

Financial Mismanagement as an Impediment to Effective Administrations: Challenges and Way Forward

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Abstract

The success of any given organisation whether public or private depends largely on the management of its finance for effective administration and sustainability. This paper, therefore, discussed financial mismanagement as an impediment to effective administrations: Challenges and way forward. It also highlighted budgeting, auditing, accounting and financial reporting, internal control system, and risk management as the core components of financial management practices. It further discussed miss-allocation of resources, weak internal controls, inadequate financial planning, lack of transparency and accountability, and over-dependence on government subventions as some the challenges encountered by public institutions. It equally discussed the adoption of performance-based budgeting, strengthening internal control systems, improving financial planning, promoting transparency and accountability, reducing overdependence on government subventions as some of the way forward for strengthening financial management in public tertiary institutions. It was suggested that top management and administrators of tertiary institutions should establish strong internal control structures, ensure effective budgeting, conduct regular internal audits, and provide timely financial reports to promote accountability, prevent fraud, and enhance financial and administrative performance.

Keywords: Financial Mismanagement, Effective Administration, Budgeting, Auditing and Internal Control System.

Introduction

Educational institutions are the cornerstone of national development, nurturing the human resources and intellectual capital upon which every other sector depends. Their administrative effectiveness relies not only on the quality of human resources but also on the prudent management of financial resources that sustain teaching, learning, research, and infrastructure. In contemporary educational systems, sound financial management encompasses transparent budgeting, accurate accounting, effective internal controls, and timely auditing (Nachinguru & Mwila, 2023). However, across many developing nations, financial mismanagement has become a pervasive impediment to educational progress. This was manifested through misappropriation of funds, poor budgetary control, embezzlement, and non-compliance with financial regulations, which in turns weakens institutional integrity, erodes trust, and impairs overall effectiveness (Odok, Okenjom, & Mgbadike, 2023).

Financial mismanagement in educational institutions often arises from a combination of factors, which include weak institutional frameworks, inadequate managerial competence, and insufficient oversight mechanisms (Charmain et al., 2024). Oftentimes, many institutions perhaps operate with outdated accounting systems, lack transparent procurement procedures, and depend on bureaucratic financial structures that promote inefficiency. Mabunda et al. (2023) asserted that when financial discipline is compromised, schools experience delayed payment of salaries, decaying infrastructure, and shortages of instructional materials. Moreover, poor fiscal governance undermines long-term planning and constrains innovation, as administrators are forced into reactive rather than strategic decision-making. In Nigeria, recurrent reports of misused education budgets, non-implementation of audit recommendations, and corruption in project execution reflect systemic weaknesses that threaten the attainment of Sustainable Development Goal 4 quality education for all (Nwambuko, 2022).

Given these realities, providing information on how to address financial mismanagement remain a significant concern. Musa et al. (2023) stated that strengthening institutional control systems, building administrative capacity, and deployment of Financial Management Information Systems (FMIS) can facilitate efficiency and accountability. Efforts have been made by the government through participatory budgeting, compliance with audit regulations, and performance-based financial monitoring to guarantee positive pathways toward institutional sustainability. Despite these efforts in the education sector, many educational institutions in Nigeria continue to struggle with inefficiency, infrastructural decay, and experiencing drop in the quality of service delivery. Investigations conducted by Azibaraniyar (2023) revealed recurrent financial irregularities, ranging from inflated contracts and unretired advances to misallocation of funds meant for core academic activities. The persistence of such practices indicates a breakdown of fiscal discipline, weak accountability frameworks, and ineffective administrative supervision. Consequently, administrators struggle to implement budgets effectively, while teachers and students bear the brunt of deteriorating learning environments and resource shortages (Odok et al. 2023).

This, therefore, necessitated the researchers to discuss financial mismanagement as a major impediment to the effective administration of educational institutions, with a focus on identifying its underlying challenges and proposing practical way forward for improvement.

