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ANALYSIS OF EFFECTIVENESS ON FINANCIAL MANAGEMENT AND FINANCIAL PLANNING IN THE EDUACATION SYSTEM

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ABSTRACT

Financial management and financial planning to the improvement of the efficient and effective use of finances in education system. This includes the financial activities' planning, arranging, directing, and controlling. Financial planning is the process of defining financial objectives, rules, procedures, plans, and budgets. Education departments would be able to properly deal with financial planning in the education field if they are well informed on their duties and responsibilities in financial management. Financial planning and management are essential components of effective and efficient financial management in education. The goal of the fieldwork was to determine the scope of potential financial management and planning issues in educational management. Major variables in the education system, such as strategic management and budgeting, planning, financial control, and the management cycle, were discovered.

Keywords: Management, Finance, Planning, Budget, Control, Education system.

1. Introduction

Financial services education and training programmes are increasingly relying on a competency-based approach, in which a curriculum's learning outputs and theoretical knowledge are linked to relevant practise outcomes or competencies for a certain job function. Curriculum materials in any national education system are created in general terms that do not directly address the specific needs of individual institutions or groups of students. As a result, Anonymous (2005) educators must transform curriculum systems into specific teaching programmes that are detailed enough to lead day-to-day classes and activities. As a result, the Financial Planning Standards Board developed the Education System to guide the implementation of knowledge Bell, L. (2002) for the financial planning profession. This Financial Planning Education System was created to reflect the cognitive levels and results that CFP professionals are expected to achieve. While developing the global education

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standard for financial planning, FPSB developed learning outcomes and content for its Financial Planning Education that relate to the competencies, skills, and knowledge required to practise financial planning (as defined by FPSB's Financial Planner Competency Profile). By linking the Financial Planning Curriculum System directly to its Financial Planner Competency Profile Bruce, K., & Gupta, R. (2011), the FPSB encourages educators to be guided by actual practise of financial planning and management when developing Bilkisu Bashir Aliyu (2018). The financial management and planning education system lays forth a framework for organising financial planning education modules and courses, as well as reaffirming globally defined Danes, S. M., C. Huddleston-Casas & L. Boyce (1999) learning outcomes and requirements. The Curriculum System emphasises the links between modules, programmes, and qualifications/practices, as well as between teaching, learning, and assessment, and it makes programme comparison and student mobility both within and outside of a territory easier. The process of setting financial objectives, rules, procedures, strategies, and budgets is known as financial planning. If education departments are fully informed about their financial management tasks and responsibilities, they will be able to appropriately deal with financial planning in the education field. Financial planning and management are essential components of effective and efficient financial management in education. The goal of the fieldwork was to determine the scope of potential financial management and planning issues in educational management. Major aspects such as sluggish management and budgeting, planning, financial control, and the management cycle were discovered.

2. Characteristics of financial management in Education

The process of planning, organising, directing, and controlling financial activities such as the acquisition and utilisation of educational assets is referred Kaguri, M., Njati, I. C., & Thiamine, K. S. (2014) to as financial management. The application of general management ideas to the financial resources of education is referred to as financial management. The following are some of the responsibilities of financial management:

- Investment choices – both capital and current asset investments (working capital, etc.).
- Financial decisions - those involving the raising of funds from various sources, the length of time for financing, asset costs, and asset returns.
- The acquisition, allocation, and control of financial resources are all aspects of financial management. Financial management has the following goals:
- Funds are provided on a regular and appropriate basis.
- To give a regular return to the trust, based on earning potential.
- To make the most of the financial resources available. The assets should be used to their full extent at the lowest feasible cost because they have been granted.
- To give investment security, i.e., to place investments in safe businesses and earn an acceptable return.
- To organise the overall capital structure in order to maintain the debt-to-capital-value ratio under control.

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The financial management department is in charge of estimating the school system's capital needs. This depends on projected costs and earnings, as well as future projects and policies. The capital estimation process should be carried out in such a way that educational earning capacities are boosted.

3. Definition of financial planning in education

The process of predicting the amount of capital required to carry out the educational system's tasks is known as financial planning. This is the process of developing financial policies for the provision of assets, investments, and education funds management. Financial planning refers to the process of developing goals, policies, processes, programmes, and budgets for educational activities. Financial planning entails the following:

- Providing appropriate funds.
- Maintaining a proper balance of incoming and exiting monies.
- Developing of expanding and development programmes to safeguard the education's long-term viability.
- Lessening of market uncertainty as a result of education
- Lessening of the uncertainty that could stifle educational progress.
- • Assisting in the maintenance of stability and profitability.

