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Financial Risk Management Practices of Public Elementary Schools

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ABSTRACT

Financial risk management is essential in ensuring the efficient, transparent, and accountable utilization of public funds in schools. This study assessed the financial risk management practices of public elementary schools in the Municipality of Malabuyoc, Cebu. Specifically, it determined the extent of financial risk management practices in terms of risk identification, risk assessment, risk mitigation, internal control, financial monitoring, regulatory compliance, and contingency planning, and examined significant differences when respondents were grouped according to their profile. The study employed a quantitative descriptive research design involving 28 public elementary school administrators selected through complete enumeration. Data were gathered using an adapted and validated questionnaire and analyzed using frequency, percentage, weighted mean, standard deviation, independent samples *t*-test, and one-way ANOVA. The findings revealed a very high level of financial risk management practices (Composite Mean = 4.42) across all dimensions. No significant differences were found based on sex, age, length of service, and position, while educational attainment showed a significant difference. The study concludes that effective financial risk management strengthens financial governance, organizational resilience, and accountability, providing a basis for developing a Financial Risk Management Framework for public elementary schools.

Keywords: financial risk management, public elementary schools, financial governance, school administrators, internal control, educational management

INTRODUCTION

Background of the Study

Financial risk management has become an increasingly important component of effective school governance as public elementary schools face growing financial uncertainties arising from limited government resources, inflation, procurement complexities, emergency situations, and increasing demands for quality educational services (Handriadi et al., 2025). It refers to the systematic process of identifying, assessing, mitigating, and monitoring financial risks that may affect the efficient utilization of school resources and the attainment of educational goals (Stoian & Stoian, 2017). In the public education sector, financial risks may include delayed budget releases, inadequate internal controls, procurement irregularities, resource misallocation, fraud, non-compliance with financial regulations, and unforeseen events that disrupt school operations (Evershine, 2024). Effective financial risk management enables school administrators to minimize financial losses, ensure continuity of school programs, strengthen accountability, and optimize the use of public funds for teaching and learning (Moreira, 2025). International organizations have consistently emphasized that education systems must adopt sound financial governance and risk-informed planning to ensure sustainability, efficiency, and resilience in the delivery of educational services despite fiscal constraints (Talathi & Jain, 2025).

In the Philippines, public elementary schools operate within a financial management system governed by the 1987 Philippine Constitution, Republic Act No. 9155 (Governance of Basic Education Act of 2001), the Government Auditing Code of the Philippines (Presidential Decree No. 1445), the New Government Procurement Act (Republic Act No. 12009), the annual General Appropriations Act (GAA), and various policies of the Department of Education (DepEd), Department of Budget and Management (DBM), and

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Commission on Audit (COA). These legal and policy frameworks require school heads to exercise prudent financial management by ensuring transparency, accountability, proper procurement, internal control, and compliance with government financial regulations. The implementation of School-Based Management (SBM) has further expanded the financial responsibilities of school administrators by granting greater autonomy in planning, budgeting, and resource allocation while simultaneously increasing their accountability for financial decisions and risk mitigation. Consequently, school heads are expected not only to manage available resources effectively but also to anticipate and address financial risks that may hinder school operations and the implementation of educational programs. Recent studies have highlighted that effective financial management, particularly in budgeting, financial reporting, accountability, and risk management, contributes significantly to improved school performance, organizational efficiency, and stakeholder confidence (Mai et al., 2025; Nchaga, 2025).

Despite the increasing emphasis on financial governance, limited empirical studies have specifically examined the financial risk management practices of public elementary schools, particularly in the Philippine basic education context. Existing research has predominantly focused on fiscal accountability, financial management practices, budget utilization, and School-Based Management implementation, with less attention given to how school administrators identify, assess, mitigate, and monitor financial risks in their day-to-day operations (Figer-Canes, 2024). As schools continue to face evolving financial challenges brought about by economic fluctuations, emergency situations, and increasing accountability requirements, there is a need to assess the financial risk management practices of public elementary schools. Such an assessment will provide evidence-based information that can guide the Department of Education, school administrators, and policymakers in strengthening financial governance, enhancing internal control systems, promoting proactive risk management strategies, and ensuring the sustainable utilization of public resources in support of quality basic education.

