

**The role of the school governing body in financial management in Vhuronga 2
Circuit of Vhembe District**

BY

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MINI DISSERTATION

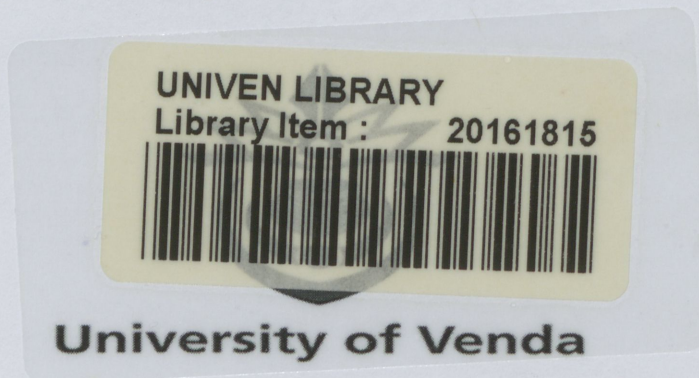
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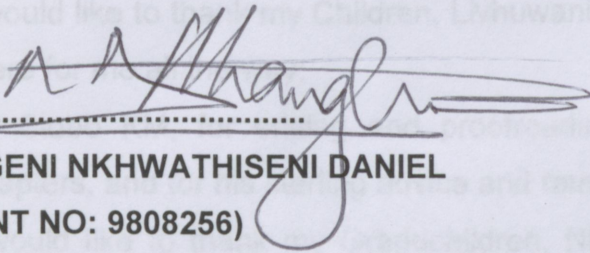
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DECLARATION

I, **Nthangeni Nkhwathiseni Daniel**, hereby declare that the mini-dissertation for the degree of Master of Public Management at University of Venda hereby submitted by me, has not been submitted previously for a degree at this or any other university; that it is my own work in design and execution, and that all reference material contained therein has been duly acknowledged.

- Mrs Nthangeni Mususumeli Suzan, my beloved wife for her words of encouragement, motivation and endless support from the beginning to the completion of this study.
- Prof Kivwshaba MP, my promoter, for his honest but positive criticism that guided and fine-tuned this final research product,
- Mr E Mahole, my co-supervisor, for his honest but positive criticism that guided and fine-tuned this final research product,
- I would like to thank my Children, Lihuwani, Nthangeni and Vhutshifo, You were there for me all the way.



.....
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.....
20.04.2016

DATE

- The Limpopo Department of Education, for granting me permission to conduct this research in Vhembe District, and
- Principals, Treasurers, and Chairpersons of School governing bodies of the schools studied, for responding unreservedly to the research questions.

ACKNOWLEDGEMENT

I, **Nthangeni Nkhwathiseni Daniel**, gratefully acknowledge the following contributors for having made this mini-dissertation a successful and memorable piece of work:

- Firstly to God almighty, in whom I trust, for guiding me and bestowing in me the wisdom to organize and conduct this project,
- Mrs Nthangeni Mususumeli Suzan, my beloved wife for her words of encouragement, motivation and endless support from the beginning to the completion of this study,
- Prof Khwashaba MP, my promoter, for his honest but positive criticism that guided and fine-tuned this final research product,
- Mr E Mahole, my co-supervisor, for his honest but positive criticism that guided and fine-tuned this final research product,
- I would like to thank my Children, Livhuwani, Nthangeni and Vhutshilo, You were there for me all the way;
- Mr Siobo KM, for editing and proofreading the final research proposal and chapters, and for his sterling advice and remarks,
- I would like to thank my Grandchildren, Nkhwathiseni and Ronewa, You were there for me all the way;
- The Limpopo Department of Education, for granting me permission to conduct this research in Vhembe district, and
- Principals, Treasurers, and Chairpersons of School governing bodies of the schools studied, for responding unreservedly to the research questions.

DEDICATION

On my personal note, I dedicate this project to my late Parents, Mr Nthangeni Piet and Mrs Nthangeni Tshinakaho, you were there for me all the way.

The study focuses on the role of an Internal Controlling Body (ICB) in financial management. The study aims to determine the effectiveness of the ICB in financial management. The study also aims to determine the role of the ICB in financial management. The study also aims to determine the role of the ICB in financial management. The study also aims to determine the role of the ICB in financial management.

The study uses both quantitative and qualitative research methods. Quantitative and qualitative research methods were used to collect data. The researcher used an inductive approach to collect data. The study also uses a purposive sampling method. Both primary and secondary data were used to collect data. The study also uses a purposive sampling method. Both primary and secondary data were used to collect data. The study also uses a purposive sampling method.

Major Findings of the Study and Recommendations

- The effectiveness of the ICB in financial management was regarded as inadequate to ensure the accuracy and reliability of financial statements.
- The researcher found that the ICB members were returned by the auditor for the lack of adequate knowledge regarding records of expenditure for the year.
- The researcher also found that financial management is conducted by departmental staff and not by the finance department or internal control body.

ABSTRACT

This study focused on the role of the School Governing Body (SGB) in financial management in Vhuronga 2 Circuit of Vhembe District. The South African Schools Act (SASA), 1996 Section 19, indicates that members of the school governing body have to be capacitated in order to make them efficient to control school funds efficiently. This implies that, a financially effective SGB is in a position to impart to its structures skills acquired from the workshops. The governance of school finances by SGB calls for certain expertise from the SGB members. It is therefore essential for SGB members to possess financial management skills. Members of the SGB need to be equipped to draw and analyze school budget, financial statements and where appropriate to manage school finance.

The study uses both mixed techniques for data collection and analysis. Quantitative and Qualitative techniques were mostly used in that they provide the researcher with an understanding of experiences and the role of the school governing body in financial management in Primary schools in Vhembe District of the Limpopo Province. Random and purposive samplings methods were used for the selection of sample for the study. Both primary and secondary data were used to analyse the data in this study. Secondary data were obtained from government publications, research publication, and reports. Primary data were obtained through questionnaires and interview.

Major Findings of this study are the following:

- The efforts made by the DoE to provide training; was regarded as inadequate to address the complex problems experienced by SGB's
- The researcher found that financial records were returned by the auditor for the school to rectify certain things relating to records of expenditure for the year
- The Departmental SGB training program on financial management is conducted by departmental officials who are either working at the finance department or principals of schools who are used as training teams

- The SGB at this school refuses vehemently to provide a written report to the parents. A comment made by the principal was that they “cannot make a copy for every man who walks in the street

Major recommendations to address the findings these included the point that:

- The DoE should provide more intensified SGB developmental training programmes for SGB’s
- That the Department of Education should ensure that each school has an effective financial management system. This will ensure more accountable management of funds to enhance the quality of education.
- That government should consider revising Section 42 of SASA to enforce compulsory and equal accountability to all stakeholders who contribute into the school fund.
- That short courses on financial management be introduced to upgrade the knowledge levels, skills and understanding of financial matters of SGB members.
- That SGB financial management training programs be designed to suit various levels of capacity to allow a choice, depending on need.

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LIST OF ACRONYM

| | |
|--------------|--|
| COLTS | Culture of Learning and Teaching Service |
| DoE | Department of Education |
| HOD | Head of Department |
| PM | Performance Measurement |
| LTSM | Learning and Teaching Support Material |
| NFSP | No-Fee School Policy |
| NSNP | National School Nutrition Program |
| SASA | South African Schools Act No 84 of 1996 |
| SGBs | School Governing Bodies |
| SGB | School Governing Body |
| SMT | School Management Team |
| RSA | Republic of South Africa |

CHAPTER 1: ORIENTATION OF THE STUDY

1.1 INTRODUCTION

In this study the researcher introduces the motivation behind, as well as the purpose of, the study. It begins with background information on some of the role of the school governing body in financial management in Vhuronga 2 Circuit of Vhembe District. This is then followed by a brief statement of the aim and, lastly, objectives of the study.

1.2 BACKGROUND OF THE STUDY

After the establishment of the first democratic government in South Africa, the Department of Education committed itself in transforming the education system through developing a range of new policies and legislation, which redefined what it means to govern and manage schools, and aimed to achieve equitable access to education and improve the quality of education. School improvement has become part of the educational lexicon. It features in government policies, educational conferences, and most importantly, in school strategies around the world. Indeed, governments have developed substantial programmes of school reform that targeted school governance in the hope of improving the quality of education and learners' achievements. In South Africa there have also been various school development attempts in response to the breakdown in the culture of learning and teaching.

The financial viability of a school relies on the effective financial control measures that are implemented by the school governing body. In a school where members of the school governing body lack the understanding or do not know how to go about controlling the school finances, serious mismanagement of funds may occur. This view is supported by an article in the Sunday times (Tsolo, 2001:6), "the worst headmaster in the land". The article stated how the school manager misused school funds on his personal needs rather than the needs of learners.

It further stated that the school manager spent some of the money on teachers who loaned it and never returned it. The South African Schools Act 1996 (SASA), section 19, indicates that members of the school governing body have to be capacitated in order to make them efficient to control school funds efficiently. This implies that, a financially effective school governing body is in a position to impart to its structures skills acquired from the workshops (Department of Education, 1996:26). Van der Westhuizen (1991:397) states that financial control is not limited to the members of the school governing body (SGB) and the financial structures only. Heads of departments (HODs) have a role to play. He further indicates that the HODs have to prepare and utilize their budgets according to the guidelines laid down by the school governing body. Unfortunately, this does not occur, because the majority lacks understanding or do not know how to control their allocated funds.

The funds allocated to different departments, under the leadership of HODs, are exhausted before the end of the financial year due to poor control. To enable the school to uplift the standard of education in the community, funds are allocated to schools according to norms and standards, which are based on the level of the poverty of the school's community. Therefore, the allocation of the state funds to schools is determined by the financial situation, prevailing in that particular area (Department of Education National Policy Act No.27, 1996:26). These allocated funds cannot cater for the needs of the school under investigation, because of the high level of poverty and unemployment. This unfortunate situation does not allow the school to accumulate enough funds to provide quality education. For this reason, financial skills coupled with knowledge can be of necessity to a section 21 schools. Due to high unemployment and poverty levels, not more than fifty rand per learner can be charged by the school governing body as school fees for the whole year. It further states that allocated funds and monies raised as school funds cannot meet the needs of the school. With the advent of the new democratic order, the principle of equal educational opportunities and standards became increasingly important in order to redress the financial imbalances of the past. For this reason, schools had to generate more money to be used,

administered and managed as school funds. Therefore, efficient and effective financial administration is imperative for the schools' financial viability (Bisschoff, 1997:14).

The management of school finances by SGB calls for certain expertise from the SGB members. It is therefore essential for SGB members to possess financial management skills. Members of the SGB need to be equipped to draw and analyze school budget, financial statements and where appropriate to manage school finance (Davidoff & Lazarus, 1997:107). But a concern is that many SGBs are not well trained and as such they do not know what is expected of them with regard to school finances. 'They only sign cheques and do not work according to their budgets' (van Wyk, 2004:53).

The problem of capacity is more pronounced in rural areas where schools are less able to recruit appropriate SGB parents' component members or find SGB parents' component with the necessary skills and expertise (Creese & Early, 1999:2). In black rural schools the illiteracy level of parents is high with the result that SGB parents' component members are not well equipped for their governance functions (Nyambi, 2004:12). While SGBs are tasked with this big task of governing school finances the biggest challenge is that in most of the rural areas the SGBs do not have the required skills and expertise to exercise their powers regarding to financial governance as stipulated by Law (Motala & Pampalis, 2005:153).

1.2 Statement of the problem

According to Section 19 of the South African Schools Act 84, 1996 the provincial department must offer a programme of introductory and sustained training for newly elected governing bodies. Section 11 of SASA, of 1996 states that to ensure effective implementation of a school budget, the head of the school, teaching and non-teaching staff, the members of the school governing body and the learners, from grades eight to twelve should be consulted when a school budget is drawn. Section 19 of SASA, of 1996, stipulates that the members of the school governing body and the financial structures (fund-raising and financial committees), and should be capacitated to control

the school finances efficiently. Contrary to this fact, the majority of the SGB members, the school manager and school finance committee are not trained.

Despite the provision of this legislation the problem in Vhuronga 2 Circuit is that no training of SGB members on financial administration has taken place and one does not know when training will be done. The training and continuous attendance of workshops of SGB will promote effective performance of their functions to enable them to assume additional allocated functions. As Section 21 schools are expected to manage their own funds and budget for better and quality education or curriculum delivery, which is a core function and responsibility of any educational institution.

1.3 AIM OF THE STUDY

The overall aim of the study is to determine the role of the SGB in financial management in Vhuronga 2 circuit of Vhembe District

1.4 SPECIFIC OBJECTIVES OF THE STUDY

- To evaluate the role of the SGB in controlling school finances in Vhuronga 2 circuit.
- To determine the financial management skills available among individual SGB members of Vhuronga 2 circuit
- To identify the challenges facing the SGB on the implementation of the finance policies on the management of school fund
- To come up with recommendations that can help to improve the effectiveness of the SGB to manage their school finance

1.5 RESEARCH QUESTIONS OF THE STUDY

- What is the role of the SGB in controlling school finances?

- Which financial management skills are available among individual SGB members?
- What are the challenges facing the SGB on the implementation of the finance policies on the management of school fund?
- What are recommendations that can help to improve the effectiveness of finance personnel?

1.6 SIGNIFICANCE OF THE STUDY

This research project will attempt to help the Department of Basic Education to develop strategies that can understand role of the school governing body in financial management. The study therefore, is expected to contribute to the new knowledge of how school finances should be effectively controlled by School Management Team. The study also helps at equipping the members of the SGB and finance committees with financial knowledge and skills on how to control and manage the school finances effectively. The study will enabled the members of the school community to identify the corrective financial measures that could be adopted by the school. These measures could prevent the recurrence of financial mismanagement.

1.7 LIMITATIONS OF THE STUDY

The limitations of this study will be financial challenges in that the study will require the researcher to type, print, bind the document and hire somebody to proof read it. The other cost will be telephone costs as the researcher will be making follow-up with respondents, as well as travelling cost, as the researcher will be travelling to the schols for distribution of questionnaires and interviewing some respondents.

1.8 DELIMITATION OF THE STUDY

This study concentrates on schools of Vhuronga 2 Circuit in the Vhembe Region, which involve both Secondary and Primary schools. Vhuronga 2 circuit is located in rural part of the Vhembe District in the Limpopo Province, South Africa. This research focused on the SGBs of three selected rural public primary schools and three secondary schools in the Vhuronga 2 Circuit of Vhembe District. An SGB is a committee tasked with dealing with the entire governance of a school and this study focused on the role of SGB in the financial management.

1.9. DEFINITION OF OPERATIONAL TERMS

This section will define the operational definitions of the study

- **Financial management**

According to Bisschoff (1997:137) financial management has to do with the financial activities that are undertaken by the stakeholders to achieve the common objectives of the school, for example, the School Governing Body (SGB) and the School Management Team (SMT) should hold meeting where they have to discuss the financial position of the school.

- **Financial control**

Niemand, Meyer, Botes and Van Vuuren (2004:480) define financial control as the examination of financial records by a person registered as an accountant. Niemand et al further states that, the same person need to auditor in terms of the Public Accountants and Auditors Act, of 1991 for example financial managers, bookkeepers, accountants. Unfortunately, there are no qualified people in schools to do that, meaning that the school has to hire someone on a part time basis to come and check on whether the money is controlled effectively.

- **Financial auditing**

According to Flynn, Koornhof, Kleynhans, Meyer and Posthumus (2005:74), financial auditing is a method that is used to ensure that income and expenditure are managed according to the financial policy of the school, for example, an auditor from the district office should be sent to schools to check on the financial position of each school.

