



**CHALLENGES FACING PRIMARY SCHOOL GOVERNING BODIES IN FINANCIAL
MANAGEMENT WITHIN THE SHILUVANE CIRCUIT OF MOPANI DISTRICT;
LIMPOPO PROVINCE**

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I **Mmatjie Evelyn Makgopa** hereby declare that the dissertation for the MEDEM degree at the University of Venda hereby submitted by me has not previously been submitted for a degree at this or any other university, and that it is my own work in design and in execution and that all reference material contained therein has been duly acknowledged.

Signature: *Makgopa ME*.....

Date: *03/03/2011*.....

This mini dissertation is dedicated to my mother Masere Sarah Ramalepe.

ABSTRACT

I hereby wish to acknowledge full support from the following in the completion of this research:

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ABSTRACT

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The study seeks to investigate how school funds are managed in the Shiluvane Circuit .Eight primary schools within the Shiluvane Circuit were visited and they completed the questionnaires. School Managers, members of the School Governing and parents participated in the study. The findings of the study are based on the eight primary schools selected. In this study questionnaires were used to gather information from school managers, members of the school governing body and parents. The study recommends that induction is essential for the newly elected members of the school governing bodies.

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1.1 BACKGROUND TO THE RESEARCH PROBLEM

Financial management is a serious problem in most primary schools. This is because most School Governing Bodies (SGBs) and School Management Teams (SMTs) lack the necessary knowledge of accounting. SGBs have the right to supervise, control and protect the school fund. According to Education Labour Relations council (1996 :B-18), before the budget is approved by SGBs, it must be presented to the general meeting of parents convened on at least 30 days notice, for consideration and approval by majority of parents present so that they can be able to vote. Parents must also be informed that the budget will be available for inspection at the school at least 14 days prior to the meeting.

Potgieter, Visser, van der Bank, Mothata and Squelch (1997:40) also state that the majority of parents must decide on how school fees should be paid at that particular school. Parents must also approve the school fee amount. On that note it is difficult for some members of the SGB to comprehend Acts since these policies are not translated into their language. Most parents of learners left schooling in the early grades due to social and political problems such as pregnancy at an early age and working as farm laborers.

According to Potgieter et al (1997:23) financial management in schools is a project which requires SMT and parents representatives to work efficiently and effectively as a team. This is not prevalent in most primary schools. Potgieter et al (1997:30) state that the Head of Department (HOD) must set up a training programme for newly elected members of School Governing Bodies to make it possible for them to perform their functions and to develop their capacity to take on additional functions.

Members of the SGBs are constantly faced with the challenge of not having sufficient knowledge on budget and its procedures. The Department of Education normally set up time frames in

order to control budgeting in schools. It is recommended that the SGBs should start preparing their budget for the coming year during the 3rd term of each school year. According to Bischoff (1997:67) the second financial year has to be planned before the first year is completed and the lessons learned from the first year can only be used for the third budget year.

The Northern Province Department of Education (1999:16) emphasized that the School Governing Body should start preparing the following year's budget during the third term of each school year. Education Labour Relations Council (1996: B-18) also emphasize that a governing body of a public school must prepare a budget each year according to prescriptions determined by the Member of Executive Council in a provincial Gazette, which shows the estimated income and expenditure of the school for the following financial year.

In instances where the school fees are not enough to maintain the school's needs, it is the duty of the SGBs to resort to fundraising in order to improve the financial situation of the school. Campher (1999:73) writes that the SGBs may allow the reasonable use of facilities of the school for the community for social fundraising. Potgieter et al (1997:38) state that the School Governing Body may approach people in business to sponsor things for or at the school to pay for certain expenses and also state that parents may be asked to donate to the school.

Importantly, each school must open a bank account for the school at a commercial bank. According to Labour Relation Council (1996:B-16), a governing body of a public school must open and maintain a one banking account, but a governing body of a public school may, with the approval of the member of Executive Council, invest surplus money in another account. Bischoff (1997:134) states that the SGBs have the duty to open an account because each school needs to have an account where the school's money is kept. According to the Northern Province Department of Education (1999:49) one needs to be very careful when electing a person to be signatory. He also add that they need to have a good reputation as honest people and says there is no point in having a signatory who is a migrant worker and who will be away for months at a time.

Petty cash is very important in schools because it is used to pay for small items, rather than paying by cheque. It is difficult for most public schools to control petty cash because some school administrators misuse the petty cash for their own benefit. Northern Province Department of Education (1999:111) state that administrators needs to be very strict inn handling petty so that it should not be borrowed by members of the staff. Bischoff (1999:78) states that the SGB must appoint a person registered as an accountant in terms of the Public Accountant and Auditors Act.

1.2 STATEMENT OF THE PROBLEM

Lack of capacity among SGB members in rural schools have a negative impact on financial administration and management. The SGBs do not effectively play its expected role as far as the management of finances of school is concerned and as such, there is a problem in some schools where the school bank account is not properly managed. Some members of the parents representatives, who are able to read and write, are sometimes reluctant to fully participate in the affairs of the school, thereby compounding the problem of financial management Apparently they delegate their responsibilities to the School Management Teams. Parents of learners do not form part in decision making on the issue, as it is done by School Management Teams.

There is challenge that the SGBs find themselves faced with in the raising of funds. However, there is a problem in most primary schools where the SGBs lack the necessary knowledge on how to fund raise or to approach business people to sponsor them. They also do not have the necessary knowledge and skills to encourage parents to ask for donations for the school. Sometimes community members elect signatories who are unreliable.

The Department of Education does not conduct orientation programs for newly appointed members of the School Governing Bodies on issues pertaining to the financial management of schools and as such some of the SGBs do not audit their financial books accordingly, as a result they do not balance their income and expenditure.

1.3 RESEARCH QUESTIONS

The researcher used the following questions to address the above mentioned statement of the problem:

- How do primary schools SGB members manage their finance to improve the status of the schools?
- How do primary school SGBs access policy documents relating to financial management?
- How do primary schools SGBs budget their funds?
- How are capacity building and development handled among newly elected SGBs?
- What is the role of SGB's in monitoring finance in primary schools?
- Why were parents asked about their knowledge on financial matters?

1.4 AWARENESS OF THE PROBLEM

Disruptions and conflicts in primary schools amongst SGBs, school managers, educators, and learners often arise due to problems of finance. According to the Sunday italics Time – 15 January 2006 the problems of finance are prevalent in our schools,

1.5 AIMS OF THE STUDY

The study aimed at achieving the following:

- Investigating how the school finances are managed in primary schools.
- Examining whether School Governing Bodies are working together with the school management team in managing the finances of the school.
- Researching whether the School Governing Body adheres to financial policies
- Recommending an appropriate way of managing funds in schools.
- Investigating the role of the SGB in monitoring finance in primary schools
- Researching whether parents were asked about their knowledge on financial matters.

1.6 RESEARCH DESIGN AND METHODOLOGY

1.6.1 Research design

The researcher used quantitative design in this research. A quantitative design provide explanations and predictions that can be generalized to other persons and places. This design is used to establish, confirm, or validate relationships and to develop generalizations that contribute to theory. The process of this design represents mainstream approach to research and structured guidelines for conducting them. Data is collected from the population or form one or more large samples that represent the population in a form that is easily converted to numerical indices. The results are usually presented in a report that employs a formal, scientific style and impersonal language (Leedy, 2001: 102).

1.6.2 Research methodology

The methodology for this research study is as follows:

1.6.2.1 Population

The research population involved members of parents representatives (SGBs), school managers and educators within the Shiluvane Circuit of Mopani District, Limpopo Province. Shiluvane Circuit has 16 primary schools. The populations were distributed as follows:

16 parents representatives, 16 school managers and 32 educators of which 16 of the educators acted as financial officers. The total population was 64.

1.6.2.2 Sampling and sample

The researcher used systematic sampling since Maree (2008:174); states that the sample drawn systematically the elements in the population were involved. The researcher used the multiples of two to reduce the population in order to obtain a workable sample in each category i.e. 16 parents representatives (SGB chairpersons) were sampled to 8 members. 16 school managers

were sampled to 8 members and 32 educators were also sampled to 16 members. The total sample was 32.

1.6.2.3 Instrumentation

The researcher used a questionnaire to collect data. The researcher chose a questionnaire due to the following reasons provided by McMillan and Schumacher (1993:238-239)

- Questionnaires are relatively economic.
- They ensure anonymity.
- Questionnaires save time and money.
- Have standardized questions.

The researcher used four likert scale which were strongly agree, agree, disagree and strongly disagree. The researcher also used checklist items that provided the responded a number of options from which to choose, McMillan and Schumacher (1993:247).The researcher used yes or no.

The researcher designed a questionnaire. The researcher went around the selected schools and distributed questionnaires to school managers, educators and parents representatives within the selected schools in Shiluvane Circuit.

