

**THE ROLE OF THE SCHOOL GOVERNING BODIES IN MANAGING FINANCES
IN NO-FEE SCHOOLS IN THE MARABA CIRCUIT OF LIMPOPO PROVINCE**

by

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DECLARATION

I declare that **THE ROLE OF THE SCHOOL GOVERNING BODIES IN MANAGING FINANCES IN NO-FEE SCHOOLS IN THE MARABA CIRCUIT OF LIMPOPO PROVINCE** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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Very special thanks go to my mother, Mmakgabo Dibete, who has supported me throughout my life and encouraged me to persevere no matter the obstacles in life.

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KE A LE LEBOGA.

DEDICATION

This study is dedicated to my late son, Lesiba Choene Dibete.

Robala ka khutšo Mokone wa Ntšhidikgolo, Hlanhlagane !

ABSTRACT

Seventeen years after the passing and enactment of the South African Schools Act (SASA), Act 84 of 1996 which regulates the establishment of democratically elected school governing bodies (SGB) and which contains directives on how to organise and manage school funds, SGBs are still struggling to understand their roles and responsibilities. This study is aimed at investigating the perceptions of school governing body members as regards to their financial management roles in selected no-fee schools in the Maraba Circuit of the Limpopo Province, South Africa. The study used a qualitative research design within the interpretive paradigm. In addition, decentralisation theory served as the theoretical framework for the study. A sample comprising 22 participants from six selected no-fee schools was purposefully selected to act as the research participants. Semi-structured interviews and document analyses of official documents were conducted in order to collect the requisite data. The research participants included school principals, SGB chairpersons, treasurers and finance officers. The data collected was qualitatively analysed through coding and categorisation. The study revealed that the perceptions, experience and understanding of their financial management roles of SGB members often differ. In addition the study discloses that many of the participants lacked competency. In other words they lacked the proper knowledge and skills required to manage their school funds effectively. It would appear that their lack of the proper knowledge and skills was related primarily to their literacy levels and lack of training. The study concluded with the recommendations that SGB members be empowered through continuous and effective training to enable them to understand and fulfil their financial management roles.

KEY WORDS

School governing body; school governance; financial management; no-fee schools; accountability; responsibility; decentralisation; budget; finance policy; finance committee; control of funds; budgeting; school leadership; and management.

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ABBREVIATIONS

ANC	African National Congress
ANNSSF	Amended National Norms and Standard for School Funding
DoE	Department of Education
EEA	Employment of Educators Act
GAAP	Generally Accepted Accounting Principles
HOD	Head of Department
LTSM	Learner and teachers support material
MBO	Management by Objectives
NEPA	National Education Policy Act
NNSSF	National Norms and Standard for School Funding
NP	National Party
NQ	National Quintile
NFSP	No fee School Policy
PAM	Personnel Administrative Measures
PED	Provincial Department of Education
PERT	Program Evaluation and Review Technique
PFMA	Public Financial Management Act
SASA	South African Schools Act
SBM	School based management
SDT	School development team
SGB	School governing body
SIP	School improvement plan
SMT	School management team

CHAPTER 1

BACKGROUND TO THE STUDY

1.1 INTRODUCTION

In the period preceding the establishment of South Africa's first democratic government in 1994, the governance of education was characterised by a peculiar combination of centralisation and decentralisation (Pampallis 2002:2). This was clearly illustrated by the fact that there were fifteen apartheid education ministries, namely the Department of National Education, which was responsible for national norms and standards, ten bantustan departments of education and four racially-defined departments of education for Africans, coloureds, Indians and whites in the areas of outside the bantustans (Brijraj, Dladla, Mathonsi, Ngcongco & Soudien 2003:26; Lemmer & Van Wyk 2010:117; Lekonyane & Maja 2014:2). Each of these education ministries led, managed and governed the schools under their jurisdiction in their own ways with the result that the methods of school leadership, governance and management differed from one ministry to the other.

During this time, statutory school structures governed and managed schools. These structures were known as school committees, management councils, parent-teacher associations or, in some instances, as school boards (Lekonyane & Maja 2014:2; Mahlangu 2008:24). These structures instituted in order to enhance apartheid-type education which involved separate education for each race but all inferior to the education provided for whites (Mahlangu 2008:24). According to Lekonyane and Maja (2014:2), the different education departments used various approaches to school governance as there was no uniform structure for this purpose. These consisted mainly of parent representatives and had limited decision-making powers only, because their activities tended to centre around fund-raising (Brijraj et al. 2003:26; Bagarette 2011:223; Tsotetsi, Van Wyk & Lemmer 2008:385). Those structures (school committees, school boards and management councils) were autocratic and were characterised by undemocratic practices as the power was centralised in the hands of a few members and who, together with the principal, took most of the decisions pertaining to the school on behalf of the entire school community. In many of the communities parent involvement became virtually non-existent as a result of political turbulence, poor socio-economic conditions, teacher reluctance and parent apathy (Lemmer & Van Wyk 2004:261). Consequently, many schools, particularly those serving the black communities, experienced

poor management, inadequate funding, ineffective teaching and therefore poor learning (Nyambi 2005:1).

The National Party (NP) government used a bureaucratic and centralised top-down model in order to govern education in schools. As a bureaucratic structure, the school governance was characterised by cohesive structural components in terms of which principals and school management teams (SMTs) exercised strict control over all aspects of school activities (Kruger 2011:7) and also centralised in the sense that the education of the time relied heavily on state control (Van Wyk 2007:132). According to Pampallis (2002:2), significant aspect of the system was central control over finances. This created an education system that was highly authoritative and hierarchical with the parents and the communities having little or no influence over what happened in the schools (Nyambi 2005:1; Lemmer & Van Wyk 2004:261). The state regarded parent involvement primarily as a mechanism for financing the schools (Lemmer & Van Wyk 2004:261). This limited parent involvement at the expense of the learners as well as other stakeholders created a fertile ground for a broader political struggle aimed at a more inclusive system of governance (Mabasa & Themane 2002:112).

In view of the history of the lack of participation on the part of communities in education, especially the traditionally black communities, it was important that structures that would facilitate the effective participation of communities at school level be created (Mahlangu 2008:24). Education authorities had to address this issue aggressively by establishing a new policy and legal framework for education (Lemmer & Van Wyk 2010:121). One such policy and legislative framework was the promulgation of the South African Schools Act (SASA) of 1996. The fundamental aim of SASA is to “provide for a uniform system for the organisation, governance and funding of schools, to amend and repeal certain laws relating to schools, and provide for matters connected herewith”. Accordingly, SASA has mandated the establishment of democratic structures of school governance in the form of SGBs in all schools (Van Wyk 2004:49) and which provide the basis for decentralised governance by the education authorities and the school community (Squelch 1999:137). The SGB structures were regarded as the first legal structures to be democratically acknowledged and elected by parents in all public schools in South African. The enactment of the SASA revolutionised school financial management (Mestry & Naidoo 2009:107) in the country, making such school management it part of the drive for democratic school governance.

Following the general election in 1994, and with the adoption of a new constitutional dispensation and the phasing in of new educational legislation under the new government, a new system of education was created. This new system of education was based on the fundamental principles of democracy, unity, non-discrimination, equity and equality (Squelch 1999:137). The new democratic government, led by the African National Congress (ANC), was committed to building a society based on equity, the participation of the people in the decisions that affected their lives, abolishing the racist order and overcoming its legacy (Pampallis 2002:4). As the apartheid school committees and school boards were seen as undemocratic, racist and practising inequality, these were immediately scrapped and, in 1997, they were replaced by democratically elected SGBs in order to decentralise the governance and management of schools (Mahlanghu 2008:26). The replacement of the apartheid structures was viewed as a step towards good school governance and the improved general management of schools because the old structures (school committees, school boards and management councils) had not promoted stakeholder participation and had been dominated by the school principals who had reported directly to the government bureaucracy that was responsible for education (Mabasa & Themane 2002:112).

Legislation aimed at reforming schooling in a democratic South Africa has focused the attention on the rights and responsibilities of parents, teachers and learners (in secondary schools) as empowered stakeholders in education. The rationale behind the introduction of SGBs as one of the education reforms was to ensure that educators, parents, learners (in secondary schools) and non-teaching staff would actively participate in the governance and management of schools with a view to providing a better teaching and learning environment (Van Wyk 2004:49) than had previously been the case. As a legal body the SGB is responsible for, among other things, the development of school policies, the vision and mission of the school and the financial management of the school.

South Africa has committed itself to the principle of creating free access to education in accordance with section 29(1) of the constitution and the removal of poverty through provision of quality education (Setoaba 2011:27) as some of its educational goals in the post-apartheid era. The enactment of several official policies such as SASA, Education Law Amendment Act (Act 24 of 2005), the National Norms and Standard for School Funding (NNSSF) of 1998 and the No fee School Policy (NSFP) demonstrates South Africa's commitment to realise those goals. Through these policies and acts the state took a greater responsibility in funding of no-fee schools and the abolishment of mandatory fees that were

levied by the SGBs. Without understanding the legal knowledge of financial management the schools will not achieve their intended constitutional goals. It is therefore vital that the SGB fully understands the policies related to financial management as the lack thereof will put the SGBs under tremendous pressure. Studies conducted by Ngwenya (2002) and Nkosi (2011) revealed that an understanding of these policies and their applications by all the stakeholders of the school remains a serious challenge particularly on the area of financial management. As a result of this, together with the limited knowledge and skills of the SGBs (Mestry 2006), the administration and management of school finances have left numerous schools with financial difficulties. Whether or not and how the SGBs are performing their roles in the area of management of finances is a question that needs to be asked. It is in this context that this study was undertaken in order to investigate the performance of the SGBs in relation to their financial management in no-fee schools as financial management is one of the key tasks/roles in the functions of the SGBs.

1.2 RATIONALE BEHIND THE STUDY

The researcher is an educator with 20 years' teaching experience and is employed by the Department of Education. He has served on the SMT for three years as Head of Department (HoD) in various schools and for four years as a principal. The schools in question were historically disadvantaged, black rural schools (which were declared no-fee schools in 2007/2008) where, as in any other public school, the SGB plays a major role in the school governance despite the fact that it relies on the educators for a wide range of activities. This reliance on educators stems from the fact that the members of the SGB typically have little knowledge of their financial and other responsibilities as delegated to them in terms of the SASA (Lekalakala 2006:2). According to Mabasa and Themane (2002:112) and Mncube (2009:1), this lack of knowledge on the part of SGB members is often associated with their low levels of literacy.

The declaration of certain schools as no-fee paying in South Africa was intended to enhance the constitutional mandate of the right of every individual to basic education provided by the state (section 29(1) of the Constitution and section 3 of SASA. This has financial implications for both the Department of Education and the SGBs of schools in that the department has to deposit monies into school accounts and the SGBs have a duty to manage these monies effectively and efficiently. According to South African Year Book for 2011/2012 the provincial financial contributions to these schools totalled R162 billion and

were aimed at ensuring that the system responded to the educational needs of all learners as provided for by the state. This transfer of money is draining millions of rand from the government's coffers. There is thus the danger that, if these funds are not well managed, controlled and monitored, this may result in irregularities in expenditure as well as the failure on the part of schools to meet their targets (Rangongo 2011:57). A high degree of expertise and knowledge is required to manage such large sums.

In an effort to address this issue, the SGBs usually delegate the financial tasks and responsibilities to the principals and hold them accountable (Lekalakala 2006:3), believing that principals possess better financial expertise than the SGB members. Nevertheless, despite the policy and legislative framework on financial management in schools, SGB members and principals continue to collude in mismanaging school funds, for example by signing blank cheques and not accounting for the money spent (Mestry 2004; Mestry 2006). The majority of principals, particularly those in black rural schools, continue with malpractices such as signing blank cheques and paying with hard cash without issuing receipts (Macupe 2014:5; Mashaba 2015:8). Such practices have led to numerous schools experiencing financial difficulties.

This ongoing dysfunctionality, incompetence and incapacity in dealing with school finances aroused the researcher's interest and resulted in a desire to acquire an in-depth knowledge of the way in which the members of SGBs perceive their role in the management of school finances.

1.3 THE PROBLEM STATEMENT

Mestry (2004:130) points out that the SGB is responsible and accountable for the management of school funds and that the principal must facilitate support and assist the SGB in the execution of its statutory functions. Financial management skills are, thus, essential if the SGB is to carry out these responsibilities effectively.

An understanding of the financial legal framework presents a challenge in the majority of public schools (Rangongo 2011:iv), not only in those which have been declared no-fee schools. The existing level of knowledge and the interpretation of various policies and regulations, acts and prescripts are a matter of some concern with transgressions and non-compliance with financial legal frameworks taking place. The content of the prescripts, circulars, manuals and acts are not always clear to SGB members, particularly to the parent

and learner members. This is partly the result of the language used in these documents (Rangongo 2011: iv; Lekonyane & Maja 2014:4).

The implementation of the no-fee schools policy has brought added challenges regarding the administration and management of school finances (Kgetjepe 2011:5). Many historically advantaged schools have not implemented the required regulations and poor parents are having to bear the burden of paying exorbitant school fees (Mestry 2013:173). This was demonstrated in the case of the community of Letsatsing Combined School where the chairperson of the SGB and the principal asked the parents to pay school fees despite the school having been declared a no-fee school by the MEC in the province. This school, which runs from Grades R to 12, was declared a no-fee school in 2011 (Mthethwa 2013:12). Thus, despite the progress made by the no-fee school policy (NSFP), it is evident from both this case and many others that poor parents and learners are still suffering because of the incompetency of the SGBs.

Several principals and SGB members lack the necessary financial knowledge and skills and are placed under tremendous pressure because they are unable to find practical solutions to practical problems. It has been reported that several principals and SGBs have been subjected to forensic audits by the Department of Education as a result of the mismanagement of funds through misappropriation, fraud, pilfering of cash, theft and improper control of financial records (Mestry 2004:126).

1.4 THE AIMS AND OBJECTIVES OF THE STUDY

The aim of this research study is to explore the roles that the SGBs are tasked to perform in the management of school finances in no-fee schools in the Maraba Circuit of Limpopo Province.

1.4.1 The research objectives

- To investigate the extent to which SGB members understand their task/role in managing the school finances.
- To explore the roles which the SGB members play regarding their participation in the financial management of schools.
- To investigate how the SGBs of the no fee schools were complying with the legislative and policy frameworks as regards their financial management.

1.5 THE RESEARCH QUESTIONS

In an attempt to explore the SGBs roles in their financial management, the study addressed the following research questions:

1.5.1 The main research question

How do SGBs perceive their roles in the management of finances in no fee schools?

1.5.2 The research sub questions:

- How do SGB members understand their financial management roles of no-fee schools?
- How do SGB members participate in the financial management of no-fee schools?
- How do the SGBs in schools comply with the legislative and policy frameworks when managing the school finances?

1.6 LIMITATIONS OF THE STUDY

The limitations of research study are the limiting factors, conditions or restrictive weaknesses that occur when certain factors cannot be controlled by the study design (Locke, Spirduso & Spiderman 2007 as cited in Nkosi 2011). In view of the fact that the study focused on the issue of finances, and because finances are a sensitive issue, this presented a challenge to the researcher as some of the participants were not comfortable discussing their school finances with the researcher who was not known to them. In a similar study, Nkosi (2011) found that, when interviewed, some participants had been reluctant to provide information about the financial position of their schools. This also proved to be the case in this study when one chairperson of the SGB refused to be interviewed at the very last minute, despite having agreed initially to participate in the study. In one of the other schools that participated in the study there was no finance officer. In view of the fact that the finance officer plays a key role in the management of the school finances this posed a threat to the study. Time was another inhibiting factor particularly as regards those participants who were interviewed at home. The researcher often had to interrupt an interview because the participant had to attend to the household chores and this disturbed the flow of the interview.

The research study focused on six purposefully selected no-fee schools in the Maraba Circuit. The Maraba Circuit is in the Polokwane cluster of circuits and includes 30 schools (primary and secondary schools and one special school), 28 of which are classified as no-fee schools. Only individuals who were involved with the school finances (principal, chairperson, finance officer and treasurer) participated in the study. The results obtained from the study will not be generalised either to other no-fee schools in the Maraba Circuit or elsewhere because in qualitative research the aim is not to generalise the findings to schools outside of those under study (Creswell 2003:193) but to get an in-depth understanding of the phenomenon under review and to also provide an understanding from the participants' perspective (Maree 2007:115). In line with the above, the findings of this study cannot be generalised because the individuals (participants), site or place where the study was carried out or perhaps conducted differ from other places within the Maraba Circuit and elsewhere.

1.7 PHILOSOPHICAL ASSUMPTION/PARADIGM

A paradigm is a set of assumptions or beliefs about fundamental aspects of reality and which give rise to a particular world-view. In other words, a paradigm is used in addressing certain fundamental assumptions which are taken on faith, such as beliefs about the nature of reality (ontology), and the relationship between the knower and the known (epistemology) (Maree 2007:47-48). According to Lincoln and Guba, as cited in Rangongo (2011:67), a paradigm is what we think about the world but are not able to prove.

The study was based on an interpretive paradigm. An interpretive paradigm is informed by a concern to understand the world as it is and, thus, to understand the fundamental nature of the social world at the level of subjective experience (Rangongo 2011: 67). In other words, interpretive paradigm is about understanding the everyday experiences of people in a specific area or historic setting (De Vos, Strydom, Fouche & Delport 2002). As a theory of meaning, interpretivism enables the researcher to dig deep into the meaning of the phenomenon under investigation. An interpretive approach is characterised by a particular ontology, epistemology and methodology (Terre Blanche & Durrheim 1999:123).

The researcher in this study believed that it is possible to understand others' experience by interacting with them and listening to what they are telling us -- an epistemological approach. Epistemology, therefore, looks at how one knows reality, the method for knowing the nature of reality, or how one comes to know reality and, therefore, – it assumes a relationship

between the knower and the known (Maree 2007:55). For this reason, the researcher in this study employed a qualitative research approach as such an approach would facilitate his understanding of the perceptions of SGB members, particularly of their role in financial management in selected no-fee schools in the Maraba Circuit.

1.8 THEORETICAL FRAMEWORK

The study was based on the theory of decentralisation as the main theoretical framework. As propounded by Botha (2012:264), decentralisation of school management is generally understood to refer to the devolution of the decision-making authority from the higher central level to the lower local level. In this case (this study) it refers to the transfer of the decision-making power from the Department of Education to the school level. This view is corroborated by Kathyola & Job (2011:2) and Siddle and Koelble (2012:19) who argue that decentralisation is a multifaceted concept that may refer to a transition from a governance structure in terms of which power, resources, and capacity are centrally controlled to one in which such power, resources and capacity are dispersed to sub-national actors. In the main decentralisation involves numerous stakeholders, including central and local governments, citizens, non-governmental organisations, community-based organisations, and the private sector. In practical terms, decentralisation is a process of striking a balance between the claims of the periphery and the demands of the centre. Within the educational context, the concept of decentralisation originates from the belief that the state alone cannot control schools and that it should share its powers with other stakeholders, particularly those close to the schools, and on a partnership basis (Marishane & Botha 2011:78). This will help to reduce bureaucratic control and enhance shared decision-making at the local school level.

Prior to 1994, the various systems in education lacked both financial and management accountability as a result of the problems arising from the over-centralisation of control and the limited legitimacy of political authorities (Mestry 2006:27). The provision in the SASA to elect the SGBs in schools resulted in changes that ushered in the decentralisation of powers as the state devolved more of its powers to the SGBs (Kgetjepe 2011:13), including the financial management function. Squelch (1999:139) observes that, by virtue of the SGBs, parents are now in a powerful position and, effectively, have the authority to influence the decisions made on very fundamental issues, for example, the school budget, language policy and discipline. SASA's aim in decentralising power to the SGBs was to increase the democratic participation in the governance of schools (Prinsloo 2006:356) on the basis of the

fact that the state alone will achieve little or no success if the people whose responsibility it is to ensure the successful implementation of policies and efficient use of resources are not involved (Selesho & Mxuma 2012:493). The decentralisation of financial control to school based management (SBM) has become an important strategy aimed at improving schools. It may be viewed as a combined strategy that involves the devolution of the decision-making authority and the delegation of financial management responsibilities to the people given such authority (Marishane & Botha 2004:94-96). The literature reveals that decentralisation has been divided into political, administrative and fiscal reforms between central and sub-national governments (Siddle & Koelble 2012: xx; Kathyola & Job 2011:3). Other scholars, however (Squelch 1999:129; Siddle & Koelble 2012:23-24; Gamage & Zajda 2009: xvi; Kathyola & Job 2011:3) include deconcentration over and above devolution and delegation as another strategy of a decision-making authority.

- Deconcentration involves shifting the authority for the implementation of rules and the spatial relocation of decision making, or the transfer of a degree of administrative responsibility or authority to lower levels within central government ministries or agencies.
- Delegation refers to the assignment of specific decision-making authority; namely, the transfer of managerial responsibility for specifically defined functions to local governments.
- Devolution is the process of transferring decision-making and the implementation of power functions, responsibility and resources to legally constituted local governments.

The theory of decentralisation and participative governance is not unique to South Africa as the movement towards decentralised school governance is a global phenomenon (Squelch 1999:131). Since the late 1980s, decentralisation and the devolution of authority to the school level have emerged in most systems around the world in both the developed and the developing countries (Gamage & Sooksomchitra 2004:290). The main objective is to improve student outcomes and the effectiveness of the schooling system.

In an effort to address education systems that were rigid, ineffective, conflict-laden and unresponsive to the local needs of their schools, the Chicago School Reform Act of 1988, the Kentucky Education Reform Act of 1990 and the Education Reform Act of 1988 in England all aimed at decentralising education with a view to strengthening the decision-making

authority of individual schools by transferring it to the school level (Squelch 1999:131). Key to these acts is the point that schools must be able to manage their resources, particularly their finances, through well-established school councils (Squelch 1999:133-135). With a few exceptions school councils are the same as school governing bodies in South Africa, both in terms of structure/membership and functions. For example, school council in England may discipline and even dismiss teachers. In England, Kentucky in the United States, Australia and New Zealand decentralisation has succeeded in producing the intended results, namely, raising student achievement, improving student attendances and reducing drop-out rates. Research conducted by Bush and Gamage (2001) in Australia and the United Kingdom found that greater autonomy in schools leads to greater effectiveness through the greater flexibility in management and, therefore, better financial decisions with the priorities being set on the basis of data about students outcomes and needs (Bush & Gamage 2001:39). However, according to Squelch (1999:132), of the countries mentioned, it is only in the United States, in Chicago, that, “despite radical reform of legislation and transfer of considerable power to local school councils, there has scarcely been any demonstrable progress on outcome goals. Chicago schools continue to rank very low by the national standards”.

In Sub-Saharan countries such as Botswana, Cameroon, Ghana, Mozambique and Tanzania, it would appear that context has played an important role in terms of the type, quality, approach and progress of decentralisation (Kathyola & Job 2011:248). For example, both Botswana and Cameroon adopted devolution as a method of decentralisation, whereas Ghana adopted a strategy of a mixture of political devolution, administrative and sectoral deconcentration (Kathyola & Job 2011:89, 91).

The proponents of decentralisation and the devolution of authority to local communities argue that this approach leads to autonomy, flexibility, productivity and accountability as well as more effective and less bureaucratic decision-making. This is confirmed by a study conducted by Kathyola and Job (2011) in the Sub-Saharan African states of Botswana, Cameroon, Ghana, Mozambique and Tanzania. Kathyola and Job (2011) listed the following as the most notable achievements in those countries, namely, bringing government closer to the peoples, greater participation by the peoples at the grassroots level in decision-making and reducing bureaucracy. However, a study conducted by Amirrachman, Syafi’I and Welch in Indonesia (as cited in Kathyola & Job 2011) revealed that, with limited experience of local democracy, unclear legislative guidelines, a lack of local capacity building, on-going factional politics, corruption, the co-option of the decentralisation process by local politicians

and resistance on the part of key officials and the principals of schools whose interests were threatened, educational decentralisation reforms in Indonesia were doomed to fail (Gamage & Zajda 2009:xvii, xxi). In Uganda there has been evidence of corruption in the process of transferring finances from central government to local governments while there have even been cases where education officials have been arrested for bribery when dealing with corruption cases (Gamage & Zajda 2009:189 – 190). In the South African local government context, in addition to a lack of capacity and its inevitable consequences for the procurement process, there is also the on-going threat of corruption. The local government environment provides enormous scope for corruption with perhaps the most obvious vehicle for corrupt activities being the procurement process (Siddle & Koelble 2012:183-184). In Tanzania it has been revealed that the disadvantage of decentralisation is a lack of accountability as there are no clear lines of accounting. Corruption is at its highest level ever with pockets of corruption on the increase and leaders and ordinary members not being paid (Kathyola & Job 2011:217).

1.9 OPERATIONAL DEFINITION OF TERMS

1.9.1 Budget

According to Kruger (2011:67), the budget of a school may be defined as a management tool or mechanism by which the management team of a school may estimate, plan, utilise, coordinate, control and evaluate the human, material and other resources of the school in financial terms. In other words, a budget is a quantitative statement for a defined period of time, prepared and agreed in advance (by the stakeholders) and showing planned revenues, costs, assets, liabilities and cash flows (Black & Al-Kilani 2013:333).

1.9.2 Decentralisation

In the educational context decentralisation involves the shifting of educational resources as well as the decision-making responsibility for the use of such resources to schools and their communities (Marishane & Botha 2011:9). Gamage and Zajda (2009:xv) define decentralisation in education as the process of delegating or devolving authority and responsibility for the distribution and the use of resources (e.g. financial, human and physical resources) from the central government to local schools.

1.9.3 Financial management

Motsamai, Jacobs and De Wet (2011:105) and Mestry (2013:165) define financial management as the performance of actions connected with the financial aspects of school management for the achievement of effective education. In other words, it is the actions by which a person in authority must administer and control the finances of the school in an efficient manner.

1.9.4 No-fee schools

A no-fee school is a public school of which the governing body may not levy mandatory school fees (Nkosi 2011:31; prescripts 2011:1). In South Africa schools that are currently in the poorest quintiles are annually declared by the Minister of Education to be no-fee paying schools. The schools in question receive a subsidy from the Department of Education and which is at least equal to the no-fee threshold. Schools that are declared to be no-fee paying are prohibited from charging the learners school fees or any registration, administration or other fees (Giese, Zide, Koch, & Hall 2009:7).

1.9.5 School governance

As far as the functions of the SGB are concerned, school governance refers to determining the policy and rules by which the school is to be organised and controlled and includes ensuring that such rules and policies are carried out effectively in terms of both the law and the budget of the school (Potgieter, Visser, Van der Bank, Mothata & Squelch 1997:11;Maile 2002:1).

1.9.6 School governing body

The school governing body is an elected body that is entrusted with the responsibility and authority to formulate and adopt school policies on the national, provincial and district level in terms of the Schools Act (Eastern Cape Education Manual 2012:8). Thus, the term refers to a statutory body of people who are elected to govern the school, together with the school principal, and members who are co-opted but not elected to the body (South African Schools Act 1996:12; Potgieter et al.1997:23; Mbatsane 2006:17; Mestry 2013:163).

1.10 CHAPTER OUTLINE

This dissertation comprises five chapters.

➤ Chapter 1: Introduction to the study

This chapter discusses the background to the study, the problem statement, the aims of the study, the rationale behind the study, its limitations and delimitations, the study assumptions (philosophical and conceptual) and the ethical considerations which were taken into account during the study. In addition, the chapter defines the terms relevant to the study.

➤ Chapter 2 : Literature Review

This chapter contains a review of the literature that was consulted in order to provide a theoretical background to the study. The chapter elaborated on the functions of the SGB with reference to financial management in no-fee schools within both the South African context and also internationally. Findings from similar studies were used to support the existing theory on the management of finances in schools.

➤ Chapter 3 : Research Design and Methodology

Chapter three discussed the research design and data collection process used in the study. The study used various methods to collect the requisite data and these methods were explained so as to provide the reasons for the choice of particular methods. The chapter also discussed sampling as well as the issues of reliability and validity.

➤ Chapter 4: Data presentation and analysis

This chapter contains the data presentation and data analysis in an effort to address the research questions and research aims of the study. The findings from the data analysis and the interpretation of data generated are also presented in this chapter.

➤ Chapter 5: Summary of findings, recommendations and conclusion

This chapter contains the data analysis, the interpretation of the data which was collected and the conclusions drawn in relation to the problem statement. In addition, the chapter outlines both the recommendations made and also suggestions for further research.

1.11 CONCLUSION

This chapter discussed the legislative reforms to school governance both prior to and post the democratic dispensation in South Africa. The rationale behind the study, the research

problem statement and the research questions and aims were also discussed. In addition, the chapter explored the assumptions (both philosophical and conceptual) underlying the study, the limitations and delimitations of the study as well as the ethical considerations that were taken into account during the study. The next chapter (chapter 2) presents a detailed review of existing literature on the role of the SGB in the financial management of a school.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The researcher reviewed existing literature on the management of the finances in no-fee schools in both South Africa and internationally. The literature reviewed included, but not be limited to, the following: books, articles, journals, education policies and acts, and print media on the way in which funds should be effectively and efficiently managed in schools. The literature review explored the following issues: school governance and its functions, no-fee schools, financial management responsibilities of SGBs, key tasks in financial management and the legal frameworks pertaining to the effective management of school funds. According to Creswell (1998:99), the literature review in a research project has several purposes, namely:

- It shares with the reader the results of other studies closely related to the particular study that is being undertaken.
- It relates the investigation to wider studies that have been undertaken on the research topic.
- It attempts to fill in existing gaps and extend prior studies.
- It provides the framework within which the importance of the study is established.
- It serves as a benchmark for comparing the results of the study with the findings of other studies.

2.2 SCHOOL GOVERNANCE

Governance may be defined as the combination of processes and structures implemented by the board to inform, direct, manage and monitor an organisation's activities in the pursuit of the organisational objectives (Goodson, Mory & Lapointe 2012:5). Goodson et al. (2012:5) further assert that governance relates to the means by which organisational goals are established and accomplished. In South Africa all public schools are mandated by the SASA to elect a school governing body as part of the governance structure of the school (Bagarette 2011:226). According to Mncube (2009:83), this move is in line with both national and international trends.

School governance refers to the involvement of relevant stakeholders, such as parents, educators, learners (Grade 8 and higher) and non-teaching staff, in making decisions about the way in which the school should be governed according to the provisions of the SASA (Mavuso & Duku 2014:454). Thus, school governance involves determining the policy and rules in terms of which the school is organised and controlled. It also includes ensuring that such rules and policies are implemented effectively in terms of both the law and the budget of the school (Potgieter et al. 1997:11). Mncube (2009:2) defines school governance as the institutional structure that is entrusted with the responsibility or authority to formulate and adopt school policy on a range of issues including, but not limited to, school uniforms, school budgets, developmental priorities; endorsement of a code of conduct for pupils, staff and parents; broad goals on the educational quality that the school should strive to achieve; school community relations; and curriculum programme development. Marishane (1999:54) lists the following three dimensions of school governance:

- Sovereign governance entails full public accountability of the work of the school as a whole to all interested parties and rendered in various forms, including the presentation of the annual reports to parents.
- Judicial governance entails accountability for meeting all the legal requirements to which the school is subject, including legislature relating to finances, employment, the curriculum and health and safety.
- Performance governance which entails accountability for carrying out the activities of the school and in terms of which the vision of the school regarding the provision of a service to pupils is put into practice. This dimension of governance entails specific and legal obligations, which require particular knowledge, skills and expertise.

