

## The Efficiency Level of Primary Schools Financial Administrative Assistants in Managing School Finance at District of South Kinta Malaysia

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**Abstract:** This study focuses on the efficiency of the school's Financial Administrative Assistant in managing the school's financial based on their level of knowledge and skills (including financial management, receipt management, management of cash book and petty cash, purchase management, and the preparation of the annual financial statements), as well as the level of accountability and attitude motivation in school financial management. It is a quantitative study sample which was comprised of 65 primary school Administrative Assistant in the South Kinta district. The data was collected by using questionnaire survey with 64 items divided into 4 parts, Part A (4 items - information and background of the respondents), Part B (40 items - the knowledge and skills), Part C (12 items - a level of accountability) and Part D (8 items - attitudes and motivation). Descriptive analysis (percentage and mean) was used to obtain information for each variable. The results showed that the level of Administrative Assistant efficiency is high. Level of knowledge and skills that show a mean of 3.55, a level of accountability that show a mean of the 3.59 and attitude and self-motivation showed an overall mean value of 3.49. Therefore, based on these findings the school's financial management practitioners such as Head Master, District Education Office Assistant, Education Department (NRD) and the Department of School Audit to take proactive measures that will be beneficial to all parties involved in the efforts to improve the schools' financial management.

**Keywords:** School Finance, Accountability, Accounting

### INTRODUCTION

The school is an educational institution where administration of property and finances are subject to the provisions contained in the Education Act 1961 and the Account and Audit Rules 1962. Financial management of the school is one of the duties of an administrator in a school as it is an important aspect in the management and financial supervision of the school and should be managed efficiently. However, efficient financial management does not mean savings but it could lead to more effective spending which can yield the best education [1].

The financial accounting system of the school is one of the procedures of administering the source of financial income of the school to achieve the objectives set for maximizing the benefits of education. Therefore, the financial management of the school functions for the smooth running of all programs that have been planned by the school based on the instructions of the ministry of education. Efficient financial management of the school can help ensure that all of the goals and vision of the school is achieved. Thus, the efficiency of financial management is very important and should be emphasized in an organization such as a school [2].

The Secretary-General of the Ministry of Education Malaysia stated that the Financial Management is one of the shifts presented in the Preliminary Report of the National Education Blueprint (PPPM) and should be done efficiently to maximize the returns of every ringgit spent. Accordingly, the school should ensure that all sources of income can be managed efficiently and comply with the financial regulations so that any financial allocations in the school can be used efficiently and optimally for the realization of PPPM. [7]

Based on the hierarchy of the organization chart of the school, the finance department otherwise known as the Finance and Accounts Committee of the School (JPKA) is under the jurisdiction of the administration led by the Principal or the Headmaster as a manager or leader. However, this jurisdiction is aided by the Senior Assistant 1 and also the Administrative Assistant who are responsible for the administration and the financial management of the school. This can be observed through the post of the administrative assistant who is directly involved in managing the finances of the school and should play an important role in helping the administration in achieving their mission and objectives set by the school.

This study is conducted to find out the level of efficiency of the appointed Administrative Assistant in the financial management the school that has been given the responsibility to honour the mandate of the delegation of authority to run a good and efficient financial management of the school besides achieving the objectives set. The Administrative Assistant also plays an important role in representing the headmaster as the practitioner officer in the financial management of the school.

### **The Research Problems**

The Consolidate School Audit Year 2010 however has shown an increase in the number of schools in the Perak state receiving the Qualified Audit Report since the last five years. This clearly shows that the quality of the financial management at the school level is still weak and need to be improved towards “zero defect” [6].

According to a study conducted by Shahril [3], it is found that several problems were originating from outside or within the school itself. He also found that these problems arose from the poor management purchases and orders and poor skills of financial management.

The procedures and rules related to the financial management of public service generally or the school specifically is based on the released official rules such as circulars of finance and accounting of the school. Treasury Instructions, Account and Audit Rules 1962 and Education Act 1996 should provide an effective guidelines for the school finance manager. However, several studies have proved this otherwise and the financial management of the school still inevitably making mistakes that are often reprimanded by the school audit. Among the commonly occurring mistakes is financial expenses which are not in accordance with the financial procedures.