1.6.2.4 Data analysis and interpretation

The researcher went around collecting the questionnaires from school managers, educators and parents representatives. After collection of the questionnaires, the researcher organized and arranged the details. The researcher analysed different questionnaires from educators, school managers, and parents' representatives. The researcher analysed the data statistically and recorded the findings.

1.7 SIGNIFICANCE OF THE RESEARCH

This research aimed in knowledge acquisition of financial management within the primary schools of Shiluvane Circuit. The research will also serve as a source of reference in the library where students and prospective researchers can use the researched and documented information

1.8 DEMARCATION OF THE STUDY

This research focused on investigating proper ways of managing school funds. The research focused only on all primary schools within the Shiluvane Circuit. Shiluvane Circuit is situated at Mopani District in Limpopo Province.

1.9 ETHICAL CONSIDERATION

His researcher agreed to comply with the ethical confidentiality of the data collected. The researcher did not pressure any informant about the information requested through the prepared questionnaire. The informants were also promised that anonymity will be considered. When research was conducted sharing of information was free and voluntary. No one was either pressured or forced to participate in the interview. The privacy of the interviewees was considered whereby no interview was done in public. All the interviewees were fairly treated and respected since there was no coercion in participating in the research.

1.10 VALIDITY AND RELIABILITY

Validity has do much with the conclusion drawn about the study based on inferences or propositions about the study. Conclusion validity as another form of validity focuses on the relationship between the program and the observed outcome. In this study inferences or proposition is done between the school and community focusing on financial management. Internal consistency which is another kind reliability has been used in this study. This is evidenced by the usage of the questionnaire which was used to measure the concept of financial management in primary schools. In the analysis of data validity and reliability should encourage

trustworthiness of the data collected. The data collected should be properly analyzed and make sure that they are free from research errors. This has been fairly done and the researcher made it sure that research questions are consistent in order to achieve the aims and objective of the research.

1.11 DEFINITION OF KEY CONCEPTS

The definition of concepts is as follows:

1.11.1 Primary School

Primary School refers to two phases of elementary that is; foundation phase and intermediate phase. The foundation phase is the first four grades R to 3 (three). According to Department of Education (2003:2); Intermediate phase refers to grades 4 – 6.

1.11.2 The School Governing Body

Governing body is a statutory body of people who are elected to govern a school Potgieter et al (1997:23); Governing body is set up by Act of parliament, in particular the Schools Act.

1.11.3 Financial management

The word finance can be defined as expenses, profit and loss. According to Collins (2006:536); finance is the commercial or government activity of managing money, debt, credit and investments. It can also refer to the amount of money that you have and how well it is organized as your finances. This is further defined by Thorndike (1979:344); who regards finance as a system by which the income of a nation state, corporation is being managed.

1.11.4 Shiluvane Circuit

It is one of the three circuits that form Thabina cluster which is found within the Greater Tzaneen Municipality which is one of the local municipalities of the Mopani Districts. Shiluvane Circuits caters for schools within the following villages; Mohlatlareng, Serare, Makhubidung, Shiluvane, Mogapeng, Tours, Pharare, Julesburg and Kellies.

1.11.5 Mopani District

It is one of the six districts of Limpopo Province. Mopani is located in the north eastern side of Limpopo province. It stretches from Hlanganani in the Northern side to Phalaborwa and Maruleng in the Eastern part of the province. The seat of Mopani is Giyani and majority of speakers are Vhatsonga and Basotho ba Leboa. Mopani consists of the following local municipalities: Greater Giyani, Greater Letaba, Greater Tzaneen, Ba-Palaborwa and Maruleng

1.11.6 Limpopo Province

Limpopo Province is located in the northern part of South Africa. The province is bordered by Botswana in the west, Zimbabwe in the north, and Mozambique in the east. Limpopo Province is made up of the following district municipalities: Waterberg, Capricorn, Vembe, Mopani and Sekhukhuni.

1.12 OUTLINE OF THE STUDY

The research project consists of five chapters.

Chapter 1

Deals with the following: Background to the research problem, Statement of the problem, Aims of the study, Statement of a problem, Awareness of the problem, Research Questions, Research design and methodology, Significance of research, Demarcation of the study, Definition of concepts and Outline of the study.

Chapter 2

The chapter focused on the literature review. It included the introduction, budget, School Governing Body, School Fees, Banking, expenditure, fundraising and petty cash, auditing and policy making.

Chapter 3

The chapter focused on the methodology of the research. The methodology included research method, sampling, population, sample and instrumentation.

Chapter 4

This chapter presented the data analysis and interpretation of the research project.

Chapter 5

This chapter presented summary with the findings, conclusion, and recommendations of the research project.

2.1 INTRODUCTION

This chapter focuses on the following:

School Funds, Financial planning, Financial Record keeping, organisation, financial control, the legal aspects of school financial management fundraising, auditing of school financial books, School Management Teams and donations.

2.2 SCHOOL FUND

School funds are all monies received by the school. It is the responsibility of the governing body to decide on the amount to be paid by the learners. Education Labour Relations Council (2003:B-17); says that the governing body of a public school must establish a school fund and administer it in accordance with the directions issued by the Head of the Department.” This view is supported by Campher (1999:75); “the governing body of a public school must establish school funds and administer it in accordance with directions issued by the Head of Department which are the following:”

- All money received by a public school including school fees and voluntary contributions must be paid into the school fund account.

2.2.1 State funding

Schools in South Africa should be funded by the state. According the South African Schools Act No 84 of (1996:15) it says the following about state funding:

- The State must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of past inequalities in education provision.

- The state must, on an annual basis, provide sufficient information in public schools regarding the funding to enable public schools to prepare their budgets for their next financial year.

This view is supported by Bischoff (1997:124) who states that the members of executive council must provide public schools for the education of learners out of funds appropriated for this purpose by the provincial legislature. Campher (1999:72) also emphasizes “the same idea that the members of the executive council must provide public schools for the education of learners out of fund.

According to Joubert and Bray (2007:124) in order to distribute the public funds gathered from public citizens in a fair and equitable manner, Acts provide for the determination of National Norms and Standard for School funding. For this purpose schools are subdivided into five categories also called quintiles, based on a set of criteria that include the poverty level of the community that the school serves as well as the physical facilities of the school. Quintile one is considered to be the poorest and quintile five the least poor.

2.2.2 School Fees

School fees are the money paid by parents on behalf of their learners. The problem in the Shiluvane Circuit is that some schools are designated to be free- paying schools while other schools are paying. This leads to an exodus of learners from paying to non-paying schools. In the area where this research was conducted, school A has a population of 904 learners, a free-paying school while school B had an enrolment of 500 learners being a paying school. This shows that learners should pay school fees because the government cannot to pay for facilities needed by the schools in the country. Parents of learners have to agree on the payment of school fees as it is recommended by the South African Schools’ Act No 84 of 1996 (South Africa 1996 :39) which says subject to this Act, school fees may be determined and charged at a public school only if a resolution to do so has been adopted by a majority of parents attending the meeting. A resolution must provide:

- The amount of fees to be charged.
- Equitable criteria and procedures for the total, partial or conditional of parents who are unable to pay school fees.”

Campher (1999:76-77) supported the idea that school fees may be determined and charged at a public school. However, these can only take place if the decision has been adopted by a majority of parents attending the meeting. They should agree on the amount of school fees to be paid.

According to Potgieter, Visser, Van der Bank, Mothata and Squelch (1997:40 - 41) school fees may be charged at a public school if the following requirements are met:

- The majority of parents must decide that school fees will be charged at that school. Parents must vote on this at a meeting of parents to consider the budget of the school.
- The parents must also approve the school fee amount. This means that a governing body cannot decide on its own what the amount should be.
- Equitable (fair) rules and procedures must be made on how parents who are unable to pay will be exempted (excused) from paying all or a part of the school fees. The Minister of Education will make regulations on this issue and these must be taken into account by governing bodies.
- Parents who can afford to pay full amount

This category is made up of parents who are employed, earning salary and they do not have financial problems.

- Parents who are working but earning little salary
- Parents are unable to pay the full amount because of financial constraints.
- Parents who are jobless

Parents are not employed, therefore, the Department of Education suggests that such parents their children should be exempted from paying school fees as there is no source of income from their families or parents.

Parents should pay school fees according to the resolution adopted in the meeting. Other parents should also be exempted from paying. Lewis and Naidoo (2006:415-416) describe the criteria as follows:

- **Full exemption**

If the combined annual gross income of the parents is less than 10 times the annual school fees per learner, the parent qualifies for full exemption. A person who has the responsibility of a parent of a learner placed in a foster home, foster care or a place of safety.

- **Partial exemption**

If the combined annual gross income of the parents is less than 30 times but more than 10 times the annual school fees per learner the parent qualifies, partial exemption may be granted on a sliding scale. The criteria for applying the scale of exemptions must be determined by the parents at the general meeting.

- **No exemption**

If the combined gross income of the parents is more than 30 times the annual school fees per learner, the parents does not qualify for exemption.