School governance in the South African context is the responsibility of the school governing body (SGB) (SASA s16). The governing body is a functionary of the public school, and is a juristic person and an organ of state (Coetzee 2009:49). Accordingly, a governing body stands in a position of trust in the school and there is a fiduciary relationship between the governing body and the school; thus implying that the governing body and the school must espouse the democratic principles of openness, participation and accountability. The fact that the governing body is in a position of trust means that the governing body is expected to act in good faith, to carry out its duties and functions on behalf of the school and to be accountable for its actions (Mestry 2006:27; Potgieter et al. 1997:23; Bagarette 2011:223),

not to disclose confidential information that may harm the school, not to engage in any unlawful conduct and not to compete with the school's interest and activities (Squelch 1999:138 ; Coetzee 2009:48). According Lekonyane and Maja (2014:6), this implies that it is incumbent on all SGB members to synergise their operative efforts towards the provision of quality education for learners.

Democratic school governance implies that all the stakeholders, including the parents, decide on the school policies which affect the education of their children. This highlights a genuine handing over and sharing of power with concomitant responsibility and accountability (Mncube 2009:2-3).

2.2.1 Composition of SGBs

The SGB is a statutory body which is elected in terms of SASA section 23(1). Its membership comprises

- elected members
- the principal, in his/her official capacity (as an ex officio member)
- co-opted members

Section 23(2) of SASA; Mncube, Harber and Du Plesis (2011:213); Naidu et al (2008:150); Bagarette (2011:223) and Joubert and Prinsloo (2008:76) all stipulate that the elected members of the governing body must include a member or members from each of the following categories:

- Parents of learners at the school
- Educators at the school
- Members of staff at the school who are not educators
- Learners in the eighth grade or higher at the school (must be elected according to provincial guidelines).

A parent is defined as the biological parent or the legal guardian of a learner; the person legally entitled to the custody of a learner; or any person who fulfils the obligation of the learner's schooling (SASA chapter 1[definitions]; Lemmer & Van Wyk 2004:261).The parents serving on the SGB must form the majority of the members of the governing body (SASA section 23(9); Squelch 1999:138; Lemmer & Van Wyk 2004:262; Potgieter et al.

1997:25; Heystek 2004:308; Pampallis 2002:8) while a parent member must act as the chairperson of the committee (Mcube et al. 2011:214). Regardless of the size of the school, the parents must always hold the majority through a 50% plus one member representation (Tsoetsi et al. 2008:368; Van Wyk 2007:133). In other words, there must always be one more parent on the governing body than the combined total of the other members with voting rights (Squelch 1999:138; SASA 23(9); Naidu et al. 2008:150).

The inclusion of learners is also consistent with the democratic notion of giving all stakeholders a voice in school governance (Bush & Heystek 2003:132; Mncube et al. 2011:214). Phakoa and Bischoff (2001) also link the inclusion of learners in governing bodies to wider democratic ideals, as does SASA: “The Act recognises learners as an important group of stakeholders, as well as the need to include them in decision-making process in public secondary schools. The recognition and representation are probably attributable to the fact that learners played a major role in ensuring that South Africa became a democratic country.” Their exclusion from these governing bodies would, therefore, be contrary to the very democratic ethos for which so many learners fought for so long” (Phakoa & Bischoff 2001:1). As far as the learners are concerned, they have voting rights and are full, active members of the governing body. However, minors (learners under the age of 18) may not enter into a contract on behalf of the school or vote on resolutions imposing liabilities on a third party or on the school. In addition, a minor may not incur personal liability for any consequence of his/her membership of the governing body (Coetzee 2009:50). Governing bodies have the option of co-opting a member, or members, of the community (Van Wyk 2007:133) to assist the governing body in discharging its functions (SASA s23(6)).

The term of membership of the parent component of the SGB is three years although learners serve a period of one year. The election of all governing bodies occurs in the same year throughout South Africa (Tsoetsi et al. 2008:386; Van Wyk 2007:133; Naidu et al. 2008:149) after which the parent body of a school has the right to elect the parent representatives onto the governing body and to be informed regularly of what this body has decided on its behalf (Lemmer & Van Wyk 2004:262).

2.2.2. The roles and responsibilities of SGBs

Since the introduction of SASA, SGBs have become responsible for a range of functions that were previously the responsibility of the Department of Education (DoE). Central to the

policy framework was the notion of the devolution of power and authority to lower levels, essentially a decentralisation approach (Naidu et al. 2008:151).

According to section 16(1) of SASA of 1996 and Naidu, Joubert, Mestry, Mosoge and Ngcobo (2008:149), the governance of each school is vested in its SGB and includes a wide range of functions and allocated functions, including the adoption of a constitution, a code of conduct for learners and a mission statement. In addition, SASA stipulates extensive responsibilities regarding the recommendations for the appointment of educators, the maintenance and improvement of school properties and buildings and promoting the best interest of the school (Lemmer & Van Wyk 2010:131). The functions of SGBs are listed in SASA in sections 20 and 21.

Section 20(1) of SASA lists the prescribed functions of all school governing bodies. According to this section of SASA, the governing body of a public school must:

- Promote the best interests of the school and strive to ensure its development.
- Adopt a constitution.
- Adopt the mission statement of the school.
- Adopt a code of conduct for the learners at the school.
- Support the principal, educators and other staff members in performing their professional functions.
- Determine the times of the school day consistent with any applicable conditions of employment of the staff at the school.
- Administer and control the school's property, buildings and grounds, include school hostels
- Encourage parents, learners, educators and other staff members at the school to render voluntary services to the school.
- Recommend to the HOD the appointment of educators at the school.
- At the request of the HOD, allow the reasonable use under fair conditions of the facilities for educational programmes not conducted by the school.
- Discharge all other functions conferred on the governing body by the School Act.
- Discharge the functions that are set out by the member of the executive council in the *Provincial Gazette*.

Section 21 includes a list of the functions that may be allocated to a governing body by the HOD. According to section 21, a governing body may apply in writing to the HOD to be allocated any of the following functions:

- Maintaining and improving the school's property, building and grounds
- Determining the extra-curriculum of the school and the choice of the subject options according to the provincial curriculum policy
- Buying textbooks, educational materials or equipment for the school
- Paying for services to the school
- Other functions consistent with the Act and any applicable law.

The SGB must govern the school in terms of the functions indicated above. Typically, the SGB is given greater control than any other stakeholder over financial matters, school buildings, general school policy and school improvement (Squelch 1999:141).

One of the functions of the SGB of a public school in terms of the finances is to “take all reasonable measures within its means to supplement the resources provided by the state in order to improve the quality of education provided by the school to all learners at the schools” (SASA section 36(1)). This may be achieved either through the levying of school fees or by other forms of fundraising (Pampallis 2008:11). However, supplementing the financial resources of the school through the levying of school fees is not applicable in this study as the study is confined to no-fee schools that are not allowed to charge mandatory school fees. In South Africa, where levels of poverty are very high, the levying of school fees poses a challenge to the realisation of the right of access of all to education (Mestry & Bischoff 2009:53). Evidence has shown that school fees constitute a barrier to access to schooling, particularly for poor learners (Hindle 2007:150) because, once a school fee has been approved by all the stakeholders of the school, all parents are required to pay, with the exception those who apply for and are granted exemption (SASA section 40(1); Policy Brief 7; Pampallis 2008:11).

In order to counteract the potential inequalities that this (exemption from paying either partial or full) fees may cause, SASA makes provisions for a school fees exemption policy, in other words, for no-fee schools (Mestry & Bischoff 2009:53).

2.3 FINANCIAL IMPLICATIONS OF NO-FEE SCHOOLS

The National Norms and Standard for School Funding (NNSFF) of 1998 policy prescribes that schools be ranked into quintiles. Quintiles 1, 2 and 3 are declared no-fee schools and provided with substantial state funding while quintiles 4 and 5 schools are affluent schools for which state funding has been significantly reduced (Mestry & Ndhlovu 2014:10). A no-fee school is a public school of which the SGB may not levy compulsory school fees on learners in view of their poor socioeconomic backgrounds (Marishane 2013:2). Giese et al. (2009:7) highlighted that no-fee schools are the schools in the poorest quintiles (quintiles 1, 2 and 3) and which are declared as such by the Minister of Education on an annual basis. However, although a no-fee school does not charge school fees, it may raise funds through fundraising activities and voluntary donations from parents although it may not compel parents to make such donations (Clarke 2012:116). These no-fee schools receive a subsidy from the Department of Education and which is at least equal to the no-fee threshold. In lieu of the loss of income from school fees, no-fee schools are allocated a larger amount of funding per learner compared to learners in fee-paying schools (Giese et al. 2009:30).

The establishment of “no-fee” schools is part of the national commitment to providing free basic education to all children and is, thus, part of the government’s attempt to address the historical inequalities of the education system (Clarke 2012:1; Mestry & Ndhlovu 2014:1). According to section 39(7) of SASA, in order to be declared a no-fee school, the school should satisfy the following two criteria: (1) the school should have been placed in a national quintile (NQ) that has been identified by the Minister, in terms of section 39(7), paragraph 158 of SASA, as being in need of a total prohibition of compulsory school fees. Schools in South Africa are divided into five categories or quintiles, and the poorest schools receive seven times more funding per learner than the richer schools. This approach is aimed at redressing the historic inequalities in education although it also exacerbates the pressure on the governing bodies of the schools in the top two quintiles to replace the “lost” income through fees or other fundraising activities (Bush & Heystek 2003:130); (2) the school receives per learner, a school allocation, as defined in paragraphs 87 and 113 of section 39 of SASA that is greater than or equal to the no fee threshold for that year while the school also receives compensatory funding in areas such as school safety, nutrition, classroom construction and Grade R expansion (Mestry 2013:174).

In order to ensure that state funding is allocated in a fair and equitable manner to public schools, a National Table of Targets has been developed to assist in this regard (Marishane 2013:2). According to Government Notice number 37230 dated 17 January 2014, the no fee threshold in 2014 was R1,059, in accordance with the following table of targets for the school allocation 2014 – 2016.

Table 2.1 National Table of Targets for school funding 2014 – 2016

	2014	2015*	2016*
NQ 1	R1,059	R1,116	R1,175
NQ 2	R1,059	R1,116	R1,175
NQ 3	R1,059	R1,116	R1,175
NQ 4	R530	R559	R588
NQ 5	R183	R193	R203
No fee threshold	R1,059	R1,116	R1,175
Small schools: National fixed amount	R24,519	R25,843	R27,213

*2015 and 2016 figures inflation adjusted - CPI inflation rate adjusted

If the funds are available, the provincial education department (PED) may voluntarily offer Q4 and Q5 schools no fee status, at least at the threshold level of R 1,059 (the 2014 current threshold for no-fee schools, namely, Q1 to Q3). However, in declaring such fee charging schools as no fee schools, it is essential that the PEDs ensure that all these schools are informed that they will be declared no fee schools from 1January of the year in question.

Schools that have been declared “no-fee” school are not prohibited from requesting voluntary contributions from local businesses or interested parties for the purpose of funding special projects. In addition, these schools are also required to prepare annual budgets in accordance with section 39(2) of SASA and to keep records of funds received and spent in accordance with section 42 of SASA (Mestry & Bischoff 2003:54).

2.3.1 Why fee abolition in schools?

The intention of the non-fee school policy, in financial terms, is to minimise schooling costs and to bring about easy access to schooling (Setoaba 2011:7), thus relieving the burden of

school fees on poor parents. The notion of free schooling is focused primarily on removing the financial barriers to any form of education. No fee schools are an integral component of the government strategy to alleviate the effects of poverty and redress the imbalances of the past. One of the aims of the strategy is to ensure that the majority of the learners in this country exercise their right to basic education as determined by the Constitution of the country (Circular 56 of 2006:2- 3).

Two mechanisms have been introduced in South Africa to alleviate the financial costs of schooling for poor children, namely, school fee exemption, as introduced by SASA, and the no-fee policy, as outlined in the Amended National Norms and Standards for School Funding (ANNSSF) of 2006. Although it would appear that the aim of these policies is address financial barriers to education, they are also part of a broader education funding strategy designed to promote more equitable access to better education (Hall & Giese 2008:35). The fee exemption policy was viewed as a way of ensuring that access to education was not denied to any pupil or parents of a learner who had the opportunity to apply for either a full or a partial school fee exemption at any school. This policy applies to both the richer and the poorer schools (Ahmed & Sayed 2009:27). The ANNSSF deals specifically with the public funding of both public and independent (private) schools. State funding to public schools takes two forms, namely, personnel expenditure and non-personnel expenditure (school allocation). The school allocation is decided in accordance with the following five considerations: the right of the learners to education, the minimum basic package to ensure quality education, prices of goods and services, national distribution of income difference and poverty and, finally, state allocation (Department of Education 2006:25). Personnel expenditure remained unchanged although the ratio of personnel to non-personnel was set at 80:20 (Policy Brief 7; Naong 2013:261).

Setoaba (2011: 28) defines the no-fee school policy (NSFP) as a course of purposive action to follow in dealing with the difficulty of making quality education available and accessible to poor learners by prohibiting schools from charging mandatory school fees. Accordingly, the NSFP aims to make quality education readily available and accessible and to exempt poor parents from paying school fees (Marishane 2013:225). The no-fee policy refers to the amendment of section 39 of SASA through the Education Laws Amendment Act, Act 24 of 2005, authorising the Minister of Education to declare public schools that are deemed to be poor as “no-fee” schools on an annual basis (Thwala 2010:25). In order to do this, the NSFP

relies on a national poverty ranking system that divides all schools (primary and secondary) into quintiles (Hall & Giese 2008:38).

2.3.2 Fee abolition in other African countries

Fee abolition is not unique to South Africa and is, in fact, a global phenomenon. The following African countries have all introduced free education through what is termed fee abolition (a concept similar to the “no-fee” policy in South Africa): Ethiopia, Ghana, Kenya, Malawi and Mozambique. Ethiopia, Kenya and Malawi introduced fee abolition through an approach known as “Big Bang” (Dorleans 2009:32) with these countries introducing this policy less than four months after the election of their national governments. Ethiopia and Malawi introduced fee abolition in 1994, Mozambique and Kenya in 2003 with Ghana as the last country to introduce it in 2005 (Dorleans 2009:32). However, the “Big Bang” approach was indicative of the planning or lack thereof in these countries. For example, in Ethiopia planning was minimal while there was no planning in Kenya because fee abolition was implemented shortly after the 1994 general election. In Malawi four months only elapsed between the decision to adopt the policy and its implementation. On the other hand, Ghana and Mozambique demonstrated better planning with more time being allowed to elapse between the decision to implement the policy and the implementation date.

Section 29(1) of the South African Constitution, stipulates the right to basic education for all, made readily accessible by the state. SASA section 3(1) stipulates that “subject to this Act and any other applicable provincial law, every parent must cause every learner for whom he or she is responsible to attend a school from the first day of the year in which such a learner reaches the age of seven until the last school day of the year in which such a learner reaches the age of fifteen or the ninth grade, whichever occurs first”. Under section 39 (SASA section 5(3)) no learner may be refused admission to a school on the grounds that his or her parent is unable to pay or has not paid the school fees determined by the governing body. Thus, in South Africa, in terms of section 29(1) of the Constitution education is free from the first grade to the twelfth grade but compulsory to the ninth grade. In the African countries mentioned above education is free from the first grade to the tenth grade although as in South Africa, in these countries voluntary contributions by the parents are permitted (Dorleans 2009:33).

Many African countries, South Africa included, that have made definite progress towards universal primary education have done so after abolishing school fees. However, the financial sustainability of fee abolition remains a critical issue. Among the countries mentioned above, namely, Ethiopia, Ghana, Kenya, Malawi and Mozambique, Malawi was unable to accommodate the enrolment surge because of a lack of financing. This resulted in a severe deterioration in learning conditions, disillusionment among parents and students, and high drop-out rates (Dorleans 2009:5–7).

2.3.3 The impact of fees abolition and no-fee school policy

2.3.3.1 Increase in primary school enrolment

Fredriksen (2007:36 -37) maintains that increased learner enrolments have resulted from the implementation of the NSFP in South Africa. Following the fee abolition, Ghana recorded a 14% increase in total enrolment from 2004/05 to 2005/06 while there was an increase of 18% in beginner school enrolment in the same period in Kenya (Bett & Sigilai 2013:207), while Malawi had an increase of 86% in learners doing Grade 8 in the same period. These countries had all improved the schooling opportunities for their citizens, particularly for vulnerable children and the poverty stricken. After Botswana abolished school fees in 1980, there was a massive quantitative increase in enrolment in the primary and secondary schools of 91% and 324% respectively between 1979 and 1991, while enrolment in Uganda, Cameroon, Kenya, Lesotho, Malawi and Zambia almost doubled particularly among the disadvantaged children, mainly girls, orphans and children in rural areas (Mphafe, Murika & Pelsler 2014:182-183).

2.3.3.2 Gross enrolment rate in primary education

The gross enrolment rate (GER) is the number of pupils enrolled in a given level of education, regardless of age, and expressed as a percentage of the population in the theoretical age group for this level of education. Thus, the GER indicates both the general level of participation in a particular level of education as well as the capacity of the education system to enrol learners of a particular age group (Setoaba 2011: 44). In the main, the abolition of fees in Ethiopia, Ghana, Kenya, Malawi and Mozambique increased the GER values in these countries (Fredriksen 2007:6–7).

2.3.3.3 Promoting quality education

Government allocates amounts of money to schools in accordance with norms and standards, including the NSFP. These allocated no-fee school funds benefit schools in many ways and are aimed at improving the quality of education provided at these schools. The no-fee allocation enables schools to purchase the basic learning and teaching support materials that are necessary to enhance the quality of the learning and teaching processes (Setoaba 2011:42). In Ghana, Malawi and Mozambique free textbooks are also supplied to students (Dorleans 2009:34). After Malawi abolished its school fees, the ratio of pupils to classrooms increased to 119:1, the pupil to teacher ratio increased to 62:1 while the pupils to textbooks ratio jumped to 24:1 (Mphafe et al. 2014:185).

2.3.3.4 Enhancing access to education

Fee abolition makes education available to the most vulnerable children and also reduces the number of out-of-school children. As a result it promotes the level of literacy within a country by making education accessible to all children, rich or poor. Malawi and Mozambique experienced considerable success in making education available to the vast majority of school-aged children after abolishing school fees at the primary school level (Friedriksen 2007:22,39) while on an even more positive note, the no-fee school policy has lowered the dropout rates in public schools nationally (Mestry 2013:175).

2.4 FINANCIAL MANAGEMENT RESPONSIBILITIES OF SGBs

School financial management entails the performance of the management actions (regulatory tasks) related to the financial aspects of schools by a person/persons in a position of authority, with the main aim of achieving effective education (Van der Westhuizen 1995:371; Thwala 2010:25; Mestry 2013:165; Naidu et al. 2008:164). Thus, the school financial management may be said to be a process comprising several activities including the: identification, measurement, accumulation, analysis, preparation, interpretation and communication of information, both financial and operational (Bischoff & Mestry 2003:3).

According to Selesho and Mxuma (2012:494), financial management involves maintaining a cash flow in the face of ever-changing conditions, both on the supply side (income) and on the demand side (expenditure). Rothman (as cited in Selesho & Mxuma 2012:494) further defines financial management in schools as the act of maximising the financial resources of

schools where input is at a minimum and output at a maximum. Thus, the financial management of schools has to do with the financial activities that are undertaken by the stakeholders to achieve the common objectives of such schools (Makhubela 2005:7; Bischoff 1997:137). If the financial management is to be effective in any given institution, it is essential that certain strategies be in place and understood by the stakeholders. In the context of this study the stakeholders refer to The Department of Education, SGBs, teachers, parents and learners. These strategies include management by objectives (MBO), planning, as well as programming budgeting system and Program Evaluation and Review Technique (PERT) network simulations models.

Mestry (2004:129), Naidu et al. (2008:166) and Clarke (2009:282) all agree that the governing bodies of every public school must ensure that there are proper policies and procedures in place for the effective, efficient and economic management of school finances. In addition, the SGB must also have in place systems to monitor and evaluate the correct implementation of such policies and procedures and to report thereon. SASA (ss 37, 38, 42 and 43) prescribes how schools should manage their funds. It also provides guidelines for the SGB and the principal on their roles and responsibilities in managing the finances of the school.

In terms of the SASA (1996); Mbatsane (2006:34); Joubert and Prinsloo (2008:93-95) and Mestry (2013:165), SGBs have been mandated to perform financial responsibilities in the following areas:

2.4.1 School funds and assets (SASA s 37)

In terms of SASA, public schools receive funds from a combination of the following sources: state subsidies, school fees, donations and fundraising (school fees will not be applicable in the context of this study as the study confines itself to no-fee schools). In view of the fact that all the schools in the Maraba Circuit are located in poor communities, the SGBs rely entirely on state subsidies for their budgets. The state subsidy is allocated on a sliding scale according to the quintile of the particular school (Mbatsane 2006:7). Section 37(3) of SASA stipulates that the SGB must open one bank account in which all the funds are kept. All the funds that are collected in the name of the school comprise school funds and should, thus, be deposited in this school fund account (Kruger 2011:72). Potgieter et al. (1997:45) emphasise that no individual may keep money belonging to the school under his/her personal control unless yhe

SGB has approved expenditure. In addition, nobody may deposit the money belonging to the school in any bank account other than the one which exists in the name of the school.

2.4.2 School budget (SASA s38)

The SGB of a public school must prepare a budget for the school year (SASA s 38(1); Potgieter et al. 1997:48). This budget serves as a guide for the spending of the allocated funds. The budget should reflect the school's prioritised educational objectives, seek to ensure the efficient use of funds and be subjected to regular, effective financial monitoring (Mestry 2004:129). Before the budget is approved by the SGB, it must be presented to a general meeting of parents, held with at least 30 days' notice, for consideration and approval by a majority of parents present and voting (SASA s 38(2) (3); Department of Education 1997(a):49).

2.4.3 Financial records and statements (SASA s 42)

SASA section 42(a) and (b) stipulates that the SGB must maintain financial records and, within three months after the end of the financial year, draw up an annual financial statement. This may be done by the finance committee which works within the ambit of the SGB. According to Mbatsane (2006:28–29), finance records, will include the following: income and expenditure; trial balance sheet and statements of assets. Section 110 of SASA stipulates that the SGB must keep records for audit purposes as evidence of its correct dealings with suppliers and contractors as well as records of how the materials and services purchased were used. The principal should maintain various kinds of school financial accounts and records which are kept properly and ensure the best use of funds for the benefit of learners in consultation with the appropriate structures (Mestry 2013:165).

2.4.4 Audit of financial records and statements (SASA s 43)

Section 43 of SASA requires that SGBs submit their audited financial statements to the Head of Department (HOD) within six months of the end of the financial year. The purpose of this provision is to ensure that the HOD is kept informed of the use of school funds and to show accountability (Mbatsane 2006:30). Section 43(2) of SASA stipulates that, if an audit is not reasonably practicable for a particular school, the SGB may, instead appoint a person to

examine the books. The person so appointed must be either qualified to perform the duties of an auditor or accountant or be a person approved by the MEC for this purpose.

Section 60(2) of PFMA (1999:34) describes the duties and powers of auditors as follows: in exercising the powers and performing the duties of auditor of a public entity, the auditor:

- a) Must have access to the accounting records, including all books, vouchers and documents.
- b) May require from the accounting authority of that public entity such information and explanations as are necessary for the purpose of the audit, and
- c) May investigate whether there are adequate measures and procedures in place for the proper application of sound, efficient, effective and economic management.

Goodson et al. (2012:10) maintain that regular financial and performance reporting and that is validated for accuracy by an independent auditor are essential for good governance and, hence, the need for audited financial statements.

The SGB is given full responsibility for managing the finances of the school, including establishing a school fund, preparing an annual budget, collecting and administering school fees, keeping the financial records, appointing an accountant and supplementing the school's resources (Mestry 2006:28; Naidu et al. 2008:166). It is, thus, evident that every school manager, whether a member of either the SGB or the SMT, must possess some knowledge and skills relating to the inner workings of the finances of the school. Accordingly, they are in need of a firm theoretical framework to underpin their actions (Mestry 2004:126).

2.5 KEY TASKS IN THE MANAGEMENT OF SCHOOL FINANCES BY SGBs

2.5.1 Planning and budgeting

2.5.1.1 Financial planning

Financial planning may be regarded as a cycle that includes policy formulation, the determination of short and long term priorities, planning, the delivery of services, reflecting such plans in the financial allocation and the monitoring of the results (Makrweide 2012:16). Thus, financial planning is an important component of sound financial management because it provides a school, as an organisation, with a clear view of how to utilise its resources (Naidu et al. 2008:173). Section 16A(1) of SASA Amendment Act indicates that schools must prepare a plan which reflects both the targeted objectives of the school and also how it

plans to achieve the desired goals and improvements. Thus, financial planning involves the setting of goals, the assessing of the resources available, estimating the future needs of the organisation and formulating plans aimed at achieving these goals. The setting of goals limits the possibility of financial mismanagement (Makrweide 2012:16).

In terms of SASA, the planning and controlling of school finances and property is very much the responsibility of the SGB (Clarke 2009:112). This is in line with both national and international trends, for example, in charter schools in England, the responsibility for both the financial management of the school and also the school property is vested in governing body of the school (Fitzgerald & Drake 2013:97).

The starting point in the financial planning is the drafting of a budget as is stipulated in SASA section 38(1). However, this is not done in isolation as it relates closely to the total school planning of the school with the budget being the expression of the school's plans in financial terms (Kruger 2011:67). It is advisable for the principal and the SGB to develop a total-school approach to the drafting of the budget, thus ensuring that everyone who be involved in implementing the budget is also involved in drawing up the budget. This is in line with Marishane and Botha (2004:108), who assert that planning the budget involves joint decision-making on the part of all the stakeholders who are represented on the SGB in terms of the financial resource allocation, distribution and spending of the school's financial resources. The budget planning is goal orientated and, thus, focuses on the question as how best the available resources may be used to improve the performance of the learners. In the planning process, attention should be given to the following (Kruger 2011:68):

- Objectives for each activity or area in the school programme
- Searching for relevant alternatives
- Measuring the costs of the programme for several years ahead, if possible
- Evaluating the output of each programme.

2.5.1.2 Budgeting

Potgieter et al. (1997:48) define a school budget as a document which contains the figures relating to all probable income and expenditure of the school for the forthcoming year. On the hand, Kruger (2003:236) and Bischoff (2003:65) define a school budget as the mission statement of the school expressed in monetary terms with the way in which the income is allocated depending on the mission statement. The budget should reflect the school's

prioritised educational objectives, seek to achieve the most efficient use of the funds available and be subjected to regular, effective financial monitoring (Mestry 2004:129). The annual budget should be part of a longer term financial model which, in turn, should be based on the long-term vision and mission that the SGB has formulated for the school. It is imperative that all stakeholders are involved in the drafting of the budget so as to obviate any problems that may arise during the implementation phase. This, requires collective participation and shared decision-making in order to enhance trust, transparency and accountability. According to Mokoena (2011:120), “participation is the totality of ways, ranging from minimal to comprehensive, by which individuals, groups, and collectives secure their interests or contribute to the process through self-determined choices of possible actions during the decision process

The majority of the activities to be implemented by the SGB, including budgeting, involve collaborative decision-making and demand sound interpersonal skills such as the ability to collaborate (Mokoena 2011:121). Research conducted by Mabasa and Themane (2002) and Motsamai, Jacobs and De Wet (2011) has indicated that there is often a lack of trust between the principals and the learners on the SGB as the principals tend not to involve the learners in the financial affairs of the school. This lack of trust often breaks the cohesion that should exist among the stakeholders.

Section 38(1) and (2) of SASA, Potgieter et al. (1997:48) and Naidu et al. (2008:174) stipulate that the SGB of a public school, whether a fee paying or a no-fee school, must prepare a budget each year according to the prescriptions determined by the Member of the Executive Council (MEC) and published in a provincial gazette. Such a budget must indicate the estimated income and expenditure of the school for the following year. Before a budget is approved by the SGB, it must be presented to a general meeting of parents, within at least thirty days, for consideration and approval through voting by the majority of parents present (Bischoff & Mestry 2003:36). Once approved, the budget must be implemented. Budgeting is, therefore a key to sound financial management (Naidoo 2010:22).

As is the case of a company, the principal of a school plays the role of chief financial officer. He/she is accountable for everything that happens in the school and may not delegate the financial responsibility and accountability conferred on him/her. Accountability refers to the reporting on the control and use of resources by those responsible for such control and use while responsibility refers to the duty of a person to carry out his or her appointed task to the

best of his/her ability. Accountability in the school context involves confirming that the school's resources actually exist, that they have been used for legitimate and legal purposes and that all assets and resources have been accounted for in a proper way. The principal is responsible both for managing the resources (financial and non-financial) entrusted to him/her by the community and for providing an account of such management (Mestry & Bischoff 2009:74). According to the Employment of Educators Act, Act 76 of 1998 (EEA) section C 3.3, subsection 1.21 in the Personnel Administrative Measure (PAM), it is incumbent on the principal of a school to administer the process of budgeting for costs and to manage the budget if such responsibility has been delegated to him/her by the SGB. In terms of the financial management prescripts, the principal, as the accounting officer, must assist the SGB in prioritising the projects or activities and monitoring expenditure against the budget. It is essential that both quality and the lowest quote are considered for any services or purchases. As the chief financial officer, the principal must clarify the purpose of the budget process, choose the best strategy for implementing the budget, and monitor and control the budget (Mestry & Bischoff 2009:98). This involves checking expenditure against the budget allocations and also checking that available resources are being mobilised effectively (Ndou 2012:40; Makhubela 2005:14).

In budgeting, two categories of budget items are identified, namely, income and expenditure budget items. Income budget items reflect the various sources of income and their potential value, whereas a school's needs and programmes will determine the expenditure items (Kruger 2011:69). For the majority of schools, the two most important sources of income are the school's financial allocation from the provincial education department and school fees (Clarke 2009:296). In practice, however, most of the schools located in poor communities rely primarily on the state subsidy for their income. Other sources of income, such as the income from fund-raising, the school tuck-shop, and the hire of school facilities must also be estimated for budget purposes (Clarke 2007:299). Mestry and Bischoff (2009:15) are of the opinion that income planning should take place concurrently with expenditure planning. Expenditure means to spend, use up or consume or it may refer to an amount already expended. Thus, expenditure refers to the payment of money towards the acquisition or production of a commodity or service (Mestry & Bischoff 2009:153). There are five main aspects that account for up to 98% of the total expenditure of a school, namely, the school premises, administration, non-teaching staff, teaching staff and direct expenditure on books and materials for use by the pupils (Downes 1997:194). When drawing up the budget, the

SGB should consider a range of different kinds of income such as the state's contribution, school fees (if the school charges mandatory fees), interest on bank accounts, tuck-shop income, fundraising and donations.

2.5.1.3 Purpose of a school budget

According to Kruger (2011:67-68), the school budget has the following functions or purposes:

- It provides a foundation for planning and implementing a financial strategy for the school.
- It provides an operational cost-time framework for the implementation of school programmes.
- It indicates the relationship between expenditure and income.
- It controls expenditure.
- It measures performance against the budget plan.
- It provides a basis for delegation.
- It provides standards of performance.