In the context of the financial management of the school, the headmaster truly is the officer primarily responsible for the financial affairs. However, these tasks and activities have been delegated to the subordinates in accordance with their duties and skills. According to Akrani [4], delegation of powers means encouraging employees to be more involved in the decision-making processes and activities in relation to their duties. The opportunity given can trigger a variety of ideas, income and skills available to be practiced.

Normally, financial affairs at the school have been conducted by the appointed administrative assistant to help the Headmaster in running the mandate and responsibilities of the financial duties well. Therefore, the role played by administrative assistants is undeniably important in the management of the school finances.

Due to the recurring weaknesses highlighted in the school in relation to financial management, the researcher wants to find out the level of efficiency of the Administrative Assistant as the helper of the school's manager who is the Headmaster in order to improve the quality of the school financial management.

### **Research Questions**

This study focuses on the question which includes the financial aspects that lead to efficiency in the allocation granted by the Ministry of Education to achieve the objectives of the school. The reasearch questions were based on the objective of study contains a few aspects: this research is conducted to review the level of knowledge and skills, accountability, attitude and self-motivation of administrative assistants in the financial management the school.

- The level of knowledge and skills based Administrative Assistant aspects of school financial management, receipt management, cash book and imprest fund management, payment management and preparation of financial statements.
- The level of accountability of Administrative Assistant in the financial management of the school.
- Assessing the attitudes and motivation of appointed Administrative Assistant in the financial management of the school.

### **METHODOLOGY**

The study was quantitative, descriptive and using the survey research method. Descriptive statistics such as mean, percentage, and frequency distribution were used to analyze and describe the demographic data of respondents. The instrument used was a questionnaire with a coefficient alpha of 0.971. All of a total of 65 Financial Administrative Assistants in 65 primary schools in South Kinta district selected as respondents. The respondents consisted of 12 male and 53 female of the Financial Administrative Assistants. Their ages ranged between 20 and 60 years.

### **RESULT AND DISCUSSION**

#### **Analysis of Respondents' Background Based on Demographic**

Based on the analysis of demographic data, the percentage distribution and frequency of respondents aged between 20 to 30 years old was 30.8% (n=20); whereas respondents aged between 31 and 40 years old was 24.6% (n=16); respondents aged between 41 to 50 years old was 26.2% (n=17); and respondents aged between 51 and 60 years old was 18.5% (n=12).

The percentage distribution and frequency of respondents according to their years of experience as financial administrative assistant were divided into 4 categories, namely: less than a year which was 3.1% (n=2); between one to 5 years which was 49.2% (n=32); between 6 to 10 years which was 16.9% (n=11) and

more than 10 years of work experience as financial administrative assistant which was 30.8% (n=20).

The percentage distribution and frequency of respondents based on their highest academic qualification were: no respondents held the qualifications of SRP/PMR; respondents with SPM/MCE qualification were 76.9% (n=50); respondents with STPM/Diploma qualification was

20% (n=13); whereas respondents with Bachelor Degrees qualification was 3.1% (n=2).

#### Analysis of Variable Data (Percentage, Mean Scores, Standard Deviation)

In order to measure the level of efficiency of administrative assistants, the researcher has used the power estimation suggested by Davis [8].

**Table-1: Estimation of Efficiency Level**

Coefficients	Interpretations
0 to 1.33	Low
1.34 to 1.33	Medium
2.68 to 4.00	High

**Research Question 1:** What is the level of knowledge and skills of the school's Financial Administrative Assistant based on these elements a. financial management, b. receipt management, c. cash book and

petty cash management, d. financial management and e. preparation of the School Yearly Financial Report.