2.2.3 Donations to schools

According the South African Schools Act No 84 of 1999 (South Africa1996:20) money or other goods donated bequeathed to or received in trust by a public school must be applied in accordance with the conditions of such a donation bequest or trust.

Potgieter et al (1997:46) say if someone donates money to your school on condition that it must be used for a particular purpose, such money can only be used for that purpose. The Schools Act places a duty on the governing body not to use such money for something else.

If the governing body really needs money for something else at a school, it must obtain written permission from the person who gave the money that it may be used differently.

Joubert and Bray (2007:132) supported the idea that donations will vary from one school to another. Donations cannot be included in the budget unless there has been a commitment in writing. Donations have to be canvassed for well in advance in order to be included as expected income in a budget. It is also important to note that any money received by the school as donation has to be spent in accordance with the conditions laid down by the sponsor, donor or the deceased estate as prescribed in the School's Act.

2.2.4 Fund raising

- Each governing body must make plans to obtain more money and other facilities to improve the quality of education at the school.
- The governing body which you are a member of must take all reasonable steps within its means to supplement or add to the amount of money that the state can afford to give your school, Potgieter et al (1997:38)

They further illustrate how the governing body can raise money for the school? The governing body may approach people in business to sponsor things for or at the school or to pay for certain expenses. Members of the public or parents may be asked to donate money or something else to the school. You may organize a market, hold a concert or collect goods and sell them for the school. There are many ways to raise money and you will have to use your skills and imagination to make a success of this task. It is advisable to set up a special committee in the governing body to deal with fund raising. Camphor, du Preeds, Grobblers, Look, Shaba (2003:60); say each school, under the guidance of the principal and the SGB, has to develop the on going culture to raise extra funds.

The success of one fundraising project will influence the manner and enthusiasm which the community will become involved in the next project.

2.2.5 Bank account of the school

The bank account is an account we open for saving money instead of leaving it lying around the school.

According to the South African Schools Act No 84 of (1996: 20), paragraph No 37:

The governing body of a public school must open and maintain a banking account.

According to Limpopo Province Department of Education document (1999:47) every school should have a bank account where they can deposit the school's money for safekeeping and convene and also withdrawals when you need or writing a cheque.

Education Labour Relation Council (2003:18); states that the Department authorizes the schools to open a bank account in terms of the prescribed framework. This statement is also supported by Labour Relation Act (1995:233); "The School Governing Body must open and maintain an account with a registered bank in the Republic or another registered financial institution."

School funds cannot be saved either in a savings account or plus plan. In this form of savings one person can access the funds and besides that it is difficult to reconcile finances. The only form of saving recommended is a cheque account or current whereby money is paid in the form of a cheque. In a current account two signatories are assigned the responsibility of signing of cheques. This reduces the rate of fraud.

In this form the account and monthly statement are provided together with returned cheques which have been given to creditors or cashed. These cheques can be used as proof of payment, something difficult with an ordinary savings account.

In some instances the school managers misuse the funds and continue writing cheques knowing very well that they do not have enough money. This is a problem experienced by financial officers who are not duty conscious as they are unable to reconcile books properly.

2.2.5.1 Financial Statement of the school



A Financial statement is the report from auditing companies that could be reported to the parents and must consist of a balance sheet and an income statement and expenditure from the bank. Education Labour relations Council (2003:18); state that the school governing body should draw up annual financial statements in accordance with the guidelines determined by the Member of Executive Council. According to Campher (1999:17); a financial statement is the balance sheet and the income and expenditure statement of the school.

According to Treasy (1999:59) who writes that the annual financial statement must consist of:

- A statement of liabilities and financially related assets
- Balance sheet Cash flow
- Notes on the annual financial statements
- An income Statement

The annual financial statement must be prepared on a modified cash basis in accordance with the form that is prescribed by the National Treasury.

These documents must be accompanied by both the auditor's opinion and the auditor general. The two structures monitor the process and enforce proper financial management.

According the South African Schools Act No 84 of (1996: 28) says

A governing body must submit to the Head of Department, within six months after the end of each financial year, a copy of the records and financial statements of a public school.

At the request of an interested person, the governing body must make the records referred to in section 42, and the audited or examined financial statements referred to in this section, available for inspection.

2.2.5.2 Auditing

When dealing with public funds, auditing is crucial. It is through audited financial reports that effective management of finances is maintained. According to the Treasury Regulations (2005:81) the audit committee must report and make some recommendations to the accounting authority and on the effectiveness of internal controls in the annual report of the institutions. According the South African Schools Act No 84 of (1996: 28), says: the governing body of a public school must appoint a person registered as an accountant and auditor, to audit the records and financial statements . If a Member of the Executive Council deems it necessary, he or she may request the Auditor-General to undertake an audit of the records and financial statements of a public school.

Campher (1999:78); states that “the governing body of a public school must appoint a person to examine and report on the record and financial statements.”

2.2.5.2.1 Internal Audit

It is a process of checking the income and expenditure statement of the school. It can be carried out by the school manager or by the finance committee. The finance committee audits the finance books on a monthly basis and report to the school governing bodies quarterly. The audit by the school manager is done monthly and the report is submitted to the circuit manager monthly. The internal audit checks the income focusing on the following documents:

- Class teacher receipt book
- The treasurer receipt book
- The deposit books
- The cash receipt analysis

According to the Treasury Regulations (2005:62) audit functions must assist the account authority in achieving the objectives of the institution by evaluating and developing

recommendations. It is through the following that the enhancement or improvement of the process can be achieved:

The financial committee is responsible for the following:

- Objectives and values are established and communicated
- The accomplishment of objectives is monitored
- Accountability is ensured; and
- Corporate values are preserved.

The expenditure is audited on the claim requisition and the opportunity document e.g. invoices cheque or vouchers. This must be accompanied by the following: invoices, cheques or vouchers. The process of invoicing every cheque is also checked. Monthly financial reports are filled in the school files as well. According to Treasury Regulations (2005:81) states that the accounting authority must ensure that risk assessment is conducted so as to identify emerging risk of the public entity. The risk management strategy must include fraud prevention plan. He adds that this must in consultation with the board and must be conducted in accordance with standards set by the institute of internal auditors. Menstry (2004:131) also states that the treasurer or designated person may also conduct internal audits during the course of the year.

• Monitor and approve all expenditure

2.2.5.2.2 External Audit

• Audit is drawing up financial statement

This is done annually by an appointed auditor or the auditors of the Department of Education. The audit gives an audited financial statement which includes the balance sheet. An external audit looks into all the financial transactions of the financial year, which starts in January and ends in December. The audited financial report goes out to the parents, who will in turn adopt it, after careful and serious consideration. This should be done before the end of the term every year. Copies of the audited financial statement are submitted to the circuit office after adoption by the parents. According to Menstry (2004:131) the schools financial records and annual financial statements must be audited in terms of Public Accounted and Auditor Act.

• Developing and implementing financial policy

• Constructing budget and controlling it

2.2.6 Financial committee

The financial committee is the most important committee which helps the School Governing Bodies and the school managers. Campher (1999:74) emphasizes that the school governing body may establish committees, including executive committee, appoint persons who are not members of the governing body to such committees on grounds of expertise. The finance committee constitutes of the treasurer of the school, school manager, not more than two educators and they will be nine in members and parents are in the majority. The decision by the committee may be over ruled by school governing body.

According to Bischoff (1997:134) it is possible and highly recommended that a financial committee should be formed to assist the School Governing body to handle the financial matters of the school. A balance between democratic legitimacy and expertise must be formed. The LPDE document (1999:90) also supported that page 16 says that the financial committee should:

- Keep Overall control of school money
- Draw up budget each year
- Monitor and approve all expenditure
- Advise on ways of fundraising
- Assist in drawing up financial statement
- Advise on ways to invest surplus money
- Check financial records internally
- Suggest who should be appointed as file conductor
- Advice Governing Body on amount of the school fees.

Limpopo Province Department of Education (2002: 37) states document by presenting the following roles of the financial committee:

- Developing and implementing financial policy
- Constructing budget and controlling it.

2.2.6.1 The role of chairperson

According to Joubert and Bray (2007:129) the chairperson role is the following.

- Retrieval of information and documents
- LPDE (2006:37) emphasize the role of the chairperson.
- Conduct regular meetings to discuss financial matters.
- Monitoring and approving all expenditure and ensuring that all procurement is done through correct quotation and tendering procedures.
- Meeting to resolve amount of school fees. At the parent's meeting this should be discussed.
- Formal resolution on school fees. Then there must be a formal resolution on the amount school fees, and vote taken on the budget.

2.2.6.2 Vice-chairperson

- Promote the best interests of the school and ensure its development
- Adopt the Constitution

2.2.6.3 Secretary

According to Joubert and Bray (2006:129) the role of the secretary is:

- Creating a logical structure for the keeping of information
- Retention of data
- Making data/documents available to the governing body LPDE (2006:48) support the roles by saying:
- Inform parents in writing. A letter must be sent to all parents informing them of the amount of fees to be charged. This information should reach the parents before the beginning of the new year.

