

**STRATEGIES FOR PROMOTING EFFECTIVE FINANCIAL MANAGEMENT
PRACTICES IN PUBLIC SCHOOLS: A CASE OF EHLANZENI DISTRICT
MPUMALANGA PROVINCE**

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DECLARATION

I, **Kgothatso Madalane**, declare that this dissertation titled STRATEGIES FOR PROMOTING EFFECTIVE FINANCIAL MANAGEMENT PRACTICES IN PUBLIC SCHOOLS AT ENHLANZENI DISTRICT is my original work, and the information in this study is accurate and relevant. Ethical consideration within the study was observed, and sources of references were clearly stated and acknowledged.

Kgothatso Madalane



Date

30 / 06 / 2024

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ABSTRACT

Effective financial management practices are crucial for public schools to operate efficiently and achieve educational goals. However, many public schools in South Africa, particularly in rural areas, struggle with financial management due to limited resources and expertise. The aimed at identifying and evaluating strategies for promoting effective financial management practices in public schools in the Ehlanzeni district of Mpumalanga province. The study adopted a qualitative approach within the interpretative paradigm guidelines. A semi-structured interview was conducted with school principals, and questionnaires were administered to financial officers and SGB members to collect data. A purposive sampling method was used to select a sample of 30 participants from 10 public schools in the Ehlanzeni district. The study revealed challenges such as parental disengagement, skill gaps among school governing body members, lack of exposure to training, and limited fundraising in public schools within the Ehlanzeni District, Mpumalanga. Parental disengagement has caused a lack of oversight and accountability in public schools, leading to poor financial decisions and poor management of finances as a result.

In response to these challenges, the study identifies a set of strategies aimed at promoting effective financial management practices. These include parental involvement strategies, training initiatives tailored to local needs, technology integration, community engagement events, financial literacy programmes, capacity building, regular internal audits, collaborative partnerships, and transparent reporting systems. These strategies are designed to enhance transparency, accountability, and financial literacy among stakeholders, thereby improving financial decision-making and management practices in public schools. By addressing these challenges and proposing actionable solutions, this research contributes to the body of knowledge on public school financial management in South Africa. It offers practical insights that can benefit public schools in the Ehlanzeni district of Mpumalanga province and serve as a model for improving financial management in similar contexts nationwide

Keywords: Financial management, public schools, financial reporting, financial control, budgeting process.

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LIST OF ABBREVIATIONS

COVID-19 - Coronavirus disease 2019

DBSA - Development Bank of South Africa

DOE – Department of Education

GDP - Gross Domestic Product

GRAP – Generally Recognised Accounting Practice

MEC – Member of Executive Council

PFMA – Public Finance Management Act

SASA – South African School Act

SGB – School Governing Body

SMT- School Management Team

UNICEF – United Nations International Children's Emergency Fund

WCED – Western Cape Education Department

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

In educational institutions, especially South African schools, financial management can be described as a crucial way of administering the institution's funds in a way that allows it to be successful and conform with guidelines as set out in section 37 of the South African School Act (SASA) 84 of 1996 (Republic of South Africa, 1996). Financial management in public schools is a critical aspect of the education system, as it ensures that resources are allocated and used efficiently to support the academic and operational needs of the school. Suppose a school's finances are not professionally managed. In that case, the learner's success and professional enthusiasm might be of mediocre quality, regardless of whether the school provides the best educational curricula and other materials for teaching and learning (Ecija, 2020). Financial management is paramount to the growth and development of any educational sector (Ukaigwe, 2018).

Effective financial management can result in improved educational outcomes, such as enhanced learner performance and increased access to resources and programs. However, the challenges associated with financial management, such as budget constraints, shortage of trained personnel, and limited oversight, can hinder the achievement of these desired outcomes (Bandy, 2023). Strategies that have been used to promote effective financial management in public schools include implementing accounting software, regular financial audits, providing professional development for school finance staff, and involving community members in the budgeting process (Rangongo, Mohlakwana & Beckman, 2016).

The Department of Education (DOE) plays a crucial role in promoting financial management by providing adequate funding, implementing regulations to ensure transparency in managing the schools' finances, and promoting accountability. Among all the factors that allow a school to achieve its goals and objectives, sound financial management has been recognised as the most critical among those contributing to maintaining and improving its quality (Idialu & Idialu, 2012). A robust school system is held together by multiple elements, including adequate and consistent school funding

and solid financial management practices that keep the school's financial management system operational (Mpolokeng, 2011). The study will contribute to understanding the factors that influence effective financial management in public schools and will provide valuable insights for policymakers, school administrators, and other stakeholders in the education sector.

1.2 BACKGROUND

The year 1996 saw a change in the South African school system. The South African government introduced the South African School Act, which provided a uniform school system to all public schools in South Africa (Matshika, 2014). The Coloured Persons Education Act 47 of 1963, Indians Education Act 61 of 1965, Education and Training Act 90 of 1979, Private Schools Act (House of Assembly) 104 of 1986, and Education Affairs Act (House of Assembly) 70 of 1988 were reviewed and consolidated into the South African School Act 84 (SASA) of 1996. The SASA 84 of 1996 was introduced to deal with the past inequalities in the South African school system. The Act aimed to govern all aspects of the South African school system, including managing school finances. Under this Act, the government must build, fund, and maintain public schools. The government is required to provide adequate budgets to various schools to help them accomplish their activities every year, as all public schools depend on government funding (Republic of South Africa, 1996).

South African public schools are still falling behind compared to private schools in terms of facilities and development. According to Papas (2022), most public schools have an inadequate budget, which curbs access to high-quality facilities, while private schools have advanced materials, resources, and equipment. According to the Development Bank of Southern Africa (DBSA) (2022), the factors behind public-school failures in infrastructure development are the mismanagement of resources, lack and shortage of funds, and poor maintenance. Despite being the second highest after health, the education budget seems not to yield positive results due to factors such as poor financial management skills, abuse of power, poor financial literacy, and corruption (Dube, 2023). In the year 2024/25, the South African government is estimated to allocate 20.2 percent of its total expenditure to education, amounting to

R480.6 billion out of a total of R2.3 trillion. Of this, R303 billion ZAR is dedicated specifically to basic education, highlighting the government's substantial investment in learning and culture (National Treasury, 2024).

The Department of Education (DoE) receive an average of 6% of the Gross Domestic Product (GDP) for education. Despite this, poor educational quality persists due to poor financial management of allocated funds (Aina, 2020). Measures must be implemented to oversee the significant budgetary allocation to ensure service delivery integrity and responsiveness in the DoE. Proper financial management practices can help create a favourable work environment by effectively managing school finances (Mestry, 2013). Studies by Yizenguw & Agegnehu (2021) and Usman (2016) emphasise the importance of internal and external controls in creating a sound financial environment for schools as individuals entrusted with school resources, school principals, and School Governing Bodies (SGBs) must direct the usage of school resources following prescribed guidelines outlined in the South African Schools Act (SASA).

1.3 RESEARCH PROBLEM

Effective financial management practices in public schools are critical to ensuring learners receive quality education (Amos, Ephrahem & Bhoke-Africanus, 2021). According to Investec (2022), most public schools in South Africa are often under-resourced, and limited financial resources must be allocated and utilised effectively to ensure that learners can access adequate resources and facilities. The Ehlanzeni District in Mpumalanga is characterized by high levels of poverty and unemployment, which negatively impact public schools' financial management practices, often leading to poor resource utilisation, inadequate facilities, and, ultimately, poor academic performance (Dube 2023).

According to research, (Dibete & Potokri, 2021; Ecija, 2020; Ukpong, 2019), financial management continues to be a challenge in many public schools due to a lack of practical financial management skills and capabilities, non-approval of budgets by parents, inadequate documentation, and schools with inadequate or no guidelines.

Despite the critical importance of financial management in public schools, there is limited research on effective strategies for promoting sound financial management practices in public schools. Most studies like Aina (2017); Aina & Bipath (2020) and Naicker, Myende & Ncokwana (2020) have focused on the causes and effects of financial mismanagement in public schools, with limited attention given to effective strategies for promoting financial management practices.

Although studies such as Mandlanzi & Govender (2021) and Smith, Johnson & Brown (2019) have investigated the financial management practices of public schools in South Africa, most have focused on urban areas and neglected rural areas such as the Ehlanzeni District. These studies highlight the complex and multifaceted nature of financial mismanagement in public schools in South Africa, and the need for a comprehensive approach to address the issues. A paucity of studies has examined the unique challenges public schools face in the Ehlanzeni District, Mpumalanga Province, and the strategies that can be employed to address these challenges. Therefore, this research will fill these gaps by identifying effective strategies for promoting financial management practices in public schools in the Ehlanzeni District, Mpumalanga Province, and providing recommendations for improving their financial stability, accountability, and sustainability.

1.4 AIM OF THE STUDY

The study aims to explore and identify effective strategies that may be implemented to promote financial management practices in public schools, using the Ehlanzeni district in the Mpumalanga province as a case study.

1.5 RESEARCH OBJECTIVES

Research objectives are the ultimate backbone of the research project as they guide the study. According to Wayne and Stuart (2014), research objectives point out matters to focus on in the research project and what the researcher wishes to accomplish. The research objectives of the study are the following:

- ❖ To assess the current financial management practices in public schools in the Ehlanzeni District, Mpumalanga province, South Africa.
- ❖ To identify barriers that hinder effective financial management processes in public schools in the Ehlanzeni District, Mpumalanga province, South Africa.
- ❖ To identify and recommend effective strategies for promoting financial management practices in public schools in the Ehlanzeni District, Mpumalanga Province, South Africa.

1.6 RESEARCH QUESTIONS

- ❖ How do public schools in the Ehlanzeni District, Mpumalanga Province, currently manage their finances?
- ❖ What are the underlying barriers to effective financial management, and how do they hinder the management of school finances?
- ❖ How can effective financial management practices be promoted in public schools in the Ehlanzeni District, Mpumalanga Province, and what strategies can be recommended?

1.7 JUSTIFICATION OF THE STUDY

This research study aims to investigate and identify the most effective methods for promoting financial management within public schools. Rangongo et al., (2016) found that many public schools are financially mismanaged because of insufficient financial knowledge and management skills. According to the United Nations International Children's Emergency Fund (UNICEF) South Africa (2021), the quality of education in South Africa is deteriorating despite the massive amount of funds that the government injects every year. Factors such as poor funds management, lack of accountability, and lack of trust and honesty continue to incapacitate the education system. Xaba and Ngubane (2010) assert that practising proper financial management is crucial to the success of all educational programs.

The study is conducted to ensure that school principals and School Governing Body (SGB) practice proper financial management as required by the SASA. It is also hoped that the findings will support and confirm existing findings on strategies to promote sound financial management in public schools. The study will be of great importance

to schools seeking ways to promote ideal financial management. Naidoo (2010) purports that numerous SGBs and school principals bear a significant burden of administering school finances since they cannot deliver feasible solutions to financial issues owing to a lack of financial knowledge. This study aims to lessen the burden by seeking strategies that will help the SGB and school principals with sound financial management strategies.

1.8 PRELIMINARY LITERATURE REVIEW

A literature review provides the setting of the entire research project. It also gives direction on which research methodology can be used. The literature review is the basis for any research study. It is an essential step in the research process, as it helps to understand the current state of knowledge on the topic and identifies gaps in the existing research that need to be filled. In addition to that, it provides a framework for the design of the research study and establishes the relevance of the study. Education is the most critical investment in every country, especially in developing countries like South Africa.

The South African government's educational expenditure is second to the health expenditure (National Treasury, 2022). Government spending outlines the importance of the educational sector. The substantial amount comes with a huge responsibility bestowed on the SGB and the accounting officer, usually the principal school (Ukpong, 2019). Mestry (2006) revealed that several SGBs and school principals bear a significant burden in administering school finances since they cannot provide practical solutions to financial issues owing to a lack of financial skills and knowledge. The literature review will be discussed in detail in chapter 2, which will comprise the following:

2.1 Introduction

2.2 Funding of public schools in South Africa

2.3 Financial management in public schools

2.4 Financial accountability

2.5 Overview of the Finance Committee

2.6 Legislative framework for financial management in public schools

2.7 Summary

1.9 PRELIMINARY DESIGN AND METHODOLOGY

This section outlines the preliminary research methodology and design that the anticipated study will follow, emphasising the explanatory nature of the research aims and objectives. Given the research aim and objectives, a qualitative approach will be utilised, employing a purposive sampling strategy to gather data from thirty participants within public schools in the Ehlanzeni District. In order to ensure a comprehensive understanding, semi-structured interviews will be conducted with school principals, while questionnaires will be distributed to School Governing Body (SGB) members and financial officers. This approach enables a multi-layered exploration of financial management practices in public schools.

The study will use purposive sampling to select participants who are directly involved in and responsible for school finances. This targeted approach ensures that insights garnered align closely with the study's objectives. A thematic approach will be applied to the qualitative data collected from semi-structured interviews for data analysis. The thematic analysis identifies and interprets patterns, themes, and meanings within the data, providing a rich and nuanced understanding of participants' perspectives (Naicker, 2020). Conversely, descriptive analyses will be employed for the data gathered through questionnaires using Microsoft 365 Excel. Check and Schuut (2012) indicated that a survey in research is the best method of gathering data from a population sample. The research project will focus on people who are responsible and accountable for the school finances. This method involves summarising and presenting data meaningfully, offering statistical insights into the various aspects of financial management practices within the sampled schools.

The research methodology and design will be discussed in detail in chapter 3, which will comprise the following:

- 3.1 Introduction
- 3.2 Research paradigm
- 3.3 Research approach
- 3.4 Research design
- 3.5 Population, sampling, and data collection
- 3.6 Research piloting

- 3.7 Validity and reliability of research
- 3.8 Data analysis
- 3.9 Ethical considerations
- 3.10 Summary

1.10 DELIMITATION OF THE STUDY

Several factors will delimit the study to ensure that it remains focused, manageable and relevant. The study will only cover public schools located in the Ehlanzeni district of Mpumalanga province in South Africa, and the population will be limited to school principals, SGB members and financial officers in the district. The sample will be restricted to the geographic regions that will be reachable within the researched financial means. The study will rely on data collected through interviews and questionnaires, with descriptive statistics used to analyse the data. Time is also restricted since the researcher must complete the study within a certain period.

1.11 OPERATIONAL DEFINITION

Financial Management Strategies: For the purposes of this study, financial management strategies refer to the policies, procedures, and practices that public schools in the Ehlanzeni district have in place to manage their finances effectively. These strategies may include budgeting, financial reporting, asset management, internal controls, and financial planning.

Promotion of Financial Management: The promotion of financial management in public schools in the Ehlanzeni district refers to the deliberate and systematic efforts made by school principals, school governing bodies, and finance officials to raise awareness about the importance of financial management, and to implement effective financial management strategies in their schools.

Public Schools: In this study, public schools refer to primary and secondary schools that are funded and managed by the government in the Ehlanzeni district. This includes both urban and rural schools, as well as schools serving learners from different socioeconomic backgrounds.

Financial Management Performance: Financial management performance refers to the extent to which public schools in the Ehlanzeni district can manage their finances effectively, efficiently, and transparently.

1.12 STRUCTURE OF THE RESEARCH

This project will be divided into five chapters.

General Introduction

Chapter 1: Background of the study: The first chapter of the study discussed the introduction, research problem and background of the study. The chapter also outlined the study's objectives, aims, research questions and justification.

Chapter 2: Review of Literature: The literature review mainly provided the frame of reference to the study by reviewing previous publications related to the management of school finances and the legislative around the management of school finances.

Chapter 3: Research Methodology: This chapter entails the procedures and techniques of designing and collecting data from respondents to be able to answer research questions. It also outlines the study area, population sample size and sampling techniques. The type of research approach and ethical considerations are discussed in this chapter.

Chapter 4: Data Analysis: Data analysis outlines the research instruments used to collect and analyse data. It also outlines interpreting collected data into useful information for decision-making processes.

Chapter 5: Presentation and discussion of the findings: The last chapter will reveal the study's findings and outline the weaknesses of the school's financial system, if any. The chapter will conclude by giving recommendations for establishing best practices for financial management in south African schools.

General Conclusion: This section will present the closing remarks about the entire study based on the outcomes of the overall study. The conclusion would be an interpretation and analysis of the data gathered from the study.

1.13 SUMMARY

This chapter outlined the study's introduction and gave a mini background on the research problem of the mismanagement of school resources. In addition, essential constituents of a research project, namely the research objectives, the purpose of the study, justification of the study and a brief structure of the study, were also discussed. The mismanagement of school resources poses a significant risk to education quality and school infrastructure development. Therefore, it has become necessary for school principals and SGBs to seek ways to manage school resources effectively and efficiently.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter provides a frame of reference by reviewing the dissertation, thesis, books, journals articles, legislative framework, and annual reports from the Department of Education. The literature review is the foundation of any research study. It is an essential step in the research process, as it allows the researcher to understand the current state of knowledge on the topic and identify gaps in the existing research. It also helps establish the study's significance and provides a framework for the research design. The literature review provides a researcher with the background information of the study under review and helps bolster a researcher's confidence to endeavour in a particular study. The section will look at the funding model of public schools, how financial accountability, financial control, reporting practices, internal controls, planning, and adherence to the legislative framework can collectively enhance school financial management in public schools.

2.2 FUNDING OF PUBLIC SCHOOLS IN SOUTH AFRICA

The South African government funds public schools through the provincial treasury. Section 34 (1) of the SASA states that in order to address past inequalities in the education sector, public revenue should be distributed equally to achieve equity in funding public schools and ensure learners' rights to education (Republic of South Africa, 1996). The budget allocation differs per school, as socio-economic variables play a vital role in determining the equitable share formula. South African public schools are divided into quantiles to address the historical inequalities. Quantile one to three are exempted from paying any school fees and therefore receive most government funds. Quantiles four and five receive less of the government funds, and the schools are permitted to charge school fees and find alternatives for raising funds.

The previously disadvantaged and new schools built in disadvantaged homelands receive more funds from the government than the advantaged schools around urban areas. However, experience has taught us that despite the uneven budget allocation from the state, advantaged schools tend to have more funds than disadvantaged ones

since South Africa has one of the highest socio-economic inequality rates, and it is further supported by the bimodality in school infrastructure amongst homelands and urban schools (Venter, 2022). A study by Mohamed and Thaver (2022) involved ten educational institutions with a mixture of legacy frameworks and identities of structural inequality representing the overall educational system. It revealed that 96% of donations went to advantaged schools while 4% went to historically disadvantaged schools.

Section 41 of SASA formalised the procedures for charging school fees. The Act favoured schools around cities, towns and developed areas where parents could pay massive amounts of school fees. Advantaged schools can raise more funds by charging high amounts of school fees to maintain and develop their resources for teaching and learning. The government later passed the notional fee exemption (Circular 34 of 1999) to protect poor households by providing a total exemption of school fees (Republic of South Africa, 1996). According to Ndimande (2006), the system favours privileged schools in developed areas since the parents can assist the school in raising capital by paying school fees. The difference is further highlighted by UNICEF South Africa, which outlines that covid-19 exposed the gap between urban-based public schools and rural-based schools in terms of resources, whereby the urban-based schools could secure resources and move digital through the national lockdown. The disadvantaged schools were stuck and lost nearly 54% of their learning time (UNICEF, 2021).

2.3 FINANCIAL MANAGEMENT IN PUBLIC SCHOOLS

In the context of the study, financial management entails administering school finances in a way that allows the schools to conduct their primary function of providing quality education efficiently and effectively (Yizenguw & Agegnehu, 2021). According to the World Bank (2021), South Africa is amongst the countries with high education expenditure relative to GDP. The increased budget allocation outlines the huge responsibilities entrusted to the Department of Education, which consists of educational institutions as the end-users of these funds; thus, sound financial management is essential to ensure public schools' funds are efficiently and effectively

used. The school financial management process consists of the elements discussed below.

