

Financial Resource Management Practices by Provosts of Colleges of Agriculture in South-South and South-East Geopolitical Zones of Nigeria

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Abstract

This study sought to examine the financial resource management practices of Provosts in Colleges of Agriculture in South-South and South-East Zone of Nigeria. The study was guided by three research questions and adopted a survey design. A structured questionnaire was subjected to validation by three validates, with a reliability index of 0.72 and used to collect data from all the 67 heads of departments and 30 senior bursary staff (five each, were purposively sampled) from the six colleges of agriculture under study. Mean scores were used to answer the research questions. Findings of the study revealed that Provosts generate funds through external and internal sources, frequently make financial reports, and consultation with sub-administrators for financial decision making, among others. The study also revealed that problems associated with management of financial resources in colleges of agriculture are long procurement procedures, late disbursement of funds, poor income from research, consultation, and teaching activities. The paper offered some recommendations and concluded that the application of good financial management practices by Provosts of colleges of agriculture would ensure the proper management of scarce finances in colleges of agriculture in South-South and South-Eastern Nigeria.

KEYWORDS: financial resources, management practices, colleges of agriculture.

Introduction

Higher institutions (such as universities, polytechnics, colleges of agriculture and colleges of education, among others) are viewed as agents of social change and national development. According to Tawari and Okoroma in Lateef (2010), quality education at any level is a function of adequate funding and finance management. The authors asserted further that inadequate funding and ineptitude in administrative and financial management practices are very stiff oppositions to educational entrepreneurship. This implies that for probable sustainability of our higher institution including colleges of agriculture, Provosts are expected to engage in effective financial management practices in the colleges.

Financial management according to Meredith (2003) is concerned with all areas of management, which involve not only the sources and uses of finance in institutions or colleges, but also the financial implications of investment, production or personnel decisions and the total performance of the institution. Nnabuo, Okorie, and Agabi, (2008) explained financial management to mean

planning, organizing, directing and controlling financial activities such as procurement and utilization of funds of an institution. This implies that in any organization or institution, if the financial management practices are weak, success is hardly achieved. Therefore, financial resource management in the context of this study is the process whereby Provosts of colleges of agriculture plan a budget, and allocate financial resources through approved criteria and monitor the resources allocated for the attainment of the objectives of colleges of agriculture. There is need for Provosts in colleges of agriculture to adopt effective financial management practices as Kawame (2010) stated that, the main causes of failure for business enterprises (including educational institutions) are careless financial management practices.

Financial management practices according to Pandy (1995) are those managerial processes or activities concerned with the planning and controlling of a system's functional resources. Similarly, Ogbonnaya (2005) sees financial management practice as an act of planning and controlling financial resources as well as generation and allocation of fund to achieve some purposes. Clarke (2007) maintained that success in the financial management of educational activities can enhance the schools' ability to provide improved educational services. The common factor in these definitions of financial management practice is that a connection is made between the management tasks and the financial aspects of a school. Therefore, financial resource management practices in this study is defined as a body of facts, strategies, principles and theories that deals with the raising and using of fund adopted and followed by Provosts of colleges of agriculture in South-South and South-East Nigeria.

Some of these financial management practices Mohd, Harif, Osman, and Hoe (2010) identified as; financial planning and control, financial accounting, financial analysis, management accounting, capital budgeting and working capital management. In line with the above, Deresse and Prabhakana (2012) asserted that financial management practices in an institution should include: cost accounting, computer financial record keeping, frequent financial reports, auditing and interpretation of financial performance, regular inventory, as well as consultation with sub-administrators for financial decision making. Similarly, the Blue Book (2013) defined financial management practices to include accurate, current, and complete disclosure of the financial condition of each federal aid program or project sponsored by external bodies, accounting records that are supported by audit trail documentation, and identify the source and application of funds, as well as effective control over and accountability for all funds, property, and other assets used solely for authorized purposes. The implication of the above is that the management of school finances involves the task of planning (budgeting), organizing (coordinating), leading (communicating and motivating), as well as controlling (auditing) for objectives attainment. The focal point of financial management at any level, organization or institution, is the raising and mobilization of funds effectively, as to achieve some designed objectives. Therefore, colleges of agriculture in South-South and South-East Nigeria are no exception.