Review of Current Literature and Situation

Recent literature emphasizes that financial risk management has become an indispensable component of effective educational governance because it enables schools to anticipate, assess, and respond to financial uncertainties that may adversely affect the delivery of quality education (Handriadi et al., 2025; Irsandi et al., 2024). Financial risk management extends beyond financial compliance by incorporating strategic planning, internal control, risk assessment, financial monitoring, procurement management, and resource optimization to safeguard public funds and ensure organizational sustainability (Gulomovich, 2025). According to the Organization for Economic Co-operation and Development (OECD), education systems should establish funding mechanisms and financial governance structures that promote efficiency, transparency, accountability, and equitable resource allocation while mitigating financial risks associated with decentralized school management (OECD, 2022). Similarly, UNESCO emphasized that education financing should be supported by sound governance, risk-informed planning, and effective public financial management systems to strengthen the resilience, equity, and sustainability of educational institutions (UNESCO, 2025). These perspectives underscore that financial risk management has evolved into a strategic leadership function that directly influences institutional effectiveness and long-term educational development.

Empirical studies further demonstrate the importance of financial risk management in school administration. Tsharane and Bussin (2022) found that public schools experience financial risks arising from inadequate knowledge of financial risk management, unclear financial roles, weak monitoring systems, and deficiencies in financial reporting and internal controls. Their study concluded that strengthening financial management competencies and institutional support mechanisms significantly enhances accountability and reduces financial vulnerabilities within schools. Likewise, a recent systematic review by Bagas et al. (2024) identified strategic budgeting, financial planning, transparency, internal control, accountability, and financial literacy as the core dimensions of effective fiscal management. The review further emphasized that schools exhibiting participatory, transparent, and data-driven financial management practices demonstrate higher operational efficiency, stronger governance, and improved educational outcomes. In a broader educational context, a systematic literature review on risk management in education likewise reported that contemporary educational institutions increasingly adopt proactive risk management strategies to address financial, operational,

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environmental, and organizational risks, thereby enhancing institutional resilience and sustainability (Moreira, 2025).

In the Philippine basic education system, financial risk management is embedded within existing financial

governance and accountability frameworks administered by the Department of Education (DepEd), the Department of Budget and Management (DBM), and the Commission on Audit (COA). Public elementary schools are mandated to manage government resources prudently through transparent budgeting, proper procurement, effective internal controls, accurate financial reporting, and regular monitoring of financial transactions. The implementation of School-Based Management (SBM) has further expanded the fiscal responsibilities of school heads by granting greater autonomy in financial decision-making while increasing accountability for managing public resources. Despite these policy reforms, recent Philippine studies indicate that school administrators continue to encounter challenges related to procurement compliance, financial documentation, risk mitigation, and capacity building in financial governance (Fernandez & Bongcawil, 2025; Imasa & Campos, 2025). These findings suggest that while schools generally demonstrate satisfactory financial management practices, continuous strengthening of financial risk management systems remains necessary to improve organizational resilience, ensure efficient utilization of public funds, and sustain quality educational service delivery.

Research Gap

Even though numerous studies have investigated school financial management, fiscal accountability, budgeting, procurement, and School-Based Management (SBM), relatively few have focused specifically on financial risk management practices in public elementary schools (Fernandez & Bongcawil, 2025; Bayudan-Dacuycuy et al., 2024). Existing studies have primarily examined compliance with financial regulations, financial reporting, accountability mechanisms, and resource utilization rather than the systematic identification, assessment, mitigation, and monitoring of financial risks that may threaten school operations and organizational sustainability (Handriadi et al., 2025). Recent international studies have highlighted challenges related to weak internal controls, limited financial risk management competencies, inadequate monitoring systems, and unclear financial management roles among school leaders, emphasizing the need for stronger risk-based financial governance in educational institutions (Silveira et al., 2025). Likewise, systematic reviews have identified financial planning, internal control, transparency, and risk assessment as critical components of effective financial management; however, empirical evidence specifically examining financial risk management in public elementary schools remains limited (Moreira, 2025).

Within the Philippine context, the existing body of literature has largely concentrated on fiscal accountability, financial management practices, budget utilization, and the implementation of School-Based Management among school heads (Fernandez & Bongcawil, 2025). While these studies provide valuable insights into compliance with financial policies and accountability standards, they seldom investigate how public elementary schools proactively identify, evaluate, and mitigate financial risks associated with budget constraints, procurement delays, fraud, emergency expenditures, internal control deficiencies, and changing regulatory requirements. Moreover, there is limited evidence on the financial risk management practices of public elementary school administrators, particularly in local school districts where contextual factors such as resource limitations, school size, and community support may influence financial risk exposure. This study seeks to address these gaps by assessing the financial risk management practices of public elementary schools and generating empirical evidence that may serve as the basis for developing a Financial Risk Management Framework that strengthens school financial governance, organizational resilience, and the sustainable utilization of public resources.

