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Financial Resources Management Practices and Effectiveness of Colleges of Education in Kwara State, Nigeria

[1]Babarinde, Sunday Ebenezer, [2]Professor Sofoluwe Abayomi Olumade, [3]Dr Abdulganiyu Adebayo Tijani
[123]Department of Educational Management
University of Ilorin, Ilorin Nigeria

Abstract: This study sought to assess the practice of financial resource management and its link with effectiveness of Colleges of Education in Kwara State, Nigeria. The management of financial resources is important for effective functioning of any institution; however, the Colleges of Education in Kwara State suffer from persistent problems of insufficient funds, poor budgetary transparency, unfair distribution of financial resources, and lack of financial management system. These problems prevent Colleges of Education from successfully recruiting and retaining students, developing faculties, and delivering quality educational programs. This study used descriptive survey research design, which incorporated both quantitative and qualitative methods of data collection. In total, 333 academic and non-academic staff members from six Colleges of Education were sampled in Kwara State using multi-stage sampling technique. The survey instrument used was a validated structured questionnaire called the Financial Resource Management Practices Questionnaire (FRMPQ). Furthermore, interviews were conducted with the heads of the accounting department at colleges. Quantitative data were analysed with the help of descriptive statistics and multiple regression analysis. Qualitative data were analysed by content analysis. The findings showed the positive relationships between budgeting, revenue generation, resource allocation, and financial reporting. According to multiple regression analysis, the collective financial resource management activities explained 20.3% of the variation in institutional effectiveness ($R^2 = .203$, $F(4,328) = 20.911$, $p < .001$). Resource allocation was identified as the most significant negative predictor of effectiveness, indicating a lack of alignment between financial inputs and student-oriented outputs. Revenue generation did not significantly predict institutional effectiveness independent of other variables. It can be concluded from the study that while financial resource management practices have an impact on institutional effectiveness, such impact depends on strategy, accountability, and deliberate allocation of funds to academic pursuits. Therefore, it is recommended that institutions of higher education in Kwara State should embrace a financial resource management system that entails performance-based budgeting, revenue diversification, improved accounting procedures, and effective resource allocation to promote student enrolment, retention, and graduation.

Key Words: Effectiveness, Finance, Management, Resources, Tertiary Education

Introduction

Effective management of Colleges of Education depends to a large extent on the manner in which financial resources are managed within these institutions. Public Colleges of Education in Kwara State, Nigeria, are important providers of training for pre-service teachers who become effective teachers in the primary and secondary school subsector (Adebayo & Yusuf, 2018). Nonetheless, Colleges of Education continue to face financial management problems that impair their performance as educational institutions. Financial management involves the process of systematically planning, allocating, monitoring, and reporting on the financial resources of an institution in order to deploy them in an efficient manner (Johnson, 2020). Financial management is not only necessary for achieving administrative efficiency in any institution but a critical tool for fostering academic success and quality development in higher education institutions. Effective financial management ensures that there are sufficient financial resources that can be used to enhance teaching and learning as well as improve staff motivation (Mitchell, 2018; Chinweze et al., 2024).

As regards Kwara State, the six state-owned Colleges of Education situated in Ilorin, Oro, Omu-Aran, and other associated campuses rely heavily on government subventions enhanced by IGR via student fees and other auxiliary income sources. The issues of inadequate finance, delayed disbursement of government subventions, and weak internal controls feature prominently in most conference and accreditation reports on the state of affairs in the institutions concerned (NCCE, 2021). Such challenges hamper their ability to maintain sufficient learning materials and pay staff timely, among others.

While there is no question about the significance of financial management in the higher education system, the existing body of empirical research that examines the link between financial resource management practices and institutional effectiveness of Colleges of Education in Kwara State has proven very thin. Majority of these empirical works examine the theme in question at the national level or within the context of universities. There is still an evident lack of empirical work focusing specifically on Colleges of Education. The purpose of the present study is therefore to bridge this knowledge gap.

Theoretical Framework

This research is built on three different but complimentary theories, which include Agency Theory (Jensen & Meckling, 1976), Resource Based Theory (Barney, 1991), and Efficiency Theory (Taylor, 1911). In this theory, the roles played by principal (the government and governing councils) in designing the system of accountability so that agents' (college bursar and administrative staffs) financial behaviour matches institutional objectives and expectations is considered. In resource based theory, financial resources are treated as strategic resources whose effective utilization ensures institutional effectiveness and competitiveness against peer institutions (Barney, 2018). Finally, efficiency theory considers optimization as a means to achieve the best output from an institution using minimum inputs.

