

**IMPLEMENTATION OF NO-FEE SCHOOL POLICY: A CASE STUDY
IN BOLOBEDU CLUSTER CIRCUITS OF MOPANI DISTRICT**

BY

MASILO DANIEL MOKOENA

2013

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MASILO DANIEL MOKOENA

**THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN
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PROMOTER: PROFESSOR MJ THEMANE

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DEDICATION

This project is dedicated to my beloved wife, Mrs Sekgotho Merriam Mokoena, my mother Mamolatelolo Motlatso, my brother, Rufus Matome Mokwena, my late brothers Kgapane Samuel Mokwena and Motekedi Simon Mokwena (who would have applauded this achievement without any reservations), my sisters, Mohlago Josphine Mutileni and Molatelolo Flora Mokwena, my daughters, Mmakwena and Motlatso Itumeleng, and my son Maropene Boitumelo Mokoena.

DECLARATION

I declare that this research report is my own work. It is being submitted for the degree of Doctor of Philosophy at the University of Limpopo. It is original and has not been submitted before for any degree or examination at any other university.

Signature: on this day of

ABSTRACT

After the establishment of the first democratic government in South Africa in 1994, the Education Ministry started transforming the apartheid education system into the democratic education system aimed at achieving equity, redress and access to education. Amongst the policies developed, were South African Schools Act (Act No. 84 of 1996), National Norms and Standards for School Funding, Exemption of Parents from Payment of School Fees Regulations, Education Laws Amendment Act (Act No. 24 of 2005), Amended National Norms and Standards For School Funding, and No- Fee School Policy.

In this study, I analysed how schools in Bolobedu cluster circuits of Mopani District implemented the No-Fee School policy regarding the use and management of school finances. Qualitative case study was used. Four schools, two primary and two secondary schools, were sampled. Three methods of data collection were used: interviews, document analysis (school records such as SGB minutes, finance policy, School Business Plan/School Development Plan, budgets, auditors' reports, etc.) and observation. Interviews were conducted with school principals, teachers, parents and learners.

The research findings indicate that the three SGBs have the capacity to practise good financial management in relation to the No-Fee school policy, although they still need to improve on some areas of responsibility. These SGBs demonstrated sound and good practice in the use and management of school finances. However, one SGB was struggling to practice good financial management responsibility. This school has the potential to improve its capacity to execute its financial responsibility if provided with support.

Key words: South African Schools Act (SASA), National Norms and Standards for School Funding (NNSFF), Amended National Norms and Standards For School Funding (ANNSSF), No-Fee School Policy, Equity, Access and Redress, Use and management of school finances.

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ACRONYMS AND ABBREVIATIONS

ANC	African National Congress
AG	Auditor-General
ANNSSF	Amended National Norms and standards for School Funding
CREATE	Consortium for Research on Educational Access, Transitions and Equity
Dora	Division of Revenue Act
DoE	Department of Education
DPISA	Department of Public Service and Administration
HoD	Head of Department
IEC	Independent Electoral Commission
LDoE	Limpopo Department of Education
LTSM	Learning and Teaching Support Material
MEC	Member of Executive Council
NNSSF	National Norms and Standards For School Funding
NSNP	National School Nutrition Program
NPM	New Public Management
NQF	National Qualification Framework
PED	Provincial Education Department
PFMA	Public Finance Management Act (Act No.1 OF 1999)
PMSF	Prescripts for the Management of School Funds at Public Schools
NRF	National Revenue Fund
PSC	Public Service Commission
RCL	Representative Council of Learners

RSA	Republic of South Africa
SACP	South African Communist Party
SAMDI	South African Management and Development Institute
SASA	South African Schools Act (Act No.84 of 1996)
SBP	School Business Plan
SCOPA	Standing Committee on Public Accounts
SDP	School Development Plan
SGB	School Governing Body
SIP	School Improvement Plan
SMT	School Management Team
TV	Television
TR	Treasury Regulation
UDF	United Democratic Front
UNC	United Nations Convention
US	United States

CHAPTER ONE

ORIENTATION TO THE STUDY

1.1. BACKGROUND TO THE STUDY

During the apartheid government, the education system was characterised by severe racial, regional inequalities and unfair funding of education based on race and ethnicity. This system of education created huge inequalities and disparities between black and white schools which resulted in political struggles for equal education in the country by various political movements such as African National Congress (ANC), United Democratic Front (UDF), Pan African Congress (PAC), South African Communist Party (SACP), and other civic organisations.

After the establishment of the first democratic government in South Africa in 1994, the Education Ministry started transforming the apartheid education system into the democratic education system aimed at achieving equitable access to education and improving the quality of education. This reform was among others guided by the Constitution, which states that “Everyone has the right to a basic education, including adult basic education” Section 29(1)(a) of the South African Constitution (Act 108 of 1996). The democratic government embarked on redressing past inequalities, systematically dismantling and removing discriminatory policies created by apartheid regime and comprehensively revised the entire education system which included:

- Revised the entire curriculum framework from subject-based orientation to outcomes-based education;
- Transformed the higher education landscape by merging and closing down institutions;
- Integrated all teacher training institutions into universities;

- Integrated education and training through the National Qualifications Framework (NQF) which placed all forms of learning on a single qualifications ladder with equivalent forms of certification;
- Changed the governance of schools, including private schools which, subject to certain conditions, are eligible for a state subsidy;
- Created a values-in-education programme;
- Committed itself to an inclusive education programme which adopts a mainstreaming approach to ‘special education’; and
- Extended Early Childhood Care and Education by creating an additional pre-primary (Grade 0) year, with full coverage envisaged by 2010.

(Consortium for Research on Education, Access, Transition & Equity - CREATE, 2009)

The government used multiple strategies to provide services to the people which, included consultations with communities for adequate provision of and access to services and resources. Amongst other strategies it developed the South African Schools Act (Act No. 84 of 1996) (SASA), National Norms and Standards for School Funding (1998), Amended National Norms and Standards for School Funding (2006), School Fee Exemption policy and No-Fee School policy (1998), (Department of Education, 1998).

The SASA (Act No. 84 of 1996) aimed to democratise and improve education. It did so by decentralising some powers and duties to schools and promoting more democratic governance through school governing bodies (SGBs). The SGB is a body on which all components of the school community (i.e. parents, teachers, non-teaching staff and learners in secondary schools) are represented, and it is elected every three years. SGBs are meant to promote the best interests of the school and ensure that all learners at the school receive the best possible education related to their culture and tradition, particularly because South Africa is a country which is characterised by different races and cultures.

The SGB is also responsible for deciding on the school policy and the direction of the school as well as assisting the principal of the school in directing, managing and running the activities of the school in an efficient and effective manner. In other words, it is a structure that should support the principal in managing the school without performing the work of the principal. The organization and support of teaching and learning at the school remains the responsibility of School Management Team (SMT).

SASA stipulates that the SGB should decide on the following: school policy (school hours, language and religious policy, dress code, learners code of conduct and goals of the school); school development (a development plan, getting voluntary helpers when needed, partnerships with the community, and relationships with other schools); school administration (looking after school buildings, grounds and other property, deciding when others may use this property, recommendations regarding the appointment of educators, and annual general meeting of parents); and school finances (raising funds, opening a bank account and overseeing the school income and expenditure). Furthermore, it provides a new national system for schools which redresses past inequalities and injustices in the educational provision through creating a uniform system for the organisation, governance and funding of schools. It gives SGBs of public schools powers to charge fees subject to approval of majority of parents, and also makes provision for school fee exemptions for the parents who cannot afford to pay fees. The Act requires the Minister of Education to make regulations about the criteria and procedures for granting total, partial or conditional exemptions, and to determine national norms and standards for public school funding.

Within the purview of SASA, in 1998, the Department of Education (DoE) published its National Norms and Standards for School Funding. This document attempted to establish funding procedures which promoted equity and redress within the context of insufficient government funding and of increasing reliance by many schools on parental fee income in supplementing state funding. The regulation distinguishes between personnel and non-personnel funding (which pays things like teaching aids, textbooks and infrastructure improvements). It introduced a funding system whereby the poorest

40% of schools in each province receive 60% of the non-personnel budget allocation and the least poor receive just 5%.

In order to accommodate poor learners within paying schools, the Department of Education further issued an Exemption of Parents from the Payment of School Fees Regulations (1998). The regulations provided detail on the exemption procedures.

In 2005, the Department of Education enacted Education Laws Amendments Act (No 24 of 2005). This Amendment Act revises various sections of the SASA of 1996 to address the challenges that had become apparent between the year 2000 and 2003. There were major lessons and challenges learnt with respect to the pro-poor allocation.

In order to address and overcome the challenges, it then became clear that there was a need for policy improvements. The Department of Education (2005) introduced a series of amendments to sections of South African Schools Act of 1996 and the National Norms and Standards for School Funding. It came with complete overhaul of the Exemption of Parents from the Payment of School Fees Regulations through calling public comments.

In 2006, the department further gazetted Amendment National Norms and Standards for School Funding (ANNSSF). The ANNSSF includes provisions governing both school fee exemptions and no-fee schools. It provides for categories of exemptions, namely: automatic exemptions, partial exemptions (anything from 10% to 90%), total exemptions (100%) and other exemptions – as determined necessary by SGB. The ANNSSF aimed at addressing the challenges which were identified with the original norms and standards (1998) with regards to school financing. Importantly, it introduced national poverty ranking (whereas previously this was done provincially) to ensure that equally poor learners across the country will be subject to the same pro-poor targeting policy. Lastly, the Revised Exemption of Parents from the Payment of School Fees Regulations (2006)

provides details on how to calculate exemptions and how the exemptions policy should be implemented.

1.2. PROBLEM STATEMENT

The introduction of the No-Fee School policy followed the Department of Education's review of the cost of schooling in 2003 and subsequent to the unintended consequences of implementation of National Norms and Standards for School Funding. The review was aimed at ensuring that all children of school-going age who had been denied access to schools because of the low socio-economic status of their families, would have access to education. It was found that fees were a significant burden for many poor parents and that some schools used illegal measures, such as withholding report cards or denying admission, against those who were unable to pay. This policy ensures that children at schools declared "No-Fee schools" have access to education (MacFarlane, 2007).

Following the review, the National Department of Education allocated each school a poverty ranking derived from national data on income levels, dependency ratios and literacy rates in the surrounding community. It established five "poverty distribution" categories, ranked from poorest to least poor, in which all schools were placed. It also determined the allocation that schools should receive for each pupil, these amounts being affected by which poverty category a school was in. Schools were then ranked from quintile 1 to 5. Initially, only quintiles 1 and 2 were regarded as the poorest schools and were declared "No-Fee schools". Then in 2009, it was announced that quintile 3 schools were also to be declared "No-Fee schools" with effect from January 2010. Quintile 3 schools also received their allocation during the 2010/2011 financial year. This policy abolished school fees nationally in the poorest schools for learners from grades R to 12. The schools that did not charge fees were allocated an amount of funding per learner to make up for the fees that would have been charged by the SGBs. The government deposited money into the schools' accounts so that the schools could run their affairs.

The Limpopo Provincial Government adopted a shared-service approach, thereby establishing a single Internal Audit unit that provided a service to all provincial departments. The unit was located in the Premier's office. The Provincial Internal Audit responsibility towards state-owned enterprises reporting directly to provincial departments was limited to special requests from the departments and within proper demarcation of responsibilities.

The audit was mandated by legislative requirements and guidance on the establishment of Internal Audit units in the public sector which are encapsulated in the Public Finance Management Act (PFMA) (Act 1 of 1999) and Treasury Regulations. The audit was then conducted at several institutions throughout the province, which included schools in Mopani District. The focus was on school management processes. Among the audit objectives, the review was to confirm that use of funds at schools was adequately accounted for, and managed to achieve the defined objectives (redress, quality, access, and equity).

The audit report found that there were many schools that were struggling to use and manage school funds as per the defined objectives of the No-Fee School policy, amongst which include:

- Assets not adequately managed, as: asset registers and office inventory list were not maintained to account for school assets; movable equipment and furniture were not marked as school property and numerically assigned asset numbers; and incomplete asset registers were maintained that excluded the serial numbers and location of assets.
- Evidence of approval by SGB and Parents of the budget not retained.
- Inadequate procurement practices. Schools did not adhere to the quotations process, as three quotes were not obtained in most instances, where quotations were supposed to be invited.

- Financial duties not delegated in writing to finance officer and or Finance committee.
- Expenditure incurred not substantiated. Schools processed payments without being substantiated with source documents. The payment requisition forms, invoices, delivery notes, and quotations to substantiate the payment could not be located. The details of these payments were collected from the cheques returned by the bank and cheque counterfoils.
- Expenditure incurred not approved. Schools processed payments without obtaining approval from the relevant authorities. The payment requisition forms were not appended with the signatures of the Chairperson of the School Governing Body and the Principal as evidence of approval.
- Inadequate maintenance and renovation. Schools did not adequately plan for renovation and maintenance of the school. The physical infrastructure deficiencies include: broken windows, broken doors, cracked floors and walls, dirty walls, lack of burglar guards on doors and windows, leaking roofs, falling ceilings, and damaged roofs.
- Blank cheques signed in advance.
- Complete financial statements were not prepared, such as Annual Bank Reconciliation Statement, Balance Sheet, Stock certificates, Statements of debts outstanding, Statement of investments, Budget Control Statement, and Assurance in terms of Sec 38(1)(j) of the Public Finance Management Act (PFMA).
- Inadequate maintenance of financial records, including Cash Book, Bank Reconciliation Statement, Petty Cash Journal (where petty cash float is maintained), Petty Cash Reconciliation Statement (where petty cash float is maintained), Annual Budget and Payment vouchers.
- Monthly Financial and Performance Reports not prepared to the Finance committee and School Governing Body.

- Inadequate cash management (schools collected money and could not bank at the required time, while in some there were no evidence that the revenue had been banked).
- Meetings not facilitated on monthly basis by Finance Committee.
- Cost benefit and specifications not substantiated (capital infrastructure were erected without developing specifications).

(Limpopo Provincial Government Audit Report, 2009).

On the basis of these findings, I decided to conduct a study to analyse whether schools of Bolobedu cluster circuits of Mopani District were among those that struggled with the use and management of school finances. Mopani District, Bolobedu in particular was of keen interest to me due to being an area dominated by rural schools.

1.3. RESEARCH AIM AND OBJECTIVES OF THE STUDY

The aim of the study was to analyse how schools in Bolobedu cluster circuits of Mopani District implemented the No-Fee School policy regarding the use and management of school finances.

The objectives of the study were to:

- (i) Establish how schools implemented the “No-Fee School policy;
- (ii) Examine the schools’ sources of funding;
- (iii) Evaluate how do schools comply with prescripts on school financial management systems;
- (iv) Analyse the criteria and strategies used in the process of allocating, spending, monitoring and reporting school finances.

1.4. RESEARCH QUESTIONS

The research question was:

How do schools in Bolobedu cluster circuits of Mopani District implement the No-Fee School policy regarding the use and management of school finances?

The sub-questions for consideration were:

- (i) What are the experiences of schools in the implementation of the No-Fee School policy regarding the use and management of school finances?
- (ii) What are the challenges that schools encounter in the implementation process?
- (iii) How best can schools monitor and manage school finances?

1.5. THEORETICAL FRAMEWORK OF THE STUDY

Theoretical frameworks of social study are synonymous words, which can be defined as the frameworks designed to solve problems on a variety of levels in the social research process (Snyman, 1993). One design or paradigm cannot solve or illuminate the problems in the social study process because each approach focuses on specific problems, areas and the levels of process of study. However, the approaches sometimes overlap and the solutions become applicable to different contexts. For the purpose of this study, I used equity theory as a theoretical framework to analyse how do schools of Bolobedu cluster circuits in Mopani District analyse the No-Fee School policy regarding the use and management of school finances. Since the South African education system is beset by a history of inequalities and inequities, I found the Equity Theory appropriate to analyse the phenomenon No-Fee School Policy, as this policy is intended to attain access, redress and equity. More about the theoretical framework of this study is presented in detail on page 16.

Given the South African historical background pertaining education funding, this theory best suited to be the theoretical framework of this study of analysing the implementation of No-Fee School policy as per its defined objectives of attaining access, equity and redress. One will pose the following questions: Will No-Fee School policy address

equity issues in our education system. Since most of SGBs in rural areas are dominated by parents who are not educated and who were not exposed to school governance, will they be able to implement No-Fee School Policy regarding the use and management of school finances to realize the intentions of the policy in addressing inequalities that existed during apartheid government. What support/ role will the Department of Education play in ensuring that the policy intentions of equity, redress and access to education are realised.