Purpose and Significance of the Study

The primary purpose of this study is to assess the financial risk management practices of public elementary schools. Specifically, it seeks to determine the extent to which school administrators implement financial risk management practices in terms of risk identification, risk assessment, risk mitigation, internal control,

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financial monitoring, regulatory compliance, and contingency planning. The study also aims to identify areas of strength and opportunities for improvement in managing financial risks that may affect the efficient utilization of school resources and the achievement of educational objectives. Ultimately, the findings will serve as the basis for developing a Financial Risk Management Framework that will strengthen financial governance, enhance organizational resilience, and promote the sustainable management of public funds in public elementary schools.

The findings of this study are expected to benefit several stakeholders. The Department of Education (DepEd) may use the results in strengthening policies, guidelines, and capacity-building programs related to school financial management and risk governance. Schools Division Offices may utilize the findings in designing technical assistance programs, monitoring activities, and professional development initiatives that improve the financial risk management competencies of school heads. Public elementary school administrators may benefit by gaining a better understanding of financial risks and adopting proactive strategies that strengthen internal controls, improve financial decision-making, and ensure compliance with government financial regulations. Teachers, parents, School Governing Councils (SGCs), and other stakeholders may likewise benefit from increased transparency, accountability, and more efficient utilization of school resources that ultimately support improved teaching and learning conditions. Furthermore, future researchers may use the study as a reference for related investigations on educational finance, financial governance, risk management, and school leadership, thereby contributing to the growing body of knowledge on financial risk management in the basic education sector.

Theoretical Foundation

This study is primarily anchored on the Enterprise Risk Management (ERM) Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2017). The ERM Framework emphasizes that organizations should systematically identify, assess, manage, monitor, and communicate risks that may affect the achievement of organizational objectives (Kissoon, 2021). It views risk management as an integral component of governance, strategy, and performance rather than as an isolated financial function (Yancey, 2024). Within the context of public elementary schools, the framework suggests that school administrators should proactively identify financial risks associated with budgeting, procurement, resource allocation, internal control, financial reporting, and regulatory compliance to minimize potential losses and ensure the efficient utilization of public funds (Giwah & Ilufoye, 2025). The ERM Framework further highlights that effective risk management strengthens organizational resilience, improves decision-making, enhances accountability, and promotes the achievement of institutional goals through continuous monitoring and evaluation of risks (Ahmad & Teo, 2024).

The study is likewise supported by Stewardship Theory proposed by Davis, Schoorman, and Donaldson (1997), which asserts that organizational leaders act as responsible stewards who prioritize the interests of the institution and its stakeholders over personal interests. In educational settings, school administrators serve as stewards of public resources entrusted to them by the government and the community (Saxena et al., 2024). This theory emphasizes ethical leadership, transparency, accountability, responsible financial decision-making, and prudent resource management. School administrators are therefore expected to exercise sound judgment in managing school funds, implement effective internal control systems, ensure compliance with financial regulations, and establish accountability mechanisms that safeguard public resources (Chrisman, 2019). Stewardship Theory supports the notion that effective financial risk management contributes to public trust, organizational integrity, and sustainable school governance.

The study is further underpinned by the principles of School-Based Management (SBM), which advocate decentralized governance by empowering school heads to make financial and administrative decisions responsive to local school needs while maintaining accountability for educational outcomes. Under the School-Based Management framework institutionalized by the Department of Education through Republic Act No. 9155 (Governance of Basic Education Act of 2001), school administrators are given greater authority in planning, budgeting, procurement, and resource allocation. However, this increased autonomy also carries greater responsibility for identifying and managing financial risks that may affect school operations and

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organizational performance. Guided by these theoretical perspectives, the present study assumes that effective financial risk management practices—including risk identification, risk assessment, risk mitigation, internal control, financial monitoring, regulatory compliance, and contingency planning—strengthen financial governance, enhance organizational resilience, and ensure the efficient, transparent, and sustainable utilization of public resources. These theories provide the conceptual basis for assessing the financial risk management practices of public elementary schools and for developing a Financial Risk Management Framework that supports evidence-based decision-making and continuous school improvement.

METHODOLOGY

Research Design

This study employed a quantitative descriptive research design to assess the financial risk management practices of public elementary schools. The descriptive research design was considered appropriate because it enabled the researcher to systematically collect, describe, analyze, and interpret quantitative data regarding the existing financial risk management practices implemented by public elementary school administrators without manipulating any of the study variables. Specifically, the study examined the extent to which school administrators implemented financial risk management practices in the areas of risk identification, risk assessment, risk mitigation, internal control, financial monitoring, regulatory compliance, and contingency planning. This design provided a comprehensive description of the prevailing financial risk management practices in public elementary schools and served as the basis for identifying strengths and areas requiring improvement.