2.3.1 Strategic planning

According to the Corporate Finance Institute (2022), strategic planning is the art of establishing detailed organisational tactics, implementing them, and assessing the results of achieving the plan regarding an organisation's overall long-term goals or desires. Schools must have a mission and vision to be able to set goals and objectives (Zangele, 2013). The researcher further outlined that schools should practice proper financial management strategies to reach their goals. This includes implementing measures such as budget transparency and accountability, efficient resource allocation, risk management, performance measurement, collaboration with stakeholders, and compliance with regulations. Bovard (2009) stated that institutions without a strategy do not have direction. Strategic planning is one of the building blocks of proper financial management, and it is vital for every school seeking to enhance its financial management strategies to adopt strategic planning.

Strategic planning in public schools is a dynamic and ongoing process that requires participation from all stakeholders and the ability to anticipate and adapt to changes in the educational landscape and the diverse needs of learners (Mahardhika & Raharja, 2023). It is an essential tool for school principals and SGBs to ensure that resources are allocated effectively to achieve long-term goals and improve educational outcomes for all students. The process of strategic planning typically involves a comprehensive assessment of the current state of the school, including its strengths, weaknesses, opportunities, and threats. Based on this assessment, the school will then develop a vision, mission, and set of core values that serve as the foundation for the strategic plan. Effective strategic planning in public schools goes beyond just creating a plan; it is about implementing and monitoring the plan, constantly assessing progress, and making necessary adjustments to ensure the goals and objectives are met. The process can be challenging, requiring buy-in and participation from all stakeholders, including staff, learners, parents, and community members (Van Wyk & Moeng, 2013).

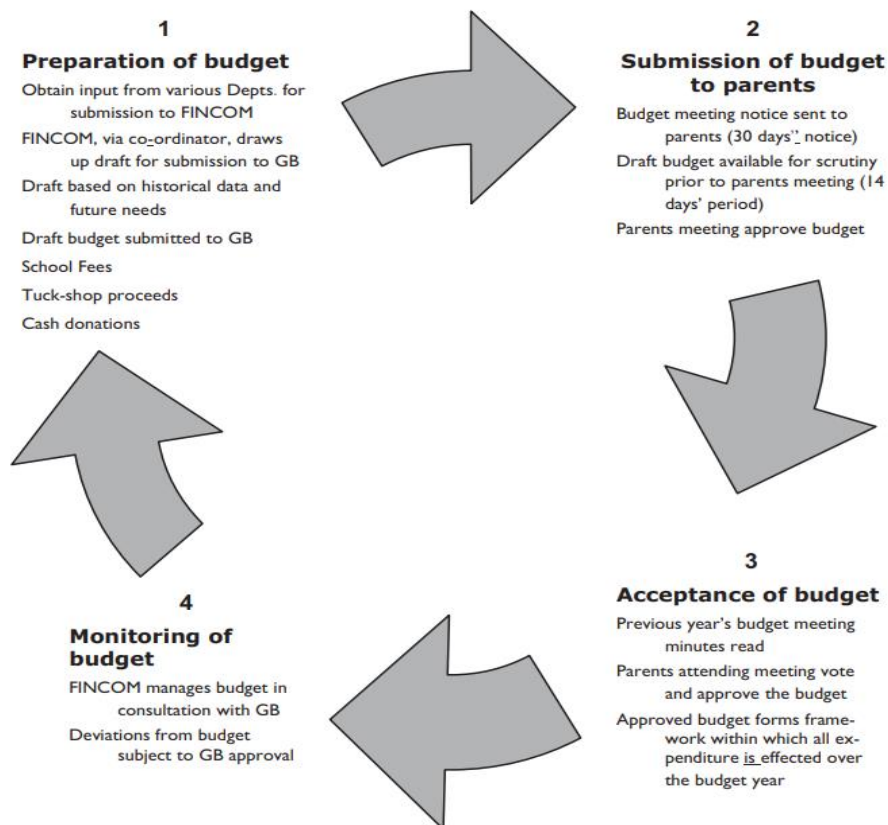
According to Jamestown Public Schools (2017), a strategic plan should comprise the following rudiments: mission statement, vision statement, value statements, strategic

initiatives, objectives, and findings supported by innovative performance standards for continuous school development. It is further supported by Mathias (2023) who articulated that strategic plans unify educational partners under a shared vision, mission, and values of the school, cultivating effective decision-making processes that empower learners to achieve their maximum potential. Strategic planning is a technique that guides schools toward achieving their objectives. Therefore, schools seeking to manage their resources efficiently and effectively must have a strategic plan as stipulated above. Strategic planning is a critical tool which assists schools in identifying and evaluating their long-term goals and objectives while overseeing performance (Sophia & Owuor, 2015).

2.3.2 School budgeting

In general terms, budgeting is a process of drafting a plan on how to raise and allocate resources over a predetermined period. The Siyawela organisation described a school's budget as the financial blueprint designed to accomplish the objectives outlined in its vision, School Improvement Plan, and Year Plan (Siyawela, 2021). Mosala (2006) outlined school budgeting as a plan that construes the school's needs into a financial plan that, when implemented, induces the community to support it financially and morally for the particular year. Schools should try to align their strategic plans with their budget to meet their objectives. The Western Cape department of education outlined in its financial management manual that schools should use their strategic and school development plans as the foundation for drafting a school budget. The department further outline the importance of school budgeting in its financial management manual and reveal that schools should allocate their resources according to the predetermined budget to achieve proper financial management (Western Cape Department of Education, 2010).

Figure 2.2 Process of School budgeting



Source: Western Cape Education Department (2010)

Figure 2.2 outlines the budgeting process prescribed by Section 38 of SASA. Budgeting is one of the crucial steps in financial management. According to section 38 of SASA, the school governing body should draft the school budget every year according to the prescriptions set out by the Member of the Executive Council (MEC). The Act further states that the parents have the final decision to approve the budget. According to the Western Cape Education Department, a school budget should comprise the following: “

- Income and expenditure for the previous year.
- Income and expenditure for the current year.
- Projected revenue and expenditure for the following year.

- The variance in percentage between the actual expenditure of the previous year and the projected expenses for the current year for each line item.
- The percentage variance between the previous year's projected expense and the budget expenses for the current year for each line item.
- The school budget must balance (Expenditure should always equal income).”

If a school budget is well-structured and consistent with the school development and strategic plan, it is thus able to provide benefits in terms of the following:

- Assist the school in meeting its objectives.
- Improve resource allocation.
- Help monitor expenditure.
- Help schools ensure that they spend within their budget.
- Assist in tracking over and under-spending in certain line items.

2.3.3 Bank and Cash management

As SASA prescribes, public schools should open one bank account with a South African registered banking institution. All school's incomes and expenditures should be paid and settled using the account. Using one bank account is crucial in monitoring and tracking how the school finances are used and helps enhance the school's financial management. Most school transactions happen digitally nowadays, yet some still need to be received and settled in cash. In order to ensure proper cash management in schools, the SASA enables the SGB to appoint a petty cash officer specifically to oversee and manage the school transactions involving cash. Mpolokeng (2011) and Bisschoff and Mestry (2007) outline the effective ways of handling cash in school, which include monthly reports on cash flow position, an estimate of the required cash and the variations in the estimated cash budget.

2.3.4 Internal controls

According to Dubey (2019), internal controls are mechanisms implemented by those charged with governance to ensure efficient and effective operation, safeguard properties, and ensure the reliability of financial statements to prevent fraud and wasteful expenditure. Effective internal controls can help a public school clearly define

its mission, set its goals and strategies, and achieve sustained growth with confidence and integrity in all forms of information (Committee of Sponsoring Organizations of the Treadway Commission, 2013). The organisation's Internal Control - Integrated Framework further provides essential guidelines that can significantly enhance internal controls within public schools. First, it establishes a comprehensive risk assessment process that can help schools identify, analyse, and mitigate potential risks, thereby preventing issues such as fraud, misuse of funds, and operational inefficiencies. Second, the framework ensures robust financial and operational oversight through well-defined control activities and regular monitoring, which are vital for maintaining accountability and compliance with regulations. Third, COSO emphasizes the importance of effective communication and information dissemination, facilitating informed decision-making and fostering a culture of transparency and integrity within the school system. (Committee of Sponsoring Organizations of the Treadway Commission, 2013). Schools, being organisations that comprise both physical and financial resources, must have measures and processes put in place to safeguard their resources.

Internal controls in schools refer to the policies and procedures put in place to ensure the proper use of funds, accurate financial reporting, and compliance with laws and regulations. These controls can include segregation of duties, regular financial audits, and internal reporting mechanisms. Yizenguw and Agegnehu (2021) revealed in their study titled "Practices and Challenges of School Financial Resource Management Implementation in Bahir Dar City Administration of Ethiopia: A Comparative Study between Government and Private Schools" that a lack of Internal and External Control and Recording System leads to poor financial management.

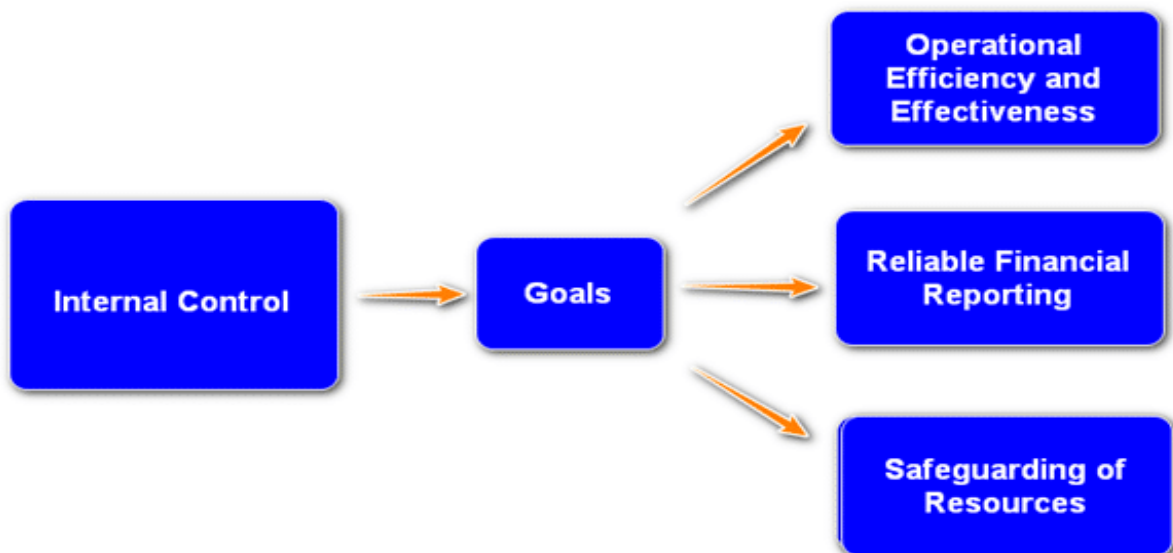
Internal controls aim to detect and prevent fraud, mismanagement, and errors in financial operations. Internal controls also help to ensure that the school can meet its financial obligations, such as making timely payments to vendors and employees. It is vital for the school principal and the governing body to establish and monitor internal controls to safeguard the school district's financial resources (Republic of South Africa, 1996). These controls help to safeguard assets, prevent fraud, and ensure compliance with laws and regulations. Examples of internal controls in public schools include segregation of duties, regular financial audits, and proper authorisation and

documentation for financial transactions. Solid internal controls promote transparency and accountability and are essential for maintaining the public's trust in the management of public-school funds (Ngcobo, 2017).

School principals and SGBs, as custodians of school resources, are required to ensure proper implementation of internal controls to promote the efficient and effective use of those resources. Previous research by Rangongo et al., (2016) and Papas (2022) revealed some internal control weaknesses in school financial management:

- Abuse of power and overriding of controls by school principals.
- Schools with unapproved budgets by parents.
- Inadequate maintenance of financial records.
- Little or no financial policies.
- Ignorance of law for personal interest and self-enrichment
- Inadequate financial controls

Figure 2.3 Benefits of Internal control



Source: Dubey (2019)

Figure 2.3 outlines the benefits of having internal control in an organisation. An adequate control system can assist an organisation in achieving its goals by improving accountability and financial transparency, safeguarding assets, and meeting legislative requirements (Dubey, 2019). Schools as an organisation should strengthen their internal controls to ensure proper financial management of resources while achieving their strategic goal: the learner's success and professional enthusiasm.

2.3.5 Financial control

According to Lexuan (2011), no organisation can provide sustainable services without effective financial control. Financial control in schools refers to managing and overseeing a school's financial resources, including budgeting, accounting, and auditing (Vanco Education, 2021). The control of school finances includes ensuring that funds are correctly allocated and used to support the school's mission and goals, as well as ensuring compliance with laws and regulations related to the management of public funds. Financial control involves creating financial reports that are accurate and transparent and making them available to stakeholders such as school boards, parents, and government officials. Overall, financial control in schools is an essential aspect of school management that helps ensure the long-term financial stability and success of the institution.

Financial control is paramount for schools to be able to continue providing sustainable educational programs. Financial control is the component of financial management that focuses on control over the school's financial activities while ensuring compliance with SASA, provincial legislation, and internal school policies. Proper financial control will ensure that individuals entrusted with school funds stick to accounting policies and procedures of the school relating to the management of its finances. Kotov (2012) outlined that financial control is about the control environment in which decisions take place, reflecting the attitude of governing bodies. The SASA has no provision for internal audits, but the SGB must have an internal auditing mechanism to ensure proper financial control over the school finances.

2.3.6 Financial reporting

Schools, as organisations, must keep records of all the related financial transactions. In the context of the study, financial reporting refers to reporting on how the schools' funds are used and the sources of these funds. Financial reporting, therefore, gives the external stakeholders, such as parents, an overview of how and what the schools use their finances for (Dibete & Potokri, 2021). Section 42 of SASA states that SGB must keep records and ensure proper documentation of all the school's income, expenses, assets, and liabilities every financial year, starting on 01 January and ending on 31 December (SASA, 1996). The Act further stipulated that the SGBs should draw up the annual financial statements of the schools not later than three months. The financial reporting guideline for public schools' states that the annual financial statements of a public school shall consist of the following:

- Statement of income and expenditure
- Statement of Assets and Liabilities
- Basis of preparation and accounting policies
- Explanatory notes; and
- Other relevant disclosures.

2.3.7 Auditing of school annual financial statements

Auditing is paramount to effective and efficient financial management. Thus, SASA gives the governing body the duty to appoint a registered accountant and auditor in accordance with the Public Accountants and Auditors Act of 1991. It further outlines that in a case where it is impractical to appoint a registered auditor, the SGB, with the approval of the Member of the Executive Council (MEC), can appoint a competent person to examine the financial report. Auditing school financial statements effectively ensure the best acquisition and utilisation of school resources.

According to Amos (2021), auditing school finances helps verify the faithfulness of the people entrusted with the school funds. The primary goal of a financial statement audit is to increase the level of trust that users of financial statements have in the information given in such statements. An audit entails carrying out processes to acquire evidence concerning the amounts and disclosures in financial statements (SAICA, 2012). The process of auditing financial statements plays a vital role in promoting financial

management because it presents the public and the DoE with the financial condition of the school, and understanding the financial state can assist the people in charge of finances to improve the management of finances

2.4 FINANCIAL ACCOUNTABILITY

In the content of the study, financial accountability can be described as a combination of processes and measures that hold individuals responsible for school finances. According to De Bruin's (2014) description, financial accountability essentially pertains to the duty of finance committee members to justify their actions, assume responsibility for them, and report the outcomes through a financial statement whilst the King IV Report on Corporate Governance for South Africa, emphasizes the responsibility of SGB's to ensure transparent, ethical, and efficient management of financial resources. This includes implementing rigorous financial controls, conducting regular audits, and providing clear and accurate financial reporting to stakeholders. The aim is to uphold integrity, prevent misuse of funds, and foster trust among stakeholders in the financial management practices of the school in the education systems, accountability is linked to the obligations of school heads and SGBs entrusted with the school resources to be answerable for the fiscal, managerial, and educational responsibilities that have been conferred to them and report to those who granted the duties. The principal and SGB must assume accountability collectively and individually and be able to justify their actions and decisions to the school stakeholders (Institute of Directors in Southern Africa, 2016).

Financial accountability in the public sector, including public schools, is enforced by the Public Finance Management Act 1 of 1999 (PFMA), which enables principals and SGBs to manage school finances whilst holding them accountable properly. The Act further outlines that financial accountability entails spending funds according to the framework and spending the funds on a least-cost basis to achieve results. According to Nakmahachalasint and Nartabtee (2019), to improve accountability, institutions should stick to the approved guidelines, which in this case is the Generally Recognised Accounting Practice (GRAP), when dealing with school finances.

2.5 CHALLENGES IN SCHOOL FINANCIAL MANAGEMENT

School financial management in public schools plays a critical role in ensuring resources are effectively utilised to support educational objectives (Mmako,2018). One of the critical challenges faced by public schools is the delay in the disbursement of grants and funding allocations. Gawie and Matsolo (2024) highlighted that delayed funding can disrupt budget planning and execution, leading to financial uncertainty and operational inefficiencies. Prompt and predictable funding mechanisms are crucial to mitigate these challenges and ensure smooth financial operations within public schools.

A study by Smith (2018) highlighted financial misconduct as a critical challenge in school financial management, encompassing embezzlement, misappropriation of funds, and fraudulent financial reporting. This misconduct not only jeopardizes the financial integrity of public schools but also erodes trust among stakeholders, thereby impacting overall institutional credibility and accountability. To effectively address this challenge, implementing stringent internal controls, conducting regular audits, and establishing transparent financial reporting mechanisms are essential steps to detect and prevent unethical financial practices (Baloyi, 2015).

Public schools also face challenges in recruiting and retaining competent financial personnel who specialize in budgeting, financial planning, and regulatory compliance (Brown, 2019). The shortage of skilled professionals in educational finance limits schools' capacity to manage financial resources effectively and optimize budget allocations. Investing in competitive salaries, professional development opportunities, and leadership training programs can mitigate these workforce challenges and enhance financial management capabilities.

Moreover, Financial Literacy among SGB and stakeholders remains a persistent issue (Davis, 2021), with many members lacking comprehensive knowledge of financial concepts such as budget management and reporting requirements. This deficiency hampers strategic financial planning and resource allocation, thereby affecting the financial sustainability and operational efficiency of public schools (Manamela, 2014). Continuous training and capacity-building initiatives are essential to improve financial literacy and empower administrators to make informed financial decisions.

According to Taylor (2022), effective financial management also hinges on parental involvement and transparency, as parental disengagement from financial matters can hinder fundraising efforts, community support initiatives, and overall financial transparency. Mmako (2018) believe that engaging parents in financial planning and decision-making fosters accountability and shared responsibility in managing school finances, supported by clear communication channels, involvement in budget discussions, and promotion of financial education initiatives to enhance understanding and support for school financial initiatives.

2.6 OVERVIEW OF THE FINANCE COMMITTEE

Section 30 of the SASA gives the SGB the power to establish committees to monitor and execute the school's management. It further outlines that schools can have as many committees as possible depending on the school's needs, but the executive and finance committees must be mandatory. The finance committee is the critical and crucial committee relevant to the content of the study. The finance committee serves as an advisory hand to the governing body regarding the school's financial matters, including ensuring that SASA regulations and policies are adhered to (Dibete & Potokri, 2021). The finance committee should comprise the school principal, educators, parents, and treasurer, who must chair the committee. Since the principal and treasurer may not be able to conduct daily financial duties because of busy schedules and meetings, SASA allows the SGB to delegate the administration of financial matters to a person (financial officer) who will be able to do them daily (SASA,1996). Ngobeni (2015) notes that the treasurer and financial officer are crucial personnel in managing the school's finances.