1.6. RESEARCH METHODOLOGY

McMillan and Schumacher (2001:30-31) describes research design as “the procedures for conducting the study, including when, from whom, and under what conditions the data will be obtained”. In other words, the research design indicates how the study is set up, what happens to the subject of enquiry and what methods of data collection are used.

1.6.1. RESEARCH APPROACH

The researcher used qualitative research method through case study in order to realise the objectives of the study. According to Neuman (1994), a case study can be described as a particular kind of study method in which the researcher collects a large amount of data on one or few cases in depth, and finds more details about the issues that are being investigated.

1.6.2. RESEARCH DESIGN

This research was located within the interpretative research framework, where a case study was chosen to look deeply into how do schools of Bolobedu cluster circuits in Mopani District implement No-Fee School policy regarding the use and management of school finances. This method was selected because it permitted me to do an in-depth study of a unit by probing deeply and analysing intensively the characteristics and behaviour of a certain school or community (Cohen & Manion, 1986). Bell (1993) further maintains that a case study is particularly appropriate for researchers because it provides the opportunity for one aspect of a problem to be studied in some depth within a limited time frame.

1.6.3. SAMPLING

Four schools (two primary and two secondary schools) from seven hundred and sixteen schools in Mopani district for study demarcation were purposively sampled. The participants were recruited to the study because they exhibited particular characteristics, such as having served in the SGB for more than two years, being a resident of the area, and other related matters. In each of the sampled schools, interviews were conducted with two educators, two parents, school principal and two learners in case of secondary schools. Key positions in the SGB (Chairperson, Finance officer, Secretary, Treasurer and President of Representative Council of Learners (RCL) were chosen as the interviewees. These interviewees were purposively selected because they were relatively knowledgeable about the subject I was investigating. They are the ones best placed to provide sufficient and relevant information on the SGB regarding their roles such as school development plan, budgeting, and spending (overall use and management of school finances).

1.6.4. DATA COLLECTION

I used three methods to collect data: structured interviews, documentary data analysis and observation. Interviewees' responses were tape recorded and transcribed verbatim. School documents such as school records, school financial policy, minutes of SGB, school budgets, and auditors reports were reviewed with a hope that they would give me an indication of how mandated policies and regulations from national, provincial and district levels were interpreted and implemented. I was also able to attend SGB meetings for observation purposes. This helped me to understand the level of relationship among the participants and how they participated during SGB meetings. The data gathered from observation assisted in verifying the data collected during the interviews.

1.6.5. DATA ANALYSIS

Since this study is qualitative in nature, qualitative methods of data analysis (to be discussed in detail in chapter three) and interpretation were employed. The data of this study for each school, coded as School A, School B, School C and School D, were organised into conceptual categories and themes (such as school profile, SGB overview,

school budget and income, expenditures, good practices regarding the use and management of school finances, and challenges regarding the use and management of school finances) were created, especially those that were used when analysing data.

1.6.6. TRUSTWORTHINESS OF STUDY FINDINGS

In order to ensure the trustworthiness of the study, I used multi-method strategies such as structured interviews, recorded data, documentary data and observation. I used triangulation of research instruments and interviewees to obtain data. The interviewees' responses were recorded mechanically and transcribed verbatim. I also compared the data from several sources. This triangulation of data increased credibility and trustworthiness of the study. Triangulation in qualitative research is meant to be a cross-validation among multiple sources of data, data collection strategies and theoretical schemes. Multi-method strategies permitted triangulation of data across inquiry techniques which enhanced the credibility and trustworthiness of the study.

1.6.7. STUDY LIMITATIONS AND POTENTIAL

As already indicated, this study was conducted in the form of a case study, and its findings would not be generalizable to other schools beyond the scope of the study. It might be possible to establish how the findings from the study could be useful to other similar schools. The administration of questions and interviews could be subject to interviewer's bias and the interviewer could influence the participants' responses.

Though the findings of this study may not be generalised, they can be related to similar contexts in other schools, especially those in the same area. Despite all these shortcomings, it was hoped that the study would provide a new hypothesis about how schools implemented the No-Fee Schools policy regarding the use and management of school finance.

1.6.8. ETHICAL CONSIDERATIONS

In order for the study to be credible, I considered the ethical responsibilities that accompany the gathering and reporting of information. Ethics are generally considered to deal with beliefs about what is right or wrong, proper or improper, good or bad. I considered several research ethics (to be explained in chapter three) during the gathering of data of this study.

1.7. SIGNIFICANCE OF THE STUDY

Central to the South African education transformation from apartheid to democracy has been the establishment of progressive policies aimed at achieving quality, equitable and democratic education system. Amongst the policies developed is No-Fee school policy. This is a policy which came as a result of the challenges experienced with the implementation of National Norms and Standards for School Funding, in quest to close the gap between rich and poor schools in the public schooling system.

As it was assumed that No-Fee School policy would bring equity in the provision of quality public education in the country, I then decided to investigate how do schools of Bolobedu cluster circuits in Mopani District the implement the No-Fee School policy regarding the use and management of school finances. It was hoped to gain a better understanding of what makes schools to succeed or fail in executing their duties and responsibilities regarding the use and management of school finances in quest for policy intentions of attaining equity to improve the quality of education.

It was assumed that the study would contribute towards assisting schools to understand best practices regarding the use and management of school finances in order to achieve equity in the provision of public education through No-Fee School policy. The study was further prompted by the desire to add to the existing literature on the implementation of No-Fee School policy.

1.8. OUTLINE OF THE RESEARCH

Chapter 1 comprises an introduction to the dissertation by providing the historical background of the South African education system, specifying the development of the SASA (Act No. 84 of 1996), National Norms and Standards for School Funding, School Fee Exemption policy and No-Fee School policy. It further discussed the problem

statement, aim and objectives of study, research questions, theoretical framework, research methodology and design, and significance of the research.

Chapter 2 presents the literature review. The purpose was to establish the theoretical framework of the research. It provides an understanding on the implementation of education funding policies. It continues by providing an in-depth discussion on debates related to constitutional mandates and policy reviews on funding of public schools, and school financial management systems.

Chapter 3 explains the research methodology, starting with the research approach, design of the study, sampling, instruments used to collect data, and the steps undertaken to analyse data and ethical considerations. The study limitations and potential are also stated.

Chapter 4 presents the research findings according to data collection instruments used from four schools, and also indicates good practices and challenges regarding the use and management of school finances at each school.

Chapter 5 deals with summary and recommendations based on analysis and interpretation of data in terms of how schools implemented the No-Fee School policy regarding the use and management of school finances. It also presents factors that contributed towards best performance and those that impacted negatively on the execution of the SGBs' roles regarding school finances.

1.9. CONCLUSION

This chapter briefly provided background of the study in relation to historical pattern of policy development relating to education financing on redress, access and equity. It

further provided with the problem statement, aims and objectives of the study, theoretical framework, research approach and design, significance of the study and outline of the research.

CHAPTER TWO

EDUCATION FUNDING POLICIES

2.1. INTRODUCTION

In the previous chapter, the background to the research, problem statement, aims and objectives of the study, research methodology as well as the significance of the study were indicated. The purpose of this chapter is to present a literature review on the implementation of education funding policies on public schools. This chapter begins with providing theoretical framework of the study. It will then present debates on policy implementation, and the development of school governance and funding policies for redress, access and equity. It concludes with the presentation on school financial management systems.

McMillan and Schumacher (2001) define literature review as a critique of the status of knowledge of a carefully defined topic, which enables the reader to gain further insights about the problem and for the rationale of the study. It is further said that reviewing the literature enables the researcher to define and limit the problem, place the study in historical and relationship perspective, avoid unnecessary replication, select promising methods and measures, relate the findings to previous knowledge, suggest further research and suggest research hypothesis (McMillan & Schumacher (2001:140)).

However, Mouton (2005:87) suggests why the review of existing literature is important:

- It ensures that one does not merely duplicate a previous study.

- It discovers what the most recent and authoritative theorising about the subject is.
- It finds out what the most widely accepted empirical findings in the field of study are.
- It identifies the available instrumentation that has proven validity and reliability.
- It ascertains what the most widely accepted definitions of key concepts in the field are.

Literature on education funding policies had been reviewed in order to locate the study within scientific knowledge relating to the topic under investigation. In this study, literature which include both primary and secondary sources were used in order to get clear understanding of how do schools of Bolobedu cluster circuits in Mopani District implement No-Fee School policy regarding the use and management of school finance.

2.2. DEFINITION OF CONCEPTS

For the purpose of this study, definitions of the following concepts will apply:

Redress:

Redress is a word used to address or correct the past inequalities in policy and practice in relation to resource provisioning by apartheid education system. Fiske and Ladd (2002) maintain that: Redress explicitly recognises inequities of the past and call for what in the U.S. is known as ‘affirmative action’ to offset those inequities. In South African context, with its grossly unequal patterns of schooling and resulting levels of educational attainment, the idea would be to direct additional resources to previously disadvantaged schools and communities in order to level the playing field. Redress would require more funding for schools serving disproportionate numbers of disadvantaged students. In addition, it would also require significant funding to offset the legacies of poorly trained teachers and gross inadequate facilities in many of the schools serving black or coloured students.

The study will try to show how policies developed by democratic education system tried to redress the imbalances of the past and what achievements or challenges were experienced and, what strategies were used to overcome these challenges.

Access:

Central to the transformation agenda of democratic education system was to ensure that all learners have access to public quality education, as stated in section 29(1) of the Constitution of Republic of South Africa. The word implies how the government will ensure that all school going children have access to free basic education to realize their democratic right. The government should provide equal opportunities for all its citizens, with public quality education that respects and promotes dignity and optimum social development.

Equity:

It is a social word which is defined in relation to inequalities in the distribution of resources or wealth, and what are the adjustments needed to provide for a fair equitable redistribution of the resources. This word has been used with specific reference to education funding.

Fiske and Ladd (2002) used the concept of ‘distributive equity’ which focuses on how the objects of interest, such as educational inputs, are distributed across the population. This concept is the most commonly defined in terms of quantity or quality of educational inputs. For example, by focusing on the variations in spending per pupil, the average learner/educator ratio or an index of the quality of teachers. Whatever instrument is used to measure, more equality across groups is generally deemed to be more equitable than less equality.

Equity is defined as justice, inequity-injustice. Inequity exists for an individual when he/she perceives an imbalance in the ratio between outcomes (reward for work) and inputs (efforts at work) as other workers outputs and incomes (Miner, 1980). Adams (1965) defines inequity as “inequity exists for person whenever he perceives that the ratio of his outcomes to inputs and the ratio of others to others inputs are unequal. It follows that inequity result not only when a person is under-benefited but also when he is over-benefited. Felt injustice will lead to dissatisfaction, anger, and guilt. People will feel angry and dissatisfied when they are getting less of what they expect in comparison to what they input, and people also will feel guilty if they receive more than worth (Adams, 1965). Adams calls this “guilt” when over-rewarded advantageous inequity whereas, calls “anger” reaction when under-rewarded (disadvantageous inequity). This anger is usually directed toward other people and institutions that caused inequity and sometimes it is self-directed where there no other party is targeted for punishment or retaliation.

Equity Theory is a theory that attempts to explain relational satisfaction in terms of perceptions of fair or unfair distributions of resources within interpersonal relationships (Adams, 1965). Redmond (2010) views Equity Theory as the one which proposes that a person’s motivation is based on what he or she considers to be fair when compared to others. Gogia (2010) argues that, when applied to the workplace, Equity Theory focuses on an employee’s work-compensation relationship or “exchange relationship” as well that employee’s attempt to minimize any sense of unfairness that might result. It is further argued that since this theory deals with social relationships and fairness/unfairness, it can therefore be regarded as “The Social Comparisons Theory” or “Inequity Theory” (Gogia, 2010). In this theory, ratios are used to compare inputs and outcomes, and if people can perceive these ratios as not equal, they will feel inequity.

In South Africa, the apartheid education system promoted gross educational disparities and inequalities between different racial groups, hence the need for redress and rectification for parity in the new education system as the cornerstone principles. Fiske and Ladd (2008) argued that many countries had challenges with educational equity. Depending on the country, the reform policies focused on how to increase access to both

primary and secondary schooling, how to reduce persistent achievement gaps between learners of different genders, ethnic backgrounds, or how to reduce educational disparities between rural and urban areas of the country. They further indicated that educational equity in the developing countries rests on three pillars: human right, economic development and poverty alleviation.

The United Nations Conventions on the Rights of the Child, (ratified by South Africa in 1995) mandates signatory countries to recognize the right of the child to education through the provision of equal opportunities. Countries are required to make primary education compulsory and available free to all (Article 28). For a long time, national governments in developed countries tried to develop strategies in closing the gap between educationally advantaged and disadvantaged learners in pursuit of equity oriented policies (Ndlovu, 2012). These policies should be those which will create equal opportunities for all learners to have education of the same quality.

Ndlovu (2012:42) argues that: “Of significant importance is the fact that efforts aimed at the creation of equal opportunities were not only based on the democratic ideals of the countries, but were also anchored in the right to education enshrined in the constitution of the land. This is indicative of the essential of educational equity and the prosperity of such nations”. Given the imbalances and inequalities of the past in South African education system, the word here, focuses on how the state tries to address these injustices and imbalances of the past to attain equity. The literature review of this study will try to explain how the democratic education system tried to address equitable distribution of education resources and what were the unintended consequences encountered during the process of policy implementation.

2.3. DEBATES ON POLICY IMPLEMENTATION

Since this study is about the success and/or failure of policy implementation, it was important to discuss policy implementation. Debates about policy implementation centred on the following:

- (i) How is policy implementation viewed by policy analysts?
- (ii) Who is responsible for policy formulation and what factors should be considered during the policy-making process?
- (iii) Who should be involved during the implementation process?
- (iv) How best can the implementation process be monitored?

Policy implementation is viewed differently. Broadly, it may be viewed as the technical, rational and administrative activity of the bureaucracy, which is politically neutral and whose actions are aimed at the achievement of policy objectives as formulated (De Clercq, 1997). Policy implementation requires tight central control over and monitoring of the implementation to ensure that the bureaucracy implements the policy as intended. De Clercq (1997) further argues that when a discrepancy develops between intended policies and implemented policies, it is blamed on the state bureaucrats for lacking institutional and resource capacity, or insufficient control systems. The bureaucrats defend themselves by pointing out that the Department of Education is overwhelmed by policy overload, unfunded mandates, lack of prioritisation plans and strategic planning as well as severe inherited backlogs, insufficient provincial resources and managerial capacity (De Clercq, 2000).

Since most of policies in education are developed by the national government and lower levels (schools) are expected to implement them in order to achieve the expected objectives, a question then arises, will the schools be able to implement these policies without challenges in order to achieve the set policy intentions. What assistance/ intervention will the national Department of Education provide schools in order to ensure that policy is implemented correctly to attain the desired objectives, and how will monitoring be done.

McLaughlin (1987) views policy implementation as being not only about transmission but being subject to negotiation and bargaining among the actors at various levels. This is viewed as a political process because each level of implementation interprets, makes

sense of and adapts policy to their context and with their interests in mind. The implementing bureaucrats (senior and middle managers) will always apply their own interpretation and understanding to the intended policies and, in the process, may use their power or discretion to subvert or transform the original aims and objectives of the policy-makers. Policies differ in their meaning, purpose, complexity, objectives, costs distribution, benefits and location of their impact. Some policy analysts recommend that effective policy-making should reckon with and anticipate the problems and agendas of those who are to implement it, in order to strategise accordingly and monitor their actions.

Policy implementation is about the characteristics of the actual policy change and intentions, factors and processes that are in play to influence change. The manner in which people at the implementation stage, struggle with new ideas, programmes, structures, activities and policies, is central to the implementation process in order to achieve policy intentions. In fact, the success of policy implementation depends on the combination of a variety of factors, e.g. in the South African education system, factors such as the formation of an organogram, starting from the national department, provincial, district, circuit, school level and staffing as well as the preparedness of the implementers at school level such as principals, teachers and SGBs, and the availability of resources, need to be considered.

Mokoena (2005) argues that if the policy-makers want the policy to achieve the intended goals and objectives, more attention is needed to provide the implementers with resources, information, knowledge, skills and rewards, so that they have the capacity and ability to interpret, make sense of and adapt their context in a manner that reflects the changes intended by policy-makers.