- **School Governing Body (SGB)**

The School Governing Body means a governing body of public school as contemplated in Section 16(1) of the South African Schools Act, 1996 (National Association of School Governing Bodies' constitution as adopted in September, 2001: 3). The SGB is the body that is elected democratically and it comprises the educator component, parent component, principal as ex-officio member, and learner component in the case of secondary schools.

- **A Section 21 school**

According to (SASA, Act 84 of 1996), refers to a school wherein the School Governing Body has been allocated extra functions such as controlling its own finances, maintaining and improving their school properties and buildings as well as paying service rendered to the school. The school, therefore, has powers to procure its own goods because the money is deposited into the school's account.

- **Roles**

For the purposes of this study role means the duties and functions that the SGB are tasked to perform as specified by the SASA. It refers to what the parent SGB members do when they are tasked with policy related matters (Bisschoff (1997:137).

1.12 ORGANISATION OF THE STUDY

Chapter 1: ORIENTATION OF THE STUDY

This is an orientation chapter in which background, problem statement, and delimitation of the study. The chapter also outlines the aims and objectives of the research; brief summary of literature review, organisation of the study, the clarifications of concepts and the significance of the research.

Chapter 2: LITERATURE REVIEW

In this chapter, the research focuses on the literature review, where various books, journals, articles, government legislations are perused. The chapter also gives an understanding of the concepts leadership and governance of the SGBs, which are the core business of the research.

Chapter 3: RESEARCH DESIGN AND METHODOLOGY

This chapter presents the research methodology, in which the research design, methods of data collection and analysis are outlined. The chapter also highlights the target population, sampling methods, data collection procedures and techniques.

Chapter 4: DATA PRESENTATION, INTERPRETATION AND ANALYSIS

In this chapter, data collected from the interviews are presented, analyzed and interpreted. The obtained information from questionnaires and interviews was first coded for each and every question and then entered in the Microsoft excel spreadsheet in words and number. The data collected were sorted, categorized and coded into separate pieces of data and were finally grouped into themes.

Chapter 5: FINDINGS, CONCLUSION AND RECOMMENDATIONS

This is a final chapter of the research. It, therefore, focuses on the recommendations based on the findings, analysis, and interpretation outlined in chapter four. The conclusion is also presented in this chapter.

In this chapter, background to the study, purpose of the study, problems associated with the study, research design, research programmes and crucial concepts were clarified. In this chapter literature review on the role of School Governing Body (SGB) in financial administration will be discussed. According to South African Schools Act (SASA) 84 of 1996, the governance of every public school is vested in the governing body of that school and it may perform only such rights as prescribed by the act. This means the school governing body functions according to the direction from the school.

It should be noted that the professional management of a public school must be by the school principal and his or her school management team under the authority of the Head of Department (HOD). By professional management one refers to the daily management of educational activities, which involve learning by learners and teaching by educators. SASA, further states that some members of the SGB may serve two or more public schools if the Head of Department thinks it is for the best interest of education at the schools in question. According to SASA, each individual SGB must have its own structure which is in line with the constitution of the country and all other relevant National and Provincial Education Acts, policies and directives.

The constitution of every SGB should state the meetings to be held for SGB members, SGB activities and the entire parent body as well as learners and non-governmental organisations. It must also include records of minutes and how to deal with financial administration (i.e. financial records and how and when to audit financial books and when should the audited statement be given to the parents and the department. SASA states that every SGB's constitution should be submitted to the HOD within 90 days of the election. The main aim is for the HOD or his / her representative to check and verify whether the constitution complies with the departmental guidelines and the constitution

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

In chapter one, background to the study, purpose of the study, problems associated with the study, research design, research programmes and crucial concepts were clarified. In this chapter literature review on the role of School Governing Body (SGB) in financial administration will be discussed. According to South African Schools Act, (SASA) 84 of 1996, the governance of every public school is vested in the governing body of that school and it may perform only such rights as prescribed by the act. This means the school governing body functions according to the direction from the school.

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of the country. The newly elected SGB rely on the school manager's knowledge and experience if that school manager is not new in his / her position.

2.2 LEGISLATION FRAMEWORK ON SGB IN FINANCIAL MANAGEMENT

The SGB is a governance of the school established in terms of SASA of 1996. It is mandated to set policies and rules that govern the school, and monitor the implementation of rules. According to Motimele (2005:2), the SGB gets its mandate from different members of the community such as parents, learners, educators and other community members that have been co-opted.

The SASA (1996) states that the governing body stands in a position of trust towards the school, which means that there is a relationship of trust towards the governing body and the school. The SASA (South Africa, 1996) states that a parent who is employed at the school may not represent parents on the SGB. The interests of the parent who works in the school will be that of an employee than that of representing parents. The SASA further indicates that parents in the SGB must be in the majority of all the components.

Section 21 of the SASA (South Africa, 1996) includes the following functions that may be allocated to the SGB by the Head of the Department:

- To maintain and improve the school's property, buildings and grounds;
- To determine the extra-curriculum of the school and the choice of subject options according to the provincial curriculum policy;
- To buy textbooks, educational materials or equipment for the school; and
- To pay for the services of the school

According to SASA (South Africa, 1996), the Department of Education has divided schools into section 21 and non-section 21. The allocation for section 21 schools is paid

directly to the school's bank account, while the allocation for non-section 21 is kept by the Department of Education. Non-section 21 procures their goods and services through the department. Section 21 schools are allocated lump sums and obligated to spend this in terms of the budget approved by the parent body that is administered by the SGB.

South African Schools Act 84 of 1996 indicates that to ensure effective implementation of a school budget, the head of the school, teaching and non-teaching staff, the members of SGB and learners from grade eight to twelve should be consulted when a school budget is drawn. The purpose of consulting all stakeholders is to ensure that the finance committee and the SGB properly control resources that are to be allocated. The effective control of the school finances would ensure that the needs and the objectives of the school are catered for.

The transformation of education in South Africa is underpinned by important democratic principles laid down in the Constitution (Republic of South Africa, 1996a). Amongst other issues, these principles require participation of citizens in matters affecting their welfare. The reform of the education system in general included issues of organization, governance and funding of schools. The provisions around these areas are contained in the Education White Paper no. 2 published in 1995 (DoE, 1995). These provisions were later enacted in the South African Schools Act in 1996.

The SASA (84 of 1996b) provides for the establishment of governing bodies with considerable powers at all public schools (Motala & Pampallis, 2001:151). SASA Section 2 of 1998 provide that SGBs are tasked with supplementing the resources supplied by the State in order to improve the quality of education provided by the school. School governing councils shared the same turbulent past as the rest of institutions of society during the apartheid period. Not only were they despised by the communities they were supposed to represent, they also lacked power to make influential decisions (Review Report 2004).

The Review Report (2004: 27) also notes that towards the 1990s a new breed of school governing councils (called PTAs/PTSAs) emerged which enjoyed a high level of popular legitimacy. This new breed of governing councils focused increasingly on school issues and much less on political issues. This is not surprising because during the 1990s, with the unbanning of political parties and the release of political prisoners like Nelson Mandela, the country entered a period of “hope” marked by negotiations and a search for a common future for all races.

2.3 SCHOOL GOVERNING BODIES IN SCHOOLS OF VHURONGA 2 CIRCUIT

School Governance, loosely defined, refers to a set of functions and duties performed to ensure SGBs function in the best interests of the school. Governance is a broader concept than management (Wood, 1996) and includes roles of a fiduciary and overseeing nature. SGBs are required by law to account both to government, those who elected them and to the greater community. Although the intent of the law in establishing SGBs is noble, the goals envisaged in legislation are not always realised. Creese and Early (1999:100) commenting on SGBs in England and Wales, note that they form an important link in the accountability chain.

At the same time, they note the contrast between the intention of the legislation and what happens in reality on the ground. In March 2005 the Australian government issued a discussion paper entitled “Review of School Governance in Victorian Government Schools” (2005). Two critical questions reflecting disjuncture between legislative intent and practice are framed as follows: “Within the context of the Government’s Blueprint for Government Schools, what should the roles and functions of school councils be?” “Do the current functions and powers of school councils contained in legislation reflect that role?” The South African context is hardly different from its international counterparts. Chaka and Dieltiens (undated) pose the following similar questions with respect to SGBs:

“Are SGB members able to represent their constituencies? Do they have the capacity to carry out their functions?” Van Wyk (2004:53) notes a perception amongst educators that SGBs do not know what is expected of them. It would appear from both an international and local perspective that school governance still faces some challenges, which in some cases have begun to raise policy questions. It must be noted that in cases of a gap between policy and practice, there is often the temptation to review policy, perhaps because it is often the easier thing to do.

2.4 FINANCIAL RESPONSIBILITIES OF SGBS

In terms of the legislation SGBs have been mandated to perform financial responsibilities in the following areas:

2.4.1 School fund and assets

Public schools in terms of SASA would normally receive funds from a combination of the following sources:

- State subsidy,
- School fees, and
- Donations and fundraising.

However, because most schools in Vhembe District are located within poor communities, SGBs rely solely on the State subsidy for their school budgets. The State subsidy is granted on a sliding scale according to quintiles which define the poverty ranking of schools. Motala and Pampallis (2001:171) emphasize that the subsequent lack of sufficient public funding for education has resulted in a situation where the affluent subsidize their children’s education with private resources, while the poor rely on a State which has insufficient resources to fund an acceptable level of education provision.

It is a requirement of the SASA that schools must open a banking account where funds will be kept. The Education Foundation Trust and Limpopo Department of Education maintain that no other banking account or trust should be established for the purpose of school fees. The SGB may invest surplus money into a separate account only after approval is granted by the Member of the Executive Council (MEC) (SASA: S37). The SGB is ultimately accountable to the providers of the funds who are parents, private donors, the Department of Education and the public, concerning the expenditure of funds (Van Wyk 2004: 53).

All income due to the school should be identified and all collections should be receipted, recorded and banked (Mestry 2004:129). At no stage should the value of cash on hand held in the safe exceed R2 000.00 (including petty cash held at the school) (Department of Education, 2001: 8). According to Potgieter et al. (1997:45), nobody may keep the school's money under his or her personal control unless it is for immediate use for approved expenditure. They further argue that nobody may deposit the school's money into any bank account other than the one which exists in the name of the school.

2.4.2 School budget

The SGB of a public school must prepare a budget for their school each year (SASA: S38; Potgieter et al., 1997:48). The budget serves as a guide to spending the school funds. The budget, according to Bisschoff (2003: 65), is a mission statement of a school expressed in monetary terms. How the income is divided depends on the mission statement. The budget should reflect the school's prioritized educational objectives, seek to achieve the efficient use of funds and be subjected to regular, effective financial monitoring (Mestry, 2004:129).

The National Norms and Standards for School Funding (hereafter NNSSF) demands of the State to put aside a subsidy for all schools annually. To decide on the subsidy, the provincial departments must produce a resource targeting list of all schools in the province. The subsidy amount allocated for a learner covers all recurrent costs needed

per learner per annum. These are costs for the building of new classrooms and other constructions, immovable capital improvements and repairs, recurrent costs easily separated from other costs, other recurrent and minor capital equipment costs and hostel costs (NNSSF: S80).

Money allocated for the payment of municipal services, office stationery, day-to-day maintenance, necessities, toiletries, media collection and telephone accounts is deducted and deposited directly into the school's banking account. Both this money and that raised by the SGB through charging school fees from parents and other means is managed by the SGB. The SGB must then draw up a budget based on this subsidy. The basic work on the budget must be done by the finance committee (Potgieter et al., 1997: 48). They further advise that SGBs must elect finance committees made up of people who have adequate skills in budgeting and accounting procedures. These finance committees may include people who are not SGB members, but are elected on the basis of their expertise (SASA: S30). Before the budget is approved by the governing body, it must be presented to a general meeting of parents convened on at least 30 days' notice, for consideration and approval by a majority of parents present and voting (SASA: S38; Bisschoff and Mestry, 2003: 36).

2.4.3 Financial records and statements

In terms of the SASA Section 42, the SGB must maintain financial records and within three months after the end of the financial year (31 March each year), draw up an annual financial statement. In order to draw up such a statement, the SGB or its delegated committee such as the finance committee will need to maintain up to date records of the school's finances. Finance records will include any of the following:

- Income and expenditure;
- Trial balance sheet; and
- Statement of assets.

Accurate financial records are an essential requirement for reliable financial accounting. Documents of evidence are important in supporting transactions that occur on a day-to-day basis. The SASA (S110) therefore specifies categorically that SGBs must keep documents as evidence of correct dealings with suppliers and contractors and records of how materials and services were used. These documents must be kept in such a way that they can be easily produced when needed. Campher et al. (2003:3) suggest that a school financial management system consisting of the following documents should be in place:

- A receipt book;
- Deposit books;
- A cash analysis book;
- Bank statements;
- Reconciliation statements;
- An order book;
- A cheque book; and
- Documentary evidence of payments.

It becomes apparent therefore that keeping of financial records is a skill that must be learnt by SGBs. The Review Report (2004:113) reveals that many SGBs generally lack capacity for bookkeeping, a skill gap which could be detrimental for prudent financial management.

2.4.4 Annual financial audit

The SGB is required in terms of the SASA Section 42, to submit the school's annual audited statement to the Department of Education within six months after the end of the financial year. This audited statement should further be made available to any member of the public or parent upon request. The purpose of submitting financial statements to the Head of Department is to keep him or her informed about the usage of school funds and to show accountability (Mosana, 2001:31).

This responsibility, as cited by the Australian Department of Fair Trading (2003:79), is essentially to safeguard school assets and ensure that financial resources are deployed to further school goals and objectives. Section 43(2) of the SASA provides that if an audit is not practicable for a particular school, such a school should appoint a person to examine the books instead. The person 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. Whilst this may sound like a concession for schools that cannot afford an audit, the reality is that there are small and poor rural schools who would find this provision of the SASA very stressful.

The school usually fall within quintile one and receive the highest subsidy amount in terms of the ranking. But the fact that class may have an average of 20 to 30 learners in their enrolment, means that their total subsidy amounts actually deposited into their accounts would range between R1 900 and R10 000 annually. The SGB members in these schools usually have low levels of education and less exposure; they work for six days a week. The questions that should be raised here are how feasible is it for these schools to secure such a service within the constraints of such meagre incomes? Are the amounts of subsidy allocated to these schools really addressing the question of redress as envisioned by the SASA? Is the State reasonable in expecting higher levels of financial accountability when its total contribution cannot even buy bookkeeping services?

2.5 ALLOCATED FINANCIAL FUNCTIONS OF SECTION 21 SCHOOLS

In terms of SASA, schools that have displayed sufficient capacity levels of financial management can be granted additional powers listed in section 21, over and above the normal powers of the SGB. Although the SASA provides that Section 21 powers are only granted if the Head of Department is satisfied that there is sufficient capacity in the SGB to handle the added functions, it has already been mentioned that Vhuronga 2 schools did not have to seek approval for these extra powers.

These were given automatically to all schools in terms of a legislative provision (Limpopo Department of Education, 2003). As the researcher will argue later, the intent of this legislative provision is different from the current practice. The reasons behind this “blanket” devolution of Section 21 powers are not documented in detail in the above legislative documents. Anecdotal evidence seems to suggest that these powers were granted because of the failure of the government supply chain management system within the Limpopo Department of Education.