2.5.1.4 Budget monitoring and control

According to Naidu et al (2008:176), budget monitoring may be defined as the process of comparing actual income and expenditure against budgeted income and expenditure, while budget control safeguards funds and ensures that they are spent as authorised. Thus, control in the financial sense has to do with all measures that relate to the planning and organisation of the financial function (Kruger 2003:242). SGBs are, therefore, required to establish systems of control to protect public monies from misuse, theft, pilfering and collusion (Mestry 2006). A sound way to ensure that such misuse, theft, pilfering and collusion do not happen is for the treasurer to prepare a budget control statement for each meeting of the governing body and this will ensure that the budget is monitored, reviewed and discussed at each meeting (Manual of basic finance management Kwa-Zulu Natal : 62).

Regular monitoring of income and expenditure against the agreed-upon budget is central to effective financial management. In the school context it enables governors, head-teachers, bursars and staff to maintain financial control by reviewing the current financial position and

taking any remedial action necessary (Mestry & Naidoo 2009:110).

It is essential to monitor and control the budget closely for the following reasons:

- The school may realise extra funding during the year.
- Unexpected expenditure may occur.
- There may be a shortfall in expected income, for example in fundraising activities.
- Other initial assumptions in preparing the annual budget may be incorrect.

The financial prescripts (2011) stipulate that, in order to prevent fraud and corruption and as part of the control and budget monitoring, the SGB must:

- At each school meeting check all expenditure incurred since its previous meeting.
- Inspect supporting vouchers to ensure that they are in line with all prescripts or other departmental directives.
- Satisfy itself that expenditure is in accordance with both the approved budget and the Public Finance Management Act (PFMA) regulations.
- Submit quarterly financial reports to the circuit/district office.

It is, thus, essential that schools monitor and control income and expenditure regularly as part of the budget process in order to ensure that they are able to meet their financial obligations as and when they arise (Mestry & Naidoo 2009:108-109). A budget is essentially used as a monitoring tool to ensure that spending is in accordance with the planned budget, thus, avoiding overspending and working towards realisation of set goals (Lekonyane & Maja 2014:4). The study conducted by Mestry and Naidoo (2009) in township schools in Gauteng revealed that, in the main, the budget monitoring and control functions are neglected and that this results in overspending with a school's goals having to put on hold. According to Naidu et al. (2008:178), budget monitoring and control are vital in that they enable the SGB and the finance committee to take corrective action timeously should actual income and expenditure deviate significantly from projected income and expenditure.

2.5.2 Organisation

Financial organisation may be regarded as an activity which is aimed at combining all means available for rendering a service regarding the finances of an organisation or institution (Thenga 2012:39). The organisation of the finances entails activities such as the

establishment of organisational structures to handle various management tasks, whether in the field of administration or accounting (Bischoff 1997:92). According to section 30 of the SASA, Mestry and Bisschoff (2009:64), Naidu et al. (2008:171) and Joubert and Prinsloo (2008:92), these organisational structures usually take the form of committees and sub-committees.

2.5.2.1 Finance committee

In accordance with SASA section 30(1), the SGBs may establish committees, including an executive committee and a finance committee. This trend is not unique to South Africa as, in the charter schools in England, the main governing body (akin to the SGB in the South African context) may delegate its financial management responsibility to a finance sub-committee, which must then provide a detailed report to the full governing body (Fitzgerald & Drake 2013:98). Thus, the finance committee serves as an advisory body to the governing body on issues of finances (Makrweide 2012:24). This finance committee should serve as a bid adjudication committee and recommend the appointment of service providers to the procurement committee (Prescripts for Financial Management of Schools Funds in Public Schools 2011:11). In addition, it must ensure that proper financial records of all income and expenditure are kept in accordance with governmental instructions and regulations.

The finance committee should include the following as members, namely, the principal, the SGB chairperson, a treasurer and a finance officer (Naidu et al. 2008:172). However, in the interests of meaningful stakeholder representation, the finance committee usually includes the principal, the deputy principal or Head of Department (HoD) (school based), the chairperson of the SGB, the SGB treasurer, the finance officer, two members of the management council, two parents who are not members of the council and one elected teacher (Uwizeyimana & Moabelo 2013:114). The number of members should not exceed nine and members from the parent component must be in the majority. The functions of the committee members are as follows (Prescripts 2006:3; Regulations for Management of Finances 2014:8; Circular 22):

- The principal, as the accounting officer of the school as well as an ex-officio governing body member, is an essential member of the finance committee. The principal must ensure that the finance policy is implemented and that the entire governing body fulfils its financial functions by observing all statutory provisions, regulations and departmental instructions.

- The chairperson of the SGB serves on the financial committee as an ordinary member of the committee.
- The treasurer, in accordance with the prescripts for the management of school funds at public schools, chairs all meetings of the finance committee; formulates a financial policy for the school and ensures both that this financial policy is adhered to at all times and that the budget is effectively and efficiently controlled.
- The finance officer is designated to perform the following functions according to the prescripts, namely, makes payments on submission of the proper documentation only; keeps vouchers in a safe for audit purposes; presents all payments and supporting vouchers at the subsequent finance committee meeting; prepares cash-flow statements on a quarterly basis and presents a financial report for ratification at the subsequent SGB meeting.

According to Mestry (2004), additional functions of the finance committee include, but not limited to, the following:

- Support the treasurer in carrying out his/her duties.
- Advise on ways of fundraising.
- Advise on ways in which to invest surplus money.
- Advise the governing body on the amount of school fees to be charged (if the school is a fee paying school).
- Advise the governing body on exemptions from school fees.
- Assist the financial officer in the drawing up of the annual financial statements.
- Suggest who should be appointed as an auditor.
- Maintain overall control of the school money.
- Draw up the budget each year and
- Approve all expenditure.

Mestry (2004:131) notes that the SGBs may appoint people who are not members of the SGB to these committees on the grounds of their expertise in a particular field, such as a financial expert to manage financial matters. The finance committee must formulate and implement

financial policy, draw up a budget and keep control of such budget, monitor and approve all expenditure and ensure that all procurement is done through correct quotation and tendering procedures. The finance committee must also draw up a financial policy that will control all aspects of the school funds, assets, including all property, as well as cash. This policy must be reviewed on an annual basis (Mestry 2004:131; Naidu et al. 2008:173). It is not possible to overstate the importance of having a written, agreed upon set of financial policies in place. When written procedures facilitate the transparency of all the financial management practices and provide directives for internal control, fiscal management, and reporting systems (Brent & Finnigan 2008:11). Mestry (2004:130) argues that the financial policy must be adopted by all the relevant stakeholders and be implemented accordingly. In addition, it must spell out in legal detail the responsibilities of the parties concerned, whom they account to, and their liabilities, where applicable (Joubert & Prinsloo 2008:97). The finance policy must also include a section that indicates how the finances are going to be controlled. The policy must comply with relevant legislation such as SASA (Mestry 2004:131). According to Clarke (2009:291), one of the main purposes of a school's financial policy is to put in place a system of controls (checks and balances) to ensure that school finances are safeguarded and correctly managed. In order to minimise, if not avoid fraud, cheating and the theft of school finances the school's financial policy must include the segregation/separation of powers (Mestry 2004:131).

Clarke (2009:292), Mestry (2004:129) and Mestry (2006:35) are all of the view that the school financial policy should, as a minimum requirement, include the following:

- Cash management which includes the safe storage of cash, daily banking (if possible) of monies received, proper accounting records, financial transactions supported by source documents and monthly reconciliations of the cash book with bank statements.
- Internal controls include internal checks, segregation of duties, internal audits, functional finance committee and establishment of audit committees.
- Audit trails - the ability to check every stage of any financial transaction.
- Procurement procedures must involve, inter alia, the finance committee's approval of expenditure/purchase above a certain pre-determined limit, the SGB's ratification of the expenditure/purchases above a certain pre-determined limit and the finance committee's obligation to obtain three quotations for any expenditure item(s).

- Reporting must include, as a minimum requirement, monthly budget variances, monthly income and expenditure to the circuit offices, quarterly income and expenditure and audited annual financial statements to the provincial head office.

The financial policy document of a school is a statutory document that must be kept safe and, in most cases, in the safekeeping of the principal. The accountability and probity of the finance committee is usually evaluated on the basis of this document. The quality and the implementation compliance of this document is a major indicator of development, progress and the organisational will or desires of any institution as well as the collective efficiency of the committee members.

2.5.2.2 Procurement sub-committee

Sound financial management in schools requires that the SGBs establish and manage procurement/purchasing system that ensures that each expenditure represents a legitimate school expense. The system should provide that proper documentation supports each step of the procurement process, including authorised requisitions, itemised invoices, and receiving documents. SGBs should also segregate duties so that no single individual controls multiple steps of a particular transaction, for example, approve, pay for, and receive goods (Brent & Finnigan 2008:14).

Over and above the finance committee, the SGB may also appoint a procurement committee in terms of section 30(1) of SASA. Depending on the number of members serving on a particular SGB (the size of the SGB depends on the number of learners at a particular school), the procurement committee may be made up of a minimum of three members with at least one member from the SGB. This procurement committee is responsible for adjudicating and approving the requisition of goods and services. In so doing it must align itself with section 217 (1) of the Constitution of the Republic of South Africa and the Regulations for the Management of finances (2014:23) which stipulate that schools, like any other organ of state when contracting for goods or services, must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective. According to the prescripts (2011), all procurement should occur on the basis of a minimum of three quotations. Although the procurement committee is not responsible for asking suppliers for quotations as according to the prescripts, this is done by the finance committee, the members of the procurement committee must validate the authenticity of any quotations (Makrweide

2012:25). They also have the responsibility of ensuring that different suppliers are used and that no one supplier is unduly favoured. This may be ensured by following a rotational plan for suppliers. In order to counteract the threat of corruption or collusion in procurement, Circular 22 of 2002 outlines the following steps to be taken when procuring goods or services:

Step 1: Requisition process

A school requisition form must be completed before an order is placed with a particular supplier. Before approving a requisition, the availability of funds in terms of the school budget must be considered. Nothing may be requisitioned if it has not been budgeted for.

Step 2: Call for quotations

The requisition is submitted to the finance committee and, if approved, the school should then request quotations from at least three suppliers. These quotations should all be requested at the same time and closing times and dates should be clearly indicated on the request.

Step 3: Placing an order

Once the prospective service provider has been selected, the finance committee places an order for the particular goods.

Step 4: Receiving goods

The goods should be received by two persons, namely, the person who made the requisition and another person who was not involved in the ordering process. These two individuals must check the quantity and the quality of the goods and match the delivery note with the school's purchase order.

Step 5: Invoice

The invoice indicates what has been delivered and the amount owed. When the invoice is received, it must be date-stamped to indicate when it was received.

Step 6: Cheque requisition process

A cheque requisition form must be completed with the date, amount, payee, reason for payment, order number, invoice number, expense category, cheque requisition prepared by,

authorising person and date clearly indicated. The principal, as the chief accounting officer, must ensure that adequate funds are available to pay the full amount indicated on the cheque.

Step 7: Preparation of the cheque

Once the principal has authorised the cheque requisition form, the finance officer may write a cheque to the amount of the voucher.

All purchases must be based on properly compiled specifications which must detail the nature of the product or service required, its technical aspects, quality requirements and safety requirements where needed (Makrweide 2012:25). For every purchase of goods and services, the school must receive value for money (Circular 22 of 2002). It must be noted that, although the functions of the finance committee and those of the procurement committee are very similar, the two committees are not proxies for each other.

2.5.3 Reporting and accounting

Financial accountability and reporting are the cornerstones of ensuring that schools the disburse funds allocated to them for the purpose of advancing the best interests of the learners. The prescriptions of SASA clearly assign both financial accountability and reporting to the SGB and, as such, make financial accountability and reporting a legal requirement (Xaba & Ngubane 2010:139). Financial accounting and reporting are, thus, important aspects of the management of school finances.

Kruger (2003:243) defines financial accounting in the school context as an essential component of the financial management of a school and refers to the processing, analysing, and interpreting of the data and information which are required if the financial management of a school is to function effectively. According to Xaba and Ngubane's (2010:140) definition, financial accountability is a moral or legal duty, placed on an individual, group or organisation, to explain how the funds, equipment or authority given by a third party has been used. Section 43(1) and (2) of SASA states that the governing body of a public school must appoint a person, who is registered as an accountant and auditor in terms of the Public Accountants and Auditors Act, 1991 (Act no. 80 of 1991), to audit the records and financial statements of the school and, if the audit is not reasonably practicable, the governing body of a public school must appoint a person to examine and report on the records and financial statements. Such a person must be qualified to perform the duties of an accounting officer in

terms of the relevant act, or be a person who is approved by a member of the executive council for this purpose. Auditing refers to the external financial control that comprises a comprehensive analysis of an organisation's financial management activities by a professional from outside that organisation. Thus, an audit is an independent examination of the records, procedures and activities of an organisation and which leads to a report outlining the auditor's opinion on the state of affairs of the organisation (Xaba & Ngubane 2010:144). The school's accounting system should make provision for the following accounting tasks:

- Identify, allocating, analysing and interpreting financial information
- Implementing and executing the school's financial policy, and
- Communicating the school's financial information to all stakeholders (Bischoff 1997:92).

Although the principal is accountable for the accuracy of the financial books of the school, the management of the funds is the primary function of the SGB, of which the principal is a member (Hansraj 2007:2). It should be noted that accountability is the collective responsibility of the entire SGB and, as a result, the principal alone may not be held liable for the misappropriation of funds at a school (Nkosi 2011:54; Thenga 2012:43). This issue of accountability was raised in the case of *Schoonbee and others v MEC of Education, Mpumalanga and Another* with the question being asked as to whether the principal or the SGB should be held accountable for the management of school funds. The court ruled that it is the SGB (of which the principal is a member of), and not the principal per se, that should be held accountable for the finances of the school (Mestry 2004:126-130). The principal is accountable to the SGB for the use of school funds while the SGB should hold the principal accountable if the governing body authorises him/her to use such funds (Kgetjepe 2011: 20; Naidu et al. 2008:153; Mestry 2004:127).

While such accountability is intended to curtail the misappropriation of funds and misuse of power in schools there are still complaints from districts that have not received financial statements from schools that are not reporting to their respective districts (Serfontein 2010:102). As a public institution the school is accountable to its community, parents, learners and to the Department of Education as the funding body. Section 42(a) and (b) SASA states that the SGB of a public school must keep records of all funds received and spent by the school and of all assets, liabilities and financial transactions as soon as is practicable, but not later than three months after the end of each financial year as a way of

accounting to the authorities. The SGB must draw up the annual financial statements in accordance with the guidelines determined by the Member of the Executive Council in the province.

Section 43(5) of SASA stipulates that the SGB must submit to the HOD, within six months of the end of each financial year, a copy of the audited financial statements. The purpose of submitting such financial statements to the HOD is to keep him/her informed about the use of funds and to demonstrate accountability (Mbatsane 2006). According to Serfontein (2010:102), the accountability of SGBs to their constituencies is implied in the Schools Act as section 18(2)(b) provides for meetings with parents, learners, educators and other staff members whilst section 18(2)(e) obliges the SGBs to render reports on their activities. In addition section 20(9) of the SASA, provides for the presentation of annual financial reports.

Financial reporting in the school context implies providing a financial report on how public money has been spent and, as such, it shows how a school is being funded and from which sources. Financial reporting, therefore, provides an opportunity for the school to report to the community, namely, the parents and learners as well as the government, and to account for the way in which it has used the resources provided by the government and earned by the school for the education of the learners (Xaba & Ngubane 2010:144). Thus, the SGBs have a duty to report to their electorate about the use of school finances. An SGB's electorate comprises the school community and the Department of Education. Depending on the school's situation, the following may be used as method/s of reporting on financial matters to the school community: circulars to parents, parent meetings and the school newsletter and, to the Education Department, the submission of monthly/quarterly statements and the annual financial report (Kruger 2011:74). A final report on the income and expenditure for the financial year must be submitted to the SGB for approval. Parents should also be invited to comment on and acknowledge the annual report (Kruger 2003:243).

Budgets and financial statements must be readily available for perusal by all the interested parties (Naidu et al. 2008:180; Davidoff & Lazarus 1997:119) if the principle of democracy, in particular, transparency and accountability, is to be upheld (Davidoff & Lazarus 1997:119). According to Goodson et al. (2012:11) the principle of transparency in this context relates to the openness of a public sector entity, for example, a school, to its constituents whereas accountability refers to the process whereby both the public sector entities and the individual who are part of such entities (SGBs), are responsible for their

decisions and actions, including their stewardship of public funds and all aspects of performance, and they submit themselves to appropriate external scrutiny. These entities are required by law to make public documents, for example, budgets and financial statements available on request. Accordingly, section 38(3) of the SASA stipulates that the school budget must be available for inspection at the school at least 14 days prior to a budget meeting.

2.5.4 Internal control of funds

According to Makrwede (2012:28), internal controls refer to any action taken by the management, board and other parties to enhance risk management and increase the likelihood that the objectives established will be achieved. The Guide for Accounting Officers states that “internal controls of finances are the systems, procedures and processes that are implemented to minimize the risk of and any financial consequences to which the department(school) might otherwise be exposed as a result of fraud, negligence, error, incapacity or other causes”. The basic financial system for schools in the Western Cape (n.d.:52) defines internal control as a process effected by the institution’s governing body, principal and other personnel, and designed to provide reasonable assurance regarding the achievement of objectives in the following three categories: (1) economy, efficiency and effectiveness of operations; (2) internal financial control; and (3) compliance with the applicable laws and regulations. The purpose of a control system is to minimise opportunities for mismanagement and fraud as well as to protect the school personnel from charges of mismanagement and fraud and to ensure that the school’s money is spent for the purpose it is intended, that is, educational purposes only. Internal controls are designed to “provide reasonable assurances that the organisation’s objectives are achieved efficiently, effectively and economically” (Guidelines for Accounting Officers 2000:28). Internal control includes internal checks (checking of one person’s work by another); segregation of duties; internal audits; functional finance and procurement committees as well as the establishment of audit committees.

In order to reduce the inherent risk of fraud and corruption an institution’s procurement and payments processes, it is imperative that comprehensive internal controls are put in place. It is not possible to overemphasise the necessity for internal control systems in preventing fraud at the institutional level and to highlight fraudulent behaviour signals (Basic Financial System for Schools:50). Internal control actions may be categorised as follows:

(1) Preventative

Control environment: This is the foundation of all the other components of internal control. If there is a positive control environment the overall system of internal control will be more effective (Makrweide 2012:29). The SGBs should, by their actions and behaviour, promote an environment in which adherence to controls is regarded as very important and a high priority (Basic Financial System for Schools: 52; Brent & Finnigan 2008:11).

Segregation of duties: Segregation of duties reduces the risk of internal manipulation or error and increases the checking element. The functions of the members of the SGB should be separated. To a large extent segregation or separation of powers and functions prevent fraud and cheating as fraud, cheating and errors are possible only if there is collusion (Circular 22 of 2000; Brent & Finnigan 2008:11).

Access/custody controls: The SGB must establish procedures and security measures in order to ensure limited access to the assets of the school. These may be, but are not limited to, the following: policies, procedures, techniques or any other mechanism that may be employed for the purpose of reducing fraud. It is vital that control activities are an integral component of the daily operations involved in dealing with school finances (Makrweide 2012:30).

(2) Detective

According to the basic financial system for schools, detective controls must be exercised by the SGBs on a regular basis so as to enable them to detect any irregularities. This may be done through

- checking that transactions are completely and correctly recorded, and accurately processed
- checking the arithmetical accuracy of records, e.g. reconciliations, account balances
- supervision by responsible officials of day-to-day transactions and the recording thereof
- review of the management of accounts and budgetary controls
- surprise inspections and audits
- transparency.

According to Goodson et al. (2012:16), detection efforts in any institution may take many forms including, but not limited to, the following:

- Audits or investigations based on suspicious circumstances or complaints and that include specific procedures and tests to identify fraudulent, wasteful expenditure, or abusive activity.
- Audits such as payroll, accounts payable, or information system security audits, and that test an organisation's disbursement and related internal controls.
- Audits requested by law enforcement officials and that analyse and interpret complex financial statements and transactions for use in investigating and building evidentiary cases against the perpetrators of fraud.
- Reviews of potential conflicts of interest during the formulation and implementation of laws, rules, and procedures.

(3) Corrective.

Corrective action entails rectifying a detected irregularity in any form. According to the Prescripts for the Management of School Funds at Public Schools in Limpopo Province (2006:18) and Circular 13 of 2000 of Gauteng Department of Education, once an irregularity with regard to the management of school funds has been observed, the governing body, the principal, or any other person must immediately report all suspected irregularities to the HOD and the South African Police Service. This is done to reduce the threat of financial misuse. Corrective action may be taken through monitoring. Effective management monitoring leads to the generation of complete, accurate and timely reports and also has implications for the organisation's control environment. Such effective management monitoring will ensure that the entire internal control system will react dynamically to any changes and will promote prompt action as regards reports of any type of problem that has been identified (Makrwede 2012:31).

Internal controls provide reasonable assurance that the targets that the organisation has set will be achieved effectively and efficiently. Such assurance is realised through compliance with relevant regulations and applicable laws. Internal controls involve the integration of activities, policies, plans, and attitudes within the organisation in order to work towards the achievement of a set goal and to eliminate challenges that may hinder the achievement of set targets (Makrwede 2012:29).

Schools are required to establish systems of control that will protect the school finances from misuse or theft. It is the responsibility of the principal, who is also the accounting officer, to

ensure that there are effective, efficient systems in place for the purpose of internal control as well as financial and risk management (PFMA 1999 s 38(a)(i)).

2.6 LEGAL FRAMEWORK FOR FINANCIAL MANAGEMENT

The operations of all financial management systems in schools are governed by a legal framework, thus ensuring that they do not exist in a vacuum (Makrweide 2012:12). The following legislative frameworks are discussed below:

2.6.1 South African Schools Act, Act 84 of 1996(SASA)

This act stipulates a uniform system for the governance, organisation and funding of schools. It provides a national system which is used for all the public schools in South Africa. SASA imposes responsibilities on the state with respect to the allocation of financial resources as well as the how such resources are to be used. The system of managing and administering school finances should aim at providing, improving and achieving quality education for the learners (Makrweide 2012:13). Accordingly, all financial processes within a school must be directed towards achieving maximum student performance within those available resource constraints.

From a legal point of view, the purpose of SASA was to lay down rules for the democratic governance of schools. An important innovation was the provision of democratic parental participation through the SGBs for all public schools. As a result, SASA outlined the powers and duties of various members of the school community with respect to school governance (Rangongo 2011:38). The functions of financial management in terms of SASA are outlined in sections 36 to 43. For the purpose of this study, sections 39 to 41 of SASA will not be discussed as they relate to fee-paying schools.

Section 36(1) of SASA stipulates that the SGB of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education for all learners at the school. This means that the SGB may raise funds to supplement its financial resources.

Section 37(1) to (6) of SASA stipulates the responsibilities of SGBs in respect of the monies and assets of the school. The SGB must establish a school fund and administer it in accordance with directions from the HOD. All money received by the school, including

voluntary contributions, must be paid into the school fund account. The school fund and all the proceeds thereof, and any other assets of the public school, must be used for educational purposes only.

Section 38 of SASA stipulates that the SGBs of public schools must prepare a budget each year according to the directives determined by the Member of the Executive Council (MEC) of Education and published in a Provincial Gazette. This budget must reflect the estimated income and expenditure of the school for the following year. After approving the budget, the SGB must present the budget to a general meeting for parents within at least 30 days for consideration and approval. The budget must be approved as a working document by the majority of parents present at the meeting through voting.

Section 42 of SASA provides that the SGB of a public school must keep records of the funds received and spent by the school and of its assets, liabilities and financial transactions. At the end of the financial year (which commences on the first day of January and ends on the last day of December (s 44 of SASA)), or not later than three months after this period, the SGB must draw the up an annual financial statement which must be audited or examined in accordance with the guidelines determined by the MEC of Education for auditing purposes. Section 43(1) stipulates that the SGB must appoint a person registered as an accountant and auditor in terms of the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991), to audit the financial statements referred to in section 42.

2.6.2 Constitution of the Republic of South Africa, Act 108 of 1996

This is the supreme law of South Africa and all other legislation and policies inconsistent with the Constitution will be null and void (Chapter 1, section 2). Section 195(b) of the Constitution promotes the economical and efficient use of public resources by all organs of state, including schools. The Constitution calls for transparency in all activities related to budgets and to financial management in general. In terms of section 239 of the Constitution, public schools are organs of state, and the functioning of their SGBs as accounting authorities, in particular their policy-making functions, requires an understanding of the founding values of the Constitution (Rangongo 2011:37). These values include:

- Human dignity, the achievement of equality and the advancement of human rights and freedoms
- Non-racialism and non-sexism

- Supremacy of the Constitution and the rule of law
- Universal adult suffrage, a national common voters' roll, regular elections and a multi-party system of democratic government, to ensure accountability, responsiveness and openness.

Section 29(1) stipulates that “Everyone has the right to –

- a) A basic education, including adult basic education; and
- b) Further education, which the state, through reasonable measures, must make progressively available and accessible.”

Section 43 of the Constitution confers certain powers on the provincial legislatures of the various provinces. These powers include the authority to promulgate legislation on educational matters, including matters involving the management of finances in schools in the specific provinces. However, while the Constitution sets out the principles for public finance management in all public institutions, including schools, it is the Public Finance Management Act 1 of 1999 (PFMA) that regulates the implementation of the principles of the Constitution (Uwizeyimana & Moabelo 2013:112). Clarke (2009:107) asserts that the Constitution also places an obligation on the (responsible) government to provide funds to ensure an acceptable quality of education at departmental, community-managed or state-aided primary or secondary schools on an equitable basis.

The management of school finances must be conducted in accordance with the provisions of the Constitution. SGBs are, thus, expected to manage their school finances in accordance with the values enshrined in the Constitution, namely, impartiality, transparency and openness.

2.6.3 National Norms and Standards for School Funding of 1998

The National Norms and Standards for School Funding (NNSSF) policy is a legal framework that attempts to facilitate the provision of basic education through the financing and resourcing of public schools. The policy is aimed at improving the access of learners to free and quality basic education for all, as enshrined in the Constitution of the Republic of South Africa, Act 108 of 1996 (Ndhlovu 2012:13). The NNSSF is derived from section 29(1) of the Constitution and which states that “Everyone has the right –

- a) To basic education, including adult basic education; and
- b) To further education, which the state, through reasonable measures must make progressively available and accessible.”

The NNSSF was introduced to ensure the consistent and equitable funding of schools. This policy describes the national norms and standards for school funding in terms of SASA. According to section 10 of the NNSSF policy, these norms and standard must be applied:

- uniformly in all provinces, and are intended to prevail in terms of section 146(2) of the Constitution;
- to ordinary public schools only.

SASA imposes responsibilities on the state with respect to the funding of public schools (Rangongo 2011:40). The basic principle underlying the state funding of public schools is founded on the Constitutional mandate of equality, equity and redress and the right to basic education. In order to address this Constitutional mandate, the aim of NNSSF in allocating funds to schools, as stipulated in section 39 of the NNSSF, is to “effect redress and equity in school funding with a view to progressively improving the quality of school education, within the framework of greater efficiency in organising and providing educational services”.

Section 34 of SASA provides that the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of past inequalities in the provision of education. The norms and standards for school funding encompass standards that are set by the Department of Education which stipulates both procedures on the way in which funding is allocated to schools and also guidelines on how to utilise such funds. The NNSSF demands that the state put aside a subsidy for all schools annually. The Minister of Education must determine the norms and minimum standards for the funding of public schools after consultation with the Council of Education Ministers, the Financial and the Fiscal Commission and the Minister of Finance. In order to decide on the subsidy, the provincial departments of education must produce a resource targeting list for all schools in the province in question (Mbatsane 2006:36).

Table 2.2 The resource targeting table based on condition of schools and poverty of communities, as per NNSSF policy

School quintiles, from poorest to least poor	Expenditure allocation as a % of resources	Cumulative percentage of schools	Cumulative percentage of non-personnel and non-capital recurrent expenditure	Per learner expenditure indexed to average of 100
Poorest 20%	35%	20%	35%	175
Next 20%	25%	40%	60%	125
Next 20%	20%	60%	80%	100
Next 20%	15%	80%	95%	75
Least poor 20%	5%	100%	100%	25

The NNSSF policy legislates the progressive funding of schools. This, means that, schools are divided into national quintiles and then funded based on the relative wealth of the surrounding community (Ndhlovu 2012:61). Quintile ranking was effected with the aim of redressing and improving both equity and public spending on schools, and was specifically targeted at the needs of the poorest. Schools are, therefore, classified as quintile 1 to quintile 5, with quintile 5 representing the least poor schools and quintile 1 the poorest schools. The policy requires that 60% of the available resources must be distributed to the poorest 40% of learners (Giese et al. 2009:37). Schools falling into quintiles 1 to 3 are classified as no-fee schools and as such are not allowed to charge mandatory school fees.

The NNSSF policy outlines the way in which the government funds public schools and distinguishes the financial responsibilities of the state from those of the parents or the SGBs (Ndhlovu 2012:60). The policy outlines procedures and guidelines on how the monies allocated to schools are to be utilised for the benefit of the schools. This allocation is divided into capital cost and recurrent cost allocations. The capital cost allocations are carried out by the provincial education department (PED) whilst the recurrent cost allocation is the responsibility of the respective SGBs. According to section 104 of the NNSSF the SGBs must become progressively more responsible for the management of recurrent expenditure as

listed in section 21 functions of SASA. These functions have been discussed in section 2.2.2 under the roles and responsibilities of SGBs.

2.6.4 Limpopo Province Financial Management Prescripts Limpopo of 2011

The Limpopo Provincial Government defines prescripts as rules, regulations and standards set for the management and control of school funds in public schools in the province. These prescripts were compiled in line with SASA, the Public Finance Management Act and other laws pertaining to education in the Province (Rangongo 2011:43).

The prescripts were compiled in order to regulate:

- the establishment of finance committees
- the appointment of finance officers
- the functions of finance committee members and
- the control and monitoring of school funds.

According to these prescripts, the SGBs of no-fee schools must perform the following functions:

- pay for the operational expenses of the school
- provide proper security fencing
- ensure that repairs and improvements to all broken windows and doors in school buildings, hostels (if they exist) and grounds. This excludes capital projects, e.g. building of classrooms
- ensure the provision of clean water or boreholes
- procurement
- payment of services: electricity, water (including rates and taxes), and telephones.

The prescripts further stipulate the duties and responsibilities of all incumbents in managing the finances of the school, namely, the principals, SGBs chairpersons, treasurers and finance officers. The duties of each of these members are outlined as well as ways in which to establish the various committees as required by SASA section 30(1).

Each provincial department has its own prescripts, for example; Limpopo Province Financial Management Prescripts of 2006, 2009 and 2011, regulations, for example; Regulations for Management of Finances at Public Schools in Gauteng Education Department of 2014 and circulars for example; circular 22 of 2002 of Limpopo Province; circular 13 of 2000 and

circular 26 of 2006 - both of Gauteng Department of Education) to the manage finances at its public schools, be it fee paying or no-fee schools. Prescripts, regulations and circulars are, therefore, province based and must not conflict with the values enshrined in the Constitution.

2.7 CONCLUSION

This chapter reviewed existing literature on school financial management. School financial management is the main responsibility of the SGBs and, thus, the entire management of schools was explored in terms of the composition and functions of SGBs.

