# FINANCIAL MANAGEMENT AND PROGRAMME SUSTAINABILITY IN UNIVERSITIES IN RIVER STATE, NIGERIA

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**Abstract**
*The study examined financial management and program sustainability in universities in River State, Nigeria. The study utilized two researcher questions and the corresponding hypotheses to achieve the purpose of the study. The study was carried out in River State, Nigeria, where three universities were used for the study: The descriptive survey design was used for the study, and the population comprised one hundred twelve. (112) bursary staff in federal and state universities in River State, Nigeria. The questionnaire used in the study was Financial Management and Program Sustainability (FMPSQ), and the instrument was validated by two experts in the department of vocational education at the University of Calabar. The trial test of the instrument yielded a reliability coefficient index of 0.79. Descriptive statistics were used for data analysis. The findings of the study revealed that cash management and financial control influence program sustainability in universities. It was recommended, among other things, that the university's internal auditors ensure there are checks and balances to safeguard against misappropriation of university funds to ensure the sustainability of university education in Nigeria.*

**Key words**: Financial management, Education, programme and sustainability

## Introduction

Financial management refers to the organization, planning, direction, and control of the financial operations of the business, including fund acquisition and utilization. Integrating general management principles into the enterprise's financial resources is what it signifies. Finance for higher education is a crucial responsibility of university administration. Budgeting and the distribution of resources for education must get significant consideration when discussing educational financing. The university has a department called Bursaries that is in charge of accounting and financial administration. The bursar, who serves as the bursary's financial management officer, is responsible for overseeing all financial concerns, including all income and outlays (Abang and Atah, 2022).

Agim, Ochui, and Atah. (2020) asserted that financial management therefore directly addresses decision-making over the effective use of funds that are available in addition to raising cash. In the educational system, the head serves as the administrator and financial manager. Even if qualified bursars were readily accessible, today's expectations of caution and responsibility require *a* capable school administrator to carefully consider his endorsement and payout. This is why he cannot claim an alibi in cases of financial embezzlement. For our educational systems, a reliable finance management system must be created. According to Patrick (2010), financial management refers to a set of managerial duties (decision-making, facilitation, and review) that are focused on the provision, utilization, and distribution of an entity's financial assets in a manner consistent with the function of the business. The process of controlling cash inflows and outflows is known as cash management. Atah. (2018). opined that cash is the main asset utilized to invest in and cover any liabilities; therefore, this procedure is crucial for both private citizens and businesses. There are numerous alternatives for managing cash. In addition to giving organizations a window into their financial state, cash management may also be utilized to boost profitability by addressing liquidity issues. The methods, procedures, and techniques used by an organization to monitor and manage the use, allocation, and direction of its financial resources are known as financial controls. Any organization's resource management and operational effectiveness are fundamentally dependent on its financial controls. (Atah, Idike, Godwin, Isaac, Ititim, Okpe, and Ochui, 2023)

Accountability and financial management go hand in hand; in fact, they stress accountability in an organization. Financial management entails the potential to be held accountable for the money that has been committed to one's care. According to Ogbonnaya (2005), it has to do with the provision, possession, and distribution of the resources required for the operation of public and/or government institutions. Indeed, raising money and ensuring that it is used in the most effective and efficient manner possible are the main goals of financial management, whether at the governmental, corporate, or individual level. This is based on the idea that resources are limited and that educational administrators and planners should make every effort to guarantee the best possible use of resources (Atah, Ushie, Chukwurah, Idike, and Ochui, 2023).

Financial control is a branch of management that falls under the umbrella of financial management. It enables expenditures to be kept in check at the direction and will of the managing body, and it continuously monitors the inflow of revenue, allowing the controlling body to determine whether its intentions have been carried out (Ogbonnaya, 2005). Financial management experts pointed out that in order to ensure effective financial control from within as well as outside, the controlling body must establish a system of financial administration that safeguards the assets of the public authorities, ensures that the complete financial implications of all policies and schemes are considered at the appropriate decision level, and ensures that the authority obtains optimal returns on its investments. Akeke & Atah (2023) asserted that financial control also entails managing the flow of earnings as well as regulating expenditures, preserving assets, guaranteeing there are enough resources in place to carry out the organization's plans and policies, and most importantly, facilitating that there is value for money when it comes to managing resources and their use. This is crucial in educational institutions because public funds are being used, and it can be difficult to determine whether they are being used successfully. Cash management is an additional aspect of financial management. In accordance with Zimmer (2008), effectively managing cash involves anticipating as well as effectively collecting, allocating, investing, and planning for cash. He continued by saying that managing cash is essential since it is the asset that small businesses own that is most crucial but least productive.