Method

This research employed a descriptive survey research design with a mixed methodology, where both quantitative and qualitative data was gathered using a questionnaire and interviews, respectively. All academic and non-academic staff of the six public Colleges of Education in Kwara State were considered the population for the study, with an estimated number of 2,180 people. A multistage sampling technique was used, which involved selection of all the six public colleges through purposeful sampling, then stratification of the staff into academic and non-academic staff, after which simple random sampling of 10% staff of each institution was done.

The main data gathering tool used was the Financial Resource Management Practices Questionnaire (FRMPQ), which contained 20 questions arranged into four dimensions, namely: budgeting (5 questions), revenue generation (5 questions), resource allocation (5 questions), and financial reporting (5 questions). The questions were scored on a four point Likert scale, ranging from strongly disagree to strongly agree. The reliability of the questionnaire was tested using Cronbach's alpha, which yielded 0.83. The effectiveness of colleges of education questionnaire (ECEQ) was used as the dependent variable.
For quantitative data, frequencies, percentages, and mean were computed through descriptive statistics while multiple regressions were conducted for inferential statistics. The hypotheses were tested at the 0.05 significance level. For qualitative data, thematic content analysis was conducted on the interview questions with heads of accounting departments.
Ethical clearance was granted by the University of Ilorin Ethical Review Committee, while the respondents provided informed consent before participation in the study.

Results and Discussion

1) Budgeting Practices

From the results presented in table 1, it was observed that most of the respondents (65.1%) believed that administrators and employees do not have sufficient transparency in access to the institution's budget. In addition, 75.0% were in agreement that their respective colleges carry out periodic evaluation of financial plans in view of their sustainability in future years. Chi-square test did not show any statistically significant differences in the perceptions of staff members across all the items of budgeting. The findings from the research are supported by Famade (2017), who noted low financial transparency in Nigerian universities as one of their characteristics, and Barr and McClellan (2018), who highlighted the importance of a comprehensive budgeting process as a way of building trust among stakeholders. Therefore, it can be concluded that, despite there being mechanisms for evaluating financial planning, they lack transparency on the part of stakeholders' access.

Table 1: Budgeting Practices and Financial Responsibility

Variables	Strongly Disagree	Disagree	Agree	Strongly Agree	Total	Chi-square(df)/Sig.	Phi/Cramer's V/Sig.
Administrators and employees are given transparent access to the institution's budget	138 (41.4%)	79 (23.7%)	72 (21.6%)	44 (13.2%)	333 (100%)	7.186 (3) .066	.147/.066
Funds are distributed effectively to fund research, infrastructure development, and academic activities	2 (0.6%)	117 (35.1%)	142 (42.6%)	72 (21.6%)	333(100.0%)	4.471(4).346	.116/.346
Academic							
Effective systems are in place to monitor wasteful spending	29 (8.7%)	150 (45.0%)	102 (30.6%)	52 (15.6%)	333 (100%)	3.105(3).376	.097/.376
Opportunities are provided for staff and students to offer feedback on financial decisions	28 (8.4%)	121 (36.3%)	118 (35.4%)	66 (19.8%)	333 (100%)	2.497(3).476	.087/.476
The college periodically evaluates its financial plans for long-term viability	1 (0.3%)	82 (24.6%)	147 (44.1%)	103 (30.9%)	333 (100%)	4.624(3).202	.118/.202

Source: Authors' compilation, 2026

2) Revenue Generation

In terms of revenue generation, table 2 indicates that 69.0% of the respondents felt that their colleges make efforts to obtain external funding so as to boost their income streams. There was a significant difference between perceptions about the importance of entrepreneurial revenue ($c^2(3) = 8.276$, $p = .041$), as 51.9% of them disagreed with the notion that institutional revenues were mainly obtained through entrepreneurship. Moreover, 80.8% of the respondents believed that fundraising campaigns can be undertaken for improving financial sustainability, an issue that was also supported by significant difference ($c^2(3) = 9.181$, $p = .027$). The findings were supported by Mirian (2024), who showed that diversity in revenue sources ensures sustained growth and decreases dependency on government funding. Nonetheless, the regression test showed that revenue generation ($b = .082$, $p = .109$) was not a significant predictor of institution performance, confirming Wekullo (2022), who argued that additional revenue streams did not improve student performance unless reinvested into academic excellence.