Further, Elmore (1980) argues that policy implementation should not be in the form of a top-down approach, because policy-makers are far from the concrete situation and the dynamics on the ground. He further indicates that the problem with the top-down

approach or forward mapping is its implicit and unquestioned assumption that policy-makers control the organisational, political, and technological factors that affect implementation. Though the authority is located at a higher office, it should allow room for the implementers, together with stakeholders, to make inputs. It should not start with the intention to control behaviour. In fact, policy-makers do not know the real situation on the ground and how best the intentions of the policies can be achieved. De Clercq (1997) further asserts that policy-makers can only generate and formulate policies of which the implementation programmes are not clearly specified, that is, left deliberately vague, broad and ambiguous.

Policy implementation should be approached through backward mapping. It should start at the lowest level of the implementation process in order to generate and formulate a policy, and establish a policy target at that level. With this approach, people firstly assess a situation in order to change. If it is found that it is necessary for change, then they think of how to bring about change. It is argued that this approach clearly challenges the idea that policy-makers have to, or do exercise the determinant influence over what happens in the implementation process. It also requires the assumption that explicit policy directives, clear statements of administrative responsibilities, and well-defined outcomes necessarily increase the likelihood that policies will be successfully implemented (Elmore, 1980). For example, in the education system, the success of systemic reform in changing practice is to make the educators and other stakeholders aware of the new policy directions, engage them in order to know their beliefs, values and attitudes towards the reforms, to understand what is needed to change them and implement the policies.

Community participation implies people-driven development as the community is consulted in planning, setting objectives, and influencing to the extent that development is owned by the community. These powers of the community are possible only if they are allowed to penetrate and influence government structures in the delivery of services as the primary role-players and stakeholders. Public participation is promoted in the Constitution of Republic of South Africa, and therefore requires public managers in all

spheres of government to take the initiative in identifying and implementing mechanisms which will accommodate public needs to participate in the process of public decision-making and other management activities. It is vital for the policy-makers to actively involve those they consider as policy-implementers in the early stages of policy-making. Such involvement will assist in creating a sense of ownership and facilitate a broader understanding of the issues involved. The implementers need to be given support so that they contribute positively towards policy implementation. It would have a positive impact as the more people feel pressurised and supported about something, the more they want to get it done. Policy implementation has to be accompanied by sufficient professional development. Furthermore, those who are directly involved in or affected by the process should receive training so that they know exactly what is expected of them. Since this study is aimed at analysing how do SGB implement No-Fee School regarding the use and management of school finances, it clearly indicates that for the SGBs to succeed in executing their responsibility on the use and management of school finances, they should be trained about what is expected of them.

Although people at the implementation stage sometimes encounter the challenge of putting policy into practice through grappling with new ideas, strategies and tactics, programmes and activities, in this study, the factors that make schools to have successes and challenges in the implementation of the No-Fee Schools policy regarding the use and management of school finances would be identified.

2.4. DEVELOPMENT OF SCHOOL GOVERNANCE AND FUNDING POLICIES FOR REDRESS, ACCESS AND EQUITY

The ending of apartheid government in South Africa in 1994 resulted in progressive and fundamental changes to the current legislation. Apartheid was used as a tool to disempower, discriminate and marginalize black South Africans. Rural areas were divided into underdeveloped Bantustans and well developed White-owned commercial farming areas. Cities and towns were divided into well structured-and- resourced

suburbs with big yards for Whites, while townships with small yards, without basic infrastructure for Blacks.

The new democratic government dismantled the previous apartheid policies in quest for redress, equity and quality. The apartheid education system had fifteen disparate education departments, which served the different populations groups and former homelands. State expenditure among these systems was disparate, discriminating and unequal, with the highest allocation spent on the former white system and the least given to the homelands states. Generally, there were different policies regulating the education system in the country. The new government had major challenges in reversing the injustices of the past, across a wide range of services (Patel, 2002). The government had to collapse and convert the separate and highly unequal raced based education systems into a single public schooling system that provided equal opportunities to all South Africans. The education reform had to not only to address the damage caused by the apartheid planners' value systems but also actively counter such effects by ensuring that the resources and investments brought about a different vision of what South African public schools could be (Giese, Zide, Koch & Hall, 2009).

In 1995, the Minister of Education established a committee which produced the report known as Hunter Report. The report recommended a national framework of schooling system, which included school governance and norms and standards which defined what it means to govern and manage schools effectively and effectively, and aimed at to improve the quality of education and achieve equitable access to education for all learners. The report further recommended that a partnership funding approach should be used so that a balance be achieved among four key principles: redressing imbalances, attaining equity, advancing quality and improving efficiency (Department of Education, 1995). The partnership will be between the state which will provide minimal level of funding, and parents to supplement the state funding. Schools would be given more powers and responsibilities in order to achieve efficiencies. The partnership approach was based on the following principles:

- The state does not have sufficient funds to fund education at the high level of some of the previous systems.
- The state would want to maintain a credible and responsible public schooling system.
- The state would want to allocate and provide resources in an equitable manner.
- The state would want to devise some means in ensuring that parents supplement the state resources if they required a higher level of resourcing.
- The state would ensure that no child is denied access to schooling on the basis of inability of parents to pay school fees.

(Patel, 2002)

During apartheid education system, black learners whose parents could not afford to pay for their education (school fees and buy textbooks and stationery) did not receive schooling and there was no legislation that obligates parents to ensure that their children attends schooling. The government was also not obligated to provide free access to education to all its citizens.

However, after the democratic dispensation, the government made strides in transforming the education system with an aim of achieving equity, redress and access. It then developed legislation in ensuring that the education system is democratized. The Constitution of Republic of South Africa, 1996 (Act 108 of 1996) under the Bill of Rights, section 29(1), guarantees that: Everyone has the right to basic education, including adult basic education; and to further education, which the state, through reasonable measures, must make progressively available and accessible (Department of Education, 1996).

2.4.1. SOUTH AFRICAN SCHOOLS ACT

In 1996, The South African Schools Act, Act 84 of 1996 (SASA) was promulgated. SASA, section 34(1) mandates the State to fund public schools from public revenue on equitable basis in ensuring that the rights of children to education and redress of past inequalities in educational provision as indicated in the Constitution of Republic of South Africa are realized. SASA gives provisions for:

- Each school would be provided with sufficient information from that state to draw up their budgets according to the prescriptions published by the MEC.
- Schools, through SGBs could charge a school fee which could be compulsory if the majority of parents agree, but also give provision for school exemptions for those parents who cannot afford to pay the charged fee.
- The funds should be managed through school fund under the directives established by Head of Department (HoD).
- The school fund should be used for educational purposes.
- The school expenditures of school fund should be audited by professional auditor in terms of the Act or with the approval of the MEC, and schools should submit audited financial reports in a format prescribed by the MEC and be presented to parents annual general meeting.

The Act, further requires the Minister of Education to make regulations about the criteria and procedures for granting total, partial or conditional exemptions, and to determine the national norms and standards for public school funding.

2.4.2. NATIONAL NORMS AND STANDARDS FOR SCHOOL FUNDING

In 1998, the national norms and standards for school funding (NNSSF) were published by National Department of Education. The government was morally obliged to dismantle the apartheid policies characterised by unequal and unfair funding based on race into democratic education system that promotes constitutional principles of equity, fair and access. The purpose of these norms were to effect redress and equity in school

funding with an aim to improve the quality of education and access to schooling within the framework of greater efficiency in organising and providing education services. The norms specified the criteria and method of distributing funds according to certain categories. The funds had to progressively target the poorest schools. The norms further distinguish between personnel and non-personnel funding (which pays for resources such as textbooks, teaching aids, and infrastructure maintenance).

The introduction of NNSSF was viewed as a progressive, strategic way of redressing the gap which was existed between rich and poor schools with the ultimate objective of attaining public quality education. This policy was to act as a national instrument to ensure that the financial resources are equitable distributed across the nine provinces. In fact, this funding policy was biased towards needy schools which are found at previously disadvantaged communities, mostly Blacks, Indians and Coloured schools.

The funding norms also recognises the provision of SASA which requires SGBs to do their utmost in improving the quality of education by raising additional resources to supplement those provided by the state (SASA, sec.36). SASA, sec. 39 mandates SGBs to charge a school fee which could be compulsory if the majority of parents agree, but also give provision for school exemptions for those parents who cannot afford to pay the charged fee.

Karlsson (1999), Kgobe (2000) and Porteus (2001) however, express their concerns in relation to the powers given to SGBs in raising additional resources to supplement those provided by state. Their concerns are generally about the previously disadvantaged communities and whether such policy insertion drives greater equity, given the disparities in the socio-economic factors, participation, resources, and ability to make informed decisions for quality education.

Pampallis (1998) further argued that there is a great difference between the capacities of SGBs in affluent suburban and those in rural areas due to the fact that SGBs in urban schools are dominated by well-off and highly qualified professionals and managers, predominantly white, but including a small and growing complement of black people who have accumulated some experience of running a school under the old model C system. Whilst SGBs in rural areas on the other hand, are dominated by illiterate parents who were never exposed to school governance and other related matters.

2.4.3. EXEMPTION OF PARENTS FROM PAYMENT OF SCHOOL FEES REGULATIONS

In order to accommodate poor learners within fee paying schools, the Department of Education issued regulations on Exemption of Parents from the Payment of School Fees Regulations. The regulations provided detail on the exemption procedures, and stipulate that:

- Parents wishing to qualify for an exemption must apply in writing, or in person if needs be. The application must provide evidence of income, assets and liabilities and other information which might be requested by SGBs.
- SGBs must take a decision within twenty-one days of the application, and gives parents the right to appeal the SGB decision if not favourable.

The Regulations were viewed as a mechanism to ensure that all children from poor families who were unable to pay school fees have access to schooling. It provides for exemption so that school fees can be formally waived for learners from poor families. The policy stipulates that each school, through its SGB, must determine fees and inform parents and caregivers about the exemption policy. The exemption of parents from paying school fees regulations of 1998 set out a mandatory minimum means test for the granting of exemption. It states that “if the combined annual gross income of the parents is less than ten times the annual school fees per learner, the parent qualifies for full exemption”. Partial exemption is also available for those whose income is more than ten

times but less than thirty times the annual fees. The eligibility for full and partial school fee exemption is thus determined on the basis of the parents' income in relation to the school fees.

The formula for calculating the exemptions was further modified. It considered the number of school-going children supported by a caregiver, and provided explicit guidelines for calculating the amount of partial exemptions. In terms of the new funding norms, certain categories of children were automatically exempt from paying fees. These included children in foster care and child-support grant beneficiaries.

However, there were many serious challenges related to the implementation of Exemption of Parents from the Payment of School Fees Regulation. They include the following:

- The Regulations require that school principals should notify all parents of their right to an exemption at the start of the school year and inform them about the application procedures. In an attempt to ensure effective notification, all schools are required to submit a form (as per regulation) to the District office, which must be completed and signed by each parents, acknowledging that they been notified of their right to an exemption. However, there was little evidence found at schools in the research conducted by Giese et al (2009). It was further found that most of the participating fee-paying schools admitted that they intentionally avoid informing parents of their exemption rights, even though they understand the legal obligation.
- The study of Giese et al (2009) also found that, schools noted that if they actively informed parents of the right to exemption, many more parents would apply for one. In this study, one principal defended his stance by saying that 70% of the school would be eligible in terms of the formula, given the relatively high amount of the school fees and the poverty of learner population. In some instances, it was clear that principals interpreted parents' behaviour as an indication of their lack of interest in their children's education. However, some

parents were reluctant to follow the exemption process due to fear or shame. The study reported that one principal of Limpopo school commented that some parents would rather remove their children from the school than apply for an exemption to which they are entitled. There were also examples cited of parents and learners who take extra jobs in a desperate attempt to ensure that they are able to pay full fees, either because they don't know they can get an exemption or because they don't want to be labelled as not paying.

- Many parents at rural communities did not know that they qualified for an exemption, or they did not have the information required to apply for exemption. This deliberate action by schools of not informing parents was exacerbated by that the majority of parents at rural communities could not get access to policy directives. The schools' interest was to ensure that many parents should pay school fees. Worse, the District offices as well did not monitor the implementation of these Regulations to ensure that schools do comply.
- In some schools found at rural areas, SGBs did not understand the formula on how to calculate the exemptions because they did not receive training from the department on how to interpret and implement the Regulations. The exemption process was left in the hands of school principals and administrators who purposefully make it difficult and intimidating for parents to apply.
- Though the Regulation provided for four types of exemptions, namely; automatic exemption, partial exemptions (from 10% to 90%), total exemptions (100%) and other exemptions as determined by the SGB, in most cases parents were not informed about these types, and where parents were aware, it was not properly implemented. The issue of automatic exemptions for certain categories of learners seems to be a commonly misunderstood, and therefore poorly implemented, section of the policy. It was apparent that some departmental officials both at Districts and Provinces were also equally ignorant of the automatic exemptions (Giese et al, 2009).
- Some schools intentionally did not want to grant parents exemptions arguing that they have budgeted the school income based on the number of learners available

at schools and should they grant exemption, the department will not refund them what they should have collected from parents as school fees.

- There were also a tendency among schools to attempt to screen applicants and accepted only those who appeared likely to pay school fees. In addition, schools sometimes charged a higher registration fee to new learners who applied for admission, thus excluding many poorer children (Pampallis, 1998).
- The exemption regulation did not consider for a parent who has multiple children at the school. Income requirements were the same irrespective of number of children the parent had at that school.
- Despite the possibility of parents being granted exemption, parents complained that school fees were too high, even though fees have been determined by parents themselves. This has been caused by that parents did not attend the annual parent meetings at which fees were set or possibly that parent minorities at a particular school did not agree with the fee levels set by the majority parents.

Since the rationale for the promulgation of Regulations Relating to the Exemptions for Payment of School Fees in Public Schools was to ensure that parents who could not afford to pay school fees, their children will have access to education being exempted from paying school fees as determined by the school. However, there were many challenges experienced (as indicated above) which led to amendment of South African Schools Act through Education Laws Amendment Act.

2.4.4. EDUCATION LAWS AMENDMENTS ACTS

In 2005, Education Laws Amendments Act (No 24 of 2005) was enacted by the Department of Education, which revises various sections of the SASA of 1996 to address the challenges that had become apparent between the year 2000 and 2003. There were major lessons learnt with respect to the pro-poor allocation. Some of education specialists viewed the pro-poor targeting strategies as being inadequate (Veriava, 2005). Some of the concerns raised included the following:

- Actual spending for non-personnel expenditure constituted only 8-10% of the provincial budgets (Roithmayr, 2002). This meant that only a small portion of basic education allocation by the State was being targeted towards redress. Roithmayr (2002) noted that due to this state of affair, all schools were forced to find ways of supplementing state funding by charging school fees. Furthermore, the balance of state spending on schools continued to be channelled towards the payment of personnel and, since previously advantaged schools, former model C schools typically have broader and more personnel-intensive curricula, personnel funding is tilted towards these schools which continue to perpetuate inequalities (Ngwenya, Gullapalli & Veriava, 2006).
- Despite the redistribution of state funding towards the poorer schools in line with the Norms and Standards for School Funding, the level of funding schools in both urban and rural areas remained low, resulting with serious challenges of schools founding themselves with insufficient funds to meet their day-to-day requirements such as basic maintenance costs, cleaning materials, and much needed additional teaching and learning materials. This state of affair prompted school management to encourage school governing bodies to and parents to provide additional funding by charging school fees, which was a burden to some parents who could not afford to pay the school fees especially at rural communities (Pampallis, 2008).
- The study conducted by Nelson Mandela Foundation found that school fees and uniforms were a major cost for the families of significant numbers of learners, by inflicting pain and humiliation on those unable to pay. The study further reported that some children explained how fees were the focal point of tensions that are brought to bear on them, they are criticised at school for not paying school fees, take the criticism home, and are then confronted by parents unable to pay who feel attached and disrespected. This made children from poor families to feel unwelcome at school or at home. Some schools used illegal and brutal means to ensure that fees were paid. Children can be sent home, kept outside of the class, not given books and stationery, be

excluded from examinations and using school facilities, have his her report card withheld and be made to repeat the class (Nelson Mandela Foundation, 2005:53).

These types of penalties on the collection of school fees were of course, illegal, inconsiderate and brutal more especially that it was enforced on people living in serious poverty. The situation was made worse by the fact that most of the parents in rural areas did not know the law, and the word of the principal and SGBs were final. However, school principals and governing bodies also were faced with serious challenge in making sure that the schools have basic resources in order to be functional. Then, given the difficulties of getting the necessary resources out of a distant provincial education department, they turn the pressure on softer targets-the parents. This has invariably hurt the most vulnerable among the parents and children (Pampallis, 2008).