Colleges of Agriculture are institutions that prepare students for careers in all aspects of food and agricultural system (Houghton, 2009). According to Agbulu (2006) college of agriculture is a system of education that equips and provides human resource needs at the junior and senior technical levels operating different training programmes. Colleges of agriculture like other educational institutions run expensive social services that require adequate financial provisions from all tiers of government for a successful implementation of their programmes. The Federal Republic of Nigeria (FRN, 2004) stipulated the objectives of colleges of agriculture as to: produce knowledgeable personnel in adequate number to be effective in technology transfer at farmer's level; equip the trainees to function efficiently in the ministries, research institutions

and similar organizations; equip the trainees with adequate knowledge to understand, adopt, utilize, demonstrate and transfer the technologies acquired; and to prepare the trainees for farming as a career.

However, the realization of the aforementioned objectives rest on the availability of financial resources and the management practices adopted by Provosts of Colleges of Agriculture for the implementation of their programmes. According to Babatunde (2003), heads of higher institutions could source for fund to finance their institution through: government support (subvention), tuition and fees, gifts, grants and endowments, investment income, auxiliaries (parents and alumni association) consultancies and research activities. Others the author mentioned include; community participation, scholarship/bursary scheme, loan scheme, among others. This implies that for effective flow of programmes in educational institutions such as colleges of agriculture, administrators are expected to adopt some of the aforementioned financial management practices. Onyedimma (2001) investigated financial management practices of federal and state tertiary institutions in Rivers State. The findings indicated that government subvention, school fees endowments, among others, were sources of funds for the institutions; but inadequate funds mar financial management practices in the institutions. Similarly, Eze (2006) examined the management of funds in federal and state colleges of education in South-Eastern zone of Nigeria. The study found out that sources of funds include monthly grants, students' fees, renting of business places, among others. The study also found out that Provosts and Bursars do defend their budgets, and report financial records. But inadequate funds, embezzlement, misappropriation, among others, were spotted as financial management problems. Also, Ajileye and Ikegwuru (2011) in a study on Financial Resource Management Capacity of Public Secondary School Administrators in Ondo State, Nigeria; found that principals make budgets and allow other staff to contribute in decisions about finance, as well as advocate for funds. However, the extent of adoption of financial management practices in colleges of agriculture has not been verified to aid in decision making. Therefore, there is need to investigate financial management practices by Provosts of colleges of agriculture in South-South and South-East zone in Nigeria.

Problem

Provosts of Colleges of Agriculture are expected to judiciously adopt effective financial resource management practices to achieve the objectives of the college. Unfortunately, focused group discussion with stakeholders in the area of study showed that there has been a lot of allegations of mismanagement and embezzlement of school funds leveled against the college administrators. Also, students of the colleges complain of poor and dilapidating infrastructures as well as unavailability of instructional facilities. The citizens in the zones are of the view that the administration in the colleges lack the culture of effective financial records, routine budgeting, funds sourcing among others; while the school administration think they are doing well. These differences in opinions by the management of the colleges and other stakeholders makes it imperative to investigate the financial resource management practices of Provosts in colleges of agriculture in South-South and South-East zone of Nigeria.

Purpose of the study

This study aims to investigate the financial resources management practices by Provosts of colleges of agriculture in South-South and South-East zone of Nigeria. Specifically, the study seeks to determine: the sources of fund generated by Provosts in the colleges; (ii) the management practices adopted by Provosts to manage the funds; and (iii) the problems

associated with the management of funds in colleges of agriculture in South-South and South-East Nigeria.

