



COST MANAGEMENT FOR THE ADMINISTRATION OF SECONDARY SCHOOLS IN RIVERS STATE

Edward, Patta, Ph.D.¹, Orji, Uzochukwu Williamson, Ph.D.²

¹Department of Educational Management, Faculty of Education, University of Port Harcourt

²Department of Educational Management, Faculty of Education, University of Port Harcourt

ABSTRACT

The study investigated cost management for the administration of secondary schools in Rivers State. Two research questions and two hypotheses guided the study. The design used for the study was descriptive survey. The population of the study comprised 253 secondary school principals while the sample of the study was 200 principals (79%) who were sampled for the study using stratified random sampling technique. The instrument used for data collection was questionnaire titled "Cost Management for Administration of Secondary Schools Questionnaire" (CMASSQ). The questionnaire was validated by two experts (one expert in the Department of Educational Management and one expert in the Department of Psychology, Guidance and Counselling), University of Port Harcourt. Pearson Product Moment Correlation co-efficient was used to estimate the reliability of the instrument with an index of 0.82. The questionnaire was personally administered by the researcher. Research questions were answered using mean and standard deviation while the hypotheses were tested using z-test at 0.05 level of significance. The findings of the study showed that accounting information techniques affects the administration of these schools and adequate financial records are adequately kept for the administration of the school. It was recommended that school administrators should be trained on modern and technological cost management techniques for the administration of secondary schools in Rivers State.

KEYWORDS: Cost, Management, Administration, Secondary, Rivers State

INTRODUCTION

The administration of education at any level requires careful planning if the goals and objectives of education must be achieved. One of the major factors that affect the administration of education is how cost and benefits are being managed for the satisfaction of the educational needs of stakeholders. The failure to do so can result to the wastage of educational resources as well as educational inefficiencies. Cost has been defined differently by many scholars of diverse disciplines. Accountants view cost in terms of amount that has been paid or given up in order to acquire goods or render services. In this perspective, cost includes all such business expenses that are recorded in the book of accounts of business firms (Asodike & Ebirim, 2016). According to Harorld (2015), cost is the amount (or the cash equivalent) given up for an asset. It includes all cost necessary to get an asset ready and in place for use. Similarly, costs are the monetary value of expenditures of supplies, services, labour, products, equipment and other items purchased for use by a business or other entity. However, managing of costs for the administration of any school system require the use of accounting principles and tools which is an aspect of cost accounting.

Cost accounting is a process of collecting, recording, classifying, analyzing, summarizing, allocating and evaluating various alternative courses of action and control of costs. Its goal is to advise the management on the most appropriate course of action based on cost efficiency and capability. Cost accounting provides the detailed cost information that management needs to control current operations and plan for the future. Since managers are making decisions only for their own organization, there is no need for the information to be comparable to similar information from other organizations. Instead, such information as stated by Carl (2008) must be relevant to a particular environment. Kenneth (2013) stated that cost accounting information is commonly used in financial accounting information, but its primary function is for managers to facilitate decision making, control cost, fix selling price, inventory control, cost reduction,



measurement of efficiency, preparation of budget, identify idle time and labour turnover, cost comparison as well as help in checking the accuracy of financial accounts.

The cost accounting systems and reports are not subject to rules and standards like the Generally Accepted Accounting Principles (GAAP). As a result, there is wide variety in the cost accounting systems of the different companies and sometimes even in different parts of the same company or organization. Some of the appropriate information or skills needed by school administrators to effectively manage cost in the school include cost reduction and cost control techniques, budgeting and budgeting control, budget reports, zero based budgeting (Hongren, 2003). These are all vital for the administration of any school system.

Today, businesses are operating in a globally competitive environment, where in order to increase profits, increase in selling prices of products/services may not be possible because of fears of shrinkage in volumes. Thus in order to improve profit performance, businesses have to be extremely cost conscious and improve their performance in cost. In other words, in this age of competition, in order to survive and improve profitability, managers have to make continuous efforts to find out ways and means to control and reduce costs.