The Department had intended to continue performing Section 21 functions such as payment of services and purchase of textbooks on behalf of these schools until such time as they displayed sufficient capacity. However, inefficiencies within the Department meant that accounts remained overdue until services to schools were suspended. The Department, or more precisely political leaders in the province, could not produce a strong argument for withholding these powers as the education department had not demonstrated the capacity to render these functions. Consequently all schools in Vhembe District were granted the Section 21 status. It must be mentioned that although SGBs in Vhembe District have Section 21 status, in practice they only perform three of the four functions. These are:

- Payment of services to the school;
- Maintenance of school buildings and property;
- Determining the extra-mural curriculum of the school and choice of subjects.

In 2004 some members of the Limpopo Department undertook a study visit to three provinces - Western Cape, Northern Cape and Eastern Cape, in search of lessons around the devolution of the power to purchase textbooks and educational materials for schools (Limpopo Department of Education (2005), Procurement of Learner Support Material). The purpose was to design an appropriate model for Vhembe District on the management of this function. Recommendations have already been made for the devolution of the function of purchasing textbooks to SGBs.

The implementation of the NNSSF came into effect in 2000 (NNSSF: S13). It must be pointed out that S19 of SASA provides for the capacity building of SGBs where the Head of Department is of the view that such capacity is required. If the argument that the Limpopo Department withheld the full devolution of Section 21 powers on the grounds of insufficient SGB capacity holds true, what capacity was judged to be present in 2003 for the decision to be taken to devolve all the functions and yet allow them to perform three only? Why has the outstanding level of capacity needed for the purchase of learner support material (hereafter LSM) had not been provided since 2003? What capacity has been judged to be present to allow for the risk to be taken now with some measure of confidence? It could be generally accepted that the development of schools and the capacity levels of SGBs will differ from one school to the other. It was for this reason that the allocation of the section 21 functions was conditional on proven sufficient capacity of an SGB. Whilst the blanket allocation may have advantaged, in a way, SGBs that do not yet have such capacity because they did not have to go through rigorous evaluations, it would seem however that this was to the disadvantage of the capacitated SGBs. The withholding of the function to purchase LSM is also applied in a blanket form. What would be the legal consequence of such if these capable SGBs were to act against such a treatment after their power allocation was gazetted in 2004?

Answers to the above questions may be difficult to find but it must be noted that the Limpopo Department of Education has a legislative obligation in terms of SASA to ensure the full intent of the Act is realized.

2.6 SCHOOL GOVERNANCE ACCOUNT FOR THEIR FINANCIAL PERFORMANCE

In the government framework, State entities are compelled to account to cabinet on the use of State resources as per provisions of the PFMA. Although schools are excluded from the obligations of the PFMA (Schedule 4), the SASA obliges them to account for the school's finances at least explicitly to the Head of Department and implicitly to the parents or any interested party (Section 43).

It must be noted that although the school principal has accountability over all activities that concern the school, school finances are excluded from that package. According to the SASA (S37), The Education Foundation Trust and MDE (2001) and Bisschoff & Mestry (2003:78), the accounting officer for school finances is the SGB. In that case the Pretoria high court ruled in favour of the school principal and the SGB although school finances were alleged to have been mismanaged (Moseneke, 2002:222).

Khosa (2001: 104) indicates that there is no clear line between the governance and management functions. SASA does not give a clear distinction between school governance and school management and this created a serious problem since 1994. SGB members have been blamed by the management members of going beyond their governance terrain and on the other hand, SGB members, especially the parent component, have complained of unsupportive principals and staff dominating SGB meeting (Khosa, 2001:104). The former Minister of education, Asmal (2000: 2), in his speech, maintained that, in many cases school principals still held considerable influence over who is to be elected into the SGBs. The Deputy Minister of National Education Mangena (2002: 1) indicated in his speech that, as a department, they expect a School Governing Body to play a governance role and the principal, together with the School Management Team (SMT), a management role. Though, pronounced, the two parties strive to reach agreement on governance of schools, but the problems continue. This could be the fact that SGB members need recognition in their leading role and they want to be seen to be working or maybe the level of their education makes them fail to understand their roles.

Mathonsi (2001: 4), in his speech about transforming governance and management of education, has indicated that the fact that the majority of our parents did not receive any formal education does not suggest that they cannot think logically, conceptually and contextually. But the question remains unanswered as to why the SGBs in the rural primary schools do not take a leading role in the school governance. The report of the Ministerial Review Committee on School Governance (Republic of South Africa, 2004:84-85) tries to highlight difficulties experienced by SGBs with regard to SMTs and

vice versa , *inter alia*: lack of communication, lack of implementation of decision taken at SGB meetings , conflict over spending priorities, unavailability of management members or SGB members and blurring the distinction between SGB and SMT. Some SGBs according to the report on Ministerial Review Committee on School Governance (Republic of South Africa. 2004: 84-85), indicate that the SGBs are not provided enough training , which results in a limited understanding of school policies. Puth (2002: 32) also indicates that communication must be seen as a key resource of leadership. In line with the findings by the Ministerial Review Committee on School Governance, leadership problems have never been given attention as such. It is therefore, significant to determine how lack of SGBs capacity in rural schools impact on their poor governance responsibilities.

The minister of National Education in South Africa, Pandor (2006: 20), indicated that there must be equitable distribution of power between principals and their SGBs when she was addressing the seventh conference of the International Confederation of principals held at Cape Town in July 2006. She noted that since 1994, policies and strategies in education received much attention under democratic dispensation but were lacking in the implementation. This, according to her was partly due to the fact that the focus has not been on the SGBs; it has been on the school leadership. When the department developed new education legislation in the post-election period in 1996, it gave a great deal of attention to democratization and very little attention to policies and practices that are related to the development's biggest challenges; the promotion of quality learning and teaching.

The state policy focus was on the need to promote inclusion and participatory democracy in the schooling system. Principals are not given a platform to perform their roles and also the support they deserve in executing their strategic leadership and development role. There is a lot of confusion with regard to management and governance. Lewis and Naidoo (2004:11) confirm in their research on governance and management that all stakeholders emphasized the importance of parental participation in school governance, but stakeholders such as principals and educators do not

necessarily value participation in it or for advancing democratic decision making in school. In their practices, such participation and consultation promoted by principals and educators often assist them to make their work easier. This creates a scenario wherein all stakeholders fail to understand the leadership role they should play in the true sense of the word.

2.7 SGB TRAINING ON THE SCHOOL FINANCIAL MANAGEMENT

The capacity of the SGBs to understand how to account is another matter of concern. Borrowing from Kouri (1999:17), one would say that SGBs must be able to justify their financial decisions and actions. My personal view on financial justification means being able to produce documented evidence of financial reports, professionally compiled entries of analysis, neatly filed receipts of payments, invoices, bank statements and others. One other form of accounting, as described by Creese and Early (1999: 107) is the governors' annual report and meeting with parents. The DoE (2001:56) stipulates that the treasurer of the SGB who is also the treasurer of the finance committee in the Limpopo Province, must prepare annual reports on the budget, income and expenditure and the balance sheet.

According to the Education Foundation Trust and LDE (2001:12), the treasurer and the bookkeeper must have knowledge of accounting and bookkeeping. This demand is difficult to fulfill in practice, since it is highly unlikely to find a parent in rural areas with such skills. An article submitted to the Ministerial Committee on School management and governance submits that where SGBs have a limited understanding of their role and are not accountable to parents, there are often problems such as low participation by parents, abuses of power and authority, and a lack of transparency. What model of a capacity building program would be able to empower these parents from a low ABET level of education up to the level of a bookkeeper?

2.8 CHALLENGES OF SCHOOL GOVERNING BODIES IN RURAL SCHOOLS

Karlsson (1996:145) writes that governing bodies are statutory; the composition of these structures should operate on the principles of inclusivity and representatively to ensure that different stakeholders and role players are afforded an opportunity to effectively participate in the development of educational policies. In line with the above the Legal and Policy Framework for Education governance in Limpopo Province (1997) indicate the following on school governance:-

- A cornerstone of the education policy of Limpopo Province Department of Education is the governance of education in general and schools in particular. That is encapsulated in:
 - The Constitution of the Republic of South Africa, 1996
 - The National Education Policy Act, 1996 (Act 27, 1996)
 - The South African Schools Act, 1996 (Act 84, 1996)

Kogan *et al* (1994) in Anderson *et al* (2001) as well as Packwood (1989) in Coleman (1994) identified four models for governing bodies. They are:-

- The accountable governing body;
- The advisory governing body;
- The supportive governing body; and
- The mediating governing body;
- For the uncountable governing body, the purpose centres on ensuring the following:

School is operating to the policies and prescriptions of the Department of Education. The advisory governing body supports the organisation in its relationship with external agencies and represents as mote internal role for the members. The mediating governing body has wider horizons and is concerned with the local educational system, ensuring the school fits into the broader pattern.

2.8.1 Inclusiveness

McPherson (2000:315) writes that, The Schools Act (South African School Act) empowers SGB's (School Governing Body) with responsibilities for school governance and management while LRC's (Learner Representative Councils), through their representatives on the SGBs, access school policy and decision-making process. The above mentioned responsibilities may also characterize school governing bodies. The first characteristic of inclusiveness has been eluded earlier on. Effective governing bodies operate in a particular manner, following the set procedures. McPherson (2000:215), argues that SGBs should in their structure, operate on the principles of inclusivity and representivity to ensure that different stake holders and role players are afforded an opportunity to effectively participate in the development of educational system.

2.8.2 Collaboration

Collaboration is the working together by the parents and educators and learners (in the case of the secondary schools) in school governance in order to promote the best interests of the school (Heystek, 2004:88). The nature in which the SGBs are constituted allows greater space for community members to collaborate with educators in school governance. It is of primary importance that each component in the process of collaboration understands its line of operation within the SGBs. Where there is a lack of understanding of one's roles and responsibilities the relationships within the SGBs are negatively affected. This lack of understanding is referred to as by Heystek (2004:121) as 'power plays'.

This means that power plays may lead to poor collaboration amongst SGB components. This excerpt suggests that there must be a form of partnership between the SGB components, especially the principal, and the chairperson of the SGB. Farrel (2001:72), further argues, "The most important relationship is that between the head teacher and the chairperson of the governors, and the chairperson has a tricky task of balancing the

views of other governors and the ambitions of the head teacher for the school.” This therefore means that the head teacher- chairperson relationship or partnership is improved if both head teacher and chairperson understand their roles and responsibilities in the process of implementing school policies. These power plays and domination could also be seen at the level of understanding of each component playing its roles (Heystek, 2004:113).

2.8.3 Meetings

After school governing bodies are elected, according to section 23 of the South African Schools Act, they should meet regularly at least once a quarter unless if there is a need for an emergency or special meetings. Meetings should be conducted along democratic principles such as equality among members and transparency and that decisions are by consensus or majority vote.

2.8.4 Accountability

Accountability is one important characteristic of the school governing body that has also been discussed amongst the four models of governing bodies. However (McPherson, 2000:121) stressed the importance or transparency and good communication in handling external relations, because the feedback given to the community is viewed as strategically important to build positive governance attitudes and may encourage active parental participation in school matters.

2.8.5 Participation

The community is the society whose interests in education the school serves (Mathonsi, 2001:11). In establishing SGBs the government hoped to bring about greater community involvement in matters of school governance. In outlining the meaning of community involvement, it is important to give a comprehensive definition of the SGB. Mathonsi (2001:12) notes that: the SGB is a body in which all components of the school

community are represented. It stands in a position of trust of the school and it governs its activities. It is also at the center of everything in the school and all the powers of school governance are vested in it. The main purpose of SGBs is to enable all key stakeholders, especially parents, to play a central role in the education of their children. The SGB is a structure that should involve the interested stakeholders in a democratic manner in an attempt to link education and social development. It strives to make schools to serve the relevant needs of the immediate communities and to bring a sense of ownership among communities.

The degree of professionalism has the impact on the level of participation in governing body meetings. Members of the governing body should be familiar with meeting procedures and other education issues. Therefore each role should be defined. Undefined roles may lead to disharmony and conflict amongst the school governing body members. Situations where one member dominates the others should be avoided at all costs. It is common for principals of schools to dominate proceedings of governing body meetings for various reasons. (McPherson 2000:123) discovered this tradition which undermines the functioning of SGBs.

2.8.7 Establishment of sub-committees

2.8.6 Decentralisation

The local school governing body should establish sub-committees to perform. Decentralisation was the strategy by the state to share its power with other stakeholders, particularly those who are closer to the school in order to bring about improved control of the schools (van Wyk, 2004:32). The debate around problems that seem to prevail in education, especially at a primary level, resulted in an approach that was to bring about reforms (democratisation) in the schooling system. These reforms were done within the parameters of decentralisation (Maclure, 2004:315). It was hoped that the decentralisation of education would bring about a greater responsiveness to the needs of the particular local people in that school community.

A high level of participation was also a focal point in the decentralisation of education (Maclure, 2004:8). This means that the Department of Education wanted to delegate

some of its tasks to community members. Parents were made to participate in school governance by electing the SGBs. The SGBs were expected to deal with all the issues of school governance. These include among other things developing the mission statement of the school; adopting a code of conduct for learners and determining the admission and language policy of the school within the framework of the Constitution of the Republic of South Africa (van Wyk, 2004:34).

Generally educational decentralisation is the situation in which the interests of the local people are represented in a schooling system (MacLean & Lauglo as cited in Maclure, 1994:300). Cohn & Rossmiller as cited in Maclure (1994:312) further assert that, a more focused view is that educational decentralisation means that the existence of schools that are more responsive to community life are better than those which are solely responsive to the department of education. A greater orientation to community, life, occupations and values could facilitate greater participatory input from local people as well as more adaptable and flexible management strategies that are friendly to the community (Maclure, 1994:345).

2.8.7 Establishment of sub-committees

The best functioning governing body should establish sub-committees to perform specific tasks for example Disciplinary Committee, Fundraising Committee, Finance committee, Selection Committee or Safety and Security Committee. During meetings of the governing body or its sub-committees, clear agenda should be followed. Establishment of sub-committees also increases the number of parents and members of the community's participation in school affairs which increase the number of people who identify themselves with the school which is a good signal towards ownership of the school.

2.8.8 Communication

Communication amongst members of governing body is also crucial in causing harmony towards the development and achievement of vision and mission of the school. Anderson *et al* (2001:81) write that "Effective communication among these groups (governing bodies) is essential to ensure stakeholders share the same vision and interact to the benefit of the students". Anderson *et al* (2001:90). Communication should be extended beyond the school limits towards its community. Of course, this will depend upon the extent to which the school wishes to be perceived as integral part of the community. This also depends on the size of the community and its geographical range of the intake of the school's learners. The means and ways of communication will therefore, vary depending also on the general development of the community and the level of literacy in the community. Written notices can be used or a word of mouth through learners themselves or both can be used to communicate with parents and the community.

2.8.9 Capacity building

According to Section 19 of the South African Schools Act, 1996 the provincial department must offer a programme of introductory and sustained training for newly elected governing bodies. McPherson and Dlamini (1998:45) report in their research in the province of Limpopo Province that after the first election, the following areas of training were to be provided by the Department:

- Understanding the objectives and functions of governing bodies;
- Understanding the curriculum;
- Understanding the South African schools Act; and
- Understanding the organizational structure of the Department.

Skills and competencies:-

- Meeting procedures

- Drafting code of conduct for learners
- Drafting a constitution
- Forming relationships between the various stake holders

(McPherson and Dlamini 1998:45) emphasize the importance of capacity building of governing bodies and in particular of the above list as they state that: Failure to provide adequate capacity building in these areas will render governing bodies ineffective. This will lead to a lack of credibility in the community and eventually to the demise of governing bodies. Mc Pherson & Dlamini (1998:46). Karlsson et al. (1996:90) also state that capacity building programmes for governing bodies were needed to ensure the sustainability of governing bodies and develop the financial and organizational capacity of members. They further report, that these programmes would play an important role in the process of democratising school governance and ensuring affirmative action for marginalized groups such as women within the various constituencies.