Research Questions

1. What are the sources of funds generated by Provosts of colleges of agriculture in South-South and South-East Nigeria?
2. What management practices are adopted by Provosts in the management of available finance in the colleges of agriculture?
3. What are the problems associated with financial management practices in colleges of agriculture in South-South and South-East Nigeria?

Hypotheses

1. There is no significant difference in the mean rating of the responses of heads of department and senior bursary staff on the sources of funds generated by Provosts of colleges of agriculture in South-South and South-East Nigeria
2. There is no significant difference in the mean rating of the responses of heads of department and senior bursary staff on the management practices adopted by Provosts of colleges of agriculture in the management of available finance in the colleges
3. There is no significant difference in the mean rating of the responses of heads of department and senior bursary staff on the problems associated with financial management practices in colleges of agriculture in South-South and South-East Nigeria.

Methods

The study adopted survey design. Survey research design in the view of Anyakaoha (2009) is the use of questionnaire, interview and observation among others to determine opinions, attitude, performances and perceptions of persons. The design is considered appropriate since the study obtained data from Senior Staff of Bursary Department and Heads of Departments of the Colleges of Agriculture in South-South and South-East zone in Nigeria. There are 6 colleges of agriculture in the zones.

The target population is 67 Heads of Department and 30 Senior Bursary Staff were purposively sampled from the colleges of agriculture under study. The instrument for data collection was a well structured questionnaire made up of 28 items. The instrument was subjected to face validation by three validates, one each from Bursary Department of the University of Nigeria, Nsukka; Head of Department of Crop Production, University of Calabar, Calabar; and Head of a Department of Vocational Teacher Education, University of Nigeria, Nsukka. The reliability of the instrument was determined using Cronbach Alpha reliability method and internal consistency of the instruments was found to be 0.72.

The 97 copies of questionnaire were administered and retrieved by the researcher with the help of research assistants. The data collected were analyzed using mean and standard deviation to answer the research questions while the t-test statistics was used to test the null hypotheses at 0.05 level of significance. A four point response option was adopted for the questionnaire as follows: Strongly Agree (4), Agree (3), Disagree (2), and Strongly Disagree (1). The mean value of 2.50 and above was regarded as agreed item by the respondents, while any item with a mean rating below 2.50 was regarded as an item which the respondents disagreed upon.

The null hypotheses of no significant difference was accepted for any item where the t-cal value was less than t-tab value at probability of $P < 0.05$ level of significance at 95 degree of freedom, while it was rejected for any item whose t-cal value was greater than the t-tab value at $P < 0.05$ level of significance at the relevant degree of freedom for the hypotheses.

Results

The results of the study were obtained on data analysis and presented in tables 1-3 below. Each table addressed both research questions and the hypotheses that guided the study.

Research question 1,

What are the sources of fund generated by Provosts of colleges of agriculture in south-south Nigeria?

Table 1: Mean Scores and t-test Analysis of the Responses of Heads of Department and Senior Bursary Staff of Colleges of Agriculture on the Sources of Finance Generated by Provosts for The Management of Colleges of Agriculture in the Area of the Study

S/N	ITEM STATEMENT	X ₁	X ₂	\bar{X}	SD	t-cal	t-tab	Decision
1	Statutory allocation from government	3.33	2.97	3.15	0.79	1.10	1.66	NS
2	Endowment funds	2.76	2.68	2.72	0.99	1.09	„	„
3	Foreign grants	3.68	3.15	3.42	0.84	1.16	„	„
4	Renting of school halls and theatre for public functions	3.08	3.53	3.13	0.77	1.30	„	„
5	School medical laboratory services	2.80	2.59	2.70	0.68	0.78	„	„
6	Alumni Association levy	2.44	3.30	2.87	0.87	1.20	„	„
7	Funds from renting staff quarters	3.92	3.45	3.69	1.07	0.93	„	„
8	College bookshop	2.63	3.00	2.82	0.81	0.77	„	„
9	Loan scheme	3.31	3.47	3.39	0.86	1.12	„	„
10	Research activities	2.87	3.13	3.00	1.08	0.85	„	„