Predicting, guiding, synchronising, and deliberate distribution of the parts of education's Bruce, K., & Gupta, R. (2011) finance function is what financial planning entails. The term "financial planning" refers to the process of preparing cash flows and the financial structure of an educational institution.

4. Strategic Management and Budgeting in Education

The logical approach to budgeting for educational objectives necessitates annual budgeting within a longer-term strategic management framework in which the education includes organisational development planning.

A budget is a framework within which decisions about the organization's financial intake and outflow as real-estate expenditures are planned, implemented, documented, and reported. A budget is tied to a specified time period, most commonly the fiscal year. The budget of an organisation serves three key purposes:

- planning
- financial control

4.1. Planning

The budget is a crucial tool for determining what an organisation will undertake in the future and how it will fund the necessary resources. The budget is a plan that looks ahead. The data being evaluated in developing a budget for the following financial year are hypothetical or conjectural. They are forecasts of a possible future situation, and the revenue and

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expenditures they represent have not really transpired. The majority of budget education focuses on the budget planning function.

4.2. Financial control

Financial control refers to the procedures for recording, monitoring, and adjusting revenue and expense receipts and outflows in order to ensure that the budget is managed honestly, efficiently, and effectively. Financial integrity is the bare minimum, followed by decent housekeeping. Using financial control to assist assure efficiency and effectiveness in connection to educational objectives. When you use a budget to keep track of your finances, you must record all revenue inflows and payment outflows. The budget as a record and report of past financial activities, in contrast to the budget as a plan, is backward looking.

Tables 1 and 2 depict a simplified budget to explain the distinctions between a forward-looking budget plan and a backward-looking budget plan for financial control, as well as how both are utilised for monitoring. A budget is divided into several heads, each of which represents a particular type of expenditure.

Comparison of Planned and Outturn in Education Budget

Table1: Planned and Outturn in Education

No	Budget Heading	Planned	Outturn
1	Teachers	443,798	451,687
2	Cover for staff absence	15,000	16,870
3	Support staff	34,000	34,678
4	Staff development	3,456	3,200
5	Books, materials, equipment, etc.	20,456	19,452
6	Maintenance	7,908	8,567
7	Utilities	14,987	15,325

