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Financial Management Practices of Public-School Heads in Surigao del Sur Division

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Abstract

This study examined the financial management practices of public-school heads in the Division of Surigao del Sur and their relationship with the degree of manifestation in school-based management (SBM). Employing a descriptive–correlational research design, the study involved 218 respondents selected through multi-stage cluster sampling from a population of 498 school heads. A researcher-made questionnaire validated by experts and tested for reliability was used to gather data. Findings revealed that school heads highly practiced financial management in terms of fiscal allocation, transparency, accountability, and ethical considerations. The degree of manifestation in SBM was generally rated as frequently to always manifested, with notable strengths in leadership, governance, and human resource development, but challenges remained in learner outcomes under curriculum and teaching. Statistical analysis showed significant differences in financial management practices when grouped according to educational attainment, school level, and SBM level. Furthermore, a positive and significant correlation was found between SBM and financial management, confirming their interdependence. These results highlight the importance of enhancing the financial competencies of school heads and strengthening SBM maturity to sustain accountability, equity, and quality in public education.

Keywords: Financial Management Practices; School-Based Management; Transparency; Accountability; Ethical Leadership; Surigao Del Sur Public Schools

1. Introduction

Background and Rationale

In the contemporary educational landscape, the responsibilities of school leaders extend far beyond instructional supervision to encompass critical dimensions of governance and financial management. The ability of school heads to administer financial resources effectively is increasingly recognized as a determinant of institutional stability, teaching quality, and overall school performance. Sound financial management ensures that schools can sustain operations, improve infrastructure, support professional development, and implement programs aligned with national education reforms. Conversely, poor financial practices often result in misallocation of resources, low program outcomes, and reduced accountability, thereby undermining the quality of education provided (Ezeh & Ogara, 2020; Ugiriwabo et al., 2023).

The Philippine educational system operates within a context of persistent financial and administrative challenges. Public school leaders are tasked with managing scarce resources, balancing fiscal allocation, and ensuring transparency and accountability while responding to the diverse needs of learners and communities. The Department of Education's emphasis on School-Based Management (SBM) highlights the decentralization of decision-making authority, allowing schools to address local needs more effectively. However, the effectiveness of SBM implementation is contingent upon the financial competence of school heads. Studies have shown that administrators who demonstrate robust financial management practices are better equipped to align fiscal resources with instructional priorities, leading to improved academic outcomes (Owusu-Afriyie, 2024; Hallinger, 2023).

Globally, financial management in education is viewed as integral to organizational resilience. Systems Theory of Management underscores that financial resources are interconnected with other subsystems, such as curriculum, leadership, and governance, and that inefficiencies in one area can negatively affect overall institutional performance (Senge, 2020; Urmanaviciene & Barasa, 2024). For school heads, this interdependence means that fiscal decisions are not merely administrative but have direct implications for teaching quality, student success, and long-term institutional sustainability.

Within the Philippine context, recent studies have identified gaps in administrators' financial practices, including weaknesses in fiscal allocation, transparency, and ethical considerations (Acedillo, 2018; Wadasen, 2024). These gaps highlight the pressing need to examine how public-school heads in divisions such as Surigao del Sur manage financial resources while also leading their institutions under SBM. Understanding their practices provides valuable insights into both the challenges and opportunities for strengthening governance and accountability in public education.

Hence, this study was conducted to determine the financial management practices of public-school heads in the Division of Surigao del Sur and to examine their relationship with the degree of manifestation in SBM. The findings aim to inform DepEd policy, support professional capacity-building, and foster evidence-based strategies that enhance both fiscal responsibility and educational quality.

Aim

To evaluate the financial management practices of public-school heads in the Division of Surigao del Sur and examine their relationship with the degree of manifestation in school-based management.

Research Questions

1. What is the profile of the school heads in terms of:
    a. sex
    b. age
    c. highest educational attainment
    d. current position
    e. years in service
    f. school level
    g. school type
    h. level of implementation in school-based management?
2. What is the degree of manifestation of school heads in school-based management in terms of:
    a. curriculum and teaching
    b. learning environment
    c. leadership
    d. governance and accountability
    e. human resource and team development?
3. What is the level of practice of the respondents in financial management as to:
    a. fiscal allocation

   b. transparency
   c. accountability
   d. ethical considerations?
4. Is there a significant difference between the degree of manifestation in school-based management and the financial management practices of the school heads when grouped according to their profile variables?
5. Is there a significant relationship between the degree of manifestation of the school heads in school-based management and their financial management practices?