\bar{X} =Pull Mean, X₁= Heads of Department, X₂= Senior Bursary Staff, NS=Not Significant, SD=standard deviation, t-cal=calculated value, t-tab=table value

Data in Table 1 indicated that all the 10 items have a mean ranged from 2.70-3.69. This implies that the means were above 2.50, indicating that the items are agreed upon by the respondents as sources of finance generated by Provosts for the management of colleges of agriculture in South-South and South-East zones of Nigeria. The standard deviation of all the 10 items ranged from 0.68-1.08. This indicated that the respondents were not far from each other in their responses. Therefore, it is an added validity to the value of the means of the items.

Hypothesis 1:

Table 1 also revealed that each of the 10 items had calculated t-values ranging from 0.77-1.30, which are less than the table t-value of 1.66 at $p < 0.05$ level of significance and 95 degree of freedom. This indicated that there was no significant difference between the mean responses of heads of department and senior staff of bursary department on sources of finance generated by

Provosts for the management of colleges of agriculture in the study area. Therefore, the null hypothesis of no significant difference was upheld.

Research question 2

What management practices are adopted by Provosts in the management of available finance in the colleges?

Table 2: Mean Scores and t-test of the Responses of Heads of Department and Senior Bursary Staff of Colleges of Agriculture on Management Practices Adopted by Provosts in the Management of Available Finance in the College in the Area of the Study. (df=95)

S/N	ITEM STATEMENT	X ₁	X ₂	\bar{X}	SD	t-cal	t-tab	Decision
1	Budgets proposal are made and defended before approval every session	3.51	3.45	3.48	0.97	1.07	1.66	NS
2	Funds are allocated rationally to various departments	2.68	3.49	3.09	0.70	1.03	„	„
3	There is efficient and effective department of internal audit	3.59	2.77	3.18	1.10	1.11	„	„
4	All financial items and expenditures are well recorded in ledgers	3.38	2.58	2.98	0.96	1.01	„	„
5	Payment of contract money is based strictly on completion of the contract as to avoid fraud	3.42	3.32	3.37	0.88	1.03	„	„
6	Financial reports are given frequently	2.62	3.39	2.73	0.71	1.16	„	„
7	Heads of department do defend their budgets	3.43	2.85	3.14	1.00	0.66	„	„
8	There is regular consultation with sub-administrators for financial decision making	2.78	2.80	2.79	0.74	0.89	„	„
9	Financial records are kept electronically	3.44	3.11	3.28	0.85	1.33	„	„
10	Accurate, current, and complete disclosure of the financial condition of each federal aid program or project sponsored by external bodies	2.66	2.93	2.80	0.96	1.20	„	„
11	Accounting records that are supported by audit trail documentation	2.81	2.66	2.74	0.78	0.95	„	„
12	Adequate identification of source and application of funds	3.38	3.06	3.22	0.76	1.09	„	„
13	Control over and accountability for all funds, property, and other assets used solely for authorized purposes	3.66	2.92	3.29	0.45	0.93	„	„

\bar{X} =Pull Mean, X₁= Heads of Department, X₂= Senior Bursary Staff, NS=Not Significant, SD=standard deviation, t-cal=calculated value, t-tab=table value

Table 2 revealed that all the items have mean values ranging from 2.73-3.48. This shows that the means were above the cut-off point of 2.50, indicating that the respondents agreed to the items as management practices adopted by Provosts in the management of available finance in colleges of agriculture in the study area. Table 2 also shows that the standard deviation ranged from 145-110. This indicates that the respondents were not too far from the mean and opinions of each other on the management practices adopted by Provosts in the management of available finance in colleges of agriculture in South-South and South-East Nigeria.

Hypothesis 2

Table 2 revealed further that all the 13 items had t-calculated values ranging from 0.66-1.33 which are less than the t-table value. This indicated that there was no significant difference in the mean scores of the responses of the two groups of respondents on management practices adopted by Provosts in the management of available finance in colleges of agriculture in the study area. Therefore, the null hypothesis of no significant difference was upheld.