The chapter then discussed financial management in the school context in relation to the strategies required to manage finances effectively and efficiently. Key management tasks for effective financial management, including, but not limited to the following, were explored: budgeting, organising of finances, reporting, monitoring and controlling and legal frameworks relevant to the management of finances.

The next chapter discusses the research design and methodology used in addressing the research questions driving this study.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This chapter focuses on a description of the research methodology followed in addressing the research questions. The qualitative methods used by the researcher are explained. In addition, the chapter discusses sampling and sample size, the data collection strategies used in the study (document analysis and interviews) and also data analysis techniques. Lastly, the chapter describes how the researcher ensured the reliability and validity (trustworthiness) of the study.

3.2 RESEARCH DESIGN AND METHODOLOGY

3.2.1 Research design

The research design refers to the plan and structure of the investigation undertaken to obtain the evidence required to answer the research question(s) while the research method refers to a step-by-step analysis of the execution of the research design chosen. Thus, the research design is a strategic framework for action that serves as a bridge between the research questions and the execution or implementation of the research. In other words, research designs are plans that guide the “arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure” (TerreBlanche & Durrheim 1999:29). McMillan and Schumacher (2010) define the research design as the plan that describes the conditions and procedures for collecting and analysing data and the research methods as the procedures used to collect and analyse data. They further argue that the purpose of the research design is to specify the plan for generating the empirical evidence that will be used in addressing the research questions. Maree (2007) defines the research design as a plan or strategy which moves from the underlying philosophical assumptions to a specification of the selection of the respondents, the data gathering techniques to be used and the data analysis to be conducted.

3.2.2 Research methodology

The research methodology focuses on the research process and the type of tools and procedures to be used (Mouton 2001). Research methods may be classified into three broad

categories, namely, quantitative, qualitative and mixed methods (McMillan & Schumacher 2010). This study followed a qualitative research design/approach.

Golafshani (2003:600) defines qualitative research as “any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification” but instead, the kind of research that produces findings derived from the real-world setting where the “phenomenon of interest unfold naturally”. Thus qualitative research is based on a naturalistic approach that seeks to understand the phenomenon of interest in context (or the real-world setting) while, in general, the researcher does not attempt to manipulate the phenomenon of interest (Maree 2007). This approach gives the researcher the opportunity both to understand and obtain a clearer message of what is happening in a particular context from the participants’ points of view.

In addition, the study is located in the interpretive paradigm (Section 1.7 of this dissertation). The interpretive paradigm advocates that the world be studied in its natural state, rather than in controlled, laboratory-type experiments, and with minimum intervention on the part of the researcher (Mavuso 2009). In the view of the fact that the researcher used the qualitative research method for the purposes of this study, the following features or characteristics of qualitative research, as outlined by Creswell (1994) and Ngwenya (2002), applied to the study:

- Qualitative researchers are concerned primarily with process, rather than outcomes or products.
- Qualitative researchers are interested in meanings how people make sense of their lives, experience and their structure of the world.
- Qualitative research involves fieldwork. The researcher physically goes to people, settings, sites or institutions to observe, record and/or interview – in the natural settings of the participants.
- Qualitative research is descriptive in that the researcher is interested in the process, meaning and understanding gained through words or pictures.
- Qualitative researcher is primarily an instrument for data collection.

In addition, the advantages of qualitative research methodology, as suggested by Houser (2009), informed the researcher’s choice of this methodology. These advantages include the fact that qualitative research

- is able to obtain a detailed understanding of a person, event or phenomenon
- allows for flexibility in responding to events or phenomena
- does not require extensive resources to conduct
- is helpful in understanding unusual or exceptional situations
- is also helpful in the initial exploration of individuals, events or phenomena.

3.3 SAMPLING METHOD AND SAMPLE SIZE

Sampling refers to the process which is used to select a portion of the population for study (Maree 2007:79). TerreBlanche and Durrheim (1999:44) define sampling as a technique that involves decisions about which people, settings, events, behaviours and/or social processes to observe. They further assert that the main aim of sampling is to select a sample that will be representative of the population about which the researcher aims to draw conclusions. Qualitative inquiries view the sampling process as dynamic, ad hoc, and phasic rather than static or a priori parameters of populations (McMillan & Schumacher 2010:328).

In view of the fact that the aim of this study was not to generalise broadly to a larger population but to draw a comprehensive conclusion, a very small sample was sufficient for the purposes of the study. Qualitative researchers are intentionally non-random in their selection of data sources and, instead, their sampling is purposive (Leedy & Ormrod 2010:147; Maree 2007:79). A purposeful/purposive/judgemental sampling technique was employed in this study.

Purposive sampling means that the participants are selected according to some defining characteristics that made them the holders of the information required for the study (Maree 2007:79; Leedy & Ormrod (2010:147). According to Babbie (2010), purposive or judgemental sampling is a type of non-probability sampling method in which the units to be observed are selected in accordance with the researcher's judgement about which units will be the most useful or representative - according to the knowledge they possess on the issues under study. Thus, in purposive sampling the participants selected by the researcher must possess a sound knowledge of the topic under study. In addition, Maree (2007:79) asserts that "qualitative researchers select those individuals or objects that will yield the most information about the topic under investigation". The reason why purposive sampling was adopted for the purposes of this study was because the aim of the study was to select information-rich cases, with the objective of yielding insight and understanding of the phenomenon under study. In

view of the fact that the researcher was exploring the perceptions of SGB members of their role in managing school finances, the SGB members were selected purposefully with the intention of deriving a deep understanding of the phenomenon under study.

The study was conducted at six no-fee schools in the Maraba circuit of the Limpopo Province. The Maraba circuit consists of 30 schools, 18 of which are primary schools and 12 are secondary schools. Of these 30 schools, 28 are no-fee schools 18 primary and 10 secondary schools. Of the 28 no-fee schools, six were purposefully selected because they were regarded as relevant to the study and also holders of the required information as they had all been declared no-fee schools (the study was confined to this type of schools) and also because they were within reach of the researcher's home. Another reason why purposeful sampling was used was because the researcher, who is also the principal of a no-fee school in the Maraba circuit, wished to ascertain whether the SGBs in other schools in this circuit were following the same guidelines and possessed the same understanding and experience of financial management as the researcher himself.

The following individuals were selected from the six schools to participate in the study, namely, school principals, SGB chairpersons, treasurers and finance officers. For a truth, the total participants envisaged or rather selected for the study at the onset was 24 but during the actual data collection at the respective schools, the researcher found that one school (school D) was without a finance officer and the chairperson of another school (school F) withdrew from the study. Then, 22 participants were available for the study. According to Leedy and Ormond (2010:141), in a typical qualitative research sample, there must be between five and 25 participants, all of whom have had direct experience of the phenomenon being studied in this case the management of school finances. The participants for this study were selected on the basis that they were the key holders of the required information because they all dealt directly with the finances of the schools on a day to day; month to month and even year to year basis. In other words, as McMillan and Schumacher (2010) suggest, they represented key informants, groups, places, or events to study.

The principals were included in the study because they are the professional heads of school and, therefore, ex-officio members of the SGBs and, as a result, they are accountable for the financial transactions of schools to both the parents and the Department of Education. It is, therefore, incumbent on them to be conversant with the financial management activities in their schools. Accordingly, they were information-rich subjects. The SGB chairpersons were

included in the study because they may be regarded as the watchdogs of all school matters, including financial management. Thus, they act on behalf of their electorate, namely, the parents. In addition, as stipulated by SASA (section 2.5.2.1 of this dissertation), the SGB chairpersons sit on every SGB sub-committee. The SGB treasurers were included as participants because, as the parents' representatives, the SGB treasurers are regarded as the heads of the finance sub-committees of the SGBs. This sub-committee implements the financial policy of the school and, as the head of the committee, the treasurer is, by law, one of the signatories to the school's bank account. Also included in the study were finance officers, who may be teachers or parents, and who are usually co-opted to handle the finances of the school on a day to day basis on behalf of the SGB, to prepare cheques and to serve on the finance sub-committee. It is, thus, essential that they possess certain level of knowledge of financial matters. Thus, all the participants were the holders of the information required for the study.

3.4 DATA COLLECTION

Data collection involves systematic techniques that the researcher employs to gather the information required in the study and is a sequential, step by step phase in research study. Before the collection of the data, the researcher negotiated entry from the "gate-keepers". These "gate-keepers" were the Head of the Education Department, the circuit manager and the SGBs of the schools through their principals. The researcher applied for and was granted permission to visit the selected schools by the provincial department of education and the relevant circuit (see appendices B and C) respectively. With this approval to conduct the research, the researcher then visited the schools which had been selected to seek permission to use their schools as research sites (appendix D). It was after being granted permission by the SGBs to conduct research in their schools that the researcher consulted the participants and made individual appointments with them (appendix E) with a view to conducting one-on-one interviews. Having agreed to be interviewed, the participants were all requested to sign the consent form (appendix F) and attached as appendix E.

In line with the suggestion of Leedy and Ormrod (2010:145) that the qualitative researcher uses multiple forms of data in a single study, the researcher used both document analysis and interviews to collect the requisite data.

3.4.1 Documents analysis

A documents analysis entails reviewing and, perhaps, evaluating documents both printed and electronic. A document analysis requires that data be examined and interpreted in order to elicit meaning, gain understanding and develop empirical knowledge (Bowen 2009:27). Furthermore, McMillan and Schumacher (2006), state that a documentary analysis is a data collection method in which issues are investigated through the review of collections such as personal diaries, photographs, video clips minutes of meetings and other forms of organisational records. The organisational records that were analysed for the purpose of this study included monthly/quarterly financial statements, finance committee minutes, financial policies, audited financial statements, annual budgets, deposit and cheque books and requisition/claim forms. The researcher's reason for using document analysis as a data collection means or instrument was linked to the assertions of Creswell (2003:187) and Yin (2009:102).

Creswell (2003:187) and Yin (2009:102) list the following as the advantages of using documents as a way of collecting data:

- They may be accessed at a time convenient to the researcher and are an unobtrusive source of information.
- They represent data that is thoughtful in that those compiling such documents would have given attention to their compilation.
- As written evidence, documents save the researcher the time and expense of transcription.
- Documents are stable in that the researcher may review them repeatedly.

Having obtained the documents from the schools, the researcher analysed them at the schools for the purpose of understanding the actions and meanings which the participants attached to their actions and their implementation. At each school the documents were analysed for a period of two hours. In view of this limited time, the researcher asked for permission to keep some copies of the documents listed in his research file. This, gave the researcher more time in which to study the documents in detail as data analysis progressed.

Like the interviews transcripts, documents were analysed for their content. The researcher read and re-read the contents of the documents critically and searched for their similarities and differences that corroborated and/or disconfirmed the theories from literature as

reviewed. Then these were fitted in the relevant codes along with the data gathered from the interviews.

3.4.2. Interviews

An interview is a two-way conversation in which the interviewer asks the interviewee questions in order to collect data and learn about the ideas, beliefs, views, opinions and behaviours of the interviewee (Maree 2007:87; Cohen, Manion & Morrison 2000:269). Creswell (2014:190), Marshall and Rossman (1995:80-81) and Rossman and Rallis (2012:179) consider the following to be the strengths of qualitative interviews:

- They are useful when it is not possible to observe the participants directly.
- Participants are given the opportunity to provide historical information.
- Allow the researcher control over the line of questioning.
- Allow the researcher to obtain large amounts of data quickly.
- Allow the researcher to obtain information that may otherwise be difficult to acquire, including first-hand knowledge about people's feelings and perceptions (Mwinjuma & Bin Baki 2012:75).

For the purpose of this study one-on-one, in-depth semi-structured interviews with open-ended questions were conducted in order to elicit the views and opinions of the participants and, thus, to investigate and eventually understand their perceptions regarding the management of finances in their schools. In addition, the interviews also enabled researcher to obtain rich, descriptive data that would help him to understand the participants' construction of meanings and knowledge.

The interviews were tape-recorded verbatim for analysis purposes using the G-Shot HD525 audio recorder and a personal computer (Presario CQ56) as a back-up. The participants were asked to answer a set of predetermined, open-ended questions. The researcher used a semi-structured interview schedule/guide for each set of participants (appendices G to J). This procedure allowed the researcher to probe the participants' and the participants to clarify of their answers as the researcher was able to ask. The participants were asked follow-up questions. This is in line with Maree's (2007:87-88) assertion that "because of their (interviews) flexibility they were more likely to yield information that the researcher has not planned to ask thus providing the researcher with more data with which to understand the

topic under review". The researcher interviewed the majority of the respondents at the schools and some in their own homes. The interviews were conducted in the participants' homes where the situation did not allow for such interviews to be conducted at schools, for example, a parent was working and arrived home late after school hours. If the use of English was a problem, for example, in the case of parents being interviewed, the interviews were conducted in the participants' own languages so as to enable the researcher to understand the meanings which the respondents ascribed to management of the funds of their schools.

The researcher conducted a total of 22 interviews which lasted for approximately twenty minutes per participant. Seventeen of these interviews were conducted at the schools and five at the homes of the participants. On average the researcher visited all six schools twice in order to conduct the interviews. At each school two interviews were conducted after school hours per day whereas the interviews which were conducted at the participants' homes depended on the arrangements made with the participants, for example, over the weekends when they were relaxed and prepared to give of their time.

3.5 ETHICAL CONSIDERATIONS

Research ethics deal with what is wrong and what is right in the conducting of research. This, means that all research should be ethical (Wisker 2008). Potokri (2011; 2012) asserts that the researcher is the coordinator of all research, from the pre-research to the final writing of the research reports. The following ethical considerations were taken into account in this research study.

3.5.1 Permission and approval from the respondents

The researcher sought approval of the Department of Education and Maraba Circuit in the form of a written document (appendix B and C) before entering the field or the selected schools. Before commencing the data collection process the researcher sought the permission from the schools and the participants (appendix D and E).

3.5.2 Voluntary participation and informed consent

Informed consent is when the individuals choose whether or not to participate in the study after being informed of the facts that would likely influence their decisions (Rangongo

2011:92). Based on the facts that shall have being forwarded to the participant, the participant then freely and voluntary choose to participate or not.

Before commencing the study the researcher sought the informed consent of the participants. The participants were all informed that their participation in the study was free and voluntary. They were requested to sign a consent form (appendix F) that indicated their understanding of the study, their free choice to participate in the study, as well as their freedom to withdraw from the study at any stage if they so wished.

3.5.3 Anonymity and confidentiality

Anonymity means that the participants' identity will not be revealed while confidentiality means that a particular participant can never be linked to the data they provide (Mouton 2001:244). Anonymity in this study was ensured by means of using codes instead of the real names of participants; for example principal A and school A.

The participants were assured that their identities would not be disclosed and that all the information collected during the study would be treated as confidential unless otherwise agreed through their informed consent. The participants were also given information on the aims of research study, the procedure(s) to be followed, the demands and the risks involved and how the results would be used to enable them to make an informed decision on whether or not to participate in the study.

3.6 DATA ANALYSIS AND INTERPRETATION

According to Marshall and Rossman (1995:111) and De Vos et al. (2002:308), data analysis refers to the process of bringing order, structure, and meaning to the mass of data which has been collected. Schutt and Check (2012:303) posit that the majority of approaches to qualitative data analysis include the following five steps, namely:

- Documentation of the data and the process of data collection.
- Organisation/categorisation of the data into concepts/themes.
- Examination of relationships to show how one concept may influence another.
- Authenticating conclusions by evaluating alternative explanations, disconfirming evidence, and searching for negative cases.
- Reflexivity.

For the purposes of this study the researcher used the content analysis method. According to Bowen (2009:32), content analysis may be defined as “the process of organising information into codes and categories related to the central questions of research”. Content analysis was deemed appropriate to this study as it allowed the researcher to study the contents of the documents and the transcribed interviews critically and then analyse them. The researcher transcribed the information which had been gathered from the tape recordings and from documents analysis to identify similarities and differences in those information in order to develop codes for the interpretation purposes.

3.6.1 Preparing the data for analysis.

The data in this study was derived from the interviews with the participants and from analysing the financial documents of the schools. The data from the interviews was transcribed verbatim (after the researcher had listened to it several times) from the audiotape and then coded. This was done after the researcher had read and reread the raw data from the interviews. Using the information from the transcripts and documents, the researcher then analysed the information from the participants’ own perspectives. The researcher studied the documents carefully in order to obtain a general view of the information and to reflect on its overall meaning. After comparing data from the interviews and the documents the researcher coded the data with the view to forming categories and sub-categories.

3.6.2 Coding as a data analysing technique.

Cohen et al. (2011:559) define coding as the ascribing of a category label to a piece of data and that has either been decided on in advance (pre) or in response to the data that has been collected (emerging). Maree (2007:107) defines two types of coding; namely, inductive and priori coding. When developing the codes in this study the researcher used priori coding (predetermined codes) as a way of analysing the data. In other words, the researcher had developed the codes before the actual examination of the data which had been collected. The researcher derived the codes from the conceptual framework, research questions and literature review. The responses from the transcribed interviews were grouped according to the questions asked as per the interview schedule and which had been informed by the research questions. These codes were then grouped into categories and sub-categories and these categories and sub-categories were then used as headings and sub-heading when the researcher interpreted the data.

3.7 TRUSTWORTHINESS OF THE STUDY

Trustworthiness refers to the conceptual soundness on which the value of qualitative research may be judged. The concepts of reliability and validity are similar to the concept of trustworthiness and are crucial aspects in quantitative research. When qualitative researchers speak of “validity and reliability” they are referring to research that is both credible and trustworthy (Maree 2007:80; Golafshani 2003:601). Qualitative validity means that the researcher checks the accuracy of the findings by employing certain procedures, while qualitative reliability indicates that the researcher’s approach is consistent across different researchers and different projects (Creswell 2014:201). Assessing the trustworthiness of a study is a vital component of the data analysis, findings and conclusions in any qualitative research (Maree 2007:113). Thus, trustworthiness, is of the utmost importance in qualitative research.

In order to achieve trustworthiness and to reduce threats to the reliability of the study, the researcher ensured that the following criteria were met, namely, credibility; dependability; confirmability; participant language and verbatim accounts.

3.7.1 Credibility

In order to ensure the credibility of the study, the researcher conducted member-checking with the participants. This, in turn, meant that the researcher returned to the participants to check the accuracy and completeness of the data collected informally to ensure the information collected was not distorted during the data interpretation (Creswell 2003). However, in line with the suggestions of Maree (2007:114), this was done in such a way that the researcher was not able to indicate specifically whether member-checking had been either formal or informal. However, the participants were used to the researcher and, hence, he had felt sufficiently confident to go back to them in order to verify of what had been captured and transcribed from the interviews. While this was being done the researcher ensured that all ethical considerations were adhered to.

3.7.2 Dependability

The researcher achieved dependability by using more than one data collection strategy to collect data (see section 1.9.4). This allowed the researcher to triangulate the results obtained

from the interviews and the documents analysis. Mouton (1996:156) explains triangulation as the use of multiple methods in preference to just one method of data collection. The researcher in this study did this on the assumption that, because the various methods used complement each other, their respective disadvantages may be eliminated (Mouton 1996:156; Marshall & Rossman 1995:99). The researcher combined the results from the interviews and the documents analysis in order to enhance the validity of the study. In addition, this also enhanced and ensured the transferability of the research findings. According to Silverman (2011:369), if the findings obtained using different methods correspond and result in the same results or similar conclusions, then this ensures the validity of such findings and the conclusions drawn.

3.7.3 Confirmability

According to Rangongo (2011:87) conformability refers to the degree to which the research findings are the focus of the inquiry and not the researcher's bias. The study was carried out in no-fee schools and, thus, as a principal in a no-fee school, the researcher tried to keep his feelings, experience and understandings to himself and, therefore, to detached himself as far as possible from the participants in order to avoid the risk of bias affecting the study. The researcher did not want to develop relationships with the participants through attachment to them as this may have tempted him to see what he wanted to see and, therefore, miss issues relevant to the study. This self-reflection created an open and honest narrative between the researcher and the participants.

3.7.4 Participant language and verbatim accounts

The researcher obtained both verbatim statements from the participants during the interviews and quotations from the official documents. This was done by recording the exact responses of the participants and by using direct quotes from the participants when analysing data in order to reinforce the trustworthiness of the study.

3.8 CONCLUSION

This chapter dealt with the research design, research methodology, sampling and data collection approaches used in the study. The chapter also discussed qualitative research methods at length as well as interviews and document analysis as methods of data collection.

In addition, the chapter elaborated on the steps taken in the study to ensure the reliability, validity and trustworthiness of the study.

Chapter 4 presents the data which was collected as well as data analysis and the interpretation of the data.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

4.1. INTRODUCTION

The aim of this study was to investigate the SGB member's perceptions of their financial management roles.

The main aim of this chapter is on analysing and presenting the data which was collected from the selected no-fee schools in the Maraba circuit and from a total of 22 participants on how they perceived their role/s in managing school finances. The participants included principals (6), SGB chairpersons (5), SGB treasurers (6) and finance officers (5). This was in line with Leedy and Ormond (2010) who assert that a typical qualitative research sample should number from five to 25 individuals, all of whom have had direct experience of the phenomenon under investigation. All the participants in this study were SGB members in their schools and, as a result, were considered to be both appropriate and relevant for the purpose of this study as their everyday activities include the financial management of schools. In view of the fact that they were deemed to be relevant to the purpose of this study they may be termed information-rich key informants (McMillan & Schumacher 2010:326).

The requisite data were collected using two methods of data collection, namely, interviews and documents. A total of 22 interviews were conducted, of which 17 were at the schools and five were at the homes of the participants. All the interviews which were conducted at schools were conducted after school hours in line with recommendations of the Limpopo Provincial Department of Education which had stipulated that the interviews must not disrupt school activities. Relevant documents requested and analysed at the respective schools. Three of the five participants who were interviewed at their homes had indicated that they were working during the course of the week and, thus, appointments could be made only over the weekends and, hence, the interviews were conducted at their respective homes. It was impossible to accommodate the remaining two participants during school hours as their school had eight classes running from Grades R to 7 only and the school principal locked the classes after school. Thus, in order not to disrupt the smooth running of academic activities at the research site, the interviews were conducted at the participants'.

Of the interviews, ten were conducted in the home language of the participants, namely, Sepedi, while the other 12 were conducted in English. Four SGB chairpersons and six

treasurers were interviewed in Sepedi whereas all the principals, finance officers and one chairperson were interviewed in English. The SGB chairpersons, with the exception of one, who coincidentally happened to be a principal of one of the schools, and all the treasurers were interviewed in Sepedi because their command of English was not good. They were not able to read, write or speak English and, thus, the researcher had no option but to use their language of Sepedi as this was the only language that they understood. The findings from the interviews are grouped according to the following categories derived from the literature (through a priori coding) and in relation to the research questions. The categories derived from the literature included:

- Handling of finances
- Financial organisation
- Procurement
- SGB members' roles and responsibilities
- Accountability
- Policy framework
- Capacity building of SGBs

The analysis of the documents from the schools was conducted in order either to corroborate or refute the data obtained from the interviews and to contextualize, verify and clarify the data obtained from the interviews (Ndou 2012:72). The following documents from the schools were analysed:

- Monthly/quarterly financial statements
- Budget
- Audited financial statements
- Financial policy and minutes of the finance committee
- Deposit books and cheque books
- Requisition and/or claim forms

The data was collected using a Genius G-Shot HD 525 audio recorder model and a personal computer webcam. The latter was used for back-up purposes only. The documents were requested from the schools and scrutinised with the aim of investigating issues relating to the way in which the finances were being managed at the schools in question.

4.2 DATA ANALYSIS

Marshall and Rossman (1995:111) and De Vos et al. (2002:308) assert that data analysis involves the process of bringing order, structure, and meaning to the mass of data which has

been collected. The study adopted the qualitative research method (Chapter 3) and, thus, the data analysed was qualitatively based. Merriam (1998) is of the opinion that the data collection and data analysis may be conducted concurrently in qualitative research. In this study data analysis commenced while the interviews were being conducted. Qualitative data analysis is primarily an inductive process of organising the data into categories and identifying patterns between those categories (McMillan and Schumacher 2010:367). The data analysis was performed manually and in line with predetermined research elements and categories as derived from the literature review. The data was transcribed, organised, coded (see section 3.5 of this dissertation) and then interpreted according to the following table

Table 4.1. Categories and sub-categories of the research findings

CATEGORIES AND SUB-CATEGORIES OF THE RESEARCH FINDINGS	
CATEGORIES	SUB-CATEGORIES
1. Handling of school finances	1. Banking 2. Budget 3. Fundraising 4. Monitoring and control 5. Appointment of finance officers
2. Financial organisation	1. Finance committee
3. Procurement of goods/services	1. Items/services on which to spend the norms and standards. 2. How procurement is done at schools.
4. Members' roles and responsibilities	1. Principal 2. SGB chairperson 3. SGB treasurer 4. Finance officer
5. Accountability	1. Reporting
6. Policy frameworks	
7. Training/capacity of the SGB	

In order to meet the ethical requirements pertaining to research the researcher had to ensure the identities of the schools and the participants in the study were protected and, hence, the researcher used various codes in the data presentation. The schools were designated A to F, (Chapter 3) and, therefore, chairperson A, principal A, treasurer A and finance officer A were

all attached to school A. The same pattern was used for all other schools that participated in the study with the remaining schools being designated schools B to school F. These codes were used during the data analysis in order to protect the identity of the participants.

4.3 DATA PRESENTATION

The data was grouped into two sections, namely, the data from the interviews and the data from the documents analysis. The data was then presented and analysed in their respective categories and sub-categories.

4.3.1 DATA FROM THE INTERVIEWS

4.3.1.1 Handling of school finances

(1) Banking

As part of the financial management of the schools in question the researcher intended to establish how the money which was collected by the schools was handled by the SGBs. The data collected from the interviews with the chairpersons and treasurers revealed that the schools each used one bank account only and that the said bank accounts had been opened in the name of the schools. This emerged from the fact that all the chairpersons and treasurers had answered in the affirmative to the question as to whether their schools used a bank account which had been opened in the name of the school.

Relevant legislation stipulates that each school should open and maintain one bank account, namely, a cheque/current account, with the bank of its choice. If a school wishes to open an additional account the school must request permission to do from the HOD of the Province. Such a second account may be for the purposes of investing surplus money. It is, therefore, the sole responsibility of and mandatory on the SGB to open the bank account in the name of the school as this is a legal requirement. The school's funds are then deposited and accounted for in such an account with this account being used for all deposits and withdrawals.

In line with this required norm, it was found that the schools in the study each used only one banking account which had been opened in the name of the school. The fact that the SGBs of the schools which participated in the study used these banking accounts demonstrates that they realised the importance and the advantages of using commercial banks. The Department

of Education allocates large sums of money to the no-fee schools and it would be difficult for them to manage this allocated money if they did not use banks.

In order to reduce the threat of fraud, schools are required by law to use cheque accounts because it is relatively simple to trace cheque payments. In addition, schools are not allowed to sign blank cheques and there must always be two signatories. These signatories must be members of the SGB. These signatories are the only people who are allowed to sign cheques when effecting payments except when petty cash is used. The standard policy set by the Department of Education is that there must be three signatories to a cheque of which any two may sign (Makrweide 2012:60). The third signatory is a reserve signatory in case one of the signatories is not available (Prescripts for Management of Finances 2011:10; circular 22:6). A school may use its discretion as to whether the SGB keeps the signatories for one year or else for the SGB's three-year term of office for the purposes of continuity and stability.

This use of a number of signatories is in order to avoid collusion and to ensure the segregation of duties and powers as one person has to back up the work of another. For example, the principal and the chairperson authorise the payment, the finance officer prepares the cheque and the two signatories sign the cheque to effect the payment. The principal, finance officer and chairperson are not permitted to be signatories in order to ensure transparency and accountability.

The information above was obtained by asking the treasurers and chairpersons respectively about the conditions under which they would sign blank cheques, if ever, and who the signatories were?

The treasurers all replied "no" to the question as to whether they ever signed blank cheques.

The chairpersons of the schools all indicated that their schools had two signatories, namely, the SGB treasurer and the deputy SGB chairpersons.

Neither the SGB treasurer nor anybody else is allowed to sign a blank cheque so as to reduce fraud and prevent the theft of school funds. It is also for this reason that all cheques are prepared by the finance officer and paid to the payee in the full finance committee meeting. The fact that the schools in the study all used the practice of two signatories who sign the cheques only after the cheques have been prepared by the finance officer highlights that the SGBs of the schools in study were aware that collusion between SGB members could result in problems that may lead to fraud and theft.

(2) Budgeting

It is statutory for the SGBs of public schools to prepare a budget every year according to the guidelines determined by the MEC and published in a provincial gazette. The budget shows the estimated income and expenditure of the school for the following financial year. On the income side the schools must indicate sub-items and their total values that make up the total income for the school whereas the expenditure side of the budget must be broken down into various items on which it is anticipated that the money will have to be expended in that year. Before a budget is approved it must be presented to a general meeting of parents convened with at least 30 days' notice and, for consideration and approval by a majority of the parents who are both present at the meeting and able to vote. This meeting usually takes place during the fourth term of the year which lasts from October to December of the particular year.

It is imperative that all stakeholders are involved in drafting the budget so as to eliminate any problems that may arise during the implementation of the budget. Kruger (2003: 236) refers to this approach as a whole school approach to budgeting.

On the question of their involvement in drafting the budget, the participants in the sample answered as follows:

Chairperson A: *"We are called to come and draw up the budget and we go there as the entire SGB and we draw up the budget with teachers and, thereafter, we call a parents' meeting to come and approve or disapprove the budget. We work together in drawing up the budget and, even this year, we have done it already. In the budget we write things that are needed by the school and agree that we are going to buy them."*

Chairperson B: *"It is the teachers who draw up the budget and then they call us and show us how they have done it. Ours is to rubber stamp their decision."*

Chairperson C: *"We get it ready when the parents are called for the budget approval meeting. I'm not actually involved in doing it."*

Chairperson D: *"At our school the principal does it (budget) in her office and calls us to do the presentation during the parents' meeting which she calls without negotiating with us (SGB parents component)."* This was corroborated by treasurer D who said: *"The principal concludes things on her own without telling the SGB anything."*

Chairperson E: *“When it comes to budgeting we are called as the stakeholders to the draft budget meeting to give our inputs.”*

It was evident from the views of the chairpersons as reported above that schools B, C and D did not involve other members of the SGBs, particularly the parent component of the SGB in the drawing of their budgets. In school B the budget was drawn by the teaching staff, in school C it was not clear who drew up the budget as it was simply made available for approval by the parents while in school D, the principal alone drew the budget. Thus, although schools B, C and D did draw up budgets, it would appear that this was done primarily in order to comply with the departmental rules stating that each school should prepare a budget for the following year. The fact that other SGB members were not involved when the budget was drafted may lead to problems during the implementation of the budget because those members who did not take part in drafting the budget may not own it and, as a result, they may refuse to abide by it. However, it also emerged from the interviews that schools A and E drafted their budgets in accordance with the minimum requirements that all the stakeholders be party to the drafting of the budget. In schools A and E all the stakeholders required to participate in drawing up the budget did so. This is evident from the following statements.

“We are called to come and draw up the budget and we go there as the entire SGB and we draw up the budget with teachers and, thereafter, we call a parents’ meeting to come and approve or disapprove the budget. We work together in drawing up the budget and, even this year, we have done it already. In the budget we write things that are needed by the school and agree that we are going to buy them.”(Chairperson of school A).