- The schools which are located in the middle of the resource targeting table, the so-called ‘middle schools’ become neglected and impoverished.
- Provincial disparities in poverty levels were not taken into account.
- Another problem related to school funding policy was the ‘quintiles’ into which schools were divided. These were provincial quintiles- that is, each province created its own quintiles and divided its list of schools into quintiles. On a national scale, however, this created some strangely unfair situations. For example, a school in a wealthy province like Gauteng or Western Cape could be put into quintile 1 and benefit from resulting additional funding. While an equally poor province such as Eastern Cape or Limpopo could find itself classified in quintile 2 or even quintile 3 because of the large number of even poorer schools in those provinces; as a result it would get less funding than its counterpart in the richer province (Pampallis, 2008:15-16).

- Schools lacked effective management training and sound financial accounting systems. They required a solid understanding of how best to use the allocation in the interests of school improvement and the support of the curriculum.

Realizing the concerns and challenges indicated above, it then became clear that there was a need for policy alteration for improvements. The Department of Education (2005) introduced a series of amendments to sections of South African Schools Act of 1996 and the National Norms and Standards for School Funding. It came with complete overhaul of the Exemption of Parents from the Payment of School Fees Regulations through calling public comments. These revisions resulted in:

- A new definition of ‘No-fee threshold’ which enables the Minister of Education to declare schools that serve poor communities as No-fee schools (sec.39(7));
- A pre-specified minimum amount of funding from government to no-fee schools to compensate for income that would have been raised through fees (sec.39(8));
- A stronger onus on fee-charging schools to investigate cases requiring fee exemption before legal action can be taken against the defaulter (sec.41 (4-6));
- Protection of learners who did not pay fees from all forms from victimisation (sec.41(7));
- A prohibition of registration fees and others (sec.39(5)); and
- Provision for the no-fee schools to charge school fee if they receive less than the No-fee threshold from the provincial education department (sec.39(11)).

2.4.5. AMENDED NATIONAL NORMS AND STANDARDS FOR SCHOOL FUNDING

In 2006, the Department of Education gazetted Amendment National Norms and Standards for School Funding (ANNSSF). The ANNSSF includes provisions governing both school fee exemptions and no-fee schools. It provides for categories of exemptions, namely: automatic exemptions, partial exemptions (anything from 10% to 90%), total exemptions (100%) and other exemptions – as determined necessary by SGB. The ANNSSF aimed at addressing the challenges which were identified with the original norms and standards (1998) with regards to school financing. Importantly, it introduced national poverty ranking (whereas previously this was done provincially) to ensure that equally poor learners across the country will be subject to the same pro-poor targeting policy. Lastly, the Revised Exemption of Parents from the Payment of School Fees Regulations provides details on how to calculate exemptions and how the exemptions policy should be implemented.

However, in order to achieve the intentions of equity oriented policies, there is a need to attend fundamental issues such as capacitating those to implement these policies and provide them with sufficient resources. There should be support and monitoring at all level of the department to ensure that implementation challenges are detected at an early stage and addressed so that equity can be achieved within the education system in South Africa, which was characterised by worst inequalities and disparities. Berne and Picus (1994) viewed the following as the factors central to the success of efforts to achieve equity: comprehensive funding formula, effective organisation and the use of resources, and capacity to implement the policies.

2.4.6. NO FEE SCHOOL POLICY

No-Fee school policy was developed after the government acknowledged that state funding to poor schools was not sufficient and there was a need to urgently eliminate fees in poor schools in order to relieve the burden on poor parents and children. The government also recognised that funding to schools was unfair because the provincial

quintiles did not consider poverty levels of various provinces. This meant that schools with the same circumstances but in different provinces were funded unevenly, with schools in richer provinces getting more than those in poorer provinces. The review also noted the need to adjust the policy on fee exemptions in “non-poor” schools in order to offer greater protection to poor households (Pampallis, 2008). In addressing these challenges, two policy documents, Amended Norms and Standards for School Funding and the Regulations Relating to the Exemption of Parents for Payment of School Fees in Public Schools were published.

Amended National Norms and Standards for School Funding outlines the No-Fee school policy by providing guidelines to provincial education departments about how to direct non-personnel and non-capital expenditures to public ordinary schools and independent schools. This amendment aims to address the challenges experienced during the first implementation of the school financing policy and funding allocations in favour of poorer schools. It gives a provision to the Minister of Education to declare certain categories of schools to be “no-fee schools”, those naturally to be the poorest schools (measured by the socio-economic circumstances of the surrounding community). These schools are not allowed to charge compulsory school fees.

Since these schools were charging parents fees which was a burden to the majority of parents, and by being declared as no fee school it would mean that they have lost their revenue. The state then increased funding allocation to these schools as a means to compensate the loss of fee income. The allocation was aimed at providing minimum basic package of the school inputs in order to make access to education for all and to provide for public quality education.

2.4.6.1. QUINTILE RANKING

Following the review, the policy divided all schools in South Africa into five categories called “quintiles”, ranked from poorest to least poor. The poorest schools are in quintile

1 and the least poor in quintile 5. Poverty ranking is determined by nationally (previously it was done provincially) on the basis of national data on income levels, dependency ratios, and literacy rates in the surrounding community. The rationale behind national ranking is that since poverty is unevenly spread in the provinces, allocating quintiles nationally endeavours to ensure that “equally poor learners across the country will be subjected to the same conditions of pro-poor targeting” (Giese et al, 2009). It also means that a larger proportion of the schools in poorer provinces were placed in the lower quintiles than schools in rich provinces. Each quintile contains 20% of all learners. The policy obligates that 60% of the available resources be distributed to 40% of learners, that is quintiles 1 and 2.

The ANSSSF policy also divides schools into fee-paying and no-fee schools. Schools falling under quintiles 1 and 2 were regarded as the poorest schools and were declared as “No-Fee schools”. Then in 2009, it was announced that quintile 3 schools were also declared as “No-Fee schools” with effect from January 2010.

The No-Fee School policy, although implemented in some provinces during 2006, was implemented nationally in 2007. In 2007, all public schools that had been declared “No-Fee Schools” were not allowed to collect mandatory school fees from any learner as defined in the SASA, as amended.

In Limpopo Province, section 20 and 21 schools which were found in poverty-stricken areas, ranked as Quintile 1, 2 and 3, were declared “no-fee schools”. Section 20 schools are those schools where the primary responsibilities of the SGBs are to provide policy direction for the schools. Their funds were controlled by the provincial department on their behalf. In this case each school received a letter of allocation, informing the school of its allocation for the year. The school then purchased what it needed through departmental procurement processes. Most of these schools were found in black communities where the SGBs comprise illiterate parents.

Section 21 schools refer to those schools that are self-reliant or self-managing schools. Powers have been devolved to them by the central government and they are regarded as primary units for development. They have functions that include the management of their own finances. The department transfers all the funding allocated to each school to the school's bank account at the beginning of each financial year, on condition that the school has submitted its audited annual financial statements for the previous year. The SGBs in these schools are empowered to take control and be responsible for educational and organisational matters in their schools. In the past, most of them were former Model C schools, but currently even black schools hold section 21 status. They obtained this status after they were able to draw up a budget approved by the majority of parents; open a bank account; manage funds through a school fund according to the directives issued by the Head of Department; use funds for educational purposes as per school budget (according to priorities tabled within the School Business Plan); have the records audited by professional auditors; and be able to account for and report to parents on financial statements.

Once schools are able to meet the above requirements, they may apply for section 21 status to be allocated any of the following functions: to maintain and improve school property, buildings and grounds occupied by the school, including school hostels if applicable; to determine the extra-mural curriculum of the school and subject options in terms of the provincial curriculum policy; to purchase textbooks, educational materials or equipment for schools; to pay for services to the school e.g. water, electricity and telephone; to provide adult basic education and training classes or centres, subject to any applicable law; and other functions consistent with the Public Finance Management Act, or any applicable provincial law.

The discontinuation of compulsory school fees meant that these schools would not have any petty cash to meet their daily running costs. The schools were directed to indicate the amount they would have collected as school fees had the Department not introduced

the policy and to draw a school business plan indicating how they would spend their allocation. The department would then use this data to arrive at an amount to deposit into each school's bank account in order to meet the running costs.

Section 21 schools received their allocation during the first semester, while section 20 schools only received an allocation letter informing them about their allocation. As a result of the unavailability of funds in section 20 schools, there was an outcry. Some schools were collapsing. These schools could not manage to run their daily activities because they had no money as a result of the pronouncement that parents should not pay school fees. The Minister of Education seemed to have been too hasty in announcing "no-fee schools" before making funds available to schools. Teacher unions and other educationists said that some schools had not received their allocations from the Provincial departments, or had received less than their lost fee revenue (Macfarlane, 2007). However, the Director-General of the Department of Education, Duncan Hindle, said that he did not believe any "no-fee school" should be receiving less than when it collected fees. This was on the basis that the 2003 review had found that about 70% of schools were charging fees less than R100, well below the minimum per learner allocation of about R550. He said that he would be glad to be told of any school which was in a worse situation. "If so, it should probably not have been declared a "no-fee school", he said.

Regarding the late payment to schools by provinces, he said that it was a transitional problem "during this first year of implementation. Previously, schools used fees as a cushion, pending their departmental allocations, but this year they have been caught short". He further said that Provinces had made "contingency arrangements to ensure all schools had ready cash available".

These problems were experienced by many schools around the country. Some schools were forced to cut back severely on essential services because they no longer charged school fees and had less revenue than when they did, while some survived on money that

they had collected from 2005. Some schools experienced problems regarding the payment of SGB personnel, e.g. security and cleaners, auditing costs, transporting of staff to essential meetings and learners to attend sport and cultural activities, while in other cases schools had their bank accounts closed due to insufficient funds. These problems frustrated principals. They did not know who to approach about their difficulties because even circuit managers could not budge on the matter, and were seen at schools less often.

The national Department of Education was responsible to determine per learner allocation for each quintile which should be published annually in the government gazette. In fact, the national Department of Education sets the amount that provinces should allocate per learner to schools in each quintile. The average adequacy benchmark was set at R581 per learner in 2008, R605 for 2009 and R641 for 2010. Schools which receive less than the adequacy benchmark from the norms and standards allocation were entitled to charge school fees, even if they fall within quintiles 1 and 2.

During the rollout of the No-Fee school policy, there were some challenges related to quintile ranking. Giese et al (2009) conducted a study and found complaints from principals of quintile 3 to 5 schools which tended to centre around five core issues:

- Concerns about the accuracy of ranking: Although spatial targeting is an effective way of reaching large numbers of people without the time and expense of screening individuals, it is not always precise. Hence the value of national data sources in defining local poverty was questioned. The national data source used to determine the poverty score for schools is not able to analyse spatial areas smaller than wards. As such it is not sensitive enough to recognise neighbourhoods of poverty within a larger community. Some of the schools from poor socio economic backgrounds were unfairly ranked by virtue of being closer to the proximity to better off sub-urban area. This resulted in poorer schools being placed on quintile 4 or 5 due to the standard and wealth of the neighbouring community.

“This school is situated within the proximity of affluent suburbs and in reality it serves the poor community with high rate of illiteracy. This has become cumbersome and awkward for the school to compete equally with the other nearby schools in the same vicinity”. Said Western Cape school principal.

- Different rankings of schools serving the same community: The study came across four instances where schools serving the same community were ranked differently. In two instances, a primary school was ranked as a fee paying and the high school as no-fee. In another case, the secondary school was fee paying and the feeder primary school was no-fee. Lastly in the fourth instance, two secondary schools on opposite sides of the road were ranked differently. This situation created serious confusion amongst principals and worse, to parents because some parents had one child attending school at no-fee school while the other child at fee paying school which are found in the same community separated by fence.
- The fact that ranking system only considers the physical the physical location of the school and does not take into account learner demographics: Due to some reasons, which include freedom of choice, quality of education and logistical necessity, some learners from poor families decided to attend school in wards not rated amongst the poorest and at fee paying school. Given the poverty levels of their parents, these learners qualify for full exemptions at these schools. The spatial targeting approach does not allow the learner subsidy to “follow the child”. As a result of this, the schools that accept these children will suffer financially and are not compensated for their loss. Worst to the situation, is that such schools can’t deny these poor children admission.
- Quintile rankings mask disparities between schools: The quintile ranking system also lumps together schools with vastly different access to resources within the same quintile ranking. One school in quintile 5 charged R750 of school fees per learner, but less than 20% of learners pay full fees. In contrast, another school of quintile 5 charged R7080 school fees per learner, with overwhelming 90% fee payment compliance. These two schools have vastly different access to resources

and are therefore able to offer incomparable levels of education, yet they are both ranked as quintile 5 and receive the allocation indicated for quintile 5 schools.

- Poor communication about ranking: Schools generally complained about the lack of consultation around the implementation of amended national norms and standards for school funding. The study also found that principals further raised concerns that politicians and other departmental officials sent mixed messages about the policy leaving parents confused and some became reluctant to pay school fees. Also, with the schools which were not correctly ranked in the same community, the tension rose high because some schools were charging fees while others not. This state of affair fuelled resentment amongst both parents and school management.

Despite all these complaints encountered in relation to ranking quintiles, some schools tried to write reports to the provincial departments to reconsider their quintile ranking, and to effect change. Only few schools succeeded. The situation was worsened by the fact that the departmental officials did not inform schools in time that if they are not happy with their quintile ranking, they may apply to the Head of Department of Provincial Education Department (PED) so that deviation could be effected for that school though ANSSSF makes a provision for that, where provincial departments should establish transparent and fair procedures to deal with such queries. These procedures should not exceed six months in duration.

Generally, quintile ranking is very much important in that it determines the status of the school as fee paying or no fee paying and the amount of learner allocation which the school will receive from norms and standards budget, serving as a means of addressing the imbalances of the past created by apartheid government in order to achieve redress, access and equity within the democratic education system in South Africa.

2.4.6.2. LEARNER ALLOCATIONS

The objective of attaining racial redress, access and equity has been at the core of attempts to change the state expenditure patterns on education. In order to have an equitable distribution of resources while operating with scarce and limited financial resources, it required each provincial education department to direct 60% of their non-personnel and non-capital recurrent expenditure towards the most deprived 40% of schools in their provinces (Ndlovu, 2012).

South Africa Schools Act state that: In principle, it would be desirable for all recurrent funding of ordinary public schools, including personnel allocations, to be driven by a simple per learner formula that favours the poor. This would be consistent with equity, efficiency, and the vision of schooling implicit in the SASA and Education White Papers 1 and 2. However, another approach is necessary because social conditions and school conditions are massively unequal, provincial administrations and school governing bodies have widely varying capacities, and provincial governments have different fiscal competencies (SASA, sec.98).

Learner allocations, referred to as norms and standards allocation to schools is the sum of money allocated by the state to each public school in the country on an annual basis in order to finance non-personnel and non-capital expenditures items which include: teaching and learning support materials (LTSM- such as textbooks, stationery); school equipment (such as furniture, desks, chairs); services relating to repairs and maintenance; and services relating to running costs of the school such as water and electricity.

In order to calculate each schools allocation for the following year, the Provincial Education Department must multiply the amount allocated for each learner for the quintile of that school by the total enrolment of learners at that school in the very same year. For example, a quintile 1 school with enrolment of 200 learners in 2009, would have a target of school allocation of 200 multiplied by R807 equals to R161 400, in 2010 academic year.

There are three important concepts that should be understood in relation to the calculations of learners' allocations for each school:

- (i) The national targets table - establishes the per learner allocations for each of the five quintiles for a given year,
- (ii) The national distribution table – which takes into account the fact that poverty is unevenly spread across South Africa and establishes the proportion of schools in each province that fall within each of the five quintiles.
- (iii) Provincial resource targeting lists – ranks each school into a quintile according to their poverty rating.

2.4.6.2.1. The National Target Table

This table establishes the national targets for learner allocations for the year. The Provincial Education Departments are required to provide each school with the learner allocation (per current school learner enrolment) that corresponds to that schools quintile ranking. The target table is released annually in the government gazette. The table below is the target table (2008 – 2010) from GN No. 883 26 September 2007.

Table 1: National table of targets for school allocations (2008-2010)

A		2008		2009		2010	
		B	C	B	C	B	C
NQ1	30.0	R775	100%	R807	100%	R855	100%
NQ2	27.5	R711	100%	R740	100%	R784	100%
NQ3	22.5	R581	100%	R605	100%	R641	100%
NQ4	15.0	R388	67%	R404	67%	R428	67%

NQ5	5.0	R129	22%	R134	22%	R147	22%
Overall:	100	R517	89%	R538	89%	R571	89%
No fee threshold		R581		R605		R641	

Source: (2010 figures inflation adjusted- Treasury: National Budget Review CPIX inflation)

Column A provides the percentages that underlie the pro-poor funding approach. For example, the first quintile (20%) of learners nationally should receive 30% of funding, which is six times more than the 5% of funding which should be channelled towards schools ranked quintile 5.