According to Penddy (2008), managing cash flows into and out of the firm, as well as cash movements inside the firm, as well as the quantity of cash held by the firm at a given time by financing shortfalls or investing surplus cash, is what the management of money is all about. It is the responsibility of educational institutions to use and manage public resources in a politically ethical, effective, and efficient manner. All successful, high-performing firms have good cash management as a core operating principle and an intrinsic part of their accountability function. Working capital management includes cash management as a key component. Therefore, in contemporary firms, it is regarded as falling under the purview of effective working capital management (Breeley, Myers, & Allen 2008). The process of making sure firms have healthy cash balances so they can remain in operation is known as cash management. To cover daily expenses and seize any potential opportunities, businesses must keep enough cash on hand. A lively and transformational community of students and teachers from across the university is created by the sustainability of educational programs. The three main objectives that guide the program's development are: fostering student leadership through empowerment as well as educating students from all academic fields and levels of sustainability interest. For researchers, educators, and artists to teach, get involved in, and share knowledge about sustainability, to forge connections with various communities, to develop shared program models, and to lead both within the university community and with external organizations, it is important to create and take part in opportunities for these activities (John, 2015). Akeke & Atah (2023) asserted that the programs for sustainable education also generate a sustainable-focused event for incoming students during welcome week, promote students' projects, and explore co-curricular possibilities, among other particular activities. Universities across Nigeria develop and carry out high-level sustainable initiatives and guidelines that direct instructional and educational activities toward improving efficiency and knowledge in order to address the increasing demand for competent workers in employment as well as to create a greener, cleaner economy for future generations. This could render learning an essential component of knowledge creation in universities. This study uses financial management to address the demand for sustainable programs in universities. In accordance with this, this study sought to ascertain the sustainability of program administration and funding at universities in River State, Nigeria.

**Statement of problem**

Management, politicians, and planners in the field of education have been interested in the current question of funding. This is due to the knowledge that, without sufficient funding, no educational program can be completed successfully. Universities are one of the higher education institutions in Nigeria that are non-profit organizations that only receive money from the government. The federal and state governments in turn depend on the nation's economic performance to decide how much money should be allotted to the education sector. In most colleges, creating initiatives that will increase the sustainability of programs in their institutions is extremely challenging. There hasn't been a defined plan of action to improve the environment for potential leaders at different levels of difficulty. Emphasis has been put on the student body to be more diverse in order to address impending skill shortages and adapt to national economic developments. As a result, there are more and more requests for acceptable and uniform methods of evaluating student achievements throughout Nigerian and River State universities. Basically, poor financial management and poor leadership are to blame for the financial insufficiency of Nigerian colleges. The advancement and development of any organization are severely hampered *by* poor financial management. Another concern is haphazard financial planning brought on by inadequate or subpar data. All areas of an organization are affected by the handling of finances. It contributes to the acquisition of resources, the allocation of resources, and performance monitoring related to such appropriations. Nigerian educational initiatives for sustainable development require a financial control mechanism to be maintained. On this note, the study's goal was to ascertain financial management and program sustainability in universities in River State. Nigeria

**Aims of the study**

The aim of this study is to examine financial management and program sustainability in universities in River State. Nigeria. Specifically, the student sought to examine:

1. Cash management and program sustainability in universities in River State, Nigeria
2. Financial control and program sustainability in universities in River State. Nigeria

**Research questions**

The following research questions were raised to guide the study:

1. What is the influence of cash management and program sustainability in universities in River State. Nigeria
2. What is the influence of financial control and program sustainability in universities in River State. Nigeria?

**Research hypothesis**

The following hypotheses were raised to guide the study and were tested at a 0.05 level of significance.

1. There is no significant difference in the mean rating of gender on cash management and program sustainability in universities in River State, Nigeria.
2. There is not a significant difference in the mean rating of respondents on financial control and program sustainability in universities in River State, Nigeria, based on institutions

**Methodology**

The study examined financial management and program sustainability in universities in River State, Nigeria. The study utilized two researcher questions and the corresponding hypotheses to achieve the purpose of the study. The study was carried out in River State, Nigeria, where three universities were used for the study. The descriptive survey design was used for the study, and the population comprised one hundred twelve (112) bursary staff in federal and state universities in River State, Nigeria. The questionnaire used in the study was Financial Management and Program Sustainability (FMPSQ), and the instrument was validated by two experts in the department of vocational education at the University of Calabar. The trial test of the instrument yielded a reliability coefficient index of 0.79. The mean (X) and standard deviations (SD) were used to answer the research questions, while the null hypotheses were tested at the 0.05 level of significance using an independent t-test. The decision rule is that a mean score of 2.50 or higher is considered acceptable for financial management as a tool for the university's program sustainability. while a mean score of less than 2.50 is considered disagreeable. All the hypotheses were tested at the 0.05 level of significance with 110 degrees of freedom.