2.2.6.4 Additional Member

Potgieter, Visser, Van der Bank, Mothata, and Squelch, (1997:28) adds the following about the secretaries

- They may not conclude contracts on behalf of the school

Joubert et al (2007:129) state that a secretary is responsible for handling the day to day financial matters at school.

2.3 Financial Planning

Financial planning is important for effective management of schools. The collected funds should be properly managed for effective management of the school. This implies that financial administration is essential for the smooth running of a school. This idea is supported by Bischoff (1999:121) who says that the task of managers is generally considered proper planning, organizing, leading and controlling. This idea is also supported by Pretorius (1998:55) who says that the fundamental function of a manager is planning, organizing, leading and control. The relationship between financial planning and administration planning go hand in hand with administration. To have proper planning find must also be administer properly.

Planning and involvement of other important stake holders serving within the management team is essential for the smooth management of a school. The same view is supported by Badernhos,, Calitz, Van Schalk, Van Wyk, Kruger (1996:102) that educators should be involved in the planning and control of certain aspects of the school budget.

From Campher(1999: 31) point of view planning has an essential role to play as it is observed by the following:

- Setting goals and determining options
- Selecting best way to achieve

- Implementing the chosen options
- Evaluating on regular basis

2.3.1 Reactive and proactive finance planning

All schools must set goals and locate funds according to their goals. Each school should plan in two ways that is reactive planning and proactive planning. According to Camphor, et al (2003:18) say reactive planning occurs when there is a need for a plan whereas proactive planning happens before the time and specifies what must be done. They further state that advantages of reactive and proactive planning as:

- Setting of satisfying objectives
- Decisions are made in the interest of managers and organization
- Setting of optimal objectives
- Collective responsibility for decision

2.3.2 Budget Planning

Camphor et al (2003:19) a budget document must show the estimated income and everything that is financed by this income. According to Campher (1999:31) a budget is a document showing the estimated income for a specific financial with the income/ He also say that the budget document integrates the goals, action plans and the expected expenditure of a school. According to Oosthuizen et al (1997:219) a budget is a detailed plan, expressed in monetary terms, of activities that have to take place within a specific period.

The Department of Education (NPDE) (1999:25) states the following approaches or ways budget planning:

Incremental which grows each year's expenditure and income Zero – based budgeting where each year re- thinks each and every expenditure. Activity based budget, in which budgeting focuses on the importance of certain activities.

Pretorius (1995: 71) state that finance s should always be dealt with in a planed way. At the same time, not every teacher can be expected to have an accounting qualification. The planning of school finance is usually begins with the drafting of a budget. He further states that when drawing up a budget the principal and teachers must be involved, together with parents representatives. They should accomplish the following assignments:

- They should express the school plan in financial terms.
- They should identify and prioritize the schools programmes.
- They should estimate the schools income from various sources.
- They should allocate funds to the progammes according to priority.
- They should test expenditure against the budget at least monthly.

He also states that financial planning is an important part of the budget process. School teachers should acquire the following skills in this regard.

- They should learn financial terminology correctly.
- They should be able to interpret and explain financial statements.
- They should be able to call in the necessary experts to assist in drafting the budget.

Oosthuizen (2003:220) states the following advantages of a budget:

- A budget is a source of information. Information regarding the finances of the school can be gleaned.
- A budget is a micro- programme to advantage the goal of the school.
- A budget forces every one concerned to think in financial terms.
- A budget makes it possible for the need of all sections of the school to be noted and evaluated by all concerned.
- A budget may encourage savings by all concerned. Parents and staff should be made aware that a substantial deviation from a budget may cause financial difficulties for the school.
- A budget forces people to set target within the financial means of the school.
- A budget is a control mechanism that readily reflects deviations in expenditure.

2.3.3 From mission, vision to a budget planning and objectives and policies

The school must have both a mission and a vision statement to find the core of their budget, how to plan it as well as how to use it. According to Bischoff (1999:65) each school should include three elements of the mission statements. The three elements are as follows:

- The transmission of knowledge.
- The development of mental health capacities.
- An introduction of more of the civil society concerned.

Oosthuizen (2003:223) describes the mission statement as follows:

- The rational of the school.
- The target group of the school and the market within which it functions.
- Services that are provided by the school to achieve its mission.
- The orientation of the school with regard to survival and growth.
- The management philosophy of the school.
- How the school intends to satisfy the needs of the groups that have an interest in the school.
- The orientation of the school in terms of its public business image.

Each school should formulate its own mission and vision in order to create its own goals. Each school should prepare its budget according to its own needs. No school should plan a budget like another's. Schools differ in terms of type or size. According to Bischoff (1997:66) each school's finances are unique. The difference between similar schools can surprisingly be wide. He further states the purpose as follows:

- Assisting systematic planning
- Qualifying objectives and identifying priorities
- Coordinating activities and communicating plans within organization.
- Evaluating performance.

2.3.4 The link between budget planning and school objectives and policies

According to Bischoff (1999:77) objectives are derived from the mission and are implemented when funds are available. He also states that funds are not limited for any school. Properties must be determined when a school wants to put its objectives into operation in order to become concrete activities. According to Campher (1999:39) a school cannot exist in isolation. The school has changing needs and objectives.

For a school to function effectively, it needs budgeting that complies with the school policy. The school policy will help to handle the schools finances properly and effectively. According to Bischoff (1997:77) each school should have a financial policy. The financial policy should neither form an integral part of the school policy nor be a separate policy as in the case of a subject policy. The starting point of the financial policy lies with the mission statement of the school. Campher (1999:39) also describes the issues to be considered when drawing up a policy.

These are the following:

- The mission statement of the school. How can the objectives in the mission statement be achieved while managing the school's financial resources for maximum utilization and benefit.
- Whether the school accessible to all learners and the recognition given for prior learning.
- The needs of the society to which the school plays an important role and whether those needs are being addressed.
- Whether the school has a quality assurance policy.

2.4 FINANCIAL RECORD KEEPING

2.4.1 Introduction to financial school management

School does not exist in isolation. It consists of learners and educators, who are part of community. According to Oosthuizen (2003:213) defines financial school management as the distribution and use of money for the purpose of providing educational services and producing student achievement.

Camphor et al (2003:2) believe financial schools management is not simply economics and accounting as applied in schools. Rather, it is a broad field of study that touches on many disciplines as part of the system. They further state that the school principal, the governing body and the financial committee was probably handle the financial management of a school. An accredited external auditor was also involved at least once a year. All financial decisions should be made responsibly and with the school's best interests in mind.

Pretorius and Lemmer (1998:65) say that the management of school finances is one of the most important areas in school management. The functions of financial management are as follows:

- Teachers handle money in the classrooms
- They are also closely involved with the financial matters of the school.
- They are involved time to time in the planning and controlling of certain aspects of the school budget.

Every teacher should have a basic knowledge of financial management and some basic skills in the handling of school finances.

2.4.2 Financial Accounting

Each public school must record the financial transactions of the school. According to Bischoff (1997:137) the financial year of the public school commences on the first day of January and

ends on the last day of December of each year. He also states that financial records and statements of public schools must be kept governing body must:

The records funds received and spent by the public school. In addition, its assets, liabilities and financial transactions are to be kept for more than three months after the end of a financial year. The following should be done using the guidelines determined by members of the executive namely; draw up annual financial statements.

According to Campher (1999:11) financial accounting is primarily made up of the following:

- A receipt book
- An order book
- Deposit book
- A cheque book
- A cash analysis book
- Savings account
- Bank statement
- Documentary evidence of payments
- Reconciliation statements

2.4.2.1 Recording transactions

Campher (1999:12) states that all transactions are recorded in accounts. Two entries are made for every transaction and are called double entry system, for each entry that is made on the debit side of an account; an entry of equal numerical value must be made on the credit side of another account.

2.4.2.2 Journals

A Journal is a book that is used for recording finance. According to Campher (1999;18) a journal is like a diary that is used for financial record keeping. He further states the following types of journals:

- The cash receipt journal reflects the debit side of the bank account.
- The cash payment journal reflects the credit side of the bank account.
- The debtor's journal reflects all transactions with people who owe money to the school.
- The creditor's journal reflects all transactions for goods and services acquired by the school on credit.

2.4.2.3 Petty cash

Petty cash is small amounts of money used to pay small accents of the school that cannot use cheque for payment. The NPDE (1999:108) says petty cash is the money used for payment which is too small to pay by cheque. According to Campher (1999:20) a school should keep a small amount of cash available for small payments that do not merit being paid by cheque. A policy for petty cash should be put in place and controlled.

He further elaborates that each payment from petty cash should have:

- A petty cash voucher.
- A receipt to prove that the money was paid.
- All petty cash vouchers should be kept in numerical and date order.
- They should be kept in a safe place.
- Each voucher has a stapled receipt or document which proves that the money was paid.

The purpose of a petty cash account is to service small payment and expenses without having to use vouchers or cheques.