#### Level of Knowledge and Skills in Financial Management

**Table-2: Level of Knowledge and Skills (Financial Management)**

No	Items	Percentage				Min	SD
		1	2	3	4		
1	I am able to calculate the amount of PCG received by the school			29 (44.6)	36 (55.4)	3.55	.50
2	I fully understand the prosedure, circulars of treasury instructions and the acts related to the school finance.		2 (3.1)	44 (67.6)	19 (29.2)	3.26	.50
3	PCG surplus cannot be brought forward after 31 <sup>st</sup> December each year.	2 (3.1)	23 (35.4)	32 (49.2)	8 (12.5)	2.70	.72
4	Unpaid Accounts have to be completed within 14 days after the purchase.			24 (36.9)	41 (63.0)	3.60	.48
5	I am capable of providing cash			42 (64.6)	23 (35.4)	3.35	.48
6	I am capable of preparing the bank reconciliation statement			27 (41.5)	38 (58.5)	3.58	.49

Overall Min Scores: 3.34

Based on Table 2, the overall min score towards knowledge and skills through the aspects of school financial management is high with 3.34 scores. This study show that the amount at the highest level is 67.7% and the amount at the lowest level is 3.1%. This study can conclude that the Administrative Assistant

studied know the financial tasks that must be done in accordance with the compliance and financial procedures associated with the school finances.

#### Level of Knowledge and Skills (Receipts Management)

**Table-3: Level of Knowledge and Skills (Receipts Management)**

No	Items	Percentage				Min	SD
		1	2	3	4		
1	Attaining authority letter revealed by the Head Master to collect money.			43 (66.2)	22 (33.8)	3.30	.47
2	Ensure that the receipt is opened during the receipt of money.			39 (60.0)	26 (40.0)	3.40	.49
3	Receipt book should be placed in a safe place.			23 (35.4)	42 (64.6)	3.64	.48
4	Ensure that the receipt number has been checked before the issuing of receipt book.			22 (33.8)	43 (66.2)	3.66	.47
5	Ensure that the receipts issued are following consecutive numbers.			14 (21.5)	51 (78.5)	3.78	.41
6	Receipt is issued after every payment.	7 (10.6)	25 (37.9)	21 (31.8)	12 (18.2)	2.58	.91
7	Preparing the Receipt Register Book.			22 (33.8)	43 (66.2)	3.66	.48
8	Preparing the cash book based on the cash receipt.			28 (43.1)	37 (56.9)	3.56	.49

Overall Min Scores: 3.45

Based on Table 3, it is found that the overall min is 3.45. This shows that the respondents genuinely understood the aspects of receipt management. Financial Administrative Assistance readily knows the procedures of receipt management which must be done to help the school manager in carrying out the financial duties. According to the Procedures of Accounting

Management of the School Funds, the school manager should maintain the Receipt Book Stock Register which shows all the receipt books received and issued.

#### **Level of Knowledge and Skills (Cash Book and Petty Cash Management)**

**Table-4: Level of Knowledge and Skills (Cash Book and Petty Cash Management)**

No	Items	Percentage				Min	SD
		1	2	3	4		
1	Ensure that each entry have been recorded in the cash book.			33 (50.8)	32 (49.2)	3.39	.47
2	The head master always check and verify the cash book every month.			24 (36.9)	41 (63.1)	3.63	.48
3	Cash book is closed at the end of the month without having to wait for bank statements.			32 (49.2)	33 (63.1)	3.49	.50
4	Bank reconciliation statement prepared within 7 days after receipt of the bank statements.			33 (50.8)	32 (49.2)	3.36	.48
5	Ensuring cash on hand and checks exceeding RM500.00 and RM2000 have to be banked on the same day or the following day.			41 (63.1)	24 (36.9)	3.30	.48
6	Rotation Rate of Till Money is totalled RM300.00.			16 (24.6)	49 (75.4)	3.75	.43
7	Ensuring that a small voucher is provided before payment is made.			18 (27.7)	47 (72.3)	3.72	.45
8	Payment is made after the approval from the Headmaster.			14 (21.5)	51 (78.5)	3.78	.41
9	Only crossed cheque are issued except imprest money.			12 (18.5)	53 (81.5)	3.81	.39
10	Knowing the petty cash balance before recoupment is made.			12 (18.5)	53 (81.5)	3.81	.39

Overall Min Scores: 3.60

Based on Table 4, it is found that the highest overall min is 3.60. This shows that respondents are equipped with a very good level of knowledge and skills about the management of cash books and imprest money.