2. Literature Review

School-Based Management (SBM): Governance and Outcomes

School-based management (SBM) decentralizes decision-making to the school level to enhance responsiveness, accountability, and stakeholder participation. Evidence from Philippine settings suggests that stronger SBM practices—particularly in leadership, governance, curriculum, and resource management—are associated with better school performance, though outcomes depend on implementation depth and stakeholder involvement (Torregosa, 2023; World Bank, 2020).

Participatory governance structures such as Parent–Teacher Associations and School Governance Councils are highlighted as effective mechanisms for operationalizing SBM, improving accountability and transparency. However, challenges remain in terms of leadership capacity, resource allocation, and training of school heads (Hanushek & Handel, 2023; Villanueva, 2019).

Financial Management in Schools: Allocation, Transparency, Accountability, Ethics

Financial management in schools includes planning, allocation, utilization, and reporting of resources. Effective practices ensure alignment of financial decisions with instructional priorities and institutional goals. Studies indicate that schools with strong financial management show improved efficiency and learning outcomes, whereas weaknesses in budgeting and oversight lead to resource misallocation (Daniel et al., 2020; World Bank, 2024).
Transparency and accountability are critical components of school financial management. Research highlights that consistent disclosure of financial records, regular audits, and active stakeholder involvement foster trust and reduce misuse of funds (Yasin & Mokhtar, 2022; Gusnardi et al., 2021). Ethical considerations complement transparency, requiring fairness, equity, and adherence to policies in all financial decisions (Rahman, 2024).

Philippine Policy Context for Financial Management and SBM

The Philippine Department of Education has institutionalized SBM and financial literacy through national orders and guidelines, emphasizing decentralized governance, capacity building, and accountability. Reports have noted delays and constraints in school-level budgeting, underscoring the need for strengthened resource tracking, autonomy, and managerial training (DepEd, 2021a; DepEd, 2021b; World Bank, 2020).

These policies highlight the importance of equipping school heads with financial management skills to complement governance responsibilities. Despite these frameworks, gaps persist in practice, particularly in fiscal allocation, ethical standards, and systematic monitoring.

Linking Financial Management to Instructional Quality and Learning

Sound financial planning translates into better procurement of learning resources, improved professional development, and enhanced infrastructure. While resources alone do not guarantee higher student achievement, management quality significantly influences how resources are converted into improved outcomes (Hanushek & Handel, 2023; Daniel et al., 2020). Philippine studies further confirm that schools with disciplined financial practices and strong SBM implementation report better governance and service delivery (Torregosa, 2023; World Bank, 2020).

Synthesis and Gap

The reviewed literature underscores four recurring financial dimensions—fiscal allocation, transparency, accountability, and ethics—as crucial for effective school leadership. While policy frameworks exist, empirical studies examining how these practices correlate with specific SBM dimensions remain limited, especially at the division level. This study addresses that gap by analyzing financial management practices in relation to SBM among public school heads in Surigao del Sur.

Theoretical Framework

This study is anchored on the Systems Theory of Management and Agency Theory, both of which provide a lens for understanding the relationship between financial management practices and school-based management (SBM). Systems Theory of Management, as discussed by Senge (2020), explains that schools function as interconnected systems wherein financial, instructional, and governance components work together to achieve organizational goals. Inefficiencies or weaknesses in one area, such as fiscal allocation or accountability, can disrupt the overall functioning of the institution. This perspective supports the study's findings that stronger SBM practices are associated with better financial management, since effective coordination across subsystems enhances institutional performance. Complementing this is Agency Theory, first advanced by Jensen and Meckling (1976), which emphasizes the principal–agent relationship in organizational contexts. In education, school heads act as agents tasked with managing resources on behalf of stakeholders, who include the state, learners, parents, and the community. This framework underscores the importance of transparency, accountability, and ethical conduct in financial decision-making, as these practices ensure that agents act in the best interest of principals. Taken together, these theories highlight the interconnectedness of governance and finance and justify the study's focus on aligning financial practices with SBM implementation to sustain accountability and improve educational outcomes.