Research question 3

What are the problems associated with financial management practices in colleges of agriculture in South-South and South-East Nigeria?

Table 3: Mean Scores and t-test Analysis of the Responses of Heads of Department and Senior Bursary Staff on Problems Associated with Financial Management Practices in Colleges of Agriculture in the Study Area (df=95)

S/N	ITEM STATEMENT	X ₁	X ₂	\bar{X}	SD	t-cal	t-tab	Decision
1	Late disbursement of funds hinders effective financial management practices	3.67	2.45	3.06	0.97	0.96	1.66	NS
2	Ambiguity of strategic financing plans	2.55	3.53	3.04	0.69	0.78	„	„
3	Long procurement procedures	2.86	3.63	3.25	1.00	0.66	„	„
4	Insufficient funding from government	3.64	2.84	3.24	0.77	1.02	„	„
5	Internal and external political interference	3.56	3.22	3.39	0.82	0.86	„	„

\bar{X} =Pull Mean, X₁= Heads of Department, X₂= Senior Bursary Staff, NS=Not Significant, S=Significant, SD=standard deviation, t-cal=calculated value, t-tab=table value

Table 3 above shows that all the mean values ranged from 3.06-3.39. This implies that the means were above the cut-off point of 2.50, indicating that the respondents agreed to the items and are problems associated with financial management practices in colleges of agriculture in South-South and South-East Nigeria. Table 3 also shows standard deviation ranging from 0.77-1.00, indicating that the respondents were not too far from the opinions of each other in their responses

on problems associated with financial management practices in colleges of agriculture in South-South and South-East Nigeria.

Hypothesis 3

Table 3 revealed further that all the five items had t-calculated values ranging from 0.66-1.02 which are less than the t-table value. This indicates that there was no significant difference in the mean scores of the responses between the two groups on problems associated with financial management practices in colleges of agriculture in South-South and South-East Nigeria. Therefore, the null hypothesis of no significant difference was accepted for all the items.

Discussion of Results

Table 1 revealed that all the items on sources of finance are adopted by Provosts in generating fund for the management of colleges of agriculture in South-South and South-East Nigeria. Table 2 showed that Provosts do budget, record, allocate, and monitor, financial resources as financial management practices in the colleges studied. Finally, Table 3 revealed that Provosts of colleges of agriculture in South-South and South-East face some problems in raising and managing funds for financing the colleges. The study is in consonance with the findings of Onyedimma (2001) who investigated financial management practices of federal and state tertiary institutions in Rivers State. The findings indicated that government subvention, school fees endowments, among others, were sources of funds for the institutions. The study also revealed inadequate funds as problem that mars financial management practices in the institutions. Again, the study is also in conformity with the findings of Eze (2006) in a study to examine the management of funds in federal and state colleges of education in South-Eastern zone of Nigeria. The study found out that sources of funds include monthly grants, students' fees, renting of business places, among others. The study also found out that Provosts and Bursars do defend their budgets, and keep as well as report financial records. But inadequate funds, embezzlement, misappropriation, among others, were spotted as financial management problems.

The findings of this study were also in agreement with Ajileye and Ikegwuru (2011) in a study on Financial Resource Management Capacity of Public Secondary School Administrators in Ondo State, Nigeria; where it was found that principals make budgets and allow other staff to contribute in decisions about finance, as well as advocate for funds.

Conclusion and Recommendation

The study has shown that Provosts of colleges of agriculture adopted good financial management practices in South-South and South-East Nigeria. Yet, they still encounter some problems in managing finance in the colleges because bulk of the funds generated are from government; with too much protocols, delay and politics. This affects the financial management practices in the colleges. Therefore, it is recommended that provosts of colleges of agriculture should invest more on farming, workshops (such as craft) and creative activities (such as concerts). Other possible channels to invest in for more funds include research and consultancy.

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