2.9 ALLOCATION OF FUNDS

According to Coleman and Anderson (2002:61) in England and Wales money for education comes primarily from Central Government. They further reiterate that children from minority ethnic groups are believed to require extra resources. According to the Department of Education (1996:24) the state (Central Government) must fund public schools from the revenue on an equitable basis in order to ensure proper exercise of the right of a learner to education and the redress of the past inequalities in education provision.

This simply implies that the state should always allocate more money for the learners from disadvantaged communities. The state must on annual basis provide information to the public school regarding the funding to enable schools to prepare their budgets for the following year on time. For example, according to Department of Education (2003:4) in 2002 the school allocation to the poorest provincial quintiles of learners varied from around R60.00 for North West and Limpopo to about R450.00 for Northern Cape and

Gauteng for the coming years. The minimum school allocation according to the same document per learner for the poorest learners should be R450.00 in 2004, R563.00 in 2005 and R703.00 for 2006. In the light of this, the schools should also provide the state with the correct data concerning their enrolment.

According to the South Africa's constitution every public school is a juristic person with legal capabilities, obligations and right to perform, which means they should and must know the school's standing on funding. According to the Department of Education (1996:25) the SGB may charge the parents or learners in the institution school fees after consultation with the entire parent body or in accordance with the resolution adopted by a majority of the parents present at the meeting if such resolution provides for the amount of fees to be charged. The SGB should inform the parents of their rights and obligations of school fees. It should also inform them of exemption of those who cannot afford. The provision is that either one receive total, partial or conditional exemption. When drafting a budget, the finance committee should always consider the exemptions on school fees.

The parents who are exempted from paying should be encouraged to render voluntary services to the school. The parents should also be encouraged to give the school the correct information on their financial status. Schools also get money from advertising, for example, when the local community advertises something on the school magazine that money goes into the school. It is the responsibility of the SGB and the entire school community members to market and advertise their school. SASA also encourages the School Governing Body (SGB) to raise funds to supplement allocation from the government. On this note, it is envisaged that each school should have a fund-raising committee. The school may raise funds through civvies, bazaars, excursions, concerts like cultural days, donations, sales like young entrepreneur competition and tuck-shop. All the money received from whatever sponsor or donor, the department needs accountability from the user, with correct transactions.

2.10 FINANCIAL PLANNING

According to McAlister and Cotlnolly (1990:27) Planning in financial terms involves expressing the school plan in financial term. In the process of skill planning the following should be noted:

- Begin with the mission and general aims of the school as a framework
- Determining outcomes according to the needs of the school
- Measure the cost of the programmes and establish school fees and other revenue
- Evaluate the output of each programme

The school manager and the financial committee make their projection (plans) for the coming year from assumption based on reliable data of expected incomes, which form the basis for the projected expenditure. As the year progresses, adjustment can be made to these plans.

2.10.1 Function of a budget

According to Jordan et al. (1995: 151-152) school budgets serve as guides to financial planning and program management to permit orderly operation for a stated period of time. Therefore, the basic function of a budget is to serve as an instrument for planning so that educational program will not be interrupted or restricted because of insufficient funds or depleted accounts.

Section 11 of SASA, of 1996 states that to ensure effective implementation of a school budget, the head of the school, teaching and non-teaching staff, the members of the school governing body and the learners, from grades eight to twelve should be consulted when a school budget is drawn. The purpose of consulting all the stakeholders is to ensure that the financial committee and the School Governing Body properly control the resources that are to be allocated. The effective control of the

school finances would ensure that the needs and objectives of the school are catered for. The needs of the school would not be realized if the correct budgetary procedures were not followed (Van Der Westhuizen, 1991: 399).

Besides the classification of a budget into three categories, Coleman and Anderson
A guideline from SASA of 1996 Section 29 of, stipulates that, the financial committee and the School Governing Body should, effectively manage funds that have been allocated. The financial structures (financial and the fund-raising committee), have to involve the other members of the teaching and non-teaching staff when the decisions are made. This participative process leads to wide acceptance opportunity to take part.

2.10.2 Budget classification

According to Coleman (1996:10 and 64) a budget is classified into three categories, namely, incremental, zero based and activity budgets. The incremental approach regards the previous year's budget as a starting point for the preparation of the new one. According to this approach the needs and objectives of the school are used to justify an increase or decrease of learner population in a particular school, therefore determining the expected income and expenditure.

It could also be based on the inflation rate of the country. Unlike the incremental budget, the zero-based system of budgeting does not reconsider the previous year's decisions, but examines the current expenditure patterns and allocations. This approach to budgeting encourages greater involvement of the stakeholders when it is generated. Besides incremental and zero-based approaches to budgeting, activity budgeting is also important for the purpose of generating funds Bush and West-Burnham (1994:346), Jordan et al. (1995:176). The activity type of budgeting focuses on the activities that are undertaken by the school to generate funds, for example, school trips, raffle, concerts, etc. Most schools use a combination of all three types of budgeting. Governing bodies are provided with guidelines by the Member of the Executive Council (MEC) for education in each province that must be taken into account when drawing up the budget. The following, however, are basic budgeting tasks, which the principal and the

finance committee of the school (sub-committee of the governing body) should pay attention when drawing up the budget.

Besides the classification of a budget into three categories, Coleman and Anderson (2000: 109) maintain that for the effective implementation of budgetary decisions, the head of the institution remains the key decision-maker when a budget is drawn up. This means that:

- The accounting procedures should reflect the true financial status of the school and provide room for internal and external control;
- There should be adequate safety mechanism to protect financial data from being lost or altered; and
- The accounting procedures should be in compliance with the financial policy.

2.11 MONITORING AND CONTROLLING OF THE SCHOOL BUDGET AND SCHOOL FINANCES

Monitoring a school's budget is a continuous process that goes on throughout the year. It entails keeping a check on the difference between the planned financial status at any given time and the actual financial status at that time. It involves the following:

- Drawing up a projection for the revenue and spending for the whole year, and identifying positive and negative variances,
- Checking if resources are mobilized effectively,
- Evaluating and re-organizing if and where necessary,
- Noting if there is a surplus or deficit at the end of the year, and whether there is any possibility of reserves, and
- Controlling and checking expenditures by means of monthly statements, quarterly statements and the annual report (Carter and Narasimham, 1996:68).

2.11.1 Financial reporting

An important characteristic of the present approach to education management in general and financial administration specifically, is the emphasis on transparency and information sharing among all stakeholders. Accountability has become a collective responsibility, which should include all stakeholders.

For the school manager and governing body, this means that they must deal with funds in a responsible manner and that they are accountable to the parents, the learners, the community and the Department of Education's (Bisschoff, 1997:93). In order to be able to give a clear picture of the state of the school's finances, the school manager should see to it that monthly and quarterly statements are kept.

A financial report on the income and expenditure for the financial year including a balance sheet must be submitted to the governing body for approval (Bisschoff, 1997:94). Parents should be invited to comment on and acknowledge the annual report. It is also stipulated in the South African Schools act (No. 84 of 1996) that the governing body of the school should appoint an independent, qualified person who is not a member of the school staff or governing body to audit the books annually.

2.12 CONCLUSION

This chapter has dealt with the history of school governance in South Africa leading to the establishment of a democratic status. It has been established that the roles of SGBs are, and will remain a big question locally as well as internationally, as many questions are being posed around their functioning. Their financial management responsibilities which are regarded mainly as school fund and assets, compilation of the budget, keeping of financial records and auditing of finance books have been discussed.

It has transpired that these responsibilities demand a certain measure of capacity from the SGBs, which is currently not available in practice. This now raises questions on the

quality of capacity building programs that the Limpopo province is using, as well as their strategy to determine and build capacity. The implementation of the Section 21 status in Vhuronga 2 schools has also raised questions around its consistency with the SASA stipulations. The SASA, 1996 Section 21 permits that status be conferred on the basis of sufficient capacity, but the decision here seems to have been based on some underperformance by one wing of the department.

This blanket allocation of the status to all Vhuronga 2 schools meant that some SGBs should not have qualified due to lack of capacity and others were delayed from assuming a complete allocation. A competing accountability situation between the State and the parents was also observed in the provisions of SASA, 1996 Section 42. In terms of this provision, accountability to parents is left to chance whilst accountability to the State is made explicit. This chapter ends with an enquiry into the effectiveness of capacity building programs offered to SGBs in the Limpopo province. The big question here was on the kind of programs that would give people with low education levels a chance to master bookkeeping and other financial skills.

A case study design was used to address the research questions. The research was focused on how best the role of the school governing body in financial management in Vhuronga 2 Circuit of Vhembe District. Therefore the study took the form of case study since it was both specific to one school and was also seeking to provide the base for the future of the school.

3.3 THE STUDY AREA

This study was conducted in Vhuronga 2 Circuit under Vhembe District of Education which is found in Limpopo Province. The overall aim of the study is to investigate into

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The aim of this chapter is to illustrate an overall methodology together with the methods used to achieve the objectives of this research as stated in chapter one. It also describes the overall methodology adopted, population identification, sampling procedures and unit of analysis, methods for data collection and analysis. A case study design was used to conduct the research. The research was focused on how best the School Governing Body (SGB) is well equipped and trained to handle school finances as well as adhering to policies relating to utilisation of funds.

3.2 THE RESEARCH DESIGN

In the present study, the research design discussed was based on Leedy and Ormrod (2001:91-92). According to these writers, in planning the research design, it is extremely important for the researcher not only to choose a viable research problem but also to consider the kinds of data an investigation of the problem will require and feasible means of collecting and interpreting those data.

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the capacity and role of school governing bodies in Vhuronga 2 circuit of the Limpopo Province.

3.4 RESEARCH METHODOLOGY

According to Huysamen (1995:163) research methodology is the creation and development of techniques and strategies to collect data, the development of methods to investigate and improve the psychometric properties such as reliability and validity of the data obtained by means of these techniques and the analysis of such data. In this study, research methodology involved a selection of appropriate research approaches, research methods, sampling procedures, respondents and instruments for collecting and analyzing data.

In this study quantitative and qualitative methods were used. The use of different methodologies according to Babbie (2007:113) is to test the same findings is called triangulation.

3.4.1 Quantitative Research

Quantitative research methods include the implementation of statistics to measure data. Statistics, according to Leedy (1993:244), are a very simple matter but are a powerful tool in the hands of the researcher who is able to view their nature and interrelationships more understandably. Through statistics, therefore the researcher is able to conceptualize what otherwise might be incomprehensible (Leedy, 1993:244), hence the advantages of this study. The facts gathered from questionnaires were translated into tabular form. This was done so that the facts (statistics) could be interpreted more clearly.

Quantitative research tends to be associated with measuring (Barnes, 1992:108). According to Good (1993:279) as well as Denzin and Lincoln (1994:4), quantitative studies emphasise the use of numerical measures to arrive at specific findings. Data

collection in quantitative research is accumulated by means of inanimate instruments such as scales, tests, surveys, questionnaires and computers (Storbeck, 1994:73). Creswell (1994:4) is of the opinion that because quantitative research is impersonal and experimental it is not suitable to study human phenomenon. Contrary to Creswell's view (1994:4), a quantitative questionnaire has been regarded a suitable technique to gather some of the information from respondents in this study.

However, testing instruments such as scales, psychometric testing and other detailed statistical analysis was not applied. A limited amount of quantitative analysis was done. The idea of using this kind of strategy even in research of human phenomenon is justified by Best and Kahn (1993:204). These writers maintain that in some qualitative research (Human phenomena) a limited quantification is included viz, counting the number of occurrences of an event. According to Kerlinger (1986:481), all materials are potentially quantifiable. Quantification was implemented in this study. The number of occurrences in each theme or category identified was counted. The categories with high frequency occurrences were regarded as fairly significant to the problem investigated and reflected the major problem with regard to the poor financial management of SGB in rural primary schools of Vhembe District: a case study of Vhuronga 2 circuit.

3.4.2 Qualitative Research

Wimmer and Dominick (2000:19) state that qualitative research describes or analyses a phenomenon without specifically measuring variables. No statistical analysis is involved in qualitative research although the data might be expressed numerically. Qualitative research deals mainly with unmeasurable features of research (Barnes 1992:108). According to Rudestam and Newton (1992:31), qualitative studies imply that the data are in the form of words. This programme is useful in those categories concerning the understanding of human phenomenon and for the investigation and interpretation of the meanings people attach to different events. The implementation of this approach is relevant to this study in the sense that the focus of qualitative falls on the participants which are:

- Principals;
- SGBs financial Components (Treasurer, Chairperson)
- Financial Officer

A qualitative approach was used which used interviews with the parent component of the SGB. Informal discussions with various stakeholders were also done. The interviews were conducted to ascertain the level of participation by parents in the SGB and their understanding of their role. An attempt was also made, through questionnaires to determine the level of control by the Principal in the affairs of the SGB. Mouton and Marais (1990:163) state that in qualitative research, the researcher tends to become involved with the phenomenon. Since in qualitative research the data is in the form of words, the interviews, which will be used as data collection techniques in this research, will be expressed in the form of words. A holistic perspective permits a broader view of the complex issues facing educational researchers. However, some qualitative research includes limited quantification e.g. counting the number of occurrences in an event. Based on the constituents of qualitative research as discussed above, it becomes apparent that the aim of this study namely, to investigate into role of school governing bodies in financial management at Vhuronga 2 Circuit, parent and principal would also be served by a qualitative research paradigm. The techniques for data collection and data analysis therefore fell within this paradigm.

3.5 POPULATION

Donald and Pamela (2003:78), defined population as the group upon which the researcher is interested in making inferences. Population is defined as a set of entities in which all the measurements of interests to the practitioner or researcher are presented. The population in this study was comprised of school principals, educators, parent's component of SGBs, and stakeholders (parents). The population was composed of one racial group, two nationalities with mixed gender and different age groups. The researcher considered that those selected were directly involved in the

implication of the capacity-building of the SGB. From this population a sample was drawn. The population of the study will comprised of schools in Vhuronga 2 circuit. Therefore, elements of the population of the study will include learners, SGB components, SMT, educators, parents and principals. Principals and the Department Heads are the targets as they are the management of the schools. The population of the study will comprised of 1200 from Educators, principals, SGBs components, and Parents

3.6 SAMPLING

According to Wimmer and Domminick (1983:88), determining an adequate sample size According to McMillan & Schumacher (2001:88), the nature of the sampling procedure used in a particular study is usually described by one or more adjectives, such as random sampling, and purposive sampling. This describes the technique used to form the sample. Wimmer & Domminick (1983) share similar views with Lee (1994) by referring to sampling as a subset or sub segment of the population that is taken to be representation of the population. Mouton further mentions that the aim of sampling is to produce representative's selection of population elements. A sample can be viewed as a subset of measurements drawn from a population in which researchers are interested. Researchers study the sample in an effort to understand the population from which it was drawn and as a means for helping a researcher to explain some facet of the population (Powers, 1985:236). Therefore, elements of the sampling of the study will include learners, Principal, SGB components, SMT, educators, parents and principals.