The descriptive research design also allowed the researcher to determine the status of financial risk management practices and generate empirical evidence that supported informed decision-making and policy recommendations. Data were gathered through a structured survey questionnaire administered to the respondents, and appropriate descriptive statistical tools, including frequency counts, percentages, weighted means, and standard deviations, were utilized to summarize and interpret the data. The findings served as the basis for proposing a Financial Risk Management Framework aimed at strengthening financial governance, improving organizational resilience, and promoting the efficient, transparent, and accountable management of public financial resources in public elementary schools.

Environment

The study was conducted in the public elementary schools of the Municipality of Malabuyoc, Cebu, under the Schools Division of Cebu Province, Department of Education (DepEd). Malabuyoc is a fifth-class municipality located in the southwestern part of Cebu Province, consisting of several barangays served by public elementary schools that provide accessible and quality basic education to learners from diverse socioeconomic backgrounds. These schools operate under the policies and standards prescribed by the Department of Education and are funded primarily through the national government, particularly the Maintenance and Other Operating Expenses (MOOE), as well as other government and local financial support. As public educational institutions, they are mandated to implement sound financial management practices, maintain accountability and transparency in the utilization of public funds, and comply with financial management regulations issued by the Department of Education, the Department of Budget and Management (DBM), and the Commission on Audit (COA).

Respondents

The respondents of the study consisted of the public elementary school administrators in the Municipality of Malabuyoc, Cebu, under the Schools Division of Cebu Province. Specifically, the respondents included school principals, head teachers, and teachers-in-charge who performed administrative and financial management functions in their respective schools. These school administrators were selected because they are directly responsible for the planning, budgeting, implementation, monitoring, and evaluation of school financial resources, including the Maintenance and Other Operating Expenses (MOOE), school-generated

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funds, and other financial allocations. Moreover, they are tasked with identifying and managing financial risks, ensuring compliance with government financial regulations, maintaining internal control systems, and safeguarding public resources. Their responsibilities and experiences made them the most appropriate respondents for assessing the financial risk management practices of public elementary schools.

Sampling Technique

The study employed complete enumeration (total population sampling), wherein all qualified public elementary school administrators in the Municipality of Malabuyoc were included as respondents, provided they met the inclusion criteria and voluntarily agreed to participate in the study. Complete enumeration was adopted because the target population was relatively small and manageable, allowing the researcher to gather comprehensive and representative data from all school administrators responsible for financial management. Prior to data collection, informed consent was obtained from each respondent after explaining the purpose of the study, the voluntary nature of participation, and their right to withdraw at any stage of the research. The confidentiality and anonymity of the respondents were strictly observed, and all information collected was treated with the utmost confidentiality and used solely for academic and research purposes.

Instruments

The study utilized an adapted structured questionnaire as the primary data-gathering instrument to assess the financial risk management practices of public elementary schools. The questionnaire was primarily adapted from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management (ERM): Integrating with Strategy and Performance Framework (2017) and the financial risk management instrument developed by Tsharane and Bussin (2022) for educational institutions. Additional indicators were adapted from recent literature on school financial governance and fiscal management (Bagas et al., 2024) to ensure that the instrument adequately reflected the financial management context of Philippine public elementary schools. Minor modifications were made to align the statements with the policies and operational practices of the Department of Education (DepEd) and the objectives of the present study.

The adapted questionnaire consisted of two parts. Part I gathered the demographic profile of the respondents, including sex, age, highest educational attainment, length of service as administrator, and position. Part II assessed the respondents' financial risk management practices across seven dimensions: risk identification, risk assessment, risk mitigation, internal control, financial monitoring, regulatory compliance, and contingency planning. Each statement was rated using a five-point Likert scale, where 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree. Higher scores indicated a higher extent of financial risk management practices.

Prior to data collection, the adapted instrument underwent content validation by experts in educational management, public financial management, and research methodology to determine its clarity, relevance, and adequacy. Their comments and recommendations were incorporated into the final version of the questionnaire. A pilot test was subsequently conducted among public elementary school administrators from schools outside the study area but with characteristics like those of the target respondents. The reliability of the instrument was determined using Cronbach's alpha coefficient, and the results demonstrated acceptable internal consistency, confirming that the instrument was reliable and appropriate for assessing the financial risk management practices of public elementary schools.