Table 2: Revenue Generation and Financial Viability

Variables	Strongly Disagree	Disagree	Agree	Strongly Agree	Total	Chi-square(df)/Sig.	Phi/Cramer's V/Sig.
The college actively obtains outside funding to augment revenue streams	8 (2.4%)	95 (28.5%)	138 (41.4%)	92 (27.6%)	333 (100%)	2.145(3).543	.080/.543
The institution's funds are largely derived from entrepreneurial revenue	38 (11.4%)	122 (36.6%)	92 (27.6%)	81 (24.3%)	333 (100%)	8.276(3).041	.158/.041
To improve financial viability, the college funds fundraising campaigns	3 (0.9%)	61 (18.3%)	211 (63.4%)	58 (17.4%)	333 (100%)	9.181(3).027	.166/.027
The institution actively secures external funding to supplement income	3 (0.9%)	61 (18.3%)	211 (63.4%)	58 (17.4%)	333 (100%)	.519(3).915	.039/.915
Academic							
The present tuition charge schedule balances operations and student affordability	64 (19.2%)	122 (36.6%)	94 (28.2%)	53 (15.9%)	333 (100%)	4.469(3).215	.166/.215
Academic							

Source: Authors' compilation, 2026

3) Resource Allocation

Resource allocation turned out to be the key aspect of the study as depicted in table 3. Although more than three-quarters of the sample (76.8%) opined that funding allocations were made based on precise and unbiased criteria – a factor that met the criterion for statistical significance ($c^2(3) = 10.983$, $p = .012$) – about two-thirds (58.5%) viewed funding allocations in departments as inequitable. The multiple regression analysis further established that resource allocation is the best negative predictor of institutional effectiveness ($b = -.344$, $t = -6.370$, $p < .001$), implying that organizational inefficiencies as a result of improper distribution of resources negatively impact performance. This assertion is supported by research findings from Hillman et al. (2024) who found out that educational institutions that spend per student in instructional and service functions record high retention and graduation rates, and any kind of misallocation negatively impacts their performance. In addition, qualitative data gathered through interviews showed that resources allocation in Kwara State Colleges is politically driven rather than strategically academic-driven. This is inline with the findings of Massy (1996) that educational institutions cannot freely allocate their resources owing to political governance.

Table 3: Resource Allocation and Institutional Financial Decisions

Variables	Strongly Agree	Agree	Disagree	Strongly Disagree	Total	Chi-square(df)/Sig.	Phi/Cramer's V/Sig.
Financial resources are not equitably allocated among departments	71 (21.3%)	124 (37.2%)	76 (22.8%)	62 (18.6%)	333 (100%)	2.959(3).398	.094/.398
Academic							
Funding for teaching and learning facilities is not prioritized over administrative expenses	2 (0.6%)	189 (56.8%)	67 (20.1%)	75 (22.5%)	333 (100%)	3.804(3).283	.107/.283
Academic							
Funds are not allocated based on precise and impartial criteria	5 (1.5%)	72 (21.6%)	124 (37.2%)	132 (39.6%)	333 (100%)	10.983(3).012	.181/.012
Academic							
College does not allot enough funds for student welfare initiatives	7 (2.1%)	133 (39.9%)	110 (33.0%)	83 (24.9%)	333 (100%)	6.853(3).077	.143/.077
Academic							
Institutional strategic goals have less impact on financial decisions than outside forces	28 (8.4%)	147 (44.1%)	80 (24.0%)	78 (23.4%)	333 (100%)	4.481(3).214	.116/.214
Academic							

Source: Authors' compilation, 2026

4) Financial Reporting

The findings relating to financial reporting in table 4 show several worries with regard to all dimensions of financial reporting. As shown in table 4, most of the respondents (75-85%) reported that the financial statements lacked clarity, were not timely, did not adhere to the standardized principles of accounting, were not accurately audited and did not facilitate an adequate understanding of financial performance of the institution. There were no statistically significant variations in the perceptions of the various categories of staff, indicating consistent negative experiences in the institutions. The findings from the regression analysis indicate that financial reporting is a significant negative predictor of effectiveness ($b = -.126$, $t = -2.358$, $p = .019$). These findings agree with the study by Ellwood & Newberry (2016) that transparency in financial reporting is essential for accountability and the study by Usifo & Ani (2021) which indicates that the existence of an audit committee and weak internal control greatly increases financial irregularities in Nigerian universities.

Table 4: Financial Reporting Practices

Variables	Strongly Disagree	Disagree	Agree	Strongly Agree	Total	Chi-square(df)/Sig.	Phi/Cramer's V/Sig.
Financial reports are not compiled and presented clearly	6 (1.8%)	72 (21.6%)	193 (58.0%)	62 (18.6%)	333 (100%)	.858(3).835	.051/.835
Academic							
Financial reports are not promptly made available to all pertinent parties	2 (0.6%)	72 (21.6%)	189 (56.8%)	70 (21.0%)	333 (100%)	.114(3).990	.018/.990
Academic							
Uniformity in financial reporting using standardized accounting standards is not ensured	0 (0.0%)	72 (21.6%)	194 (58.3%)	67 (20.1%)	333 (100%)	.172(2).918	.023/.918
Academic							
Accuracy and integrity of financial reports are not checked by audits	4 (1.2%)	54 (16.2%)	218 (65.5%)	57 (17.1%)	333 (100%)	2.356(3).502	.084/.502
Stakeholders do not better comprehend financial performance from reports	3 (0.9%)	48 (14.5%)	207 (62.3%)	74 (22.3%)	332 (100%)	1.878(3).598	.075/.598

