wangui (2014) Argued that school head should improve financial management in the through training and it is a need of public secondary school principals or head in Machakos County. Also Maliposa,Ncube,Tshabalala and Khosa (2016) add that, heads needed some

intensive in-service courses on financial management issues particularly the newly promoted heads whose only experience was classroom management. Similarly According to Naido(2019) add that, Head of school face the daily task of creating conducive learning environments in their schools. Assert that principals be provided with the necessary knowledge, skills, values, and attitudes to enable them to cope with a dynamic and ever-changing educational environment.

6.2 Employments of professional in financial management to assist the head of school

Most of the Heads of Schools perform poorly in managing the School financial reports which is an indication that there is ineffective management of the School funds. So employment of the qualified School accountant is of great important to the Schools (Edmund and Lymtane, 2018).

6.3 Recommendation and conclusion

The Ministry of education, science and technology and Ministry of president office, Regional Administration and local government (PO-RALG) should periodically monitor the way how heads conduct selection or appointment of school Board members to make sure that they use proper procedures before approved by Regional Administrative secretary (RAS). There is a need to develop a simple user friendly template that would be easily understood by both heads and members of the school board about financial management utilization and how to audit expenditure.

Schools should also be required to submit monthly or termly financial reports to the district treasury (DT) or District Chief Accountant can analyses and give feedback to schools not district education officer (DEO) because most of them they are not aware about financial management and is not part of qualifications of appointments Finally, from the study, it can be concluded that head financial literacy, strong financial policies and strong school board, influence their capability in financial management in public secondary schools.

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