Column B indicates the target per learner school allocation amount in rands for each of the years 2008, 2009 and 2010. It further specifies what the average per learner target value would be for the country as a whole. The ‘No-fee’ threshold amount appearing in column B indicates the per learner amount that government considers minimally sufficient for each year. For 2008, the ‘No-fee’ threshold was set at R581, and for the following two years inflationary increments have been calculated to give figures of R605 and R641.

Column C specifies the maximum percentage of learners in each national quintile that could be funded to the No-fee threshold level by the norms and standards allocation. Then, the targeting table determines the learner allocation in each quintile for a particular year. This gives an expression in the provinces through the national poverty distribution table.

2.4.6.2.2. National Poverty Distribution Table

The national poverty distribution table considers province-specific poverty data so as to determine the proportion of learners within each province that will be accommodated within each of the five quintiles. The poverty distribution table is published in the Government Gazette. The poverty table below was taken from Government Gazette No. 883 26 Sept 2007.

Table 2: National poverty distribution table

NATIONAL POVERTY DISTRIBUTION TABLE						
NATIONAL QUINTILES	1(poorest)	2	3	4	5(least poor)	Total
PROVINCE						
Eastern Cape	34.8%	21.6%	21.0%	11.6%	10.9%	100%
Free State	30.8%	14.9%	20.1%	18.8%	15.4%	100%
Gauteng	10.5%	11.4%	27.4%	27.2%	23.6%	100%
KwaZulu Natal	24.2%	18.8%	25.6%	17.3%	14.1%	100%
Limpopo	34.0%	22.3%	24.9%	11.6%	7.2%	100%
Mpumalanga	16.7%	20.2%	29.8%	19.9%	13.5%	100%
Northern Cape	26.3%	17.7%	21.6%	14.8%	19.6%	100%
North West	22.7%	15.2%	30.5%	20.5%	11.0%	100%
Western Cape	6.5%	8.0%	23.1%	27.7%	34.6%	100%
South Africa	20.0%	20.0%	20.0%	20.0%	20.0%	100%

Source: South Africa, 2007

The table above indicates what proportion of learners in each province should be accommodated in each quintile, with the poorest provinces having allocated greatest number in quintiles 1 and 2. This implies that, the table specifies to provinces the number of schools that should be placed within each of the quintiles and the proportion of schools that receive a per learner allocation above the minimum threshold.

The gazette lists the names of schools and their allocated quintiles in each province. For example, the above table indicates that 34% of learners in the Limpopo province should be accommodated in quintile 1 schools in that province, as opposed to 10.5% of learners in the Gauteng province (which is considered as a better off province). Similarly, over 56.3% of learners in the Limpopo province fall within quintile 1 and 2 schools, whereas only 21.9% of learners in the Gauteng province do. Therefore, national quintiles endeavour to recognize and accommodate the uneven distribution of poverty across the provinces in South Africa.

CREATE (2009) put an argument that:

The original fee exemption policy, which applied to both richer and poorer schools, was viewed as a way of ensuring that no learner was denied access, by allowing their parents to apply for full or partial exemption at any school. With poor schools now being declared no fee schools, exemptions only apply to fee-charging schools. There are two major classes. Orphans and abandoned children receive an automatic exemption, and parents of learners receiving a poverty-linked state social grant also qualify for a full exemption. In the second class of exemption, parents may be granted a full or partial exemption based on their income in relation to school fees, determined by a set formula which schools apply upon receiving a written application from a parent. In theory, exemptions permit even the poor to attend fee charging schools. Exemptions have also highlighted the issue of state subsidisation of poor learners in non-poor schools and how this responsibility is being devolved to parents in these schools.

The poverty table is based on household income data provided by National Treasury. The national distribution table is reviewed on annual basis by Minister of Education, in consultation with Minister of Finance, when necessary, publishes the updated versions of this table in the Government Gazette.

2.4.6.2.3. Provincial Resource Targeting List

In order to categorize schools into quintiles, each Provincial Education Department must maintain a 'resource-targeting list' which forms the basis for the pro-poor distribution of the school budget allocation. The resource target list is a list of all the public ordinary schools in the province, arranged from the poorest to least poor. To do this, the Provincial Education Departments must allocate to each school a 'poverty score'. This makes it possible for the ranking of schools according to poverty level. Immediately schools are ranked in order of poverty level, they can be ranked into quintiles.

From the discussions above, it is evident that poorer provinces have a larger share of poor learners in the quintiles 1 and 2. Since quintiles 1 and 2 receive a greater per allocation than the schools ranked in quintiles 3 to 5, this informs us that poorer provinces require a larger budget to implement ANSSSF. As much as various tables are determined nationally, funding for implementation of ANSSSF is dependent on provinces, of which such reliance is problematic (Giese et al, 2009).

2.4.6.3. Transfer of Learner Allocations

The actual transfer of ANSSSF funds to schools are managed by Provincial Education Departments. The Limpopo Department of Education issued a directive to all section 20 schools to submit their banking details so that it could deposit 10% of their allocation into their bank accounts, which schools should use as petty cash. The process took a long time, however. They received 10% in the middle of November 2006. Most schools used this money to pay debts incurred throughout the year, hoping that they would soon receive their allocations.

As usual, section 20 schools submitted quotations to district offices as per their school business plan so that the Department's procurement section at the district office could start processing them, but that did not materialise as district officials were not having capacity, skills and knowledge to execute this responsibility on behalf of the schools, though some cases, they were able to procure goods on behalf of schools. Given the

challenges experienced in the implementation, schools were told that they would be given the remaining 90%. They received this in March 2007 because the 2006/7 financial year was about to come to an end, and the unspent budget would be taken back by the National Treasury. The schools were then accorded temporary section 21 status.

Realising that these schools had never had such huge amounts in their accounts, the Limpopo Department of Education developed a guiding document called “Prescripts for management of school funds at public schools” (PMSF). The document intended to guide SGBs on how they should use the allocated funds. Section 4.4.2 of the PMSF indicates that: It will be a standard requirement for all No-Fee Schools to have the minimum facilities stated below:

- (i) Schools have to prioritise allocations to pay for the running of the school i.e. all operational expenses e.g. leasing of copiers, water and electricity and telephone.
- (ii) Proper security fencing.
- (iii) Provision of clean water or borehole.
- (iv) Repair of all broken windows and doors, electrical and gas fittings, filling cracks, painting and other repairs.
- (v) Annual servicing of fire equipment.
- (vi) Eradication of termites and other pests every 3 years.
- (vii) Quarterly cleaning, weeding and maintenance of gutters, channels and storm-water drains to prevent flood damage to foundations and other facilities.
- (viii) Annual repairs and maintenance of roofs to prepare for the rainy season, treating roof trusses, and replacement of gutters.
- (ix) Annual maintenance of ablution blocks including the speeding up of digestion in toilets and emptying toilets.
- (x) Annual painting and treatment of outdoor equipment to prevent rust damage to metal.
- (xi) Supplementary LTSM to address curriculum needs, e.g. teaching aids, educational toys, charts, and science kits.

- (xii) Schools could be allowed to erect ablution facilities, but had to ensure that compliance certificates from the Department of Health were presented to the Department. The Department was to assist schools with the specifications of such structures. The norm was one toilet seat per class.
- (xiii) Schools be permitted to use funds for local sporting activities and equipment, but should not exceed 10% of the total allocation.
- (xiv) As contemplated in paragraph 99 of the amended Norms and Standards, the schools' allocation could not be used to cover the cost of personnel and new buildings, new classrooms or administration blocks.
- (xv) Extra-mural curriculum and choice of subject options in terms of Provincial Curriculum policy.
- (xvi) Travel claims should be minimised and rates claimed should not exceed the applicable Government rates.

It is further stated that schools have to finance these requirements from the allocation received, and priorities should be determined on an annual basis.

In the financial years 2007/8 and 2008/9, the Limpopo Department of Education used a simpler system of transferring funds. All schools were then accorded permanent section 21 status. Schools will receive notification letters in September informing them about the allocation for the coming year. The letter has allocations divided into two categories, namely:

- Learner and teacher support material (LTSM) – this is managed centrally by provincial office. Schools are informed about their LTSM allocation and are required to complete requisition form for LTSM provided by the department. Individual schools do not have autonomy and discretion over to use these funds.
- The letter will also indicate the amount for “other running costs”, which is the one which is transferred into schools account. This allocation may be used for improvements, repairs and maintenance of immovable property, payment of services, purchase of educational materials and equipment for the school.

Initially, the allocation was transferred by district offices into the school account through a single tranche around May and July. The time of the transfer inconvenienced schools because the academic year had already begun in January and schools will receive their allocation between May and July which was also seen as a challenge. Another strategy was developed by National Department of Education that transfers should be made in two tranches with the first on the 15th of May and the other one on the 15th of November. But district offices still could not adhere to the regulations. The delay continued. The situation was exacerbated by some schools who failed to comply in submitting audited financial statements for the previous year and assurance certificates that funds were used in a transparent, efficient and effective manner.

The delay of transfer of funds impacted negatively on the implementation of ANNSSF because some schools could not implement their budget as per timeline management strategy. Some ran out of stationery and had to borrow from other schools, while others (school principals and SGBs) did not follow the procurement procedures as outlined in the prescripts as they could not let schools collapsing. This situation resulted in weakening departmental officials' efforts to make schools to account on their use and management of school funds.

2.4.6.4. Monitoring Implementation Process

The national and provincial Departments of Education have the responsibility to monitor the implementation process of No-Fee school policy. This will ensure that the intentions of No-Fee school policy of attaining access, redress and equity are achieved. The departments have an obligation to provide schools with No- Fee school policy document, conduct a workshop for capacity building to district officials and schools, and monitor the implementation process in order to evaluate and support the performance of schools on No-Fee policy implementation.

However, Giese et al (2009) found that there were serious challenges in relation to the implementation process. It was found that principals, parents and departmental officials who were involved in the study had limited knowledge on No-Fee policy and other related policies and their processes. They were made aware of these policies, but lacked the actual content of the policy documents. The challenges found include:

- Confusion around terminology: Could not differentiate no-fee and fee paying, section 20 and 21 interchangeable.
- Accessibility of policy documents: There was poor distribution of policy documents, though the ANNSSF states that every school in the country must have a set of policy documentation manuals and tools relating to the school allocations.
- Confusing public messages: The politicians did not provide the public with accurate information in relation to the classification of schools. It was only stressed no-fee school policy, while some schools were fee paying schools.
- Poorly planned and capacity building workshops: The workshop were poorly planned with less content on the policy, though ANNSSF obligates the National and Provincial Departments of Education to design and roll out training programmes in order to support policy implementation. The workshops that were conducted were also found to be of poor quality. The attendants could not understand the content of the policy document and how to implement policy directives. Training sessions were described as being largely just one way information giving, informing schools about the policies without adequate interactions to ensure policy understanding. Workshops were also arranged at venues which were far away from schools and were inaccessible in the absence of public transport.

All these challenges impacted negatively towards the implementation of No-Fee school policy and other related policies. Hence, Mathonsi (2001) argued that if the SGBs are well informed and capacitated in terms of understanding their roles and responsibilities,

they will be able to govern schools well and improve the quality of education in South Africa. For the government to close the gap that exists between policy and implementation, the SGBs should not be given the policy document only, but intensive, constructive workshops should be conducted with the idea of building their capacity. But the policy gap will remain for a long time since equity and democracy are far from being achieved in the school system.

2.5. IMPACT OF ANSSSF AND EQUITY

Considering the enormous inequalities in the state funding under the apartheid regime, to achieve equity was going to be a major challenge. The democratic government made great strides and changes towards racial equity in terms of state per capita per learner, but what is important is the extent to which redress or differential spending has been achieved. This section presents the impact of the funding policies in particular ANSSSF, which were aimed at achieving redress, access and equity in the provision of quality public education.

- Most important issue is that, beside the significant gains made in terms of equalisation of education expenditure in schools, public schooling in South Africa still continue to consist of two tiers, one privileged and well resourced, and the other one being poor and disadvantaged especially those at rural villages and townships. This also reflects broader social divides based on race and class. It is often viewed as an unintended consequences of the fees policy, and thus state expenditure continues, for a variety of reasons (not least the continued dominance of personnel expenditure), to marginally favour the rich (CREATE, 2009).
- The changes in the funding policy and the creation of national quintile system have been welcomed. This system provides greater school allocations for poorer learners whose schools and ranked on quintiles 1, 2 and 3 seems to be strengthening the pro-poor aspects of education policy. The differential allocation based on school ranking as a significant shift from previous apartheid

and racial funding policies, focusing on equalising per capita expenditure to achieve redress, access and equity. However, the legacy of apartheid government and poverty persists in terms of very varied learning contexts in the schooling system.

- The introduction of No-Fee School policy and the pro-poor funding policies continue to exist in tension with each other and they bring a question on whether the current learner allocations are sufficient for education provisioning. Since the redress-driven school funding policy which relates to the school funding norms constitutes only 20% of overall education (non-personnel) expenditure, is the allocation sufficient, if education expenditure also considers other indirect costs of schooling such as transport and uniforms for poor learners.
- The continuation of public schools charging high school fees highlights the resource divide within the public schooling system. This practice will result in public school which generates high levels of private income to continue to have more and better resource and be able to fund programs such as lowering pupil teacher ratio, attracting better qualified teachers and continue to accumulate better teaching and learning resources as opposed to their counterparts.
- There are also some challenges relating to the implementation of No-Fee School policy, that Provincial Education Departments are duty bound to implement and monitor the roll out of ANSSSF. Some of the challenges encountered were late transfer of funds to schools' bank accounts, incorrectly ranked of schools, confusing messages pronounced by media and politicians about fee- paying and non-fee paying schools and capacity of provincial and district officials to assist schools with knowledge and skills to carry out their functions (Giese et al, 2009).

The ANSSSF has undoubtedly resulted in increased revenue for most no-fee schools, while simultaneously relieving the burden of school fees for poor parents. This positive impact of the ANSSSF needs to be recognised. However, it was evident from the research that increased funding did not imply sufficient funding. Many schools continue to operate on a budget that does not allow for the delivery of quality education or the

provision of school infrastructure that is conducive to learning. So, while the elimination of fees and the concomitant increase in state allocations represent positive developments in education reform, there remains a need to review the adequacy threshold to ensure that policy achieves the objective of equitable access to quality education (Giese et al, 2009).

Giese et al (2009) also mentioned some gains made by ANSSSF which include:

- Removing the burden from parents in no-fee schools: Parents are happy because they are no longer paying school fees and their social grants will be spent on other family expenses. The struggle between the parents and principals is over, no more humiliation.
- Parental engagement with no-fee schools: There is an improved relationship between school management teams and parents in no-fee schools. Parents are now engaged on school affairs and do no longer felt pressurized or discriminated against for non- payment of school fees.
- Learner enrolment and retention: Their study also compared learner enrolment and retention between no-fee schools and fee-charging schools and found that both no fee school and fee-paying schools increased their enrolment, with slight movement from no-fee schools to fee-paying schools. There was no conclusion drawn about why enrolments patterns were affected in this way, which they suggested for another study.
- School attendance and learner discrimination: It was reported that poor record keeping on the part of schools made it difficult to determine changes in attendance figures with any degree of accuracy. However, SGBs and principals reported a reduction in victimization and discrimination of poor learners due to the introduction of no-fee school policy. Though in fee-paying schools the practice still is rife. Attendance in no-fee schools was also attributed by feeding

programme. This programme dramatically improved school attendance on the days of school feeding scheme.

In fact, while equity and redress have been central claims in the development of funding policies in South Africa, the tension manifests in relation to mandatory school fees. The idea that the current funding policies indicate that it will benefit the previously disadvantaged schools cannot close the gap between the schools from different socio-economic backgrounds. The schools in the advantaged communities will still accumulate resources in comparison with their counterparts in poor disadvantaged communities. It will therefore continue to perpetuate the existing inequalities rather than eradicate them.

Though it has been argued that the payment of school fees by some communities will free the resources for poor schools but others argue that, with the existing disparities, it will tend to perpetuate and reproduce historic inequalities in education (Kgobe, 2000 and Porteus, 2001).