“When it comes to budgeting we are called as the stakeholders to the draft budget meeting to give our inputs.”(Chairperson of school E).

The excerpts above reveal that, as the chief accounting officers, the principals of schools A and E practised participative decision making as their leadership styles. This, in turn, indicates that the budgeting processes of schools A and E were carried out properly with each stakeholder participating in the process. Participation in the drawing of the budgets will reduce problems during the implantation phase.

Involving stakeholders in the budgeting process boosts both their confidence and their level of trust as well as their participation in school activities. It is essential that stakeholders feel they are valued.

In response to the question regarding drawing up of the budget, the treasurers had the following to say:

Treasurer A: *“The budget is drawn up by the SGB members and the finance officer.”*

Treasurer B: *“Our school budget is drawn up by the following: deputy treasurer, chairperson, secretary, finance officer, deputy secretary and the principal.”*

Treasurer C: *“It is the school principal, chairperson of the SGB, the deputy, secretary, treasurer and any teacher to represent the other stakeholders. This teacher is the vice secretary.”*

Treasurer D: *“I don’t know who draws up the budget because the principal concludes things on her own without telling the SGB anything. We are given the budget to do the presentation.”*

Treasurer E: *“All the SGB members draw up the school budget.”*

Treasurer F: *“The finance committee together with the principal are responsible for drawing up the budget.”*

It is clear from the extracts above that, the schools in the study draw up their budgets as a statutory requirement but that the SGB members who are involved in the drafting of the budgets vary from school to school. It emerged from the responses of the participants cited above that, the SGB members of the schools drew up the budgets collectively except in the case of school D where the principal drew up the budget alone. This was confirmed by the following extracts:

“I don’t know who draws up the budget because the principal concludes things on her own without telling the SGB anything. We are given the budget to do the presentation” (Treasurer D).

“At our school the principal does it (budget) in her office and calls us to do the presentation during the parents’ meeting which she calls without negotiating with us (SGB parents component)” (Chairperson D).

The members of the SGBs involved in the drafting of the budget included the principal, chairperson, treasurer, deputy chairperson, secretary and deputy secretary. Treasurer A also mentioned that the finance officer was involved in drafting the budget for school A. This, however, is in contradiction of the policy that stipulates that the drawing of the budget is the responsibility of all the SGB members of which the finance officer is not one. The finance officer is a member of the finance committee which is, in turn, a sub-committee of the SGB.

On the question as to when the budgets were drafted, the treasurers responded in the following ways:

Treasurer A: *“At the end of the year.”*

Treasurer B: *“Fourth quarter.”*

Treasurer C: *“In the fourth term.”*

Treasurer D: *“I’m not involved in drawing up the budget for this school. I don’t do it.”*

Treasurer E: *“We prepare the budget in December that is term 4.”*

Treasurer F: *“School budget is drawn during the third term.”*

All the treasurers except one revealed that the schools in the study drafted their budgets during either the third or the fourth terms of the year. Treasurer D did not know when the budget was drafted as he was not involved drafting the budget.

As the arm of the SGB which is responsible for managing the school finances the finance committee starts the preparation of the budgeting process during the third term of the year (01 July to 30 September). In order to ensure the collective ownership of the budget the finance committee consults with all the stakeholders who are going to participate in the implementation of the budget. All the stakeholders must submit their proposal for inclusion in the budget to this committee. After the consultation processes the finance committee then submits the draft budget to the entire SGB for further deliberation. When the SGB is convinced that all the proper channels have been followed in the drafting of the budget, the SGB takes the budget before a specially convened general parents’ meeting for approval. This general parents meeting is usually called either late in the third term or early in the fourth term to consider and approve the budget. After the budget has been adopted and approved by the parents, it becomes an official school document to be implemented by all the

stakeholders. It is, thus, of paramount importance that all the stakeholders are involved in the drafting of the budget.

(3) Fundraising

It is the responsibility of the SGB to supplement the government's financial allocation in order to meet the needs of the school and enhance the education of the learners. This takes the form of raising funds. Kruger (2011:223) asserts that, in view of the current financial situation facing South African schools, it is essential that fundraising activities on the part of the schools become an important component part of their financial management.

In response to the question which was intended to ascertain how the schools in the study raised funds as stipulated by SASA section 36(1), the participants had the following to say:

Finance officer C: *"We do casuals and sell snacks to teachers and learners as a way of raising funds."*

Finance officer B: *"Children pay a casual fee while, we can make a function at the school like a readathon – where the school will sell snacks to the learners to make money."*

Finance officer E: *"Children are paying casuals and, sometime, we sell snacks to raise funds. We negotiate with the parents in the parents' meeting to allow learners to pay for casuals."*

Finance officer A: *"We do casuals at our school and buy snacks and sell them to the learners and teachers as a way of raising funds."*

Finance officer F: *"The school collects casual funds from the learners and this is done after agreeing with the parents. Learners pay R6,00 every month from February to October."*

It emerged from the interviews with the finance officers that all the schools in the study raised funds through 'casuals'. Casuals refer to occasions where the learners are allowed not to wear school uniform and they pay a certain amount of money to wear casual clothes. This is, however, in direct contrast to the NNSSF and SASA policies that does not allow schools to levy any fees on learners, specifically the no-fee schools. The following extract from a letter from PED to SGBs highlights the fact that schools (in this study) are not permitted to charge learners a fee:

“Your school falls under either quintile 1, 2 or 3 and, as a result, you are not allowed to charge a mandatory school fees. Schools must not request parents to pay any amount without the approval of the HOD.”

Nevertheless, despite this letter, which clearly reminds the SGBs of their responsibilities in relation to not requesting fees, school F charged all its learners the sum of R6,00 as a way of raising funds. The finance officer revealed that was done for ten months of the year, namely, from February to October. The other schools did not indicate how much their learners paid for the ‘casuals’ but they unanimously agreed that they charged learners. As the study discovered, schools in the sample are levying learners, there should be an agreement to that effect in place between the parents and the school and for which the HOD must give approval.

Apart from the ‘casuals’, schools C, B, A and E sold snacks to their learners at a reduced price to boost their finances. However, the disadvantage of this method may be that the profit made could be less than the amount used to buy stock. This would mean that the schools in question were engaging in wasteful and fruitless ventures and, hence mismanaging their school funds.

(4) Monitoring and control of funds

The monitoring and control of school funds are daily tasks which entail regular checks of expenditure against the budget. This is a very important activity in the financial management of the school as it enables both the finance committee, as the advisory body to the SGB, and the SGB itself to take corrective measures should the actual income and expenditure deviate significantly from the projected income and expenditure as indicated in the budget (Mestry & Naidoo 2009:110).

A study conducted Mestry & Naidoo (2009:110) in township schools revealed that the monitoring and control functions are often neglected and that this often results in either overspending or under spending. As a result a school’s goals as set out in the school improvement plan (SIP), school development plan (SDP) and mission and vision of the school are then placed on hold. In short, lack of monitoring and controlling of funds will almost certainly result in the mismanagement of finances, a threat that all schools must strive to avoid at all costs. According to Kruger (2011:224), control measures should be implemented in respect of the following: budgeting, expenditure, receipts, bank

reconciliations and school funds. Each school is free to develop its own mechanisms for monitoring and controlling funds as situations differ from school to school. The sole purpose of monitoring and controlling is to protect public monies from misuse, fraud and theft by those entrusted to handle such funds, for example, SGBs. Schools may put in place both the internal and external control of funds. Internally the SGB may appoint a person to conduct the monitoring on its behalf, for example, the finance officer or else the SGB delegate this responsibility to the SGB treasurer. On the other hand, from a legal point of view the schools must ensure external monitoring through auditing as prescribed by SASA (42 and 43) and PFMA 38(a)(i).

However, in schools where the parents have limited skills, knowledge and low literacy levels, such as the schools in this study, the task of handling the finances is often left to the already overburdened principal as the ex-officio member of the SGB and in whom the accounting powers are vested.

In order to ascertain how effective/ineffective the schools' monitoring and control procedures were in relation to the handling of the school finances, the treasurers, as the chairpersons of the finance committees charged with the monitoring and controlling of the finances of their various schools, were asked about how they conducted the internal monitoring and control of their funds. The treasurers had the following to say:

Treasurer A: *"We do monitoring 4 times a year, that is, once a quarter."*

Treasurer B: *"In our school, the monitoring of use of funds is done once in three months, that is, when I'm signing the financial books."*

Treasurer C: *"No checking of finance books due to the lack of time and this is caused by work related issues."*

Treasurer D: *"I'm not coming to monitor finance books as there is no finance officer and finance committee. Cheques are written and signed by the principal in her own hand writing."*

Treasurer E: *"I do it once in a month because I work as mother helper and I'm at school all the time. So, for me, coming to school to do monitoring is no problem."*

Treasurer F: *"I don't do monitoring and control of school budget as I will be having working commitments."*

It emerged from the interviews that schools A, B and E did ensure the internal monitoring and control of their funds although at different intervals. School E conducted such monitoring and control more often than schools A and B as school E monitored and controlled its finances on a monthly basis whereas schools A and B did so once a term. The researcher is of the opinion that school E's monitoring and control are effective in that, if a mistake has been made it may be corrected as soon as possible in view of the fact that the monitoring and control are conducted on a monthly basis. On the other hand, the study revealed the total absence of any monitoring and control of funds in schools C, D and F. The schools treasurers of schools C and F both claimed that they were working and, as a result, they are unable to commit themselves to the SGB activities while treasurer D appeared to be detached from the SGB activities in that she indicated that there was no finance officer. The finance officer (all the teachers in this study) usually works with the treasurer (all non-teachers) as the finance officer prepares the cheques which the treasurer then signs before the other signatory signs as well. This may suggest that schools C, D and F do not have any financial policies in place as such policies would guide the treasurer on his/her duties as the chairpersons of finance committee in terms of the monitoring and control of funds. The researcher concluded that the internal control mechanisms at schools A, B and E were effective but that those of schools C, D and F were ineffective. This ineffectiveness may be the result of either poor policies or a lack of policies. It emerged from the study that the principals in the latter schools (C, D and F) were conducting the monitoring and control of their school's funds as they were the chief accounting officers. The interview question and the responses of participants were limited to the issue of internal control because external control is conducted by the auditors in line with SASA sections 42 and 43.

On the question of the monitoring of the school financial documents the chairpersons responded as follows:

Chairperson A: *"We go to check financial documents maybe twice a month, checking on the claims done by the teachers and everyone who has claimed."*

Chairperson B: *"I normally come and ask orally about the finance because I cannot read and write well. I personally don't check and monitor the financial documents of the school. I rely on the information given by the teachers. I come and sign when asked to do so."*

Chairperson C: *"I don't monitor financial documents except when we study the audited financial statements. More often than not I just sign."*

Chairperson D: *“I don’t come to school to monitor and I don’t even know whether it is legal for the chairperson to come and do monitoring of such documents.”*

Chairperson E: *“I come once a month to do monitoring.”*

Monitoring the budget is an on-going process that continues throughout the year. It involves keeping a check on the difference between the planned financial status at a given time and the actual financial status at that time. Monitoring the finances involves controlling and checking expenditures by means of monthly statements, quarterly statements and the annual report (Kruger 2011:73-74).

(5) Appointment of finance officers

In order to enable the SGB to handle the school funds efficiently and effectively the SGB must appoint or delegate a person to do this on its behalf on a daily basis. Such a person is usually the principal but, because of the role and the workload of the principal as, inter alia the chief accounting officer and a professional manager, this role is often delegated to either a parent or an educator. This person is known as the finance officer or the bursar. The delegation of the duties to the finance officer or the bursar must be in writing and should be contained in a letter signed by either the chairperson of the SGB or the principal on the SGB’s behalf. Although knowledge on financial acumen is not a legal requirement it is, however, advisable to appoint someone with a financial background.

The study sought to ascertain whether the finance officers in the schools in the sample had been appointed and how the respective SGBs had carried out such appointments.

The finance officers had this to say:

Finance officer A: *“The principal and the SGB wrote a letter to me asking me to become the finance officer and I agreed and acknowledged the letter.”*

Finance officer B: *“The SGB appointed me through writing a letter to me.”*

Finance officer C: *“The principal, on behalf of the SGB, wrote a letter to me asking me to become the finance officer of the school and I replied positive.”*

Finance officer E: *“I was appointed by the principal and he did this by writing a letter of request to me and I agreed to take the position.”*

Finance officer F: *“The principal appointed me through writing as I was given a letter.”*

All the finance officers agreed that their appointment had been in writing even although the finance officers from schools B and F had not accepted their appointments in writing. Such appointments are in line with the SASA requirement and the Prescripts for the Management of Finances in Public Schools. The appointment letters as presented to the researcher indicated the roles and responsibilities that were to be performed by the finance officers.

It is the responsibility of the SGB to appoint the finance officer. Thus, finance officers A, B and C had been appointed procedurally because the SGBs had met the requirements regarding the appointment of a finance officer. Although finance officer C had been appointed by the principal, the principal had been acting on behalf of the SGB of which he was a member. On the hand, the principals of schools E and F had acted *ultra vires* (acting beyond ones power) as it was not their responsibility to appoint the finance officers unless they were acting on the instructions of the SGBs (as was done by the principal of school C). Finance officer C had said:

“The principal, on behalf of the SGB, wrote a letter to me asking me to become the finance officer of the school and I replied positive.”

On the other hand, principals E and F had appointed the finance officers themselves. It is the researcher’s view that this may have been indicative of the fact that these principals dominate the other SGB members as a result of the low levels of literacy of the latter. According to Karlsson (2002:332), such a dominant role may be attributed to the principal’s position of power within the school, the level of his/her education in contrast to other SGB members, his/her immediate access to information from the education authorities and the fact that it is the principal who implements the decisions taken by the SGB. Ndou (2012) argues correctly that accountability remains with the principal as the chief accounting officer. Ndou (2012:105) notes that challenges may arise regarding the mismanagement of funds or if records are not properly kept by those finance officers who have not accepted their appointment in writing. It is, therefore, imperative that the appointee, for example, the finance officer, accepts the responsibilities conferred on him/her by writing a letter of acceptance of such responsibilities.

4.3.1.2 Financial organisation

The organisation of finances entails activities such as the establishment of organisational structures to handle the various management tasks, whether in the field of administration or accounting (Bischoff 1997:92). These organisational structures usually take the form of committees and/or sub-committees.

As part of its broad aim, this study aimed to ascertain how the schools organised their finances in terms of the applicable legislation. In order to obtain information in this regard the principals were asked whether their schools had finance committees, if so, whether such committees were functional or not.

(1) Financial committee

The data collected from the principals regarding finance committees in their schools revealed that all schools did, indeed, have finance committee as all the principals answered in the affirmative when asked whether their schools had functional finance committees. These unilateral or unanimous affirmative responses indicated the importance of such finance committees as all schools are not able to function without these finance committees. This finding is in line with the findings of an earlier study conducted by Makrweide (2012), who emphasised that finance committees are key to the management of school finances as they serve as an advisory body to the SGBs on financial matters. However, four of the six principals also revealed that the finance committees in their schools were, in the words of principals C, D and E had been “dysfunctional” since their inception. Principal B had used the word “non-functional” to express his possible disappointment with a committee that is very important in terms of the role played by SGB in schools but that appeared to have been set up merely for the sake of policy compliance and was not put to any use.

This dysfunctionality highlights the possibility of inadequate financial management in these schools because of the non-functionality of the very committee that should be taking the leading role in such financial management. This, increases the workload of the principal as the accounting officer because all requisitions should be submitted to the finance committee which then either approves or disapproves such requisitions (Mbatsane 2005). The non-functionality of the finance committee leaves the principal with the sole mandate of managing the finances on his/her own.

“At our school the principal does it (budget) in her office and calls us to do only presentation during the parents’ meeting which she calls without negotiating with us (SGB parents component)” (Chairperson D). This was corroborated by treasurer D who said: *“The principal concludes things on her own without telling the SGB anything”* (treasurer D).

Treasurer D further said: *“I’m not coming to monitor finance books as there is no finance officer and finance committee. Cheques are written and signed by the principal in her own hand-writing.”*

The above extracts point to the fact that, in the absence of a finance committee, the principal carries out all the financial management duties. The ineffectiveness or lack of a school finance committee means that the other members of the SGB do not carry out their core duties and responsibilities properly. The chairpersons had this to say:

“Mine is to come and sign when asked to do so” (Chairperson B).

“More often than not I just sign” (Chairperson C).

Clarke (2009:282) states that the SGB usually delegates a number of financial duties to the principal but that the SGB is responsible for any problems that may arise. In other words, delegation is not relegation. If the school is to manage its finances effectively and efficiently, it is essential that a school financial policy is developed, that is adopted by all the relevant stakeholders and that it is implemented properly (Mestry 2006:34). The school’s financial policy must be developed by the finance committee as it is the advisory body to the SGB on financial matters.

On the question of membership of the finance committee, it emerged from the study that the finance committee members in the schools were almost the same although the number of members differed. The principals revealed the following:

Principal A: *“The members are the principal, chairperson, treasurer, finance officer and 3 members from the parent component.”*

Principal B: *“They are the chairperson, principal, treasurer and finance officer.”*

Principal C: *“Members are the following: principal, finance officer, treasurer and deputy chairperson.”*

Principal D: *“Principal, chairperson, finance officer, treasurer, 1 SMT member and 1 educator who is not a member of the SGB.”*

Principal E: *“The finance committee of the school has 4 members namely treasurer, principal, finance officer and chairperson.”*

Principal F: *“We have the principal, chairperson, treasurer, finance officer and 1 ordinary educator.”*

As may be seen from the responses of the principals cited above, the number of members of the finance committees in the schools sample ranged from three to seven while, in the main, committee members include the principal, SGB chairperson, treasurer, finance officer, educator and parents. In addition, in some schools the finance committee include educators while other schools such as E, C, B and A, excluded educators from the finance committee.

Although the literature differs in terms of the total number of members of this committee, it indicates that the parents must always be in the majority. It is the perception of the researcher that, as in the case of the membership of the SGB, the membership of finance committee depends on the enrolment of learners at a particular time. The greater of learners in the school the greater the number of members serving on the SGB while, the greater more the members on the SGB, the greater number of members on the sub-committees.

4.3.1.3 Procurement of goods/services

According to Kgetjepe (2011:53), procurement at schools involves the use of money given to the schools in the form of norms and standards allocations. Kgetjepe (2011:53) is of the opinion that research on the use and management (researcher’s emphasis) of school money would not be complete without the researcher analysing the issue of procurement. Accordingly, this study investigated the issue of procurement.

The researcher wished to obtain information from the research participants on the items/services to which the money allocated to schools may be used and the processes involved.

(1) Items/services on which to spend the norms and standards allocations

There are strict conditions that direct the spending of recurrent costs by the SGBs (Marishane 2013). Accordingly, SGBs have to be proactive and responsible in the way they manage

aspects of the recurrent expenditure as directed by policies (Ngwenya 2002:59). The prescripts provide guidelines on how and on what items the allocations may be spent.

Table 4.2. Guidelines and prescripts for the use of direct and indirect cost school allocations.

1. Learning and Teaching Support Materials (LTSM)	2. Services/Repairs/Maintenance.
Textbooks	Security
School stationery	Pest control
Office stationery	Travelling (Government rates apply)
Library resources	Electricity/telephone/water
Library stationery	Fencing
Laboratory equipment and specialized rooms	Sports

(Source: Adapted from Marishane 2013:4)

The principals responded to the question as to the items/services on which the norms and standard allocation may be spent on as followings:

Principal A: *“We use the norms on transport, curriculum, sanitation, sports and maintenance and repairs.”*

Principal B: *“On transport, curriculum matters and on anything prescribed by the prescripts.”*

Principal C: *“We use 17% on administration (equipment in the office and telephones), 60% on curriculum (machines, stationery), 10% on transport and 5% on ablution (chemicals used in the toilets).”*

Principal D: *“The items are buying machines, paying electricity, buying some resources like equipment, the machine. If the machine is more than R30,000 then we apply to the circuit office for approval. We are also outsourcing. We are using 60% of the allocation on curriculum matters - meaning for workshops and buying resources like study guides and whatever.”*

Principal E: *“We buy LTSM meaning curriculum, administration meaning stationery and office equipment.”*

Principal F: *“We use it on the following transport, LTSM additional because we are being supplied by the department, cleaning materials maintenance of infrastructure, payments of services like electricity and phones and for catering of the SGB.”*

Three of the principals in this study, namely, principals A, B and F revealed that the bulk of funds were used for curriculum and transport costs while two of the principals (D and E) indicated curriculum costs. Principals A and F also indicated that, in addition to curriculum and transport costs, their schools used the norms and standards allocations on sanitation, sports and maintenance and repairs (principal A) whereas principal F indicated that the allocations were used on cleaning materials, maintenance of infrastructure, payments of services and for catering for the SGB members. Principal F was very specific on the fact that he used the allocations for, electricity and telephones. It emerged that two principals (A and F) were, in fact using the allocations as required and as indicated in the table above. The fact that school F catered for its SGB members may mean that the school reimburses the SGB members in line with SASA section 27. Other principals (B, C, D and E) were more general on their usage of the allocated funds as they did not indicate specifically on what aspects they spent their allocations. However, principal D did indicate that, if the purchase they wished to make was in excess of R30-000, the school had to ask for approval from the circuit office. Principal C indicated how the school’s budget was broken up in terms of percentages of the expenditure but he was not specific on the items on which his school was spending the allocations and neither did he elaborate on the items or services on which he was allowed to spend the allocations.

As stipulated in the table above the recurrent cost allocation must be used for two major categories, namely, learning and teaching support materials (LTSM) and services, repairs and maintenance. The fact that the bulk of the allocations were spent on teaching and learning illustrates the principals’ understanding that it is essential that the learners’ educational needs must be a priority in the management of the schools.

In view of the fact that the principals were operating daily in the schools and may use the allocation against what is being budgeted for, the chairpersons were asked the same question in order to obtain more information from the perspective of the parent component. This question was posed to the chairpersons primarily because, when procurement is done, the chairpersons to monitor whether what is being procured is in the budget for the year in question. The SGB chairpersons had the following to say.

Chairperson A: *“If there is something that is needed at the school like typing machines, computers, printers, photocopiers, typeks and anything that is needed by the school. We are able to take the money and use it for those types of things.”*

Chairperson B: *“We are allowed to buy photocopy, books and other teaching aids like chalks, dusters etc.”*

Chairperson C: *“We spent allocations on the following: electricity, security, sports, fencing and textbooks.”*

Chairperson D: *“We buy all those things that affect the learners at the school so that their education can go forward. These are things like books, school machines e.g. photocopier, inks, dusters etc.”*

Chairperson E: *“Stationery, maintenance for security reasons (when there is burglary in the school), buying of doors, cleaning materials and uniforms for needy learners.”*

The chairpersons in the study were clearly aware of how to spend the school funds and on what items the norms and standard allocations may be used. Although they did not provide the breakdown of percentages as had principal C, unlike their principals, the chairpersons indicated specifically what they were buying.

“Typing machines, computers, printers, photocopiers, typeks and anything that is needed by the school” (chairperson A).

“We are allowed to buy photocopy, books and other teaching aids like chalks, dusters etc.”(chairperson B).

“We buy all those things that affect the learners at the school so that their education can go forward. These are things like books, school machines e.g. photocopier, inks, dusters etc.”(chairperson D).

As indicated in their responses, chairpersons A, B and D perceived buying a photocopier as important. They clearly believed that it would not be possible to enhance that teaching and learning effectively in their schools without a photocopier. They also indicated that small items, such as chalk and dusters were important tools in enhancing the learners’ education.

On the other hand, chairpersons C and E stressed the issue of security over and above teaching and learning. This may be the result of the reports that these schools were being vandalised and, thus, they needed to protect what they procured.

Apart from LTSM and services/repairs/maintenance, chairperson E indicated that school E used the allocation on “uniforms for needy learners”. The norms and standards allocation may, however, be used only to meet the educational needs of the learners. Setoaba (2011) and Fredriksen (2007) assert that no-fee school allocation should be used for purchasing basic learning and teaching support materials to enhance the quality of the teaching and learning process.

It was clear from the interviews conducted with the principals and the chairperson that they were using the schools’ allocation in accordance with the legal requirements (see Table 4.2 above). This is good for the schools as the principal and SGB chairperson know on which items the allocations be spent on.

(2) How procurement is done at the schools

In addition to the question discussed above, the principals and treasurers were asked to explain how they procured goods/services for their respective schools. The principals and treasurers were specifically asked this question because the literature review had revealed that the procurement of goods and services are part of the responsibilities of which both are key officers. The principals and treasurers were, thus, asked to explain how the procurement procedures were implemented at their schools. The following responses were made:

Principal D said: *“We have a procurement committee which procures goods for the school. The committee asks for 3 quotations before they buy any item on the recommendations of the SGB. Again they look for quality.”*

Principal B: *“We look for quotation and the pricing so that we can know which items we need to buy, taking into consideration the quality of an item.”*

Principal E said: *“We seek 3 quotations and take the cheapest one but mindful of the quality of the product or goods or service and then send the SGB members on a rotational basis to go and buy.”*

Principal C: *“We look at the item to be bought by the SGB and seek 3 quotations. Thereafter we choose the suitable one with quality and effect a payment thereafter.”*

Principal A: *“SGB sends 2 delegates to source for 3 quotations and then hand them to the finance committee. If a quote is more than R30000, a request to spend funds is asked from the circuit office.”*

Principal F: *“In my school the budgets guides me. We look for 3 quotations and then refer them to the finance committee and tell them that I want to buy this and here are the quotations. Then, thereafter, the finance committee will decide and everything which I buy I must get a receipt for it and the means of payment is a cheque unless it is small items where we use the petty cash.”*

Treasurers A, B, C, D, E and F all said: *“We ask for 3 quotations and choose the cheapest one and we must have invoices as a proof of payment”.*

It emerged from the responses of the principals and treasurers that, as regards the procurement of goods/services at their schools, they obtained three quotations for such goods/services. This indicated that all the schools used system of obtaining quotation. However, the schools in the study differed in the way procurement was effected at their schools. According to their principals schools A and F had finance committees which dealt with the issue of procurement whereas, according to principal D, school D had a procurement committee which was responsible for procurement. In schools B, C and E, the entire SGB structure was responsible for procurement. Although, with the exception of principal E and C, the principals were silent on what they did regarding quotations, the treasurers, indicated that they choose the cheapest quotation before procurement. Despite the fact that school F had a finance committee it was the principal who bought whatever the school needed. He stated:

“In my school the budgets guide me. We look for 3 quotations and then refer them to the finance committee and tell them that I want to buy this and here are the quotations. Then thereafter, the finance committee will decide and everything which I buy I must get a receipt for it and the means of payment is a cheque unless it is small items where we use the petty cash” (principal F).

However, by assuming the responsibility for buying the goods and/or paying for the services himself, it is clear principal F lacks confidence and trust in the finance committee of the

school although he had indicated that his finance committee was functional. This lack of confidence and trust was evident when the principal said;

“We look for 3 quotations and then refer them to the finance committee and tell them that I want to buy this. Then, thereafter, the finance committee will decide and everything which I buy I.”

Despite the differences on how procurement was effected at the schools, the participants from all the school had indicated that they sourced three quotations from different service providers. Apart from sourcing three quotations which is a legal requirement, four of the six schools (schools B, C, D and E) also took into account the quality of the item(s) they procured. In so doing the schools were applying the principle of value for money as schools are encouraged not to purchase items/services just for the sake of it. It may, thus, be deduced that the quality of the goods was of the utmost importance when procurement was done. When the relevant structure, namely, the finance committee or the procurement committee, was satisfied that the procedure for procurement had been followed, namely, three quotations and the lowest price being taken into account, then the goods/services were procured.

School D only had a procurement committee to deal with procurement while other schools (E, A, C, B and F) were using their finance committees. In the researcher’s view nothing is wrong with this practice. This position of the researcher is in line with the opinion of Mestry (2006) who notes that the procurement and finance committees may carry out the same duties and that one may, in fact, act as proxy for the other. This indicates that, as alluded to earlier, the finance committee is the key committee in the management of finances and, hence, procurement in schools.

As is legally required, in order to reduce fraud, the schools were paying for their goods/services by cheques unless they used petty cash for items. When preparing the cheques for payment, it is vital that the finance officer exercise extreme care as one mistake might lend the school in serious financial troubles. In order to obtain information on the procedure when cheques are issued for the payment of goods purchased or services rendered, the finance officers were asked the following question: What are the rules for writing cheques as you pay for goods/services?

The finance officers responded as follows:

Finance officer A: *“The cheque must be dated the day of payment, signatories must sign. The purpose of the payment must be reflected on the counterfoil as well as the amount paid. No post-dated and crossing of cheques.”*

Finance officer B: *“The finance committee must be there to ascertain whether the cheque must be signed and whether that service was truly rendered, then the cheque will be signed”.*

Finance officer C: *“The following must be there: payee, the amount paid, the signatories. If a mistake happens then cancel the cheque.”*

Finance officer E: *“We are to cross the cheques and signatories must sign, then the payment can be effected.”*

Finance officer F: *“We must not use a pencil on the cheques and always cross them. It must be written very clear and not be cancelled. It is important to always fill in the cheque counterfoil (the date, name of payee, reason for payment and the amount paid).”*

Although the responses from the finance officers differed significantly in this regard, finance officers A, B and E indicated that the cheques had to be signed by the signatories before any payment could be effected. Finance officers A and F indicated that whatever was written on the cheque had to be reflected on the cheque counterfoil as this serves as a proof of payment for future use and for accounting purposes. Finance officers A, E and F specified that cheques had to be crossed. Crossing cheques helps to prevent fraud as the cheque is paid directly into the payee’s account. If a cheque is not crossed it may be “cashed” over the counter. Although it was revealed that all schools in the study used their own discretion when it came to the writing of cheques, the schools followed the same procedure.

4.3.1.4 Members’ roles and responsibilities

According to Clarke (2009:280), the most important aspect of managing a school’s finances is that there be clarity regarding who is responsible for what. Overlapping responsibilities must be minimised as far as possible because such overlapping areas may create conflict or facilitate “passing the buck”, with no one taking responsibility. Clarke, as cited above, argues further that, in order to avoid this happening, it is imperative that the lines of authority are drawn so that everyone is aware of his/her responsibility should problems arise.

Although the management of school finance is the sole responsibility of SGB, each member of committee has his/her own unique role to play.

In order to acquire a better understanding of the SGBs members' roles and responsibilities in managing the finances of schools, all the participants (principals, chairpersons, treasurers and finance officers) were asked the following question:

“What are your roles and responsibilities in managing the finances of the school?”

(1) Principals

Principal A: *“I’m the chief accounting officer of the school and I make sure that money received by the school is spent according to the guidelines given to school principals. I must make sure that there is a functional finance committee to implement the finance policy.*

I must make sure that all relevant documents are there to help me manage the finances well, for example, SASA, prescripts and other supporting documents. When I work with money the SGB must be informed together with the finance committee and, whatever I do with the school finances, I call the procurement committee to compare the amounts charged by service providers.

It is my responsibility that every term there should be a report that goes to the circuit office for them (circuit officials) to check how money is spent in our school. At the end of the year I make sure that the parents are called to be reported to on how finances were used at the school. Furthermore, I make certain that finance books are audited by a registered auditor to enable us to inform the HOD so that our school will be allocated norms and standards the following year”.