3.6.1 Sampling method

According to Saunders, Lewis and Thornhill (2000:150), sampling method provide a wide range of methods that enable the researcher to reduce the amount of data needed to collect by considering only the data from sub-group rather than all possible cases. Purposive sample was used for selection of a sample population. Purposive sampling gathers data on specific descriptors. A purposive sampling technique was employed in selection study participants. Not all members of the population were

studied only those who were selected by means of purposive sampling were involved. This study employed purposive sampling taken from members of the SGBs. Without any intention to define categories of schools by formal criteria, the researcher has attempted to contrast the schools by suggesting how strongly rural in character each sampled school was. A purposive sampling is selected because the researcher, believe, that the sample is representative.

3.6.2 Sampling Size

According to Wimmer and Domminick (1988:68), determining an adequate sample size is one of the most controversial aspects of sampling. How large a sample should be in order to be representative of the population has no simple answer (1983:68). Best and Kahn (1993:19) stated that there is no fixed number or percentage of subjects that determine the size of an adequate sample. It may depend upon the nature and the population of interest or data gathered and analysed.

| Target | Study Population | Study Sample |
|--------------|------------------|--------------|
| SGB Members | 120 | 35 |
| Principals | 30 | 20 |
| Educators | 150 | 10 |
| Parents | 900 | 14 |
| Total | 1200 | 79 |

3.7 DATA COLLECTION METHODS

The researcher from qualitative research considers that method of collecting data such as interviewing, questionnaires, and others (De Vos 2002:440). The choice of data collection method for the researcher was the questionnaires because were useful in the

process of controlling or checking whether the researcher has identified all the constituent element of a concept or not.

Both primary and secondary data was used for this study. Secondary data was obtained from government publications, research publications and reports. Secondary data was collected through literature reviews aimed at identifying attributes, role and, function of the School Governing Body in rural schools. Primary data was obtained through questionnaires. The study used primary data and the instruments used as means of gathering data are questionnaires and interviews.

3.7.1 Questionnaires survey

The reason for using questionnaires in this research was further based on Schumacher and McMillan's (1993:23) assertion that a questionnaire is relatively economical, has standardised questions and can ensure anonymity. The second method used to collect data in this study was through semi - structured questionnaires (Likert-Scale) which were administered to educators, SMT, principals and stakeholders (parents).

The information obtained through questionnaires was analysed and compared to the information obtained through interviews with SGB member, SMT, and Parents. The information was analysed and correlated to reach generalizations about this study. The information was collated and integrated with the information gathered from the literature review. The type of questionnaire the researcher used for data collection is a chose from a collection of alternatives, for example Disagree, Agree, Strongly Disagree, Neutral and Strongly Agree or assigns a numerical score by ranking. Using a four point scale. The questionnaires were distributed among educators, SGB member's and parents.

3.7.2 Interviews

Bless and Smith (2000:104) state that an interview involves direct personal contact with the participant who is asked to answer questions relating to the research problem. The research used the non-scheduled interview because this method gets people to express their view. This non-scheduled interview makes the interviewees to be free to expand on the topic and to relate their own experience, and that the interviewer intervenes to ask for clarification or further explanation. The following people participated in the interviews of this study, principals; SGB (Chairperson and Treasurers).

3.8 DATA ANALYSIS

Miles & Huberman (1994:345) state that data analysis is the process of systematically searching and arranging the interview transcription, field note, and other materials that are accumulated to increase the researcher's own understanding of them and to enable one to present what one has discovered.

Analysis of data obtained from individual interviews was done through identifying common themes from the respondent's description of their experiences. Irrelevant information was separated from relevant information in the interviews. The relevant information was broken into phrases or sentences which reflect a single or specific thought. The phrases or sentences were grouped into categories that reflected the various aspects of meanings. The various meanings identified were used to develop an overall description as seen by the respondents.

The data analysis was grouped into categories. An analysis was done using Statistical Package Social Sciences (SPSS) immediately after the data has been collected and after the results were interpreted in order to generate research report. The results were presented in the form of tables and percentages. A brief discussion representing tables was given to summarize the whole data.

3.9 ETHICAL CONSIDERATION

Mouton (2001:238) indicates that the ethics of Science concerns what is wrong and what is right in the conduct of research. Because scientific research is a form of human conduct, it follows that such conduct has to conform to generally accepted norms and values. Brink (1999:38) emphasises the importance of studying ethics in research in order to determine ethical principles underlying protection of human rights. The rights of human research subjects need to be protected by the researchers. Ethical clearance was not required to consider at the time of registration of this dissertation. Ethical considerations commenced long before the participants were recruited. Firstly the researcher has to first obtain permission from the relevant institution to conduct the research. Rubin and Rubin (2005:45) explain how institutions, such as universities, are required to have a review board that evaluates the research proposals of students and staff members. This is done ensure that the research is ethically sound before the researchers are permitted to commence research. After permission is obtained a researcher starts recruiting participants.

3.9.1 Informed consent

The researcher complied with the requirement for informed consent in that personal information was only collected and processed with the specific informed consent of the individuals involved. Only information that was relevant and necessary was collected. The researcher respected the right of participants to refuse to participate in research and to change their decision or withdraw their informed consent given earlier, at any stage of the research without giving any reason and without any penalty. Participants gave their consent in writing. Participants were given written information containing adequate details of the research. Consent for participation in research was freely given and informed:

- It was given without direct/indirect coercion or undue inducement;
- Prospective participants were informed on the details of the intended research;

- 3.9.1
- Prospective participants understood that information;
 - The researcher answered any question about the research and their participation; and
 - It was given before the research commenced.

The researchers was concerned particularly about the rights of and interests of vulnerable participants such as children (persons under the age of 18 years), the elderly, pregnant women, people with mental impairment, prisoners, students and persons in dependent relationships, the disabled, indigenous people and indigents.

3.10 CONCLUSION

3.9.2 Right to privacy

Paul and Jeanne (2010:102) further say that any research study involving human beings should respect participants' right to privacy. Under no circumstances should a research report, either oral or written, be presented in such a way that others become aware of how a particular participant has responded or behaved. Generally, a researcher must keep the nature and quality of participants' performance strictly confidential.

3.9.3 Honesty with professional colleagues

Researchers must report their findings in a complete and honest fashion, without misrepresenting what they have done or intentionally misleading others about the nature of their findings. And under no circumstances should a researcher fabricate data to support a particular conclusion, no matter how seemingly "noble" that conclusion may be.

In this study, respondents were assured of anonymity and the information provided by the participants was regarded as confidential unless agreed upon by the participant and the researcher.

3.9.4 Protection from harm

A researcher should not expose research participants to unnecessary physical or psychological harm. Participants should not risk losing life or limb, nor should they be subjected to unusual stress, embarrassment, or loss of self-esteem. In cases where the nature of study involves creating a small amount of psychological discomfort, participants should know this ahead of time, and any necessary debriefing or counseling should follow immediately after the in participation (McMillan & Schumacher, 2001:88),.

3.10 CONCLUSION

In this chapter the research methodology has been discussed for this study. The researcher concluded that the population and sampling procedures as well as research instruments, data collection techniques and data analysis were more appropriate in the methodology. Population and sampling procedures indicated all respondents involved in the research and how they were selected to form a sample. Questionnaires were used as data collection instrument to guarantee the success of this research.

CHAPTER 4: DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.1 INTRODUCTION

Chapter four begins with an explanation of how the ordinal data in the survey was displayed and analysed. The “Strongly Disagree” and “Disagree” number of responses for each question was added together; likewise with the “Agree” and “Strongly Agree” sub-continuum. The total average of all the responses in the survey for the disagree and agree number of responses were calculated. The resulting averages were then taken as a standard response, against which, all the survey responses (for all question responses and sub-category averages) are displayed for comparison purposes.

The interpretation and discussion of results was supported by tables, which clearly display the survey data that was being analysed within each sub-category. Specific explanations with regards to the validity test. For analysis purposes, all questionnaire responses were found to be reliable. The chapter concludes with a summary of all the discussions regarding retention issues in tabular form, indicating which of the responses reflected are below. Analysis of data obtained from individual interviews was done through identifying common themes from the respondent’s description of their experiences. Irrelevant information was separated from relevant information in the interviews.

4.2 ANALYSIS OF DATA COLLECTED THROUGH QUESTIONNAIRES

| | Frequency | Percentage |
|--|-----------|------------|
| This section will provide the analysis and interpretation of the data collected through questionnaires | 5 | 8.7 |
| Secondary school | 30 | 37.9 |
| Primary school | 26 | 33.8 |
| Do not go to school | 9 | 11 |
| Total | 70 | 100 |

4.2.1 BIOGRAPHICAL PROFILE OF RESPONDENTS

One of the questions articulated in the questionnaire was to determine the demographic profile of the respondents; this was presented in a manner in which the percentages of males could be compared to the percentages of females. In doing so, the gender in the majority could easily be identified, as well as generally determining the sum total of the whole population.

Table 4.1: Distribution of respondents by gender

| SEX | Frequency | Percentage |
|--------------|-----------|-------------|
| Male | 36 | 46.2 |
| Female | 43 | 53.8 |
| Total | 79 | 100% |

Table 4.1 reflects that out of the 79 questionnaires which were distributed. The table shows that (54.2%) were females while (45.8%) were males; hence the majority of respondents were females. This shows that females were more responsive to meetings than males. Females show concern to the future of their children than males. Again it shows that men are less concerned about education due to the security which they have in their families and at their work places. The results indicated that majority of respondents were female participating on the SGB.

Table 4.2: The frequencies and percentage of respondents by parents' education level

| | Frequency | Percentages |
|---------------------|-----------|-------------|
| University | 9 | 11.3 |
| College | 5 | 6.3 |
| Secondary school | 30 | 37.9 |
| Primary school | 26 | 33.0 |
| Do not go to school | 9 | 11.3 |
| Total | 79 | 100 |

Table 4.2 shows the frequencies and percentage of respondents by parents' education level. Almost half of their parents had their education up to secondary level, which was 37.9 percent followed by primary school with 33.8 percent. While, 11% had their parents' did not attend school, 7 percent (5 respondents) and 11 % had their parent' education level at colleges and universities. And therefore table 4.2 revealed that 9 respondent which constituting 11 percent of the total sample were having university qualification and they are principals and sampled educators. Table 4.2 reveals that the majority of SGB members interviewed have education levels above grade 12. It is only the treasurer of the rural school that has an education at primary school level. This gives an indication that some schools in Vhuronga 2 circuit, regardless of their social contexts, are managing to recruit SGB members with a reasonable level of education.

Table 4.3: Frequency distribution of subjects by age groups

| | Frequency | percentage |
|--------------|-----------|------------|
| 15-25 | 3 | 3.8 |
| 26-35 | 24 | 30.4 |
| 26-45 | 20 | 25.3 |
| 46 and above | 32 | 40.5 |
| Total | 79 | 100 |

Table 4.3 indicated that 3.8 percent of the total samples are within 15-25 years range. Most respondents in the study sample fell within 46 and above years age range. They made 40.5% of the sample. Only 30.4 percent of the sample was between 26-35 years of age. Respondents of various ages were well distributed in the final study sample. And therefore results indicated that most of the SGB components and other respondents are falling under than 46 and above years.

Table 4.5: Frequency distribution according governing and management experience

| Year | Frequency | percentage |
|---------------------------------------|-----------|------------|
| Never served in the SGB before | 15 | 19 |
| Served one year in the SGB | 20 | 25.3 |
| Served two years in SGB | 39 | 49.4 |
| Served more than two years in the SGB | 5 | 6.3 |
| Total | 79 | 100 |

Table 4.5 indicated that 25.3 percent of the sampled were served one year in the SGB while majority of the respondents (49.4%) served two years in SGB. All respondents have experience in the SGB of not less than two years. This shows that some of them were involved in the first generation of SGBs and others in the second generation. An interesting aspect that is emerging is that schools are somehow managing to retain experienced SGB members. The experience coupled with educational qualifications would, under normal circumstances, be expected to assist members in performing their finance functions better. This however seems to be not the case at these schools, because the finance officers of both schools A and B complained of doing the financial administration work alone.

4.2.2 SGB IN FINANCIAL MANAGEMENT

The table below were discussed the data interpretation collected during questionnaire with the role of the school governing body in financial management in Vhuronga 2 Circuit of Vhembe District.

Table 4.5: SGBs are given more responsibilities for financial management

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 29 | 36.7 |
| Agreed | 37 | 46.8 |
| Neutral | 6 | 7.6 |
| Disagreed | 5 | 6.3 |
| Strongly disagreed | 2 | 2.5 |
| Total | 79 | 100 |

Table 4.5 indicates that 6 respondents which constituting 7.6 percent of the total sampled did not answer the question it is Neutral. The respondent may not have seen this question, been uncomfortable answering the question or be unsure SGBs are given more responsibilities for financial management. Nearly 85 percent of the total sample thought that it was strongly agree with the statement that SGBs are given more responsibilities for financial management while just over 8.8 percent thought this disagreed with the statement. This means that 7 participants are not aware that SGBs are given more responsibilities for financial management which again, given the educational demographic of the sample is quite worrying.

Table 4.6: The financial viability of a school relies on the effective financial control measures that are implemented by the school governing body

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 22 | 27.8 |
| Agreed | 29 | 36.7 |
| Neutral | 9 | 11.4 |
| Disagreed | 14 | 17.7 |
| Strongly disagreed | 5 | 6.3 |
| Total | 79 | 100 |

The financial viability of a school relies on the effective financial control measures that are implemented by the school governing body is one of the biggest challenges facing

School Management Team. Table 4.6 also support this idea as 51 respondents constituting 63.8% of the total sample is strongly agree with the statement that the financial viability of a school relies on the effective financial control measures that are implemented by the school governing body. This idea is not supported by all as 19 respondents constituting 24% of the total sample disagreed with the statement while 9 respondents constituting 11.4% were neutral the statement due to the lack of the information. And therefore majority of the respondents (63.8%) agreed with the statement that the financial viability of a school relies on the effective financial control measures that are implemented by the school governing body.

Table 4.7: In a school where members of the school governing body lack the understanding or do not know how to go about controlling the school finances

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 28 | 35.4 |
| Agreed | 26 | 32.9 |
| Neutral | 10 | 12.7 |
| Disagreed | 11 | 13.9 |
| Strongly disagreed | 4 | 5.1 |
| Total | 79 | 100 |

In a school where members of the school governing body lack the understanding or do not know how to go about controlling the school finances, serious mismanagement of funds may occur and this represented on Table 4.7. Table 4.7 also indicate that 54 respondents constituting 68.3 % of the total sample agreed with the statement that in a school where members of the school governing body lack the understanding or do not know how to go about controlling the school finances, serious mismanagement of funds may occur while only 10 respondents constituting 12.7% were neutral with the statement due to the lack of the information. And again 15 respondents constituting 19% of the total sample strongly disagreed with the statement the statement that in a school where members of the school governing body lack the understanding or do not know how to go about controlling the school finances, serious mismanagement of funds

may occur and it was a clear demonstration of lack of information of how to go about controlling the school finances, serious mismanagement of funds may occur.

Table 4.8: School governing body have to be capacitated in order to make them efficient to control school funds efficiently

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 23 | 29.1 |
| Agreed | 23 | 29.1 |
| Neutral | 2 | 2.5 |
| Disagreed | 10 | 12.7 |
| Strongly disagreed | 21 | 26.6 |
| Total | 79 | 100 |

As pointed previously in a school where members of the school governing body lack the understanding or do not know how to go about controlling the school finances, serious mismanagement of funds may occur. Table 4.8 also support this idea as 46 respondents constituting 58.2 % of the total sample strongly agreed with the statement that the South African Schools Act (SASA), section 19, 1996 indicates that members of the school governing body have to be capacitated in order to make them efficient to control school funds efficiently while 2 respondents constituting 2.5% of the total sample were neutral. And again this idea is not supported by all as 31 respondents constituting 39.3% of the total sample strongly disagreed with the statement that the South African Schools Act (SASA), section 19, 1996 indicates that members of the school governing body have to be capacitated in order to make them efficient to control school funds efficiently something which could have been influenced by lack of knowledge with regard to the importance of the South African Schools Act (SASA).