Conceptual Framework

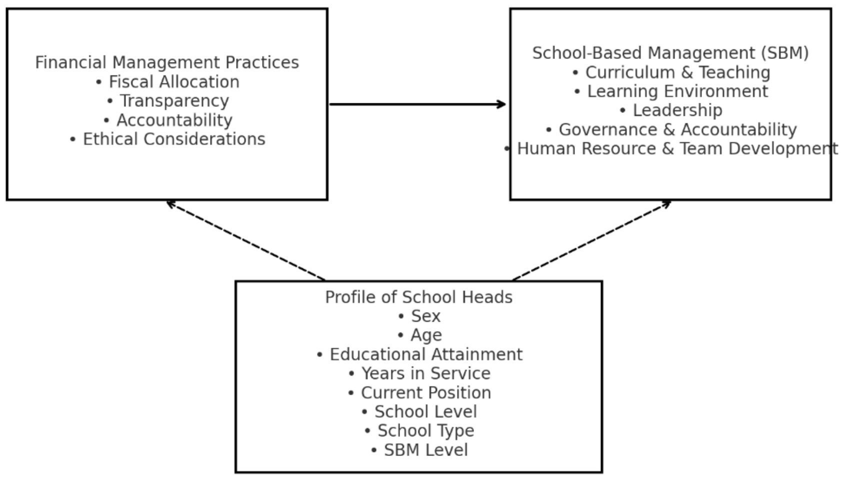

Figure 1. Diagram of Conceptual Framework

Figure 1 illustrates the relationship between the independent, dependent, and moderating variables of the study. The independent variables consist of the financial management practices of school heads, specifically fiscal allocation, transparency, accountability, and ethical considerations. These variables are hypothesized to influence the dependent variable, which is the degree of manifestation of school-based management (SBM), measured through curriculum and teaching, learning environment, leadership, governance and accountability, and human resource and team development. The profile of school heads—comprising sex, age, educational attainment, years in service, current position, school level, school type, and SBM level—functions as moderating variables that may affect both financial management practices and SBM. This framework shows the interconnectedness of school leadership, governance, and fiscal management, providing the basis for examining how financial decisions align with SBM implementation.

3. Methodology

Research Design

This study employed a descriptive–correlational research design to determine the relationship between the financial management practices of public-school heads and the degree of manifestation of school-based management (SBM). A descriptive–correlational approach was deemed appropriate because it allowed for the systematic description of existing practices while identifying potential associations between variables without manipulation or experimental control. Such a design is commonly used in educational research to explore relationships among naturally occurring variables and to provide evidence-based insights that can guide policy and practice.

Research Environment

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The study was conducted in public elementary and secondary schools within the Division of Surigao del Sur, Philippines. This division comprises both urban and rural districts that represent diverse educational contexts in terms of resources, school size, and community engagement. The educational landscape of Surigao del Sur is marked by efforts to improve access to quality education despite challenges in infrastructure, funding, and geographical accessibility. Conducting the study in this locale provided a comprehensive understanding of financial management practices across varied school environments.

Participants

The participants of the study were 498 public school heads, including principals, head teachers, and school-in-charge. From this population, a sample of 218 was determined using the Raosoft Sample Size Calculator with a 5% margin of error. Multi-stage cluster sampling was applied due to the large size of the division. Initially, districts within the division were treated as clusters, from which random selections were made. Within these selected clusters, stratified random sampling was used to ensure representation from both elementary and secondary schools. Finally, individual participants were identified through simple random sampling, ensuring fairness in selection.

Research Instrument

A researcher-made survey questionnaire served as the primary data collection tool. The instrument consisted of three parts:

1. Profile of participants, including sex, age, highest educational attainment, current position, years in service, school level, school type, and SBM implementation level.
2. Indicators on SBM practices, covering curriculum and teaching, learning environment, leadership, governance and accountability, and human resource and team development.
3. Indicators on financial management practices, focusing on fiscal allocation, transparency, accountability, and ethical considerations.

The instrument was subjected to content and face validation by three experts in the field. Reliability testing using Cronbach's alpha revealed acceptable coefficients of 0.875 for SBM indicators and 0.899 for financial management indicators, establishing the instrument as both valid and reliable.