2.5 School Governing Body (SGB) in financial management

The school governing body consists of educators and parents. The Education foundation (2000:8) states that school governing body consists of the principal, parents and the educator representatives and perhaps some co-opted members. The parents are in majority. Potgieter et al (1997:24) supports the view that the school governing body is made up of three groups of people that are classified as follows:

- Parents of learners at the school
- Educators at the school
- Members of staff at the school who are not educators e.g. the secretarial staff and those who work in the garden.

The Education Labour Relations Council (2003:B-17)) says: The governing body of a public school must establish a school fund and administer it in accordance with directions issued by the Head of Department. It also say the following:

A governing body of a public school must prepare a budget each year, according to guidelines determined by the member of the Executive Council, which shows the estimated income and expenditure of the forthcoming financial year. Before the budget is approved by the governing body, it must be presented to a general meeting of parents convened at least 30 days notice, for consideration and approval by a majority parents present by voting. The school governing body is also responsible for school budget.

The Limpopo Province Department of Education (2002: 8) states the following functions of the school governing as:

- Fundraise to add to the allocation.
- As part of finance committee, develop a school financial policy.
- Open and maintain a school bank account.
- Prepare annual financial statement according to the prescribed by provincial guidelines.
- Ensure that proper financial systems are in place.

According to the South African Schools Act no 84 (1996) the following are the functions of school governing body:

- promote the best interests of the school and strive to ensure its development through the provision of quality education for all learners at the school;
- Adopt a constitution;
- Develop the mission statement of the school;
- Adopt a code of conduct for learners at the school;
- Support the principal, educators and other staff of the school in the Performance of their professional functions;
- Determine times of the school day consistent with any applicable Conditions of employment of staff at the school;
- Administer and control the school's property, and buildings and grounds occupied by the school, including school hostels, if applicable;
- Encourage parents, learners, educators and other staff at the school to render voluntary services to the school;
- At the request of the Head of Department, allow the reasonable use under fair conditions of the facilities of the school for educational programmes not conducted by the school;
- Discharge all other functions imposed upon the governing body by or under this Act; and

Mestry (2004:128) emphasizes the following role of the school governing body:

- Supplement the funds supplied by the state to improve the quality of education in the school.
- Start and administer a school funds.
- Prepare and annual budget that is planning the school finances for the next year.
- Submit budget to parents and get their approval.
- Ensure that school fees are collected according to decision made by stake holders.
- Keeping the financial record of the school.

Labour Relation Act (1995:2) also emphasizes that the role of the governing body as to allow the community to use the facilities for community, social and school fund raising purpose. Conradie (2002:27) also emphasizes the role of the school governing bodies, as preparation of a budget each year and appointing and auditor.

2.6 FINANCIAL OFFICER

The finance officer is the educator elected by the school manager by means of a letter in order to collect and bank school funds and reconcile financial books. Bischoff et al (2003:67) outlined the purpose of having financial officers as follows:

- Recording all financial transactions and keeping the finance committee or treasurer informed of financial matters.
- Ensuring that the school funds are administered in accordance with the directives of the school governing bodies or the Head of Department of Education.
- Handling cash and petty cash transactions.
- Performing various other duties related to finances.

The audited financial report is read out to the parents who will in turn adopt it, after careful and serious consideration. This should be done before the end of the first term every year. Copies of the audited financial statements are submitted to the circuit office after adoption by the parents. According to Mestry (2004:131) the school financial records and annual financial statements must be audited in terms of Public Accountant and Auditor Act.

2.7 SCHOOL MANAGEMENT TEAM ON FINANCIAL MANAGEMENT

The school management team is responsible for all the finances of the school. SMT should make plans for the school. According to the Basic Financial Management for Schools, training manual for the Department of Education Limpopo Province (1999:16), the school management team provides budgeting requirements for academic activities, co-curricular activities, administrative

activities maintenance, personalized cost of health and safety. According to the LPDE (2002:8) the role of school management team in financial management is to achieve the following:

- Follow the finance policy developed by school Governing Body
- Implement the decisions of the SGB
- Supervise and monitors the work of the finance officer.
- Ensure that proper financial records are kept.
- Monitor and control income and expenditure
- Makes the input into preparation of the annual budget.
- Allocate funds and resources
- Manages the school stork.
- Monitors, regularly, the work of the finance committee and the treasurer.

Mestry (2004:127) also emphasizes the role of the school management team in financial management as:

- Performing and carrying professional financial management and Managing personnel finance.
- He believes the school management should manage various kinds of school accounts and ensure that records are kept properly and should make the best use of funds for the benefit of learners in consultation with appropriate structures.
- The committee has to implement the many directives and policies on finance formulated by the Department of Education and the school governing body.
- The principal is the accounting officer of the school.

Mestry (2006:35) also emphasizes that the SMT is responsible for training school governing bodies in financial management. The SMT should take the initiative of mind partnership with tertiary institutions or other service providers that offer training in financial management.

Conradie (2002:115) states that the SMT has the role to play in managing finance and to instruct the SGBs to establish and administer school funds and bank accounts. He stipulates that the

SGBs must keep records of funds received and spent by the school, and draw up financial statements not later than three months after the end of each financial year and instruct the SGB to appoint an auditor and to submit audited statements to the Head of Department.

1.1 INTRODUCTION

The aim of this research was to investigate the financial management and administration of governing bodies in primary schools within the Shisangane circuit. The researcher sought to collect data on the topic and analyze it. In this chapter the following will be provided: design and methodology, population, sampling, sample, instrumentation and ethical issues.

1.2 RESEARCH DESIGN AND METHODOLOGY

1.2.1 Research design

The researcher used quantitative design in this research. The reason for choosing this design are as follows according to (Lecdy, 1991:102)

- Was to seek an explanation and predictions that will to other persons and places.
- A quantitative design provide explanations and predictions that can be generalized to other persons and places.
- This design is used to establish, confirm, or validate relationships and to develop generalizations that contribute to theory.
- The process of this design represents mainstream approach to research and structured methods for conducting them.
- Data is gathered from the population or from one or more large samples that represent the population in a form that is easily converted to numerical indices.
- The results are usually presented in a report that employs a formal, scientific style and impersonal language.



3.1. INTRODUCTION

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3.2 RESEARCH DESIGN AND METHODOLOGY

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- The results are usually presented in a report that employs a formal, scientific style and impersonal language.

3.2.2 Research methodology



The methodology for this research study is as follows:

3.2.2.1 Population

The research population involved members of parents representatives (SGBs), school managers and educators within the Shiluvane Circuit of Mopani District, Limpopo Province. Shiluvane Circuit has 16 primary schools. The populations were distributed as follows: 16 parent's representatives, 16 school managers and 32 educators of which 16 of the educators acted as financial officers. The total population was 64.

3.2.2.2 Sampling and sample

The researcher used systematic sampling since Maree (2008:174) states that the sample is drawn and systematically the elements in the population were involved. The researcher used the multiples of two to reduce the population in order to obtain a workable sample in each category, 16 parents representatives (SGB chairpersons) were sampled to 8 members. 16 school managers were sampled to 8 members and 32 educators were also sampled to 16 members. The total sample was 32 managers, educators and parents representatives within the selected schools in Shiluvane Circuit.

3.2.2.3 Instrumentation

The researcher used a questionnaire to collect the data. . The researcher used a questionnaire due to the following reasons provided by McMillan, Schumacher (1993:238).

- Questionnaires are relatively economic
- They can ensure anonymity.
- Questionnaires save time and money.
- Have standardized questions.

The researcher used four Likert scale which are strongly agree, agree, disagree and strongly disagree. According to McMillan and Schumacher (1993:247); the researcher also used “checklist items that provided the responded a number of options from which to choose.” The researcher used yes or no.

The researcher designed a questionnaire. The researcher went around the selected schools and distributed questionnaires to school managers, educators and parents representatives within the selected schools in Shiluvane Circuit. The reasons for distributing the questionnaires personally were the safety of the questionnaires and the deadline.

3.2.2.4 Data analysis

In a period of a month the researcher went around collecting the questionnaires from school managers, educators and parents representatives. The community was given a month so that it's not short for them not to finish and it's not too long for the questionnaires to get lost. After collection of the questionnaires, the researcher organized and arranged the details. The researcher analyzed different questionnaires from educators, school managers, and parents' representatives.

The researcher analyzed the data statistically such as the ages of 51 and above are more active in the financial management and administration. The findings were recorded.

46-50	3	37.5%
51 and above	4	50%
Total	8	100%

Table 1 show the age group between the ages of 41 – 45 only resulted in 12.5%. The age between 46 – 50 resulted in 37.5% and ages of 51 and above resulted in 50% showing that the ages of 50 and above are more active in the financial management and administration.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

This chapter presents data analysis which was collected through a questionnaire completed by school managers, parents representative, educators and parents.

4.2 QUESTIONNAIRES FOR SCHOOL MANAGERS

TABLE 1: Biographical information

School managers were requested to provide their Biographical information.