Table 4.9: Financial control is not limited to the members of the school governing body (SGB)

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 21 | 26.6 |
| Agreed | 40 | 50.6 |
| Neutral | 4 | 5.1 |
| Disagreed | 10 | 12.7 |
| Strongly disagreed | 4 | 5.1 |
| Total | 79 | 100 |

Table 4.9 shows that 61 respondents constituting 77.2% of the total sample strongly agreed with the statement that financial control is not limited to the members of the school governing body (SGB) while 4 respondents constituting 5.1% percent were neutral it was a clear demonstration of lack of information of how financial control is not limited to the members of the school governing body (SGB). Only 14 respondents constituting 17.8% of the total sample strongly disagreed with the statement that financial control is not limited to the members of the school governing body (SGB). And therefore majority of respondents (77.2%) was agreed with financial control is not limited to the members of the school governing body (SGB)

Table 4.10: SGB members have lacks understanding or do not know how to control their allocated funds

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 18 | 22.8 |
| Agreed | 38 | 48.1 |
| Neutral | 8 | 10.1 |
| Disagreed | 9 | 11.4 |
| Strongly disagreed | 6 | 7.6 |
| Total | 79 | 100 |

Table 4.10 also support this idea as 56 respondents constituting 70.9% of the total sample strongly agreed with the statement that SGB members have lacks understanding or do not know how to control their allocated funds while 8 respondents constituting 10.1% were neutral the statement due to the lack of the information. Contrary to that 15 respondents constituting 19% of the total sample strongly disagreed with the statement that the SGB members have lacks understanding or do not know how to control their allocated funds and this is a clear indication of the lack of knowledge by a certain group of people.

Table 4.11: Members of the SGB need to be equipped to draw and analyze school budget, financial statements and where appropriate to manage school finance

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 28 | 35.4 |
| Agreed | 21 | 26.6 |
| Neutral | 11 | 13.9 |
| Disagreed | 8 | 10.1 |
| Strongly disagreed | 11 | 13.9 |
| Total | 79 | 100 |

As pointed SGB members have lacks understanding or do not know how to control their allocated funds. Table 4.11 also support this idea as 54 respondents constituting 62% of the total sample strongly agreed with the statement that members of the SGB need to be equipped to draw and analyze school budget, financial statements and where appropriate to manage school finance while 11 respondents constituting 13.9% were neutral due to the lack of the information. And again this idea is not supported by all as 18 respondents constituting 24% of the total sample strongly disagreed with the statement that members of the SGB need to be equipped to draw and analyze school budget, financial statements and where appropriate to manage school finance and this is a clear indication of the lack of knowledge by a certain group of people.

Table 4.12: Many SGBs are not well trained and as such they do not know what is expected of them with regard to school finances

| Functions | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 11 | 13.9 |
| Agreed | 26 | 32.9 |
| Neutral | 16 | 20.3 |
| Disagreed | 19 | 24.1 |
| Strongly disagreed | 7 | 8.9 |
| Total | 79 | 100 |

As it was indicated previously members of the SGB need to be equipped to draw and analyze school budget, financial statements and where appropriate to manage school finance. Tables 4.12 also support this idea as 37 respondents constituting 46.8% of the total sample strongly agreed with the statement that many SGBs are not well trained and as such they do not know what is expected of them with regard to school finances. This idea is not supported by all as 26 respondents constituting 33% of the total sample strongly disagreed with the statement that many SGBs are not well trained and as such they do not know what is expected of them with regard to school finances while 16 respondents constituting 20.3% were neutral and it is therefore due to lack of information about the SGBs are not well trained

Table 4.13: Rural schools the illiteracy level of parents is high with the result that SGB parents' component members are not well equipped for their governance functions

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 22 | 27.8 |
| Agreed | 28 | 35.4 |
| Neutral | 13 | 16.5 |
| Disagreed | 13 | 16.5 |
| Strongly disagreed | 3 | 3.8 |
| Total | 79 | 100 |

Table 4.13 also supports this idea as 50 respondents constituting 63.2% of the total sample strongly agreed with the statement that rural schools the illiteracy level of parents is high with the result that SGB parents' component members are not well equipped for their governance functions. This idea is not support by all as 16 respondents constituting 33% of the total sample strongly disagreed with the statement that rural schools the illiteracy level of parents is high with the result that SGB parents' component members are not well equipped for their governance functions while the neutrality demonstrated by 13 respondents who constituted 16.5 % of the total sample reveals confusion by the respondents who were in the minority.

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 42 | 52.5 |
| Agreed | 30 | 37.5 |
| Neutral | 13 | 16.25 |
| Disagreed | 3 | 3.75 |
| Strongly disagreed | 1 | 1.25 |
| Total | 79 | 100 |

Table 4.14: SGBs are tasked with this big task of governing school finances the biggest challenge

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 13 | 16.5 |
| Agreed | 29 | 36.7 |
| Neutral | 10 | 12.7 |
| Disagreed | 16 | 20.3 |
| Strongly disagreed | 11 | 13.9 |
| Total | 79 | 100 |

Table 4.14 also supports this idea as 42 respondents constituting 53.2% of the total sample strongly agreed with the statement that SGBs are tasked with this big task of governing school finances the biggest challenge. This idea is not support by all as 27 respondents constituting 34.2% of the total sample strongly disagreed with the statement that SGBs are tasked with this big task of governing school finances the biggest challenge while 10 respondents constituting 12.7% were neutral and this could be necessitated by lack of knowledge and misconception by a group of people in the study population.

Table 4.15: Lack of sufficient public funding for education has resulted in poor financial management by SGB members

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 17 | 21.5 |
| Agreed | 39 | 49.4 |
| Neutral | 13 | 16.5 |
| Disagreed | 9 | 11.4 |
| Strongly disagreed | 1 | 1.3 |
| Total | 79 | 100 |

Table 4.15 also supports this idea as 56 respondents constituting 70.9% of the total sample strongly agreed with the statement that lack of sufficient public funding for

education has resulted in poor financial management by SGB members. This idea is not support by all as 10 respondents constituting 12.7% of the total sample strongly disagreed with the statement that lack of sufficient public funding for education has resulted in poor financial management by SGB members while 13 respondents constituting 16.5% were neutral this could be necessitated by lack of knowledge in the study population.

Table 4.16: The budget serves as a guide to spending the school funds

| Total | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 22 | 27.8 |
| Agreed | 34 | 43.0 |
| Neutral | 8 | 10.1 |
| Disagreed | 12 | 15.2 |
| Strongly disagreed | 3 | 3.8 |
| Total | 79 | 100 |

Table 4.16 also support this idea as 56 respondents constituting 70.8% of the total sample strongly agreed with the statement that the budget serves as a guide to spending the school funds while 8 respondents constituting 10.1% were neutral. This idea is not supported by all as 15 respondents constituting 19% of the total sample strongly disagreed with the statement that the budget serves as a guide to spending the school funds and this is a clear indication of the lack of knowledge by a certain group of participants in the study sample.

Table 4.17: SGB of a public school must prepare a budget for their school each year

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 31 | 39.2 |
| Agreed | 35 | 44.3 |
| Neutral | 7 | 8.9 |
| Disagreed | 3 | 3.8 |
| Strongly disagreed | 3 | 3.8 |
| Total | 79 | 100 |

Table 4.17 also support this idea as 66 respondents constituting 83.5% of the total sample strongly agreed with the statement that SGB of a public school must prepare a budget for their school each year while 7 respondents constituting 8.9% were neutral due to lack of information. And again this idea is not supported by all as 6 respondents constituting 7.6% of the total sample strongly disagreed with the statement that the SGB of a public school must prepare a budget for their school each year

Table 4.18: The budget should reflect the school's prioritized educational objectives

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 20 | 25.3 |
| Agreed | 25 | 31.6 |
| Neutral | 11 | 13.9 |
| Disagreed | 14 | 17.7 |
| Strongly disagreed | 9 | 11.4 |
| Total | 79 | 100 |

Table 4.18 also support this idea as 45 respondents constituting 56.9% of the total sample strongly agreed with the statement that the budget should reflect the school's prioritized educational objectives. This idea is not support by all as 23 respondents constituting 29.1% of the total sample strongly disagreed with the statement that while

11 respondents constituting 13.9% were neutral something which could have been influenced by lack of knowledge with regard to what the budget should reflect the school's prioritized educational objectives.

Table 4.19: SGBs must elect finance committees made up of people who have adequate skills in budgeting and accounting procedures

| Disagreed | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 18 | 22.8 |
| Agreed | 35 | 44.3 |
| Neutral | 11 | 13.9 |
| Disagreed | 12 | 15.2 |
| Strongly disagreed | 3 | 3.8 |
| Total | 79 | 100 |

As pointed previously the budget should reflect the school's prioritized educational objectives. Table 4.19 also supports this idea as 53 respondents constituting 67.1% of the total sample strongly agreed with the statement that SGBs must elect finance committees made up of people who have adequate skills in budgeting and accounting procedures. This idea is not supported by all as 15 respondents constituting 19% of the total sample strongly disagreed with the statement that SGBs must elect finance committees made up of people who have adequate skills in budgeting and accounting procedures while 11 respondents constituting 13.9% were neutral and it is a clear demonstration of lack of information the lack of knowledge by a certain group of participants on the study population.

Table 4.20: Accurate financial records are an essential requirement for reliable financial accounting

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 28 | 35.4 |
| Agreed | 30 | 38.0 |
| Neutral | 10 | 12.7 |
| Disagreed | 8 | 10.1 |
| Strongly disagreed | 3 | 3.8 |
| Total | 79 | 100 |

Table 4.20 also support this idea as 58 respondents constituting 73.4% of the total sample strongly agreed with the statement that accurate financial records are an essential requirement for reliable financial accounting while 10 respondents constituting 12.7% were neutral. This idea is not supported by all as 11 respondents constituting 13.9% of the total sample strongly disagreed with the statement that accurate financial records are an essential requirement for reliable financial accounting and it is a clear demonstration of lack of knowledge by a group of population in the study sampled.

Table 4.21: SGBs must keep documents as evidence of correct dealings with suppliers were used

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 19 | 24.1 |
| Agreed | 45 | 57.0 |
| Neutral | 4 | 5.1 |
| Disagreed | 10 | 12.7 |
| Strongly disagreed | 1 | 1.3 |
| Total | 79 | 100 |

Tables 4.21 indicate that 64 respondents constituting 81.1% of the total sample strongly agreed with the statement that SGBs must keep documents as evidence of correct dealings with suppliers were used. Due to lack of knowledge by a group of people in a

community this idea is not supported by all as 11 respondents constituting 15% of the total sample strongly disagreed with statement that SGBs must keep documents as evidence of correct dealings with suppliers were used and youth while 4 respondents constituting 5.1% were neutral.

Table 4.22: Financial records is a skill that must be learnt by SGBs

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 23 | 29.1 |
| Agreed | 39 | 49.4 |
| Neutral | 5 | 6.3 |
| Disagreed | 8 | 10.1 |
| Strongly disagreed | 4 | 5.1 |
| Total | 79 | 100 |

Table 4.22 also supports this idea as 62 respondents constituting 78.5% of the total sample strongly agreed with the statement that financial records is a skill that must be learnt by SGBs. This idea is not supported by all as 12 respondents constituting 15.2% of the total sample strongly disagreed with the statement that financial records is a skill that must be learnt by SGBs while 5 respondents constituting 6.3% were neutral and this could be necessitated by lack of knowledge and misconception by a group of people in the study sampled.

Table 4.24: SGBs have a limited understanding of their role on the financial management

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 27 | 34.3 |
| Agreed | 30 | 38.0 |
| Neutral | 11 | 13.9 |
| Disagreed | 8 | 10.1 |
| Strongly disagreed | 3 | 3.8 |
| Total | 79 | 100 |

Table 4.23: SGB is required in terms of the SASA (S42) to submit the school's annual audited statement to the Department of Education within six months after the end of the financial year

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 29 | 36.7 |
| Agreed | 33 | 41.8 |
| Neutral | 6 | 7.6 |
| Disagreed | 7 | 8.9 |
| Strongly disagreed | 4 | 5.1 |
| Total | 79 | 100 |

Table 4.23 also supports this idea as 62 respondents constituting 78.5% of the total sample strongly agreed that SGB is required in terms of the SASA (S42) to submit the school's annual audited statement to the Department of Education within six months after the end of the financial year while 6 respondents constituting 7.6% were neutral. And again this idea is not supported by all as 11 respondents constituting 14% of the total sample strongly disagreed with the statement that SGB is required in terms of the SASA (S42) to submit the school's annual audited statement to the Department of Education within six months after the end of the financial year and this a clear indication of the lack of knowledge by a certain group of people.

Table 4.24: SGBs have a limited understanding of their role on the financial management

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 27 | 34.2 |
| Agreed | 30 | 38.0 |
| Neutral | 11 | 13.9 |
| Disagreed | 8 | 10.1 |
| Strongly disagreed | 3 | 3.8 |
| Total | 79 | 100 |

Table 4.24 also support this idea as 57 respondents constituting 72.2% of the total sample agreed that SGBs have a limited understanding of their role on the financial management while 11 respondents constituting 13.9% were neutral due to the lack of the information. Contrary 11 respondents constituting 13.9% of the total sample disagreed with the statement that the SGBs have a limited understanding of their role on the financial management and this could have its basis on the lack of information about the extent of financial management

Table 4.25: The SGB should inform the parents of their rights and obligations of school fees

| | Frequency | Percentage |
|--------------------|-----------|------------|
| Strongly agreed | 18 | 22.8 |
| Agreed | 30 | 38.0 |
| Neutral | 12 | 15.2 |
| Disagreed | 13 | 16.5 |
| Strongly disagreed | 6 | 7.6 |
| Total | 79 | 100 |

Table 4.26 also support this idea as 48 respondents constituting 60.8% of the total sample strongly agreed with the statement that the SGB should inform the parents of their rights and obligations of school fees while 12 respondents constituting 15.2% were neutral. And again this idea is not support by all as 19 respondents constituting 24.1% of the total sample strongly disagreed with the statement that the SGB should inform the parents of their rights and obligations of school fees and this is a clear indication of the lack of knowledge by a certain group of study population.

4.3 ANALYSIS OF DATA COLLECTED THROUGH INTERVIEW

Interview data were collected from principals, SGB treasures, SGB chairpersons, and financial officer or senior management members, as well as from learners in the respective schools.

4.3.1 Setting for the interviews

As indicated in Chapter 3, interviews were the source of data collection. Permission was obtained from the regional director to enter schools in the Vhuronga 2 circuit. Interviews were conducted at four schools which differ in their poverty index as well as their locations. Appointments were made through the principals of those schools. All principals of the four sampled schools as well as their finance officers, two of whom are educators and the third an administration officer, were interviewed at their respective schools. The remaining respondents were interviewed at places of their choice. All respondents at school A and the treasurer at school B were interviewed in a combination of Tshivenda and English. The rest of the respondents in schools B and C were interviewed in English. The respondents were free to respond in their choice of these two languages. All respondents were made aware of their right to choose to participate or not. All respondents willingly chose to participate. All interviews were tape recorded and respondents had no problem with that arrangement.