Principal B: *“The first thing that I do as the principal is to make sure that the norms and standards allocations are deposited in the school account. This I do by making sure that finance books are audited at the end or the beginning of the year. After the money has been deposited I make it a point that we draw up the budget as the planning tool that is going to guide me and the school on how to use money and this is to be based on the prescripts.*

After drawing up the budget the school then uses the funds according to the budget. Because I’m the accounting officer, I do regular monitoring and checking on how the money is being

spent in relation to the budget. This is informed by the premise that I do all the authorisations before any money can be used.

My other responsibility is to appoint the finance officer to handle the funds on a day to day basis for the SGB and indicate the duties assigned to that position. This is done to all other SGB members as I train them on what is expected of them”.

Principal C: “The roles and responsibilities of principal are varied and extensive. As the principal I’m the accounting officer of the school, meaning that I’m responsible for every financial transaction that the school enters into. I work closely with the SGB because I, as the principal, cannot manage the finances alone. I must make sure that the school has a bank account wherein funds are deposited and withdrawals are made. It is my responsibility to make sure that the school operates with the finance committee. In fact, there should be various committees but, because we are talking of finance, the finance committee will be stressed.

After the SGB has been elected it is my duty to make sure that they are work-shopped about how to manage finances of the school, particularly on budgeting, monitoring and control of funds. I make sure again that I appoint the finance officer who will handle the day to day finance activities, the petty cashier and the asset register officer.

It is my responsibility as the principal to make certain that all records are kept safe with regard to finances of the school. Furthermore, I make sure that I check the monthly and quarterly records whether they are done properly by the appointed finance officer and that submissions are done timeously to the parents, SGB, circuit and/or district offices for reporting. This will enable me to send the books to the registered auditors to audit the finance books.

As an accounting officer it is my responsibility to make sure that wasteful and fruitless expenditure is avoided at all costs so that every cent of the school is used wisely. This I achieve by strictly following the Acts which are the PFMA, SASA and prescripts”.

Principal D: “As the principal I’m the accounting officer of the school. This means that I’m the one who is responsible for all the finances at the school. In taking care of the finances I’m guided by the treasury regulations, PFMA and the financial prescripts. Once more these policies inform me on how to appoint the finance officer who is appointed by me in writing and this must be for a year.

After I have appointed the finance officer we must have the finance committee which must comprise nine members. It is on this committee where I am the ex-officio and the accounting officer. Although the finance committee must exist in the school it is my sole responsibility to see to it that I keep all the finance books safe under lock and key. I also take a lead in the process of budgeting and make certain that as an accounting officer, I'm responsible for the school's fundraising activities. This is in line with SASA sections 38 and 36 respectively.

It's my responsibility to authorise payments first before claims are submitted to the finance committee. These claims are to be verified by the chairperson and the entire finance committee every month. I further make sure that I report monthly and quarterly to the parents and circuit office and, at the end of the year, I take the financial books to be audited by the school's independent and registered auditors."

Principal E: *"Err, my roles and responsibilities are to make sure that the finance policy is followed and everything is done according to it as I'm the accounting officer. I ask the finance committee to convene meetings, that is, finance meetings to control money and do procurement and prepare books for auditing by registered accounting personnel. So I oversee any payment made in the school. I further make sure that I don't deviate from the prescripts as they guide me on how to work out school finances. Others I don't remember".*

Principal F: *"The first thing is that I'm the accounting officer of the school, meaning that each and every cent that should be paid and used at this school I'm responsible for it. I'm also part and parcel of the finance committee of the school which develops the finance policy to guide the school in terms of procurement.*

As the finance manager I'm responsible for drafting the budget. Before I send the budget to the parents through the SGB I make it a point that I consult all stakeholders for their inputs so that the budget will be owned by all."

It is clear from the extracts above that all principals in the schools in the sample regarded themselves as the accounting officers of their respective schools. This indicates that they are responsible for managing the finance of their schools. For example, principals C and F stated empathetically that they were responsible for every financial transaction into which their schools entered while principal A stated that he ensured that the money received by the school was spent according to the guidelines. Principal D collaborated the views of the other principals, when she indicated that she was guided by treasury regulations, PFMA and

financial prescripts in the carrying out of her financial responsibilities. These findings suggest that the principals fulfilled the duties of accounting officers in line with policy and legislative frameworks.

Principals A, C, D, E and F viewed the finance committee as a critical structure in the management of finances and indicated that it was their responsibility to make certain that they established such a committee. Furthermore, principal A noted that this committee must be functional, stating that: *“I must make sure that there is functional finance committee to implement the finance policy”*. Such functionality indicates that the finance committee formulates and implements the financial policies that guide all those who are involved in how to spend school funds. Thus, the finance committee becomes the driving force in the management of the school finances and, as such, the management of the finances is delegated to this committee. However, even if the principal delegates the finances to finance committee through the finance officer, the principal remains the chief accounting officer under the authority of the HOD. Principal D said:

“Although the finance committee must exist at the school, it is my responsibility to see to it that I keep all the financial books safe under lock and key.”

Principals A, B, C, D and E also noted the importance of reporting to their various stakeholders and the auditing of the financial books by professional and/or registered auditors. The following extracts highlight this:

“It is my responsibility that every term there should be a report that goes to the circuit office for them (circuit officials) to check how money is spent in our school. At the end of the year I make sure that the parents are called to be reported to on how finances were used at the school. Furthermore, I make certain that finance books are audited by a registered auditor to enable us to inform the HOD so that our school will be allocated norms and standards the following year” (Principal A).

“Furthermore, I make sure that I check the monthly and quarterly records whether they are done properly by the appointed finance officer and that submissions are done timeously to the parents, SGB, circuit and/or district offices for reporting. This will enable me to send the books to the registered auditors to audit the finance books” (principal C).

“I ask the finance committee to convene meetings, that is, finance meetings to control money and do procurement and prepare books for auditing by registered accounting personnel” (principal E).

“I make sure that we report monthly and quarterly to the parents and the circuit office and, at the end of the year, I take the financial books to be audited by an independent and registered auditor of the school” (principal D).

Reporting and accounting are important activities in the management of finances in order to ensure accountability for the money entrusted to the schools under the leadership of the principals. The findings revealed that the principals in the study as accounting officers in their schools and that they demonstrated accountability to the stakeholders as the policies required of them.

It emerged that principals B, C and D acted *ultra vires* in appointing and delegating duties to the finance officer or the petty cashier or asset register officers or both as this is not the principal’s prerogative but that of the SGB. The principal may do this only if he/she is so instructed by the SGB. However, the reason for the principals acting in this way may be because as the accounting officers, they were responsible for financial happenings in their schools. If the SGB delayed in making such the appointments the principals were bound to act on their behalf, as mandated by the relevant statute.

The study revealed that the roles and responsibilities of the principals included the duty to manage the school finances in accordance with the generally acceptable accounting principles (GAAP). It is the view of the researcher that adherence to the GAAP, informed by the relevant policy frameworks, will help to ensure that wasteful and fruitless expenditure is avoided. To this end the principals revealed that:

“I must make sure that all relevant documents are there to help me manage the finances well, for example, SASA, prescripts and other supporting documents” (principal A).

“As an accounting officer it is my responsibility to make sure that wasteful and fruitless expenditure is avoided at all cost so that every cent of the school is used wisely. This I achieve by strictly following the Acts which are PFMA, SASA and prescripts” (principals C and D).

“I further make sure that I don’t deviate from the prescripts as they guide me on how to work out school finances” (principal E).

Principals B and C also viewed empowering the SGB members in the area of the management of finances as one of their responsibilities. Such empowerment would take the form of training. SASA section 19 stipulates that the Department of Education must ensure that SGB members are trained to execute their responsibilities effectively.

“This is being done to all other SGB members as I train them on what is expected of them”(principal B).

“After the SGB has been elected it is my duty to make sure that they are work-shopped about how to manage finances of the school, particularly on budgeting, monitoring and control of funds” (principal C).

It also emerged from the interviews that principals B, C, D and F viewed the planning and implementing of the budget as one of their functions. According to section C 3.3 of EEA and subsection 1.21 in the PAM, it is incumbent upon the school principals to administer the process of budgeting in schools. In this regard the principals had the following to say:

“After the money has been deposited I make it a point that we draw up the budget as the planning tool that is going to guide me and the school on how to use money and this is to be based on the prescript the school then uses the funds accordingly as budgeted for” (principal B).

“It is once again my responsibility to make certain that I guide the SGB on how to plan and use the budget. When procurement is done I must highlight its importance and stress that it is followed to the letter. This means that the budget must be used for its intended purposes” (principal C).

“I also take a lead in the process of budgeting and make certain that, as an accounting officer, I’m responsible for the school’s fundraising activities. This is in line with SASA sections 38 and 36 respectively” (principal D).

Principal D viewed record keeping as another responsibility that was part of her duties as the accounting officer. The importance of the safe-keeping of the finance books is highlighted in section 42 of SASA. Principal D had the following to say:

“It is my sole responsibility to see to it that I keep all the finance books safe under lock and key”.

The views expressed by the participants suggest that responsibility and accountability are both interdependent and interrelated. This implies that principals are required to be responsible if they are to be truly accountable. In addition, both responsibility and accountability in terms of the roles played by SGB members in finance, in particular, the principals require a knowledge of relevant policies. The principals in this study all demonstrated such knowledge.

(2) SGB chairpersons

Section 16(1) of SASA stipulates that the governance of a school is vested in the school’s SGB. The SGB is given a wide range of functions, including, but not limited to, the adoption of a constitution, a code of conduct for learners and a mission statements for the school. According to Lemmer and Van Wyk (2010:131), considerable responsibilities regarding the recommendations for the appointments of educators, the maintenance and the improvement of school properties and buildings and promoting the best interest of the school are within the ambit of the functions of SGBs. The chairperson, as the leader of the SGB, must provide leadership for virtually all the functions of the SGB. The SGB chairpersons who participated in the study were asked about their roles and responsibilities in terms of financial management.

Chairperson B: *“To monitor how funds are spent by the SGB collectively and the cleanliness of the school and, again, to monitor whether teachers are teaching effectively.”*

Chairperson C: *“Overall management of finances and monitoring how they are being used against the budget. I sign the claim forms in consultation with the treasurer, finance officer and the principal.”*

Chairperson D: *“In our school we don’t have responsibilities in relation to the management of finances as there is no finance committee and finance officer. We are in serious problems. Mine is to see what will happen next as I do nothing financially. At times I just check the yard of the school and if teachers are coming to school.”*

Chairperson E: *“Check and monitor the financial books and their invoice.”*

Chairperson A: *“If they want to take out a cheque they phone and inform me that they want to take out a cheque for a certain purpose. I agree that the cheque be taken out as long as I know what the purpose of the payment is. I ask them the purpose of the cheque and they explain to me and I then agree to issue the cheque and then inform the treasurer and secretary to sign the cheques. Another thing is that, if there is a meeting somewhere and that meeting requires me to go, I go and bring the feedback to the entire SGB and, if there are problems at the school, the principal informs me, for example, about the contractors of toilets they inform me.”*

The study revealed that chairpersons A, B, C and E viewed monitoring the spending of funds as their main responsibility in managing the finances. In addition, school A’s chairperson performed a host of other duties not related to the management of finances, including being delegated to attend SGB meetings on behalf of the school and helping in solve the problems that arise at the school. In view of the problems that school D was experiencing, for example, no finance committee and no finance officer, chairperson D indicated that he was not required to carry out the usual duties performed by the SGB chairperson in terms of SASA. He occasionally went to school to check the school yard and whether the teachers were coming to school. This was echoed by chairperson B when he indicated that he monitored whether the teachers were teaching effectively.

From these extracts cited above, it is clear that chairpersons B and D were confusing sections 16(1) and 16(3) of SASA. Section 16(1) states that the “governance of a school is vested in its SGB while section 16(3) states that “the professional management of the school is delegated to the principal and school management team (SMT) under the HOD”. Thus, although the SGB chairperson’s roles and responsibilities are limited to governance only, chairpersons B and D were carrying out the duties of their respective principals; namely, supervising the teachers.

According to Bush and Heystek (2003:136) the SGB’s responsibilities, particularly the parent component of the SGB, are extensive and appear to exclude matters relating to teaching and learning during the school day, the purchase of educational supplies and operational management of personnel. It is, thus, beyond the chairperson’s capacity and mandate to monitor the attendance of teachers at schools and whether teaching and learning are taking place. However, this lack of understanding of the chairperson’s roles and responsibilities may stem from the fact the chairpersons in question have not been trained in their roles in respect

of school governance. The governance of a school is vested in the SGB while the principal is responsible for the professional management of the school, under the authority of the HOD (SASA s16).

(3) SGB treasurers

The treasurer of the SGB is a key person in the management of finances in the school. It is recommended that the treasurer be a member of the parent component of the SGB. Section 6.9 of the Prescripts (2011:23) summarises the responsibilities of the treasurer as follows: chairs all meeting of the finance committee, monitors all the financial transactions of the school, presents a report to the SGB collective, develops a finance policy for the school and ensures that the finance policy is adhered to at all times. The functionality of the school finance committee depends on the effectiveness of the SGB treasurer as the chairperson of such a committee (Ndou 2012:99) while his/her knowledge on his/her roles and responsibilities may impact on the implementation of the finance policies of the school.

The treasurers were asked to explain their roles and responsibilities in the SGB regarding financial management.

Treasurer A: *“Checking the funds of the school as to whether they are being effectively used and to look for the items that are needed by the school.”*

Treasurer B: *“My responsibility is to sign, I sign cheques when the principal has called me to sign. I again sign financial books in the meeting and this is once in a quarter - that’s when I’m signing many books”.*

Treasurer C: *“I don’t know because of my work commitment. More often I’m not in because of work.”*

Treasurer D: *“There is no finance committee and I only come to sign cheques.”*

Treasurer E: *“To scrutinise the usage of money and to monitor whether cheques are duly paying for the services required by the school. Again I check if the payments are in line with the SGB’s agreements and, lastly, to check/monitor if the equipment of the school is in order.”*

Treasurer F: *“I’m responsible for writing the cheques and also paying for the needs of the school and to check whether the school fund is used according to the school budget.”*

The treasurers clearly had diverse perceptions regarding their roles and responsibilities. The data collected revealed that the main responsibility of treasurers B and D was to sign the school cheques to effect payments on behalf of the school. Treasurer C did not know what the responsibilities attached to her portfolio were as she was a parent with heavy work commitments that made it difficult for to attend to school matters. It was only treasurers A, E and F who fulfilled minimum requirements in that they checked and monitored compliance with regard to agreements made by the SGB.

(4) Finance officers

The SGB must appoint someone who will ensure the sound management of the school finances at all times. Usually, this person is called the finance officer or the bursar. The appointment must be in writing and the person appointed may be a member of the parent component of the SGB or an educator at the school. The roles and responsibilities of finance officer must be clearly stipulated in the letter of appointment.

The following question was posed: “What are your roles and responsibilities as the finance officer of your school?”

Finance officer A: *“Issue claim forms to whoever must be paid. I record the cheques and sign them for the SGB. At the end of the month I submit financial statements to the circuit office and sent financial books to the auditors at the end of the year.”*

Finance officer B: *“Check the trips of teachers that need to be paid so that I can supply them with claim forms to claim for the service rendered. I also issue cheques to effect payments which are to be signed by the SGB signatories.”*

Finance officer C: *“I do monthly reconciliation of income and expenditure, quarterly returns on finances. I furthermore collect fees and do the receipting and at the end of the year, I send the financial books for auditing.”*

Finance officer E: *“To control the finances of the school, to see to it that I write quarterly returns. I guide the SGB in drafting the annual budget and I do the quotations.”*

Finance officer F: *“As finance officer I prepare monthly financial statements, I write cheques, collect and bank funds collect the bank statements and do the drafting of budgets”.*

In common with the other participants, the finance officers all had diverse perceptions of their roles and responsibilities. Finance officers C, E and F regarded the reconciliation of the financial books and preparing the quarterly returns and the financial books for auditing as their main roles and responsibility whilst finance officers A and B regarded effecting payments as their main role and responsibility.

It emerged from the interviews with the participants that their understanding of their roles and responsibilities in relation to financial management was not up to the required level. The researcher is of the opinion that the different categories of participants, namely, principals, chairpersons, finance officers and treasurers, should be operating uniformly. Such uniformity is based on the premise that schools all work in terms of the same legislative framework. The fact that each participant in each category had a different understanding of the roles as compared to others clearly indicated a gap in the application of the rules and regulations pertaining to their functions. This gap is a matter of concern if funds are to be managed effectively and efficiently.

4.3.1.5 Accountability

Accountability refers to the process whereby public sector entities, and the individuals within such entities, are responsible for both their clients and their own actions, including their stewardship of public funds and all aspects of their performance and submit themselves to appropriate external scrutiny (Supplemental Guide: The Role of Auditing in Public Sector Governance 2012:11). In effect, accountability is the obligation to answer for the responsibility conferred. Such accountability in the school context is effected through reporting, using various methods such as the minutes of meetings, verbal reports at meetings, written reports at stipulated times and evaluation reports (Davidoff & Lazarus 1997:96) to all stakeholders. In the education sector the stakeholders include the learners, parents, teachers, donors (if any) and the department of education as represented by either the districts or the circuits. Although the learners are viewed as stakeholders in secondary schools this is not the case in primary schools.

(1) Reporting

In order to ascertain how the reporting and accounting issues were being addressed, the following question was asked: “How do you report back and account to stakeholders about

the use of school funds?” The question was addressed to the finance officers, treasurers and SGB chairpersons.

The participants interviewed responded as follows:

Finance officer A: *“After 3 months we read the statement about the usage of funds and the balance to the parents through parents meeting and we submit the financial reports to the circuit office.”*

Finance officer B: *“November/December we call a parents’ meeting to show the financial statements unaudited from January to December. Somewhere in March/April the following year, after sending the books to the auditor, we call a parents’ meeting again in order to show those financial statements.”*

Finance officer C: *“Monthly statement is given to teachers. Parents are called to the meeting to be given the audited financial statements. We photocopy the audited financial statements so that one is given to the parents, one is given to the circuit office and the last one is given to the district office.”*

Finance officer E: *“The balance at the end of the month is given to the teachers and parents are given it quarterly.”*

Finance officer F: *“In my school accountability to stakeholders is done in the following ways:*

- 1) To educators we report in the staff meeting*
- 2) To SGB we report in the SGB meetings which are conducted once in a term*
- 3) Parents we report to them in parents’ meetings and this is done twice a year (in March and October) and, lastly,*
- 4) Circuit/district office we report to them through submitting of the quarterly returns and the end of every term.”*

Treasurer A: *“We call a parents’ meeting to report to them 4 times a year.”*

Treasurer B: *“The SGB calls the parents’ meeting to report back on how the funds as allocated were used.”*

Treasurer E: *“We call a parents’ meeting anytime when it is necessary.”*

Treasurer C: *“Parents are called to the school to be reported to.”*

Treasurer D: *“We report in meeting with parents.”*

Treasurer F: *“We tell the parents when we approve the budget, using the cheque book to indicate how we used the money. We call a parents’ meeting to report back to them in the fourth quarter.”*

On the same note the chairpersons responded as follows:

Chairperson B: *“Parents are given the usage of funds at school through the process of a parents’ meeting.”*

Chairperson E: *“SGB sets a date to call a meeting of parents at the school to show them how the funds were spent for the financial year.”*

Chairperson D: *“We call all the parents to come to school and tell them how their monies were used the previous year. We write letters to the parents through their children inviting them to come to school to be given the status on the usage of funds.”*

Chairperson C: *“We call the general parents’ meeting to indicate to them how the money was spent and for which items. This is done in March after the finance books have been audited.”*

Chairperson A: *“To be fair, as I just got into the SGB in the past 8 months, I don’t know as I’m new but I’m going to see what is it that they do this year. I was elected at bi-election and, as such, I’m not sure of what is being done to that effect.”*

It emerged that all the participants reported to their various stakeholders as required by SASA. All the schools regarded the parents as stakeholders while some also mentioned the circuit/district. It is only school F that mentioned the teachers, learners, parents and circuit stakeholders. The reason for not mentioning the learners might vary from school to school as some schools in the study were primary (schools A, C and E) and, hence would not report to their learners. It is not clear why schools D and B did not mention their learners their stakeholders because these schools are secondary schools. This means that schools D and B were not reporting to all their stakeholders.

The most common method of reporting back to stakeholders about the use of funds at the various schools was via meetings. This is provided for in SASA section 18(2)(b) and section 20(9). All the schools in the study indicated that they held meeting with various stakeholders and where they reported on the use of funds. On the other hand, the schools reported to the

circuit/district offices using official documents from the schools, such as monthly/quarterly returns, school budgets and audited financial reports. The researcher is of the opinion that the reason for reporting at meetings, particularly for parents, was the low literacy level the majority of the parents. Chairpersons B and C both reported that:

Chairperson B: *.I cannot read and write well.*”

Chairperson C: *“The language used was difficult to understand, the principal translated to Sepedi.”*

Although a low level of literacy is not generally the case, it is particularly common in respect of most of the parents from the historically disadvantaged rural schools. The schools which participated in this study were all historically disadvantaged rural schools. The main advantage of reporting at meetings is that this enables the discussion of the documents and this allows for engagement with those reports. In the main parents benefit from such meeting as their understanding of the matters at hand is enhanced. In addition, to holding meetings as a way of reporting back to their stakeholders, schools may also use circulars to the parents as well as the school’s newsletter although this may be a problem according to the responses of chairpersons B and C.

It further emerged from the interviews with the participants that, as was the case with monitoring and control of school funds, the frequency of reporting back to their stakeholders differed from school to school. The frequency ranged from one to four times a year, depending on the type of stakeholders. The worst case scenario was school D, which was silent on the frequency of its reporting. School C reported to parents once a year only, schools A, B, E and F reported to their parents twice a year while school F reported to its teachers and the SGB four times a year in the staff and SGB meetings. The two schools that reported to the circuit/district offices, namely, schools C and F, did this on a quarterly basis, namely, four times a year.

In all the schools in the sample it was only school F that reported to all its stakeholders, namely, the educators, SGB, parents and the district office whereas the other schools viewed only the parents as their main stakeholders and, hence, regarded reporting to them as their main concern.

4.3.1.6 Policy frameworks

As the chief accounting officer of the school the principal is accountable for all the school's financial matters. The responsibility for managing the school's resources (financial and non-financial) is entrusted to the principal by the school's stakeholders and, thus, the principal is responsible for providing an account of his/her actions to the school management (Mestry & Bischoff 2009:74). In carrying out the financial management obligation, the principal must be guided and controlled by the relevant legislation and policy framework (see section 2.6 of this dissertation)

In an effort to obtain useful and rich data on the policy framework issue, the following question was posed to the principals: Which guidelines or frameworks do you follow in managing the school finances? They responded as follows:

Principal A: *"I use the following documents to manage the finances of the school; prescripts from the province, budget, PFMA, financial books, for example; cheque, deposit and reconciliation books."*

Principal B: *"I'm not just quite sure but usually they (circuit officials) give us workshops on how to manage the finance. We have pamphlets that give us guidelines, although I cannot indicate and state it but detailed information we get from the gazette."*

Principal C: *"I use the prescripts of Limpopo Province, PFMA and SASA."*

Principal D: *"I use the following guidelines; financial policies e.g. treasury regulations, SASA, PFMA, school's own budget and other policies from the department and gazette."*

Principal E: *"I use PFMA, SASA, Constitution and prescripts of financial management."*

Principal F: *"I follow only the guidelines of PFMA and SASA."*

Thus, the common policies used by the principals of the schools in the study included PFMA and SASA. Principals C, D, E and F used PFMA and SASA while principal A used PFMA and other pieces of legislation such as the prescripts. In addition, to the PFMA and SASA principals A, C, D and E also used the Prescripts of Financial Management of Limpopo Province. The interviews also revealed that principal B was not using the required legal policies in managing the school finances. This may suggest that the principal was managing the finances outside the parameters of law and, thus, that there was a significant possibility

that the finances of the school were mismanaged as there was nothing legal helping him in relation to his management of the school's finances.

The PFMA is one of the most significant pieces of legislation and has resulted in considerable transformation in the management of public funds in South Africa (Makrweide 2012:13). Although it has no direct bearing on schools per se, the Department of Education applies certain section of the PFMA to prescribe how schools should manage the funds allocated to them from the National Treasury (Mestry 2013:164) and, hence, it is often used by principals. As the chief accounting officers of their schools principals are expected to have some knowledge of the contents of this policy. However, although they are not forbidden to use the PFMA or part thereof, they are not permitted to deviate from either the provisions in SASA or the prescripts of managing finances in schools as these contain clear guidelines on how principals must plan, organise, lead, manage and control the finances at schools.

4.3.1.7 Capacity/training of SGB

Oderi and Makori (2013:4) observes that, in many countries of the world, including South Africa, the roles, responsibilities and tasks of the SGBs have become more extensive and complicated and that certain competencies and abilities are required in order to govern schools effectively. These competencies depend on the skills, knowledge and experience of the SGB members.

The issue of training is not only directly related to how each school, through its SGB, manages its finances, but it also has a profound impact on the overall management of schools, including school finances. As in any other organisations, it is imperative that the finances in schools are managed effectively and efficiently. Accordingly, SGB members must be fully trained to be able to manage funds correctly and legally. According to Tsotetsi et al. (2008) and Ngwenya (2002), extensive training in financial management is crucial for the SGBs. They maintain that, without such training, it is not possible for SGB members to carry out their governance responsibilities. In light of this, it is therefore, clear that training of the SGBs is a top priority as training give people the confidence and skills required to perform their various tasks and function effectively and efficiently.

Despite the fact that training was not the central theme of the study, the participants (principals, finance officers and chairpersons) were asked, about their training in order to ascertain whether they had been trained in financial management. This was informed by the

researcher's belief that finances are crucial to the survival of any organisation and, therefore, it is vital that those individuals who deal with finances in their everyday work must be duly informed, hence the importance of their being trained.

On the issue of training the participants responded as follows:

Principal A: *"We went to the workshop organised by the circuit officials to train us on financial management."*

Principal B: *"I was not trained because, by the time the training was underway, I was not yet the principal but I rely on the documents to manage funds."*

Principal C: *"We went to the one day workshop which was organised by the circuit office and it was attended by the finance committee in order to be trained on the management of finances only."*

Principal D: *"We were called to training but I cannot say the training was effective because they trained us for a period of 3 hours. The training was not so good, it does not have an impact on my managing finances. The impact is derived from my studies because I utilise my experience from my previous financial management course that I did with Unisa whilst I was doing a BEd with specialisation in Educational management."*

Principal E: *"The circuit office did organise a workshop and trained us on how to manage school finances."*

Principal F: *"The circuit invited us to the workshop once per quarter or, if I experience a problem, I call them. Their training was effective."*

All the finance officers agreed that they had been trained by various officials on how to manage school funds. Finance officers A, C, E and F had been trained by the circuit/departmental officials while finance officer B had been trained by her principal. SASA section 19 allows for training of the newly elected SGB members and/or for their continued capacity building. In view of the fact that principals are viewed as departmental officials, by virtue of the position they hold on the SGB, the principal may assist in rendering support to the SGB members. Finance officer E stated that:

"Yes, by the circuit officials and it was good" (finance officer E).

This statement by finance officer E that her expectations of the training conducted by the circuit/departmental officials had been met and, thus, that the training was effective.

However, the same was not true of the chairpersons as they responded as follows:

Chairperson C said: *“We were trained by the circuit at a meeting but the language used was difficult to understand and the principal translated to Sepedi.”*

Chairperson A: *“There was no training offered to me in financial management because I’m only 8 months in the SGB.”*

Chairperson D: *“I was never trained on the issue of managing finances.”*

Chairperson B: *“I was not trained by anyone on finances of the school.”*

Chairperson E: *“I rely on the information given by the teachers who have attended the course organised by the department.”*

The study revealed that 11 of the 16 participants interviewed had received training and that the training had been in the form of workshops organised by the Department of Education. These eleven participants included principals (6), finance officers (5) and chairpersons (5). Principals A, C, D, E and F; chairperson C and all the finance officers indicated that they had been trained. Although chairpersons A, B, D and E claimed that they had not received any training, the researcher was, however, of the firm belief that they had been trained. It may be that they had forgotten about their training because the study was conducted towards the end of November 2014 and the training is usually conducted in February each year. This belief stems from the fact that when a SGB is summoned to a workshop, all the SGB members are summoned with a view to training all of them and not just a few. Another reason may be that they were absent from the training because one SGB chairperson only is never summoned for training but, instead, the entire circuit SGB is called.

However, as far as the length of the workshops held as a method of training was concerned, there was a mixed reaction as principal C stated that it had been a one day workshop which, translated into eight hours, means that the workshop had lasted for a day (normal working day). On the other hand, principal D stated that they had been trained for three hours only less than half of the training indicated by principal C. Principal F indicated that he was trained once per quarter, implying that he underwent training four times a year.

Absolute training for SGB members cannot be made following the responses of one principal (principal B) and four of the chairpersons (chairpersons B, A, D and E) to the effect that they had not received any training at all. Although chairperson E did not mention explicitly that he

was not trained, the researcher deduced from his response that he had not, in fact, been trained. He stated that:

“I rely on the information given by the teachers who have attended the course organised by the department” (chairperson E).

Both principal B and chairperson A indicated that they were “new” to the SGB structures in their various schools for various reasons and that this was the reason why they were not trained. Principal B was, in fact, newly appointed and had started working as a principal a short time previously while chairperson A had just been elected to the SGB. Principal B had the following to say:

“I was not trained because by the time the training was underway, I was not yet the principal but I rely on the documents to manage funds” (principal B).

Chairperson A had been elected to the SGB structure in a bi-election as parents had resigned because their learners were no longer enrolled at the school. Chairperson A said:

“There was no training offered to me in financial management because I’m only 8 months in the SGB. I was elected through a bi-election.”

It emerged from the interviews with principal D and chairperson C that the training was not as effective as envisaged. The training had had its own challenges and these challenges may have compromised the quality and effectiveness of the training. These challenges included the duration/time allocated to the training itself and the language used during the training sessions. The extract below supports this view.

“We were called to training but I cannot say the training was effective because they train us for a period of 3 hours. Training was not so good” (principal D).

Other than principal D who had indicated the few hours of training she had undergone, all the other principals indicated that they were trained and had attended a one day workshop. It must be borne in mind that it takes times to train SGB members and to build the professional capacity required to enable members to carry out their duties effectively.

The language used in the training had clearly constituted a barrier to the parent SGB members as it had been far beyond their understanding. In view of the fact that the majority of SGB members, particularly the parents rely heavily on verbal information, it was of

paramount importance that they be trained in a language that they understood. In this regard chairpersons B and C had the following to say.

“I cannot read and write well”.

“We were trained by the circuit at a meeting but the language used was difficult to understand, the principal translated to Sepedi.”

Training is a cornerstone in enabling governors to execute their roles and responsibilities effectively. All SGB members, and not merely a few, should be provided with consistent and adequate training to empower them to discharge their complex responsibilities in the school context confidently and authoritatively (Maluleka 2008: 74). Training a principal for a mere three hours and expecting him/her to be fully equipped for the mammoth task ahead is not sufficient. As mandated by SASA section 19(1), the training provided must be continuous and, as Heystek (2004) has noted, the Department of Education must make such training readily available to every SGB member and not to just a few members. In addition, as indicated by chairperson C, the language used is also a cause of concern. It is essential that the language used is comprehensible to all SGB members attending the workshop so that they derive the maximum benefit possible from the training. Accordingly, training manuals for SGBs must be prepared in a language that is user friendly to them and, particularly, to the parent members as the majority of them are not usually proficient in English.