Graph 1

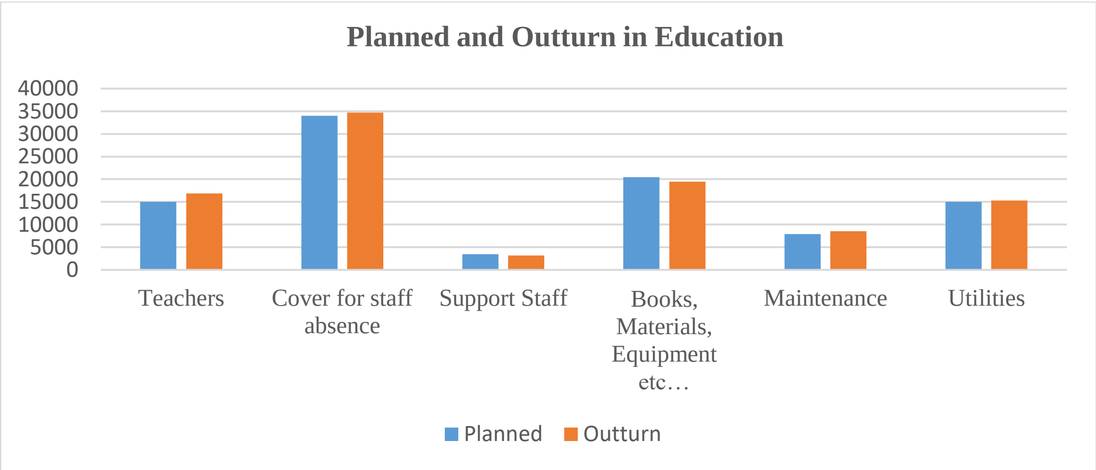

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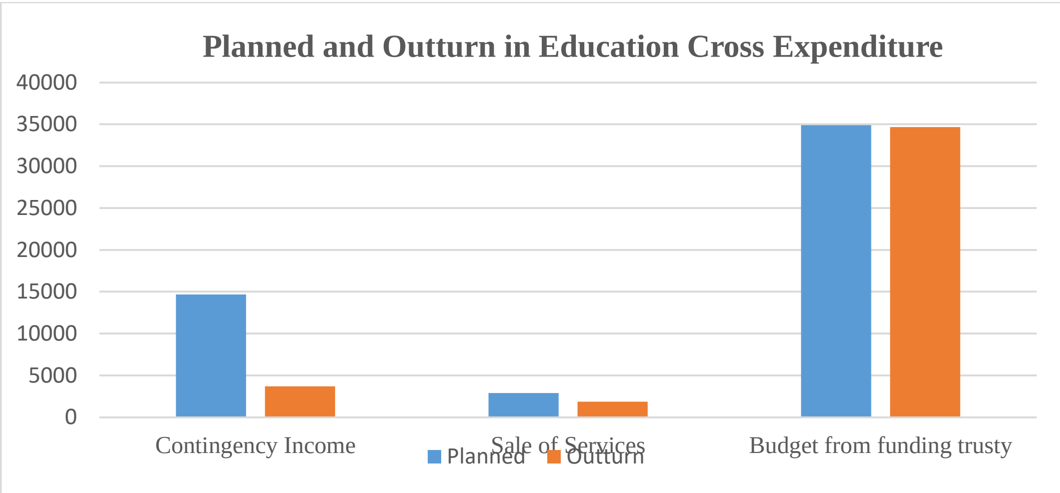
Table1: Planned and Outturn in Education Cross Expenditure			
No	**Budget Heading**	**Planned**	**Outturn**
1	Contingency Income	14,670	3,678
2	Sale of services	2,890	1,870
3	Budget from funding trusty	34,900	34,678

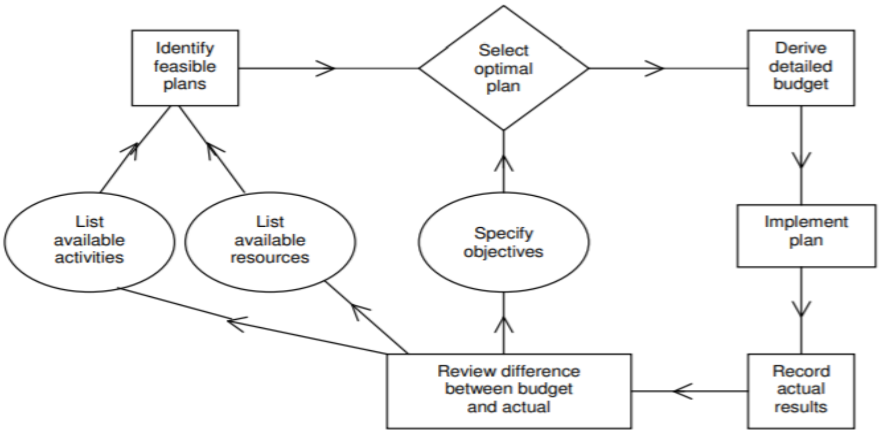
Graph 2



5. The financial management and planning cycle

The acquisition, allocation, implementation, and assessment stages of the financial management and planning cycle are successively tied to the education planning, financial control, and stewardship functions of the planning.

Figure 1: Management and Planning cycle



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6. Conclusion

The determinants of financial literacy and personal financial planning within the education were the subject of this study. The degree of financial management and planning education discovered in the study is adequate. It revealed the significance of contextual elements that can influence personal financial planning and financial management. It also looked at the links between a few key variables in financial management and personal financial planning, employing an approach that was devoid of the respondents' personal characteristics. According to the study, the majority of higher education teachers have a good degree of money management, are knowledgeable of numerous areas of personal financial planning, and can plan on their own regardless of subject. The results of a factor analysis revealed essential quality aspects in financial management and financial planning. However, teachers at all levels and employees from all sectors of the business should be targeted in order to provide a clear picture of how individuals plan their personal finances. The findings should assist policymakers and practitioners in developing effective measures to close any gaps in financial management.

The educational system's financial management and planning organisational effectiveness. The rational method to budgeting contrasts from the traditional or incremental approach, in which each year's budget plan equals the previous year's expenditure with small revisions, and in which financial accounting in educational institutions is only loosely tied with educational issues. As a result, resource management and budgeting provide an important link between strategy and quality.

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