Conceptual Clarification

In this write-up, conceptual clarifications discussed include financial management, financial mismanagement, and administration of public tertiary institutions:

Financial Management

Financial management refers to the strategic planning, organising, directing, and controlling of financial resources undertakings in an organisation or institute in order to achieve its goals and objectives efficiently and effectively (Ironkwe et al., 2024). Also, financial management is efficient and effective management of financial resources to accomplish the objectives of an organization. In the opinion of Tony-Obiosa and Ibama (2021), financial management is described as the systematic planning to ensure steady flow of funds and prudent utilization. According to Udoh (2022), financial management is regarded as an activity in any given organisation that is concerned with the planning and controlling of financial resources in order to achieve optimal effectiveness. This implies that financial management practices is concerned with decisions on how to produce, raise money, expand and give accounts of funds provided for the implementation of programmes of an organization or a school.

In this context, financial management is regarded as the purposeful use of financial planning, resource mobilisation, budgeting, financing and investment decisions, and control mechanisms put in place by an organisation in order to ensure that funds are acquired, allocated and monitored in ways that support the organisation's strategic aims and efficient operations. Therefore, the importance of financial management in any given organisation whether public or private cannot be underestimated because it deals with the process of acquiring financial resources and measures to enhance the financial performance. In the view of Ngigi and Tanui (2019), financial management is significant to an organisation because it involves the strategic planning, organization, acquisition, allocation, and control of financial resources to maximize organizational value and profitability. Odok et al. (2023) who indicated that efficient financial management is crucial in dealing with how organizations make appropriate decisions relating to various financial aspects for current and future opportunities to facilitate efficiency and effectiveness of financial operations.

The objectives of financial management revolve round maintaining institutional financial status, supporting operational effectiveness, and achieving short-term and long-term sustainability. Christiana et al. (2024) identified that the primary of objectives of financial management is to ensure that organisations possess adequate funds to meet short-term obligations without jeopardising operations. This implies that through sound financial planning, educational institutions enable schools to pay staff salaries, procure teaching and learning materials, and handle routine expenses promptly. Nachinguru and Mwila (2023), asserted that maintaining financial stability and managing financial risks through consistent auditing, budgetary control, and diversification of income sources, institutions form significant

core objective of financial management. With this, institutions can mitigate risks related to funding shortfalls, inflation, or policy changes that may threaten their financial viability. Hence, effective financial practices could facilitate the prudent use of funds, enabling schools and organisations to deliver quality services and attain their mandates.

Financial Mismanagement

Financial mismanagement is perceived as the failure of an organisation's leader or other responsible officials to properly and fully discharge their financial duties, whether through unintentional actions arising from mistakes, incompetence, negligence in the handling and reporting of allocated funds. According to Udoh (2022), financial mismanagement refers to the inefficient, unethical, or improper handling of an institution's financial resources, resulting in the misallocation or misuse of funds and a deviation from established administrative and regulatory standards. It encompasses a range of practices such as poor budgeting, lack of transparency, inadequate financial control, and corrupt behaviour that undermine accountability and institutional integrity. Financial mismanagement has evolved into a global phenomenon that impedes effective governance, disrupts institutional development, and compromises the attainment of organisational goals, particularly within educational systems where fiscal discipline and transparency are crucial for sustainable growth and quality service delivery.

Financial mismanagement in public tertiary institutions manifests in different ways to undermine accountability, transparency, and institutional efficiency. Prominent among these is diversion or misappropriation of funds, where resources meant for specific projects such as infrastructure development or research are illegally diverted for personal or unauthorized use (Adewuyi & Salami, 2020). Another instance is inflation of costs of contract, where procurement officers and contractors connive to overstate project expenses, leading to wastage of public funds (Mabunda et al., 2023). Also, ghost workers syndrome is prevalent, involving the inclusion of non-existent employees on the payroll to siphon institutional funds. In some cases, poor budgeting and inadequate financial planning lead to overspending or the return of unutilized funds to the government, reflecting weak financial forecasting. Furthermore, the absence of regular auditing exacerbates the problem, allowing errors and fraudulent activities to go undetected. Likewise, unauthorized withdrawals from institutional accounts and non-compliance with financial regulations further compromise financial integrity and accountability (Okeke & Nwankwo, 2020).

Administration of Public Tertiary Institutions

Precisely, the administration of educational institution is fundamentally the process by which human, material, financial and informational resources are organised, directed, controlled and evaluated in order to achieve the institution's mission and objectives. According to Thammajai et al. (2024), administration encompasses a broad set of systematic functions: planning programmes and resources, organising personnel and infrastructure, directing activities and coordination, controlling and monitoring outcomes, and evaluating performance. Polishchuk and Horbatiuk (2023) asserted that administration is the act of managing the affairs of an institution using effective mechanism to transform strategic goals into operational actions and ensure that the educational institution remains aligned with its vision and mission. In the

context of educational institutions, administration entails leadership process that involves formulating policy frameworks, setting institutional goals, managing stakeholder relationships and creating an environment that fosters quality teaching, learning and research (Niah, 2022).

Jacob (2021) posited that administration the systematic, transparent, and judicious management of an institutions to ensure that human effort contributes meaningfully to institutional growth, sustainability, and the delivery of quality services. Similarly, Okeke and Okaforcha (2025), administration is the systematic process of planning, organizing, directing, coordinating, and controlling human and material resources to achieve the set goals and objectives of an organization. In line with this, it can be said that effective administration is vital because it ensures the smooth functioning of an organization by harmonizing efforts, allocating resources effectively, and maintaining order and accountability. In educational institutions, effective administration could enhance teaching and learning outcomes, promotes staff motivation, and ensures the achievement of institutional goals. Hence, the importance of administration lies in its ability to translate institutional vision into actionable plans because it provides a framework for decision-making, promotes transparency, ensures optimal use of resources, and fosters collaboration among stakeholders, thereby enhancing organizational stability and growth (Ayoko et al., 2023).

The administration of public tertiary institutions involves the practical coordination of human, financial, and material resources to achieve institutional objectives efficiently and transparently. In practice, this includes strategic planning for academic programs, effective supervision of staff, prudent financial management, and the maintenance of discipline and order across various units of the institution (Jacob, 2021). Administrators, such as vice-chancellors, rectors, and provosts, play critical roles in translating institutional policies into actionable plans through teamwork and participatory leadership. For instance, periodic staff meetings, policy reviews, and performance evaluations are used to ensure accountability and continuous improvement. Effective administration also requires adherence to government regulations, particularly those of regulatory bodies such as the National Universities Commission (NUC), to ensure compliance and quality assurance. Additionally, collaboration with stakeholders including students, academic and non-academic staff, alumni, and funding agencies enhances institutional decision-making and promotes sustainability (Okeke & Okaforcha, 2025). In essence, the practical administration of public tertiary institutions rests on visionary leadership, efficient resource management, and stakeholder engagement to ensure academic excellence and institutional growth.

Financial Management Practices in Public Tertiary Institutions

Financial management practices in public tertiary institutions cannot be be under estimated because it facilitates the systematic planning, organizing, controlling, and monitoring of financial resources to ensure attainment of institutional goals. The following represent some of the core components of financial management practices in public tertiary institutions.

Budgeting

Budgeting in public tertiary institutions refers to the systematic process of planning, estimating, allocating, and controlling financial resources to achieve institutional goals and objectives within a specific period (Tewe, 2022). It involves forecasting revenues, identifying

expenditures, and ensuring that funds are judiciously utilized to promote academic excellence and institutional sustainability. The importance of budgeting lies in its ability to provide a financial roadmap that enhances accountability, transparency, and efficient resource utilization, thereby aiding management in decision-making and priority setting (Iyoha, 2021). In practice, budgeting serves as a vital tool for financial management in public tertiary institutions by guiding expenditure control, monitoring performance against financial targets, and ensuring that institutional activities align with government policies and funding frameworks. However, the practicability of budgeting as a financial management tool often depends on the accuracy of projections, adherence to financial regulations, and stakeholder participation in the budgetary process (Okeke & Nwankwo, 2020).

The budgeting process in public tertiary institutions is a structured and participatory approach designed to promote effective financial management. It begins with budget preparation, where departments identify and propose their financial needs. Next is budget review, during which the budget committee harmonizes and aligns proposals with available funds and government guidelines. The budget approval stage follows, where the governing council or relevant authority authorizes the plan. Implementation then ensures that funds are disbursed and spent according to the approved budget. Afterwards, monitoring and control are conducted to track expenditures and prevent financial irregularities. Finally, evaluation and reporting assess budget performance and provide feedback for improvement. Collectively, these steps promote transparency, accountability, and efficient resource use in public tertiary institutions (Pillah & Jen, 2024; Iyoha, 2021; Okeke & Nwankwo, 2020)

Auditing

Auditing serves as a crucial tool for ensuring accountability, transparency, and financial discipline in public tertiary institutions. It involves the systematic examination and evaluation of financial records, transactions, and internal control systems to verify their accuracy and compliance with established laws, policies, and procedures (Lawal et al., 2024). Through auditing, management of public tertiary institutions can identify financial irregularities, detect fraud, and ensure that resources are utilized for their intended purposes. The process may take two forms; internal and external. The internal auditing is usually conducted by the institution's internal audit unit, while the external auditing is usually carried out by government auditors or independent professionals. The internal audits help management monitor financial operations continuously, while external audits provide objective assessments of financial performance and compliance. In essence, auditing enhances institutional credibility, strengthens financial control mechanisms, and promotes efficient use of public funds. When auditing is effectively implemented, it not only supports sound financial management practices but also builds public trust and reinforces the integrity of the institution's financial system (Okonkwo & Ile, 2019).

Auditing in public tertiary institutions plays an important role in ensuring transparency, accuracy and efficiency in financial management. It enhances financial accuracy and reliability, strengthens internal controls and detects as well as prevents fraud. It is acknowledged that proper auditing supports good administrative performance. This was affirmed by Adeniji (2023) who indicated that the main objective of an audit is to enable an auditor to convey an opinion as to whether or not the financial statements of an organisation, with no exception to public institutions are prepared according to an acceptable financial framework. Similarly, Ocho (2025) posited that auditing is the process of checking the financial statement along with

other accounting information of a business entity. Some importance of auditing are; enhancement of financial accountability and transparency, improvements in decision making and financial planning, strengthening of internal controls and risk management, enhances institutional reputation and stakeholder confidence, prevents financial management fraud and improves budget implementation and performance monitoring.

Accounting and Financial Reporting

Accounting and financial reporting are vital tools that promote effective financial management and institutional accountability in public tertiary institutions. Accounting involves the systematic recording, classification, and summarization of financial transactions to provide accurate and timely information for decision-making (Umoru & Onmonya, 2025). Financial reporting, on the other hand, entails the preparation and presentation of financial statements such as balance sheets, income statements, and cash flow reports that reflect the financial position and performance of the institution. These tools enable management to monitor income and expenditure, ensure compliance with financial regulations, and evaluate the efficiency of resource utilization. Proper accounting practices also facilitate transparency, allowing governing councils, regulatory agencies, and stakeholders to make informed judgments about the institution's financial health. When effectively implemented, accounting and financial reporting strengthen internal control systems, enhance budgetary discipline, and promote public confidence in the financial integrity of tertiary institutions (Adagye et al., 2024).

Accounting and financial reporting are indispensable in ensuring sound financial governance and operational efficiency in public tertiary institutions. The reason is that it guaree the provision of accurate, reliable, and timely financial information that supports effective decision-making and resource management (Umoru & Onmonya, 2025). Through proper accounting systems, institutions can track revenue inflows, monitor expenditures, and maintain financial discipline in line with approved budgets. Oyetola et al. (2024) asserted that financial reporting promotes accountability in tertiary institutions by enabling management, governing councils, and oversight agencies to evaluate how funds are utilized, ensuring compliance with statutory regulations and funding guidelines. It also enhances transparency, as clear and comprehensive financial statements foster stakeholders' confidence and trust in the institution's financial integrity. Furthermore, Adagye et al. (2024) stated that well-prepared financial reports serve as a basis for future financial planning, performance evaluation, and audit exercises. Hence, effective accounting and financial reporting contribute to institutional credibility, reduce the risk of financial mismanagement, and strengthen the sustainability of tertiary education systems.

Internal Control System

The internal control system is a vital tool for ensuring effective financial management and safeguarding institutional resources in public tertiary institutions. It comprises policies, procedures, and mechanisms established to prevent errors, detect fraud, and ensure that financial transactions comply with approved regulations and standards (Ariyo-edu, 2024). An efficient internal control system ensures that all revenues, expenditures, and assets are properly recorded, monitored, and reported, thereby enhancing operational efficiency and accountability. It involves key components such as segregation of duties, authorization of transactions, documentation, independent verification, and regular internal audits. Through

these measures, the system promotes transparency and strengthens confidence in the institution's financial operations (Adeleke, 2022). Internal control also facilitates timely identification of financial irregularities, reduces the risk of misappropriation, and ensures the judicious use of public funds. When effectively implemented, it supports good governance, enhances compliance with budgetary provisions, and contributes to the overall financial sustainability of public tertiary institutions (Shehu, 2020).

Furthermore, Adeleke (2022) stated that the implementation of internal control in public tertiary institutions moderated the statutory allocations besides generating revenues for government expenditures. Similarly, Tenbele (2019) affirmed that through the internal controls system, employees from different departments can be encouraged to work toward the same goals more easily if the entity engages in activities related to internal control like conducting an audit and providing adequate supervision. When internal control systems are properly implemented, tertiary institutions tend to experience improved administrative performance, and the reverse is also true. The effectiveness of a tertiary institution's administration largely depends on how well its internal controls are designed and executed. Therefore, strong internal controls help the institution operate efficiently, remain financially viable, achieve sustainable growth, and adapt effectively to changing environmental challenges and opportunities (Mungai et al., 2021).

Risk Management

Risk management is an essential component of financial management that focuses on identifying, assessing, and mitigating potential threats that could negatively affect the financial stability and operational efficiency of public tertiary institutions. It involves developing strategies and procedures to minimize financial losses, ensure compliance, and sustain institutional objectives (Engku Abdullah et al., 2024). In practical terms, risk management in public tertiary institutions includes identifying areas prone to financial risks such as irregular funding, budget shortfalls, fraud, or poor investment decisions. For instance, institutions can diversify their funding sources through internally generated revenue (IGR) initiatives, enforce strong internal controls to prevent financial misconduct, and adopt insurance coverage for institutional assets. Araújo and Gomes (2021) stated that regular financial risk assessments help management anticipate potential challenges and make informed decisions to safeguard institutional resources. Additionally, training financial officers and management staff on risk awareness and compliance enhances their capacity to manage uncertainties effectively. When systematically applied, risk management promotes financial prudence, strengthens institutional resilience, and ensures that resources are optimally used to achieve educational goals in public tertiary institutions (Khaw & Teoh, 2023).

Challenges of Financial Management in Public Tertiary Institutions

The role of financial management is to ensure judicious planning, accountability, and sustainable growth of public institution to achieve its goals. However, despite its significance, several factors contribute to financial mismanagement in many public tertiary institutions. Some of these factors include:

Miss-allocation of Resources: This means the improper distribution or utilization of financial, human, and material resources in ways that do not align with institutional priorities or

objectives. It remains one of the most critical challenges confronting effective financial management in educational institutions. According to Nwankwo and Adebayo (2022), misallocation often arises when decision-makers fail to adhere to established budgeting principles or allocate funds based on personal interests, political influence, or inadequate financial planning. This can manifest in any given educational settings through excessive spending on non-essential projects while neglecting core academic and infrastructural needs such as teacher development, instructional materials, and facility maintenance. Eze and Okon (2023) emphasized that when resources are not properly directed toward priority areas, the overall performance of an institution declines, leading to poor educational outcomes and weakened stakeholder confidence.