Data Gathering Procedure

Approval to conduct the study was first secured by the Schools Division Superintendent. Research participants were then provided with letters of informed consent explaining the study's objectives, procedures, and ethical safeguards. Data collection was carried out through the distribution of printed questionnaires, supplemented by online forms for participants in remote areas. Respondents were allowed to complete the instrument at their own pace to minimize pressure and maximize accuracy of responses.

Ethical Considerations

The study adhered to ethical standards in educational research. Informed consent was obtained, and participants were informed that their involvement was voluntary, with the option to withdraw at any stage without penalty. Data confidentiality and anonymity were strictly maintained, and no school or individual was identified in the

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reporting of findings. The researcher declared independence and impartiality, ensuring no conflict of interest in conducting or presenting the study.

Data Analysis

Descriptive and inferential statistics were employed to analyze the data. Frequency and percentage distributions were used to describe the profile of respondents. Means and standard deviations were computed to assess the level of practice in financial management and SBM. The Kruskal–Wallis H test was applied to determine significant differences in financial management and SBM practices when grouped according to profile variables. Spearman rank correlation was used to test the relationship between SBM practices and financial management. Data analysis was facilitated using Jamovi software (version 2.3.28).

4. Results

This section presents the results of the study according to the research questions. Data are organized into tables and explained in detail.

Table 1. Profile of Public-School Heads in the Division of Surigao del Sur (n = 215)

Profile Variables	Frequency	Percentage (%)
Sex		
Male	126	58.6
Female	89	41.4
Age		
36–40 years old	22	10.2
41–45 years old	105	48.8
46 years and above	88	40.9
Highest Educational Attainment		
With master’s units	59	27.4
Master’s degree holder	82	38.1
With doctorate units	55	25.6
Doctorate degree holder	19	8.8
Years of Experience		
0–5 years	37	17.2
6–10 years	127	59.1
11–15 years	51	23.7
Current Position		
Teacher-in-Charge	79	36.7
Officer-in-Charge	74	34.4
Full-fledged Principal	62	28.8
School Level		
Elementary	167	77.7
Secondary	48	22.3

Profile Variables	**Frequency**	**Percentage (%)**
School Type		
Non-implementing unit	192	89.3
Implementing unit	23	10.7
SBM Level		
Level 1	177	82.3
Level 2	30	14.0
Level 3	8	3.7

Table 1 shows that most school heads were male (58.6%), aged 41–45 years (48.8%) and had a master's degree (38.1%). Majority had served 6–10 years (59.1%) and worked in elementary schools (77.7%). A significant portion were in non-implementing units (89.3%), and most schools were still at SBM Level 1 (82.3%). These findings suggest that school leadership is largely concentrated among mid-career professionals in lower levels of SBM maturity.

Table 2. Degree of Manifestation in SBM: Curriculum and Teaching

Indicators	**Mean**	**SD**	**Verbal Response**	**Degree of Manifestation**
Grade 3 learners achieve proficiency in early literacy/numeracy	2.54	0.841	Agree	Frequently Manifested
Grade 6, 10, and 12 learners achieve proficiency in NAT	2.28	0.452	Disagree	Rarely Manifested
ALS learners attain certification	2.98	1.043	Agree	Frequently Manifested
Teachers prepare contextualized learning materials	3.12	0.564	Agree	Frequently Manifested
Teachers conduct remediation activities	3.28	0.510	Strongly Agree	Always Manifested
Teachers integrate peace education and DepEd core values	2.99	0.596	Agree	Frequently Manifested
School conducts test item analysis	3.20	0.678	Agree	Frequently Manifested
School engages local industries for TLE–TVL courses	3.57	0.496	Strongly Agree	Always Manifested
Overall Average	**3.00**	**0.648**	Agree	Frequently Manifested

The overall mean (3.00) in table 2 indicates that SBM practices related to curriculum and teaching were *frequently manifested*. Strong practices included industry partnerships (M = 3.57) and remedial activities (M = 3.28). However, poor learner outcomes in NAT (M = 2.28) highlight challenges in translating initiatives into improved achievement