2.7 LEGISLATIVE FRAMEWORK FOR FINANCIAL MANAGEMENT IN SOUTH AFRICAN PUBLIC SCHOOLS

The SASA governs the South African school finances but must also be read with the Public Finance Management Act (PFMA) 1 of 1999 when dealing with the school's funds. The SASA outlines precisely how school finances must be managed according to the guidelines established by the Head of Education in the province (Ecija, 2020),

while the PFMA was introduced to give direction on how to oversee and manage public funds while holding the individuals entrusted with the public funds accountable. Section 38 of PFMA states that an accounting officer of a public institution is responsible for preventing any wasteful, unauthorised, and fruitless expenditures (Rangongo et al., 2016). According to the Employment of Educators Act 76 of 1998, school principals, as school managers, are responsible for ensuring that their subordinates have the necessary capacity, skills, and experience to perform their duties.

2.8 SUMMARY

This chapter provided a review of the existing literature related to the management of school finances. It started by examining the funding model of public schools in South Africa to identify funding gaps between rural and urban schools. The review also explored how financial accountability, reporting, planning, and budgeting can enhance school finance management while fostering strategies to boost parental engagement and enforce financial controls, aiming for optimal resource allocation. Emphasis was placed on transparency and compliance with SASA and PFMA to build trust and accountability. Overall, the review aimed to ensure responsible resource use within a structured legal and operational framework for the benefit of learners. Effective financial management practices are essential for ensuring the efficient and effective use of school resources. The next chapter will examine the research methodology used in the study, which will explore research objectives and answer research questions.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter focuses on the research methodology adopted by the researcher to conduct the study. Research methodology entails procedures and techniques researchers use to design, research, collect, and analyse data about a particular topic. According to Enisemo (2021), a research methodology is a researcher's approach to solving a research problem. Further aspects of research methodology, which entail research paradigm, research approach, research design, study area, data collection, data analysis and ethical considerations, will be discussed in this chapter.

3.2 RESEARCH PARADIGM

Mackenzie and Knipe (2006) define a research paradigm as a worldview or framework that provides the foundation for research practice. The research paradigm is a crucial element of research as it provides beliefs and guides researchers on what and how research should be studied. The research paradigm offers practical theories and understandings from which assumptions and practices of a research program can be drawn. An interpretative worldview was considered more reasonable for this study as it provides the researcher with more noteworthy bits of knowledge into the encounters and views of the relevant communities regarding financial management in dynamic school cycles. Park, Konger and Artino (2020) highlighted in their study that the research paradigm assists researchers in clarifying research findings.

3.3 RESEARCH DESIGN

A research design is a plan that determines how a researcher will answer the research questions (McCombes, 2021). Research designing means deciding the overall research objectives, data collection and methods. According to Mouton (2001), a research design is a “blueprint of how one intends to conduct their research”. The proposed research study was based on a qualitative research design, and data was collected through semi-structured interviews and questionnaires. In research conducted by Ngobeni (2015) on the “challenges of financial management in Mopani

district, Limpopo province”, a sample of four schools was deemed appropriate. Similar research by Aina (2017) on “Financial management decisions making process in public primary schools” used a sample of five schools. The study used a sample of ten schools to evaluate and propose fundamental practices of effective financial management in the Ehlanzeni district of Mpumalanga province, South Africa.

3.4 RESEARCH APPROACH

The research approach is a detailed plan of steps and procedures for collecting, analysing, and interpreting data. Kivunja and Kuyini (2017) describe the research approach as a methodical process that guides a researcher in conducting research. A research approach refers to the overall strategy or plan used to conduct a research study. It encompasses the research design, methodology, and methods used to collect and analyse data. There are many different types of research approaches, including quantitative, qualitative, and mixed methods. The quantitative research approach involves collecting and analysing numerical data, often through surveys or experiments (Alvehus, 2024). The qualitative research approach involves collecting and analysing non-numerical data, such as observations and interviews. The mixed methods research approach combines both quantitative and qualitative methods. This approach allows a more comprehensive understanding of a research problem by triangulating data from multiple sources (Taherdoost, 2022).

The selection of a research approach depends on the research question and the study's goals. The research approach should be appropriate for the research problem and provide a solid foundation for the research findings and conclusion. Due to the nature of the research problem and questions, the study used a qualitative approach. A qualitative method is a method of obtaining data that relies on open-ended dialogue and conversational methods. The qualitative approach assisted in examining the financial policies and procedures that deter the effectiveness of financial management.

3.4.1 Qualitative approach

Researchers must use the qualitative method to answer research questions requiring personnel participation, knowledge, understanding and interaction (Mason, 2002). A qualitative approach is often used when the research aims, and objectives are exploratory, just like in this study, where the researcher wants to understand SGB and principals' techniques in managing the school finances.

Miller (2019) outlined the advantages of using the qualitative approach.

- It turns an individual's feelings and experiences into useable data,
- Encourages discussion, which helps the researcher to understand better and get deeper insight,
- It produces a detailed description of participants' views.

According to Gaille (2017), the following are some of the disadvantages of the qualitative approach:

- Data collected through this method is precious but challenging to analyse and present.
- Time-consuming.
- The quality of data is highly subjective.

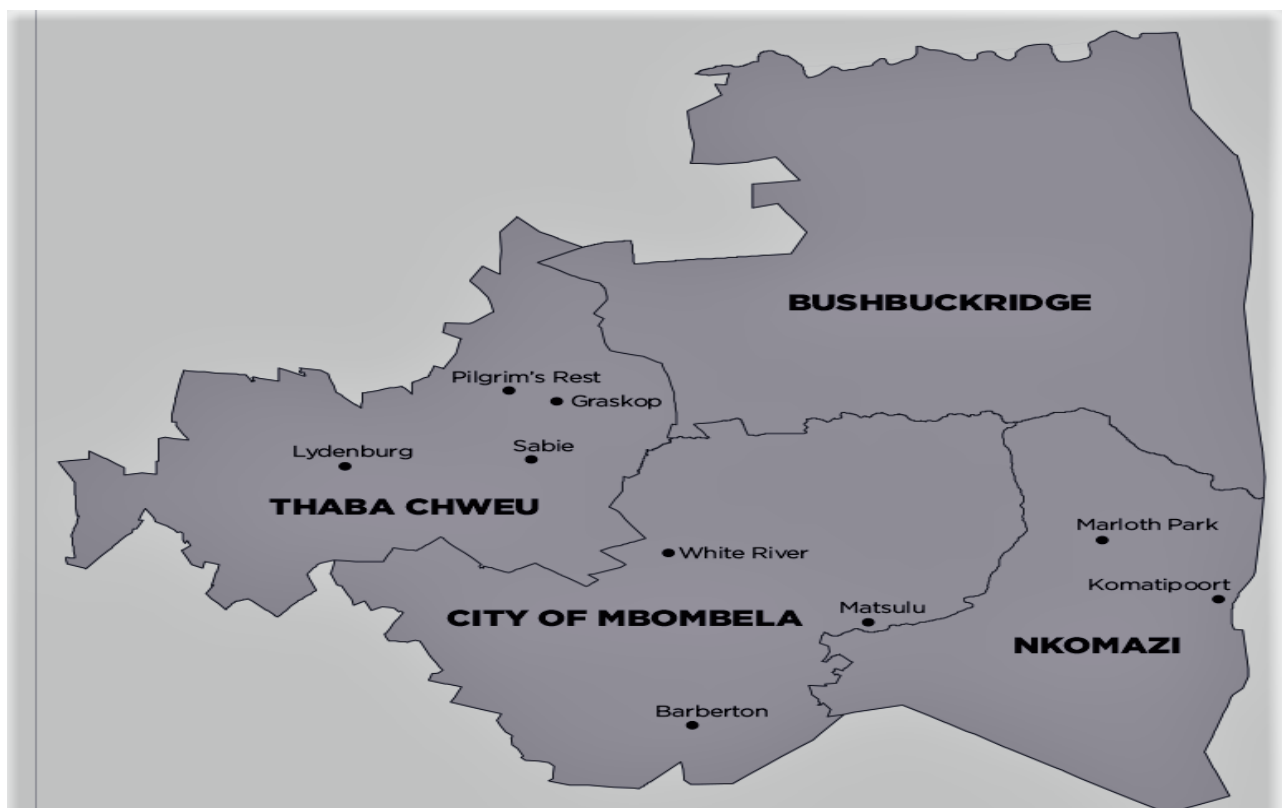
Focus groups, interviews, observations, and textual and visual analysis are some examples of data collection techniques in the qualitative approach. The researcher will use interviews and questionnaires with the school's financial management personnel to gain deeper insight into the financial management processes.

3.5 STUDY AREA

The study will be conducted in the Ehlanzeni district in Mpumalanga. The province comprises four districts: Bohlabela, Ehlanzeni, Gert Sibanda and Nkangala, as shown in Figure 3.1. According to the Municipalities of South Africa, the Ehlanzeni district makes up over a third of the province's geographical area, and it is the most concentrated economic hub in the province (Municipalities of South Africa, 2016). The research study is concentrated in the Ehlanzeni district due to convenience in terms

of time and resources, as the researcher is from the district. The district also incorporates the capital city of the province and some of the rural schools in the province, which will be advantageous in comparing the financial management practices used by urban schools with those used by rural schools since most urban schools are doing well financially.

Figure 3.1 Ehlanzeni district map



Source: AfriGis (2016)

3.6 POPULATION AND SAMPLING

3.5.1 Population

According to Bhandari (2020), a population is a whole group that a researcher wants to discuss. Populations are often too large to collect data from each item, so researchers typically use a sample to conduct a study. The study's target population were school principals, chairpersons of governing bodies, treasurers and financial officers or school clerks of all the public schools in the Ehlanzeni district. Due to the

large population scale, the researcher will use a sample representative of the whole population.

3.5.2 Sampling

Turner (2020) defined a sample as a subdivision of the whole population under research. Sampling is the process of dividing the population into manageable items that can be studied, and it is crucial when resources are limited. Sampling allows a researcher to save time and money and collect richer data. Researchers can either use probability sampling or non-probability sampling. According to Taherdoost (2016), probability sampling entails a process of sampling where each item in the population has an equal chance of being selected. Non-probability sampling is a process where the researcher strategically selects items of interest from the population non-randomly (Elliott, 2020).

The literature relevant to this study reveals that previous research (Aina, 2017; Ngobeni, 2015; Mestry, 2014; Mpolokeng, 2011) used purposive sampling to gather their data. The study will use purposive sampling to gather a data sample of thirty participants from ten schools in the Ehlanzeni district. The sample consisted of ten school principals, financial officers, and SGB members. Patton (2002) explained purposive sampling as a method used to identify and select participants of interest that meet predetermined criteria of importance for the most use of limited resources. Purposive sampling intentionally obtains units of analysis after considering previous research findings to get a sample representative of the overall population.

3.7 DATA COLLECTION

This section outlines the processes and methods of collecting data. Data can be collected through a primary data source or secondary source. Primary data is the various sorts of information gathered initially for a research objective, and secondary data is the data previously collected for a particular purpose and is reused for another objective (Hox and Boeije, 2005). Simplilearn (2022) defines primary data as the original first-hand data and Secondary data as second-hand data gathered and analysed by other parties. The study used primary and secondary data to fulfil the research objectives and answer the research questions.

The school annual reports, DoE publications, journals and previous research studies will be secondary data sources. Primary data was gathered using structured questionnaires and interviews with the personnel responsible for school finances. Direct interviews with school principals were conducted to assist the researcher in understanding the schools' financial management processes. At the same time, questionnaires were issued to SGB chairpersons, school treasurers and financial officers, also known as school clerks.

3.7.1 Semi-structured interviews

To answer the research questions, the researcher must have an in-depth understanding of the financial management processes currently used by the schools and the barriers to such processes. The most appropriate way to gather an in-depth understanding is using semi-structured interviews. According to Goerge (2022), a semi-structured interview is a data collection technique that asks participants questions based on a thematic framework while asking probe questions to gain a deeper understanding of their responses. Semi-interviews allow the researcher to focus on the topic of interest while exploring relevant ideas associated with the topic during the interview.

According to Dejonckheere and Vaughn (2019), the advantages of using semi-structured interviews are:

- Using this research method taps into the strength of both structured and unstructured interviews, resulting in rich, reliable, comparable data and allowing follow-up questions to be asked.
- In semi-structured interviews, the researcher remains focused on the topic and is not distracted by any off-topic discussion.

Research by Adams (2015) outlined the disadvantages of using semi-structured interviews:

- Semi-structured interviews are labour-intensive processes that take time and effort.
- Semi-structured interviews are subject to high subjectivity risks due to the open-ended nature of the research method. This can lead to biased responses.

3.8 RESEARCH PILOTING

According to Crossman (2019), research piloting is the process of undertaking a small study to help the researcher prepare for how best to conduct the full-scale study. Full-scale research is often too large and complex. It requires much time, and conducting a pre-study helps the researcher plan and design an effective and efficient way of conducting the full-scale research in a methodologically meticulous way that will save time and reduce the risks of delays and errors. Research piloting is a way to evaluate the feasibility and practicality of the research design and methods and identify any potential problems or issues that may arise during the study. The researcher interviewed two principals and sent eight questionnaires to school clerks, treasurer and the SGB chairperson to prepare and analyse how to tackle the full-scale research in the Ehlanzeni district.

3.9 VALIDITY AND RELIABILITY OF RESEARCH

In a research study, validity refers to the degree to which a concept is accurately measured (Heale and Twycross, 2015), while Anastasi and Urbina (1997) define validity as determining whether a measuring instrument performs the function for which it was intended and accurately measures the outcomes as intended. The study ensured validity through research piloting that will pre-test and verify the validity of the research instrument.

Reliability means that a research instrument will produce the same results, assuming the underlying measured components remain the same (Crossman, 2019). The study will ensure reliability using both questionnaires and direct interviews. The questions to be asked in the interviews with school principals will be interconnected with the questions on the questionnaires. This type of strategy is called internal consistency, where a researcher verifies the reliability of information by asking different internal parties for different approaches. The researcher chose internal consistency as a good measure of reliability, where it is unlikely to do a re-test because of time and monetary constraints.

3.10 DATA ANALYSIS

This section will discuss the processes and procedures of deriving information of value from the collected data. The study will use a combination of both structured interviews and questionnaires to collect data from the participants. Data analysis is one of the most important components of a research study. This is the process of using logical reasoning and analytical techniques to interpret the collected data to determine patterns, trends, and relationships in the data (Shamo & Resnik, 2003). Calzon (2022) describes data analysis as extracting meaning from the collected data.

3.10.1 Thematic analysis

The collected qualitative data will undergo a thematic analysis following the six-phase guide provided by Braun and Clarke (2006). Thematic analysis, as described by Warren (2020), is a technique utilised to analyse qualitative data by carefully reviewing a dataset and identifying meaningful patterns in the data's significance to find themes and interpret narratives shared within the research context. This thematic approach aims to glean insights into schools' financial practices, uncover any existing weaknesses, and formulate best practices conducive to enhancing financial management. The data will be evaluated and transformed into actionable insights using Microsoft 365 Excel. Data visualization tools, such as graphs, charts, tables, and frequencies, were harnessed in this process. The researcher identified shortcomings within the school's financial management system through data analysis and subsequently developed strategies and practices to improve financial management.

The thematic analysis employed in the study follows the six phases recommended by Braun and Clarke (2012):

Step 1: Becoming Familiar with Data: To start, the researcher immersed themselves in the recorded data. This involved transcribing it and reading and rereading the data to gain a deep understanding of its content.

Step 2: Generating Initial Codes: Next, the researcher proceeded to generate initial codes. These codes labelled and categorized segments of qualitative data that conveyed meaningful concepts and ideas related to school financial management.

Step 3: Searching for Themes: In this phase, the researcher diligently searched for themes by examining the coded data for patterns, connections, and recurring concepts. This process helped identify key themes related to school financials.

Step 4: Reviewing Themes: The themes identified by the researcher underwent a thorough review. This step ensured that the themes accurately captured the essence of the data, requiring refinement and adjustment where necessary.

Step 5: Defining Themes: The researcher established clear and concise definitions for each theme. These definitions provided a comprehensive understanding of the central concepts emerging from the data, enriching the depth of analysis.

Step 6: Writing-Up: The researcher integrated the findings from the thematic analysis into the research report. This integration offered valuable insights into schools' financial practices, backed by a detailed exploration of the identified themes, and provided practical recommendations for enhancing financial management.

This comprehensive approach to thematic analysis facilitated a thorough exploration of the qualitative data, enriching the depth and richness of the research findings and ensuring the effective achievement of the research objectives. The thematic analysis examines data in a well-structured, thorough, and all-encompassing manner (Maguire & Delhunt, 2017). It involves more than merely tallying words or phrases in a text; it delves deeper into an entirely distinct process.

3.11 ETHICAL CONSIDERATION

Studies that involve human participants must have a set of principles that guide the design and conduct of the research. A researcher must always cling to the set code of conduct when dealing with other human beings (Bhandari, 2022). The study will adhere to the University of Venda's ethical requirements and follow the university's ethical guidelines. The researcher obtained a permission letter from the University of Venda (Ethical Clearance Number: FMCL/23/ACC&AUD/02/2208) indicating that the data collected would be used solely for academic purposes. This letter was then forwarded to the Mpumalanga Department of Education to request permission to conduct research in the ten selected schools in the Ehlanzeni District.

Bryman and Bell (2007) propose that to tackle ethical considerations within a research study effectively, it is essential for the researcher to further elaborate on the following points:

- **Voluntary participation**

Voluntary participation involves individuals willingly choosing to engage in information-gathering activities without any form of duress. Ford and Keys (2022) outline that participants' involvement should be entirely of their own accord, with the freedom to discontinue answering questions or change their participation status at any point. It is important to ensure that their decision to withdraw does not impact their access to peer programs, nor should their choice to participate or not affect their relationships with questioners or fellow group members. If an individual declines, it is essential to respect their choice.

- **Inform consent**

Informed consent refers to an individual's voluntary and well-informed agreement before participating in any activity or procedure, understanding the purpose, risks, benefits, and any other relevant information (Manti & Licari, 2018). This concept is particularly crucial in research, where participants must comprehend what they are getting involved in and consent willingly, based on a clear understanding of the implications and their rights. The participants of this study were made aware of the implications of their involvement and the overall reason for conducting the study, which was to improve the management of school finances in the district.

- **Confidentiality and anonymity**

Confidentiality and anonymity are two pillars of safeguarding the participant's privacy and identity during a research study. Hoft (2021) believes anonymity and confidentiality serve as steadfast sentinels guarding the privacy of human participants in a study. These practices are meticulously applied throughout data collection, analysis, and reporting. They act as shields, ensuring that the sensitive information associated with participants remains concealed and safeguarded at all stages of the research. The details of the participants will be held in strict confidentiality and exclusively utilised for the purposes of this study.

3.12 SUMMARY

The previous chapter dealt with the literature review relevant to the study, and this chapter outlined the methodological approaches to collecting and analysing data. The qualitative research approach was chosen as the primary approach to collecting data to accomplish the research objectives. It is important to consider the strengths and limitations of different methods and designs and ensure they are appropriate for the research problem. A detailed research design was explained to outline the planned methods of collecting, sampling, and analysing data. The research population and sample of the study were also discussed. In summary, the appropriate selection of research methodology and design, along with the piloting of the study, are key factors in ensuring the quality and reliability of the research findings. The next chapter will discuss the study's findings.

CHAPTER 4: RESEARCH FINDINGS AND ANALYSIS

4.1 INTRODUCTION

This chapter plays a pivotal role in the study as it delves into extending, interpreting and comprehensively analysing the collected data. It reveals and discusses the findings about the management of school finances from the school principals, SGB and financial officers intending to make sense of the data collected to fulfil the study's research objectives. The chapter represents the gap between data collection and formulation of a meaningful conclusion, which will be discussed in chapter five. The study findings and analysis are subdivided into two categories. Section A focuses on the analysis of findings from school principals, and Section B focuses on the analysis of findings from school financial officers and SGB.