Age	Number of respondents	Percentages
30 years	0	0 %
31-35 years	0	0 %
36-40	0	0 %
41-45	1	12,5%
46-50	3	37,5%
51 and above	4	50 %
Total	8	100%

Table 1 show that the school managers between the ages of 41 – 45 only resulted in 12.5%. The ages between 46 – 50 resulted in 37.5% and ages of 51 and above resulted in 50% showing that the ages of 50 and above are more active in the financial management and administration.

TABLE 2: Gender

School managers were requested to provide their gender.

Responses	Number of respondents	Percentages
Males	2	25 %
Females	6	75 %
Total	8	100 %

Table 2 shows that 25% of primary school managers within the Shiluvane Circuit are males whereas 75% are females. The study shows that females as school managers are in the majority as compared to males based on the statistics provided.

TABLE 3: Highest qualifications

School managers were requested to furnish with their highest qualifications.

Responses	Number of respondents	Percentages
Grade 10-12	2	25 %
Post Matric	6	75 %
Total	8	100%

Table 3 shows that 25% of school managers have grade 10-12 whereas 75% have a post matric qualification. This indicates that school managers are educated and can plan and manage finance in their schools. Financial planning and management are important for effective management of schools.

TABLE 4: Financial planning

School managers were asked to provide the information whether they involve educators in financial planning of the school.

	Responses	Number of respondents	Percentages
Yes	Yes	8	100 %
No	No	0	0 %
Total	Total	8	100 %

Table 4 shows that 100% of school managers involve educators in their financial planning of their schools. This means that schools in Shiluvane involve educators in financial planning and management of finance.

TABLE 5: Petty cash

School managers were asked if they provide the use of petty cash in their schools.

	Responses	Number of respondents	Percentages
Yes	Yes	8	100 %
No	No	0	0 %
Total	Total	8	100 %

Table 5 shows that all the school managers use petty cash in their schools. In this research a high percentage of school managers reported that they can manage petty cash.

TABLE 6: Financial books

School managers were requested to provide the information if they can manage and keep financial books.

Responses	Number of respondents	Percentages
Yes	8	100 %
No	0	0 %
Total	8	100 %

Table 6 shows that all the school managers can keep their financial books safely. In my background of this research I mentioned that some schools do not audit their financial books accordingly. However according to this research school managers in Shiluvane are able to manage finances effectively.

TABLE 7: Bank account

School managers were requested to give the information if their schools are having bank account and they are properly kept.

Responses	Number of respondents	Percentages
Yes	8	100 %
No	0	0 %
Total	8	100 %

Table 7 shows that all of the school managers have a bank account in their schools. In my research proposal for this study I indicated that there is a problem in some schools regarding school bank accounts.

TABLE 8: School fees

School managers were asked whether their schools pay school fees.

Responses	Number of respondents	Percentage
Yes	6	75%
No	2	25%
Total	8	100%

Table 8 shows that 75% of schools were paying school fees and 25% were not. In my researcher proposal I stated the differentiation of parents into categories pertaining to the payment of school fees

TABLE 9: Outstanding Funds

The school managers were requested to indicate whether they expel learners if their parents fail to pay school fees.

Responses	Number of respondents	Percentage
Strongly agree	0	0%
Agree	0	0%
Disagree	2	25%
Strongly Disagree	6	75%
Total	8	100%

Table 9 shows that 25% disagree and 75% are strongly disagreeing. In my research proposal I indicated that there is a problem that in most schools there is a tendency of the school management teams to expel learners who fail to pay school fees. In the Shiluvane Circuit school managers strongly disagree, meaning they do not expel the learners.

TABLE 10: Misappropriation of funds

School managers were asked to provide information if there is misappropriation of funds in their respective schools.

Responses	Number of respondents	Percentage
Strongly agree	0	0%
Agree	5	63%
Disagree	2	25%
Strongly Disagree	1	12%
Total	8	100%

According to the table above 63% agree with the statement, while 25% disagree and the remaining 12% strongly disagree. This means that school managers from Shiluvane Circuit agree that misappropriate of funds in their schools is a challenge.

TABLE 11: Bookkeeping

The school managers were asked if there are book-keeping problems at their schools.

Responses	Number of respondents	Percentage
Strongly agree	0	0%
Agree	5	63%
Disagree	2	25%
Strongly Disagree	1	12%
Total	8	100%

According to the table 11 above, 63% agree, 25% disagree and 12% strongly disagree with the statements. In the researcher proposal it was indicated that some schools do not audit their

financial books accordingly. This statement above shows that school managers around Shiluvane circuit have book-keeping problems.

TABLE 12: Financial Policy

School managers were requested to indicate whether they cope with the financial policy recommended by the Department of Education concerning the management of finance.

Responses	Number of respondents	Percentage
Adhere to the deadline	6	75%
Adhere to the financial policy	2	25%
Supervise and monitor the work of the financial officer	0	0%
Total	8	100%

The table 12 shows that 75% of school managers do meet the deadline while 25% fail to adhere to financial policies as prescribed by the department. In the research proposal the Department of Education puts time frames in terms of the processing of school budget. This means that school managers of Shiluvane Circuit meet deadlines provided by the Department of Education. From the preceding Table above 75% meet the deadline though they do not adhere to the financial policy of the Department of Education.

TABLE 13: Signing powers

School managers were asked to indicate who has the signing powers on their cheques.

Responses	Number of respondents	Percentage
Treasurer	3	38%
Principal	4	50%
Chairperson	0	0%
Financial officer	1	12%
Total	8	100%

Table 13 indicates that for 38% of the schools the treasurer has the signing powers and principals have 50% of the signing powers. Financial officers have 12% of signing powers. This ensures that the principals, treasurer, and financial officers in Shiluvane Circuit have the signing powers.

4.3 QUESTIONNAIRES FOR FINANCIAL OFFICERS

TABLE 14: Biographical information

Financial officers were requested to provide their biographical information.

Responses	Number of respondents	Percentages
30 years	0	0 %
31 -35	1	12,5 %
36 -40	1	12,5 %
41 -45	2	25 %
46 -50	2	25 %
51 and above	2	25 %
Total	8	100 %

Table 14 shows that 31 – 35 years its 12.5%, 36 – 40 its 12.5%, 41- 45 its 25%, 46 – 50 its 25% and 51 and above its 25%. This means that Financial officers of the ages 41 and above are more effective in financial management of the schools.

TABLE 15: Gender of financial officers

The financial officers were requested to provide their gender.

Responses	Number of respondents	Percentages
Males	3	37,5 %
Females	5	62,5 %
Total	8	100 %

Table 15 shows that 37,5 are males and 62,5 are females. From the researcher's point of view and observation females work harder, compared to males. This means that females from Shiluvane Circuit can do better in the management of finances.

TABLE 16: Highest qualification of financial officers

The financial officers were asked to indicate their highest qualification.

Responses	Number of respondents	Percentages
Grade 10 – 12	0	0 %
Post metric	8	100 %
Total	8	100 %

Table 16 that all respondents have a post- matric qualification. This indicates that all the financial officers are educated and to understand the policy on financial management.

TABLE 17: Financial planning

Financial officers were asked if they are involved in the financial planning of the school.

Responses	Number of respondents	Percentage
Yes	8	100%
No	0	0%
Total	8	100%

Table 17 shows that 100% of the officers stated that they are involved in the financial planning of the school. In researcher's chapter 2 the financial officers ensures that school funds are administered in accordance with directives of the School Governing Bodies and or the Head of Department of Education. This means that the financial officers are involved in the planning

TABLE 18: Collections and banking of finances

Financial officers were asked if they were involved in the collection and banking of school finances.

Responses	Number of respondents	Percentage
Yes	8	100%
No	0	0%
Total	8	100%

The table shows that all the financial officers are involved in the collection and banking of school funds. In chapter 2 state the researcher that financial officers collect and bank school funds.

TABLE 19: Financial Books

The financial officers were asked if they reconcile the financial books of their schools.

Responses	Number of respondents	Percentage
Yes	8	100%
No	0	0%
Total	8	100%

Table 19 shows that all respondents (100%) reconcile their financial books. In chapter 2 it was indicated that financial officers record all financial transactions. According to the responses financial books are properly handled and managed.

TABLE 20: Finance committee

The financial officers were asked whether the finance committee were consulted on financial matters.

Responses	Number of respondents	Percentage
Yes	8	100%
No	0	0%
Total	8	100%

Table 20 illustrates that 100% of financial officers consult the finance committee or treasurer on financial matters. In this research it stated that the finance officers keep the finance or treasurer informed of financial matters.

TABLE 21: Financial officers hold meetings

The financial officers were asked if financial committee held meetings as directed by a financial policy.

Responses	Number of respondents	Percentage
Yes	8	100%
No	0	0%
Total	8	100%

Table 21 illustrates that 100% of financial officers hold meetings regularly as directed by a financial policy. This indicates that the school in the Shiluvane Circuit held meetings according to the policy and they work together as a team.