Question 1: How would you describe the financial management training you received?

Training in financial school management is fundamental and helps to prepare and equip school managers and SGBs with the necessary financial skills. This training enables both the SMTs and the SGBs to be responsible and accountable for the funds that have been received for the attainment of the specific school objectives. The participants were asked regarding the support they had received from the DoE, which developed their skills in managing the school's finances.

The chairpersons of schools A and B indicated that training in financial management would enable the incoming SGB members to handle the school funds. They added that the DoE must encourage the SGBs by organising more training opportunities for the SGB members on financial management. School B's chairperson informed the

researcher that the workshops organised by the DoE for SGB members who were not experts in that field, were very basic.

The chairperson of school A indicated that the SGB usually depended on the principal. They offered no advanced workshops on financial management. Therefore, it was imperative for SGBs to include somebody on the SGB financial committee with a good financial background who understood economic matters. He added that if they failed to employ good financial managers, they would not have been able to meet all their financial commitments. School B's chairperson stated that they did not send anybody to the DoE's financial training workshops, but used their own members instead who had a solid financial background. They audited their own financial statements and submitted their audited statements to the DoE.

Fortunately, they had never had problems in connection with their school's financial statements. It can therefore be concluded that they were managing their school finances properly. The chairperson of school C and D contended that the DoE just offered basic training regarding the functions they would be expected to perform as SGB members, but after that, they did not get any support from the DoE, even though they had indicated their training needs to the DoE. She added that in recent years, their school had had a problem with blocked toilets and although they had applied to the DoE for the renovation and repair of the toilets, it took years before the renovations were done. He complained that:

I cannot call that support because it does not happen immediately when you are experiencing a problem. Most of the time we are doing things on our own.

Of importance is the criticism levelled at the training currently offered by the DoE. That although the DoE does organise and provide training for SGBs on financial matters, there are complaints that the training is usually ineffective because many departmental officials assigned to train the SGBs are not managers or experts in school finance.

Question 2: What is the role of the principal in financial management?

The chairperson of school A indicated that the SGB usually depended on the principal for the smooth running of the school. The principal was in charge of the education of the children and was responsible for the purchase of books and other materials that were needed. The SGB governed the school and was supposed to generate funds, while the role of the principal was to deliver his input on how the school funds were to be generated, managed and spent.

The chairperson of school B indicated that the principal played a very important role in the SGB financial committee, since he had teaching experience and knew the costs of running the school on a daily basis. It was very important for the principal to be part of the SGB so that he could provide them with the correct figures and estimated amounts of money needed to run the school. The principal should be able to estimate the correct amounts that need to be spent on equipment, buildings and improvements to the machinery.

The chairperson of school C's SGB reminded the researcher that she had said that the principal had an important role to play in the SGB and with managing the money that the school had to administer and that he/ she had to account for the school funds. Therefore, while the SGBs had money, the situation was that they did not know how to spend the money to meet the needs of the school. This placed a heavy burden on the principal who knew the exact needs of the school such as shortages of computers, stationary and office furniture, for example. In contrast, SGB members only knew about the general school needs such as a need for a security gate and guard, for example, and not about the items such as stationary that might be needed.

The chairperson of school B indicated that the principal had to prepare a budget that covered the school's projected needs for the following twelve months; this was then presented to the SGB for discussion. During the discussion of the budget, the SGB could make suggestions if there were figures that needed to be adjusted and then, if

there were sufficient funds, the school could go ahead and make the necessary acquisitions.

The literature indicates that for any school to be successful, it is important that all the relevant stakeholders collaborate with each other. Though the SGB is accountable to the parents for the administration of school funds, the principal can play an important supportive role in ensuring that the school's finances are managed efficiently (Bush, 2003: 13).

Question 3: How SGBs report about expenditure on school fund?

All eleven respondents indicated that their schools hold an annual meeting for parents in October of each year. The following are examples of responses to the question on how SGBs report about their expenditure to parents:

School A Chairperson indicated that: We hold a meeting with parents, we inform them as to how much was collected, how much was spent and how much is remaining. We have just had meeting in November.

School A Financial Officer specified that in our meeting we explain how money was spent. It doesn't end there we further take this report to a meeting of parents. The report is tabled for them to either accept or reject it. All expenditure is reported to educators during morning meetings. Every member of the school is kept informed, there are no surprises.

School C Principal point out that: At the budget meeting in October. But then parents don't like meetings. That's the problem we have with former model C schools. It is difficult to get parents because everybody is doing professional work.

Responses from participants at School A & B Principals revealed that: We issue invitations to the parents for a parents meeting. The meeting is in October of every year.

We then give a report to the parents about the money. In this meeting we also discuss the budget for the following year. Everything is written down on paper for them to read, most of them cannot read though, but they do receive the document.

School B & C Treasurers indicated that We do our financial statement at the end of the year and then call parents to a meeting where we report about the income and expenditure. We give them a chance to query whatever they want to query about the expenditure.

School D Principal illustrated that during October we have a budget meeting. The School C & D Financial Officer indicated that in October, at the budget meeting. The treasurer presents the financial report to the parents.

can question how their money was spent. The general findings for this question were that the SGBs of all three schools follow a similar pattern of financial reporting. They invite parents to a budget meeting in October. In this meeting the SGBs give financial reports of how much money was received and also how it was spent.

budget meeting.

Question 4: How the parents informed about the budget?

Responses from School B Principal revealed that All eleven respondents referred to a budget meeting that is held annually in October. Examples of the responses are indicated as follows:

All schools hold such budget meetings to present the full budget to the parents.

School A Principal revealed that: Parents discuss the budget in a meeting before the end of the preceding year. Parents make inputs on the budget or reduce some items if they think they are not necessary. The inputs are usually poor because many parents have little understanding of the processes.

At the budget meeting, parents are given an opportunity to make inputs into the budget.

School A Treasurer illustrated that: As I indicated that after the budget caucus we invite parents to a meeting towards the end of the year to give them the budget. We indicate to them how much we have received from the State and how much each parent shall have to contribute. that those persons know exactly what is expected of them and also

Responses from participants at School A Financial Officer demonstrated that: Time is usually against us, we do it around October when giving them the financial report.

School B & C Treasurers indicated that when we report we call on a parents meeting. The teacher from the school (finance officer) and myself, must have seen all what happened, all must have been written, we put it on the agenda, - when we report we say this is what happened on such and such a date.

School D Principal illustrated that during October we've got a budget meeting. Then the previous year's financial statements are presented so that they know what happened to their money and how it was used. And then the new budget is presented and parents can question how their money was spent and why there is an increase in the school fee. And they as parents must adopt the budget for the following year. A notification for such a meeting is given in 30 days.

Responses from participant at School C Chairperson indicated that: At the annual budget meeting.

Responses from School B Principal revealed that We hold a budget meeting in October. Parents are called to make inputs on the budget but they can't, they don't understand it.

All schools hold such budget meetings to present the draft budget to the parents. Parents are invited during that month to come and check the financial statements from the auditor, for them to be able to ask questions in the meeting. All respondents indicated that parents do not generally make use of this opportunity.

At the budget meeting, parents are given an opportunity to make inputs into the budget; this opportunity is also rarely used by the parents in all school quintiles. The Education Foundation Trust and MDE (2012) indicate that the chairperson of the finance committee may, with great care, delegate some tasks to committee members. He must however be sure that those persons know exactly what is expected of them and also

know how to do the job. The treasurer of school C has been delegated to present the budget to the parents at this meeting, whereas at schools A and B the delegation is on the finance officers because the treasurers do not have capacity to do so.

Question 5: How does the SGB of your school spend the budget?

All respondents answered the question on how the budget is spent. All three schools involved in the study have finance committees. The general practice is that all requisitions are submitted to the finance committee which then approves or disapproves the requisitions. The chairperson of school A however said the finance committee does not approve financial claims because they do not have a budget; it is the “duty of the SGB”. The principal and the treasurer of school A, however contradict this statement by saying that the finance committee does approve requisitions. Educators at school A receive feedback from the finance committee the morning after the finance committee meeting as an obligation. Schools B and C on the other hand, do not consider themselves obliged to give immediate feedback to educators, because they are not the owners of the money. The treasurers of Schools A and B monitor spending on the budget by being very strict when it comes to signing cheques, whereas the treasurer of school C visits the school every week to check all requisitions and payments. The principal and the finance officer of school C must give reports to the treasurer of how much was spent on a weekly basis.

A quotation system is used for the procurement of goods. The principals, the chairpersons and finance officers of all three schools indicated that the SGB applies the principle of three quotations when buying items or services. A reasonable amount of authority to approve certain expenditures has been delegated to the school principals of school B and C. School A claims a history of misappropriation of funds by the principal and therefore allows the principal very little access to the finances of the school. The treasurers of schools A and B feel that the principal must have the last say on matters of procurement as head of the school, whereas the chairperson of school A feels that it should be himself having the last say on these matters.

Question 6: According to you (SGB) what is the section 21 status means?

Ten participants responded to the question on understanding what section 21 status means. All three principals of participating schools understand Section 21 to mean more responsibility for the SGB, being self-managing; independence and also that subsidy money will be deposited directly into the school's banking account. The principals of school B and C also mentioned accountability as an important matter in section 21 statuses. The treasurer of school A said for him section 21 means that the State is happy with their performance as the SGB that is why they receive "cash" as subsidy. For the chairpersons of schools B and C and the principal of school C, section 21 involves being able to do things on your own, having authority to procure goods such as textbooks and stationery and the payment of services to the school. The chairperson of school A defined it as saying to the SGB "go and perform". Nine respondents indicated that they were instructed by the department to apply for the section 21 statuses. The responses to this question are given below:

School A Principal illustrated that the SGB that we have now is working very hard, they are trying by all means to improve the environment of the school I think the department is aware of our ability to perform that is why they said we must be section 21.

School B Chairperson point out that there were forms that were given to us to say are you ready to do this? Do you have the infrastructure? Do you have the knowledge and the capability to do this? And then we said yes.

The responses from School D, Chairperson indicated that We applied for all the functions because usually they allocate more money for municipality services. We then applied to varmint the money to cover other needs. I can't remember exactly which functions were finally allocated to us.

The respondent from School A Financial Officer designated that I remember that there were forms and we were supposed to apply. We were told that there is transformation

that must happen, the department wants us to be section 21 and we must apply. That is the information we got. We never actually took time to assess our capability regarding that, but we were only told about the advantages and disadvantages and we decided to apply.

School C Principal indicated that our school boards were accountable then and when the SGBs were elected ours was to adjust to the new Act. The SGB applied for the functions but someone is withholding the power from them.

School B Treasurer revealed that the department realizes that there is improvement at schools, yes there are other problems and areas that need development, so they said you can now become a section 21 school.

School A Treasurer shows that with that one, I really don't know. We have educated people in this school they could have make the application.

School C and D Financial Officer indicated that I have no idea. I think there must have been an application to that effect.

School D Principal indicated that they decided to appoint security guards to take care of the school. We pay them from the contribution of the parents. The office furniture you are seeing here also comes from them. I don't think there is actually anything very new because we are not buying textbooks yet, we only write requisitions of those books we would like to have.

Responses School D Treasurer revealed that I don't know really. I actually don't see any difference. Now that I have worked for this long in the SGB, I realise that it is not easy to misuse public funds particularly if the chairperson and treasurer are strong people.

Responses from School D Financial Officer indicated that: We feel that the functions are few because, e.g. we are not buying furniture for learners. We do have a certificate but

we have not started performing well. I think the department has not yet made it clear for us.

Question 7: Does your SGB have a finance committee? If yes how is the financial committee operating?

All respondents indicated that their schools do have finance committees. According to the treasurer of school A the finance committee meets twice or thrice in a month whereas other respondents indicate that the finance committee meets once a month. Although the finance committee of school C only meets once a quarter, there is weekly monitoring of expenditure by the treasurer. The treasurers and chairpersons of schools A and B seemed uncertain of who the finance committee members for their SGBs are. The chairperson of school A's SGB is also the chairperson of their finance committee. For school B the chairperson of the finance committee is the principal. For school C the treasurer of the SGB is the chairperson of the finance committee. The treasurer of school A indicated that the finance committee meets with the entire SGB twice or thrice a week. The principal and the finance officer from the same school said the SGB and the finance committee never meet.

Respondents from schools B, C and D indicated that their finance committees meet with the entire SGB once in a term.

Question 8: How do go about exempting parents from paying school fees?

All participants responded to the question on the payment for services to the school. Examples of the responses were as follows:

School A Principal revealed that If the due date for such an account comes before the date of the next finance committee meeting, the Principal requests the treasurer, and the chairperson to sign a cheque for us. We then go and pay but if the due date is after the meeting, we present all such accounts to the finance committee meeting for

approval. From this meeting we also make it a point that we deliver a report about the expenditure made to the educators when we have a staff meeting, for transparency.

The respondents from School A Treasurer point out that: We check the bill. If we take the telephone as an example, when the bill is received we know it must be paid, we verify the amount as tabled before we can sign the cheque.

4.1 CONCLUSION

School A Financial Officer revealed that: When we receive our mail, all such bills are given to me. If the due date is prior to a meeting date we inform the chairperson who in turn gives permission to proceed with the payment. This is however not common. If the due date is after the committee meeting the account will be presented to the finance committee meeting and then payment is made after the meeting.

School C Principal indicated that the SGB has given me the powers to approve such payments. I cannot get the finance committee to sit each time there must be a payment. Approved regular items I pay for them.

School C & D Chairperson shows that the management of the school does that.

School A Chairperson indicated that when the statement comes we discuss it and then pay. We do not take it to the finance committee because we regard them as a sub-committee and they do not have a budget.

Responses from School B Chairperson illustrated that the finance committee presents to the governing body and then the entire governing body scrutinizes every transaction that is there in order to ensure that everything is right and in that light also endorse it.

School B Principal indicated that We make requisitions which are submitted to the finance committee. The committee checks and then payments can be made. For the regulars we have permission from the SGB to pay immediately.

A significant amount of authority has been given to the school management of the urban school as opposed to the management of the rural and the semi-urban schools. At the urban school, this is supported by a close monitoring system where the treasurer visits the school every week to check on all requisitions and payments made. Less monitoring is done at the other two schools, resulting in less flexibility in using the finances.

The problem regarding the effectiveness of SGBs based on their financial management formed part of educational and political debates in South Africa as indicated earlier in this study. In South Africa, immediately after the democratic

4.4 CONCLUSION

This chapter focussed on findings based on questionnaire survey carried out and interviews conducted by the researcher regarding how effectively the role of the school governing body in financial management in Primary schools. An outline of the findings derived from the observations was presented in this. Observations were carried out at different schools on different dates and at specific scheduled times. The opinions offered during the discussions revealed a certain lack of understanding by SGB members of the functions they were expected to perform, is a cause for concern.

5.2 MAJOR FINDINGS OF THE STUDY

The following sub-topics were used in drawing conclusions based on research findings:

- Capacity of SGBs to account for finances;
- Accountability practices of SGBs;
- Capacity building for SGBs.

5.2.1 Capacity of SGBs to account for finances

One of the most common forms of financial accountability is the annual financial audit of the entity's records. In business for example, the company will account to its shareholders during an annual general meeting by presenting the company's financial statements. The ability to produce financial statements which are the evidence of capacity to account in a particular area, if such financial statements may be produced, they may contain qualitative information which is not otherwise available.