4.2 SECTION A: ANALYSIS OF FINDINGS FROM SCHOOL PRINCIPALS

This section comprehensively analyses the findings obtained from the school principals who participated in the study. The school principals' insights and perspectives are crucial in understanding the twists and turns of school financial management. The data collected from the principals offer valuable insights into their roles, challenges faced, strategies employed, and overall perceptions regarding the financial management of their respective schools. By examining and interpreting their responses, this section aims to shed light on the practices and perceptions of school principals concerning financial matters. The section will first focus on the participants' demographics and later delve into the data collected from the principals, which is presented in the form of themes and sub-themes.

4.2.1 Demographics

Figure 4.1: Participants' gender

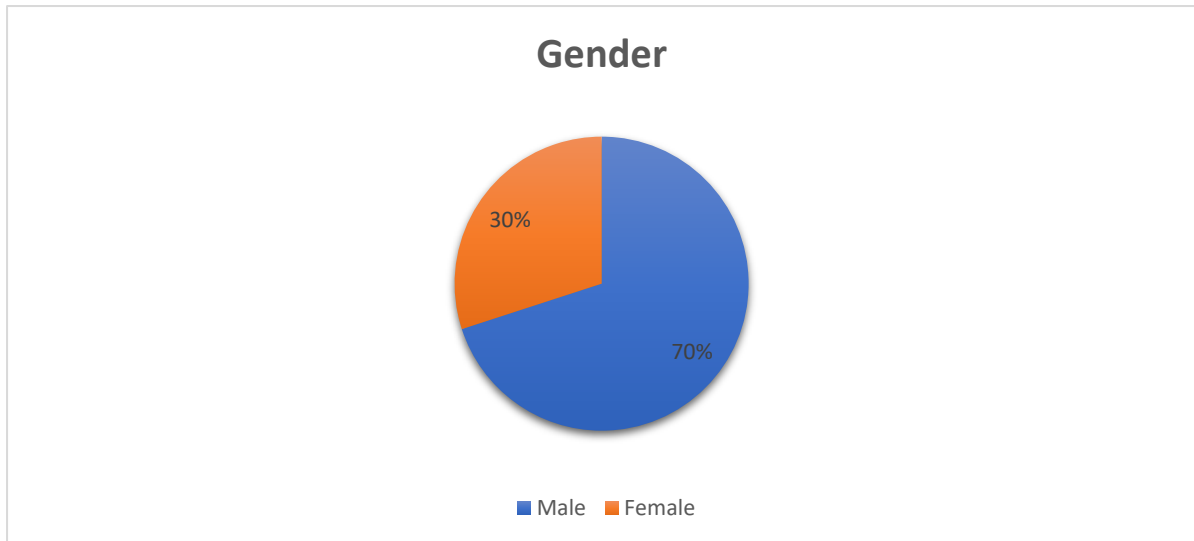
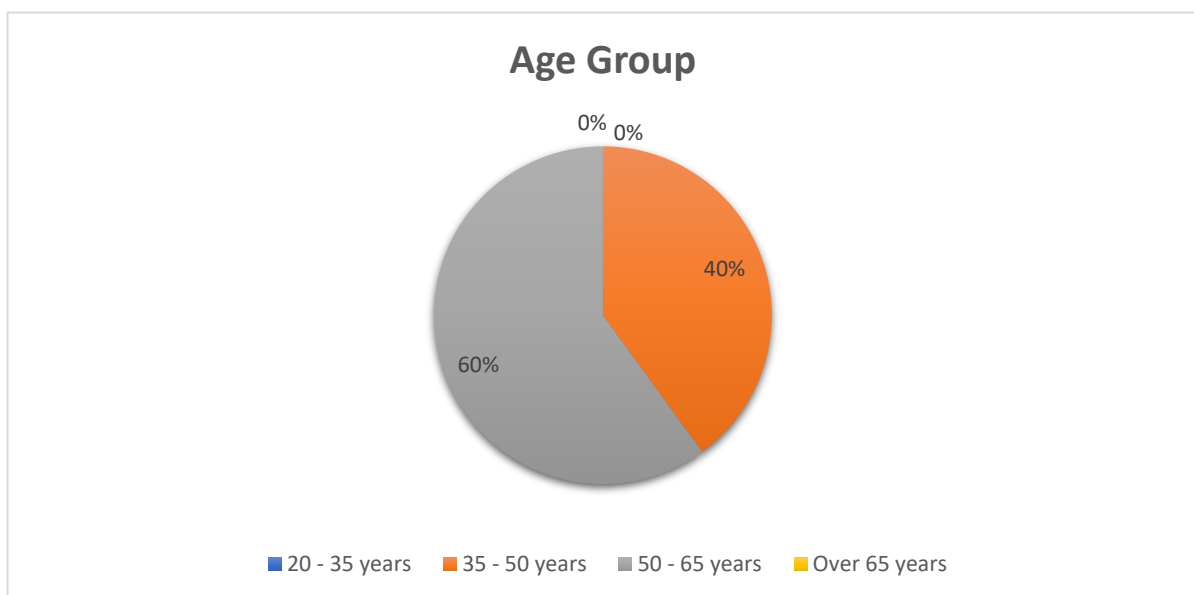


Figure 4.1 reveals the gender distribution of participants who participated in the study. Of the total principals interviewed, 70% were male and 30% female. In terms of gender, most of the participants were males. The gender distribution is further supported by Davids (2018), who wrote that female teachers make up 68% of the teaching force in South Africa, but only 36% of school principals are female.

Figure 4.2: Participants Age group



A study by the Organisation for Economic Co-operation and Development (2019) revealed that in South Africa, school principals are, on average, 51 years old. Most principals in the study fall into the middle-aged categories 35-50 years with 40% and 50-65 years with 60%. This could be attributed to the fact that individuals in these age groups typically have accumulated enough experience and qualifications to become school principals. They may have spent years in the education sector, gradually advancing to leadership roles. There were no principals younger than 35 years nor older than 65 years.

Figure 4.3: Participants ethnic group

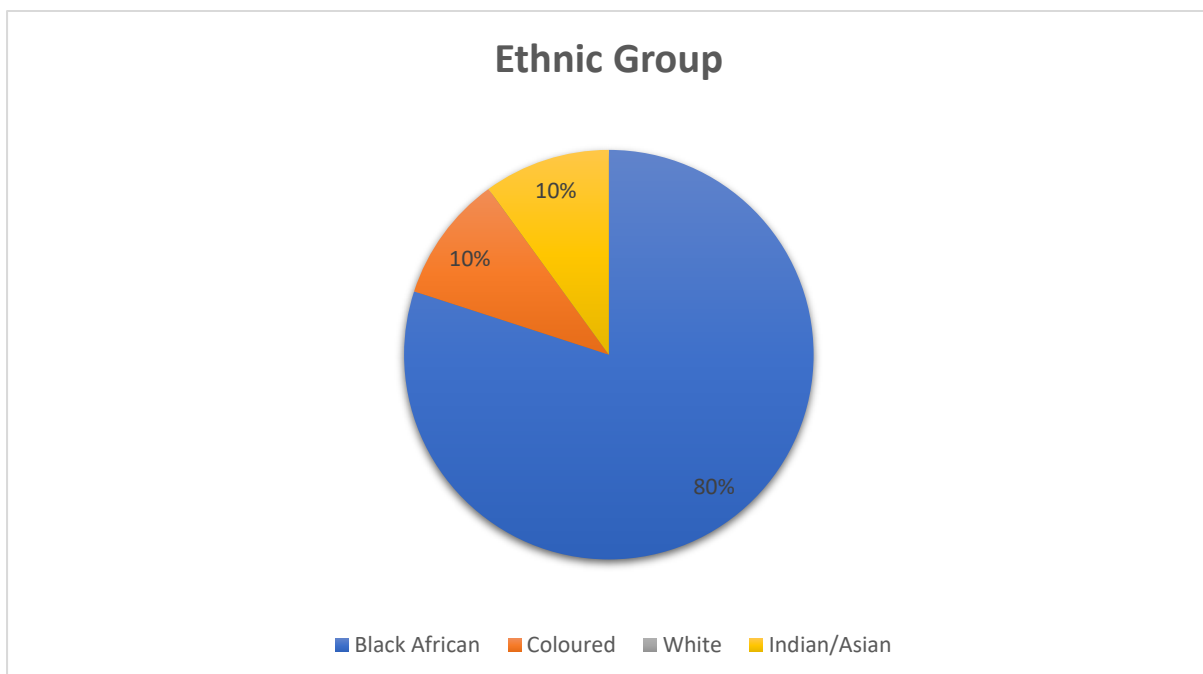
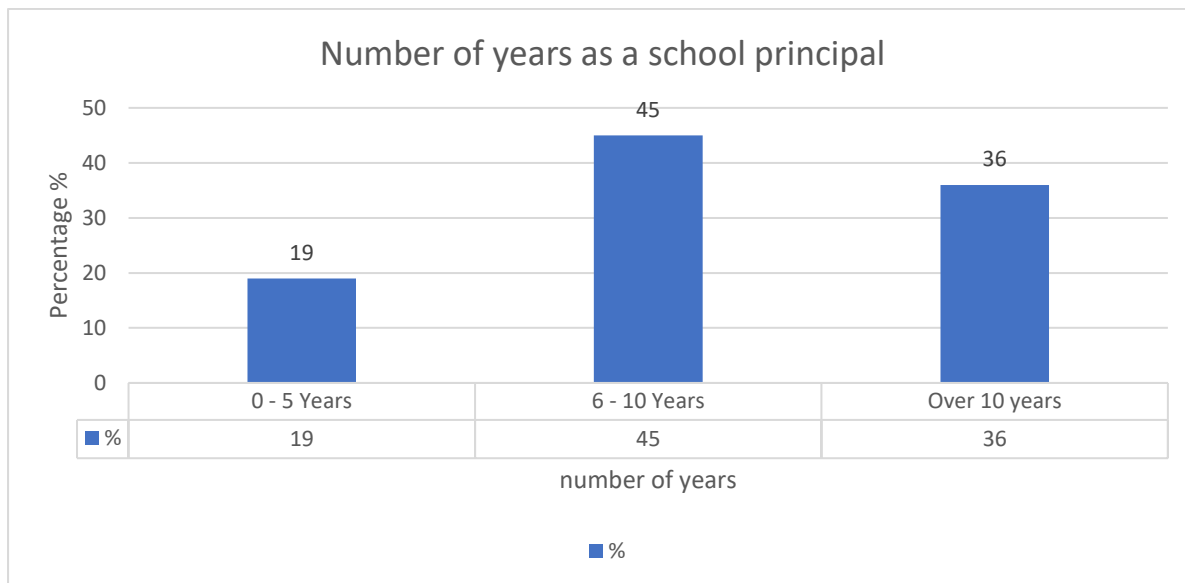


Figure 4.3 reveals that the overwhelming presence of Black African school principals in Ehlanzeni district aligns with the district's demographic profile, where most residents are Black Africans. Most of the school principals who participated in the study are Black African, with 80%, while Coloured and Indian or Asian principals make up 10% of the total principals interviewed. The historical legacy of apartheid and economic disparities has limited access to leadership roles for individuals from other ethnic groups. This distribution reflects the district's focus on empowering its own community members.

Figure 4.4: Participants' Number of Years as a School Principal



The data on the experience of participants as principals revealed that out of the interviewed participants, 45% have 6 to 10 years of experience as principals, and 30% have over 10 years of experience as principals. The higher percentage of experience indicates that most of the school principals who participated in the study have spent a significant part of their careers serving the district. It also suggests that school leadership roles in the district are relatively stable, with experienced leaders serving as anchors. Only 25% have less than 5 years of experience as principal. The presence of newer principals suggests a potential generational shift and the infusion of fresh perspectives.

Figure 4.5: Participants' Qualifications

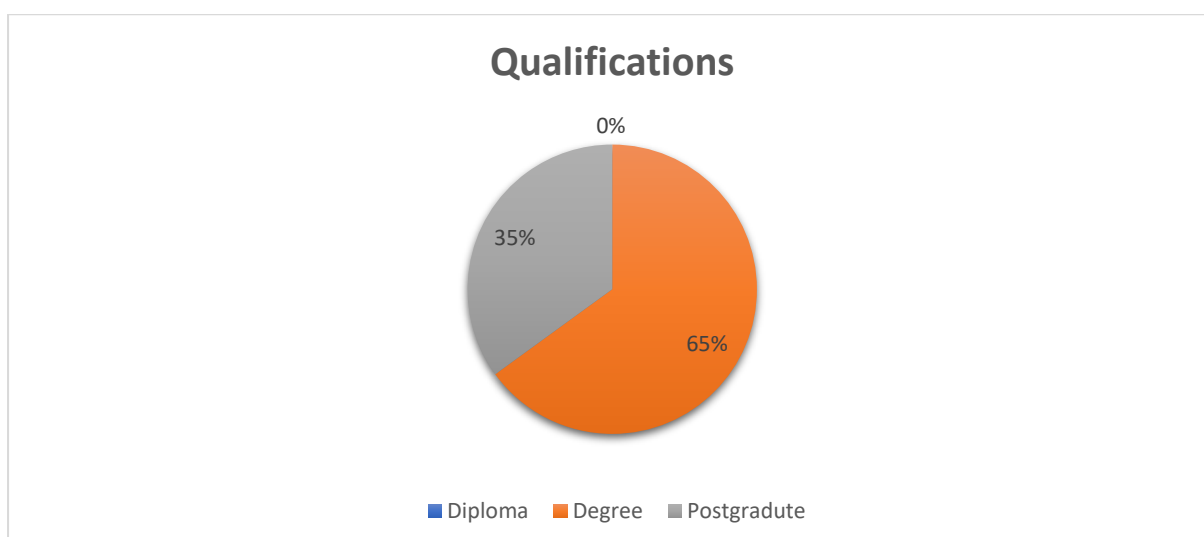


Figure 4.5 indicates that 65% of the participants have university degrees, while 35% have postgraduate qualifications. The absence of principals with only a diploma underscores the increasing importance of advanced education in school leadership roles, especially in a district with unique challenges. Principals with degrees and postgraduate qualifications are likely better equipped to navigate complex financial management in a resource-constrained environment.

Figure 4.6 School location and quantile

Schools	Location	Quantile
School A	Rural	1
School B	Rural	1
School C	Rural	1
School D	Township	3
School E	Rural	1
School F	Township	3
School G	Township	2
School H	Urban	3
School I	Rural	2
School J	Township	1

The purpose of Figure 4.5 is to provide context about the economic and social conditions in which most of the schools at Ehlanzeni operate. It is vital to grasp the unique challenges and resource limitations these schools face in the district (Smith, Johnson & Brown, 2019). The district's predominantly rural and township-based schools highlight the challenges faced by this community, which often include limited infrastructure and resources. School principals in rural areas are vital in addressing these challenges and ensuring effective financial management to support their learners. The high representation of schools in Quantile 1 emphasizes the district's association with economically disadvantaged communities. These schools require targeted financial management strategies to overcome resource limitations and provide quality education.

4.2.2 Themes and sub-themes

The collected data was analysed using a thematic approach, as explained in Chapter Three. Direct quotations were used to record the voices of all study participants, ensuring their perspectives remained intact throughout the analysis process. The themes and sub-themes below were created with the research questions.

Theme 1: Budgeting and Financial Control.

- 1.1 Overview of the budgeting processes.
- 1.2 Stakeholders involve.
- 1.3 Monitoring and control.
- 1.4 Ideal financial control.

Theme 2: Auditing and Compliance.

- 2.1 The auditing processes.
- 2.2 Compliance with SASA.

Theme 3: Human resources and competence.

- 3.1 Skills and qualifications.
- 3.2 Training and development.

Theme 4: Financial misconduct and challenges

- 4.1 Prevention and Handling of Financial Misconduct
- 4.2 Decision-making Challenges

4.2.3 Discussion of findings

In the online interviews conducted in October 2023, several key themes emerged that provide insight into the challenges and opportunities faced by school principals.

4.2.3.1 Theme 1: Budgeting and Financial Control

Sub-theme 1.1: Budgeting Process

According to section 38 of SASA, the school governing body should draft the school budget every year according to the prescriptions set out by the Member of the Executive Council (MEC). Understanding the budgeting process within public schools in the Ehlanzeni District goes beyond the mechanical aspects. It also explores the philosophical underpinnings of financial management. The responses from school

principals reveal a deeply entrenched commitment to financial transparency and efficiency. They view the budget not merely as a financial document but as a manifestation of the school's values and mission. Some of their responses concerning the budget process are:

"Our budget process involves identifying the school needs, assessing revenue sources, planning, consulting with stakeholders, gaining approval, and implementing the budget with transparent reporting and evaluation. We aim to allocate funds efficiently to provide quality education to our learners."
(School A Principal)

"The budgeting process is a yearly challenging task due to limited resources which start by gathering the departments needs for the year from the departmental heads and consolidate into the needs of the school. Together with the finance committee we then plan and draft a proposed budget and present it to the SGB." **(School D principal)**

"Sometimes, it's tricky to balance everyone's needs and interests. We need clear communication, honesty, and a focus on what's best for our school and learners. This way, our budget reflects the wishes of our school community" **(School F principal)**

Principals' remarks showcase their practical engagement in the budgeting process. Their hands-on involvement reflects their important role in shaping their respective schools' financial direction. Furthermore, it emphasises their commitment to aligning financial goals with the broader educational objectives. Brimley and Garfield (2019) emphasise that proactive budget planning and alignment with educational objectives are crucial for achieving school goals. Most participants clearly understood the budgeting processes and emphasised the importance of consulting with all stakeholders. The great concern is the little participation of parents in the budget process, which contradicts the SASA as it gives parents the ultimate power to approve or reject the school budget. De Bruin (2014) further supports the lack of parent participation, writing that many public schools consist of parents who do not attend meetings, ultimately giving the school principals and the SGB the power to approve the budget they are not supposed to approve.

Sub-theme 1.2: Stakeholders Involved

While it is evident that multiple stakeholders are engaged in the budgeting process, the dynamics of this collaboration are worth exploring. The collected data revealed that the involvement of various stakeholders, such as finance committees, department heads, administrators, and the School Governing Body (SGB), is both essential and challenging.

“At our school, managing the institution, which includes overseeing its finances, is a team effort. It's a collaborative responsibility that involves many stakeholders. This process involves negotiation, understanding each other, and reconciling diverse interests. The people in this process include the parent's components represented by the SGB, departmental heads, financial officer and even our learners, who have their voices represented through the elected school president within the SGB, all contribute to this shared responsibility”. (school F Principal)

The collaborative nature of the budgeting process, as illustrated by the School F principal, highlights the complexity of the process. It involves negotiation, consensus-building, and reconciling diverse interests. Understanding these collaborative structures' power dynamics and decision-making processes can provide valuable insights into budgeting politics. Some of the challenges highlighted by the participants are the absence of the parent components of the SGB, especially when crucial decisions are to be made and the reluctance of educators to join the SGB for no financial gain. Mestry (2013) highlighted the importance of community engagement in school financial management as it increases transparency and accountability.

Sub-theme 1.3: Monitoring and Control

Monitoring budget execution is not just a matter of routine. It represents the essence of financial stewardship and accountability. The data analysis reveals the critical importance of continuous monitoring. The utilisation of financial software and regular meetings, as highlighted, provides a glimpse into the technological infrastructure supporting these efforts.

“The school takes controls very seriously and segregates duties to ensure everything is done correctly by the right person. We hold regular meetings to review our budget performance and adjust as necessary” (School D Principal)

“As the principal of the school, I have the responsibility of providing advice, supervision, and oversight for all financial procedures linked to the school. It's my duty to ensure that these processes align with both school and government policies. I am accountable for the overall administration and regulation of the school's finances.” (School J Principal)

“We ensure budget monitoring through regular financial reports and the SGB conduct periodic reviews of the reports. That is helping us track spending, identify any differences, and ensure that school money is used responsibly to support our educational programs and initiatives” (School I Principal)

According to the participant's insights, budget monitoring is a fundamental component of financial accountability within the school environment. It bolsters the efficiency of control measures and promotes financial responsibility. Managing expenses within the budget framework is a financial control function, ensuring that resources are allocated and used optimally. This control process relies on standardised methods to identify and rectify unacceptable budget variances, safeguarding the school's financial health. According to De Bruin (2014), effective budget monitoring empowers schools to allocate resources wisely, track financial performance, and make informed decisions to support educational excellence and institutional sustainability.