Source: Authors' compilation, 2026

5) Financial Resource Management and Institutional Effectiveness

The statistical analysis of evidence of the entire multiple regression model proved to be significant ($F(4, 328) = 20.911$, $p < .001$), explaining 20.3% of the variance in institutional effectiveness ($R^2 = .203$, adjusted $R^2 = .193$). According to Table 5, all three factors resource allocation ($b = -.344$, $p < .001$), budgeting ($b = -.141$, $p = .013$), and financial reporting ($b = -.126$, $p = .019$) proved to be significant, showing negative correlations with effectiveness. Income generation failed to show any statistical significance ($b = .082$, $p = .109$). The regression equation can be represented as:

Effectiveness = 3.921 – 0.104 (Budgeting) + 0.081 (Revenue Generation) – 0.237 (Resource Allocation) – 0.113 (Financial Reporting)

The negative coefficients of budgeting, allocation of resources, and financial reporting suggest that the current processes within these areas do not serve the strategic purposes related to student-centered aims of the institution. In other words, the mentioned processes are not the enablers of effectiveness but rather constraints – in line with institutional culture focused on cost-saving, compliance, rather than investment into the process of education and learning. In addition, the absence of revenue generation coefficient in determining the effectiveness proves that diverse revenue generation processes should be paired with effective reinvestments to achieve results (Wekullo & Musoba, 2023; Johnstone, 2004).

Table 5: Multiple Regression Predicting Relationship between Financial Resource Management Practices and Effectiveness Of Colleges Of Education In North Central, Nigeria.

Variables	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**R Square Change**	**F Change**	**df1**	**df2**	**Sig. F Change**	**Sum of Squares**	**df (ANOVA)**	**Mean Square**	**F**	**Sig.**	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
Model Summary	.451	.203	.193	.49316	.203	20.911	4	328	.000										
ANOVA – Regression										20.342	4	5.086	20.911	.000					
ANOVA – Residual										79.772	328	.243							
ANOVA – Total										100.114	332								
Coefficients – (Constant)															3.921	.195		20.068	.000
Coefficients – Budget															-.104	.042	-.141	-2.489	.013
Coefficients –Revenue Gene															.081	.050	.082	1.605	.109

Variables	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Sum of Squares	df (ANOVA)	Mean Square	F	Sig.	B	Std. Error	Beta	t	Sig.
Coefficients –Resource Allocation															-.237	.037	-.344	-6.370	.000
Coefficients –Financial Report															-.113	.048	-.126	-2.358	.019

Source: Authors' compilation, 2026

Conclusion and Recommendations

Conclusion

1. Financial resource management practices in Colleges of Education in Kwara State consist of poor budget transparency, limited diversification of income sources, unfair allocation of resources, and poor financial reporting, thus limiting the effectiveness of institutions.

2. Financial resource management practices contribute moderately to institutional effectiveness (20.3%), suggesting that other contextual determinants, such as the structure of governance, leadership quality, and human resource development, are equally important.

3. Allocation of resources is the strongest predictor of institutional effectiveness, while the negative coefficient of this variable implies that the distribution of finances is consistently inappropriate regarding student-related needs.

4. Income generation does not serve as a predictor of institutional effectiveness, which means that revenue diversification is an essential, yet insufficient determinant of effective institutional operation.

Recommendations

1. Performance-budgeting systems need to be implemented where governing bodies of colleges and universities allocate budget lines in accordance with certain measurable KPIs such as student enrolment goals, retention rates, and graduation. Annual training programmes on outcome-based budgeting should be introduced for finance personnel and heads of departments.

2. Colleges must strive to diversify their sources of income other than the government subvention and fees paid by students. They can create fundraising offices, explore grant funding opportunities through research, initiate commercial ventures, and launch alumni giving programmes. The revenues earned will have to be re-invested in enhancing quality of teaching and supporting students in order to achieve higher effectiveness.

3. College resource allocation models need to be adjusted in favour of student-related investments like academic counselling, educational materials, lab equipment, and welfare. The resource allocation standards must be objective and immune to political pressure.

4. Modern financial information systems must be installed to improve timeliness, accuracy, and consistency of financial performance reports made to stakeholders. Strong internal audit committees are needed, and

annual external audits are advisable.

5. The National Commission for Colleges of Education (NCCE) and the Kwara State Ministry of Education should take measures to ensure that funds allocated by the government are released on time and there is proper monitoring to ensure that the money is used for its intended purpose. The bursar and other key individuals must undertake financial governance training.

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