TABLE 22: Handling of bank accounts

The financial officers were asked whether most schools do handle their bank accounts properly.

Responses	Number of respondents	Percentage
Strongly Agree	0	0 %
Agree	4	50%
Disagree	3	37,5%
Strongly Disagree	1	12,5%
Total	8	100%

Table 22 illustrates that 50% agree with the statement that financial officers can handle their bank accounts, 37, 5% disagree and 12, 5% strongly disagree. In the research proposal it was indicated that there is a problem in some schools when the bank account is not properly kept. This means that in this circuit some schools handle their account properly, while some do not

TABLE 23: Involvement of parent representatives

The financial officers were asked if they are involved by parents representatives and school managers in the financial management of the school.

Response	Number of respondents	Percentage
Strongly Agree	0	0%
Agree	5	62,5%
Disagree	3	37,5%
Strongly Disagree	0	0%
Total	8	100%

Table 23 indicates that 62, 5% agreed that the school managers and SGBs do not involve financial officers in financial management while 37, 5% disagree with this statement. This means that in the Shiluvane Circuit there is a problem of excluding financial officers in financial management.

TABLE 24: Functions of financial officers

The financial officers were asked to state their functions.

Responses	Number of respondents	Percentage
Recording all financial transactions	8	8 %
Provide introductory training for newly elected governing bodies	0	0%
Coordinating activities and communicating plans within the organization	0	0%
Total	8	100%

Table 24 shows that all respondents (100%) stated that the function of the financial officer is to record all financial transactions. In chapter 2 it was stated that the duty of the financial officer is

to record all financial transactions. This means that the financial officers in Shiluvane Circuit only keep records and do not provide instruments training for newly elected governing body and co-ordinate activities and communication plan within the organisation.

4.4 QUESTIONNAIRES FOR PARENTS REPRESENTATIVE

TABLE 25: Definition of financial officers

The financial officers were requested to define themselves.

Responses	Number of respondents	Percentage
Is the educator elected by the school manager	5	62,5%
An educator elected by parents	3	37,5%
Total	8	100%

The table 25 indicates that 62, 5% stated that financial officers are educators electing by school managers, while 37, 5% said they were electing by the parents. In chapter 2 it was stated that a financial officer is an educator electing by school manager through a letter.

TABLE 26: Purpose of having financial officers

The financial officers were asked to explain the purpose of having financial officers.

Responses	Number of respondents	Percentage
Handling cash and petty cash transactions	2	25%
Performing various other duties related to finances	2	25%
Adhere on financial policy and objectives	4	50%
Total	8	100%

Table 26 shows that 25% of the respondents financial officers handle cash and petty cash transactions, 25% said they perform various duties related to finance, and 50% said they decide

on financial policy and objectives. In chapter 2 it was stated that financial officers perform various duties related to finances.

4.4 QUESTIONNAIRES FOR PARENTS' REPRESENTATIVE (CHAIR PERSON OF SGBS)

TABLE 27: Parents representatives were requested to provide biographical information

Responses	Number of respondents	Percentages
30 years	0	0 %
31 – 35 years	0	0 %
36 – 40 years	2	25 %
41 – 45 years	2	25 %
46 – 50 years	2	25 %
51 and above	2	25 %
Total	8	100 %

Table 27 shows that parents between the ages of 36 – 40 are 25%, the ages between 41 – 45 are 25%, the ages been 46 – 50 are 25% and the ages of 51 and above are 25%.

TABLE 28: Gender of parents representatives

Parent's representatives were requested to provide their gender.

Responses	Number of respondents	Percentages
Males	4	50 %
Females	4	50 %
Total	8	100 %

Table 28 shows that 50% are males and 50% are females. This will help in administration and policy making. Parents representatives in terms of gender is equal.

TABLE 29: HIGHEST qualification

Parents' representatives were requested to indicate their highest qualifications.

Responses	Number of respondents	Percentages
No formal education	0	0 %
Grade 0 – 5	0	0 %
Grade 6 -9	2	25 %
Grade 10 -12	3	37,5 %
Post Matric	3	37,5 %
Total	8	100 %

Table 29 shows that 25% have grade 6-9; 37, 5% held post- Matric qualification and 37, 5% held grade 10 – 12 qualifications. Many of these parents made it to 12.

TABLE 30: How long in representing parents

Parents representatives were asked to indicate how long they had been parent's representative's members.

Responses	Number of respondents	Percentages
2 years	1	12,5 %
4 years	3	37,5 %
	4	50 %
Total	8	100 %

Table 30 shows that 12, 5% had been members for 2 years, 37, 5% for 4 years and 50% for different periods. This shows that the SGB members are experienced. This means that SGB members of Shiluvane circuit have experienced in leadership.

TABLE 31: TRAINING of parents re preventative

Parents' representatives were asked if they had been trained since becoming parents' representatives' member.

Responses	Number of respondents	Percentages
Yes	6	75 %
No	2	25 %
Total	8	100 %

Table 31 shows that 75% received training while 25% did not. In the researcher proposal it was indicated that there is no effective capacity building. This means that SGB in the Shiluvane Circuit have been trained in financial management.

TABLE 32: Knowledgeable about financial matters

Parents' representatives were asked to state whether they are knowledgeable about financial matters.

Responses	Number of respondents	Percentages
Yes	8	100 %
No	0	0%
Total	8	100 %

Table 32 shows all respondents (100%) have the information on how financial matters are being handled. In the researchers proposal that there is a problem of SGB lacking the necessary knowledge, According to the statement above the SGB members of Shiluvane Circuit have the knowledge on how financial matters are handled.

TABLE 33: Roles of parent's representatives

Parent's representatives were requested to indicate if they knew their roles.

Responses	Number of respondents	Percentages
Yes	8	100 %
No	0	0 %
Total	8	100 %

Table 33 shows that all the respondents (100%) know their role as SGB members. In chapter 2 it was stated that the role of the SGB is to decide on financial policy objectives and to adopt the vision and mission statement of the school. SGB members in the Shiluvane circuit know how to draw up policy and adopt the vision and mission statement of the school.

TABLE 34: Involve in budgeting process.

Parent's representatives were asked to indicate if they are involved in the budgeting process of the school.

Responses	Number of respondents	Percentages
Yes	8	100 %
No	0	0 %
Total	8	100 %

Table 34 shows that all SGB members (100%) are involved in the budgeting process. In chapter 2 it was indicated that managers, educators and school governing bodies are involved in drawing up the school budget. This means that SGB members in the Shiluvane Circuit are involved in drawing up the school budget.

TABLE 35: Parents representatives were asked whether they had sub committees on financial matters.

Responses	Number of respondents	Percentages
Yes	8	100 %
No	0	0 %
Total	8	100 %

Table 35 shows that all the SGB members (100%) have a sub –committee on financial matters. The financial committee helps SGB members in financial matters. This means that SGBs in the Shiluvane Circuit have a subcommittee on financial matters.

TABLE 36: Update parents on financial matters

Parents’ representatives were asked if they update parents regularly on the financial matters of the school.

Responses	Number of respondents	Percentages
Strongly agree	5	62,5 %
Agree	2	25 %
Disagree	1	12,5 %
Strongly disagree	0	0 %
Total	8	100 %

Table 36 shows that 62, 5% strongly agree; 25% Agree and 12, 5% disagree with the statement that parents are updated regularly on the financial matters. It was stated in chapter 2 that parents must also approve the school fee amount. This means that parents in the Shiluvane Circuit are updated by the SGB members.

TABLE 37: Capacity building

Parents representatives were asked whether lack of capacity building was a major drawback for them.

Responses	Number of respondents	Percentages
Strongly agree	3	37,5 %
Agree	5	62,5 %
Disagree	0	0 %
Strongly disagree	0	0 %
Total	8	100 %

Table 37 shows that 37,5% strongly agree and 62,5% Agree with the statements was a major drop back. In the researcher proposal it was stated that discovered is that there is no effective capacity building within the SGB. This means that SGB in Shiluvane Circuit have capacity building.

TABLE 38: Policy documents

Parents representatives were asked how do they access policy documents relating to financial management of the school.

Responses	Number of respondents	Percentages
Adopt mission and vision of the school	7	87,5 %
Expel learners who fail to pay school fees	0	0 %
Do not submit budget to the parents to get their approval	1	12,5 %
Total	8	100 %

Table 38 shows that 87, 5% of the SGB members adopt the vision and mission of the school and 12, 5% do not submit the budget to the parents for approval.

TABLE 39: Parents representatives were asked to state their role in monitoring the school funds. Incorrect answer is required.