However, one views this concern in a more critical way when looking into funding policies, that funds have been distributed according to certain categories of schools, and consistently target the poor according to a resource targeting table. In fact, poor schools that are persistently disadvantaged will take far longer to overcome the barrier of historic inequalities, thus prolonging the cycle of poor quality education.

2.6. SCHOOL FINANCIAL MANAGEMENT SYSTEMS

This section deals with school financial systems. It provides reasons for budgeting, approaches to budgeting, and budget spending. It also presents the South African Schools Act, linked with other related legislation in respect of the management and accountability of school finances. It further outlines the control and accountability systems of the budget and expenditure.

2.6.1. FINANCIAL MANAGEMENT

Management comprises various principles and functions, of which financial management is one. Management can be defined as the process of planning, organising, leading, and controlling the resources of the organisation to achieve predetermined and stated organisational goals as productively as possible (Smit, Cronje, Brevis, & Vrba., 2007: 9).

These principles and functions form the foundation of organisational performance in achieving its goals and objectives. Each organisation should have a budget, which is regarded as an operational plan, showing how it will use its financial resources to render services to the people. Each organisation must exercise sound financial management in order to ensure the efficient, economic and effective use of its resources. This will ensure that resources are deployed to key priorities, cost-effectively and as accurately as possible, thereby preventing wastage. However, for any organisation to utilise its finances, it should budget.

2.6.2. SCHOOL BUDGET

The SASA (Act 84 of 1996) Section 38(1) and (2) requires SGBs to prepare a budget every year. The budget must be prepared during the third term of each year, and then be presented to parents at a general meeting early in the fourth term (which shall have been called 30 days before) for consideration and approval by a majority of parents present and with voting powers. This budget should be accompanied by a list of learners exempted from paying school fees. The reasons why the SGB has to draw up a budget are to:

- (i) plan the income and expenditure for the next year;
- (ii) supplement the resources provided by the state;
- (iii) determine priorities when allocating money to different activities according to the school business plan and its main aim, i.e. to provide good learning and teaching.

After the budget has been approved by the majority of parents, it remains a legitimate document that serves to control spending throughout the year. The budget must be a simple and realistic document so that even parents who are not trained in financial matters are able to understand it. The SGB must then submit it to the Head of Department by 31 January of each year. The proceedings of the meeting and number of votes obtained on each motion, must be recorded in the minutes. An attendance register signed by each parent who attended the meeting must also be attached to the minutes.

Schools should have proper, sound and effective financial management practices tabled thus:

- (i) Draw up a budget to be approved by a majority of parents.
- (ii) Open a school bank account.
- (iii) Manage funds through a school fund policy following the directives and the guidelines for the use of school funds in all public schools, established by the head of department (HoD).
- (iv) Use funds for educational purposes as per school budget (tabled on SBP) and they must be audited by professional auditors.
- (v) Account and report financial statements to parents.

The SASA (Act 84 of 1996) section 30.1(a) and (b) stipulates that the SGB should establish committees on finance, management, fundraising, etc. The finance committee is one of the most important committees which assist the SGB and the principal. It must be established with the following members: Principal, SGB chairperson, treasurer (who must chair the committee and must be a member of the SGB), finance officer (to be appointed in writing), and other SGB members and post-level one educators. The number should not exceed nine, while parents must be in the majority. Decisions taken by the finance committee and other committees can be overruled by the SGB.

According to Sacred Heart College Training Manual (1999), the functions of the finance committee will include:

- (i) keeping overall control of school money;
- (ii) drawing up the budget each year;
- (iii) monitoring and approving all expenditure;
- (iv) advising on ways of fundraising;
- (v) assisting in drawing up annual financial statements;
- (vi) advising on ways to invest surplus money;
- (vii) checking financial records internally;
- (viii) suggesting who can be appointed as the auditor;
- (ix) ensuring that all procurement (purchasing of goods and services) is done through correct quotations and tendering procedures.

Each school should develop its school financial policy as per the Public Financial Management Act (Act 1 of 1999) (PFMA), national treasury regulations and directives issued by the HoD. The policy should describe clearly what the procedures and rules are for handling school money. The policy should provide a clear understanding of the responsibilities of SGB members within the finance committee, and other persons to whom special tasks have been delegated.

Prescripts for the management of school funds at public schools (PMSF) (as amended), section 6.5 gives the following directives for withdrawals from school funds:

- (i) Provision must be made for cheques to be counter-signed by two persons.
- (ii) A school bank account must never be overdrawn.
- (iii) The following shall be appointed as signatories: The SGB treasurer, SGB Vice chairperson, and a third member. Under no circumstances shall the School Principal, the SGB chairperson or the finance officer be appointed as signatories.
- (iv) No payment shall be made without authorisation. The School Principal or his/her delegate and the SGB Chairperson shall authorise such payments.
- (v) Under no circumstances should blank or “cash” cheques be issued. No blank cheques are allowed to be signed and kept for future use. The principal will be held accountable for any contravention in this regard.

- (vi) Under no circumstances should private cheques be cashed from school funds even if such cheques were issued by the school. All cheques must be crossed and marked “not transferable” and be issued to the payee only.
- (vii) Under no circumstances should advance payments be made from school funds.
- (viii) No loans shall be granted to any person from school funds.
- (ix) Expenditure may only be made from the school fund if provided for in the approved annual budget.
- (x) Expenditure unforeseen in the annual budget should first go through the School Governing Body and be ratified by the parents’ general meeting.
- (xi) No person(s) should condone or connive at any activity, which has the effect of compromising the school financially.
- (xii) All cheques withdrawn should be substantiated by an approved payment voucher with adequate documentation (cheque requisition, original invoice, adjudicated procurement documents and delivery notes).
- (xiii) Principals are not allowed to defray expenditure through internet banking.

Section 6.6 of the PMSF provides for procurement processes which must be followed by schools when procuring goods:

- (i) All procurement should be done on a three-quotation basis.
- (ii) Where possible the lowest quote is to be accepted.
- (iii) The Finance Committee should serve as a bid adjudication committee and recommend the appointment of service providers. Factors of price, quality and guarantee to be considered during the adjudication process.
- (iv) This recommendation should be presented to the SGB for approval and acceptance.
- (v) The Circuit must be consulted in the adjudication of amounts exceeding R30 000 for ensuring compliance with the applicable prescripts.
- (vi) Under no circumstances may quotes be subdivided to fall within the above threshold.
- (vii) No payment can be done in advance or before a complete service is rendered or goods supplied.

- (viii) Service providers should be paid within 30 days of receipt of invoice.
- (ix) Schools are encouraged to use the Departmental database and to develop their own database of suppliers on a rotational basis.
- (x) Proper secretariat should be provided and minutes be made available.

The PMSF, section 6.7, provides the way in which school funds must be controlled and monitored. It says that the SGB must:

- (i) at each school meeting, check all expenditure incurred since its previous meeting;
- (ii) inspect supporting vouchers to ensure that they are in line with all prescripts or Departmental directives;
- (iii) satisfy itself that expenditure is in accordance with the approved budget and PFMA regulations.
- (iv) Monthly expenditure and a Financial Report for the period against budget (variance report) should be reported to the Finance Committee and SGB on a monthly basis.
- (v) Quarterly reports are to be submitted to the Circuit before the 7th of the following month.

Section 6.8 of the PMSF explains clearly how the financial records should be maintained. It states that the Finance Officer should:

- (i) Maintain proper documentation reflecting the following: the name of the person to whom payment is to be made, the amount to be paid, and the nature of the goods supplied or services rendered.
- (ii) Keep vouchers in a safe for audit purposes. The sharing of safes or strong rooms is not permitted, but if circumstances necessitate such sharing, arrangements should be made with the SGB in writing to ensure that responsibility is given to the Finance Officer.
- (iii) Present all payments and supporting vouchers at the next Finance Committee meeting, i.e. before the SGB meeting.

- (iv) Prepare a Cash-flow statement on a monthly basis.
- (v) Present a Financial Report at the next SGB meeting for ratification.
- (vi) Provide monthly bank reconciliations.
- (vii) Develop a filing and record-keeping system.
- (viii) Provide secretariat for Finance Committee.

2.6.2.1. Reasons for Budgeting

A budget is a plan that deals with the future allocation and utilisation of resources in respect of various organisational activities and plans for a certain period. It can be seen as a tool that managers of organisations use to translate organisational plans and activities into quantitative terms.

Although budgeting is a vital part of planning, it also serves as a control mechanism for evaluating organisational goals and plans. Smit *et al.* (2007:129) name two ways in which the budget exercises control.

- (i) It sets limits on the amount of resources that can be used by a department or unit.
- (ii) It establishes standards of performance against which future events will be compared.

Smit *et al.* (2007:129) characterise budgets as follows:

- (i) They are frequently stated in monetary terms.
- (ii) They cover a specific period (usually one year).
- (iii) They contain an element of management commitment.
- (iv) They are reviewed and approved by an authority higher than the one that prepared them.
- (v) Once approved, they can be changed only under previously specified conditions.
- (vi) They are periodically compared with actual performance, and variances are analysed and explained.

Broadbent and Cullen (2003) argue that budgets are produced in all organisations irrespective of their size (small/large) and status (private/public sector). It is said that budgets are important and are produced for the following reasons:

- (i) To compel. By having a formal budgeting procedure, managers are forced to consider organisational objectives and ways in which those organisational objectives can be achieved. Budgets are in reality the “action plan” for the long-range plans produced by organisations.
- (ii) To coordinate the activities of various parts of the organisation and to ensure that the parts are working together. The budget process forces managers to think of the relationship of their function or department with others in the organisation.
- (iii) To communicate plans to the various responsibility managers. The budget-setting process is an important avenue of communication between the different levels of management within an organisation.
- (iv) To motivate managers to work towards the organisational objectives. Once the budget is approved, the various responsibility managers know what is expected of them.
- (v) To control activities. The budget provides a yardstick against which the performance of the organisation can be measured. Through the comparison of actual income/expenditure versus budget, variances can be identified and corrective action taken where necessary.
- (vi) To evaluate the performance of managers (Broadbent & Cullen, 2003:116).

Smit *et al.* (2007:129) assert that: “Generally, budgets help managers to coordinate resources and projects and help to define the standards needed in all control systems. They provide clear guidelines on an organisation’s resources and on their utilisation. Budgets also facilitate performance evaluations of managers and units”.

2.6.2.2. Approaches to Budgeting

There are three approaches to budgeting which schools should follow, i.e. incremental, zero-based budgeting and activity-based (priority-based) budgeting. An explanation of each budget approach follows below:

2.6.2.2.1. Incremental Budgeting

Incremental means “growing”. If the school’s new budget is to be “incremental”, the school should build next year’s budget on this year’s expenditure and income. This approach is sometimes called “historical” budgeting. It allows room for any expected changes in the following year. There may be predictable changes, for example, changes in inflation, and increased enrolment of learners at the school.

2.6.2.2.2. Zero-Based Budgeting

Smit *et al.* (2007) assert that: “Zero-Based Budgeting is a planning technique that plays an important role in organisations going through change. In traditional budgeting, departmental managers need to justify only increases over the previous year’s budget. This method of budgeting works well if very little change occurs in an organisation. This means what has already been spent is automatically sanctioned”.

This approach to budgeting is very strict. Each year you ask, “Is this expense really necessary?” For example, this year the school’s total expenditure on photocopying was R3500. Instead of assuming that the school should increase the expected expenditure, the school can then decide to sell the photocopying machine, and buy a duplicator which would be cheaper to run. If this approach to budgeting is used for each year, the school should decide on the expense to be incurred for each item.

2.6.2.2.3. Activity-Based Budgeting

This approach to budgeting is also called “priority-based budgeting”. It focuses on the importance of certain activities. For example, if the mission statement of the school shows that the school places a high priority on sport, and if the rugby team did very well last year, the school may now decide to treat rugby as a priority “cost-centre”. The school may decide to buy the first team new tracksuits and new equipment for training. This could cost more money, but there may be a general agreement that the expenditure is worthwhile.

However, all three approaches to budgeting can be combined. As you prepare for the budget, you may ask these questions:

- (i) Can you avoid or reduce these expenses?
- (ii) If you can’t avoid the expenses, in what way can you expect them to increase?

This approach to budgeting focuses on the importance of certain activities as prioritised.

2.6.3. BUDGET SPENDING

After the budget has been approved by the legislature, the departments can commence with implementing the programmes of work embodied in the budget. Pauw, Woods, Van der Linde, Fourie and Visser (2002:144) assert that: “Expenditure must be incurred only in accordance with the purpose approved by the legislature in an appropriate vote, unless it is a direct charge or a transfer specified in Dora” (Dora is abbreviated from the Division of Revenue Act). It is further argued that reasonable care must be maintained in order to prevent and detect irregular, unauthorised, fruitless and wasteful expenditure, referred to as 3Gs (Pauw *et al.*, 2002). The management of expenditure must be directed at achieving the 3Es, i.e. economy, effectiveness and efficiency, and avoiding the 3Gs.

- (i) Economy means acquiring the necessary resources (finance, equipment, staff, etc.) to execute the activity at the least cost.

- (ii) Efficiency means achieving maximum output from a given level of resources used to perform an activity; the relationship between the output, in terms of goods, services or other results, and the resources used to produce them.
- (iii) Effectiveness means the extent to which the activity's stated objectives have been met. The extent to which objectives are achieved and the relationship between the intended impact and the actual impact of an activity (Pauw *et al.*, 2002: 138-139).

Should the 3Gs be discovered, it must be reported to the accounting officer to be disclosed in the monthly report. The accounting officer may institute disciplinary steps. He/she must also recover the losses or damages, using the necessary regulations. The amount of such expenditure must be disclosed as a note to the annual financial statements.

Budget has been defined as a financial plan setting out how the vision, mission and goals of an organisation can be achieved through strategic planning, which comprises long-term plans (those which lay out an organisation's planned financial actions and the anticipated impact of those actions over the period ranging from two to ten years). Intermediate (tactical) plans are referred to as medium-term planning carried out by middle management for the various functional departments to realise tactical goals derived from the strategic goals, which include planning for the research and development, marketing, personnel administration, etc. (Smit, *et al*, 2007:122). Short-term plans or operational plans cover periods of no longer than two years. These are developed by lower-level personnel in order to achieve the operational goals. It is then up to the management to specify time frames/schedules for the activities on the budget as prioritised, i.e. which ones are for shorter/longer periods, and who will be responsible for what.

At school level, the School Governing Bodies (SGBs) are required to form Finance committees. Amongst their duties, they are expected to draw up a budget every year, keep overall control of school money and develop a financial policy, describing clearly the procedures and rules for handling money in the school and providing a clear

understanding of the responsibilities of the treasurer, finance officer, principal and SGB chairperson. According to the South African Schools Act (SASA, Act No. 84 of 1996), section 37, the overall responsibility for the control of school money lies with the SGB. During the year, the SGB needs to monitor the budget, i.e. check that the expenditure and income stay in line with the budget. It is also important to ensure that the “cash flow” is good, that there are sufficient funds available at the times when they are needed. This is done through using a budget control statement, which assists in overseeing whether any items are being under-spent or overspent or whether any items need to be re-allocated.

The budget control statement also assists in avoiding a situation where the departments spend less money from April to November, and use more money from December to March. The budget control statement needs to be monitored on a monthly basis.

Since the budget is a plan of expenditure and income for the activities of the next year, it should be linked to the school business/development plan which sets out school priorities, values and goals as expressed in the mission statement of the school.

When different departments/units use the budget, the management should monitor and control the expenditure pattern and rate. Smit *et al.* (2007) argue that financial resources and abilities are important to the success of the organisation and they should be at the heart of the control process. The management needs to use a budget as an instrument of control.

Smit *et al.* (2007:397) assert that a budget’s contribution to financial control is as follows:

- (i) It supports management in coordinating resources, departments, and projects.
- (ii) It provides guidelines on the application of the organisation’s resources.
- (iii) It defines or sets standards that are vital to the control process.
- (iv) It makes possible the evaluation of resource allocation, departments and units.

It is also argued that budgets as instruments of control have strengths and weaknesses. The budget has the advantage of facilitating effective control by placing a monetary value on operations which assist managers to detect problems. Budgets also assist in facilitating coordination between departments/units and maintain records of organisational performance, which will serve as a guide for improvement. On the negative side, budgets may sometimes limit flexibility (Smit *et al*, 2007).

In fact, utilisation of a budget can improve service delivery if the organisations have been well staffed and organised with people who are leaders and managers. Successful organisations need good managers with the leadership potential to develop into leader-managers (Smit *et al*, 2007).