Cost control is an essential component of any system of cost accounting. It is exercised through comparing actual costs with predetermined standard costs so that the difference between the two can be measured and then analyzed according to reasons for taking corrective action. The Chartered Institute of Management Accountants (2005:22) saw cost control as the regulation by executive action, the cost of operating an undertaking particularly where action is guided by cost accounting. Cost control is thus simply the utilization of the available resources economically and prevention of the wastage within the existing environment. It is the function of keeping costs within the prescribed limits.

School records are seen as the collection of information on school personnel (students, teachers and non-teachers), facilities, funds and school activities which are preserved for future use or reference purposes. The information or data which are written manually or electronically are preserved in books, files, diskettes and other electronic Media (Akubo, 2004). According to Oluwole (2007), school records are books, documents, diskettes and files in which are embodied information on what goes on in the school, e.g. social, academic and non-academic activities. She further stresses that; records keeping connote all activities concerned with the creation, storage, retrieval, retention and deposition of all information relating to what goes on in the school, which is in the school, the school plant as well as other information pertinent to the growths of the school. Also, Durosaro (2002) explained that school records are official transcript or copies of proceedings of actions, events, other matters kept by the school manager; school records could be viewed as authentic register or instruments of official accounts of transaction or occurrence which are preserved in the school's office.

Financial records deal with the management of schools' money. These records show the total amount the school has (income) and how much has been expended (expenditure) for the development of the school. If these records are properly kept, it saves the school administrator from unnecessary victimization or mismanagement of funds (Eno, 1998). Some of these financial records include: The school budget, school fees register, impress account, the ledger or cash book and the farm record book. The school budget is a means through which the school's sources of finance are carefully identified, it's a means put in place for the collection and projection of revenue from the various revenue sources carefully allocated to the various school needs so that the overall objectives and goals of the school can be achieved (Asemah, 2010). A budget is a financial statement of projected income and projected expenditure over a period of time usually one year. The school budgets assist the school head in identifying revenue sources, prioritizing goals and school projects, decision making and creation of paths for effective development in the school.

The school fees register according to Idoko (2005) is opened for each class for the recording of school fees paid by each student. He states further that in some schools only the students whose names appear in this record or register are enrolled in the class attendance register. The information in the school fees register helps the school administrator to avoid sending a learner home in error when they have paid their school fees and also make the process of accountability easier. The register also aid parents and guardians who are in doubt of school fees status to get clarification. It also reduces corrupt and sharp practices. To crown it all, the school fees register provides information



even when receipts are not available even as it aids the school head to know how many students that have paid their school fees as well as financial position of the school.

Idoko (2005) opined that impress refers to money given to the head of a unit to spend on items for which vouchers cannot be prepared and presented quickly to the sub-treasurer for payment. Usually this money is intended to cover the day-to-day expenses which unit heads will necessarily incur. An impress holder has to keep an account of all payments made with supporting bills and receipts. Impress account provides adequate records of expenditure and helps in proper accountability. It also aids the full understanding of the school budget. The school cash book is the income and expenditure record of the school. This record is kept by the school bursar and occasionally checked by government auditors or inspectors (Idoko, 2005). The school cash book or ledger provides information to the government and school administrator on how much money comes in and how much that is expended in carrying out school activities.

AIM AND OBJECTIVES OF THE STUDY

The aim of the study was to investigate cost management for the administration of secondary schools in Rivers State. Specifically, the study sought to:

1. determine the cost accounting information techniques used to manage cost in secondary schools in Rivers State
2. ascertain the method of financial record keeping in secondary school administration in Rivers State

RESEARCH QUESTIONS

The following research questions guided the study:

1. What are the management accounting information techniques used by school administrators for cost management in secondary schools in Rivers State?
2. What are the financial records keeping methods used by secondary school administrators in Rivers State?

HYPOTHESES

The following hypotheses were tested at 0.05 level of significance:

1. There is no significant difference between the mean scores of urban and rural principals on the types of cost accounting information techniques used by school principals in managing costs in secondary schools in Rivers State.
2. There is no significant difference between the mean scores of urban and rural principals with respect to the methods of financial record keeping in secondary school administration in Rivers State.