Responses	Number of respondents	Percentages
Open bank account	2	25 %
Establish school funds and administer in the direction of the HOD	1	12,5 %
Hand over the school in the hands of the school managers	5	62,5 %
Total	8	100%

Table 39 shows that 25% believe it is opening a bank account; 12, 5 said it is the administration of school funds and 62, 5% hand over the school to the school manager. This means that SGB in Shiluvane circuit know their role in monitoring funds

CHAPTER 5: SUMMARY, FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter provides a discussion of the study findings. It is divided into four sections: namely a summary, the study findings, a conclusion and recommendations:

5.2 SUMMARY

Chapter one provides the focus of the research as it highlights the most important aspects of the research; namely as the research background, statement of the problem, aims of the study, awareness of the problem, research questions and research design and methodology. The chapter alludes to the challenges that are faced by the managers of finances within schools. These are challenges that are faced by a number of stakeholders that are primarily concerned with the management of finances.

Chapter two provides a literature review about the topic under investigation. This chapter discusses school funds, state funding, donations to schools, fund raising, financial committees, financial planning, financial record keeping, school governing bodies, financial officers and school management teams. Operational concepts within this research have been fully dealt with the intention to bring clarification on the topic under investigation.

Chapter three provides the research design and methodology, population, sampling method and sample, instrumentation and data analysis and interpretation.

Chapter four is primarily based on data analysis and interpretation.

Chapter five provides a summary, the study findings, conclusion and recommendations based on the topic under investigation.

5.3 FINDINGS

How do primary schools SGB's managed their funds to improve the status of their school?

- It is abundantly clear that SGBs are conversant with the role of managing finances of the schools. This role is evidenced by the statement indicating that SGBs do not effectively play their expected role in the management of finances. Illiteracy which is caused by social and political circumstances, impact negatively on the parents who have attained the status of SGB members. A fraction that is literate does not fully participate in the affairs of the schools. This results in a serious challenge on financial management and administration.

How do primary school SGBs access policy documents relating to financial management?

- From the researcher's findings, 87,5% of school SGBs adopt the financial policy documents because of having access to them while 12,5% responded by saying they don't have any access to the school budget to the parents for approval.

How do primary schools SGBs budget their funds?

- From the researcher's findings, 100% of the schools SGBs do budgeting. In all the schools targeted for this research, members of the SGBs participate in the budgetary process.

How is capacity building and development handled among newly elected SGB?

- Most members of the SGB (75%) agree that they received some training in financial management from the Department of Education. 25% disagreed. The problem discovered is that there is no effective capacity building of school governing bodies (SGB) members.

The analysis based on the researcher's findings is that the Department of Education does conduct orientation for newly appointed SGB.

Capacity building of the SGBs is not effectively conducted. Lack of induction normally results in lack of capacity building.

- There is a challenge of back-logs within the members of the SGB as shown from the results of this research. The Department of Education inducts members of the SGB once per term. However this exercise is not carried forward by the members themselves. Hence there is a back log within members of the SGB as far as capacity building is concerned.
- From the data collected, all school managers stated that their schools do have bank accounts. However in some schools, the bank accounts are not properly managed. Some of the signatories are not reliable.

What is the role of SGB in monitoring finance in primary schools?

- From the researcher's finding, 25% have the role of opening a bank account while 12.5% establish school fund and administer it under the direction of an HOD and 62.5% hand over the school fund in the hands of the school managers. In this research the role of the SGB is scheduled to the school managers. The SGB does not play a role in monitoring the school fund.

Why were SGBs asked about their knowledge on financial matters?

- In terms of the results of this study, 100% have knowledge on financial matters.

5.4 CONCLUSION

The research has revealed that financial management and administration within the schools targeted is a serious concern. However through induction and road shows the Department of Education can address this challenge.

5.5 RECOMMENDATIONS

The following are recommendations based on this study:

- It is recommended that the Department of Education should continue inducting the newly appointed members of SGB.
- School managers and members of the SGB should cooperate with financial officers.

- In instances where parents are not fully involved, it is recommended that they should be fully involved as stipulated in the legislation.
- Further research is recommended on the topic regarding the intention of monitoring development and progress on the role of SGBs in financial administration.

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Grade 10-12

Post Matric

SECTION II: CONTEXTUAL QUESTIONS

4. Do you involve educators in the financial planning of the school?

Yes No

5. Do you sometimes use petty cash at your school?

Yes No

6. Do you have financial records properly managed and kept?

Yes No

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APPENDICES:

APPENDIX A: QUESTIONNAIRES FOR SCHOOL MANAGERS

SECTION A: PERSONAL INFORMATION

Answer the following questions by making a cross next to the appropriate answer

1. Age

--	--

2. Sex

Female	Male
--------	------

3. What is your highest academic qualification?

Grade 10-12	Post Matric
-------------	-------------

SECTION B: CONTEXTUAL QUESTIONS

4. Do you involve educators in the financial planning of the school?

Yes	No
-----	----

5. Do you sometimes use petty cash at your school?

Yes	No
-----	----

6. Are your financial books properly managed and kept?

Yes	No
-----	----

7. Is the school having a bank account?

Yes	No
-----	----

8. Does your school pay school fees?

Yes	No
-----	----

9. Do you expel learners who fail to pay School fees?

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

10. Most of the schools experience misappropriation of funds, hence poor financial state of the school.

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

11. There is a problem of striking a balance between the income and expenditure as it is commonly experienced in a number of schools.

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

12. How do you cope with time-frames that are normally set by the department concerning the management of finances?

(a) meet the deadlines

(b) adhere to the financial policy

(c) supervise and monitor the work of the financial officer

Choose the incorrect answer

13. Who has the signing power on the schools cheque accounts

- a) Treasurer
- b) Principal
- c) Chairperson
- d) Financial Officer.

APPENDIX B: QUESTIONNAIRES FOR EDUCATORS AS FINANCIAL OFFICERS

SECTION A: PERSONAL INFORMATION

Answer the following questions by making a cross next to the appropriate answer.

1. Age

--	--

2. Sex

Female	Male
--------	------

3. What is your highest academic qualification?

No formal education	Grade 1-5 (SSA- STD3)	Grade 6-9	Grade 10-12	Post Matric
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SECTION B: CONTEXTUAL QUESTIONS

4. Are you involved in the financial planning of the school?

Yes	No
-----	----

5. Are you involved in collecting and banking school funds?

Yes	No
-----	----

6. Do you reconcile the financial books of the school?

Yes	No
-----	----

7. Do you inform finance committee or treasurer on financial matters?

Yes	No
-----	----

8. Does the financial committee inform you about their meetings?

Yes	No
-----	----

9. There is a problem that most schools do not handle their bank account properly

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

10. There is a problem that the school manager and the school governing body of some schools do not involve financial officers in financial management of the school.

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

11. There is a problem that the financial officers are reluctant to work according to the school policy to handle school finances.

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

12. Choose the correct sentences

The duty of the financial officer is to:

- (a) Record all financial transactions
- (b) Provide introductory training for newly elected governing bodies
- (c) Coordinate activities and communicate plans within the organization

13. Who is the financial officer?

- (a) It is the educator elected by the school manager
- (b) It is an educator elected by the parents
- (c) It is an educator elected by the learners

2. Sex:

Female
 Male

3. What is your highest academic qualification?

No. of years	Grade	Grade	Grade	Post
1-5	6-9	10-12		Matric

SECTION B - CONTEXTUAL QUESTIONS

4. How long have you been a member of the SGB?

Years

5. During your time of office as a member of the SGB did you receive any training in financial management?

Yes
 No

6. Do you have any specific matters are being handled at the school you are serving as an SGB member?

APPENDIX C: QUESTIONNAIRES FOR PARENTS REPRESENTATIVES (SGBs)

QUESTIONS DESIGNED FOR PARENTS REPRESENTATIVES

Answer the following questions by making a cross next to the appropriate answer.

SECTION A: PERSONAL INFORMATION

1. Age

--	--

2. Sex

Female	Male
--------	------

3. What is your highest academic qualification?

No formal education	Grade 1-5	Grade 6-9	Grade 10-12	Post Matric
---------------------	-----------	-----------	-------------	-------------

SECTION B : CONTEXTUAL QUESTIONS

4. How long have you been a member of the SGB?

2yrs	4yrs	None
------	------	------

5. During your term of office as a member of the SGB did you receive any training in financial management?

Yes	No
-----	----

6. Do you know how financial matters are being handled at the school you are serving as an SGB member

Yes	No
-----	----

7. Do you know your role as a member of the SGB concerning financial matters of your school?

Yes	No
-----	----

8. Are you involved when the budget of the school is prepared?

Yes	No
-----	----

9. Does your SGB have a sub-committee on financial matters?

Yes	No
-----	----

10. Parents should regularly be updated about the financial matters of the school

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

11. Lack of capacity building is a major drawback within the members of the SGB. Do you agree with this statement?

Agree	Strongly agree	Disagree	Strongly disagree
-------	----------------	----------	-------------------

12. How do you access policy documents relating to the financial administration of the school?

- (a) Adopt vision and mission of the school
- (b) Expel learners who fail to pay school fees
- (c) Do not submit budget to the parents for their approval

13. Choose the incorrect answer

What is the role of the chairperson of the SGB in monitoring the funds of the school?

- (a) Open school bank account
- (b) Establish school funds and administer in the direction of the HOD
- (c) Hand over the school in the hands of the school manager