CHAPTER 5: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The problem regarding the effectiveness of SGBs based on their financial management roles has frequently formed part of educational and political debates in South Africa as indicated earlier in this study. In South Africa, immediately after the democratic elections, the government of the day introduced participation of different stakeholders in governance as discussed earlier in this study. The SASA (RSA, 1996a) provides guidelines with regard to the functions of the SGB to help bring about the effective functioning of SGBs in public schools. The previous chapter focused on the analysis of the collected data. In this chapter the researcher interpreted the findings to try and find answers to the research questions posed in Chapter one of this study.

5.2 MAJOR FINDINGS OF THE STUDY

The following sub-topics were used in drawing conclusions based on research findings:

- Capacity of SGBs to account for finances;
- Accountability practices of SGBs;
- Capacity building for SGBs.

5.2.1 Capacity of SGBs to account for finances

One of the most common forms of financial accountability is the annual financial audit of the entity's records. In business for example, the company will account to its shareholders during an annual general meeting by presenting the company's financial statements. The ability to produce financial statements indicates the presence of capacity to account in a particular entity. However, even if financial statements may be produced, they may contain qualifications. These indicate weaknesses in either internal

controls or governance. Financial accountability is also measured in terms of being able to produce financial statements in time, in both business and government.

The first part of analysing the capacity of SGBs to account financially relates to their ability to produce the school's financial audit. In general, the researcher noted that there is a fair understanding of the meaning of financial accountability. SGBs surveyed understood the obligation placed upon them in terms of resources under their stewardship. However there is often a difference between understanding one's obligations and having the capacity to fulfil them. In terms of how and when schools account to the HOD the researcher found differing versions. In the urban school there are weekly systems for checking financial records by the treasurer.

The school also has a computer program that records and updates every financial transaction performed. Under these circumstances the school updates and balances its books on a regular basis, thus keeping the records ready for audit at any time. In the other two schools the control of financial records is vested with the financial officer, who also fulfils the role of the treasurer. In both schools the treasurer has very little capacity and expertise to maintain and monitor financial records of the school.

The researcher found in the rural school that financial records were returned by the auditor for the school to rectify certain things relating to records of expenditure for the year. One can summarize that the records were either difficult to audit or contained insufficient information to make a professional audit possible. In the rural school it was found that the governing body once lost a cheque amounting to R9 000.00 and it was cashed by an unknown culprit. The answers given by the respondent from the finance department also confirmed that many financial reports they receive from schools come with qualifications. The interpretation is therefore that although respondents indicated a fair understanding of the duty to account financially, in two of the three schools there was little capacity to prepare and produce financial reports of the school.

The second obligation that was investigated was that of the SGB to submit financial records in the required time. The researcher found that all surveyed schools submitted financial records on time. However, the motivation to submit is not always related to capacity or responsibility, but has more to do with the incentive to receive the State subsidy sooner. The researcher could not confirm that capacity has anything to do with the timeous submission.

5.2.2 Accountability practices of SGBs

The financial accountability processes of the SGBs are crafted in a way that accounting happens at three levels: the finance committee accounting to the SGB, the SGB accounting to parents and then the SGB accounting to the HOD. In the urban and the semi-urban schools the researcher found the existence of a finance committee which is able to meet every month and then account to the entire SGB on a quarterly basis by presenting a written financial report. In the rural school however, the researcher found conflicting versions about how the finance committee accounts to the SGB.

Statements made suggest that there is no expectation for the finance committee to account to the SGB. This seems to conflict with earlier indications that the SGB in this school understood the obligation to account. With regard to accounting practices to the HOD, the researcher found in all the schools that although schools fulfil this obligation, there is a lack of clarity as to whether this is sufficient, as the HOD hardly provides any feedback to the SGBs. In one school the HOD returned the financial report because the auditor had combined the income from the State with that from the parents.

The response from a finance department official confirmed that giving feedback on incorrect reports has not been their focus so far; up until the end of 2014 they were only too happy to receive financial reports at all. It would seem logical to conclude that the HOD's chief interest is limited to the accurate reflection of the State subsidy in the report. For example, the urban school voiced a concern that it seems the HOD hardly notices that the parents' contribution was more than R2m, whereas the State

contribution was only R15 000.00. In all schools the researcher found that although the SGB provides both written financial reports to the parents and also take pains to explain the report in detail, this seems to be a self-serving exercise as parents, due to low levels of literacy, cannot engage with the report or understand the financial information. They derive satisfaction from simply knowing how much is in the school account. In the third school the researcher found that the accounting process follows the stipulations of the SASA (S38). Parents are given thirty days notice of a meeting, during which time they are also invited to inspect financial records prior to the actual meeting day.

The SGB at this school refuses vehemently to provide a written report to the parents. A comment made by the principal was that they “cannot make a copy for every man who walks in the street”. There is, at the same time, no legislation that can enforce SGBs to give or not to give written financial reports to parents as owners of the money. In analysing the accounting practices, the researcher found different applications from the different schools. These seem to depend on to whom the SGB accounted.

For example, only the HOD receives a report that is audited, whereas parents receive an incomplete preliminary financial report due to the timing of the budget meeting. With these different standards of financial accounting, it can be argued that current financial accounting practices of SGBs in Vhembe District do not promote full and equal financial accountability. It can also be concluded that the practices that SGBs follow when accounting to parents are consistent with soft accountability because in the absence of legal direction to make a submission to the HOD, the matter is left to the discretion of the SGB.

5.2.3 Capacity building for SGBs

The Departmental SGB training program on financial management is conducted by departmental officials who are either working at the finance department or principals of schools who are used as training teams. In analysing the training processes, the researcher found that a one size fits all system is being used. All SGBs are subjected to

the same training program, regardless of their level of development. Upon analysis of the contents of the program provided, it was found that all training conducted so far focused on basic financial management skills. It was also found that the training team itself lacks deep knowledge of financial management. One finance officer commented saying "they did not know what they were saying; we actually could have trained them". In one school it was found that SGB members never attend financial management workshops because the school principal knows them to be qualified accountants who have sufficient skills in financial management.

With the current inadequate training program, it can be concluded that the majority of SGB members who were subjected to them, are still lacking important skills they need to function as section 21 schools. The allegation that Department of Education withholds the power to purchase LSM on the basis that schools do not yet possess the necessary knowledge and skills to engage into prerequisite processes such as tendering and procurement, could thus be regarded as true. On the other hand, it could be concluded that the Department has not, until now, done enough to build the capacity of SGBs for them to assume full section 21 functions.

5.3 RECOMMENDATIONS OF THE STUDY

The outcome of the investigation together with the literature study warrants the following recommendations:

- The treasurer of the SGB should be someone who has the expertise in Accounting or Financial skills. This will eliminate a problem of lack of skills and knowledge on the side of the SGB. It will also reduce the administrative duties that the principals have based on the fact that the treasurer does not have the necessary expertise.
- It is evident from the interviews and focus group discussion conducted that the training received by the SGBs is not sufficient. SASA (South Africa: 1996)

repeatedly emphasizes the necessity for training, supporting and monitoring the SGBs. It has been shown that the training received by the SGB from the Department of Education is aimed at equipping them with the necessary skills to perform their duties. The Department of Education should strengthen their training to an extent that the SGBs are equipped with the skills that will benefit them in performing their duties, especially the management of funds in schools.

- Schools should foster good working relations between the SGB and the SMT as this will assist in the smooth running of the institutions. A school that has the SMT and SGB that are working well together will be easy to manage and govern.
- According to circular 13 of 2000 (Department of Education), the bank account of the school have three signatories; the Principal, the Chairperson of the SGB and the Treasurer. These are the people who have the authority to sign cheques for payment of services and goods required by the school.
- The budget should be drawn after consultation with all the stakeholders in the school. The SGB should authorize the budget and also make all the parents aware of it in a parents meeting. The budget should be a working document that can be revisited regularly as funds are spent. There is a need for the Department of Education to give feedback to schools after they had drawn their budgets. This will help ensure that schools know whether their budgets are acceptable or not. If the budgets are not acceptable, schools can be given guidance by the Department of Education.
- There must proof for every payment made at school in a form of receipt. Proper records must be kept to ensure proper administration and accountability for all the money paid at school. Petty cash should be controlled by one person chosen by the SGB and preferably the finance officer as (s)he better control of money

5.4 handled. Petty cash should be properly recorded with a record of what the money was used for.

- Fund raising is one of the responsibilities of the SGB as stipulated in National Norms and Standards for School Funding (Department of Education: 2002). Schools should raise funds to add on to the income available so as to assist with other activities that will be necessary for its development and progress of the learners. It will be necessary for SGBs to research other means of fund raising and implement them.
- The SGB should establish and administer school fund as contemplated in section 37 of SASA. Financial statements should be prepared monthly and be submitted to the SGB for reporting purposes for financial accountability to be possible. The financial statements should be checked regularly so as to ensure that there is coherence between income and expenditure. This should either be done by the treasurer or a member of the finance committee.
- That the Department of Education should ensure that each school has an effective financial management system. This will ensure more accountable management of funds to enhance the quality of education.
- That government should consider revising section 42 of SASA to enforce compulsory and equal accountability to all stakeholders who contribute into the school fund
- That short courses on financial management be introduced to upgrade the knowledge levels, skills and understanding of financial matters of SGB members.

5.4 RECOMMENDATIONS FOR FUTURE

The management of school funds is a serious function in schools and it is the responsibility of the SGB. The lack of expertise on the side of the SGBs in rural schools might be a serious concern that needs to be investigated. The following issues need to be researched relating to the functionality of the SGBs:

- The criteria used in electing SGBs in schools.
- The programmes used in training the SGBs by the Department of Education.
- Monitoring and evaluation of the performance of SGBs.
- The commitment of the educator component in the SGB.

5.5 CONCLUSION

The research has indicated that the SGBs in public schools play a major role with regard to their financial management functions at schools. The effectiveness of SGBs to assist the schools within their boundaries depends on the quality of support available to them at school level. This assistance should be received from the DoE, the teacher component of the SGBs and the principals as members of the SGBs and the SMTs.

It has been shown that the training received by the SGBs from the DoE is aimed at equipping them to perform their duties optimally. However, it is evident from the findings derived from both the observations and the interviews that the training the SGBs receive is insufficient to achieve the required aims. The SASA (RSA, 1996a) repeatedly emphasises the necessity for training, supporting and monitoring SGBs; however, the ideal situation where SGBs have access to specialised personnel to assist and support them and provide the quality and type of training they need, still lies in the future. Therefore, given the present situation in schools, the different stakeholders, especially the principals as DoE representatives, should provide school based support, share their expertise and make maximum use of all the applicable and human resource skills

available to them. This kind of support can certainly help SGBs to function more effectively in future in the interest of not only the school, but the whole community as well.

The aim of this study was to investigate the the role of the school governing body in financial management in Primary schools in Vhembe District of the Limpopo Province. This was done through posing research questions that were answered in Chapter 4 after the analysis of raw data. The research concludes that the financial accountability of SGBs in Vhembe District is at a lower level than desirable. The most challenging area is the level of capacity that needs to be developed for SGB members to be able to compile, clearly understand and interpret financial reports, something which does not only need education, but specific expertise. The disparity in the accounting systems for the State and parents needs attention.

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Table 4.1 Gender of the respondents

| Form | IT REFERENCES |
|-----------|---|
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| Divorced | |

Table 4.3 Respondents highest qualifications

| | |
|---------------------|--|
| No formal education | |
| Primary level | |
| Secondary level | |
| Passed std 10 | |
| Tertiary level | |

Table 4.4: Respondent Age

| | |
|----------|--|
| Under 30 | |
| 31-40 | |
| 41-50 | |
| Over 50 | |

APPENDIX A: BIOGRAPHICAL INFORMATION

Table 4.1 Gender of the respondents

| | |
|--------|--|
| Female | |
| Male | |

Table 4.2 Marital status of the respondents

| | |
|-----------|--|
| Married | |
| Unmarried | |
| Widow | |
| Widower | |
| Divorced | |

Table 4.3 Respondents highest qualifications

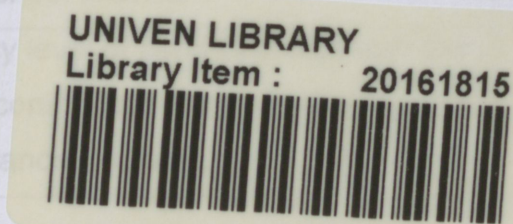
| | |
|---------------------|--|
| No formal education | |
| Primary level | |
| Secondary level | |
| Passed std 10 | |
| Tertiary level | |

Table 4.4: Respondent Age

| | |
|----------|--|
| Under 30 | |
| 31-40 | |
| 41-50 | |
| Over 50 | |

Table 4.5: Frequency distribution according governing and management experience

| | |
|---------------------------------------|--|
| Year | |
| Never served in the SGB before | |
| Served one year in the SGB | |
| Served two years in SGB | |
| Served more than two years in the SGB | |



APPENDIX B: QUESTIONNAIRE SURVEY

Please complete all questions Mark with an "x" Mark from Strongly Agree to Strongly Disagree

| | Strongly agree | agree | uncertain | disagree | Strongly disagree |
|---|----------------|-------|-----------|----------|-------------------|
| The budget serves as a guide to spending the school funds | | | | | |
| SGBs are given more responsibilities for financial management | | | | | |
| The financial viability of a school relies on the effective financial control measures that are implemented by the school governing body | | | | | |
| In a school where members of the school governing body lack the understanding or do not know how to go about controlling the school finances, serious mismanagement of funds may occur | | | | | |
| The South African Schools Act (SASA), section 19, 1996 indicates that members of the school governing body have to be capacitated in order to make them efficient to control school funds efficiently | | | | | |
| Financial control is not limited to the members of the school governing body (SGB) | | | | | |
| SGB members have lacks understanding or do not know how to control their allocated funds | | | | | |
| Members of the SGB need to be equipped to draw and analyze school budget, financial statements and where appropriate to manage school finance | | | | | |
| Rural schools the illiteracy level of parents is high with the result that SGB parents' component members are not well equipped for their governance functions | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| SGBs are tasked with this big task of governing school finances the biggest challenge | | | | | |
| Lack of sufficient public funding for education has resulted in poor financial management by SGB members | | | | | |
| The budget serves as a guide to spending the school funds | | | | | |
| SGB of a public school must prepare a budget for their school each year | | | | | |
| The budget should reflect the school's prioritized educational objectives | | | | | |
| SGBs must elect finance committees made up of people who have adequate skills in budgeting and accounting procedures | | | | | |
| Accurate financial records are an essential requirement for reliable financial accounting | | | | | |
| SGBs must keep documents as evidence of correct dealings with suppliers were used | | | | | |
| Financial records is a skill that must be learnt by SGBs | | | | | |
| SGB is required in terms of the SASA (S42) to submit the school's annual audited statement to the Department of Education within six months after the end of the financial year | | | | | |
| SGBs have a limited understanding of their role on the financial management | | | | | |
| The SGB should inform the parents of their rights and obligations of school fees | | | | | |

Question 7: Does your SGB have a finance committee? If yes how is the financial committee operating?

APPENDIX C: INTERVIEW SCHEDULE

How would you describe the financial management training you received?

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.....

Question 2: What is the role of the principal in financial management?

.....

.....

.....

Question 3: How SGBs report about expenditure on school fund?

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Question 4: How the parents informed about the budget?

.....

.....

.....

Question 5: How does the SGB of your school spend the budget?

.....

.....

.....

Question 6: According to you (SGB) what is the section 21 status means?

.....

.....

.....

Question 7: Does your SGB have a finance committee? If yes how is the financial committee operating?

.....
.....
.....

Question 8: How do go about exempting parents from paying school fees?

.....
.....
.....

THANK YOU FOR YOUR PARTAKING