Weak Internal Controls: Internal controls refer to the policies, procedures, and mechanisms established to ensure the proper use of financial resources, safeguard assets, and promote accuracy in financial reporting. It also represents significant obstacle to sound financial management, particularly within educational institutions where transparency and accountability are paramount. When these controls are inadequate or poorly enforced, institutions become vulnerable to errors, fraud, and misappropriation of funds. According to Adebisi and Ibrahim (2022), weak internal controls often result from poor governance structures, lack of segregation of duties, inadequate supervision, and insufficient monitoring of financial activities. These weaknesses compromise the reliability of financial information and hinder the institution's ability to detect and prevent irregularities in time. As observed by Oladipo and Chukwu (2023), educational institutions with weak control frameworks often experience budget overruns, misreporting, and delays in auditing, which collectively erode institutional credibility and stakeholder trust.

Inadequate Financial Planning: Financial planning involves forecasting income and expenditure, setting financial goals, and aligning resource allocation with institutional priorities. Inadequate financial planning remains a major challenge to effective financial management in educational institutions, as it undermines the ability to allocate resources strategically and achieve institutional objectives. When this process is poorly executed, it leads to inefficiencies, budgetary shortfalls, and uncoordinated spending. This was affirmed by Okonkwo and Bello (2022) who stated that inadequate financial planning often results from a lack of reliable data, weak financial forecasting skills, and limited stakeholder participation in the budgeting process. Consequently, institutions may either overspend on less critical activities or underfund essential programmes such as staff development, infrastructure, and instructional resources. Adeyemi and Hassan (2023), institutions that operate without clear financial projections and contingency plans often experience difficulties meeting recurrent obligations, such as payment of staff salaries, procurement of teaching materials, and maintenance of facilities.

Lack of Transparency and Accountability: Transparency entails openness in financial operations, ensuring that all financial decisions, transactions, and reports are accessible and understandable to stakeholders. Accountability, on the other hand, refers to the obligation of financial managers and administrators to justify the use of institutional resources and be answerable for outcomes. This is also a pervasive challenge undermining effective financial management in educational institutions. When these principles are neglected, it leads to secrecy in financial dealings, misuse of funds, and erosion of trust between management and

stakeholders. According to Eze and Lawal (2022), the absence of transparent financial systems often encourages corruption, embezzlement, and manipulation of financial records, thereby distorting institutional priorities and diminishing efficiency. Olatunji and Umeh (2023), educational institutions plagued by opaque financial practices struggle with irregular audits, delayed financial reports, and inaccurate budgeting, all of which hinder effective policy implementation.

Over-dependence on Government Subventions: This constitutes a significant challenge to effective financial management in educational institutions, particularly in developing contexts where alternative revenue streams are limited. Government subventions, though essential for institutional operation, often form the major or sole source of funding, making institutions vulnerable to fiscal instability when such allocations are delayed, reduced, or mismanaged. According to Nwachukwu and Danjuma (2022), excessive reliance on government funding constrains institutional autonomy, as administrators are unable to implement independent financial decisions or long-term investment plans. This dependence frequently results in inadequate funding for critical needs such as infrastructure development, staff training, and research support, ultimately impeding the overall effectiveness of the institution. Adeola and Yusuf (2023), many educational institutions struggle to maintain operational efficiency when expected government allocations fall short of budgeted amounts or arrive late. This financial uncertainty forces administrators to make reactive adjustments such as cutting essential services which further deteriorate institutional quality.

Way Forward For Strengthening Financial Management in Public Tertiary Institutions

The following are some of the ways forward for strengthening financial management in public tertiary institutions:

Adoption of Performance-Based Budgeting: The adoption of Performance-based budgeting by institution would ensure that finance allocated are directly tied to measurable outcomes and institutional priorities. Doing this would reduce waste and promote efficiency. Furthermore, involvement of key stakeholders such as department heads, financial officers, and faculty representatives in budget preparation fosters inclusiveness and transparency. According to Adeyemo and Ibrahim (2023), when financial decisions are evidence-driven and guided by institutional goals, funds are more likely to be utilized effectively. For example, universities can adopt digital budgeting tools that track expenditure against specific targets, ensuring that resources are channelled toward research, infrastructure, and teaching rather than administrative excesses.