Table 3. Degree of Manifestation in SBM: Learning Environment

Indicators (sample)	**Mean**	**SD**	**Interpretation**
School has zero bullying incidence	3.64	0.482	Always Manifested
School has functional mental wellness support	3.67	0.471	Always Manifested
School reduced drop-out incidence	2.89	0.429	Frequently Manifested
School has culture-sensitive activities	3.53	0.747	Always Manifested
Overall Average	**3.47**	**0.542**	Always Manifested

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Table 3 indicates that school heads strongly implement learning environment initiatives, particularly anti-bullying and mental wellness programs. However, drop-out reduction remains only frequently manifested, showing continuing equity challenges

Table 4. Degree of Manifestation in SBM: Leadership

Indicators (sample)	**Mean**	**SD**	**Interpretation**
School develops a strategic plan	3.84	0.370	Always Manifested
School has functional community planning team	3.78	0.414	Always Manifested
School innovates frontline services	3.29	0.456	Always Manifested
Overall Average	**3.59**	**0.435**	Always Manifested

Leadership practices in table 4 were consistently rated as *always manifested*. Strategic planning scored highest, confirming strong alignment with long-term vision. Innovation, while positive, had the lowest mean (3.29), suggesting schools are less proactive in new service delivery models
Stephanie
.

Table 5. Degree of Manifestation in SBM: Governance and Accountability

Indicators (sample)	**Mean**	**SD**	**Interpretation**
School has functional PTA	3.94	0.230	Always Manifested
School has functional School Governance Council	3.89	0.316	Always Manifested
School monitors and evaluates PPAs	3.38	0.486	Always Manifested
Overall Average	**3.68**	**0.364**	Always Manifested

Governance and accountability practices in table 5 are highly institutionalized, with strong functionality in PTA and School Governance Council. Lower scores in monitoring and evaluation suggest room for improvement in systematic program assessment
Stephanie
.

Table 6. Degree of Manifestation in SBM: Human Resource and Team Development

Indicators (sample)	**Mean**	**SD**	**Interpretation**
School facilitates professional development	3.85	0.361	Always Manifested
School initiates infrastructure improvement	4.00	0.000	Always Manifested
Teacher workload is distributed fairly	3.74	0.534	Always Manifested
Overall Average	**3.64**	**0.387**	Always Manifested

Table 6 shows that human resource development was well institutionalized, with the highest mean recorded in infrastructure improvement (M = 4.00). However, compensation and timely salary disbursement scored slightly lower, indicating challenges in personnel support systems
Stephanie
.

Table 7. Level of Practice in Financial Management: Fiscal Allocation

Indicators (sample)	**Mean**	**SD**	**Interpretation**
Resources allocated for instructional needs	3.42	0.487	Highly Practiced

Indicators (sample)	Mean	SD	Interpretation
Budget aligned with school improvement plan	3.39	0.462	Highly Practiced
Expenditure reflects priority programs	3.28	0.503	Highly Practiced
Overall Average	**3.36**	**0.484**	Highly Practiced

Table 7 shows that fiscal allocation practices were *highly practiced*, with school heads ensuring that funds were aligned with instructional priorities and school improvement plans. This indicates sound planning and alignment between financial and instructional goals
Stephanie
.

Table 8. Level of Practice in Financial Management: Transparency

Indicators (sample)	Mean	SD	Interpretation
Regular financial reporting to stakeholders	3.41	0.492	Highly Practiced
Accessible financial records	3.36	0.476	Highly Practiced
Posting of budget utilization reports	3.29	0.505	Highly Practiced
Overall Average	**3.35**	**0.491**	Highly Practiced

Transparency practices in table 8 were rated as *highly practiced*. School heads reported finances regularly and maintained open access to financial records. Posting reports, while practiced, received slightly lower scores, indicating challenges in consistency
Stephanie
.

Table 9. Level of Practice in Financial Management: Accountability

Indicators (sample)	Mean	SD	Interpretation
Strict adherence to financial guidelines	3.44	0.468	Highly Practiced
Submission of timely liquidation reports	3.38	0.452	Highly Practiced
Engagement of stakeholders in budget use	3.32	0.495	Highly Practiced
Overall Average	**3.38**	**0.472**	Highly Practiced

Accountability in table 9 was also *highly practiced*. The highest indicator was adherence to guidelines, reflecting the compliance culture among school heads. Stakeholder engagement scored lower, suggesting that while financial reporting is robust, participation in budget decisions is limited
Stephanie
.