Sub-theme 1.4: Ideal Financial Control Measures

The concept of ideal financial control measures goes beyond adherence to best practices. It reflects the socio-economic context in which these schools operate. Principals emphasised the need for frugality, prioritisation, and community involvement. Their responses highlight the delicate balance between financial prudence and educational quality. Balancing the books efficiently while delivering quality education remains an ongoing challenge. The principals' insights underscore that the financial health of educational institutions is intimately tied to their capacity to make prudent financial decisions that align with their mission and community needs.

Achieving an equilibrium between financial responsibility and educational excellence becomes paramount in this dynamic context.

4.2.3.2 Theme 2: Auditing and Compliance

Sub-theme 2.1: The auditing process

Acknowledging the crucial role played by external auditors and examiners of financial statements is a vital aspect of sound financial management. The auditing of school financial statements is a requirement as set out in section 43 of SASA. The collected data revealed that most participants acknowledged auditing the school's financial statement yet highlighted the challenges they faced during the audit process. The following are notable comments from the participant about the auditing of their school financial statements:

"I believe that auditing our school's financial statements is really important. It's like having an extra set of eyes to make sure everything is in order. Auditors help us ensure transparency, accountability, and compliance with financial regulations. Their recommendations and findings help us improve our financial management practices and avoid potential issues." (School D Principal)

"...yah but...interpreting and implementing their recommendations can sometimes be a complex task. It's not always easy to make changes, especially when resources are limited". (School G Principal)

"You know...The auditing of our financials is a challenging process because preparation for the audits demands a substantial amount of time and effort from our already busy staff. We often find ourselves racing against time to compile all the necessary documents and records." (School I Principal)

Overall, these comments highlight the importance of financial audits in encouraging accountability and openness. Some principals also illustrate the difficulties that schools face, such as a lack of funding and time, while trying to implement audit recommendations and prepare for audits properly. The collected data highlight the

need for a fair strategy that considers both the advantages and difficulties of financial audits in public schools.

Sub-theme 2.2: Compliance with SASA

Compliance with the South African Schools Act (SASA) is a fundamental requirement for the effective financial management of public schools. The SASA is not only a legal mandate but also plays a pivotal role in ensuring the accountability, transparency, and equitable distribution of resources within the South African education system. This sub-theme delves into the perceptions and experiences of school principals within the district regarding their schools' compliance with SASA. Some of their comments concerning SASA compliance are as follows:

“It is important to recognise that while we aim to follow the South African Schools Act, our school, like many others we face unique challenges that may not have straightforward solutions in the legislation. SASA provides us with a solid foundation, but sometimes, we need tailor-made solutions to address our specific needs” (School A Principal)

“Yes, as a school, we have a copy of the South African Schools Act for easy reference. Having access to the Act is important for ensuring that we can comply with its provisions and stay informed about any updates or changes to the law that may impact our school's operations. This allows us to make informed decisions and maintain good governance within the school.” (School H Principal)

“We encounter challenges when adhering to the South African Schools Act. Issues such as financial constraints, staff shortages, and addressing the diverse needs of our learners can difficult.” (School I Principal)

The participants provided their insights into the challenges and successes encountered when aligning their schools with the stipulations of the SASA. Some expressed reluctance, citing obstacles and complexities in achieving full compliance, while others champion their schools' commitment to adhering to the SASA, emphasising the benefits it brings to financial management and, ultimately, to the quality of education provided. The findings are further supported by Naicker, Myende, and Ncokwana (2020), who argue that, given the challenges imposed by the

contextual factors on different schools, principals are compelled to make strategic decisions on which policies to adhere to and which ones to disregard."

4.2.3.3 Theme 3: Human Resources and Competence

Sub-theme 3.1: Skills and Qualifications

The discussion on skills, experience, and qualifications of individuals responsible for school finances opens the door to a more nuanced exploration, and it was highlighted as a key factor that shapes decision-making in financial management.

"I truly believe that when you have qualified individuals on your finance team, it makes handling financial challenges, even with limited budgets, so much easier. Thankfully, our financial officers and everyone handling our finances are highly qualified and experienced. The issue arises when decisions are influenced by the SGB, which sometimes includes parents who might not have financial knowledge. This leads to decisions that are not financially sound" (School B Principal)

"Our governing body is comprised of competent individuals who are deeply committed to our school's success. They possess a diverse range of skills and experiences, which contributes positively to our decision-making processes and overall school governance". (School D Principal)

"Individuals are sometimes elected based on factors such as popularity or their roles within the community rather than their financial qualifications. These present difficulties as it may result in SGB members lacking the necessary financial management knowledge, potentially impacting our ability to make well-informed financial decisions." (School G Principal)

As expressed by several school principals in the study, the presence of qualified financial professionals on the team can significantly ease handling financial challenges, even when working with limited budgets. This finding agrees with existing literature on the positive impact of financial expertise within educational institutions (Smith et al., 2019). However, it is crucial to acknowledge that decision-making in financial matters within schools is influenced by various stakeholders, including SGB, who may comprise parents without specific financial expertise. This situation may lead

to decisions that may not always align with sound financial practices, as the school principals have pointed out. This issue has been previously documented by a study highlighting the challenges faced by educational institutions in striking a balance between involving all stakeholders and maintaining financial stability (Brown and Wilson, 2018). While competent and experienced individuals within the school's financial team are essential, the dynamics of school governance, as influenced by the composition of governing bodies, continue to play a pivotal role in shaping financial decision-making processes, as substantiated by the data collected from school principals.

Sub-theme 3.2: Training and Development

Continuing Professional Development (CPD) for those responsible for school finances is essential for maintaining effective school financial management. According to Mestry (2017), CPD contributes to career advancement and lifelong learning, ensuring up-to-date skills and validating the competence of professionals and employers. Data indicates that training and development are critical in addressing inefficiencies in school financial management. School principals report that the education department and their respective schools provide opportunities for their teams to receive training. Some participants have commented on this as follows:

“The department offers us the opportunities to attend training, but sometimes we must question the effectiveness of these trainings...I also think as a school we must find innovative ways to ensure our staff participation on these trainings” (School B principal)

“The problem starts when time is for budgeting, I think more training is needed on budgeting, some of the members do not understand what budget variances are” (School D principal)

“Our members of the SGB complain about the use of extensive English during the trainings and that the manuals are written in English” (School H principal)

“The school always plans to have our staff trained at the beginning of the year, but we end up having training in the second quarter due to various reasons.” (School I principal)

The data indicates the importance of training for school finance professionals and the SGB. According to Mestry (2017), school principals are aware of the value of continuous professional development, emphasising career advancement, lifelong learning, skills enhancement, and competence validation, as well as the challenges associated with its implementation. **School B's** principal noted that delays in training sessions might indicate a potential gap between the intended and actual timings of the sessions. A key point highlighted by the principal of **School D** is the importance of aligning CPD content with practical challenges in school finance management, which emphasises the need for targeted training on budget issues.

School H and **School I** principals expressed concerns about the effectiveness and inclusiveness of some sessions, highlighting the need for more innovative and inclusive training. Enhancing participation and recognising diverse linguistic needs can make a CPD program more effective. In the extract, the data highlights the dual nature of the CPD landscape in school financial management, emphasising its significance while urging improvements in terms of timeliness, relevance, and inclusivity. Addressing these challenges is crucial for ensuring the overall efficiency of financial management in schools. The data agrees with Mashika (2014) and Hansraj (2010), who stated that individuals responsible for school finances are bound to receive training as the school's financial management is influenced by legislation, policy, and specialised procedures that require training.

Theme 4: Financial Misconduct and Challenges

Sub-theme 4.1: Prevention and Handling Financial Misconduct

The Employment of Educators Act 76 of 1998 confers the legal duty to school principals to ensure that their subordinates are well informed about the provisions of diverse financial misconduct and their corresponding repercussions. Therefore, school principals must ensure that their respective schools have sufficient safeguards against any financial misconduct. This theme and its questions aimed to determine whether

the schools had controls and procedures in place to prevent financial misconduct. Some of the comments from the principals are as follows:

“We have a manual available that direct us in such instances...if there is a misconduct, we get the individual to make a statement then relieve them of their duties and then involve the district to investigate further.” (School A Principal)

“I oversee the work of the accounting officer to make sure everything is in order and the finance committee is our last line of defence which oversee my work, and everything related to the finances of the school” (School C Principal)

“The school have controls in place...mmmh the budgeting process is transparent, and we conduct regular audits on our transactions. We always receive positive feedback from the auditors”. (School F Principal)

“There are disciplinary procedures in place but ever since the stop of using cheques we have not had any major financial misconduct in our school” (School J Principal).

Responses from school principals shed light on existing financial misconduct controls and procedures implemented by schools. Principals reported that manuals and processes are in place to guide them when misconduct occurs in their schools. School A's principal mentioned a systematic approach involving individual statements from individuals, temporary relief of duties, and district involvement in further investigation. The findings contradict Mandlazi (2021) who wrote that schools around the Dwarsoop circuit of Mpumalanga province do not have adequate controls. **School C's** principal emphasised oversight, ensuring order through the accounting officer, and relying on the finance committee as the last line of defence in financial matters. **School F's** principal showcased the transparency of their budgeting process, regular audits, and positive feedback from auditors as indicators of effective financial controls. In contrast, School J's principal attributed the absence of significant financial misconduct to eliminating cheque usage and maintaining disciplinary procedures.

Most school principals understood their legal duty as school managers to ensure financial order within their respective institutions. A legal precedent, illustrated by the

case of *Ramabele vs Head of Department: Free State Provincial Department of Education and Osman* (Case no. CA16/2019), underlines the accountability of a school principal for the failure to account for received funds. Similarly, the case of *Buthlezi vs. MEC for education, KwaZulu Natal and others* (Case no. D640/17) emphasises that principals must take proactive steps to prevent financial mismanagement and guide the School Governing Body. This legal context reinforces the importance of the role of school principals in ensuring proper financial management. Engagement with other school stakeholders revealed instances where principals misuse their authority to influence SGB decisions in their favour. Overall, the data highlight the importance of legal obligations in preventing and managing financial misconduct in public schools, emphasising the need for proactive measures and ethical leadership by school principals.

Sub-theme 4.2: Decision-Making Challenges

Effective decision-making is essential to public education since it is the cornerstone of institutions' long-term success. This theme explores the decision-making process in public schools, concentrating on the difficulties the principals face. Public school decision-makers must negotiate difficult settings while balancing community expectations and educational goals in the face of limited resources. Understanding the complex issues involved in decision-making is crucial when education experiences dynamic changes because it promotes flexibility, openness, and long-term success in the educational system. All the study participants faced various challenges when making decisions, and some notable comments from the participants are as follows.

“We often face challenges due to the lack of financial skills and knowledge among SGB members. This makes it difficult to navigate budget constraints and make informed decisions”. (School B Principal)

“We have individual who prioritise their work rather than attending committee meetings, often result in low attendance. This poses a challenge in achieving a consensus on budgetary allocations and financial planning.” (School G Principal)

“It’s so hard to try to meet the school’s objectives while complying with SASA. The act does not solve the problems we face as a school. Look, the

act is the same for a school in town and here, yet we have different challenges.” (School E principal)

“One of the significant challenges we face is the lack of community support in financial matters. It is crucial to engage parents and the community in understanding the school's financial needs.” (School J principal)

Schools face complex financial challenges, as illustrated by the narratives provided by different school principals which is further supported by Bisschoff and Thurlow (2021), who highlighted that South African schools face challenges, such as a lack of financial knowledge and skills. School B's principal highlights an important internal obstacle, citing a lack of financial skills and knowledge among its School Governing Body (SGB) members, impairing their ability to navigate budget constraints and make informed decisions. Furthermore, the principal of **School E** notes that SASA is perceived as incapable of adequately addressing the challenges different schools face in achieving school objectives. Despite the low attendance in committee meetings, School G's principal attributes it to individuals prioritizing other commitments, which hinders consensus on budgetary allocations and financial planning. School J's principal emphasizes the importance of engaging parents and the community in understanding the school's financial needs in response to an external challenge- the lack of community support in financial matters. It is clear from these narratives that the education sector faces multifaceted financial challenges that need a comprehensive approach which considers both internal capacity-building efforts and community involvement to overcome them.

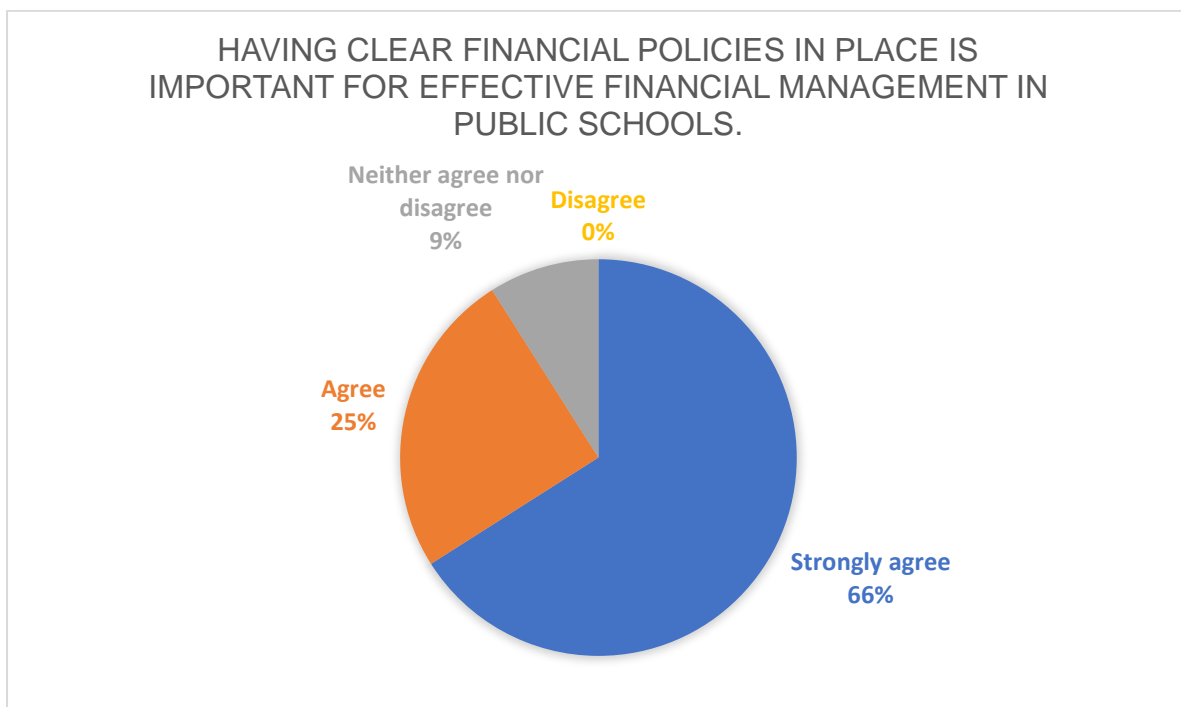
4.3 SECTION B: ANALYSIS OF FINDINGS FROM SCHOOL FINANCIAL OFFICERS AND SGB

This section presents an in-depth analysis of the findings gathered from school financial officers and members of the School Governing Body (SGB). These key stakeholders are instrumental in the financial decision-making process within schools. The data collected from financial officers and SGB members provide insights into their roles, collaborative dynamics, challenges faced, and approaches taken to manage school finances effectively. By critically examining and interpreting their responses,

this section aims to uncover the intricate relationships and responsibilities among these stakeholders and how they collectively contribute to the financial health and management of educational institutions.

4.3.1 Having clear financial policies in place is important for effective financial management in public schools.

Figure 4.6

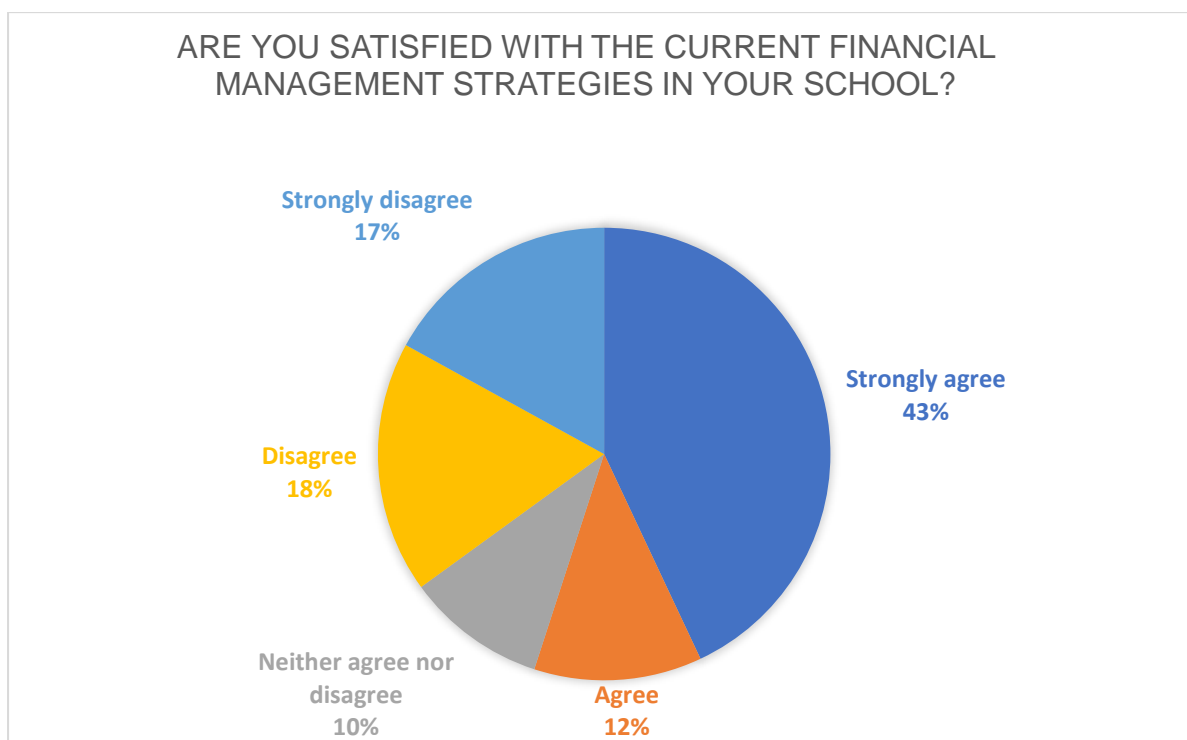


Most public schools, especially in rural areas in the Ehlanzeni District, faced significant financial management issues. Acknowledging these challenges, 91% of the participants agreed that having clear financial policies is important. This consensus indicated a common desire for organized financial guidelines to address historical financial management problems. Only 9% of the participants could neither agree nor disagree with the statement. The data showed that most of the SGB members and financial clerks are eager for a solution to the previous chaos, something that could provide much-needed clarity and stability to their financial processes. The data

collected in this question imply a collective need for clear policies to address the mismanagement of school finances.