However, contrary to the above, principal F and finance officer E were in agreement that the training had been effective and, thus, that their expectations had been met. They claimed that:

“Their training was effective” (principal F).

“And it was good” (finance officer E).

It is clear from the views of participants that it would appear that, the training for these schools was conducted once a year, although this was contrary to what principal F stated. If training was conducted once per quarter, as principal F claimed, then every member, irrespective of the time they had joined the SGB, would probably have undergone training.

4.3.2 Presentation of the data from the document analysis

The researcher also collected data from the official documents of the schools participating in the study with the aim of supplementing the findings from the interviews. The researcher

used content analysis to analyse the documents from the selected schools. Bowen (2009:27) defines content analysis as a systematic procedure for reviewing or evaluating documents, both printed and electronic. The following documents were analysed at the respective schools, namely, monthly/quarterly financial statements, school budget, audited financial statements, financial policy, minutes of the finance committee meetings, deposit books, cheque books and requisition/claim forms.

4.3.2.1 Monthly/quarterly financial statements

Monthly/quarterly financial statements are the financial documents which the schools use in order to control their finances. At the end of every month the treasurer and finance officer, as the main members of finance committee, are expected to reconcile the financial status of the school before presenting the figures to the SGB. These financial statements must be counter signed by the principal, treasurer and finance officer. The principal signs in his/her capacity as accounting officer in the management of school's finance. As a legal requirement these statements are submitted to the circuit office for control purposes.

When analysing the monthly and quarterly financial returns the researcher found that all the schools' monthly and quarterly financial returns had been checked by all the SGB members responsible for the control function, namely, the principal, finance officer and treasurer and that the returns had been to the circuit as is required. The schools submit quarterly financial statements and a copy of the statement is returned to the school bearing the circuit date stamp. Thus, the schools in this study were clearly reporting on their financial management to their respective stakeholders.

4.3.2.2 Budget

All the schools in the study, through their principals, freely made their budgets, as drafted, available to the researcher. The indicatives (paper showing the amount of money to be given to the school for budget purposes) from the department were attached to each of the school budgets, indicating the amounts to be paid to each school. According to the indicatives letters to schools from the PED the schools had been informed about their allocations at 4 November 2013. This somewhat late arrival of the indicatives may hamper the school budgeting process which is usually scheduled to take place in the third term or early in the fourth term of the year, as stipulated in SASA. Schools must receive the indicatives before

the commencement of the budgeting process as the indicatives provide a guide of the amount of money schools may expect the following year. The PED informed the respective SGBs in those indicatives that “their schools fell under either in quintile 1, 2 or 3 and, as a result, are not allowed to charge a mandatory school fees. Schools must not request parents to pay any amount without the approval of the HOD”.

The school budgets for 2014 indicated that all the schools were raising funds for their respective schools through “casual fees” and the selling of snacks (schools A and B). However, the bulk of the income was from the norms and standards allocation because the schools were no-fee schools and, therefore, they relied totally on the allocation from the state. Whereas the NNSSF stipulated that the budgets must be drawn up and the money allocated according to the following guidelines: 60% on LTSM, 30% on school improvements and 10% for extra-mural activities, all the schools in the study tended to use the guidelines contained in the Prescripts on the Management of Finances in Limpopo Province and which gave the following breakdown of the percentages to be allocated to expenditure in the budget, namely, 17% for administration; 60% for teaching and learning; 10% for sports; 8% for ablution and 5% for transport. The budgets of all the schools in the study were in accordance with this breakdown and that of the NNSSF, while the budgets also indicated the items to be purchased under each category.

The notices of the parents’ meetings were attached to the school budgets as proof that the parents had been called to approve and vote on the budget as stipulated by the SGB. However, the notices of schools B, C and E did not conform to the legal requirements because they were far shorter than the required time frame of 30 days. The proof that the meetings in all the schools had been attended was demonstrated by the register of names of those who had attended and the minutes of each meeting attached to the budgets. This highlighted that these schools were consulting the parents as their major stakeholders in budget preparation and adoption.

4.3.2.3 Audited financial statements

Mestry and Bischoff (2009:40) and SASA section 42(a) state that public schools must ensure that their assets, liabilities and financial statements are audited. However, it appeared to be a common assumption on the part of the SGBs of the schools in the sample that only the financial transactions of schools were to be audited although the audited statements of all the

schools did not include assets and liabilities. In other words, the assets and liabilities of the schools in the sample were not being audited and only the finances were being audited. The schools in the study were ensuring that their financial books and transactions were being audited as all the schools furnished the researcher with audited financial statements for the year ended 2013.

The schools used various auditors to audit their finance books as this was a legal requirement. These auditors indicated the status of the school's finance either as qualified, unqualified or a disclaimer to the respective SGBs. In the auditor's reports, with the stamp and appended signatures of the auditors of schools A, B, C, E and F, the auditors confirmed that these schools were using their funds in accordance with the required acceptable standards. The reports of some school auditors read as follows:

“We certify that effective, efficient and transparent financial management and internal control systems are implemented at the school” (audited statement of school C).

“We examined the finance books of school E as required by SASA section 42, and in our opinion the school maintained proper accounting records in our audit findings” (audited financial statement of school E).

“We hereby confirm that the financial statements of school F conforms to the generally accepted accounting practices” (audited statement of school F)

It would appear from the statements above that these schools had received unqualified reports from their respective auditors. The fact that these schools received clean audits means that their record keeping was of an acceptable standard, as the auditors would have followed the audit trail of some financial transaction and they had clearly found nothing suspicious in financial terms. This implies that those schools were managing their finances according to the prescripts and within the legal framework hence the clean audits.

On the other hand, school D's audited financial report (one page) did not indicate whether or not the school had received either a qualified or an unqualified audit although the audited financial report was signed and stamped by a “registered” auditor. This arguably suggests a deficiency in the auditor's ability to make an accurate financial decision as to whether the financial management of the school was effective and efficient. According to SASA section 43(1), the SGBs must appoint a person registered as an accountant and an auditor in terms of

the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991) to audit the financial statements of the schools.

4.3.2.4 Financial policy and minutes of finance committee meetings

One of the fundamental functions of the SGB is to monitor implementation of the financial policy and finances at the school. SASA stipulates that the SGB is responsible for the entire management of school funds, assets and liabilities as well as for the drawing up of the budget. Furthermore, SASA compels schools to appoint a finance committee which will formulate a financial policy to ensure that all the financial and educational functions of the school are performed properly (Nyambi 2005:65).

Of the six schools in this study, three only (schools B, C and D) produced their financial policies.

School B's financial policy had been drawn up based on the following legislative frameworks as the guiding documents; namely, the prescripts, SASA and the National Education Policy. Thus, this policy had been drawn up in line with Mestry's (2004:131) assertion that "this policy must comply with the available legislation such as the Constitution and SASA and it should set direction and give guidance". School B's financial policy clearly outlined the responsibility of the following key players in the management of the finances, namely, the treasurer, finance officer, auditor, finance committee, principal and other persons so delegated, to ensure that the finances will be managed effectively, efficiently and in a cost-effective manner.

School C's financial policy did exist but it appeared as if it had been taken or initially borrowed from another school. It sported the emblem and logo of another school and, hence the researcher's conviction that it had either been taken or initially borrowed from that school. There was no clear indication who the members of the finance committee were and what their duties were nor on which legislative framework it had been based.

School D's policy was produced upon request as was that of schools B and C. However, school D's financial policy raised grave concern in that, apart from having no legal frameworks as the basis of its formation, it contained a section on fee-exemption whereas the school is a no-fee school. This suggests that the policy was drawn some time before when the school was a fee-paying school and that it had never been updated as the change happened

from (from fee-paying to no-fee). Similar to the policy of school C, school D's policy did not indicate who the members of the finance committee were while the rules (on how money should be handled) were not clearly formulated.

The underlying similarity which the researcher found in the financial policies of in these schools B, C and D was that all their policies contained a section on procurement. This section stipulated what the schools could procure and how this was to be done in terms of processes and procedures. All of the policies set a minimum of three quotations as the rule when dealing with service providers. They also indicated that the schools would accept the cheapest quotation while not compromise on quality and that payment would be effected after the service had been rendered. The fact that the financial policies of these schools contained a section on procurement implied that they were not contravening the procurement processes and procedures as set out in PFMA, SASA and the prescripts.

It emerged that schools A, E and F had no working financial policies. This may have meant that these schools were not aware of the importance of this document, that they were not capable of drawing up such a document or that they were ignorant of the fact that all schools are required by law to manage their finances in accordance with a working guideline which, in this case, is a financial policy. The absence of financial policies in these schools may also have indicated that the school principals were managing the schools' finances according to the own understanding of the matter. It is, however, essential that a finance committee be established in every school to provide guidance and direction of the use of school funds.

All the schools in the study failed to produce the minutes of the finance committee meetings as a proof that these committee were operating. Thus, this failure indicated that, despite schools B, C and D having financial policies, those policies were not being implemented. If these committees were effective there would be minutes to indicate that they were sitting and discussing the financial matters of their schools. The lack of minutes proved the dysfunctionality of such committees. The researcher could, therefore, argue that these committees were in existence only as a token and to comply with regulations, thus simply for the sake of appearing to comply.

The financial policy document of a school is a statutory document that must be kept safe and, in most cases, in the principal's office. The accountability and probity of the finance committee is usually evaluated on the basis of this document. The richness of such a document as well as its implementation are major indicators of the development, progress and

organisational will or desires of any institution as well as the collective efficiency of the financial committee members. If a school is to manage its finances effectively and efficiently it is imperative that a school financial policy be drawn up by the finance committee, adopted by all the relevant stakeholders and implemented and also that it spell out in legal detail the responsibilities of the parties concerned and to whom they are accountable, where applicable (Joubert & Prinsloo 2008:97).

4.3.2.5. Deposit and cheque books

The schools in the sample supplied the researcher with deposit and cheque books as requested. It was revealed that the schools each maintained one banking account. Each of the schools had its own banking account deposit book in the name of the school while none had invested any money. The monies collected by the financial officers must be receipted in the receipt book (PED 014) and then deposited using the schools' official deposit book. Such schools practices are in line with an earlier study conducted by Kruger (2003:72) in which Kruger maintains that all monies collected for the school must be deposited in the school fund account. It is recommended that all the money received by the school should be deposited on a daily basis if it practically possible. The schools in the study had made at least one deposit per month in the case of fundraising.

In view of the fact that the schools were using a cheque/current account, the cheque books were also analysed. It was found that all the cheque books' counterfoils contained the required information, that is; the date, the amount, the payee, a description of what was purchased and the amount paid. However, the researcher did find two cheque counterfoils which had not been filled in school D's cheque book while in school F's cheque book, three blank cheques which had been signed by both the signatories. These findings revealed that schools D and F were not adhering to the law which prohibited them from signing blank cheques.

It was clear from the returned cheques which were attached to their respective cheque counterfoils that the majority of the schools were using cheques to pay for services rendered or goods bought. However, school D did not have any returned cheques although all the other schools had their cheques returned to them. The returned cheques, which were filed for recording and audit purposes had been counter-signed by two signatories. The frequency of payments differed from school to school as school A had paid its service providers and its

teachers on three successive days, school E paid twice in a week and all the other schools (C, D, B and F) paid once a month, according to the dates on the cheque counterfoils. This inconsistency may indicate that schools A and E were without a working document that would guide them on how and when to make payments as it appeared that they made payments as and when they deemed it fit to do so.

4.3.2.6 Requisition or claim forms book (PED 016) and expenditure cash book

These two books were checked simultaneously as they operate in tandem. The requisition book is used to claim for any payment out of school funds. The particulars must then be transferred to the expenditure cash book. The claim form shows the name of the school and the person and his/her address who claimed from school funds. The particulars of the full claims and the amount paid must be indicated on the form and authorised by the principal, the chairperson and the treasurer for approval. Such authorisation must precede any payment.

The researcher noted that the schools in the study were not adhering to the principle that the supporting vouchers must be attached to the claim form as, in cases where the schools were paying for “transport costs”, the researcher could find the returned cheque only while there were no details regarding the claim e.g. proof of a teacher attending a workshop, as there were no vouchers attached. This practice was observed in schools D, E and B. In instances where the supporting vouchers were attached, they were not in triplicate as stipulated the procurement process in accordance with PFMA and the prescripts. The researcher also noted that, in some instances, some of the payments made by all the schools were not in line with their budgets. Thus, the budgets had not informed these purchases. In school F, for example, the school had bought and paid for a data projector, screen and photocopier although these three items were not included in the school’s budget for the period under review. The same trend was observed in schools A, C and D where the schools paid the person who was cleaning the school yards every month although there was no budget allocation (according their budgets as supplied to the researcher) for such expenditure. This revealed that these schools were drawing up their budgets merely for the sake of form as the sole reason why a budget is drawn up is to purchase goods only as indicated in the budget.

The researcher noted that all the schools in the study were ensuring that their requisition/claim forms and their expenditure cash book were kept up to date. The claim forms (which bear the name of the payee, the amount paid, the date and the details of

payment/s) were filled in for every payment made while the returned cheques were attached to their respective claim forms for audit purposes. These (returned) cheques were checked against the claim forms as they appeared in the requisition/claim form book (PED 016). It was found that all the cheques issued corresponded with the claim details, thus validating the claims and the payments made. All the cheque books counterfoils contained the required information, that is, the date, the amount, the person paid, a description of what was purchased/the services rendered and the amount paid. The chairperson, principal and treasurer had all signed the requisition forms. This provided proof that the authorisations had been made before any payment was effected. All the particulars of payments by the schools were posted to the expenditure cash book and then taken to the monthly reconciliation for auditing purposes.

4.4 CONCLUSION

This chapter focused on the presentation and analysis of the data gathered from six selected no-fee schools in the Maraba Circuit of Limpopo Province. The data was collected using interviews and a document analysis and related to the perceptions of the SGB members of their roles in financial management. The analysed data pointed to rather than led to the emergence of the following findings. The findings are presented in the next chapter.

CHAPTER 5

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

The previous chapter presented and analysed the data gathered from both the interviews that were conducted with the study participants (6 principals, 5 SGB chairpersons, 5 finance officers and 6 school treasurers) and the documents that were analysed. The findings presented in the previous chapter are summarised and discussed in this chapter. In addition, based on the findings of the study, recommendations are suggested.

5.2 DISCUSSION OF THE MAJOR FINDINGS FROM THE STUDY

The study investigated certain of the school governing body members' perception of their financial management roles in specific no-fee schools in the Maraba circuit of Limpopo Province. In addition, the study investigated the number of tasks that the members of SGBs need to perform in order to manage their school finances effectively and efficiently.

The data of the findings from the interviews and the documents analysis were triangulated in order to arrive at the following salient major findings.

5.2.1 Handling of finances at schools

The following three major findings emerged with regard to the SGBs' handling of school finances:

5.2.1.1 Appointment of finance officers

The study revealed that, in accordance with the relevant statute, the schools in the sample had appointed finance officers to handle the day to day duties in respect of schools' finances. However, the study also found that three of the six finance officers had been appointed by the principals. This is in contravention of Circular 22 and Prescripts (2011) which both stipulate that it is the responsibility of the SGB, and not the principal, to appoint the finance officer and that this appointment must be done in writing. The study did find that the appointment letters of the finance officers had indicated what their duties and responsibilities were in relation to the management of the school finances and also the duration/term of office of their

appointment as finance officers. All the finance officers had been appointed for a year. The letter also included a clause which indicated that there was a possibility that their contracts would be renewed. This, suggests that their term of office/duration could be reviewed on a regular basis.

5.2.1.2 Bank account

The governing bodies of public schools are mandated to open and maintain one bank account, namely, a cheque/current account, and in which school funds are kept (see section 37(3) of SASA, Prescripts for the Management of School Funds in Limpopo of 2006; 2009; 2011 and circular 22 of 2002 of Limpopo Province).

The findings in this study revealed that the schools in the sample were complying with the relevant legislations. The deposit books of the schools revealed that the schools in the study all had one banking account in the name of the school. The monies collected by the schools were receipted in the receipt book (PED 014) and then deposited in the school bank account. The deposit slips were stamped by the bank and attached to the deposit book. As recommended by Kruger (2011:72), the monies collected by the schools were deposited in the schools' cheque account. In addition, the study revealed total compliance with statutory requirements in that all the cheque books' counterfoils contained the required information, namely, the date, the amount, the name of the payee and the amount paid. The returned cheques, which had been filed, had been counter-signed by two people, namely, the SGB deputy chairperson and the treasurer (two signatories). This was in line with the Basic Manual of Finances in Western Cape (undated), circular 22, SASA, Prescripts (2011) and the study conducted by Makrwede (2012) which all agree that there should be three cheque signatories and that any two of the three may sign cheques. It was, however, found that the cheques of one of the schools were not returned. In addition, the study found that the schools which participated in the study paid their expenses/expenditures by cheques and not cash.

In contrast to the view of Kruger (2011), who suggested that all monies received be deposited in bank on a daily basis, monies received by the schools in this study were not remitted to or deposited into their respective bank account on a daily basis. However, the researcher also found the schools were unable to make deposits on a daily basis as they are situated far from the town where their banks were situated.

This study revealed that two of the schools had signed blank cheques. This is contradictory to the policy frameworks which prohibits from signing blank cheques with the Prescripts (2011) stating clearly that, under no circumstances, shall a blank or “cash” cheque be issued.

5.2.1.3 Budgeting

In common with the SGBs of all other public schools in South Africa the SGBs of the no-fee schools in the Maraba Circuit of Limpopo Province are required to prepare a budget each year according to the guidelines determined by the MEC and published in the provincial gazette. It was found that all the schools in the study were adhering to the guidelines of the Prescripts on the Management of Finances in Limpopo Province and circular 22 of Limpopo Province and which provide the following breakdown of the percentages allocated to expenditure of the budget, namely, 17% for administration; 60% for teaching and learning; 10% for sports; 8% for ablution and 5% for transport. The study found that the budgets of all the schools were in line with this breakdown. In addition the budgets indicated the items to be purchased under each category. (Chapter 4 section 4.3.1.3).

The study also revealed that all schools in the study prepared their budgets for the next financial year during either the third term or the fourth term of the year. Section 34(2) of SASA states that: “the state must, on an annual basis, provide sufficient information to public schools regarding the norms and standards budget allocation to enable public schools to prepare a budget for the next financial year”. The Department of Education sends the indicatives to all schools which indicate the amount to be paid to each school. This information is essential for budgetary purposes. The schools in the study prepared their budgets and presented them to the parents in accordance with legal requirements. As proof of this the attendance register and minutes of the parents’ meetings at which the budgets were presented were attached to the budgets which had been drafted. This is in line with the requirements of the prescripts of Limpopo Province that the attendance register which has been signed by each parent who attends the meeting must be attached to the minutes of such meeting. These attendance registers which were attached to the budgets of the schools in the study served as confirmation to the fact that the behaviour of the schools was in line with the assertions of Kruger (2011) and Marishane and Botha (2004) to the effect that principals and SGBs alike should develop a total-school approach to the drafting of the budget and that this involves a joint decision-making on the part of all the stakeholders represented on the SGBs in respect of the financial resources as well as the allocation, distribution and spending of

such resources. However, it was worth noting that one school (school D) did not involve the SGB members such as the chairperson, deputy chairperson, treasurer, secretary and deputy secretary in the drawing up of the budget as the budget was drafted by the principal alone in her office. This, suggests that there was no consultative process involving the stakeholders in this school.

This study also found that some of the schools did not use their budgets as a guiding tool for planning and addressing the needs of the schools but that they drafted their budgets merely in order to comply with the departmental regulations and to be able to submit their budgets to the circuit office. In addition, three of the six schools did not implement their budgets particularly when making procurements. Of these three schools two were found to be paying for factotums while one had purchased goods for which the school had not budgeted. This finding corroborates the findings of the study conducted by Xaba and Ngubane (2010) that some schools were experiencing challenges in respect of the expenditure as indicated in their budgets. Clarke (2012) maintains that drawing up the annual budget and implementing this budget is probably the biggest and most challenging task facing the SGB. The financial prescripts indicate that, if any expenditure needs to be made and which is not in the budget, the school concerned must obtain the approval of both the SGB and that of a general parents' meeting.

5.2.2 Finance committee

In order to manage school funds effectively, the SGB should delegate the day to day financial management to the finance committee. According to Clarke (2012), Mestry (2004) and Mestry (2006), the SGB must appoint a finance committee in order to manage the school's money. In addition, the literature indicates that a properly constituted finance committee will ensure that various aspects of school improvement are approached in a coherent manner (Marishane & Botha 2004). SASA section 30(1) mandates the SGB to establish committees and/or sub-committees to assist it in executing its functions while Circular 22 of 2002 indicates that it is the responsibility of the SGB to elect the school's finance committee.

The study found that some of the schools in the study were adhering to section 30(1) of the SASA and Circular 22 of 2002 in terms of the formation of committees and sub-committees as some of the schools had appointed finance committees. The establishment of a school finance committee indicates that the SGB understand the importance of a finance committee.

However, schools B, C, D and E did not have finance committees. In the school with finance committees, the formation of this committee differed from school to school in terms of its composition. The literature (Circular 22 of 2002, Prescripts 2011, Moabelo & Uweyizamana 2011) indicate that there must be nine members serving on the finance committee and that parents must be in the majority. Although the SASA does not specify the number of members on this committee it does indicate that, in every committee established in a school, the parents must be in the majority. The study found that the schools in the sample had varying numbers of members on this committee and that, in one school, teachers were in the majority. This was contrary to the literature findings and policy mandates. However, the study also found that the finance committees in the schools were not as effective as they ought to have been.

The study found that, in the main, the finance committees in the schools that participated in the study were not functional except in procurement. This dysfunctionality may be attributed to the fact that the members of these committees appeared to have very little knowledge of financial matters. However, in case in which finance committee members have limited knowledge, the duties of the finance committee may be delegated to individuals outside the SGB and who possess the necessary expertise, specialised knowledge or skills in school finances (Bischoff & Mestry 2003, Mestry 2006). However, it appeared that not one of the schools in the sample were outsourcing in this regard.

Not one of the schools were able to produce any minutes of finance committee meetings and neither was there any evidence of the finance committees reporting to the SGB despite the recommendations in the literature (Potgieter et al. 1997; Prescripts 2011). This, highlights the dysfunctionality of these committee as it would appear that they were not holding meetings and, thus, commitment and discussion and reporting of financial matters questionable. This is, therefore, a concern in terms of financial legislation and policy. Some of the schools in the study were found to be operating without a sound financial policy. According to Selesho and Mxuma (2012), there is a need for a sound financial policy if schools are to manage their finances effectively and efficiently as such a policy will provide guidelines on crucial aspects of handling finances, for example, who banks the monies; who audits the books; who heads the finance committee and who the finance members are. Furthermore, such a policy will outline the procedures to be followed with regard to procurement and the use of school funds. Marishane and Botha (2004), Selesho and Mxuma (2012), Mestry (2004), Mestry (2006), Bischoff (1997) and Potgieter et al (1997) all emphasise the importance of a working and

functional finance committee if schools are to manage their allocated funds effectively and efficiently.

5.2.3 Fundraising

According to Bischoff (1997:132), the funds allocated to schools by the state are inadequate. Section 36(1) of SASA (Responsibility of the SGBs) stipulates that the SGB of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education for all learners of the school. Furthermore, section 20(2) of SASA (Functions of all SGBs) stipulates that the governing body may allow the reasonable use of the facilities of the school by the community for social and school fund-raising purposes, subject to such reasonable and equitable conditions as the governing body may determine and which include the charging of a fee or tariff which accrues to the school. Nyandoro et al. (2013) maintains that fund raising is imperative to back up all programmes in the school so as to maintain and raise standards. It is thus, not in contravention of either policy or legislation if schools attempt to generate funds in order to supplement the resources supplied by the state (Ngwenya 2002:82).

The study found that all schools in the study were raising funds as per the legislative mandates. The common fundraising methods used in all the schools included allowing the learners to wear “casuals” while in some of the schools, in addition to the “casuals”, snacks were sold to both teachers and learners to make a profit. “Casuals” refers to the practise where learners do not wear their school uniform to a school and they pay a certain amount to wear casual clothes. Studies conducted in countries such as England, Wales and Canada found that fund raising often took the form of appeals for donations, industrial sponsorship and the sale of school services to business. These schools all had functional fundraising committees. In the schools in this study the fundraising was done by the teachers (through the learners by selling snacks for the school) at the schools as parents members of the SGBs were not able to be at the schools to sell snacks and to organise for learners who are not in “uniform/casual” to pay. Fund-raising is, in fact, the responsibility of the SGB.

Another notable finding in this regard was that all the schools in the study operated without the functional fundraising committees suggested in the legislative framework. SASA section 30(1) and Potgieter et al.(1997) highlight that the SGB may establish committees for the purposes of fundraising, procurement, maintenance etc. However, in the absence of fund-

raising committee and the participation of the SGB in such committee, funds raising activities become the responsibility of the teachers. The researcher is of the opinion that the SGBs of the schools in this study had not established fund raising committees to manage fundraising.

It may, thus, be concluded that the schools in the study were unable to raise adequate funds as the parents were not able to do so and neither did there appear to be any other means of funds generation. The study conducted by Nyandoro et al. (2013) in the Chimanimani West Circuit in Zimbabwe found that the school development committees (akin to the school finance committees in South Africa) were unable to raise any funds apart from school fees. As in Zimbabwe, the majority of the finance committees in South African schools appear to lack both the capacity and skill to find other sources of funds and, hence, they resort to “casuals” and selling snacks to learners and teachers as ways of raising funds. This lack of capacity and skill is the most prevalent in the formerly disadvantaged schools such as the schools in this study. However, while these schools may have seen to asking for money (token) from learners for “casual wear” the researcher perceives the situation in a different light. In fact, this study found that all the schools were charging the learners a fee and disguised it as fundraising because the learners were paying money for the ‘casuals’. Besides using casual wear as the sole means of fundraising the schools could use other ways in which to raise funds, for example; raffles, donations, concerts and the outside use of school facilities. “Casuals” means the learner have to pay a fee and, in the opinion of the researcher, this is contravention of SASA, the Financial Prescripts (2011) and the NNSFF.

5.2.4 Procurement of goods/services

The study found that the schools in the sample used their recurrent cost allocations amounts in two ways, namely, the procurement of learning and teaching support materials (LTSMs) and services/repairs/maintenance. According to Setoaba (2011:117) and Friedriksen (2007:39), the no-fee school allocations should be used for purchasing the basic learning and teaching-support materials so as to enhance the quality of teaching and learning process in schools. The bulk of these allocations (more than 60%) in all the schools in the study were used for the LTSMs while just less than 40% was used for other purposes such as sports, minor repairs and maintenance (fences and security). Both the literature and legislation (Mestry (2004); Mestry (2006); the Prescripts of the Management of Finances (2011) and Circular 22 of 2002) recommend fixed percentages for the procurement patterns in schools, specifically with regard to classification of expenditure in the budget.

When analysing the budgets of the schools in the study, it was found that all the schools, when procuring goods/services, did so in line with the recommendations of literature, as cited above. In other words, the schools used 60% for the LTSM and 40% of their total allocations for all other requirements such as services/repairs/maintenance.

The study found that all schools were dealing directly with suppliers and contractors using the standard procurement procedures and in accordance with their budgets. According to Mestry (2004), the main advantage of dealing directly with suppliers and contractors is that the SGBs may negotiate discounts on behalf of the schools. This was found to be in line with SASA section 110. In addition, the study found that all the schools in the study kept their vouchers/invoices from their suppliers with these vouchers serving as evidence for audit purposes.

Five of the schools used their finance committees for the procurement of goods/services (LTSMs and/or minor services/repairs) whereas one school had a duly constituted procurement committee that dealt with procuring goods/services for the school. This is in line with the literature findings as Mestry (2006) points out that the finance committee must monitor and approve all expenditure and ensure that all procurement is done through the correct quotation and tendering process. Mestry (2006) further maintains that the two committees (finance and procurement) may perform the same duties and, thus, that one may act as proxy for other. With regard to procurement, the study found that the procurement processes of all the schools were in accordance with the legislative frameworks in respect of the procurement of goods/services with each school seeking at least 3 quotations from different service providers before procuring any goods/services (as the standard procurement procedure). In addition to three quotations four of the schools also took into account the quality of the product being purchased/service being rendered as a way of ensuring the principle of value for money. This, too, was in accordance with the Prescripts.

5.2.5 SGB members' roles and responsibilities

The principals in the schools all provided evidence that they had a clear understanding of their roles and responsibilities. They indicated that, included in their duties they fulfilled the role of accounting officers in their schools. This is in line with EEA (1998), Mestry and Bischoff (2009) and the Prescripts (2011) which states that, as the chief accounting officer, the principal must assist the SGB in prioritising projects and in monitoring and controlling

the budget. Newcombe et al (1997) suggest that the ultimate responsibility for the financial management of the school rests with the chief accounting officer of the school, who is the principal. The principals were clearly carrying out both their financial and their professional management roles effectively and efficiently and, thus, playing a dual role in school, namely, as a professional manager under the authority of the HOD and as an advisor in the governance matters in accordance with section 16 of SASA.

Despite the fact that SASA section 16 is clear about the roles and responsibilities of the SGB chairperson and principal (that of governance versus professional management), this study found that some of the chairpersons of SGBs did not understand their functions, and as a result, they exceeded their responsibilities and duties. According to Mestry (2013), the role of the principal and SGB in managing a school's finances is complex and that the functions of the principal and SGB may overlap, giving rise to conflict between them. It was clear from the research conducted by Van Wyk (2004) that it would appear that this overlapping of duties and responsibilities is common in South African schools.

This study noted that some of the chairpersons came to the school to "monitor the attendance of teachers and whether the teachers are, in fact, in their classes and teaching". Similar observations were noted in the study conducted by Mavuso and Duku (2014) to the effect that the principals viewed such behaviour, and rightfully so, as interference by the chairpersons in the duties of the principals. This study found that the chairpersons, of the SGBs, as the leaders of the SGB committees, appeared not to be clear about their roles and responsibilities as they were found to have overlapping the professional management duties assigned to the principals. Sections 20 and 21 underline that the SGB chairpersons are to participate in the management of schools in terms of their allocated functions only.

The responses from the treasurers and finance officers revealed that their perceptions of their roles and responsibilities often differed. The majority of the treasurers regarded the signing of cheques as their main responsibility as regards the duties of treasurers listed in section 5.3 above. This, indicates that the treasurers and finance officers were not clear about their roles and responsibilities in relation to the management of the finances because, according to Circular 22 of 2002 and the Prescripts of Financial Management of 2011 of Limpopo Province, their duties extend beyond the signing of cheques.

With regards to roles and responsibilities of the SGB members it was only the principals who had converging ideas about what was expected of them. The study found that the other

members appeared to be uncertain about what was expected of them. In short, their knowledge about their roles and responsibilities in financial management seemed to be inadequate. This means that they needed someone with financial expertise to guide them (Mavuso & Duku 2014). These findings confirm Chikoko's (2008) findings that the SGB members, particularly the parent members, appeared to depend on the school principals to inform them about their roles and responsibilities because, in many cases, the majority of SGB members are unable to read and understand the policy framework as a result of their lack of education. This does not bode well for decentralisation as the government is pouring millions, if not billions or trillions, of rand into schools and it would appear that, those who are to manage those funds do not possess adequate financial management skills.