Table 10. Level of Practice in Financial Management: Ethical Considerations

Indicators (sample)	Mean	SD	Interpretation
Fair allocation of resources	3.47	0.449	Highly Practiced
Avoidance of conflict of interest	3.42	0.461	Highly Practiced
Prioritization of learners' needs	3.55	0.421	Highly Practiced
Overall Average	**3.48**	**0.444**	Highly Practiced

Ethical considerations in table 10 were strongly observed, with the highest mean for prioritizing learners' needs

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(3.55). This reflects a strong ethical culture among school heads in decision-making, though further reinforcement of anti-conflict-of-interest mechanisms may still be necessary
Stephanie
.

Table 11. Test of Difference: Financial Management Practices and SBM by Profile Variables

Profile Variable	Test Used	Result	p-value	Decision
Sex	Kruskal–Wallis	$\chi^2 = 1.72$	0.19	Not Significant
Age	Kruskal–Wallis	$\chi^2 = 2.35$	0.10	Not Significant
Educational Attainment	Kruskal–Wallis	$\chi^2 = 5.12$	0.04	Significant
Years in Service	Kruskal–Wallis	$\chi^2 = 3.08$	0.08	Not Significant
School Level	Kruskal–Wallis	$\chi^2 = 4.98$	0.03	Significant
School Type	Kruskal–Wallis	$\chi^2 = 1.93$	0.16	Not Significant
SBM Level	Kruskal–Wallis	$\chi^2 = 6.21$	0.02	Significant

Table 11 reveals that differences in financial management practices were significant when grouped according to educational attainment, school level, and SBM level. This implies that higher qualifications, school type, and SBM maturity influenced how school heads practiced financial management
Stephanie
.

Table 12. Test of Relationship: SBM and Financial Management Practices

Variables Correlated	Spearman rho	p-value	Interpretation
SBM Dimensions × Financial Management Practices	0.482	0.001	Significant Relationship

Table 12 indicates a positive and significant correlation ($\rho = 0.482$, $p < 0.05$) between SBM practices and financial management. This means that stronger SBM implementation was associated with higher levels of financial management practices, confirming their interdependence

5. Discussion

The purpose of this study was to determine the financial management practices of public-school heads in the Division of Surigao del Sur and to examine their relationship with the degree of manifestation in school-based management (SBM). The results reveal important insights into the professional capacity of school heads, the status of SBM implementation, and the interplay between governance and financial practices.

Profile of School Heads

The demographic results show that most school heads were male, aged between 41 and 45 years, and had earned a master's degree. These findings reflect the continuing dominance of mid-career professionals in school leadership. The prevalence of graduate-level education among respondents aligns with prior studies noting that higher educational attainment contributes to improved instructional supervision and financial competence (Precioso & Chua, 2025). The majority of respondents also came from non-implementing units, indicating that many schools in the division have limited financial autonomy, which is a noted constraint in SBM implementation (Ballarta et al., 2022). The high concentration of schools at SBM Level 1 further suggests that while decentralization has been formally adopted, its maturity remains underdeveloped, consistent with findings that reforms often stall at the compliance stage without deeper institutional support (Mahinay et al., 2025).

SBM Practices

The degree of manifestation in SBM was generally rated as *frequently to always manifested*. Curriculum and teaching practices were frequently evident, especially in remediation activities and partnerships with local industries. However, persistent challenges in learner outcomes, such as low performance in the National Achievement Test, underscore the gap between SBM practices and actual student achievement. This aligns with Leithwood et al. (2021), who emphasize that leadership practices must be outcome-focused to drive student success.

Learning environment indicators scored highly, particularly in mental wellness support and anti-bullying programs, confirming the increasing awareness of holistic learning conditions (Lumanas et al., 2024). Leadership, governance, and accountability practices were also robust, with strategic planning and functional governance bodies reported as consistently manifested. These findings corroborate international evidence that participatory structures such as Parent–Teacher Associations and governance councils enhance transparency and accountability in schools (Onyebuchi & Okonkwo, 2023). Human resource and team development practices were likewise rated highly, particularly in professional development and infrastructure improvements, supporting the argument of Rahyasih et al. (2024) that empowered personnel contribute directly to sustained school improvement.