4.3.2 Are you satisfied with the current financial management strategies in your school?

Figure 4.7

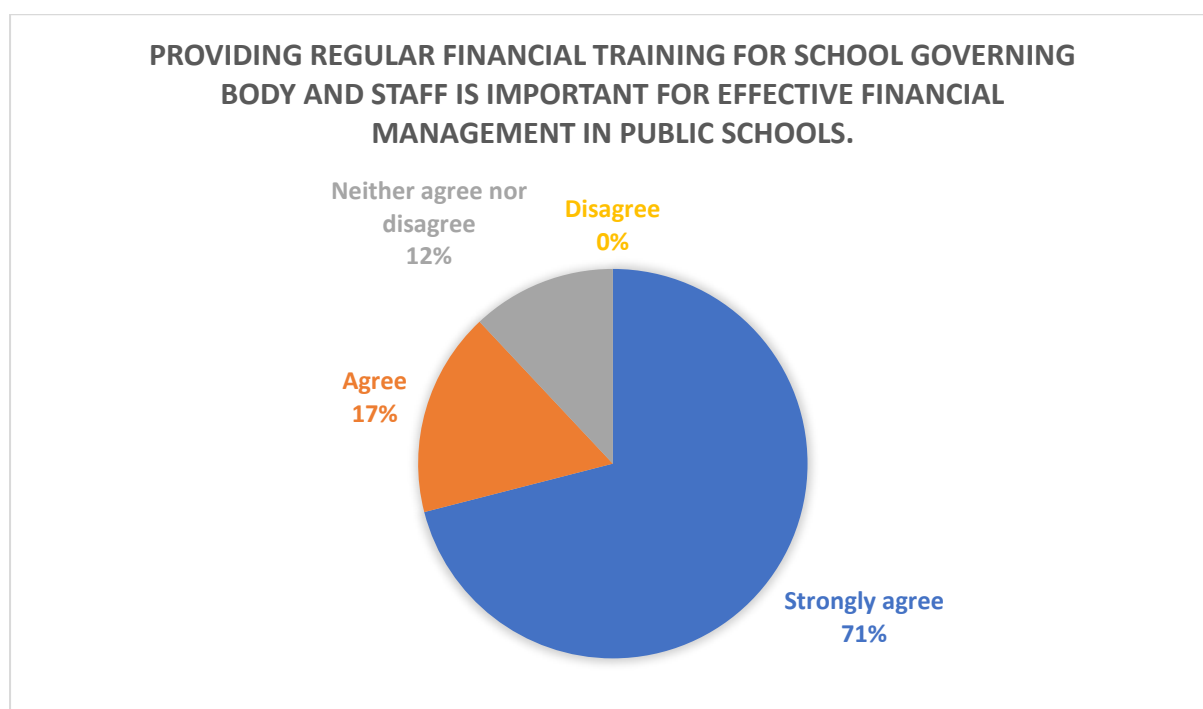


Against the backdrop of financial management problems, it was surprising that 55% of the participants expressed satisfaction with their present financial management strategies, with 43% strongly agreeing and 12% agreeing that they are satisfied with their school's strategies for managing its finances. This data revealed a certain level of satisfaction among SGB members and financial clerks with the existing approaches, which had been tested and sometimes strained by the financial difficulties. The data contradict the findings from the interviews with school principals; most admitted that they face various financial management challenges. However, the remaining 27% who did not express satisfaction indicated that there were concerns of dissatisfaction that

still needed to be addressed. Only 18% could neither agree nor disagree with the question. It clearly shows that some stakeholders are not interested in the functioning of their schools.

4.3.3 Providing regular financial training for school governing body and staff is important for effective financial management in public schools.

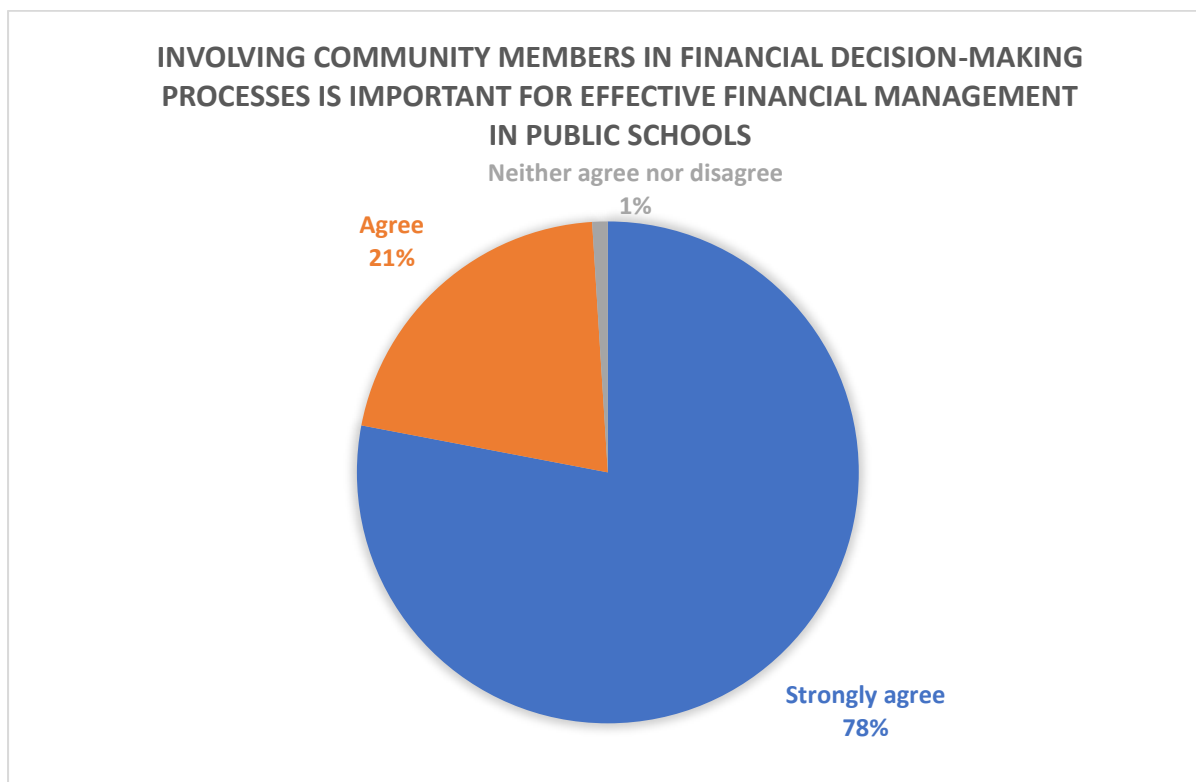
Figure 4.8



According to Mandlanzi (2020), financial management difficulties have long been a challenge in public schools in South Africa, especially in rural areas. Considering these challenges, 71% of the participants strongly agreed, and 17% agreed on the importance of regular financial training for governing bodies and staff. These findings concur with Aina (2017), who noted that regular training contributes to better management of school finances, and when SGBs are well trained, they can challenge the principals' decisions. This robust agreement underscored the belief that equipping staff with better financial literacy is vital to overcoming mismanagement of school finances. Only 12% neither agree nor disagree with training, indicating a nuanced approach to staff development.

4.3.4 Involving community members in financial decision-making processes is important for effective financial management in public schools.

Figure 4.9

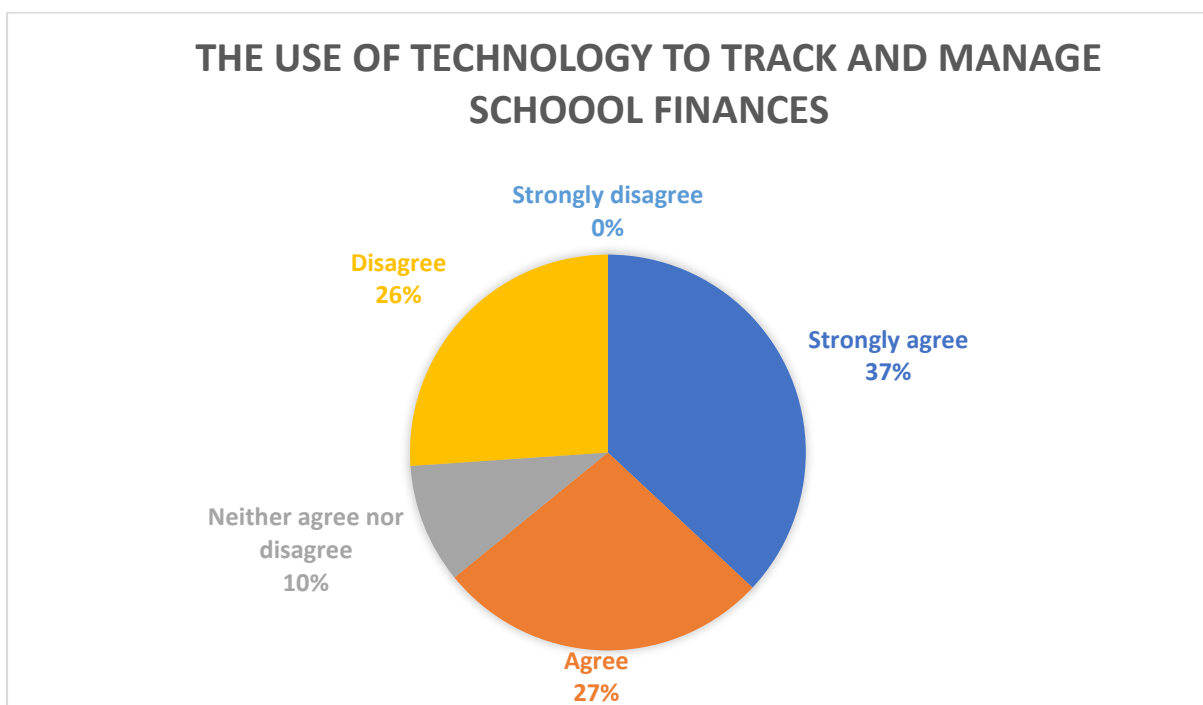


The involvement of community members in school matters is crucial in the development of any school. It enhances the overall effectiveness of school financial management by promoting transparency, inclusivity, and a shared responsibility for the educational environment. An overwhelming 78% strongly agreed, while 21% agreed on involving community members in financial decision-making processes. This sentiment acknowledged that community engagement could be valuable in the ongoing struggle to address financial difficulties. However, the remaining 1% who did not agree may have had reservations or concerns that should be thoughtfully considered when initiating community involvement efforts. The participants believe in involving the community to create a sense of ownership. When individuals feel connected to the school's financial well-being, they are more likely to support fundraising efforts, participate in initiatives and advocate for adequate resources. The

community involvement is supported Du Plessis (2020), who emphasized that the promulgation of SASA has decentralized public schools, empowering communities to take responsibility for the governance of these schools

4.3.5 Using technology to track and manage school finances is important for effective financial management in public schools.

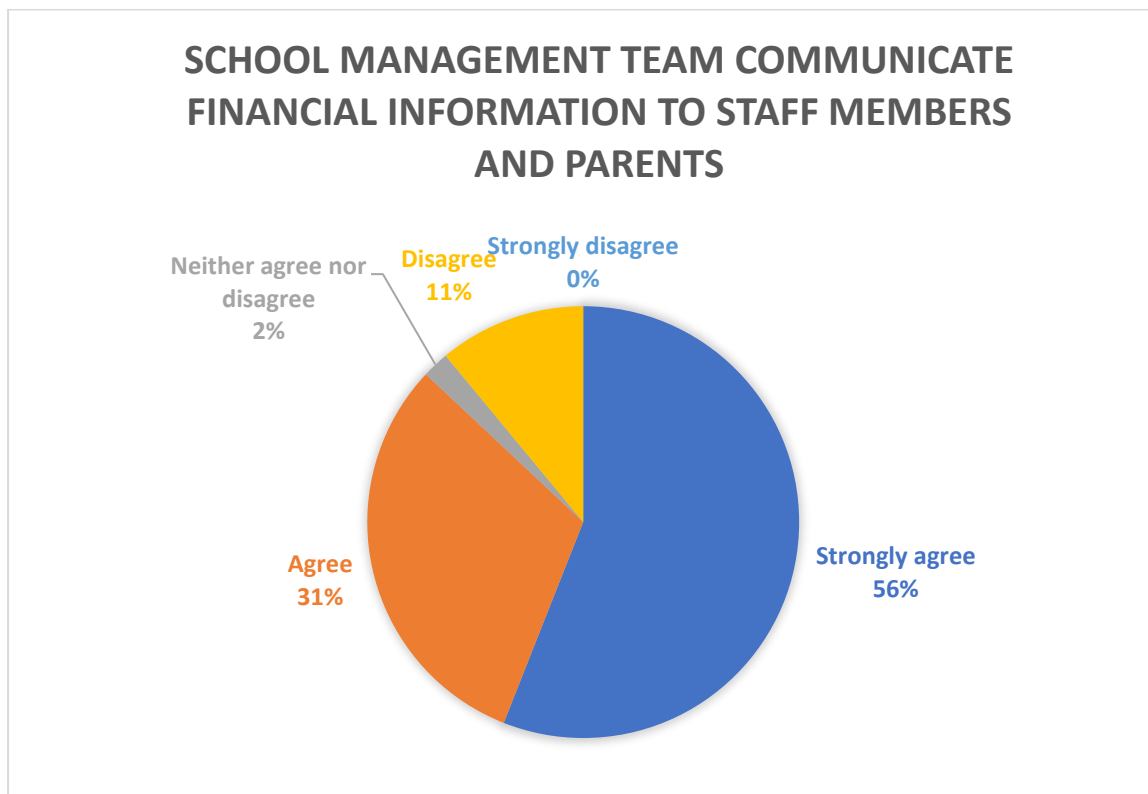
Figure 4.10



Technology integration into the financial management of schools has revolutionised the overall administration processes, offering many benefits in terms of efficiency and accuracy. The data collected on this question show that 37% of the participants strongly agree, and 27% agree with using technologies to improve financial management. This indicated a willingness to adapt and innovate to surmount the historical challenges. The 26% who disagree and the 10% who are neutral might require further assurance or information regarding the benefits and security of technology-based solutions, underscoring the importance of addressing such concerns during implementation to foster widespread adoption. According to Papas (2022), one of the key elements to improving a school's financial management is to adopt a technology platform as one of the most effective means of enhancing financial management.

4.3.6 School management team communicate financial information to staff members and parents.

Figure 4.11



Presenting financial information to stakeholders is crucial to every school seeking transparency and accountability. The data collected in this question revealed that most school management teams effectively communicated financial information to staff members and parents, represented by 56% who strongly agreed and 31% who agreed with the statement. This perception of effective communication suggested that, despite challenges, efforts are being made to keep stakeholders informed. However, the 2% who were neutral might have had lingering doubts, while the 11% who disagreed might have felt that more transparency was needed, highlighting an area for potential improvement.

4.3.7 Regular financial reports and updates can help keep staff and stakeholders informed and engaged in financial management in public schools.

Figure 4.12

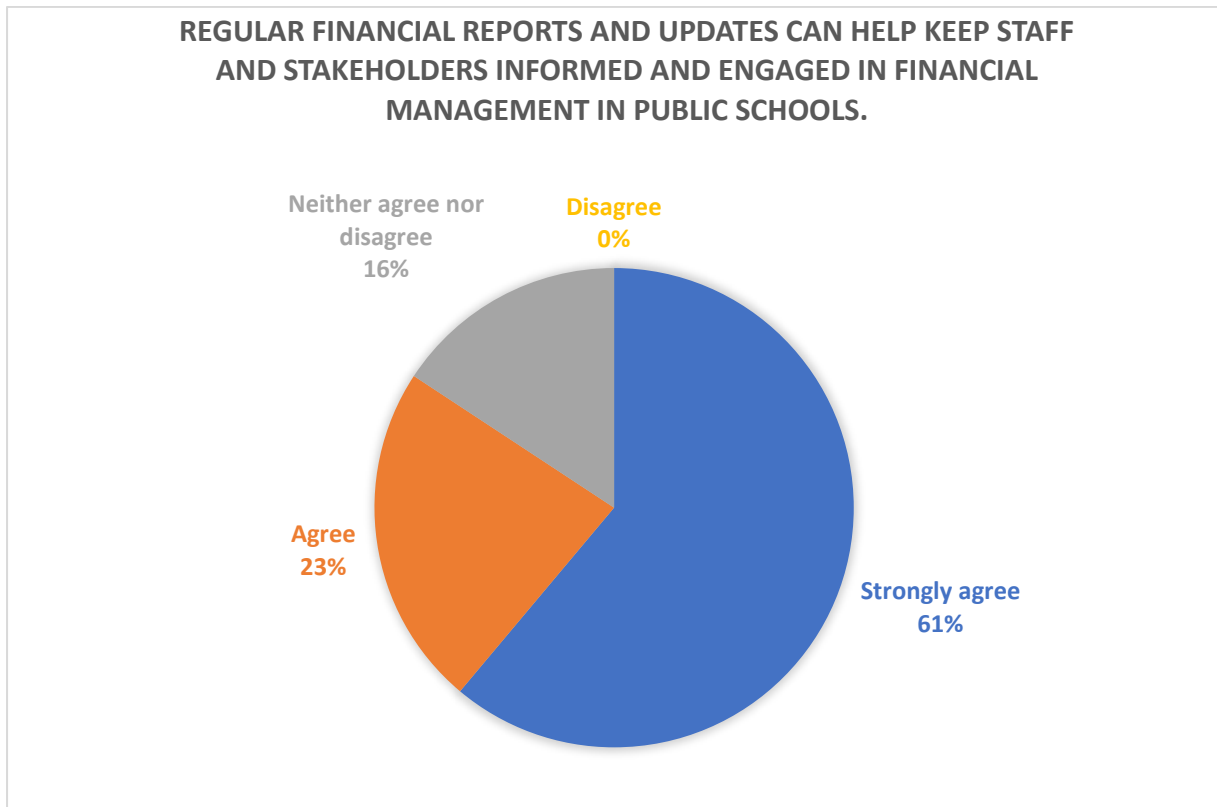
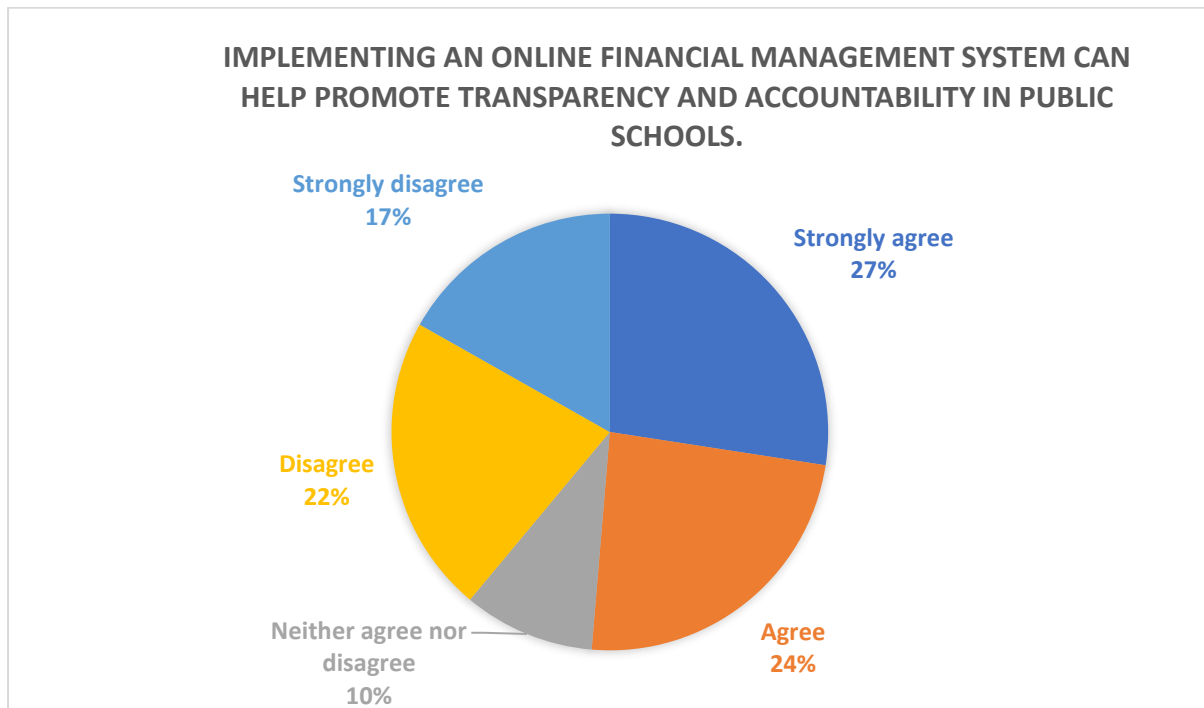


Figure 4.12 shows the participants' opinions about the importance of being kept updated and engaged about the school's financial matters. Effective reporting is a cornerstone of sound financial management practices. Transparent and clear communication through financial reports ensures that stakeholders are always updated. The data shows that 84% of the participants support being kept updated about their school's financial matters. According to The Gauteng Department of Education (2020), financial reporting provides schools with an opportunity to communicate with parents, learners, and the government. Only 16% of the participants were neutral, which could be influenced by their personal experiences and perspectives on financial matters. The 16% might have reservations about the frequency or quality of these reports, signifying the need for refinements in reporting mechanisms.