#### Level of Knowledge and Skills (Procurements and Payments Management)

**Table-5: Level of Knowledge and Skills (Procurements and Payments Management)**

No	Items	Percentage				Min	SD
		1	2	3	4		
1	Ensuring the school finance committee plan annual purchase.			18 (27.7)	47 (72.3)	3.72	.45
2	Ensuring that the purchase is based from requests.			35 (53.8)	30 (46.2)	3.46	.56
3	Ensuring that the balance in cash book is sufficient before making any purchase.			18 (27.7)	47 (72.3)	3.72	.45
4	Ensuring the quality and price reasonability from registered supplier of shopped items			22 (52.3)	31 (47.7)	3.47	.50
5	Providing bill register for every bill and invoice.			30 (21.5)	35 (78.5)	3.53	.50
6	Ensuring the request note was provided and approved by the Headmaster before the item is bought.			18 (27.7)	47 (72.3)	3.72	.45
7	Every purchase needs to be included with the government's local order form (LO).			10 (15.4)	55 (84.6)	3.84	.36
8	Payment made through cheque except purchase by cash.			10 (15.4)	55 (84.6)	3.84	.36
9	All supporting document must be prepared before payment is made.			9 (13.8)	56 (86.2)	3.86	.34
10	Payment to supplier should be made in a period of 14 days after the invoice is accepted.			10 (15.4)	55 (84.6)	3.84	.36

Overall Min Scores: 3.70

Base on Table 5, the survey found that the overall mean score was higher at 3.70. This indicates that the level of knowledge and skills in terms of management of payments is high among the respondents'.

#### Level of Knowledge and Skills (Preparation Financial Statement Report)

**Table-6: Level of Knowledge and Skills (Preparation Financial Statement Report)**

No	Items	Percentage				Min	SD
		1	2	3	4		
1	Financial statements for all cash book must be provided by 28 February each year.		4 (6.2)	40 (61.5)	21 (33.3)	3.26	.56
2	Financial statements must be provided with complete supporting documents.			18 (27.7)	47 (72.3)	3.72	.45
3	Ensure adjustments are made if the school has unpaid accounts (ABB)			18 (27.7)	47 (72.3)	3.72	.45
4	Ensure adjustments are made if the school has unreceived accounts (ABT)			18 (27.7)	47 (72.3)	3.72	.45
5	Ensuring the Financial Statements Report using PATSKOM			8 (12.3)	57 (87.7)	3.87	.33
6	The remaining cash book and bank statements must be the same on December 31.			15 (23.1)	50 (76.9)	3.76	.42

Overall Min Scores: 3.67

Table 6 showed overall min score are at high level 3.67. This shown respondents level of knowledge and skill in preparing the financial statement report are high. Respondents understand and know the aspects in the preparation of the annual financial report.

### Research Questions 2: Level of accountability of administrative assistant in managing the school finance

**Table-7: Level of Accountability**

No	Items	Percentage				Min	SD
		1	2	3	4		
1	I always refer to the allocations in the education rule (Account and Audit) 1962 in the Education Act 1996 and the current circulars related to the school finance.			31 (47.7)	34 (52.3)	3.52	.50
2	I am responsible to prepare and submit a statement of account of the current financial year to the audit no later than March 31 of each year.			40 (61.5)	25 (38.5)	3.38	.49
3	I have recorded all expenses that have been made in any documents under my responsibility.			35 (53.8)	30 (46.2)	3.44	.53
4	I record my expenses after receiving the goods or after spending is implemented.			28 (43.1)	37 (56.9)	3.55	.53
5	All expenses under RM100 cash made through imprest money.			15 (21.5)	50 (76.9)	3.76	.42
6	The school has a Finance and Accounts Committee.			17 (26.2)	48 (73.8)	3.73	.44
7	The school displays the organizational chart of the school finance committee.			36 (55.4)	21 (32.3)	3.20	.64
8	All spendings are based on the plans set by the school.			26 (40.0)	39 (60.0)	3.60	.49
9	Spendings are made after checking the stocks or the balance of the items to avoid wastage.			27 (41.5)	38 (58.5)	3.58	.49
10	All purchases using the local order are made after obtaining approval from the Headmaster.			16 (24.6)	49 (75.4)	3.75	.43
11	The remaining provisions of each subject are reported in the School Finance Committee meeting to make expenditure easier.			14 (21.5)	51 (78.5)	3.78	.41
12	Expenditures are made based on total finance available.			12 (18.5)	53 (81.5)	3.81	.39

Overall Min Scores: 3.59

Based on Table 7 overall min scores for the level of accountability is 3.59 are high and it is very good. This shows that the respondents are always responsible on anything that helps the school manager in ensuring the smoothness of the financial management of the school.