**Research findings**

***Research question one***

What is the influence of cash management and program sustainability in universities in Rivers State, Nigeria?

**Table 1: Mean rating of respondents on cash management and program sustainability in universities**

| S/N | Items Statement | N | Mean | SD | Remarks |
|---|---|---|---|---|---|
| 1 | My university has a revenue collection process. | 112 | 2.3304 | 1.15773 | Agree |
| 2 | My university has available operating cash levels. | 112 | 2.6071 | 1.21074 | Agree |
| 3 | My university has credit line management. | 112 | 3.0714 | .96529 | Agree |
| 4 | My university has rates of return (ROR) on cash investments. | 112 | 2.9732 | 1.14262 | Agree |
| 5 | My university has a current assessment of cash management. | 112 | 2.7768 | 1.33362 | Agree |
| 6 | My university has liabilities and cash management. | 112 | 2.9464 | 1.08917 | Agree |
| | **Grand Mean** | **112** | 2.7842 | 1.14986 | **Agree** |

Table 1 shows that all six items (1-6) had scores greater than 2.50, which is the cut-off point. According to the overall mean of 2.7842, the respondents agreed that cash management and program sustainability are important in universities in River State, Nigeria. The standard deviations for all items are all within the same range, indicating that the research participants' average scores are ethnically homogenous.

**Research question two**

What is the influence of financial control and program sustainability in universities in River State, Nigeria?

**Table 2:** Mean rating of respondents on the financial control and programme sustainability in universities

| S/No. | Items Statement | N | Mean | SD | Remarks |
|---|---|---|---|---|---|
| 7 | My university maintains a cash flow statement. | 112 | 2.9196 | 1.05812 | Agree |
| 8 | My university maintains a cash outflow statement. | 112 | 2.9464 | 1.08087 | Agree |
| 9 | My university uses a postdated financial control system. | 112 | 2.7589 | 1.19493 | Agree |
| 10 | My university maintains cash through timely updating. | 112 | 2.6071 | 1.06844 | Agree |
| 11 | My university's main selective financial control | 112 | 3.0179 | 1.15456 | Agree |
| 12 | My university uses immediate financial control | 112 | 3.0357 | .95793 | Agree |
| | **Grand Mean** | **112** | 2.88095 | 1.0858 | **Agree** |

Table 2 shows that all six items (7–12) had scores greater than 2.50, which is the cut-off point. According to the overall mean of 2.88095, the respondents agreed that financial control and program sustainability are important in universities in River State, Nigeria. The standard deviations for all items are all within the same range, indicating that the research participants' average scores are ethnically homogenous.

***Hypothesis one***

There is no significant difference in the mean rating of gender on cash management and program Sustainability in universities in River State, Nigeria.

**Table 3:** independent t-test result on responses on mean rating of gender management and programme sustainability in universities

| Items | Respondents' category | N | Mean | Std. Dev | df | t-cal | Alpha | t-cri. | Decision |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Male | 76 | 2.5395 | 1.20489 | 110 | 2.866 | 0.05 | 0.001 | Accepted |
| | Female | 36 | 1.8889 | 0.91894 | | | | | |
| 2 | Male | 76 | 2.3684 | 1.06886 | 110 | -3.151 | 0.05 | 0.022 | Accepted |
| | Female | 36 | 3.1111 | 1.34754 | | | | | |
| 3 | Male | 76 | 2.7368 | 0.95734 | 110 | -6.151 | 0.05 | 0 | Accepted |
| | Female | 36 | 3.7778 | 0.48469 | | | | | |
| 4 | Male | 76 | 2.6184 | 1.11913 | 110 | -5.332 | 0.05 | 0 | Accepted |
| | Female | 36 | 3.7222 | 0.77868 | | | | | |
| 5 | Male | 76 | 2.4605 | 1.35096 | 110 | -3.869 | 0.05 | 0 | Accepted |
| | Female | 36 | 3.4444 | 1.02663 | | | | | |
| 6 | Male | 76 | 2.7237 | 1.10271 | 110 | -3.28 | 0.05 | 0.046 | Accepted |
| | Female | 36 | 3.4167 | 0.90633 | | | | | |
| | **Male** | **76** | 15.4474 | 6.80388 | **110** | -3.15 | **0.05** | 0.012 | **Accepted** |
| | **Female** | **36** | 19.3611 | 5.46281 | | | | | |

The independent t-test interpretation results in Table 3 above show that there is no significant difference in the mean rating of gender on cash management and program sustainability in universities in River State, Nigeria. This is due to the fact that the t-cri value of 0.012 in Table 3 is greater than 0.05. and the hypothesis that states that there is no significant difference in the mean rating of gender on cash management and program sustainability in universities in River State, Nigeria, is retained (.05).