4.3.8 Implementing an online financial management system can help promote transparency and accountability in public schools.

Figure 4.13



The reliance on physical copies for record-keeping in South African public schools poses challenges such as susceptibility to loss, damage, and inefficiency. Most school auditors complain about lacking an audit trail, and online systems can assist in eliminating these challenges. The collected data on this question revealed mixed perceptions about using online systems to improve financial management. Over 51% of the participants believed that implementing an online system can improve the school's finances through transparency and accountability. Du Plessis (2020) emphasized that for effective financial management in public schools, there is a need to invest in the best available online school management software. A shocking 39% of the participants were against the notion that going online can improve the school finances, while 10% were neutral. The disagreeing participants may have concerns about the initial cost, resistance to change and cybersecurity issues. It is essential to address these concerns through effective communication and education about the benefits and safeguards associated with transitioning to online systems for financial management in public schools.

4.4 SUMMARY

This chapter assessed the current financial management practices in public schools while identifying potential barriers to effective financial management through data analysis and interpretation of the findings. Data was collected through interviews with school principals and questionnaires with members of the governing bodies and financial officers. The review focused on improving school finance management through better accountability, reporting, planning, and budgeting. It highlighted strategies to boost parental engagement and enforce financial controls, aiming for optimal resource allocation. Emphasis was placed on transparency and compliance with SASA and PFMA to build trust and accountability. Capacity building among school staff in financial management was stressed to enhance decision-making and efficiency. The findings revealed that most participating schools acknowledged facing financial management challenges, which vary per school. The principals are generally more comfortable with their financial roles than the SGB. The governing body often allows principals to take the lead in financial management at their schools, as opposed to playing a leadership role as stipulated in SASA. The next chapter will focus on the findings and recommendations on how the identified strategies can promote effective financial management.

CHAPTER 5: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter aims to provide a general overview of the thesis and the research findings conducted in public schools in the Ehlanzeni district of Mpumalanga province. It is imperative for public schools in under-resourced areas, like the Ehlanzeni District, to have effective financial management practices to provide quality education. Financial management practices in public schools play a pivotal role in ensuring the delivery of quality education. The challenging context faced by most public schools in South Africa, particularly the under-resourced nature of schools, amplifies the significance of effective financial management.

As Investec (2022) highlighted, limited financial resources must be judiciously allocated to guarantee learners' access to adequate resources and facilities. This research endeavours to address this gap by identifying effective strategies tailored to the unique challenges faced by public schools in the Ehlanzeni District, Mpumalanga Province. The aim of the research was achieved by addressing the following objectives:

- To assess the current financial management practices in public schools in the Ehlanzeni District, Mpumalanga province.
- To identify barriers that hinder effective financial management processes in public schools in the Ehlanzeni District, Mpumalanga province.
- To identify and recommend effective strategies for promoting financial management practices in public schools in the Ehlanzeni District, Mpumalanga Province.

In order to achieve the above objectives, a literature review and an empirical research study were conducted in ten non-fee-paying public schools in the Ehlanzeni district of the Mpumalanga Department of Education.

The chapter will offer the study summary of chapters and a detailed discussion of the identified findings, highlighting their potential impact and constraints. The chapter will

also provide a comprehensive overview of areas that require further research and outline potential directions for future investigations in school financial management.

5.2 SUMMARY OF CHAPTERS

5.2.1 Chapter One

This chapter explored the financial management challenges facing public schools in South Africa and their impact on the academic success of learners. The chapter also provided a contextual background on financial management. The primary objective of this research is to identify and examine effective strategies that could be implemented to enhance financial management practices in public schools. The research questions were developed to assess the existing techniques used to manage school finances and identify the challenges encountered.

The chapter further introduced the research methodology and design applied to the study. Criteria for selecting the study population were outlined, and details regarding data collection techniques, sampling strategies, and sample size were presented. Data analysis techniques were explained, and considerations for safeguarding the credibility and authenticity of the study were discussed. The research was conducted under ethical considerations related to the research. This chapter also evaluates the significance of the research and concludes with a summary of the key points discussed in the chapter.

5.2.2 Chapter Two

This chapter examined the literature addressing the financial management challenges faced by public schools in South Africa. The discussion commenced with exploring the funding model employed by public schools in the country. It then delved into how schools handle their finances, showing how strategic planning leads to budget creation, constrained by state allocations, donations, and internal fundraisers. The chapter also scrutinised the South African Schools Act (SASA), which serves as the governing framework for public schools. The literature identified various challenges, including inadequate documentation, misuse of controls by school principals and

School Governing Bodies, deficient financial planning, and a lack of parental involvement in school affairs. The chapter concluded by summarising the key points discussed throughout its exploration.

5.2.3 Chapter Three

This chapter provides an overview of the qualitative research methodology that was employed for the study as well as the method that was used to collect data. It emphasizes the importance of addressing the research problem by considering both the strengths and limitations of the research methodology. The research design details methods for collecting, sampling, and analysing data. The selection of research sites was purposeful, targeting principals, SGB members, and financial officers in public schools. The cooperation and willingness of the participants to engage in the study were actively sought. The data was collected through direct interviews that were structured to allow for rich responses, and the data was analysed thematically using coding. Findings were reported, recorded, and analysed using thematic analysis. The chapter underscores ethical considerations in data collection, with measures outlined for adherence to ethical standards.

5.2.4 Chapter Four

Chapter Four undertook the analysis and interpretation of empirical data, starting with a focus on the demographic profiles of study participants. The findings and analyses were methodically divided into two sections based on careful classification. Section A precisely examined the findings from in-depth interviews with school principals, while Section B explored insights provided by school financial officers and the School Governing Body (SGB). Section A of this chapter systematically translated participants' responses to the research questions into discernible themes specifically derived from the interview process. Section B of this chapter analysed and interpreted participants' responses using charts to provide meaningful data. By strategically bridging the critical juncture between data collection and the synthesis of a meaningful conclusion, Chapter Four played a pivotal role in shaping the whole structure of the research study.

5.2.5 Chapter five

The chapter summarised key research findings and conclusions while offering recommendations. The chapter further acknowledges the study's limitations, providing Insights into potential constraints. Additionally, the chapter suggested avenues for future research, highlighting areas for further exploration in the field. It served as a comprehensive wrap-up addressing the study's contributions, constraints, and future possibilities.

5.3 FINDINGS

In exertion to answer the research questions, assessments were made from school principals, financial officers and members of the school governing body to assess the current financial management practices, identify barriers, if any, that are hindering effective financial management processes and recommend effective strategies for promoting financial management practices in public schools in the Ehlanzeni District, Mpumalanga Province. Below are the findings of the study.

5.2.1 The current financial management of public school

The budgeting process in schools involves adherence to guidelines for preparing a school budget, with varying degrees of compliance among the schools. According to the collected data, most schools follow the prescribed guidelines, which entail gathering input from different school departments. This information is then submitted to the financial committee, which, through coordination, drafts a budget aligned with the school's strategy and objectives. The next step involves presenting the budget to the School Governing Body (SGB) and sharing it with parents for scrutiny before an actual budget meeting occurs. However, it was observed that a significant number of parents do not attend these meetings. This lack of parental involvement results in situations where the principal and SGB approve the budget without the direct input of the parents.

One notable finding is that, in some instances, the school budget does not fully align with the school's mission, vision and strategic objectives. This discrepancy suggests a need for closer scrutiny and alignment with the institution's overall goals. Despite

this, the data indicates that participants generally have a solid understanding of the guidelines and regulations outlined in the process. The identified issue is the lack of parental engagement during the budget approval phase. Encouraging greater parental participation in meetings is crucial to ensure that decisions regarding the school budget are more representative of the collective input from all stakeholders. In essence, fostering a stronger connection between parents and the budgeting process is essential for achieving a more comprehensive and inclusive approach.

The data indicates that most schools have established measures to ensure compliance and oversight regarding monitoring and controlling school funds. Regular financial reporting and periodic reviews conducted by the School Governing Body (SGB) are crucial in upholding control measures. Some schools go further by implementing internal audits to strengthen their monitoring mechanisms. However, concerns arise from the absence of audit committees in certain schools, suggesting a potential gap in achieving effective financial management. Schools have implemented segregation of duties to enhance control, delineating specific approval limits for principals and the SGB.

Procurement processes are also tightly regulated, with approval thresholds established by the provincial department, ensuring compliance with prescribed guidelines. The School Governing Body plays a crucial role in scrutinizing reports, inspecting supporting vouchers, and ensuring expenditure aligns with approved budgets and PFMA regulations. Monthly and quarterly reporting mechanisms are in place to maintain transparency and accountability. Monthly expenditure and financial reports, including variance reports against the budget, are regularly submitted to the Finance Committee and SGB. Quarterly reports are further submitted to the Circuit Manager, reinforcing the commitment to compliance and financial responsibility.

The data emphasizes that auditing or examining school financial statements serves as a last line of defence, ensuring that monitoring, control, and compliance are maintained. Despite the schools' collective efforts to adhere to prescribed guidelines, the data reveals that achieving 100% compliance remains challenging for some schools. This highlights the need for continuous improvement and a collective commitment to addressing any identified gaps in the monitoring and control processes.

The data analysis indicates that both principals and financial officers across participating schools are adequately qualified and possess the necessary skills to fulfil their roles effectively. However, a significant concern arises when examining the qualifications and skills of SGB members, with some lacking expertise in finance. This is particularly problematic given the financial decision-making responsibilities of the SGB, highlighting a potential gap in financial literacy. The issue is compounded by the observation that SGB members are often elected based on popularity within communities rather than their qualifications or suitability for the financial responsibilities associated with the role. The data suggests a need for a more rigorous approach in selecting SGB members, emphasizing qualifications and skills, especially in finance-related positions.

While some SGB members express confidence in the training provided by the education department and their respective schools, others question the quality of the training, particularly during their initial years. Complaints include concerns about the extensive use of English by training providers, potentially hindering effective comprehension and learning for all participants. It is evident that the skills and qualifications of SGB members, especially those involved in finance committees, warrant closer scrutiny. To address this, schools must prioritize continuous professional development for SGB members and provide comprehensive and language-inclusive training. This approach ensures that SGB members are well-equipped with the knowledge and skills necessary for effective financial decision-making, contributing to the overall success and financial health of the schools they serve. A commitment to ongoing training and development will empower SGB members to navigate their roles with competence and confidence.

5.2.2 Challenges in financial management of public schools

It should be noted that the financial management of public schools faces several challenges that impede the ability to provide effective governance and allocate resources effectively. A significant obstacle that hinders the success of school budgets in South Africa is the lack of interest among parents in school finances, despite the fact that the South African Schools Act (SASA) requires them to approve the school budget in their schools. It is clear that this lack of engagement has caused a lack of oversight and accountability on behalf of the schools, leading to poor financial

decisions and poor management of finances as a result. The lack of financial literacy in the community is impacting the understanding of the importance of school finances and hindering efforts to engage parents in the decision-making process regarding financial matters. Communication gaps between the school and parents, especially when conveying financial matters, can lead to misunderstandings and a lack of support for school financial initiatives.

The financial challenges participating schools face are further exacerbated by their geographic location, with many located far from business and industrial centres. As a result of this geographical isolation, their ability to raise funds through donations and fundraising is severely limited, as they cannot access potential corporate sponsors or local businesses that can contribute to their financial needs. This results in these schools being heavily dependent on financial support from the government as a primary source of income. Nevertheless, this financial dependence is often hampered by government funding delays and constraints, making schools more vulnerable to financial difficulties.

Additionally, the insufficient training and the extensive use of English during training pose challenges for some native SGB members, potentially leading to ineffective financial decision-making and misinterpretation of financial reports. Lastly, the composition of SGB members, often elected based on community fame rather than their fitness for the role, contributes to a lack of skill and knowledge in key financial components. This is resulting in inefficient decision-making and misallocation of resources.

5.2.3 Strategies for promoting effective financial management.

- **Parental Involvement Strategies**

Schools should implement regular meetings, workshops, and transparent online platforms or newsletters to educate parents about the budgeting process. Offering incentives, such as small tokens of appreciation for parents who attend budget meetings, which can further motivate parental engagement, fostering a collaborative financial environment.

- **Training Strategies**

Schools are supposed to conduct regular assessments to identify each school's unique challenges and needs. Establishing advisory committees to their governing bodies can provide diverse perspectives. Customising financial strategies according to these specific needs is essential. Ensuring these strategies are aligned with SASA can optimise resource allocation. This approach also enhances decision-making processes. Regular assessments and advisory committees together can lead to more effective and efficient school management.

- **Tailor-Made Solutions**

Schools are supposed to conduct regular assessments to identify each school's unique challenges and needs, establishing advisory committees to their governing bodies for diverse perspectives. Customising financial strategies according to their needs while ensuring they are aligned with SASA can optimize resource allocation and decision-making.

- **Technology Integration**

The use of technology can assist schools in lessening the financial management burden, but this strategy may not be practical to individual non-fee-paying schools as it comes with a huge price tag. Schools can utilise financial management software, cloud-based solutions, and automated accounting systems to enhance efficiency and accuracy in financial operations. These technologies streamline budget tracking, reporting, and data analysis, reducing manual workload and improving resource allocation. The Department of Education should support schools, especially non-fee-paying ones, in adopting these tools to promote a tech-savvy approach to financial control and compliance with regulatory standards.

- **Community Engagement Events**

Schools should always remember that they were built for their communities and that their problems are the communities' problems. Therefore, schools should organize events showcasing financial achievements and challenges. These events foster

community understanding, encourage open discussions, and facilitate collaborative decision-making for financial matters.

- **Financial Literacy Programs**

Integrate financial literacy into the school curriculum for learners, educators, and parents. This holistic approach will ensure a comprehensive understanding of financial principles within the school community. For learners, it equips them with essential life skills, enabling them to manage personal finances effectively in the future. Educators benefit by gaining better financial management skills, which can be applied in both personal and professional contexts, enhancing their ability to oversee school budgets. Parents also become more financially literate, empowering them to support their children's education financially and engage more meaningfully in school financial matters.

- **Capacity Building**

Schools should invest in capacity-building initiatives for SGB members by offering workshops and seminars to enhance their financial acumen. These training sessions can cover essential topics such as budgeting, financial planning, and regulatory compliance, ensuring SGB members are well-equipped to manage school finances effectively. Collaborating with local institutions, such as universities or financial organizations, can further enrich the financial knowledge of SGB members, empowering them to make informed decisions and strengthen the overall governance of the school.

- **Regular Internal Audits**

Schools should conduct periodic internal audits to gain proactive insights into their financial processes. Establishing an internal audit committee can enhance the effectiveness of these assessments, ensuring thorough and unbiased reviews. This approach helps maintain ongoing financial accountability and integrity, allowing for timely identification and correction of any discrepancies or inefficiencies.

- **Collaborative Partnerships**

Budget constraints were highlighted as one of the biggest challenges in school financial management; therefore, schools should consider forming partnerships with

local businesses, government agencies, and non-profit organizations to garner financial support, resources, and expertise.

- **Transparent Reporting Systems**

The principals, together with SGB, should implement clear and concise financial reporting systems accessible to all stakeholders. Transparency promotes accountability and trust, ensuring that both internal and external stakeholders easily comprehend the school's financial status.

5.4 RECOMMENDATIONS

There is a critical need to strengthen collaboration in the budgeting process, underscoring the significance of involving all stakeholders. This collaborative approach ensures a diversity of perspectives, fostering effective decision-making and resource allocation aligned with the school's mission and community needs. Addressing challenges associated with the School Governing Body (SGB) composition is also imperative. Efforts should be directed towards ensuring that financial expertise is adequately represented in decision-making bodies, thus promoting sound financial governance.

Moreover, it is essential to amplify the effectiveness of Continuous Professional Development programs. This can be achieved by addressing timeliness, relevance, and inclusivity issues in training sessions. Timely and relevant CPD sessions tailored to the specific challenges faced by school finance professionals can significantly contribute to the enhancement of their skills and the overall efficiency of financial management practices. Furthermore, focusing on inclusivity, particularly in overcoming language barriers during training sessions, is vital to ensuring that all participants can fully engage and benefit from the learning experience.

Community engagement emerges as a cornerstone recommendation to build support for the school's financial needs. Creating avenues for transparent communication and involvement of parents and the broader community in financial matters fosters a sense of shared responsibility. This engagement enhances financial transparency and aligns financial decisions with the broader community's expectations and values. Clear and

practical guidelines should be established in order to prevent and handle financial misconduct. Manuals and processes need to be readily available to guide school principals in instances of misconduct. This proactive approach ensures that financial mismanagement, adhering to legal obligations, and maintaining financial order within schools are addressed systematically. Targeted training on budget issues is crucial to address specific challenges faced by school finance professionals. Tailoring training sessions to focus on practical aspects of budgeting and financial control equips professionals with the necessary skills to navigate budget constraints effectively.

These recommendations can offer a holistic strategy to elevate financial management practices, ensuring transparency, accountability, and the optimal allocation of resources within public schools in the Ehlanzeni District, Mpumalanga Province.

5.5 AREAS FOR FUTURE RESEARCH

Considering the study's findings and identified gaps, the following recommendations for future research are proposed:

- A study should be conducted to Investigate the nuanced factors influencing parental participation in school financial matters. Explore the impact of cultural, socio-economic, and educational background on parents' engagement in budgeting processes.
- A comprehensive study should be conducted focusing on the effectiveness of continuous professional development (CPD) programs in addressing specific financial challenges faced by public schools. Evaluate the impact of targeted training on improving financial management skills among school principals, financial officers, and SGB members.
- Further studies related to financial decision-making in schools across different provinces of South Africa should be conducted to compare and contrast the financial management practices, challenges, and successes in provinces other than Mpumalanga. This would contribute to a more comprehensive understanding of regional variations in school financial management.

These recommendations for future research areas aim to address the identified gaps, enhance the depth of understanding in school financial management, and provide valuable insights for policymakers, principals, and stakeholders involved in improving financial practices in South African public schools.

5.6 CONCLUDING REMARKS

The study delved into the financial management practices of public schools in the Ehlanzeni District, Mpumalanga. Key findings unveiled challenges such as parental disengagement, skill gaps among school governing body members, and limited fundraising. Despite these hurdles, schools demonstrated a commitment to control measures, financial reporting, and adherence to guidelines. Notably, the research shed light on the need for enhanced parental involvement, targeted training programs, and community engagement initiatives.

In conclusion, the study underscores the critical role of effective financial management practices in under-resourced areas for ensuring the delivery of quality education. Concluding remarks emphasize the importance of collaborative efforts in budgeting, fortifying the SGB, and investing in continuous professional development. These actions are pivotal for fostering transparent communication, trust, and shared responsibility within the school community.