METHODOLOGY

Descriptive survey design was adopted for the study. Population of the study comprised 253 secondary school principals in Rivers State out of which 200 principals (79%) were sampled for the study using stratified random sampling technique. Data was collected for the study using questionnaire titled “Cost Management for Administration of Secondary Schools Questionnaire” (CMASSQ). The instrument was validated by one expert in the Department of Educational Management and one expert in the Department of Psychology, Guidance and Counselling, University of Port Harcourt. Pearson Product Moment Correlation co-efficient was used to estimate the reliability of the instrument with a co-efficient of 0.82. The instrument was personally administered by the researcher. Research questions were answered using mean and standard deviation while the hypotheses were tested using z-test at 0.05 level of significance.

RESULTS

Research Question1: What are the management accounting information techniques used by school administrators for cost management in secondary schools in Rivers State?



Table I: Mean (x) and Standard Deviation (SD) analysis on the cost accounting information techniques that affect cost management in secondary school administration in Rivers State

S/N	ITEM	SA	A	D	SD	TOTAL	(X) MEAN	SD	REMARK
1	Forecasting	120	50	20	10	200	3.40	1.8	Agreed
2	Zero based budgeting	90	80	20	10	200	3.25	1.80	
3	Cost reduction	140	50	10		200	3.65	1.91	
4	Cost control	110	70	20		200	3.45	1.85	
5	Budget reporting	105	75	15	5	200	3.45	1.85	
6	Budgeting	170	30			200	3.85	1.96	
		Average					21.06	11.16	Agreed

Management accounting information techniques affects cost management positively as depicted in table 1. With a criterion mean of 2.50, all the items had mean above 2.50 and therefore were agreed indicating that forecasting, zero based budgeting, cost reduction, cost control, budget reporting and budgeting with means 3.40, 3.25, 3.65, 3.45, 3.45 and 3.85 respectively are cost management techniques that affects cost management in secondary schools in Rivers State.

Research Question 2: What are the financial records keeping methods used by secondary school administrators in Rivers State?

Table 2: Mean (x) and Standard Deviation (SD) analysis on financial records keeping methods used by secondary school administrators in Rivers State.

S/N	ITEM	SA	A	D	SD	TOTAL	(X) MEAN	SD	REMARK
7	Use of audio and video cassettes	130	60	10		200	3.60	1.89	Agreed
8	Avoiding mutilations of records	90	70	30	10	200	3.20	1.78	
9	Keeping proper financial record classification	45	80	40	25	200	2.65	1.62	Agreed
10	Proper management of books in the shelves/cabinets	50	40	30	80	200	2.30	1.51	
11	Verbal documentation	10	20	70	100	200	1.70	1.30	Disagreed
12	Use of e-record keeping technique (computer)	180	20			200	3.90	1.97	Agreed
		Aggregate					17.34	10.07	Agreed

In table 2, it was revealed that financial record keeping is an integral aspect of cost management in any organization; it directs an administrator in knowing the financial status of its organization hence, proper management of cost. As shown on the table above, the use of audio and video cassettes with a mean of 3.60 was agreed as a method of keeping financial records. Though, with mean of 2.30 and 1.70 respectively being below the criterion mean, poor management of books in the cabinet and verbal documentation were disagreed as financial record keeping methods but the table still showed that in keeping proper records, the use of e-record keeping techniques, keeping proper financial record classification and avoidance of mutilations having mean of 3.90, 2.65 and 3.20 respectively must be adhered to.



Table 3: z-test showing the difference on the types of cost accounting information techniques used by urban and Rural Principals

Variables	Mean	SD	n	Df	Standard Error	z – crit.	z – cal.	Remark
Urban Principals	19.76	10.86	120	198	0.05	± 1.96	2.28	Accept
Rural principals	18.6	10.56	80					

Table 3 indicated that with mean of both variables at 19.76 and 18.60 having SD of 10.86 and 10.56 respectively and degree of freedom of 198, tested at a standard error of 0.05 level of significance and a z-critical of +/- 1.96, the z-calculated was 2.28.

This therefore shows that there is no significant difference on the types of management accounting information techniques used by secondary school principals of both urban and rural schools hence the hypothesis was therefore accepted in the null form.