Data Gathering Procedure

Prior to the conduct of the study, the researcher secured approval from the research adviser and obtained the necessary endorsements from the appropriate university authorities. A formal letter requesting permission to conduct the study was then submitted to the Schools Division Superintendent of the Schools Division of Cebu Province through the Office of the Public Schools District Supervisor (PSDS) of Malabuyoc District. Upon approval, the researcher coordinated with the principals and school heads of the participating public elementary schools to discuss the objectives of the study, the schedule of data collection, and the procedures

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for administering the survey questionnaire. Before distributing the questionnaires, the respondents were informed of the purpose of the study, the voluntary nature of their participation, their right to withdraw from the study at any time without any consequences, and the confidentiality of the information they would provide. Written informed consent was obtained from all respondents before the commencement of data collection.

Following the necessary approvals, the researcher personally administered the adapted and validated survey questionnaire to the qualified public elementary school administrators. The respondents were given sufficient time to accomplish the instrument, while the researcher remained available to clarify instructions and answer questions without influencing their responses. Upon completion, all questionnaires were immediately retrieved and carefully examined for completeness and consistency. The collected data were then coded, encoded, tabulated, and prepared for statistical analysis using the appropriate statistical software. Throughout the data gathering process, strict confidentiality and anonymity were maintained, and all information obtained from the respondents was used solely for academic and research purposes in accordance with the principles of research ethics and the Data Privacy Act of 2012 (Republic Act No. 10173).

Statistical Treatment of Data

The data gathered from the respondents were encoded, tabulated, and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistical tools were employed to summarize and interpret the data collected through the survey questionnaire. Specifically, frequency count and percentage were used to describe the demographic profile of the respondents in terms of sex, age, highest educational attainment, length of service as administrator, and position. To determine the extent of the financial risk management practices of public elementary schools in the areas of risk identification, risk assessment, risk mitigation, internal control, financial monitoring, regulatory compliance, and contingency planning, the weighted mean and standard deviation were computed. The weighted mean determined the average level of implementation of each financial risk management practice, while the standard deviation measured the consistency or variability of the respondents' responses. The following scale was used in interpreting the weighted mean: 4.21–5.00 (Very High), 3.41–4.20 (High), 2.61–3.40 (Moderate), 1.81–2.60 (Low), and 1.00–1.80 (Very Low).

To determine whether significant differences existed in the financial risk management practices of public elementary schools when respondents were grouped according to their demographic profile, appropriate inferential statistical tests were employed. An independent samples t-test was used to compare the responses based on variables with two categories, such as sex, while one-way Analysis of Variance (ANOVA) was utilized for variables with three or more categories, including age, highest educational attainment, length of service as administrator, and position. Whenever a significant F-value was obtained from the ANOVA, an appropriate post hoc test (Tukey's Honest Significant Difference) was conducted to identify the specific groups that significantly differed. All statistical analyses were performed at the 0.05 level of significance, and the results served as the basis for drawing conclusions and formulating recommendations regarding the financial risk management practices of public elementary schools.

Ethical Considerations

The study was conducted in accordance with established ethical principles to ensure the protection of the rights, dignity, and welfare of all participants throughout the research process. Prior to data collection, the researcher obtained the necessary approvals from the university and secured permission from the Schools Division Office of Cebu Province, through the Office of the Public Schools District Supervisor, as well as from the heads of the participating public elementary schools in the Municipality of Malabuyoc. Each prospective respondent was provided with a clear explanation of the purpose, objectives, procedures, benefits, and minimal risks of the study before being invited to participate. Participation was strictly voluntary, and informed consent was obtained from every respondent. The participants were informed that they had the right to decline participation or withdraw from the study at any stage without penalty or adverse consequences.

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RESULTS AND DISCUSSION

Respondents' Profile

Table 1 presents the demographic profile of the 28 public elementary school administrators who participated in the study. In terms of sex, most of the respondents were female (17 or 60.71%), while 11 (39.29%) were male. Regarding age, the largest proportions belonged to the 41–50 years and 51–60 years age groups, each comprising 10 respondents (35.71%), followed by those aged 31–40 years (17.86%) and 61 years and above (10.72%). As to educational attainment, most respondents had completed a Master's Degree (32.14%), followed by those with Master's Degree Units (28.57%), Doctoral Units (17.86%), Bachelor's Degree (10.71%), and Doctoral Degree (10.72%). In terms of administrative experience, the highest proportion had 5–10 years of service (39.29%), while 21.43% had less than five years, another 21.43% had 11–15 years, and 17.85% had more than 15 years of experience. Finally, most respondents occupied the position of Principal I (39.29%), followed by Principal II (21.43%), Teacher-in-Charge/Head Teacher (17.85%), Principal III (14.29%), and Principal IV (7.14%).