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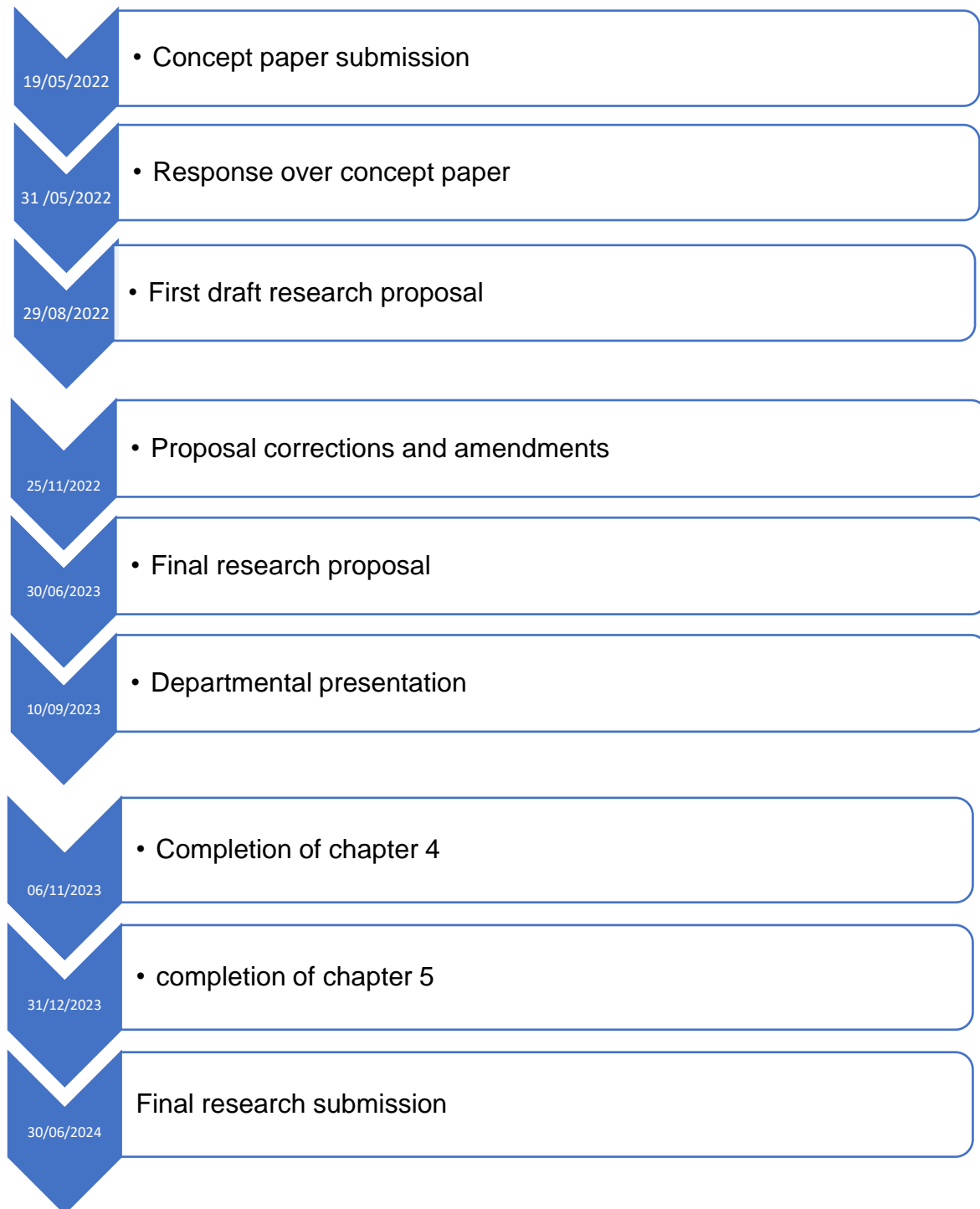
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ANNEXURES

ANNEXURE A: RESEARCH TIMELINE.



ANNEXURE B: RESEARCH BUDGET

ITEM	ITEM DESCRIPTION	COST IN RANDS
1.	Stationary & devices	
1.1	Laptop	R10 000
1.2	Voice recorder	R1 000
2	Assistance	
2.1	Professional Language Editor (110 pages x R40)	R4 400
3.	Printing	
3.1	Final binding of hard copies at University of Venda (3 copies x R500)	R1 500
3.2	Interview guides (50 x 10)	R500
4	Binding	
4.1	Spiral binding (3 copies x R300)	R900
4.2	Hard copy binding	R1000
	Total	R19 300

ANNEXURE C: A REQUEST LETTER TO THE MPUMALANGA DEPARTMENT OF EDUCATION TO CONDUCT RESEARCH.

Kgothatso Madalane
1724 Shatale Zone 1
Mpumalanga
1282
Kgothatsomadalane0@gmail.com/
18017405@mvula.univen.ac.za
22 August 2023

The Head of the Department
Mpumalanga Department of Education
Privat Bag x11341
Nelspruit
1200
Republic of South Africa

Subject: Application for Permission to Conduct Research in Mpumalanga Public Schools

Dear Sir/Madam

I am writing to formally request permission from the Mpumalanga Department of Education to conduct research in Mpumalanga public schools, specifically within the Ehlanzeni District. The purpose of this research is to investigate and analyse the strategies for promoting effective financial management practices in public schools, focusing on the case of the Ehlanzeni District in Mpumalanga Province.

Research Topic: **Strategies for Promoting Effective Financial Management Practices in Public Schools: A Case of the Ehlanzeni District, Mpumalanga Province**

Research Objectives:

- ❖ To assess the current financial management practices in public schools in the Ehlanzeni District, Mpumalanga province.
- ❖ To identify barriers if any that are hindering effective financial management processes in public schools in the Ehlanzeni District, Mpumalanga province.
- ❖ To identify and recommend effective strategies for promoting financial management practices in public schools in the Ehlanzeni District, Mpumalanga Province.

Methodology:

The research will employ a mixed-methods approach, incorporating both qualitative and quantitative data collection methods. Surveys and interviews will be conducted to gather comprehensive data regarding the financial management practices in public schools within the Ehlanzeni District.

Benefits of the Research:

The outcomes of this research will offer valuable insights into the current state of financial management practices in public schools and provide evidence-based recommendations to address challenges and enhance these practices. The findings can contribute to informed decision-making by education authorities, school management, and other stakeholders, ultimately leading to improved financial management and better education quality.

Ethical Considerations:

All ethical standards will be rigorously adhered to throughout the research process. Participation in the study will be voluntary, and the confidentiality and anonymity of participants will be ensured. The research will also comply with all relevant data protection and privacy regulations.

Request for Permission:

I kindly request your authorisation to conduct this research within the Mpumalanga public schools located in the Ehlanzeni District. I am committed to collaborating closely with the schools and ensuring minimal disruption to their operations during the data collection process. I will also provide the schools with a summary of the research findings upon completion.

I am grateful for your consideration of this request and would be honoured to receive permission to proceed with the research. Your support will greatly contribute to the advancement of educational practices in the region.

Please find attached a detailed research proposal outlining the research objectives, methodology, and ethical considerations. I am also available to provide any additional information or clarification you may require.

Thank you for your time and attention. I look forward to your positive response.


Sincerely,

Kgothatso Madalane

Master's Student

University of Venda

071 586 2505/ 012 424 7312



22 August 2023

ANNEXURE D: MPUMALANGA DEPARTMENT OF EDUCATION APPROVAL LETTER



Ikhemanga Building, Government Boulevard, Riverside Park, Mpumalanga Province
Private Bag X11341, Mbombela, 1200.
Tel: 013 766 5552/5115, Toll Free Line: 0800 203 116

Litiko le Tsefundvo, Umnyango we Fundo

Departement van Onderwys

Ndzawulo ya Dyondzo

Enq: Kgothatso Madalane
University of Venda
Tel: 071 586 2505 / 012 424 7312
Email: Kgothatsomadalane@gmail.com

RE: "STRATEGIES FOR PROMOTING EFFECTIVE FINANCIAL MANAGEMENT PRACTICES IN PUBLIC SCHOOLS: A CASE OF THE EHLANZENI DISTRICT, MPUMALANGA PROVINCE".

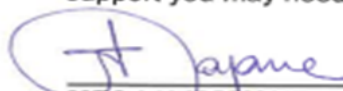
Your application to conduct research study was received and is therefore acknowledged. The title of your research project reads: **"Strategies for Promoting Effective Financial Management Practices in Public Schools: A case of the Ehlanzeni District, Mpumalanga Province"**.

I trust that the aims and the objectives of the study will benefit the whole department especially the beneficiaries. Your request is approved subject to you observing the provisions of the departmental research policy which is available in the department website. You are requested to adhere to your university's research ethics as spelt out in your research ethics.

In terms of the research policy, data or any research activity can be conducted after school hours as per appointment with affected participants and COVID -19 regulations to be observed. You are also requested to share your findings with the relevant sections of the department so that we may consider implementing your findings if that will be in the best interest of the department. To this effect, your final approved research report (both soft and hard copy) should be submitted to the department so that your recommendations could be implemented. You may be required to prepare a presentation and present at the departments' annual research dialogue.

For more information kindly liaise with the department's research unit @ 013 766 5015/5124 Or c.maphanga@mpuedu.gov.za

The department wishes you well in this important project and pledges to give you the necessary support you may need.


MRS LH MOYANE
HEAD: EDUCATION

30 / 08 / 2023
DATE



ANNEXURE E : REQUEST TO SCHOOL PRINCIPALS CONDUCT RESEARCH



Faculty of Management, Commerce and Law

University of Venda

University Rd, Thohoyandou

0950

South Africa

Tel No: 015 962 8000

Dear Principal

I My name is Kgothatso Madalane, a Master of Commerce Student at the University of Venda. I am writing to seek your cooperation for a research study aimed at improving financial management strategies within public schools, specifically focusing on the Ehlanzeni District of Mpumalanga.

I am pleased to inform you that the Mpumalanga Department of Education has granted permission for this research, underscoring its importance to our local educational landscape. The objective of my study is to identify and recommend effective financial management strategies, and I believe your school's participation would significantly contribute to the success of this initiative.

To ensure minimal impact on your school's time and resources, I have designed the study to be non-intrusive. The participation of your School Governing Body (SGB) members and financial officers or clerks will only require a brief 4-minute survey, accessible through this link: <https://forms.gle/Ht3ymg2PT2YR1tpt9>

Additionally, as part of my research, I am seeking permission to conduct a 20-minute interview with the principal. The interviews will be scheduled outside of teaching and learning hours to avoid any disruption to classes.

Your involvement in this research is entirely voluntary, and you can withdraw at any time if you feel uncomfortable or choose not to continue. Rest assured, all responses will be treated with strict confidentiality, and your identity will remain anonymous throughout the research process.

Your participation in this study holds significant value, contributing to the broader understanding of effective financial management practices in public schools. I genuinely appreciate your consideration and willingness to be part of this research project.

Thank you for your time and consideration.

Regards

Kgothatso Madalane

Master's Student: University of Venda

Researcher name: Kgothatso Madalane

Email: Kgothatsomadalane@gmail.com

Contact : 071 586 2505

=====

Research supervisor: Prof F Munzhelele

Email: Freddy.Munzhelele@univen.ac.za

=====

Research co-supervisor: Mr G Katekwe

Email: Genius.Katekwe@univen.ac.za

ANNEXURE F: PARTICIPATING LETTER OF INFORMATION

Dear participant

I am a Masters of Commerce student at the University of Venda. To complete my degree, I must complete the study project titled **Strategies For Promoting Effective Financial Management Practices In Public Schools: A Case Of A Enhlanzeni District Mpumalanga Province** which aims at establishing strategies to enhance school financial management. To achieve the aim of the study, I need your help by participating in this project by answering the questionnaires.

Your participation will be highly appreciated.

NB: Please note that this project is for academic purposes only, and your views and opinions will remain confidential and anonymous

Feel free to contact the researcher for more information

=====

Researcher name: Kgothatso Madalane

Email: Kgothatsomadalane@gmail.com

Contact : 071 586 2505

=====

Research supervisor: Prof F Munzhelele

Email: Freddy.Munzhelele@univen.ac.za

=====

Research co-supervisor: Mr G Katekwe

Email: Genius.Katekwe@univen.ac.za

I,.....Principal/SGB/Financial Officer, representing.....school, willingly agree to participate in the research study conducted by Kgothatso Madalane, a Master of Commerce Student at the University of Venda. The study focuses on enhancing financial management strategies in public schools, with specific attention to the Ehlanzeni District of Mpumalanga.

I am aware that my participation is entirely voluntary, and I reserve the right to withdraw from the study at any time without any consequences. I understand that all responses and information shared during the study will be treated with strict confidentiality, and my identity will remain anonymous throughout the research process.

I acknowledge that my involvement in this research will contribute valuable insights to the understanding of effective financial management practices in public schools. By providing this consent, I affirm my willingness to support and participate in the research project.

Signature: _____

Date: _____

ANNEXURE G: INTERVIEW QUESTIONS FOR PRINCIPALS

Demographics

Principal, Deputy or Acting Principal			
Gender			
Age	20-35 years	<input type="checkbox"/>	
	35-50 years	<input type="checkbox"/>	
	50-65 years	<input type="checkbox"/>	
	Over 65 years	<input type="checkbox"/>	
Ethnic group			
Number of years as principal	0-5 years	<input type="checkbox"/>	
	6-10 years	<input type="checkbox"/>	
	Over 10 years	<input type="checkbox"/>	
Qualification	Diploma <input type="checkbox"/>	Degree <input type="checkbox"/>	Postgraduate <input type="checkbox"/>
Date of the interview			
Where is your school-based	Urban <input type="checkbox"/>	Township <input type="checkbox"/>	Rural <input type="checkbox"/>
What is the quantile of the school	<input type="checkbox"/>		

Interview questions

- 5 What are your thoughts about the current state of financial management process in your school?

- 6 In what way are you involve in budgeting process?
 - Can you elaborate the budgeting process?
 - Who's responsible for drafting the budget?
 - How is the school budget being monitored?

- 7 How would you describe an ideal financial control in a school?

- 8 The SASA requires every school to appoint an external auditor to examine the financials of the school. What have been their advise in the past 3 years?
- 9 How does the school ensure that policies and procedures are always adhered to?
- 10 What would you say about the skills, experience and qualifications of the people in charge of the school finances?
- 11 What are the challenges the school face when making financial decisions?
- 12 What would you say about the competence of the governing body?
- 13 How often do the people responsible for financial management receive training?
 - What are the specific areas do you think training is needed on?
- 14 How does the school deal with cases of financial misconduct?
- 15 What are the barriers that are hindering the financial management and decision-making on school finances?

ANNEXURE H: QUESTIONNAIRES FOR SCHOOL FINANCIAL OFFICERS AND SGB

Position									
Highest qualification									
Number of years at the school									
Gender	<table border="1"> <tr> <td>Male</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Female</td> <td><input type="checkbox"/></td> </tr> </table>	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>				
Male	<input type="checkbox"/>								
Female	<input type="checkbox"/>								
Age group	<table border="1"> <tr> <td>20-35 years</td> <td><input type="checkbox"/></td> </tr> <tr> <td>35-50 years</td> <td><input type="checkbox"/></td> </tr> <tr> <td>50-65 years</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Over 65 years</td> <td><input type="checkbox"/></td> </tr> </table>	20-35 years	<input type="checkbox"/>	35-50 years	<input type="checkbox"/>	50-65 years	<input type="checkbox"/>	Over 65 years	<input type="checkbox"/>
20-35 years	<input type="checkbox"/>								
35-50 years	<input type="checkbox"/>								
50-65 years	<input type="checkbox"/>								
Over 65 years	<input type="checkbox"/>								

Questionnaires

For each of the below statement please tick the best charecterize of how you feel about the statement.

1. Having clear financial policies in place is important for effective financial management in public schools

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

2. Are you satisfied with the current financial management strategies in your school

Strongly agree

Agree	<input type="checkbox"/>
Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

3. Providing regular financial training for school staff is important for effective financial management in public schools

Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

4. Involving community members in financial decision-making processes is important for effective financial management in public schools

Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

5. Conducting regular financial audits is important for effective financial management in public schools

Strongly agree	<input type="checkbox"/>
----------------	--------------------------

Agree	<input type="checkbox"/>
Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

6. School management team communicate financial information to staff members and parents

Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

7. Using technology to track and manage school finances is important for effective financial management in public schools

Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

8. Regular financial reports and updates can help keep staff and stakeholders informed and engaged in financial management in public schools

Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>

Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

9. Implementing an online financial management system can help promote transparency and accountability in public schools

Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree nor disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

The questionnaire is available on the link: <https://forms.gle/Ht3ymg2PT2YR1tpt9>

Thank you for your cooperation

ANNEXURE I: EDITORS'S CERTIFICATE

REGCOR
ENTERPRISES PTY LTD

(2015/375453/07)

Date: 01/02/2024

Dear Sir/Madam

This letter is to certify that I, Sarah Louise Cornelius, of Regcor Enterprises Pty Ltd, have completed the initial editing of the thesis titled STRATEGIES FOR PROMOTING EFFECTIVE FINANCIAL MANAGEMENT PRACTICES IN PUBLIC SCHOOLS: A CASE OF EHLANZENI DISTRICT MPUMALANGA PROVINCE by Kgothatso Madalane.

I have ten years of experience in the field, having worked on multiple doctorates. Currently, I am a member of the Professional Editor's Guild (PEG).

All recommendations and errors have been noted in the comments. Any changes done to the document after the editing process does not reflect the editing services provided. The onus is on the student to ensure the document is fully corrected before final submission, even if that requires multiple edits.

Kind Regards

Sarah Louise Cornelius

Professional Editor's Guild

Associate Member

Membership number: COR003

Regcor Enterprises Pty Ltd

Registration no: 2015/375453/07

Contact no: 0768156437

Email: sarah@regcor.co.za

ANNEXURE J: RESEARCH ETHICS APPROVAL CERTIFICATE

ETHICS APPROVAL CERTIFICATE

RESEARCH AND INNOVATION
OFFICE OF THE DIRECTOR

NAME OF RESEARCHER/INVESTIGATOR:
Mr K Madalane

STUDENT NO:
18017405

PROJECT TITLE: **Strategies for Promoting Effective Financial Management Practices in Public Schools: A Case of Ehlanzeni District Mpumalanga Province.**

ETHICAL CLEARANCE NO: **FMCL/23/ACC&AUD/02/2208**

SUPERVISORS/ CO-RESEARCHERS/ CO-INVESTIGATORS

NAME	INSTITUTION & DEPARTMENT	ROLE
Prof NF Muzhelele	UNIVEN, Accountancy	Supervisor
Mr G Kafekwe	UNIVEN, Accountancy	Co-Supervisor
Mr K Madalane	UNIVEN, Accountancy	Investigator – Student

Type: master's research

Risk: Minimal risk to humans, animals, or environment (Category 2)

Approval Period: August 2023 – August 2024

The Research Ethics Social Sciences Committee (RESSC) hereby approves your project as indicated above.

General Conditions

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, please note the following:

- The project leader (principal investigator) must report in the prescribed format to the REC:
 - Annually (or as otherwise requested) on the progress of the project, and upon completion of the project.
 - Within 48hrs in case of any adverse event (or any matter that interrogates sound ethical principles) during the course of the project.
 - Annually a number of projects may be randomly selected for an external audit.
- The approval applies strictly to the protocol as stipulated in the application form. Would any changes to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of these changes at the REC. Would there be deviation from the project protocol without the necessary approval of such changes, the ethics approval is immediately and automatically forfeited.
- The date of approval indicates the first date that the project may be started. Would the project have to continue after the expiry date, a new application must be made to the REC and new approval received before or on the expiry date.
- In the interest of ethical responsibility, the REC retains the right to:
 - Request access to any information or data at any time during the course or after completion of the project.
 - To ask further questions; seek additional information; require further modification or monitor the conduct of your research or the informed consent process.
 - Withdraw or postpone approval if:
 - Any unethical principles or practices of the project are revealed or suspected.
 - It becomes apparent that any relevant information was withheld from the REC or that information has been false or misrepresented.
 - The required annual report and reporting of adverse events was not done timely and accurately.
 - New institutional rules, national legislation or international conventions as it necessary.

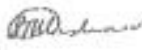
ISSUED BY:

UNIVERSITY OF VENDA, RESEARCH ETHICS COMMITTEE

Date Considered: August 2023

Name of the RESSC Chairperson of the Committee: Prof TS Mashau

Signature




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