Table 4: z-score showing the difference on the methods of financial record keeping in the administration of schools in Rivers State

Variables	Mean	SD	n	Df	Standard Error	z – crit.	z – cal.	Remark
Urban Principals	16.55	9.87	120	198	0.05	± 1.96	5.18	Accept
Rural principals	17.11	10.05	80					

Table 4 showed that with mean of 16.5 and 17.11 and SD of 9.87 and 10.05 respectively, the hypothesis was accepted on the null form indicating that there is no significant difference on the financial record keeping methods of principals in Urban and Rural areas on a z-cal. of 5.18 with a standard error of 0.05 level of significant and a z-critical of ± 1.96.

DISCUSSION OF FINDINGS

Cost Accounting Information Techniques used by School Administrators for Cost Management in Secondary Schools in Rivers State

Cost accounting is a process of collecting, recording, classifying, analyzing, summarizing, allocating and evaluating various alternative courses of action and control of costs. Its goal is to advise the management on the most appropriate course of action based on cost efficiency and capability. Kenneth (2013) stated in the review that cost accounting information is commonly used in financial accounting information, but its primary function is for use by managers to facilitate making decisions, control cost, fix selling price, inventory control, cost reduction, measurement of efficiency, preparation of budget, identify idle time and labour turnover, cost comparison, help in checking the accuracy of financial accounts etc. results showed that; forecasting, zero base budgeting, cost control, cost reduction, budget reporting and budgeting having means above the criterion mean of 2.5 were all accepted as cost accounting information techniques used by school administrator in managing cost in schools.

Hypothesis results was also accepted, indicating that there is no significant difference on the mean score of both rural and urban principals on the cost accounting information techniques used to manage cost in schools as the z-cal. stood at 2.28 above the z-critical of 1.96 on 0.05 level of significance. This is a confirmation on the assertion of various authors in the review with regards to the items on table 1. In other to manage cost, there must be sound accounting techniques. This is confirmed by Meena (2015) when he summarized that; A sound and clearly defined organization with manager’s responsibilities must be clearly defined, effective accounting records and procedures that are clearly understood and applied, Support and commitment of top management for the system of budgetary control must be in place and finally, education training of managers in the development, interpretation and use of budgets must be adhered to. To manage cost, there should be proper budgeting which was summarized thus; budgeting compels managers to think ahead-to anticipate and prepare for changing conditions, it co-ordinates the activities of various departments and functions of the business, it increases production efficiency, eliminates waste and controls the costs. Finally, budgeting spells out management plan in quantitative term which is vital for the administration of any school system.



Financial Records Keeping Methods used by Secondary school Administrators in Rivers State

School records are seen as the collection of information on school personnel (students, teachers and non-teachers), facilities, funds and school activities which are preserved for future use or reference purposes. Durosaro (2002) explained that school records are official transcript or copies of proceedings of actions, events, other matters kept by the school manager; school records could be viewed as authentic register or instruments of official accounts of transaction or occurrence which are preserved in the school's office.

Results showed the various ways records are kept which all had mean scores on a positive rating above the criterion mean of 2.5. Hypothesis showed that there is no significant difference on the opinion of both rural and urban principals on the financial record keeping methods used by principals to manage cost having had a z-calculated of 5.18 above the critical z of 1.96. The result therefore confirms the assertion of Oluwole (2007) who stated that school records are books, documents, diskettes and files in which are embodied information on what goes on in the school, e.g. social, academic and non-academic activities. Igwe (2004), affirmed the position of Oluwole when he summarized that skills imperative for quality service delivery in secondary school system abound. Some of the skills are Skills of effective filling in cabinets, using computer (e-record keeping), using audio and video cassettes, keeping non-falsified data, proper records classification, using drawers and shelves, use of flash drive and CD ROMs, avoiding mutilation of the records, maintenance of secret record, proper management of the books in shelves/cabinet, good record keeping maintenance culture.

CONCLUSION

The study concludes that cost accounting management techniques are needed by school administrators in order to manage the resources available at their disposal for the administration of the school.

RECOMMENDATION

The following recommendations were made based on the findings of the study:

1. School administrators should be properly trained on the cost accounting information techniques for managing cost in schools. This will help to reduce financial wastage in these schools and contribute to the effective administration of these schools.
2. Proper record keeping methods should be put in place especially modern electronic devices in order to avoid loss of information that could help in managing cost in schools. This is important for the long term administration of the school as well as for educational goal attainment.

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