Strengthening Internal Control Systems: Public tertiary institutions must institutionalize robust financial oversight frameworks through regular internal audits, clear segregation of duties, and adoption of digital accounting systems. Internal audit units should function independently to detect, prevent, and report financial irregularities. As noted by Eze and Olatunji (2022), automation of financial processes through the use of electronic payment systems and digital record-keeping would reduce human errors and enhance accountability. For instance, universities that use enterprise resource planning (ERP) systems like *SAP* or *Oracle PeopleSoft* would be achieved greater transparency in procurement and payroll management, significantly curbing fraud and resource leakage.

Improving Financial Planning: The enhancement of financial planning by public tertiary institutions require building the financial literacy and forecasting capacity of administrators and finance officers. This includes training in data analysis, budget forecasting, and risk management to ensure that financial decisions are proactive rather than reactive. Adepoju and Bello (2024) argued that the use of medium-term expenditure frameworks (MTEF), which project revenue and expenditure over several years—helps institutions maintain stability and prepare for future uncertainties. For instance, a university implementing a three-year rolling financial plan can anticipate funding gaps, align spending with long-term goals, and prevent recurrent budget crises.

Promoting Transparency and Accountability: Public tertiary institutions should implement open financial reporting systems and stakeholder monitoring mechanisms. Publishing periodic financial statements, audit reports, and procurement details promotes trust and deters mismanagement. According to Hassan and Nwosu (2023), accountability frameworks that require financial managers to justify expenditures before governing councils or boards strengthen institutional integrity. Practically, the adoption of *Open Treasury Platforms* such as the one introduced by Nigeria's Federal Government allowing real-time tracking of financial transactions to ensure public visibility and oversight.

Reducing Overdependence on Government Subventions: Public tertiary institutions can establish internally generating ventures such as consultancy services, innovation hubs, or short-term professional training programmes. Alhassan and Yusuf (2024) emphasized that financial sustainability requires a shift toward self-generated revenue complemented by effective resource management. For instance, the University of Lagos (UNILAG) successfully diversified its income through partnerships with private industries, alumni endowments, and commercial ventures, reducing reliance on government allocations while maintaining quality service delivery. In addition, Kwara State University's financial sustainability initiatives focus on diversifying revenue, generating income from entrepreneurial activities, improving efficiency, and strengthening community partnerships. These efforts include creating a Kwasu Microfinance bank to support local businesses and manage community relations

Conclusion

Financial mismanagement remains a formidable barrier to the effective administration of educational institutions, undermining accountability, transparency, and the achievement of institutional goals. The challenges of misallocation of resources, weak internal controls, inadequate financial planning, lack of transparency and accountability, and overdependence on government subventions collectively weaken institutional efficiency and public trust. Strengthening financial management, therefore, requires a deliberate shift toward evidence-based budgeting, robust internal control systems, financial literacy enhancement, transparent reporting, and diversified funding strategies. Ultimately, confronting financial mismanagement is not merely an administrative necessity but a moral imperative for restoring integrity, ensuring quality education, and advancing national development. Theretofore, institutionalizing ethical leadership, digital financial practices, and participatory governance, public tertiary institutions can foster fiscal discipline, operational efficiency, and sustainability.

Suggestions

1. The top management should ensure that good structure of internal control exist in the organization to enhance corporate governance, risk management, internal control environment and independent internal audit.
2. Administrators of tertiary institutions should ensure that there are adequate budgeting activities that safeguard the assets of the company from misuse and frauds.
3. The internal audit function should carry out regular reviews of entire system of internal controls to provide assurance to the board and management on adequacy and effectiveness of mitigation controls that are in place.
4. Financial and Accounting reports should be given on quarterly and annual basis to put proper check and balance activities in place while ensuring adequate financial management and administrative performance.

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