Table 1. Profile of the Respondents (N = 28)

Profile Variable	Category	Frequency (f)	Percentage (%)
Sex	Male	11	39.29
	Female	17	60.71
	Total	**28**	**100**
Age	31–40 years	5	17.86
	41–50 years	10	35.71
	51–60 years	10	35.71
	61 years and above	3	10.72
	Total	**28**	**100**
Highest Educational Attainment	Bachelor's Degree	3	10.71
	Master's Degree Units	8	28.57
	Master's Degree	9	32.14
	Doctoral Units	5	17.86
	Doctoral Degree	3	10.72
	Total	**28**	**100**
Length of Service as Administrator	Less than 5 years	6	21.43
	5–10 years	11	39.29
	11–15 years	6	21.43
	More than 15 years	5	17.85
	Total	**28**	**100**
Position	Principal I	11	39.29
	Principal II	6	21.43
	Principal III	4	14.29
	Principal IV	2	7.14
	Teacher-in-Charge/Head Teacher	5	17.85
	Total	**28**	**100**

The demographic profile indicates that the respondents were composed primarily of experienced and academically prepared school leaders entrusted with the financial and administrative management of public

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elementary schools. The predominance of female administrators reflects the continuing trend of women assuming leadership positions in the Philippine basic education sector. Likewise, the concentration of respondents within the 41–60-year age range suggests that most administrators possess extensive professional experience that enables them to effectively manage school operations and financial responsibilities. The high proportion of respondents who had completed or pursued graduate studies demonstrates a strong commitment to professional growth and leadership development, which are essential in enhancing competencies in financial governance, strategic planning, and risk management. Moreover, the respondents' considerable years of administrative experience imply familiarity with government financial regulations, internal control systems, and school financial management procedures. These characteristics strengthen the credibility of the respondents in providing reliable information regarding the financial risk management practices implemented in their respective schools. Previous studies have shown that school leaders' educational qualifications and professional experience contribute to improved decision-making, organizational leadership, and effective financial governance (Tsharane & Bussin, 2022; OECD, 2022).

The profile of the respondents suggests that the public elementary schools included in the study were managed by qualified and experienced administrators capable of implementing sound financial risk management practices. Their educational preparation, leadership experience, and administrative positions indicate that they possess the knowledge and competencies necessary to identify financial risks, ensure compliance with financial regulations, strengthen internal controls, and make informed financial decisions. The findings further imply that while demographic characteristics describe the composition of the respondents, their combined academic qualifications and practical administrative experience provide a strong foundation for promoting financial accountability and organizational resilience within schools. Consequently, the demographic profile supports the validity of the respondents' perceptions and reinforces the reliability of the study's findings regarding the financial risk management practices of public elementary schools.

Financial Risk Management Practices of Public Elementary Schools

Table 2 presents the extent of financial risk management practices of public elementary schools. The results revealed an overall composite mean of 4.42 (SD = 0.46), interpreted as Very High, indicating that the respondents consistently practiced effective financial risk management in their respective schools. Among the seven dimensions, Regulatory Compliance obtained the highest mean (M = 4.53, SD = 0.41), followed by Internal Control (M = 4.48), Financial Monitoring (M = 4.45), Risk Identification (M = 4.42), Risk Mitigation (M = 4.40), Risk Assessment (M = 4.36), and Contingency Planning (M = 4.28). Although contingency planning registered the lowest mean among the indicators, it remained within the Very High descriptive level, indicating that public elementary schools consistently implemented strategies to prepare for potential financial disruptions and emergencies.

Table 2. Extent of Financial Risk Management Practices of Public Elementary Schools

Financial Risk Management Practices	**Mean**	**SD**	**Interpretation**
Risk Identification	4.42	0.46	Very High
Risk Assessment	4.36	0.49	Very High
Risk Mitigation	4.4	0.47	Very High
Internal Control	4.48	0.43	Very High
Financial Monitoring	4.45	0.44	Very High
Regulatory Compliance	4.53	0.41	Very High
Contingency Planning	4.28	0.52	Very High
Composite Mean	**4.42**	**0.46**	**Very High**

The findings indicate that public elementary schools in Malabuyoc, Cebu have established strong financial risk management practices that support effective financial governance and responsible stewardship of public

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resources. The highest rating obtained by regulatory compliance suggests that school administrators consistently adhered to the financial policies, procurement regulations, auditing requirements, and accountability standards prescribed by the Department of Education (DepEd), the Department of Budget and Management (DBM), and the Commission on Audit (COA). Similarly, the very high ratings for internal control and financial monitoring indicate that school administrators have instituted effective mechanisms for safeguarding financial resources, preventing irregularities, and ensuring the proper utilization of government funds. While contingency planning received the lowest mean, it's very high rating implies that schools have begun integrating financial preparedness into their management practices but may still strengthen long-term financial resilience through more comprehensive risk response strategies. Overall, the findings demonstrate that financial risk management has become an integral component of school leadership, enabling administrators to anticipate financial uncertainties, minimize potential losses, and sustain school operations despite changing fiscal conditions.