In conclusion, the study conducted by Bagarette (2011) highlights that it is imperative that the National Department of Education clarifies the roles and functions of both the SGBs and the principals (although the principal is a member of the SGB) to ensure that every member is aware of the boundaries of his/her involvement in the school. In support of this assertion Clarke (2007), maintains that the overlapping of responsibilities must be minimised as this often causes conflict with no one taking responsibility of what is happening.

5.2.6 Reporting on the use of funds

The study found that the schools in the study were reporting to their various stakeholders about the use of funds in a variety of ways, including parents' meetings, the submission of audited financial statements as well as monthly and quarterly financial statements. It is clear from the data which was analysed that reporting is an important means or form of accountability.

The study found that all the schools, through their principals and SGBs, reported their financial status to the school stakeholders at meetings. According to Kgetjepe (2012:60), the latter may be regarded as representing the most important form of accountability on the part of principals and SGBs. It emerged from the interviews with the chairpersons that the main reason for holding parents' meeting was that the majority of parents are not able to read and write. The number of times such meetings were held varied according the needs of the individual schools, for example; it was found that some of the schools reported to their stakeholders twice a year and others once a year. The financial statements were presented at these meetings. According to Serfontein (2010) and Ngidi (2004), the accountability of SGBs

to their constituencies is covered in the Schools Act, with section 18(2)(b) of SASA providing for meetings with parents, learners, educators and other staff members while section 18(2)(e) obliges the SGBs to render reports on their activities. In addition, section 20(9) of the same Act provides for the presentation of annual financial reports.

Not only must reporting be done to the parents as stakeholders but also to the Department of Education (DoE). The study found that the schools in the sample reported to the DoE about how monies were spent through the submission of monthly and quarterly financial returns and audited financial statements. Submissions happened once every term in accordance with SASA, the Prescripts and Circular 22 whereas the audited financial statements were submitted once a year in February/March of the following financial year. Section 43(5) of SASA stipulates that the SGBs, through the principals, must submit the audited financial statements to the HOD within six months of the end of each financial year.

5.2.7 Monitoring and control of financial records

The literature emphasise the importance of control in financial management (Motsamai et al. 2011; Bischoff 1997; Clarke 2009, Ntseto 2009). According to Motsamai et al (2011), control is the manager's means of checking up. However, not only must schools carry out internal control but also external control. Both internal control and external control are policy directives (Xaba & Ngubane 2010), for example, SASA section 43(1) compels all schools to acquire the services of an independent auditor(s) to monitor and control their financial books.

5.2.7.1 Internal control

The study found that three out of the six schools ensured that the monthly and quarterly financial returns were controlled internally by the principal (as the chief accounting officer), the finance officer (as the secretary of the finance committee) and the treasurer (as the chairperson of the finance committee). The fact that monthly and quarterly financial statements were checked and controlled by three people was in line with the segregation of duties in terms of which, the work of one member is checked by the other, and as suggested by Makrweide (2012:29) and Brent and Finnigan (2008:11). According to Circular 22 of Limpopo Province, the aim of this segregation of powers and functions is to avoid fraud, cheating and detect errors. The monthly and quarterly statements were then submitted to the district office via the local circuit office. There was evidence of this submission to the circuit

office, as required by the Prescripts, as all the returned monthly and quarterly statements had been date stamped by the circuit office.

The study found that 50% of the schools that participated in the study (three out of six) were, in fact, monitoring their financial books at least once a term and presenting the monthly/quarterly reports to the SGB once every three months, whereas the remaining 50% did not monitor their financial books. In terms of the Prescripts on the Management of Finances (2011) and Circular 22, schools must prepare the financial statements on a monthly basis and submit them to the circuit office on a quarterly basis.

5.2.7.2 External control

The study found that all the schools in the sample had appointed an independent auditor in terms of the applicable legislation. The 2013 audited financial statements, of all the schools in the study revealed that, as a legal requirement of SASA section 43(1), their financial books had been audited by an external auditor. The audit report of all but one of the schools indicated that the schools' finances were sound as, according to their respective auditors, no school was found to have mismanaged, embezzled or misappropriated funds. However, the study revealed the schools were not auditing their assets and liabilities as required by law, SASA section 42(a). The audited financial statements were submitted to the Department of Education through the circuit offices and presented to the parents at the parents' meetings called specifically for the purpose. The submission to the Department of Education is informed by SASA section 43(5) that states that the SGB must submit to the Head of Department, within six months after the end of each financial year, a copy of the annual financial statements which have been audited or examined. The presentation of the annual audited statements to the parents is in line with the Prescripts (2011) which compel schools to present the annual audited financial statement to the parents at a parents' meeting held not later than 30 March of the following year.

5.2.8 Training/capacity building of SGB members

As stipulated in SASA section 19(1) and (2), the provincial education department (PED) must ascertain that the SGB members (whether new or old) within the department's jurisdiction are empowered to manage school funds effectively and efficiently. Such empowerment may be achieved only through intensive training. Lekalakala (2006:82) maintains that the objective of

such training is to provide the SGBs with the necessary skills, including financial management skills, to enable them to function effectively.

The findings of this study revealed that some of the SGB members had been trained in financial management by their circuit officials and some by the principals. However, despite the training that had been conducted, some members of the SGBs, particularly the chairpersons, finance officers and treasurers still held varying views on their roles and responsibilities. These may possibly be attributed to the fact that the workshops had been conducted in English and some of the chairpersons and treasurers found it difficult to understand English. One chairperson had relied on his principal to translate what was been said. Another factor which might have played a role was the duration of the workshop as the workshops had been limited in the time they had taken.

5.3 RECOMMENDATIONS

Based on the findings of the study the researcher proposes the following recommendations.

5.3.1 Recommendations for the Department of Education.

5.3.1.1 Intensive and on-going training of the parent members of SGBs on their roles and responsibilities in managing the finances.

There must be on-going and intensive training of the parent SGB members on their roles and responsibilities as stipulated in SASA as it is clear that their competency is directly related to the amount of training they receive. Accordingly, intensive training should be implemented in order to help them to cope with their tasks (Van Wyk 2004). Thus, section 19 (1) and (2) of SASA (Training of Newly Elected and Already Serving SGB Members) must be enforced by the PED through their various circuits in respect of the local schools. The duration of the training must also be taken into consideration. The literature recommends that a minimum of two sessions per year be conducted (Bagarette 2011). In addition, the language used in the training must correspond with the level of understanding of the recipients. In other word, the training should be presented in the language spoken by the community. Van Wyk (2007) asserts that the SGB members, particularly the parent component, should receive copies of SASA in their own language and that the training they undergo on the content thereof be offered by people fluent in the local vernacular

5.3.1.2 Qualifications of principals in the area of financial management

In order to meet the demands of their financial management role it is essential that the principals possess a basic qualification in financial management. This study revealed that principals often have various academic backgrounds while their training in financial management is limited. Accordingly, the Department of Education is advised, or rather encouraged, to employ principals who possess a basic qualification in finance for example; an advanced certificate (ACE) in finance management. This would be in line with international norms for, as Maronga et al. (2013) note, in Kenya for example, the ministry of education has called for the appointment of personnel qualified in the management of finances. This led to the improved financial management in Kenyan schools. However, if this is not practically possible then the principals must be required to undergo short courses in financial management if they are to be equipped to fulfil their tasks successfully. In addition, this would assist principals to train their own staff members in financial management if the Department of Education does not offer such training.

5.3.1.3 Continuous monitoring of and support on the implementation of financial policy

In addition to training that the Department of Education is providing to schools, the Department must also provide support and monitor the use of finance in schools on an ongoing basis. This will enable the Department to detect problems facing the schools immediately and deal effectively with such problems effectively. In view of the fact that schools are requested to plan their budgets and implement them accordingly, monitoring and support will enable the Department of Education to individual schools to implement the budgets they have drawn up effectively as situations all differs. It is the view of the researcher that, in its current form, the Department is using a one size-fits-all approach to the monitoring and support functions without taking into account contextual factors, for example; the location either rural or urban of schools, and the capability of the SGB members of individual schools.

5.3.2 Recommendations for schools

5.3.2.1 Formation of committees under the SGBs

According to section 30 of SASA, Potgieter et al. 1997, the SGB is entitled to establish both committees and sub-committees, for example, executive committees, finance committees,

fund-raising committee, tuck-shops committees, etc. It is, thus, recommended that SGBs establish various committees in line with legislative and policy frameworks.

The researcher recommends that schools establish at least two sub-committees, namely, a sub-committee on finance and on fund raising. As the arm of the SGB in the everyday management of finance it is not possible for a school operate without a finance committee. It is, therefore, vital that each school appoint a finance committee and ensure that this committee is operational. This committee must formulate the financial policy document that guides all the relevant parties in the execution of their duties, roles and responsibilities.

The researcher is of the opinion that schools must establish fund raising committees to plan and coordinate all the fund raising activities. These committees may include parents, educators, non-teaching staff (if they exist) and/or learners particularly in high schools. The formation/establishment of this committee will mean that the burden of fundraising is not placed on the teachers because, at present, it would appear that teachers are raising funds on behalf of the SGB while, at the same time, those teachers are supposed to be in their classes teaching.

5.3.2.2 Fundraising in schools

Section 36(1) of SASA stipulates that the SGB of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education for all learners at the school. Fundraising is universally applied to supplement school resources and, therefore, schools must engage in it. In order to achieve reasonable results in terms of fundraising, schools must establish fundraising committees to plan and manage all the activities related to the raising of funds. This study found that the schools in the sample tended to concentrate their fundraising on “casual wear” as a way of raising funds. This is, however, a very narrow view and, in the opinion of the researcher, exploitative especially in the view of the fact that the schools in the sample have been labelled as no-fee schools. It is, thus, recommended that schools develop more realistic fundraising mechanisms in other words beyond raising funds through “casual wears”. Other fund raising activities such as donations, raffles, concerts and renting out of school facilities should be explored and utilised. This diversification of fund raising activities would help to address the problem of charging learners any fees whatsoever as it is illegal to do so, particularly in no-fee schools.

5.3.2.3 Internal training of SGB members

As the chief accounting officers of their schools principals are the resource persons and it is incumbent on them to impart their knowledge of financial policies to other members of the SGBs, particularly the parent members. In accordance with the Prescripts the principals are charged with the responsibility of ensuring that the acts and prescripts relating to finance are adhered to at all costs. The researcher contends that, if the parent members of the SGBs were fully trained by the principals at the local level (schools) they would have a better understanding of their roles and responsibility than is presently the case. In this training the circuit official may be invited.

5.4 RECOMMENDATIONS FOR FUTURE RESEARCH

As a discipline education must be developed on an on-going basis. However, this is possible only through rigorous, critical and continuous research (Ngwenya 2002). Although it is not possible to generalise the findings from this study to other schools within and across the circuit, it is recommended that topics listed below be researched further as these topics were all highlighted by the participants and appeared to be areas of concern for the participants:

- The functionality of the school finance committees in no-fee schools.
- The impact of training SGB members on managing finances.
- Budgeting in schools and its implications

5.5 CONCLUSION

The conclusion drawn from the study will be discussed based on the following two sub-headings or aspects.

5.5.1 Conclusion linked to the literature review

Recent studies (Mbatsane 2006; Thwala 2010; Makrwede 2012; Thenga 2012; Kgetjepe 2011; Mahlangu 2008; Makhubela 2005; Ndou 2012) on financial management in public schools have focused on the requirements of SASA as the key legislative framework in the management of finances in schools. This study was no different.

In addition to SASA all the schools in Limpopo Province are supplied with the Prescripts on the Management of Finances (2006, 2009, 2011) as a further guiding document on financial

management. These prescripts are reviewed and updated at regular intervals (usually on an annual basis) as the management of finances is a dynamic process. The prescripts and SASA indicate clearly the guidelines to be followed in organising, managing and controlling the finances at schools. Furthermore, they stipulate the functions that are to be performed by the SGB and provide direction on the procurement of goods/services.

As a way of decentralising power, the government of South Africa introduced a new governance structures in schools in the form of democratically elected SGBs. These SGBs are governance structures in the schools that are mandated to implement the imperatives of SASA, with SASA placing an obligation on the SGBs to organise, govern and manage schools.

In terms of SASA and as highlighted in this study, the SGBs are mandated to carry out financial responsibilities which include the formation of committees that will help the SGBs to manage and organise its activities (SASA section 30). Examples of such committees include, inter alia, finance, fundraising, executive committees. The members of these committees may be selected on the basis of the particular expertise that they will bring to the SGBs. In terms of section 36 the SGB is entitled to raise funds, in legal ways, in order to supplement the financial resources that the state gives to the schools so as to enhance the quality of teaching and learning. Section 37 mandates the SGB to handle the school funds and assets of public schools, no-fee schools included. The SGB of a school is obliged to open and maintain one bank account in which the school funds will be kept. However, in line with a SASA amendment, the opening of one bank account does not prohibit a public school from investing surplus money with the approval of the MEC. The schools in this study neither declared nor did they reveal that they had surplus funds in their accounts. This silence on the investment of surplus fund may suggest a narrow mindedness on the part of these schools and, hence, their emphasis on fund raising through casual wears.

The study revealed that, despite the participation of the SGB members in financial management, some of the SGB members did not understand their roles and responsibilities in this respect. This was clear from the findings which revealed that, in some cases the chairpersons, finance officers and treasurer had provided very different answers to the same questions. It was only the principals who had provided similar answers to the same questions. This showed that the principals, as accounting officers, appeared to be clear about their roles and responsibility except for minor challenges, for example, one principal was drawing up

the school budget on his/her own. As a result the other SGB members were relying on the school principals because of their financial knowledge of managing the finances of the school.

As far as the legislative framework and policies were concerned the study revealed certain problems although it appeared that all the schools were doing their best to comply with the policy frameworks. The fact that the principals in the study were referring to three policies only (PFMA, SASA and Prescripts) of the many policies enacted by the government as regards financial management was a cause for concern. Policies such as NNSSF, EEA, NEPA and their amended version are all applicable to the management of finances in schools and should be used for the purposes of guidance and clarity should the need arise. On the other hand the study did reveal that the principals were making effective use of the policies they were utilising. It is worth noting that the SGBs were applying the sections that dealt with financial management in both SASA and the prescripts correctly, for example, the fact that the audited financial statements of all the school were clean meant that the SGBs understood and were complying with the policies in this regard.

5.5.2. Conclusion linked to the theoretical framework

The study was informed by decentralisation as the main theoretical framework underlying the study. According to Marishane and Botha (2011) and Botha (2012), decentralisation may be understood to refer to the devolution of decision-making authority from the higher, central level to the lower local level in this case schools. According to Beck and Murphy (1995), as cited in Nyandoro et al. (2013), the logic behind decentralisation is that it empowers local stakeholders and empowerment promotes ownership. Decentralisation is based on the premise that it is the people on the ground who are best suited to handle their own affairs.

The decentralisation in the South African education system originated in the changing of the political and economic climate that had obliged government to move to a greater equality in spending on black and white education and the governance of schools than had previously been the case. Through SASA the SGBs were established to manage school funds (Nyandoro et al. 2013) as part of their functions. On the basis of his field work experience and, particularly, the interviews he had conducted with the participants in the study, the researcher realised that decentralisation is not directly aimed at greater equality in spending in schools but that it is aimed primarily at the promotion of participatory decision-making and

ownership on the part of the stakeholders in education, including the SGB members. In other words, decentralisation in schools is characterised by the promotion of democracy in schools. While government may be interested in providing free education for all, as stipulated in the legislative policies, it is essential that the spirit of democracy is infused in people and, especially, in the learners who are the future leaders. Thus, the schools in South Africa plays a central role in upholding democracy that the country values.

A definite inconsistency as regards their roles and responsibilities emerged from the responses of the participants particularly the parent component who, according to SASA, must be in the majority. Some of the parents were not aware of their roles while others who were aware of their roles, were not able to perform such roles as a result of their deficiencies in the skills required, problems with communication (language barrier) and a lack of time in which to visit the schools because of their work commitment. Accordingly, the researcher is of the view that decentralisation in the no-fee schools is falling short in terms of its applicability and purpose, despite the converging views of the principals on their roles and responsibilities. The principals' demonstration of their knowledge, skills, willingness and performance of their roles and responsibilities which emerged from the study is commendable and conforms with the expectations of decentralisation. However, the researcher believes that "partial centrality", as opposed to "full decentralisation" may be the practice in the schools which participated in the study on the basis of the finding that the principals appeared to carrying out most of the responsibilities of the SGBs except in some instances in which where the teachers on committees whether either performing the roles assigned to them or supporting the principals in capacities commensurate with the functions of the committees. It is worth noting that the principals, as the chief accounting officers in the schools and ex-officio members of the SGBs, play a vital and supportive role in ensuring that the schools' finances are managed effectively.

5.6 SUMMARY

SASA section 16 delegated the governance of schools to democratically elected SGBs and the professional management of the schools to school principals under the authority of the Head of Department. Delegation is one form of decentralisation in school based management and is based on the notion that the SGBs members, as local actors, will be more informed than anybody else about the challenges and the needs of their schools.

Through decentralisation the SGBs were requested to perform functions and allocated functions in schools (ss 20 and 21 of SASA). This study confined itself to the financial planning and management in no-fee schools as one of the delegated functions of the SGBs. According to SASA the SGBs are responsible for the formation of committees (s 30); responsibility of the SGB in raising funds for the school (s 36); school funds and assets of public schools (s 37); annual budget of public schools (s 38); financial records and statements of public schools (s 42) and the audit or examination of the financial record and statements (s 43).

The study revealed that, although the SGB members had different perceptions regarding their roles and responsibility, as outlined in the financial policies, every effort was being taken to guarantee the safe use and effective management of the schools' financial resources. In other words, despite the fact that some of the SGB members did not know what their roles and responsibilities were, the SGBs appeared to be trying to comply with the relevant legislative frameworks to safeguard the school finances. However, the researcher is of the opinion that the goal of decentralisation of finances or the purpose of no-fee schools is yet to be meaningfully attained. Little will be achieved if the SGB members continue to rely on the knowledge of the principals to manage the finances of the school. It is, therefore, the recommendation of the researcher that the SGB members undergo rigorous and continuous training to enable them to understand what the expectations of them are and, thus, equip them to do what is expected of them. In short, the decentralisation of finances in no-fee schools will be realised only when all SGB members understand their roles and responsibilities and do not have to rely on the principals.

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APPENDIX A (ETHICS)



Research Ethics Clearance Certificate

This is to certify that the application for ethical clearance submitted by

K J Dibete [31094821]

for a M Ed study entitled

An investigation into the school governing body members' perception with regards to their financial management roles in selected schools in the Maraba circuit of the Limpopo province

has met the ethical requirements as specified by the University of South Africa College of Education Research Ethics Committee. This certificate is valid for two years from the date of issue.

Prof VI McKay
Acting Executive Dean : CEDU

Dr M Claassens
CEDU REC (Chairperson)
mcdtc@netactive.co.za

Reference number: 2014 OCTOBER /31094821/MC

22 OCTOBER 2014

APPENDIX B

(PERMISSION FROM DEPARTMENT OF EDUCATION TO CONDUCT RESEARCH)



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF EDUCATION

Enquiries: Dr. Makola MC, Tel No: 015 290 9448. E-mail: MakolaMC@edu.limpopo.gov.za

P O BOX 3477

POLOKWANE

0700

DIBETE KJ


RE: Request for permission to Conduct Research

1. The above bears reference.
2. The Department wishes to inform you that your request to conduct a research has been approved- **TOPIC: AN INVESTIGATION INTO SCHOOL GOVERNING BODY MEMEBERS PERCEPTIONS WITH REGARD TO THEIR FINANCIAL MANAGEMENT ROLES IN SELECTED NO FEE SCHOOL IN MARABA CIRCUIT OF LIMPOPO PROVINCE.**
3. The following conditions should be considered
 - 3.1 The research should not have any financial implications for Limpopo Department of Education.
 - 3.2 Arrangements should be made with both the Circuit Offices and the schools concerned.
 - 3.3 The conduct of research should not anyhow disrupt the academic programs at the schools.
 - 3.4 The research should not be conducted during the time of Examinations especially the fourth term.
 - 3.5 During the study, the research ethics should be practiced, in particular the principle of voluntary participation (the people involved should be respected).
 - 3.6 Upon completion of research study, the researcher shall share the final product of the research with the Department.
4. Furthermore, you are expected to produce this letter at Schools/ Offices where you intend conducting your research as an evidence that you are permitted to conduct the research.

Page 1 of 2

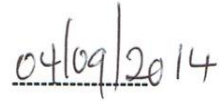
5. The department appreciates the contribution that you wish to make and wishes you success in your investigation.

Best wishes.

Handwritten signature of MR Mash in black ink, written over a horizontal dashed line.

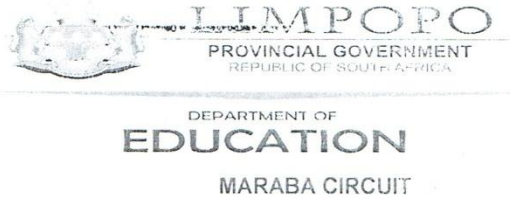
Mashaba KM

Acting Head of Department

Handwritten date 04/09/2014 in black ink, written over a horizontal dashed line.

Date

(APPENDIX C: PERMISSION FROM MARABA CIRCUIT TO CONDUCT RESEARCH)



Enq: Mabale M.S
Tel: (015) 290 9492
Cell: 082 944 3715

09 September 2014

TO: The principal
Dibete K.J

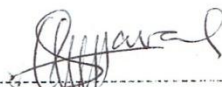
JONAS MANTJIU COMMERCIAL SCHOOL
P. O BOX 3477
POLOKWANE
0700

SIR

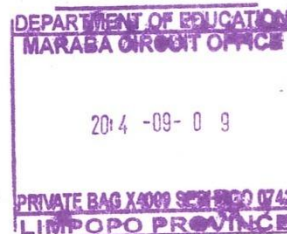
REQUEST TO CONDUCT RESEARCH: MARABA CIRCUIT

1. The above matter refer:
2. Your request to conduct a research in the circuit is approved.
3. All conditions the provincial department needs you to adhere to are here emphasized.
4. We appreciate to be considered for research, hoping that the findings will help prune good practice in our schools.

THANK YOU



CIRCUIT MANAGER (MABALE M.S)



114 Biccard Street PRIVATE BAG X 4009 SESHEGO 0742
We care; we serve; we belong.

APPENDIX D
REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN SCHOOL.

ENQ : DIBETE K.J
CELL : 060 487 5966
Student : 3109 482 1

P.O.BOX 3477
POLOKWANE
0700
...../ / 2014.

THE PRINCIPAL AND SCHOOL GOVERNING BODY

Dear Sir/Madam.

REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN YOUR SCHOOL.

1. The above matter refers.
2. I am a registered student at Unisa studying towards the fulfilment of the requirements for the degree of Master of Education (MEd) in Educational Management.
3. I hereby request permission to conduct research in your school.
4. My research topic is: The roles of the school governing bodies in managing finances in no fee schools in Maraba Circuit of Limpopo Province.
5. 5.1 The principal, SGB chairperson, SGB treasurer and the finance officer will be requested to take part in the study through one on one interview which will be tape-recorded and not exceed 35 minutes for each participant.
5.2. The following SGB documents will be requested for analysis to assist me in completing the study:
 - ✓ Minutes of the finance committee
 - ✓ Monthly/quarterly financial reports
 - ✓ 2014 approved school's budget
 - ✓ 2013 audited financial statement
 - ✓ School's financial policies.
 - ✓ Deposits and cheque books.
 - ✓ Requisition and claim forms.
6. The school is guaranteed that the ethical code of conduct will be adhered to and that the information provided/gained will remain confidential and will be used for the research purposes only.

7. Participants may choose to withdraw from the study should they wish to do so without any penalty because participation is voluntary.
8. A copy of the results of the study will be made available to your school on request.
9. Should you have any question(s) or concerns, please contact me or my supervisor – Dr O.C Potokri, +27842671740 (cellphone); +27(012) 352 4164 (office); E-mail: potokc@unisa.ac.za
10. Thank you.

Dibete K.J (Mr)

Student/Researcher

APPENDIX E
REQUEST FOR PERMISSION TO PARTICIPATE IN RESEARCH STUDY.

ENQ : DIBETE K.J
CELL : 060 487 5966
Student : 3109 482 1

P.O.BOX 3477
POLOKWANE
0700
.../...../ 2014

Dear Participant

**REQUEST FOR PERMISSION TO PARTICIPATE IN RESEARCH STUDY :
YOURSELF.**

1. The above matter refers.
2. I am a registered student at Unisa studying towards the degree of Master of Education (MEd) in Educational Management. The title of the research is: The roles of the school governing bodies in managing finances in no fee schools in Maraba Circuit of Limpopo Province.
3. I hereby request your consent to be interviewed for my research study on an individual basis. The interview session will be tape-recorded with your permission/approval and will not exceed 35 minutes. The interview will be based on the role that you play in managing the finances of the school.
4. The venue, date and time for the interview will be decided with and in consultation with you.
5. You are guaranteed that your participation is free and voluntary and that you can withdraw from participating in the study at any time should you wish to do so. A pledge of secrecy will be signed by you and the researcher.
6. I further assure you, that anonymity and confidentiality will be maintained as a requirement of ethical code of conduct.
7. You will not benefit as an individual, but the school will be given the research document for library keep upon request.
8. I would appreciate it if you could complete the attached consent form indicating your participation/non-participation.

APPENDIX F
CONSENT FORM

I, (Participant) voluntary accept to participate in the research study as highlighted in the letter of request. I understand that I can withdraw from the research without any penalty. I have also received contact details of the researcher should I have any question(s). I understand that my responses and personal details will be anonymous and treated confidentially. I am also aware that I am not entitled to any form of remuneration and free to ask questions should I wish to do so.

I append my signature as a sign of my approval to participate in the research.

Signature of participant:

Date:

Signature for audio recording approval:

Researcher's signature:

Date:

9. Should you have any question(s) or concerns, please contact me or my supervisor – Dr O.C Potokri, +27842671740 (cellphone); +27(012) 352 4164 (office); e-mail: potokc@unisa.ac.za
10. Attached below is a consent form. Please kindly read and append your signature to affirm your willingness to participate in my research.
11. Thank you.

DIBETE K.J.(Mr)
Student/Researcher

APPENDIX G
INTERVIEW SCHEDULE FOR PRINCIPALS

Good-day! My name is K.J.Dibete. I am a student at the University of South Africa studying towards the fulfilment of the requirements of MEd in Educational Management. My research topic is “the roles of the school governing bodies in managing finances in no fee schools in Maraba Circuit of Limpopo Province”. I once more would like to take this opportunity to thank you for participating in the study. You are furthermore guaranteed that your personal details will remain strictly confidential and the information given here will be used for only study purpose.

Thank you for your time.

1. What is the quintile ranking of your school?
2. How does being declared a no-fee school benefit you?
3. Do you have any financial management course/certificate as part of your qualification?
4. Were you trained as a chief accounting officer by your circuit officials to carry out your financial management roles effectively? If yes, explain to me how?
5. As the chief accounting officer, have you trained/inducted other SGB members on their financial management roles?
6. What are your major roles and responsibilities as a finance officer?
7. Does your school have finance committee? Who are the members of the finance committee in terms of their positions?
8. As a no-fee school, which aspects/items can you spend the norms and standards funds on?
9. Which guidelines or frameworks do you follow in managing the school finances?
10. Explain how the procurement procedures are implemented in your school.
11. Does your school have auditors to control the use of funds as is required by section 43(1) of SASA?
12. Do you have internal financial control mechanism in your school? Briefly explain them.
13. How often do you control financial records of your school?
14. How do you monitor the budget of your school?

THANK YOU.

APPENDIX H

INTERVIEW SCHEDULE FOR CHAIRPERSONS OF SGBs

Good-day! My name is K. J. Dibete. I am a student at the University of South Africa studying towards the fulfilment of the requirements of MEd in Educational Management. My research topic is “the roles of the school governing bodies in managing finances in no fee schools in Maraba Circuit of Limpopo Province”. I once more would like to take this opportunity to thank you for participating in the study. You are furthermore guaranteed that your personal details will remain strictly confidential and the information given here will be used for only study purpose.

Thank you for your time.

1. How long have you served in the SGB?
2. Does your school have a banking account? Is it opened in the name of the school?
3. Who are the signatories of this account in terms of their positions?
4. Do you have any experience in managing the finances of the school? How have you been trained/inducted?
5. Explain your role as the chairperson of the SGB in terms of managing finances of the school
6. Which goods or services must be purchased/rendered using the norms and standards funds supplied by the Department?
7. How are you involved in the drawing of the budget?
8. How do you report to parents about the usage of funds?
9. How often do you monitor the financial documents of the school?

THANK YOU.

APPENDIX I
INTERVIEW SCHEDULE FOR TREASURER

Good-day! My name is K. J. Dibete. I am a student at the University of South Africa studying towards the fulfilment of the requirements of MEd in Educational Management. My research topic is “the roles of the school governing bodies in managing finances in no fee schools in Maraba Circuit of Limpopo Province”. I once more would like to take this opportunity to thank you for participating in the study. You are furthermore guaranteed that your personal details will remain strictly confidential and the information given here will be used for only study purpose.

Thank you for your time.

1. Does your school have a bank account?
2. In which conditions can you sign a blank cheque?
3. Does your school have finance committee?
4. What are your responsibilities as the head of the financial committee?
5. Explain how adjudication is done at your school as part of the procurement process?
6. How often do you check and monitor the financial reports as prepared by the finance officer?
7. Does your school have auditors to control and monitor the use of funds as is required by section 43(1) of SASA?
8. When do you draw the school budget?
9. Who draws up the school budget?
10. How do you monitor and control the school budget?
11. How do you report back to parents about the usage of the school funds?

THANK YOU

APPENDIX J
INTERVIEW SCHEDULE FOR FINANCE OFFICERS

Good-day! My name is K. J. Dibete. I am a student at the University of South Africa studying towards the fulfilment of the requirements of MEd in Educational Management. My research topic is “the roles of the school governing bodies in managing finances in no fee schools in Maraba Circuit of Limpopo Province”. I once more would like to take this opportunity to thank you for participating in the study. You are furthermore guaranteed that your personal details will remain strictly confidential and the information given here will be used for only study purpose.

Thank you for your time.

1. Who appointed you to this position and how?
2. Do you have any financial management course/certificate as part of your qualification?
3. Were you inducted as a finance officer?
4. What are your major roles and responsibilities as a finance officer?
5. Do you conduct fund raising activities in your school? If **yes**, explain how ?
6. Which aspects must be reflected in a monthly financial statement?
7. What are the rules for writing the cheques?
8. Which supporting documents are needed for effecting payments?
9. How is accountability of school funds to the stakeholders carried out in your school?

THANK YOU

APPENDIX K

CONFIRMATION LETTER FOR EDITING

Alexa Barnby
Language Specialist

Editing, copywriting, indexing, formatting, translation

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19 May 2015

To whom it may concern

This is to certify that I, Alexa Kirsten Barnby (BA Hons in Translation Studies), ID No. 5106090097080, a language practitioner registered with SATI and in the fulltime employ of the Language Services Directorate of the University of South Africa, have edited the master's dissertation entitled "An investigation into the school governing body members' perceptions with regard to their financial management roles in selected no-fee schools in Maraba circuit of Limpopo province" by KJ Dibete.

The onus is, however, on the author to effect the corrections and changes suggested.

Signed:

