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Practices of Accountability and Transparency in Financial Management among Secondary School Principals

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Abstract

Financial management in education is one of the most important and challenging aspects of a school principal's job as it can impact the overall school management and success, as well as students' achievement. The school principals need to be able to plan, organize, direct and control the financial activities such as procurement and utilization of funds of the organization. The concept and practice of accountability and transparency in financial management is essential to ensure that all funds received are channeled and spent as entrusted by the Ministry of Education. The school principals have the unenviable task of matching, monitoring and evaluating all available resources, both monetary and human, with their educational activities with utmost transparency and accountability. Several studies conducted within the last twenty years have shown that some school principals in Malaysia have insufficient skill and knowledge related to management of the school finances. Thus, this paper explores the implementation of practices related to accountability and transparency practiced by a group of school principals in selected public schools in Kuala Lumpur on their school financial management. In this qualitative study, the researchers have utilized semi-structured interview techniques as well as document analysis to answer the research questions. Thematic analysis was used to analyze the data using NVivo 12 software. The findings showed that there is critical need of financial management training for principals, finance committee and elected staff representatives. The level of accountability and transparency in school finances amongst these school principals were a great concern and that was one source of conflict and lack of support and monitoring from district offices. The implications and recommendations from this study are briefly discussed.

Keywords: Financial Management, Accountability, Transparency

Introduction

Financial management is a crucial factor that serves as the driving force behind every planned and carried out programme in any firm. Asimiran (2003) defined financial management as a deciding element and important controller in school organization management. According to Steiss (2003), financial management is also defined as comprehensive planning that encompasses many types of affairs such as products, services, and activities. He claims that

any planned action needs a cost or expenditure to supply supplies and equipment for the activity to succeed.

Several education strategies are implemented by emphasizing the implicit value of honesty and secrecy in carrying out duty and accountability. This indicates that the work is carried out with faith to achieve the aims and objectives of departments and organizations. Transparent and integrated financial management will make it easier to enhance education quality in educational organizations.

School principals are responsible to ensure if the school's financial administration is efficient and successful. Akmaliah (2000) According to Akmaliah (2000), school administrators must guarantee that all school members maintain honesty in all aspects, including financial engagement. These tasks and obligations must be carried out with complete accountability and transparency to guarantee that public funds are appropriately managed and arranged in line with the financial processes that have been assigned to them. School principals, as controller officers, must be transparent and accountable in their management of affairs, particularly in processes involving the receipt and collection of funds at the school level. As stated in the Education Act of 1996, financial management must be handled effectively and methodically.

Effective financial management may eliminate waste and inconsistencies. This is consistent with financial responsibility in schools, which is a crucial basis in ensuring that school monies are distributed in the best interests of pupils. According to Brinkerhoff (2001), financial accountability is subject to an appropriate legal framework, which includes provisions and the constitution, laws and regulations, the law on institutional structure mandated in implementing and monitoring budgets, laws on public procurement, accounting and bookkeeping regulations, property management, and so on.

In general, accountability implies responsibility for the obligations to be carried out. Accountability in the Malaysian Public Service refers to officers and public employees' obligations in carrying out their tasks to guarantee the attainment of goals and task objectives that have been assigned. Accountability also entails accepting responsibility for carrying out prescribed actions, whether they succeed or fail. According to Bunham (2003), accountability involves the need to deliver information on each incident that happens to the person who is legally entitled to it. Accountability in financial management was also defined by the Division of Inspectorate (In the Secondary School Professional Management Guidebook, 1993) as a financial process involving the planning, distribution, and use of manpower, cash, goods (assets), and services to meet the goals of an organization or school. Indeed, accountability practice is important in order to make financial management in education work successfully.

Transparency in all areas is another crucial part of financial management to guarantee the highest value and quality of each spending. Metaphorically, there are three forms of transparency. The first is to promote transparency as a public value to fight corruption and corruption culture. Second, transparency in open decision-making by government and non-stakeholders, and third, transparency in good governance in programs, policies, organizations, and nations. School principals must effectively handle these three analogies. Some techniques or relationships have specified transparency.

For example, in the context of business and economic organizations, transparency involves having access to information and having equal access to it if all parties want to examine it (Richard, 2004). Transparency is essential to guarantee that all parties have access to the same information and that each party may make informed choices. Practical transparency practices in financial management in school organizations aim to ensure that school management travel is implemented more thoroughly, honestly, cautiously, and in accordance with existing provisions, so that accountability can meet the goal of establishing the educational institution itself. This is since a successful system does not produce human resources that lack worth, attitude, trust, efficiency, a clean mind, and purity.

In other words, the principles of transparency and accountability in school financial management can be compared to drive people in the right direction and becoming guardians to ensure that government officials, particularly principals, do not deviate from the path of humanity to pursue their desires and fulfil their goals or professions. Transparency and accountability are also highly essential in educational services since achieving this feature is the basis and meaning of all ideas, behaviors, and actions.

Accountability and transparency in financial management, ironically, are mutually accountable for each other and may ensure that public money is handled effectively. Without these two principles in individual financial managers, there will be waste of human resources, financial resources, and time, resulting in project delays, lowering public confidence in the government's financial management in particular and public service in general, and opening the door to irregularities, corruption, misconduct, and abuse of power. This research will concentrate on financial management accountability and transparency among school leaders.

Statement of Problem

Several studies on school financial management have been undertaken. According to all of these studies, school principals are those who are in charge of managing money provided to schools. Principals are said to be knowledgeable in both school administration and financial management. In 2010 research, for example, Syed Ismail and Ahmad Subki discovered that issues with school administration, such as a lack of information about how to operate school finances, led to issues with financial management. Their research discovered that school leaders were lack of responsibility for financial management, which is the act of collecting, distributing, utilising, and regulating financial resources in order to enhance school financial management and meet financial management objectives. Financial management flaws are said to be caused by a lack of training for principals. They claimed that principals are only offered training in the form of short-term financial management courses. According to their findings, principals must adopt an accountability and transparency mindset while handling school funds.

Norfariza et al (2013) discovered that financial management challenges arise because of a lack of knowledge and skills in school financial management. The results of Norfariza et al (2010) back with prior research by Marzuki (2005); Idris (2002), which found that principals often transfer their responsibilities for overseeing the school's finances to administrative clerks. Mahmood (2007) discovered that less competent financial management became one of the primary challenges in the financial management of a Malaysian school. This viewpoint

is shared by Alias and Nor (2018), who believed that organisational leaders must also learn financial management abilities efficiently and effectively.

According to research, the basis of school financial difficulties is due to ineffectiveness of school administration in checking financial records while spending school fund (2013) (Muhammad Faizal et al.). There are numerous studies (eg: Grozdanovska, 2017), Titman et.al (2017) that focus on the needs and duties of financial management principles. According to the findings, the principal was an officer in the school who was solely responsible for ensuring that all aspects of the school's financial management were carried out in accordance with the procedures and regulations outlined in the School Financial and Accounting Circular Letter, Treasury Directive, and Education Act 1996.

(Hussin et al., 2018) mentioned that there is a lack of congruence in monitoring records or financial documents during school financial management. There have also been reports of school principals abandoning their responsibilities in monitoring the school's financial management because they are too preoccupied with the obligation of another. Said (2004); Wahab (2005); Yusoff (2008); Mahmood (2019) discusses the actions that the head of department should do to strengthen the accountability of the government's financial management. These include the growth and refinement of the officials in charge of the school's finances' knowledge and abilities. The preceding investigation revealed several concerns with accountability and transparency in the implementation of financial management in schools. The preceding research, however, did not investigate the practise of accountability and openness practised by school leaders that might served as a model for principals of other schools. The preceding research also did not investigate how school leaders maintain accountability and openness in school finance management. As a result, there is a need to investigate the practised used by school leaders to ensure accountability and openness in school finance management. This research investigates the practices of accountability and transparency used by secondary school administrators in financial management.

Purpose of Study

Overall, the purpose of this research is to investigate the practise of accountability and transparency in financial management among school principals. The study's findings can help various parties, particularly the Finance Division, Ministry of Education Malaysia (KPM), and State Education Department, with practices related to accountability and transparency in school financial management, as well as how to operate school accounts, as well as future principals in recognising accountability practices and transparency in the efficient and effective financial management of schools and taking appropriate measures.

Research Objective

The main objective of the study is to explore the practice of accountability and transparency in financial management among school principals.

Literature Review

School Financial Management

Finance is the core of any organization, allowing it to survive and operate. This is also true of financial roles in educational institutions at the school level. Budget management is

critical in schools since school programs and activities cannot be carried out more effectively without sufficient financial allocation. The requirements of the Education Act (Accounts and Audits) Act, 1962, adopted under the Education Act 1996, are referred to as financial management. As a result, financial management must be handled effectively and sensibly so that money may be obtained, spent, and managed in line with the right method and satisfy the organization's objectives.

Financial management is a management concept that covers tasks such as planning, organizing, managing, directing, executing, promoting, controlling, and reporting (Bajuri, 1994). Financial management, in fact, entails prudent financial administration to fulfil organizational objectives. It is guided by fulfilling specified goals in the framework of school financial management. First, to maintain control over the school's collection and spending in order to avoid making errors and losing money. Second, they are to make it easier for principals to carry out their responsibilities in terms of school financial accounting. The third goal is to always make the school's current accounting and financial finance status public (Akmaliah, 2001). According to Bayuri (1994), the major duties of financial management include planning the usage and financial needs, getting financial resources, making money under the conditions established, and reporting financial performance. In Malaysia, financial management is the process by which government machinery manages public financial resources via specific processes where monies to support public services are received, spent, and accounted for.

According to Ghani et al (2013), the Malaysian government has given a lot of money for the education sector to preserve the quality of education. Every year, KPM guarantees that all schools get school support. According to Kenayathulla (2014), the Malaysian government has maintained a high level of spending in education since independence. Schools, in general, are contributions to Malaysia's growth. Education financing is becoming more important since it improves student achievement and economic prosperity (Ghani et al., 2008). As a result, the federal government invests heavily on

education. The government of Malaysia offers education dependent on the number of students enrolled. According to Shahril and Charil Marzuki (2005), government funding is allocated primarily on the number of pupils in a school rather than on school requirements.

Responsibility in School Financial Management

Principal responsibilities include administration, management, and leadership. Financial management is the act of acquiring and allocating financial resources based on objectives while adhering to certain processes and controls to accomplish goals efficiently and effectively. Budgets, funding, and controls including accounting, reporting, and audits are the three basic components of conventional financial management that must be handled. Furthermore, principals must tackle two fundamental principles: openness (transparency) and accountability.

According to Pihie (1999), school administrators, particularly principals, must have the knowledge and ability to supervise and examine financial matters. He will oversee financial management, particularly the compilation of financial statements for the fiscal year ending December 31st of each year (Education, Account and Audit Regulations, 2002). The yearly

financial statements of the school are financial statements that must be produced in accordance with the Education Act of 1996. The school's yearly financial statements should include:

- a. A balance sheet
- b. Income and expenditure reports
- c. Receipt and payment statement
- d. Accounts notes and other statements

Furthermore, school principals must submit yearly financial accounts to the Head of Responsibility (PTJ), who must then submit the annual financial statements to the State School Audit Office by March 31 of the following year. However, schools must submit their annual financial statements to the Head of Responsibility Center (PTJ) or the School Audit Office on or before February 28/29 (Ministry of Education Circular Letter No.04 / 1998 in the School Accounting and Finance Guidelines, Ministry of Education Malaysia, 1998).

School administrators should also select suitable personnel as internal auditors to investigate the school management system's flaws. Internal Auditors will be made up of instructors who are not engaged in the signing of checks. Furthermore, principals must appoint a Financial Management Committee whose task it is to assist the School Manager in monitoring, tracking, and supervising all financial and account matters so that they run smoothly and meet the requirements of the Financial Procedure Act 1957, Treasury Directive, Surat Pekeliling, and related procedures (Treasury Circular No.08/2004 and Financial Circular Letter No.05/1996 in the Secondary School Professional Management Guidebook). Members of the School Finance Committee include:

- i. Chairman - School Principal (Principal)
- ii. Senior Assistant Members
- iii. Head of the field
- iv. All Committee Heads Internal Auditors
- v. Other appropriate officers

Accountability and Goal of Accountability

Financial responsibility is a critical basis for ensuring that school funds are distributed for the benefit of children. As a result, this research investigates the concept of responsibility in education, how it operates in the educational system, and what it entails.

Regular school supervision, visionary leadership, effective communication, education auditing, and adequate financing for the education sector to ensure efficient management are some of the factors that prevent accountability in education systems and strategies to improve accountability in school systems. In general, the goal of financial responsibility, particularly in the sphere of education, is to:

- i. Ensure that financial management is carried out in compliance with relevant rules and regulations (INTAN, 1991).
- ii. INTAN (1991) Giving public authorities a decent manner to carry out their duties.
- iii. Changing the mindset of government workers (educators) to be transparent, economical, cautious, and to constantly follow the specified financial processes.

Accountability Instruments

Accountability means taking trust to carry out activities that are responsible for success and failure. Accountability instruments in financial management can be divided into three main instruments:

i. Fiscal Accountability

In terms of financial integrity, information (disclosure), compliance with the laws and regulations of public administration.

ii. Management Accountability

In terms of the use of manpower and other resources efficiently and economically.

iii. Program Accountability

In terms of the impact of the program, that is whether the program achieves the planned objectives and the best options have been selected to achieve the objectives regarding the total cost and output.

Accountability Model

Accountability in education has been seen as a technique to secure school control by putting pressure on schools via rewards and penalties (Elmore & Fuhrman, 2001; Mazzeo, 2001; Reeves, 2006) and as an internal process generated externally that leads to the trigger of school progress (Fuhrman & Elmore, 2004). External accountability in this context prompted the influence of school internal responsibility via external support and pressure, which subsequently enhanced the school's motivation and capabilities in kids' accomplishment (Darling-Hammond, 1994; Hill & Lake, 2002; Hoy & Miskel, 2010). Political, legal, bureaucratic, professional, and market-focused demands are putting pressure on schools (Darling-Hammond, 1989).

Various models have been developed as a social mechanism based on accountability links established between schools and local loci (Carnoy, Elmore, & Siskin, 2003; Elmore, 2003). According to the RAND research report (Stecher & Kirby, 2004), there are four primary types of accountabilities: markets, performance, professionalism, and bureaucracy.

The bureaucratic accountability model seeks to regulate the process of school instruction as well as fiscal usage, supplies, and human resources, as well as to adopt and comply with bureaucratic rules. Superior management establishes the criteria for educational processes; teachers and administrators are accountable for adhering to these rules and standards, as well as for their activities. Superior management rewards school personnel who exhibit desired behaviors and punishes those who exhibit undesirable behaviors (Adams & Kirst, 1999; Bovens, 2010; Darling-Hammond, 1990; O'Day, 2002).

The implementation of model accountability alters the school's bureaucratic control. This control emphasis is not on the educational process, but on its outcome. The superior in this model sets high expectations for mathematics, scientific, and reading programs, as well as for teachers and administrators who are accountable for student progress. To assess the degree of performance of the teacher, superior management employs conventional performance evaluation exams. Then they reward those who met programme criteria while

punishing those who did not. Instructors' performance contracts, in which teachers are held accountable for their performance, are also implemented by supervisors. This contract provides incentives to instructors who go above and above the call of duty and removes unsuccessful teachers (Bruns et al., 2011; Fuhrman, 1999; Mintrop, 2002; Spencer, 2006).

Market accountability keeps regulatory rules that benefit from schools and school surroundings. Initially, this paradigm allows parents and local school communities to make decisions about teaching programs, instructions, funds, and personnel. Parents have the right to select which school their children attend, to transfer their children to other schools if they are unsatisfied, and to participate in the school's outcomes.

Second, improved management allows the private sector to offer education services and establish qualified schools, allowing them to compete in the open market. Each school is accountable for the outcomes of its own system, as well as for planning and implementing its own activities. Furthermore, a more competitive financial structure in the form of government vouchers and tax breaks is utilized to regulate schools indirectly. Superior management in assessing schools and publicly revealing school performance, allowing students and parents to pick the finest school. In the meanwhile, schools fight for students and financial assistance (Bruns et al., 2011; Chavkin & Williams, 1987, in Parker & Leithwood, 2000; Bukit, 1996; Spencer, 2006; Kuchapski, 2001; Leithwood & Earl, 2000).

As a consequence of the success of improvement, professional accountability models are becoming more prominent; schools want instructors with qualities of leadership in teaching and decision-making, as well as knowledge. Teachers who adhere to professional teaching standards rules are valued assets in schools. These criteria are used to establish the quality of instructors and teacher preparation programs that are required in each school, as well as how to identify teachers, pick professions, and evaluate professional behavior and performance. Second, the idea of professional accountability gave teachers authority and responsibility in making school-related choices since they are the sole experts in the subject. Teachers are the most informed and competent persons in the school, and it is their responsibility to analyze school issues, create answers, offer them to parents and governing organizations, and execute them once approved. When it comes to school finances, instructional programs, teaching, and learning, instructors must specialize (Bruns, Filmer, and Patronas, 2011; Darling-Hammond, 1985; Hess, 1991; Kuchapski, 2001; Darling-Hammond et al., 2011; O'Day, 2002; Ranson, 2003; Leithwood and Earl, 2000).

Accountability in bureaucracies is more beneficial when it can be ascribed to behavioral guidelines aimed at achieving the intended goods via standards and processes. Marketing accountability systems are more beneficial in cases where there are a variety of user preferences; where the state government offers a variety of service sectors; and when the state government is seen to be competitive in the development of quality, creativity, and innovation (Darling-Hammond, 1989; Kirst, 1990; Brown, 1990; Bennett, 1997, p. 33).

Professionals, however, according to Darling-Hammond (1989), accountability is more beneficial in intricate and changing circumstances that demand professional competence to perform public services based on preserving the public interest and putting the interests of users first. In this case, the accountability mechanism stands out as something that must be

recognized and considered in the context of the nation in which it operates. It must also be aware of the mechanisms' outcomes and critiques, and it must apply the pressure mechanism that may stimulate progress in an acceptable, innovative, and mutually beneficial manner. As a result, the wisest move in the Turkish context is to devise an appropriate combination involving these mechanisms, to support the development that triggered this mechanism in schools through technical skills and knowledge deemed necessary, and to develop this process through research and study support.

Transparency

To be transparent, you must be straightforward, honest, and open-minded. The definition of "transparency" is "clarity of information." Transparency is a concept that assures everyone has access to or freedom to receive information about government operations, such as policies, production and implementation procedures, and outcomes (Krina, 2003).

Transparency is defined as having no hidden intentions, as well as the availability of comprehensive information essential for collaboration, cooperation, and independence, which is clear and public. The phrase transparency in school management refers to a scenario in which everyone engaged in the significance of education is aware of the process and outcomes of a choice made, as well as the school's policy (Dharna, 2010). Transparency should be unambiguous and free of manipulation by any side. Schools must be open in their information delivery so that outsiders, particularly parents and guardians, accept what they are hearing.

Transparency in school financial management is a strong governance characteristic that must be supported by public sector organizations, notably schools. This is due to the fact that the information acquired is transparent and contains genuine facts. External parties may use such information to assess the financial performance of the plan, evaluating if there is corruption or theft, and establishing the degree of compliance with laws and regulations pertaining to other relevant parties (Mahmudi & Mahmudi, 2010).

Kristianten (2006) proposes a budget transparency criterion that may be used to assess transparency in planning and budgeting using a variety of metrics.

- i. The availability and accessibility of budget documents.
- ii. Regulatory framework that ensures transparency.
- iii. The openness of the process.
- iv. Clarity and information equipment in budget documents.

Transparency in school financing will ultimately result in horizontal responsibility between educational institutions and the community, resulting in clean, efficient, effective, accountable, and responsive educational institutions to aspirations and shared interests. Transparency in school financial management implies that all stakeholders have equal rights and access to the budget process since it incorporates ambitions and interests, particularly in meeting the requirements of kids. The use of transparency principles in this evaluation means allowing access to information on the planning, implementation, monitoring, and reporting of budget allocation in schools.

Benefits of Transparency

There have some important benefits of budget transparency according to Andrianto (2007) include:

1. Prevent corruption.
2. Increase confidence in the government's commitment to decide on a particular policy.
3. Strengthen social unity because the public's trust in the government will be formed.
4. It is easier to identify the weaknesses and strengths of the policy.
5. Increasing government accountability so people can better measure government achievements.

Transparency is to provide transparency to the public in all programs and activities, allowing access to information and improving confidence and collaboration between management and stakeholders. Transparency is used to help the community understand and institutionalize a responsible attitude toward the choices and actions that are undertaken. Transparency is also required to understand the process and flow of managing school budgets, so that strong trust and cooperation may develop between stakeholders and school finance committees as a result of the application of excellent transparency principles in managing financial allocation at school.

According to Didjaja (2003), the principle of transparency not only focuses on financial-related matters, and even the transparency of the government in the planning also includes in the following:

- i. Openness in an important meeting where societies take part to give their opinions
- ii. Disclosure of information regarding documents to be known by the public.
- iii. Procedure disclosure (decision-making or planning procedure)
- iv. Openness of information containing legal law facts.

According to the explanation, some of the concepts alluded to in this research include the presence of an easy-to-understand disclosure, the usage of financial allocation, and the presence of accountability reports in its management.

Methodology

Methods

The design of qualitative investigations is utilised to identify the school principal's financial responsibility and transparency practices. The technique of investigation was a case study. Purposive sampling is a sampling approach in which the samples chosen are more selective. The selection criteria for participants were made based on data from the School Audit Division to determine the selected schools. The data is based on school audit achievement reports for schools that achieved at least good, satisfactory, and excellent. The data source that researcher need in the study not only reflects its population but also information and comprises of individuals who really know and understand their information and issues and can be trusted.

The interview protocols were made based on several studies that have been done on financial management in schools. These include a study on financial management in primary and secondary schools in Malaysia by (Marzuki, 2005; Abdullah, 2013). A study from Yahaya

et al (2008) stressed that school leaders face problems in practicing good financial management. The principal appointment system is not based on training and expertise. In addition, I also used PDCA cycle which includes continuous loop of planning, doing, checking (or studying), and acting. It provides a simple and effective approach for solving problems and managing change. This interview protocols were then reviewed by experts consisting of lecturers in economics and finance as well as several officials in the field of finance. There are five experts consisting subject matter experts and field experts which includes a total of three subject matter experts (Professor from School of Education in UTM and two of them are from Educational Planning in Research Division which has Degree in Accountancy and PhD in economics study respectively. Two field experts in the qualitative study are also chosen to determine the questions used based on validity and reliability as well as the main purpose of the implementation of qualitative research (Associate Professor from School of Education in UTM and Senior Assistant Director in Educational Planning and Research Division-majoring in qualitative study).

In this study, the sample size is set at the saturation point. This research was carried out via in-depth interviews. The interview lasted about 45 minutes to an hour for each respondent. All data were then recorded and analysed by the researcher. Sampling is based on expertise and is not meant to determine the quantity of informants. Using the NVivo 12 software, the acquired data was transcribed, and the transcribed data was read numerous times to create codes and themes.

Research Sample/Participants

The samples and sampling strategies utilised in this study were chosen based on their suitability with the research problems and objectives. Because the goal of the research is to determine principals' perceptions, the population of the study includes school principals. As a result, choosing samples from the school principal population is the most precise technique to ensure that the data is eligible for study (Ros & Guillaume, 2019).

Data Collection Method/Instrumentation

The researcher will send an email invitation with permission forms to gather data on a voluntary basis. School principals who agree to participate in the research will be scheduled for a virtual conference at a certain time. The interview will be taped to ensure that all of the information supplied by the samples is documented. The interviews were conducted in Bahasa Melayu and have been translated into English and has been verified by a certified translator as well as my supervisor. An interview technique will be used as a research tool for this investigation.

Interview Protocol

Section A: Demographic information

Name (with permission):

Informant Code:

Age:

Education status/level:

Position:

School name:

Teaching experience: (years)

Section B: Issues on accountability and transparency in financial management in school financial management.

1. What are the plans that you have made to make accountability/transparency a practice in financial management?
2. How do you ensure that planning made to make accountability/transparency a practice in financial management achieves its objectives?
3. What initiatives are used to make accountability/transparency a practice in financial management?
4. How do you ensure that the initiatives planned to make accountability/transparency a practice in financial management achieve their goals?
5. What is the strategy used to make accountability/transparency a practice in financial management?
6. What kind of monitoring methods are used to make accountability/transparency a practice in financial management?
7. What form of training is given to a teacher engagement with finance to make accountability/transparency a practice in financial management?

Data Analysis Method

The recorded replies are transcribed into a text file for data analysis. The main information given in each question was chosen as the results topic. The technique entails aligning all of the replies for each question and determining if the information is comparable or distinct from one another.

Result of Findings

This research was conducted to three school principals at selected public schools in Kuala Lumpur.

Table 1

Informant's Information

Informants	Age	Educational Level	Years of service
Principal A	52	PhD	26
Principal B	51	Master's Degree	25
Principal C	54	Master's Degree	28

Using the inductive-deductive approach, four main themes were identified: Financial management training; Lack of monitoring; Accountability of principals and Transparency among principals.

Theme 1: Financial Management Training

Financial management training for principals, finance committee members, and elected staff representatives is desperately needed. Majority of stakeholders would benefit from basic training. Education authorities should provide real assistance and supervision in addition to training.

"The courses given by the IAB emphasize more on procedures, but in my opinion, such courses should be held on an ongoing basis and all teachers should be reminded often not to spend illegally." (Informant 1)

“Hmmm..for me from what we received during NPQEL training is just a basic knowledge ... not really in depth..they only focused on theory and practise....first we have to learn from the department or the audit division..the role of the audit division is very important..we have to learn many new things in a limited time..the new principal or headmaster needs to get as many exposure by themselves..” (Informant 2)

“Often from IAB courses, they taught us about principalship not only financial management, and the time given is quite limited... I remembered they remind us about integrity and accountability because it has major implications for the principal who administers the school...” (Informant 3)

Theme 2 : Lack of Monitoring

District offices are not providing enough help or monitoring. District authorities must be trained so that they can advise schools on effective budget management.

“..... officers came to monitor but for me it wasn't enough...the district should come at least twice a year or more than that..some of my officers are still new and they need more training in order to understand on how to manage school finance...most importantly district officers should be well trained too..from my observation some of them are quite new and seems like they lack of knowledge” (Informant 1)

“if I need help, I will call the officer to come to school to help us.... I understand their situation...it's not that they don't want to help...maybe it is because of time constraints or not enough officers in their department.” (Informant 3)

Theme 3 : Accountability of Principals

Level of accountability-Principal attitudes toward financial management were a major cause of contention. The attitude of certain principals was highlighted by respondents. School finances should not be treated as personal funds by principals. Principals must report on and be transparent about school finances. It was critical that the monies collected be deposited and withdrawn through cheque. Principals must follow the budget. The recommended management system was collaboration finance management.

“...most importantly the principal needs to have accountability..they need to have responsible attitude in handling government money so that there is no leakage and it is used properly.” (Informant 1)

“...school finances must be adhered to properly. cannot be done carelessly and playfully. must follow all the procedures that have been set.” (Informant 2)

“...the principal is an example in the school. good values need to be shown to other teachers so that they make the principal as the best example especially in managing finances..principals must follow the school budget and follow all the procedures.” (Informant 3)

Theme 4 : Transparency among Principals

Transparency in school finances- The principal's involvement in school finance management is critical. Majority of governing body members suspected principals of misappropriation of finances. This doubt arose when they said that they did not know whether what the principals were doing was correct. Educators said that principals misled the school finance committee about their schools' financial situation. There was an importance of openness.

"...the school must have an attitude of openness..they must be transparent and all teachers must know the school budget and how to spend the money correctly ..everything should be minuted..and all members of the finance committee must know about school finances..transparency and openness is necessary so that no irregularities occurred and the outsiders won't be suspicious of civil servants." (Informant 1)

"...principals must be transparent..... everything must be minuted." (Informant 2)

"...everything must be presented in the financial meeting and all members must know what kind of school programs will be carried out..finances... it has to be transparent and follow all the SOP's that have been set..follow the guidelines and financial circulars that have been supplied by the ministry." (Informant 3)

Discussion

Exploring the practices related to accountability and transparency in financial management practiced by school principals further showed that there were lack of monitoring, financial management training for principals, finance committee members, and elected staff representatives are desperately needed, principal attitudes toward financial management were a major cause of contention and the principal's involvement in school finance management was critical.

The theme 'financial management training' revealed that there were lack of knowledge and skills in managing school management. They were not able to administer the school well especially in matters involving school finances. Similarly, Norfariza et al (2013) discovered that financial management challenges arise as a result of a lack of knowledge and skills in school financial management. Respondents were also having problem in managing financial report because they were unskilled and lack of experience and training in finance due to short period of time during NPQEL training. Ismail and Subki (2010) discovered that issues with school administration, such as a lack of information about how to operate school finances, led to issues with financial management. Their research discovered that school leaders were lack of responsibility for financial management, which is the act of collecting, distributing, utilising, and regulating financial resources to enhance school financial management and meet financial management objectives. Financial management flaws are said to be caused by a lack of training for principals. They claimed that principals are only offered training in the form of short-term financial management courses. According to their findings, principals must adopt an accountability and transparency mindset while handling school funds.

This finding was inconsistent with past studies that found the school principal were more likely to hand over administrative matters to subordinates. The results of Norfariza et al (2010) back with prior research by Marzuki (2005); Idris (2002), found that principals often transfer their responsibilities for overseeing the school's finances to administrative clerks. Mahmood (2007) discovered that less competent financial management became one of the primary challenges in the financial management of a Malaysian school. This viewpoint is shared by Alias and Nor (2018), who believed that organisational leaders must also learn financial management abilities efficiently and effectively.