The results imply that public elementary school administrators recognize financial risk management as a strategic leadership responsibility rather than merely a compliance requirement. The consistently very high ratings across all dimensions demonstrate that school administrators actively identify potential financial risks, assess their possible impact, implement appropriate mitigation measures, strengthen internal control systems, monitor financial transactions, comply with government financial regulations, and prepare contingency plans for unexpected financial situations. These findings support the Enterprise Risk Management (ERM) Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which emphasizes that organizations achieve greater effectiveness when risk management is integrated into governance, strategy, and operational decision-making. Likewise, the findings reinforce Stewardship Theory, which posits that organizational leaders have a fiduciary responsibility to manage public resources ethically, transparently, and in the best interests of stakeholders. The results are also consistent with recent studies indicating that effective financial risk management strengthens accountability, improves financial governance, enhances organizational resilience, and contributes to sustainable educational service delivery (Tsharane & Bussin, 2022; Bagas et al., 2024; UNESCO, 2025).

Test of Significant Difference

Table 3 presents the test of significant difference in the financial risk management practices of public elementary schools when respondents were grouped according to their profile. The findings revealed that sex ($t = 0.781$, $p = 0.441$), age ($F = 1.326$, $p = 0.286$), length of service as administrator ($F = 1.642$, $p = 0.191$), and position ($F = 2.087$, $p = 0.119$) did not significantly differ in terms of financial risk management practices because their computed p-values were greater than the 0.05 level of significance. However, a significant difference was observed when respondents were grouped according to their highest educational attainment ($F = 3.847$, $p = 0.015$), leading to the rejection of the null hypothesis for this variable. This result indicates that financial risk management practices vary according to the educational qualifications of public elementary school administrators.

Table 3

Test of Significant Difference in the Financial Risk Management Practices of Public Elementary Schools When Grouped According to the Respondents' Profile

Profile Variable	Statistical Test	Computed Value	p-value	Decision	Interpretation
Sex	Independent Samples t-test	t = 0.781	0.441	Fail to Reject H_0	Not Significant
Age	One-Way ANOVA	F = 1.326	0.286	Fail to Reject H_0	Not Significant
Highest Educational Attainment	One-Way ANOVA	F = 3.847	0.015	Reject H_0	Significant
Length of Service as	One-Way ANOVA	F = 1.642	0.191	Fail to	Not

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Administrator				Reject H_0	Significant
Position	One-Way ANOVA	F = 2.087	0.119	Fail to Reject H_0	Not Significant

The findings suggest that financial risk management practices are generally implemented consistently across public elementary schools regardless of administrators' sex, age, administrative experience, and position. This consistency may be attributed to the standardized financial management policies, guidelines, and accountability mechanisms established by the Department of Education, which ensure that all school administrators perform their financial responsibilities using common procedures and regulatory standards. On the other hand, the significant difference observed in terms of educational attainment implies that administrators with advanced academic qualifications may possess greater competencies in strategic financial planning, risk assessment, internal control, and evidence-based decision-making. Graduate education often exposes school leaders to advanced concepts in educational management, public administration, financial governance, and organizational leadership, thereby strengthening their ability to anticipate, assess, and mitigate financial risks more effectively.

The results indicate that demographic characteristics such as sex, age, length of service, and position are not major determinants of financial risk management practices among public elementary school administrators. Instead, the findings emphasize that educational attainment plays a more influential role in enhancing administrators' capability to manage financial risks. This suggests that higher educational preparation contributes to stronger analytical skills, broader managerial perspectives, and a deeper understanding of financial governance and risk management principles. The findings support the Enterprise Risk Management (ERM) Framework, which emphasizes that effective risk management depends on competent leadership and informed decision-making throughout the organization. Likewise, the results are consistent with Stewardship Theory, which posits that organizational leaders equipped with appropriate knowledge and competencies are better able to safeguard public resources and uphold accountability. Consequently, the findings underscore the importance of continuous professional development, graduate education, and specialized financial management training to strengthen the financial risk management capabilities of school administrators and promote sustainable financial governance in public elementary schools.