The government budgeting system should support the government institutions to best spend their limited resources, to improve service delivery and respond to the challenges posed by the development required by the South African state. It is vital that public service reform, budgetary framework and planning be aligned across the entire public sector to ensure good and progressive governance with a view to improving government accountability to the people.

The South African government also introduced *Batho Pele* or “People First” principles for enhancing public service delivery. Davids, Theron and Maphunye (2005:61) argue that “The idea of enhancing public service delivery through the introduction of innovative and customer-friendly practices by itself feeds into the global attempts at improving the efficiency and effectiveness and overall performance of the public sector, also known as new public management (NPM)”. The NPM is characterised by measures such as performance management systems, which entail evaluation and monitoring of government workers’ performance before they can be promoted or given performance bonuses.

The Public Service Commission (Principle no. 5) states that: “People’s needs must be responded to and the public must be encouraged to participate in policy-making”. This means that development should be people driven. The people must be given an opportunity to plan their needs. The government should actively promote people-centred development and support the people’s development initiatives through an enabling policy, and by providing expertise, as well as infrastructural and financial support. This will make it possible for people to plan and prioritise their needs based on the material conditions on the ground.

We should understand that community participation implies people-driven development, as the community is consulted in planning, setting objectives and influencing to the extent that development is owned by the community. These powers of the community are possible only if they are allowed to penetrate and influence government structures in the delivery of services as the primary role players and stakeholders. Public participation is also promoted in the Constitution of the Republic of South Africa, and therefore, requires public managers in all spheres of government to take the initiative in identifying and implementing mechanisms which will accommodate the public’s need to participate in the processes of public decision-making and other management strategies.

However, in order to speed up service delivery, there is a need to transform the bureaucracy, especially in respect of people who were in the public service before 1994. Many government officials have frequently been criticised for lacking this zeal, sense of duty, commitment, enthusiasm and devotion partly because of the “gravy train” syndrome and partly because many harassed members of the public services rendered poor services and frequently took too long to respond to citizens’ queries (Davids *et al.*, 2005:62). It is further argued that “the new development challenges facing the public sector, i.e. being people-centred, require public organisations, when it is in the public interest, to move from the traditional bureaucratic model towards a post-bureaucratic mode of public organisation” (Davids, Theron & Maphunye, 2005:63).

Some of the organisations have already moved from the old system towards the post-bureaucratic model by introducing reforms which will improve their performance as development agents and adjust to the changing circumstances.

The departments/organisations should also develop new management strategies for service delivery. South African Management Development Institute (SAMDI) (2003:155-156) reports that:

“One of the major issues to emerge recently was the often dysfunctional link between management reform and service delivery. South African and international researchers stress the importance of re-orienting management strategies and systems in order to effect improvements in the way services are delivered. It is recognised that the public servants could not be expected to change their attitudes and behaviour, nor to improve the quality of the service they provided, without well-managed systems and procedures, which accord primacy to customer service. In this sense, management reform could be regarded as the key to implementing *Batho Pele*.”

As numerous ministers have expressed in their speeches and announcements, remedying many of the shortcomings in providing services to the citizens was not so much a matter of money but of “determination and good management”.

SAMDI (2003, 156-158) reports that there are differing views about the relative importance of various aspects of management reform. Many researchers stress human resource management, and there is a strong support for the increased delegation of management responsibility to operational managers at provincial and local level, with a drastic reduction in central rules and regulations. Overall, the following are seen as the priority areas for management reform:

- (i) Development of more flexible regulatory frameworks.
- (ii) Improved human resource management systems.

- (iii) Development of more results-oriented management systems.
- (iv) Decentralisation and delegation of management responsibility.
- (v) Systematic sharing of good practice.

2.6.4. CONTROL AND ACCOUNTABILITY FOR THE BUDGET EXPENDITURE

2.6.4.1. CONTROL

Control means that managers must frequently ensure that the organisation is on the correct path to achieving its goals. Control is used to monitor performance and actions, in order to ensure that they conform to plans to achieve the predetermined goals. It also allows management to identify and correct any deviations from the plans, and consider factors which might require them to revise their goals and plans. Control also includes performance measurement to determine how well the organisational goals have been attained.

Smit *et al.* (2007:386) regard control as “the regulatory task of management in that it correlates action with plans. It is an important guide in the execution of plans, and it measures the performance of the whole organisation”.

2.6.4.2. ACCOUNTABILITY

Pauw *et al.* (2002:137) define accountability as “a legal obligation of the administrative authority to report and explain its functioning to other organs that have the right to take steps toward giving effect to the administrative authority’s responsibility”.

In fact, managers are held responsible for executing a defined set of duties or tasks, and conforming with rules, procedures, norms and standards applicable to their posts. Pauw *et al.* (2002) mention that there are two types of accountability in relation to the work executed by government ministries and agencies:

- (i) Internal, to a higher level of management, in which managers are evaluated constantly on the way in which they execute their duties as set out in their job description, for salary increases and/or promotion prospects frequently dependent on the results of such evaluation (performance appraisal).
- (ii) External, to Parliament, the public or central agencies such as the Supreme Audit Institution, for their own performance.

In order to ensure accountability, there must be a clearly defined separation of powers between the political and administrative authorities with a view to oversight by the legislature (Smit *et al.*, 2002). Cloete (1998:207) states that “...it is a requirement that the legislatures must, in the final analysis, accept responsibility for all the financial transactions of the executive institutions”. The legislatures must draft a financial policy providing directives regarding the procedure of financing functions. In order to ascertain that executive institutions observe their directives about collection, banking and spending public money, the legislators rely on the Auditor-General’s report.

The Auditor-General (AG) is responsible for auditing all national and provincial departments, municipalities and any other institution/accounting entity required by national or provincial legislation. The Auditor-General must investigate and audit the accounts, stamps, other relevant documents and equipment pertaining to the executive institutions. On execution of the duty, any official can be summoned for questioning to provide explanations of how the state finances were used.

After the completion of auditing, the Auditor-General must submit the report together with statements of income and expenditure of the departments concerned to Parliament. This must be done as soon as possible after the end of the financial year. The report will

later be taken to the Standing Committee on Public Accounts (SCOPA) (consisting of elected members of Parliament/legislatures) to examine the statements of accounts and reports and to report back to the House or the legislatures concerned. The principal task of this committee is to ascertain to what extent the directives of the legislators have been implemented and to obtain explanations from the accounting officers concerning any irregularities that might have been reported by the auditors. Consequently, the responsible auditors and affected officials of the departments who are tasked with treasury functions (especially Director-General of State Expenditure and officials subordinate to him/her) will be present when the accounting officers appear before SCOPA to render account. SCOPA in turn reports to the legislators and makes recommendations in order to correct the irregularities that might have occurred.

All these processes are aimed at ensuring that accountability for financial matters is maintained. Reports must always be submitted to the legislatures which will be scrutinised in an open session, and irregularities will be publicised. This is also in line with the principles no. 6 and 7 of the PSC, i.e., Public Administration must be accountable; and transparency must be fostered by providing the public with timely, accessible and accurate information.

The recommendations of SCOPA and the decisions of legislatures ensure that the political executive office-bearers in charge of the administrative executive institutions, as well as the officials in different departments, spend public money as budgeted. They must follow/observe the relevant legislation on state finance such as the Public Finance Management Act (Act 1 of 1999), and Treasury Regulations. Cloete (1998) stated that politicians and officials do their utmost to escape adverse publicity due to reports on financial irregularities. It was further said that: “The reports and the attendant public debates thereon encourage honesty in dealing with public moneys” (Cloete, 1998:209).

One would like to indicate that for the organisations to utilise their budgets in improving service delivery, managers need to implement the Acts, policies, and regulations as per

their intended objectives. They should also adopt team-work and participative decision-making strategies in sharing the challenges they may encounter from different departments in the execution of their duties. Managers should also keep on revising the principles of *Batho Pele* and acquaint themselves with its contents and also the basic values and principles governing public administration. Managers need to be accountable, transparent and use state resources in an economic, effective and efficient manner.

The Department of Public Service and Administration (DPSA) must also ensure that public service is transformed in such a way that all citizens are satisfied with the services that are rendered by a government department. In fact, to improve service delivery to our people, the DPSA should ensure that public administration remains coordinated and planned, and this requires a better balance between centralised and decentralised modes of internal and external service delivery in order to optimise the use and deployment of resources.

The PMSF, section 9, provides for the auditing or examination of financial records and statements. All financial records, including bank statements, must be audited annually.

- (i) A person registered as an accountant and auditor, in terms of the Auditing Profession Act (Act No. 26 of 2005), must audit the records and financial statements referred to above.
- (ii) If not practicable, the SGB may appoint a person qualified to perform the duties of an accounting officer in terms of section 60 of the Close Corporations Act (Act no. 69 of 1984); or
- (iii) Any person approved by the Member of the Executive Council, provided that no person who has a financial interest in the affairs of the public school may be appointed to audit and examine the school records and financial statements.
- (iv) The SGB must appoint and submit the name of the auditor together with the approved budget to the Head of Department by 31 January each year.

- (v) The MEC may, where necessary, request the Auditor-General to audit the records and financial statements of a public school.
- (vi) A copy of the annual financial statements must be submitted to the Head of Department on or before 30 June of the following year.
- (vii) The SGB must, at the request of an interested party, make the records and audited or examined financial statements available to him/her. The said party, however, may not under any circumstances be allowed to remove the records from the school premises.

According to the SASA (Act 84 of 1996) section 37, it is stated that the overall responsibility for the control of school money lies with the SGB. During the year, the SGB needs to monitor the budget, i.e. check that the expenditure and income stay in line with the budget. The SGB must ensure that there are sufficient funds at the times when they are needed. This can be done through using a budget control statement, which assists in overseeing whether some items are being over or under-spent, or whether some items need to be re-allocated. Since the budget is a plan of expenditure and income for the activities of the next year, it should be linked to the SBP which outlines school priorities, values and goals as expressed in the vision and mission statements.

2.7. CONCLUSION

This chapter provided the review of literature based on the implementation of education funding policies which were developed by the South African democratic government since 1994. The aim of developing these policies was to transform the apartheid education system which was characterised by racial segregation and inequalities into democratic education system in order to achieve redress, access and equity. This chapter discussed theoretical framework of this study, equity theory. Policy implementation and the chronological development of school governance and funding policies for redress, access and equity were also provided. The successes and unintended consequences of these policies were addressed. It concluded with the presentation on school financial management systems.

School financial management systems provided a clear perspective on how schools should execute their responsibility regarding the use and management of school finances in order to achieve policy intentions on equity and redress. Because the study aimed at analysing how schools in Bolobedu cluster circuits of Mopani district implemented the No-Fee Schools policy regarding the use and management of school finance, the researcher decided to:

- (i) Establish how schools implemented the “No-Fee School policy;
- (ii) Examine the schools’ sources of funding;
- (iii) Evaluate how do schools comply with prescripts on school financial management systems;
- (iv) Analyse the criteria and strategies used in the process of allocating, spending, monitoring and reporting school finances.

Should it be found that the SGBs that are able to link the SBP/SDP to the budget, which is presented to and adopted by the majority of parents, and that there is a functioning finance committee which assists the principal and SGB in deciding, managing and monitoring the school finances to assist with the improvement of school performance, such schools shall have demonstrated that they have the resources, capacity and leadership to practise good financial management systems in order to achieve policy intentions on equity and redress. The next chapter will deal with the research methodology and design of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. INTRODUCTION

The literature in the previous chapter forms a framework on which I firmly located the study. This was done because it was of utmost important to contextualize how schools in Bolobedu cluster circuits of Mopani district implemented the No-Fee School Policy regarding the use and management of school finances.

The purpose of this chapter is to describe the research methodology used in this study. It further addresses research approach, research design, sampling, research instruments, data collection, data analysis, study limitations and potential, trustworthiness of the study and research ethics.

3.2. RESEARCH APPROACH

Creswell (2003) mentioned three approaches to research, namely: quantitative (positivistic, scientific) approach, qualitative (interpretive) approach, and mixed methods. In order to achieve the aim and objectives of this study, qualitative approach was used.

McMillan and Schumacher (2001:428) define qualitative research as an “interactive face-to-face research, which requires relatively extensive time to systematically observe,

interview, and record processes as they occur naturally” Cresswell (1994), as quoted in Ruskin (2007:2) defined qualitative study as “an inquiry process of understanding social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of the informants, and conducted in a natural setting”.

Miles and Huberman (1994:6) maintain that: “Qualitative research is conducted through an intense and/ or prolonged contact with a “field” or life situation. These situations are typically “banal” or normal ones, reflective of everyday life of individuals, groups, societies, and organizations”.

In facts, in qualitative research, the researcher tries to gain a holistic and systemic integrated overview of the context under the study: its logic, arrangements, explicit and implicit rules. The researcher further tries to capture data on the perceptions of the study participants from the inside through a process of attentiveness, of empathetic understanding, and of suspending or “bracketing” preconceptions about the topics under discussion (Miles & Huberman, 1994).

There are other words that are related to research methodology, “research strategy and research design”. Rakate (2005:11) asserted that research strategy guides the research effort by defining the context within which it will be conducted. It is further maintained that: “Research strategy is partly derived from the methodological paradigm-qualitative and quantitative- that fits a particular research problem” (Rakate, 2005:11). Since research design can be defined as a plan of how a research project will be conducted, specifying who or what is involved and where and when it will take place, therefore the research strategy indicates the direction which should be taken, while research design indicates what should be done while heading in that specific direction.

There are two main methods that can be used to conduct social research, namely: quantitative and qualitative research methods (MacMillan and Schumacher, 2006). In order to achieve the aim and objectives of this study, qualitative method of research was employed. McMillan and Schumacher (2001:395) argue that “qualitative research describes and analyses people’s individual and collective social actions, beliefs,

thoughts, and perceptions. The researcher interprets phenomena in terms of the meanings people bring to them”.

Qualitative research is an attempt to understand in terms of their own perceptions of their world around them. The research activities are centred on an “insider perspective on social action” with sensitivity to the context in which the participants of the study operate in their frame of reference and history (Babie & Mouton, 2001). The researcher will study the phenomenon in its natural state and attempt to make sense of it, while at the end interpret the data collected from participants understanding. This type of study is characterised by individual experiences, interviews, observation, history and inductive logic.

This method has been used because it permitted me the opportunity to explore in detail the type and the quality of responses obtained from participants, as it acknowledges the social and behavioural context in which the phenomenon occurred.

3.3. RESEARCH DESIGN

The purpose of this section is to describe the research design and methodology used in this study. Mouton (1996) defined the research design as a set of guidelines and instructions to be followed in addressing the research problem, including the aim of the research, the selection and design of a particular method and the participants and considerations of reliability and validity. In fact, research design can be regarded as set of guidelines that connect the theoretical paradigms to strategies of study and the methods used for collecting empirical data of the study.

In this study, qualitative (case study) was chosen in order to look deeply into how schools in Bolobedu cluster circuits of Mopani district implemented No-Fee school policy regarding the use and management of school finances. This research design was selected because it permits the researcher to do an in-depth study of a unit by probing deeply and analysing intensively the characteristics and behaviour of a certain school of community (Cohen & Manion, 1986).

According to Neuman (1994), a case study can be described as a particular kind of study method in which the researcher collects a large amount of data on one or few cases in

depth, and finds more details about the issues that are being investigated. Bell (1993) further argued that a case study is particularly appropriate for researchers because it provides the opportunity for one aspect of a problem to be studied in some depth within a limited time frame. Since the No-Fee school policy is in its six year of operation, the factors contributing to the successes and challenges could best be investigated through the case study method.

Qualitative research is an in-depth analysis of a certain phenomenon in which the researcher collects and interprets the data and reports the research findings in a detailed descriptive manner.

3.4. SAMPLING

In qualitative study, sampling takes place subsequent to establishing the circumstances of the study clearly and directly. Sarantakos (2005:156) in Ramothwa (2010) describes sampling in qualitative research as relatively limited, based on saturation, not representative, the size not statistically determined, involving low cost and not being time-consuming.

I used a purposive sampling to select four schools from three circuits in Bolobedu cluster circuits of Mopani District coded school A, B, C and D. This is because purposive sampling is a strategy which chooses small groups or individuals likely to be knowledgeable and informed about the phenomenon of interests, the selection of cases without desiring to generalise the findings to all such cases (McMillan & Schumacher, 2001).

Maxwell (2005:88) asserts that: “Purposive sampling is a strategy in which particular settings, persons, or activities are selected deliberately in order to provide information that cannot be gotten as well from other choices”.

3.5. DATA COLLECTION

Data collection is an essential part of any research because it does not only give a description of what data could be collected and how it should be collected but it also constitutes the basic information from which conclusions are made (Coleman,1998).