The findings showed 'lack of monitoring'. Fauzi Hussin et al (2018) mentioned that there is a lack of congruence in monitoring records or financial documents during school financial management. It is strongly recommended that financial training and regular monitoring should be provided so that they are efficient to overcome the problem in managing financial management in school. There have also been reports of school principals abandoning their responsibilities in monitoring the school's financial management because they are too preoccupied with the obligation of another. Said (2004); Wahab (2005); Yusoff (2008); Mahmood (2019) discusses the actions that the head of department should do to strengthen the accountability of the government's financial management. These include the growth and refinement of the officials in charge of the school's finances' knowledge and abilities.

The theme of openness and transparent of the principal are also needed so that outsiders are not suspicious of school financial matters as well as gain the trust of outsiders about the principal's ability in managing financial matters. The preceding research, however, did not investigate the practise of accountability and openness practised by school leaders that might served as a model for principals of other schools. Hence, there is a need to investigate the practised used by school leaders to ensure accountability and openness in school finance management.

All the main themes represent the critical issues of practices of accountability and transparency in financial management among school principals. This study discovered that the basis of school financial difficulties is due to ineffectiveness of school administration in checking financial records while spending school fund (Faizal et al., 2013). There were numerous studies (eg: Grozdanovska (2017); Titman et.al (2017) that focus on the needs and duties of financial management principles. According to the findings, the principal was an officer in the school who was solely responsible for ensuring that all aspects of the school's financial management were carried out in accordance with the procedures and regulations outlined in the School Financial and Accounting Circular Letter, Treasury Directive, and Education Act 1996.

Conclusion

This article endeavored to explore the practice of accountability and transparency in financial management among school principals. This study's analysis revealed data that helped to solve research question. According to the results, the biggest source of stress is the critical need for financial management training for principals, finance committee members, and elected staff representatives. Other issues include the amount of responsibility and openness in school budgets among administrators, which was a major source of worry and dispute. Furthermore, a lack of assistance and oversight from district offices contributes to

accountability and transparency in financial management. According to the results of this study on accountability and transparency in financial management among school administrators, financial management is seen as the primary activity that pushes all school operations; it decides the effectiveness of any school. As a result, the principal's position as accounting officer, as well as the significance of training and assistance from the district office, were emphasized.

School leaders need to involve themselves in financial management such as having regular discussions with the clerk, planning matters about school finances, and sharing information with school finance committee. In this study, it shows that principals must have knowledge in financial management. They shouldn't rely too much on the school clerk in making decisions. School leaders also need to know on how to distribute school fund. To practice financial management in schools, every leader needs to participate and learn the knowledge of financial management.

The findings of this study could be used as a complete guide for educators especially school principals who wish to produce something special in their financial management in school. The guide could enhance the performance of school principals by generating a lot of new knowledge through financial management activities. Besides, school principals could take inspiration from this study to generate, store and apply knowledge to produce variations in financial management activities in school. Therefore, all school principals as well as school finance committee should manage their knowledge effectively in order to contribute towards the development of innovative financial management environment.

Implications

In Malaysia, principals oversee school budget planning, monitoring, and implementing changes. The principals are in charge of handling and managing money based on their skills, with financial clerks assisting them. The principal will develop the budget to guarantee good school financial management (Marzuki, 2005). The primary causes of issues in the allocation of school funds are a lack of information and a lack of ethical awareness of the obligations assigned. Furthermore, a lack of training for principals is cited as a cause of financial management flaws. As a result, the district education office and the Aminudin Baki Institute must strengthen monitoring and organize the appropriate programs to address shortcomings in school financial management practices.

The research on school financial management is still in its early stages, and few references on school financial management in Malaysia can be found. The findings of this study could be used as a tool to assist prospective principals in recognizing accountability and transparency practices in the efficient and effective management of school finances and taking appropriate steps to correct weaknesses and problems encountered by schools in managing school finances. This research is also anticipated to give information to the Finance Division, the Malaysian Ministry of Education (MOE), and the State Education Department on practices relating to accountability and transparency in school financial management and school accounting. Finally, it is intended that this study would motivate many interested parties to do additional research on the topics of accountability and transparency in school finance management.

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