Fiscal Implications

The findings of the study indicate that public elementary schools have established a very high level of financial risk management practices, suggesting that school administrators consistently implement measures to safeguard public resources and ensure compliance with financial management regulations. Sustaining and further enhancing these practices, however, requires continued financial investment in capacity-building programs, financial management systems, risk assessment tools, internal control mechanisms, contingency planning activities, and regular monitoring and evaluation. Budgetary provisions are likewise necessary for training school heads and financial personnel on risk management, government procurement, financial reporting, disaster preparedness, fraud prevention, and the use of digital financial management systems. Although these initiatives require additional financial resources, the long-term benefits—including reduced financial losses, improved accountability, enhanced transparency, stronger organizational resilience, and more efficient utilization of school funds—far outweigh the implementation costs.

Policy and Management Implications

The findings of the study have significant implications for educational policy and school management, particularly in strengthening financial governance and promoting proactive financial risk management in public elementary schools. The very high level of financial risk management practices indicates that existing policies of the Department of Education (DepEd), the Commission on Audit (COA), and the Department of Budget and Management (DBM) have generally been effective in guiding school administrators toward responsible financial stewardship. However, the findings also suggest the need for DepEd to institutionalize a comprehensive financial risk management policy that integrates risk identification, assessment, mitigation, monitoring, and contingency planning into the School-Based Management (SBM) framework and school

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improvement planning process. At the division level, Schools Division Offices may strengthen technical assistance, financial monitoring, mentoring, and capacity-building initiatives to ensure that school administrators remain updated on government financial regulations, procurement procedures, internal control systems, and risk management strategies. Such policy enhancements will promote greater transparency, accountability, and resilience in managing public school finances.

From a management perspective, the findings emphasize the importance of integrating financial risk management into the strategic and operational functions of school leadership. School administrators may utilize the results as a basis for improving financial planning, strengthening internal control mechanisms, enhancing financial monitoring systems, developing contingency plans for financial emergencies, and implementing evidence-based decision-making in the allocation and utilization of school resources. The findings likewise encourage school leaders to foster a culture of accountability, transparency, and continuous risk assessment by actively engaging teachers, School Governing Councils (SGCs), Parents-Teachers Associations (PTAs), and community stakeholders in financial planning and monitoring activities. Furthermore, the proposed Financial Risk Management Framework may serve as a practical guide for schools in identifying potential financial vulnerabilities, reducing fiscal risks, ensuring compliance with government financial policies, and sustaining efficient utilization of public funds. Ultimately, these policy and management interventions can strengthen institutional resilience, improve financial governance, and support the continuous delivery of quality basic education in public elementary schools.

CONCLUSION

The study concluded that public elementary schools in the Municipality of Malabuyoc, Cebu demonstrated a very high level of financial risk management practices, indicating that school administrators consistently implemented sound strategies in risk identification, risk assessment, risk mitigation, internal control, financial monitoring, regulatory compliance, and contingency planning. These findings affirm that school administrators are committed to safeguarding public resources, complying with government financial regulations, and promoting transparency and accountability in the management of school finances. Furthermore, the respondents' strong implementation of financial risk management practices reflects their capability to anticipate potential financial risks and ensure the continuity of school operations despite fiscal uncertainties.

The study further concluded that financial risk management practices generally did not differ significantly according to the respondents' sex, age, length of service, and position, suggesting that financial governance practices have been institutionalized across public elementary schools through standardized policies and procedures of the Department of Education. However, the significant difference observed in terms of educational attainment indicates that advanced academic qualifications contribute to stronger financial risk management competencies among school administrators.

RECOMMENDATIONS

Based on the findings and conclusions of the study, it is recommended that the Department of Education (DepEd) and the Schools Division Office of Cebu Province continue strengthening the financial risk management competencies of public elementary school administrators through regular training, seminars, and technical assistance on risk identification, risk assessment, internal control, financial monitoring, regulatory compliance, and contingency planning. Public elementary school administrators should institutionalize comprehensive financial risk management strategies by integrating risk management into school improvement planning, strengthening internal control systems, conducting periodic financial risk assessments, and promoting transparency and stakeholder participation in financial decision-making. Schools are likewise encouraged to utilize the proposed Financial Risk Management Framework as a guide in enhancing financial governance and organizational resilience. Finally, future researchers may replicate or extend this study in other school divisions using larger samples, mixed-methods or longitudinal research designs, and additional variables such as financial management competency, organizational culture, digital financial systems, and leadership practices to generate broader evidence on financial risk management in the basic education sector.

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