**Table 4:** Independent t-test results on responses on mean rating on financial control and programme sustainability in universities

| Items | Respondents' category | N | Mean | Std. Dev | df | t-cal | Alpha | t-cri. | Decision |
|---|---|---|---|---|---|---|---|---|---|
| 7 | Federal | 40 | 2.475 | 1.15442 | 110 | -3.476 | 0.05 | 0.005 | Accepted |
| | State | 72 | 3.1667 | 0.91928 | | | | | |
| 8 | Federal | 40 | 2.775 | 1.14326 | 110 | -1.254 | 0.05 | 0.045 | Accepted |
| | State | 72 | 3.0417 | 1.04055 | | | | | |
| 9 | Federal | 40 | 2.45 | 1.15359 | 110 | -2.069 | 0.05 | 0.758 | Accepted |
| | State | 72 | 2.9306 | 1.19065 | | | | | |
| 10 | Federal | 40 | 2.225 | 1.09749 | 110 | -2.915 | 0.05 | 0.11 | Accepted |
| | State | 72 | 2.8194 | 0.99755 | | | | | |
| 11 | Federal | 40 | 2.775 | 1.29075 | 110 | -1.673 | 0.05 | 0.015 | Accepted |
| | State | 72 | 3.1528 | 1.05697 | | | | | |
| 12 | Federal | 40 | 2.35 | 0.8638 | 110 | -6.658 | 0.05 | 0.227 | Accepted |
| | State | 72 | 3.4167 | 0.78274 | | | | | |
| | **Federal** | **40** | 15.051 | 6.70332 | **110** | -3.01 | **0.05** | 0.19 | **Accepted** |
| | **State** | **72** | 18.527 | 5.98773 | | | | | |

The independent t-test interpretation results in Table 4 above show that there is not a significant difference in the mean rating of respondents on financial control and program sustainability in universities in River State, Nigeria, based on institutions. This is due to the fact that the t-cri 0. 19 in Table 3 is greater than 0.05. and the hypothesis that states that there is not a significant difference in the mean rating of respondents on financial control and program sustainability in universities in River State, Nigeria, based on institutions, is retained.

**Discussion of the findings**

The first research question revealed that respondents in universities, particularly in Rivers State, Nigeria, agreed that financial management is significant to the sustainability of university programs. This could be because the university's management in River State has a management plan, such as a revenue collection process, available operating cash levels, credit line management, rates of return (ROR) on cash investments, a current assessment of cash management and liabilities, and cash management. This finding is consistent with the findings of Akeke and Atah (2023), whose findings revealed that cash management plays a vital role in the sustainability of university education, as do the account department and the auditor. The financial resources of the universities are used appropriately for the development and sustainability of the universities at large. In collaboration with Breadey Myers and Allen (2008), whose findings revealed that cash management forms an integral part of working capital management in every university, including Nigerian universities, it should be taken seriously for the long-term higher education system. In agreement with Atah (2018), whose study findings proved that it is imperative for accountants and others charged with financial responsibilities in cash management to ensure cash inflows and cash outflows to the universities as well as cash management held in any given period of time, The findings of the hypothesis state that there is no significant difference in the mean rating of gender on cash management and program sustainability in universities in River State, Nigeria. This finding is in agreement with Atah, Ushie, Chukwurah, Idike, and Ochui (2023). A study has shown that both male and female bursary staff are charged with the responsibilities of managing the university's financial resources to work toward the sustainability of its program by keeping appropriate records to direct the affairs of the institution to achieve its objectives.

The second research question revealed that the respondents in universities, particularly in River State, Nigeria, agreed that financial control is significant to the sustainability of university programs in Nigeria. This could be that the universities in River State maintain cash flow statements, cash outflow statements, postdated financial control systems, cash through timely updating, selective financial control, and immediate financial control, and this policy enhances financial management and ensures the sustainability of the educational system. The findings are in line with Atah (2018), whose findings proved that organizations are expected to use financial control to provide measures to direct the university's management systems of operations to control the daily financial activities of those in charge of managing financial resources. The findings of the hypothesis state that there is no significant difference in the mean rating of respondents on financial control and program sustainability in universities in River State, Nigeria, based on institutions. The study is in consonance with Agim, Ochui, and Atah (2020), whose findings revealed that both the federal university and the state university are in need of financial management to ensure the growth, development, and sustainability of the university.

## Conclusion

The study of the findings revealed that the respondents in universities, particularly in River State, Nigeria, agreed that financial management and financial control are significant to the sustainability of university programs. This could be that financial management plays a significant role in organizations, and the university's management is ensuring that finances under its care are not misused by taking all measures for prudent management.

## Recommendations

The following recommendations were made:

1. The university's internal auditors should ensure there are checks and balances to safeguard against misappropriation of university funds.
2. The university's internal auditors should ensure that the internal control system is strong enough to ensure financial accountability for the university's funds.

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