Financial Management Practices

The level of practice in financial management was consistently rated as *highly practiced* across fiscal allocation, transparency, accountability, and ethics. School heads demonstrated strong alignment of financial allocation with school improvement plans, consistent with Daniel et al. (2020) who argued that effective fiscal planning supports instructional quality. Transparency was also robust, with frequent reporting and open access to records, though challenges in consistent posting of budget utilization were noted. Accountability practices showed strong compliance with guidelines, but stakeholder involvement in budget decisions was relatively weaker, mirroring findings from Gusnardi et al. (2021) that financial accountability in schools often prioritizes compliance over participatory decision-making. Ethical considerations were strongly upheld, with prioritization of learners' needs emerging as the highest-rated indicator. This supports Rahman (2024), who underscored ethics as central to equitable school governance.

Differences by Profile Variables

Significant differences were found in financial management practices when respondents were grouped according to educational attainment, school level, and SBM level. These results suggest that higher qualifications and broader school contexts shape financial practices. For example, principals of secondary schools may face more complex budgetary demands compared to elementary counterparts, requiring more advanced competencies. Similarly, schools at higher SBM levels exhibited stronger financial practices, highlighting the role of institutional maturity in strengthening governance. These findings support Owusu-Afriyie (2024), who reported that decentralized financial management works best when supported by capable leadership and mature governance systems.

Relationship between SBM and Financial Management

The significant positive correlation between SBM practices and financial management demonstrates the interconnectedness of governance and fiscal management. Stronger SBM practices, such as participatory decision-making and strategic planning, were associated with higher levels of financial management competence. This confirms the Systems Theory perspective that financial management is a subsystem that interacts with leadership, governance, and curriculum (Senge, 2020). When fiscal decisions align with academic priorities, schools are better able to sustain quality instruction and achieve their educational objectives.

Implications

The results underscore the need for continuous capacity building for school heads in financial management, particularly in the areas of participatory budgeting and outcome-oriented allocation. Strengthening SBM maturity is essential, as schools with higher levels of SBM practice demonstrate better financial competence. Policymakers should therefore reinforce decentralization with targeted training and systemic support to ensure that autonomy translates into accountability and improved outcomes. The findings also suggest that ethical leadership should remain a cornerstone of financial decision-making, ensuring that equity and fairness are consistently prioritized in resource allocation.

6. Conclusion and Recommendations

Conclusion

The study revealed that public school heads in the Division of Surigao del Sur generally demonstrated strong financial management practices, particularly in fiscal allocation, transparency, accountability, and ethical considerations, which were all rated as highly practiced. At the same time, the degree of manifestation of school-based management (SBM) was found to be frequently to always manifested, with strengths in leadership, governance, human resource development, and learning environment, though challenges remain in curriculum outcomes such as student achievement in national assessments. Differences in financial management practices were observed based on educational attainment, school level, and SBM maturity, suggesting that qualifications and institutional development influence how school heads manage resources. Importantly, a significant positive correlation was established between SBM practices and financial management, confirming that governance and financial capacity are interdependent and mutually reinforcing. These findings underscore that empowering school heads with financial competence and enhancing SBM maturity are essential to sustaining accountability, transparency, and instructional quality in public education.

Recommendations

In light of these findings, it is recommended that the Department of Education intensify capacity-building programs for school heads with a focus on participatory budgeting, strategic allocation of resources, and monitoring of financial outcomes to strengthen the link between fiscal decisions and student achievement. Schools should also deepen SBM implementation by moving beyond compliance and fostering higher levels of community engagement and participatory governance, ensuring that financial management is transparent and inclusive of stakeholders. Tailored training should be provided for principals in secondary schools and those handling implementing units, given the complexity of their financial demands, while professional development pathways should encourage higher qualifications among school heads to strengthen their managerial competence. Finally, institutional policies should continue to emphasize ethical leadership in fiscal decisions to guarantee equity and fairness in resource distribution, thereby ensuring that financial management practices directly support the overarching goal of improving learning outcomes and sustaining educational quality.

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