The lowest min is the item “The school displays the organizational chart of the school financial

committee” with value 3.20. However, this value still illustrates a high interpretation. This shows that the majority of Administrative Assistant displays the organizational chart of the School Finance Committee.

### Research Question 3: Assessing the attitudes and motivation of Administrative Assistant in carrying out financial tasks at the school.



**Table-8: Attitudes and Motivation**

No	Items	Percentage				Min	SD
		1	2	3	4		
1	I carry out financial tasks efficiently and effectively.			43 (66.2)	22 (33.8)	3.30	.47
2	Financial and Accounting Courses helps me perform financial tasks every day.			39 (60.0)	26 (40.0)	3.40	.49
3	I am delighted to perform financial duties.			23 (35.4)	42 (64.6)	3.64	.48
4	I require practice and motivation to strengthen my knowledge in the field of the school finances.			22 (33.8)	43 (66.2)	3.66	.47
5	I am always responsible for my conduct in the school finances.			14 (21.5)	51 (78.5)	3.78	.41
6	I will refer to the headmaster before making any decisions about the school finance.	7 (10.6)	25 (37.9)	21 (31.8)	12 (18.2)	2.58	.91
7	I am sure that I have understood all the rules and procedures of the school finances well.			22 (33.8)	43 (66.2)	3.66	.48
8	I am satisfied with the outcome of my work in financial tasks carried out.			28 (43.1)	37 (56.9)	3.56	.49

Overall Min Scores: 3.49

The study found that attitude and self-motivation of Administrative Assistant in performing financial tasks are high when referring to the overall min value obtained which were 3.49. This shows that the Administrative Assistant studies have a positive attitude and self-motivation and they are always doing their best to manage the finances entrusted.

The excellent attitude and self-motivation of Administrative Assistants toward the financial management tasks enables the Ministry of Education Malaysia desire to increase the level of education in this country by producing brilliant and visionary citizens as well as to give the best impact of education.

In fact, good attitude shows that financial management in the school can be carried out effectively by the appointed Administrative Assistant and the best outcome in the field of education can be achieved. Superiors should work together also mobilize resources to supplement and complement the knowledge of finance and accounting to Administrative Assistant through organizing courses, holding dialogue sessions with the officers from the Financial Division of KPM and the audit monitoring and taking immediate action in case of non-compliance of the financial regulations and always listening and providing the space to put forth of the problem.

## CONCLUSION

The study found that the respondents have a good attitude and high self-motivation with an overall min of 3.49. The highest min was 3.70 which is for the item "I will refer to the headmaster before making any decisions about the school finance". This shows that the respondents are always cautious in any financial

dealings and prior permission must be obtained and everything must be in the knowledge of the headmaster.

The lowest min was 3.35 for the item "I am delighted to perform financial duties". The study shows that the current respondents at the school are burdened with a lot of duties and the researcher argues that the respondents feel pressured by the assignment handed over by some of the prior administrative assistants who previously held the position in the non-financial services unit.

However, it is observable that the respondents try to improve the quality of work in the financial management of schools so that they are always in a good state and they always think positively in order to achieve the objectives that have been set.

## Suggestions

Overall, this study has shown there is a degree of knowledge, the level of accountability and the attitude and motivation of good financial management of the school. However there are some elements of financial management that should be improved.

Steps should be taken to reassess the profile of the development of professionalism among practitioners of financial management in schools. Preference should be given to the parties involved with financial management.

Training and courses on financial matters are also important in updating the knowledge of school's financial administrative assistant. This is because the school's financial management is dynamic, because sometimes there have been a change in the monetary policy and current needs [5]. Hence, planning and

provisions for training or courses related must be done with more incentives and effectiveness.

Apart from training courses, control through systematic monitoring should be carried out regularly. Monitoring can include activities in a systematic and transparent auditing whether by external or the school's initiatives.

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