I used three methods to collect data: interviews, documentary analysis and observation. Interviewees' responses were tape recorded and transcribed verbatim. When the interview started, I introduced myself to the interviewees and explained the purpose of the study, and upheld research ethics throughout the study. The four schools were coded as school A, B, C and D. When transcribing the data collected, no specific names were used in order to maintain confidentiality. Field notes were kept in a safe place accessible to me.

In each of the four sampled schools, interviews were conducted with two parents, two educators, the school principal, and two learners in case of secondary schools. The positions on the SGB that were targeted were the SGB chairperson, finance officer, secretary, and the President of Representative Council of Learners (RCL). These participants were purposively selected because they were relatively knowledgeable and informed about the subject of the study. These are the people who are best placed to provide sufficient and relevant information on the SGBs and their roles pertaining school development plans, budgeting and spending (overall use and management of school finances).

To make the study possible, permission was requested from Limpopo Department of Education to gain access to the selected four schools to collect data. Circuit managers, school principals, SGBs of the selected schools were informed about the study and shown the acceptance or permission letter to conduct study. Arrangements were made with the interviewees for the interviews.

3.5.1. INTERVIEWS

The purpose of the interviews in this study was to obtain more in-depth information and clarity from some questions to be asked. Newman (1994) stated that interviews represent a direct attempt by the researcher to obtain valid results in the form of verbal responses from one or more respondents. An interview is a formal conversation with a person that is held in order to obtain comments, opinions and information from him/ her. This method of collecting data was selected since it permits for the explanation of questions (which may not be clear) to interviewees, any obtaining the perspective of those who

have actively in the area in which the research problem is focused. It also makes it possible to observe the behaviour of the interviewees. Bias and the distortion of information by the respondents may invalidate the data obtained from the interview. Respondents may also fear to commit themselves by telling the truth (Brynard & Hanekom, 1997:32-38).

Cohen and Manion (1989) described the interview as a two-person conversation initiated by the interviewer for the specific purpose of obtaining relevant information, and focused on the content specified by the research objectives.

The interview schedule, sometimes called interview guide labelled Appendix E was prepared in order to elicit in-depth information and clarity. In cases where the respondents did not understand English, Sepedi was used.

3.5.2. DOCUMENT ANALYSIS

The researcher informed the school principals and SGBs that school documents would also be used in the study. The list of school documents needed for the study was provided to school principals so that the documents can be made available. The school documents which were reviewed included the following: school financial policy, minutes of SGB and finance committee meetings, school business plan/ school development plan, school budget, finance officer's file, cheque book and auditor's reports. These documents were reviewed in the hope that they would give me an indication of how mandated policies and regulations from the national, provincial and district levels were interpreted at school level.

McMillan and Schumacher (2001) pointed out that documents provide an internal perspective of the organisation and describe functions and values and how various people define the organisation. It is hoped that documentary evidence would shape and inform the practices in schools.

I used the following strategies to collect and analyse documentary data:

- Identification of documents: The list of documents to be used for analysis was given to school principals for collection in the next school visit.

- Collection of documents: During the visit as envisaged, I requested the documents which were identified during the previous visit. I found that the school had already made copies free of charge. However, there were some documents such as school cheque book and finance officer's file were not collected from the school due to the nature of their sensitivity.
- Analysis of documents: I analysed data from school cheque book and finance officer's file at school, while copies of other documents were collected for analysis as per research time line management strategy.
- Criticism of documents: The authenticity and accuracy of documents were determined in order to identify the meanings of the documents in the social setting.
- Interpretation of documents' meanings: I corroborated the documentary data with the data obtained from the interview and observation.

3.5.3. OBSERVATION

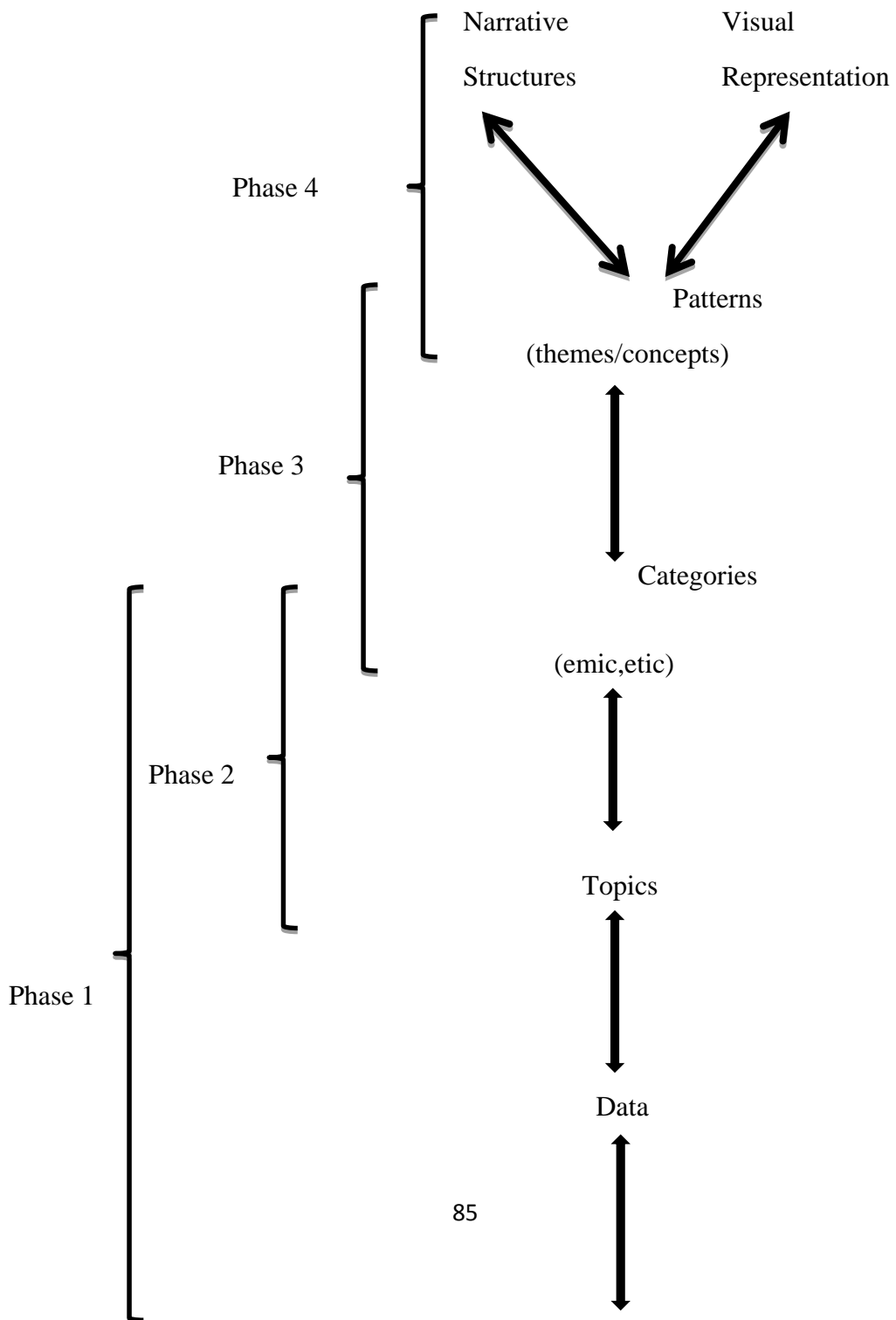
McMillan and Schumacher (2001:454) state that qualitative field observations are detailed descriptive recordings as field notes of events, people, actions, and objects in settings. With field observation, the researcher is able to explore several areas of interest at a site, searching for patterns of behaviour and relationships.

Bless and Higson-Smith (1995:105) in Ramothwa (2010: 44) state that observation is a technique used to collect data and that there are four types of observation – non-participant, simple, participant and laboratory observation. In this study, the researcher used non-participant observation method because it makes it possible and easy to record the required information. However, its disadvantage is that people sometimes become biased when they are aware that they are being investigated.

I attended SGB meetings for observation purposes in all schools in order to understand the level of relationship among the participants and how they participated during SGB meetings. **In total there were five observations conducted.** Data gathered from observation assisted in verifying the data collected during the interviews.

3.6. DATA ANALYSIS

Since the study was qualitative in nature, qualitative methods of data analysis were employed. Qualitative data analysis is regarded as a primary and inductive process of organizing the data obtained into categories and identifying patterns (relationships) among the categories. McMillan and Schumacher (2001: 462) stated that data analysis is an ongoing cyclical process integrated into all phases of qualitative research. Newman (1994) stated that a qualitative researcher may analyse data by means of organising information into categories derived from similar features, concepts and themes. The researcher may also develop new concepts within categories and evaluate them in an orderly manner. These new concepts are formed in a process called inductive analysis, as indicated in figure 3.1 below.



Field work: discovery and recording

FIGURE 3.1 Process of inductive data analysis (Adapted from McMillan & Schumacher, 2001)

This process proceeds thus: The researcher transcribes data verbatim during the interview, and allocates codes and categories – themes and patterns are formed and captured in a narrative fashion. This process can be computerised because it can organise and manage large quantities of data, particularly in qualitative data, but still requires the intellectual ability and capacity of the researcher to transform and analysis raw data into meaningful findings. The researcher may further develop new concepts within categories, using inductive data analysis, and evaluate them in orderly manner.

McMillan and Schumacher (2001:462) describes qualitative analysis as a relatively systematic process of selecting, categorising, comparing, synthesizing, and interpreting to provide explanations of the single phenomenon of interest. The researcher considered analytical methods as mentioned by Miles and Huberman (1994:9), and sequentially arranged thus:

- Affixing codes to a set of field notes drawn from interviews and observation;
- Noting reflections or other remarks in the margins;
- Sorting and sifting through these materials to identify similar phrases, relationships between variables, patterns, themes, distinct differences between subgroups, and common sequences;
- Isolating these patterns and processes, commonalities and differences, and taking them out to the field in the next wave of data collection;
- Gradually elaborating a small set of generalizations that cover the consistencies discerned in the database;

- Confronting those generalizations with a formalized body of knowledge in the form of constructs or theories.

In this study, collected data were manually and electronically recorded and managed to prepare them for data analysis and reporting. I manually labelled audiotapes, transcribed the interviews, coded and categorised and opened hard files for data. Data was electronically typed, formatted and saved for future printouts. Finally, data was organised into electronic backups, and files for future reference.

The study applied data reduction and coding in order to analyse data. Miles and Huberman (1994:10) define data reduction as the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions. They further stated that data reduction/ transforming process occurs continuously throughout the life of any qualitatively oriented study, until the final report is completed.

The data of this study for each school, coded as School A, School B, School C and School D, were organised into conceptual categories, and themes (such as school profile, SGB overview, school budget and income, expenditure, good practices regarding the use and management of school finances, and challenges regarding the use and management of school finances) were created.

3.7. STUDY LIMITATIONS AND POTENTIALS

The study was conducted in four schools in Bolobedu cluster circuits of Mopani District in Limpopo Province. Limpopo Province is one of the ninth provinces of Republic of South Africa. Mopani District is one of the five districts of Limpopo Province, situated at the north-eastern part.

As already indicated, this study was conducted in the form of a case study, and its findings would not be generalizable to other schools beyond the scope of study. It might be possible to establish how the findings from the study could be useful to other similar schools. The administration of questions and interviews could be subject to interviewer's bias, and the interviewer could influence the participants' responses.

Though the findings of this study may not be generalised, they can be related to similar contexts in other schools, especially those in the same area. Despite all these shortcomings, it was hoped that the study would provide a new hypothesis about how schools implemented No-Fee schools policy regarding the use and management of school finances.

3.8. TRUSTWORTHINES OF STUDY FINDINGS

Trustworthiness can be defined as the believability of the researcher's findings – that is all the steps that have been taken and measures employed by the researcher in designing, carrying out and reporting the research to ensure that the study findings are as trustworthy as possible.

In order to ensure the trustworthiness of the study, multi-method strategies such as structured interviews, recorded data, documentary data and observation were used. Triangulation of research instruments and interviewees was used to obtain qualitative data. The interviewees' responses were recorded mechanically and transcribed verbatim. The data from several sources were compared in order to check whether the same pattern keeps on recurring. This triangulation of data increased credibility and trustworthiness of the study. Triangulation in qualitative research is meant to be a cross-validation among multiple sources of data, data collection strategies and theoretical schemes. Multi-method strategies permitted triangulation of data across inquiry techniques which enhanced the credibility and trustworthiness of the study.

3.9. ETHICAL CONSIDERATIONS

In order for the study to be credible, I considered the ethical responsibilities that accompany the gathering and reporting of information. Ethics are generally considered to deal with beliefs about what is right or wrong, proper or improper, good or bad. I considered several research ethics before, during and after data collection of this study.

3.9.1. BEFORE DATA COLLECTION

My primary concern was to consider the safety of the research participants. This was accomplished by carefully considering the risk/benefit ratio, using all available information to make an appropriate assessment and continually monitoring the research as it proceeded. Participants were protected from physical and psychological discomfort, harm and danger. However, if any of these risks could have materialised, the researcher would have informed the participants about these risks.

I informed the participants about the study and that participation is voluntary and their rights as stated in the Constitution of Republic of South Africa will be respected, and they can terminate their participation at any time with no penalty, and full disclosure of any risks and benefits associated with the study. Participants were not coerced to participate in the study, it was voluntary. Consent was obtained in writing. Parents of learners, who were research participants, were requested to sign a form that indicated understanding of the research and consent to participate in the study. In fact, all data-gathering in public schools that require student-teacher participation beyond normal testing requires parent' as well as the Head of the Department's (HoD) permission. This is because a learner is a minor, while educators are employees in the Department of Education. Since the research instruments of this study were learners, parents, educators and principals, I requested learners' parents for their consent, and permission from the HoD before the study could be conducted. Attached see following appendices for: Request for permission to conduct study to HoD of Limpopo Department of Education, Granted permission from Limpopo Department of Education, Informed consent letter of participants.

3.9.2. DURING DATA COLLECTION

Since the study used interviews, observation and documentary analysis as instruments to collect data, the researcher ensured that in each instrument, ethical standards were upheld.

Interviews: Participants were informed about their constitutional rights and contents of the consent letter. I ensured that participants were free to participate and express their views, and their responses would be confidential. Nobody had access to individual data or the names of the participants except the researcher. Confidentiality was maximised by

ensuring that data was not linked to the research participants' names. I strived to be honest, objective, and open-ended towards the participants, and no deception was used in the study. McMillan and Schumacher (2001: 422) assert that deception violates informed consent and privacy.

Document analysis: I ensured that documents provided by schools remained safe in his custody. Since schools were coded as A, B, C and D, the documents collected from schools were packaged and coded as per school code in order to protect their identity.

Observation: I used observation schedule to check the level of participation and the relationship amongst the SGB members during SGB meetings. I also considered that his presence in the SGB meeting might somehow influence the level of participation amongst SGB members.

3.9.3. AFTER DATA COLLECTION

Participants were provided with the opportunity to receive the results of the study in which they were participating. The information collected remained confidential and the researcher ensured that confidentiality is maximised by not linking data collected with participants' and schools' names.

3.10. CONCLUSION

This chapter provided research methodology, research approach and design used to analyse how schools of Bolobedu cluster circuits in Mopani district implement No-Fee School policy regarding the use and management of school finances. It further provided how data of this study was collected, and explained the instruments and sampling that were used. The description pertaining the study limitations and potentials, trustworthiness of the study and ethical considerations has been provided. The next chapter will present the data collected and research findings of this study.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1. INTRODUCTION

Since the study aimed at analysing how schools of Bolobedu cluster circuits in Mopani District implement No-Fee School policy regarding the use and management of school finances, it was hoped that one would gain a better understanding of what was needed for the schools to execute this role better for the good of the school in the provision of quality education through No-Fee school policy.

In this chapter, the researcher presents and analyses the data collected during the research study using interviews, documentary analysis and observation in SGB meetings from four schools. The presentation of data will be arranged according to the instrument used to collect data for each school as coded A, B, C and D.

4.2. RESULTS FROM SCHOOL A

4.2.1. Findings from Interviews

4.2.1.1. School profile

This is a primary school with thirteen teachers including school principal and one head of department, four hundred twenty seven learners, and three helper mothers for National School Nutrition Program (NSNP). There are four new blocks of classrooms, each consisting of four classrooms with a total of sixteen classrooms. Nine classrooms are used for teaching and learning. One classroom serves as an office for the Principal,

one as staffroom, one as library, one as a kitchen, two as store rooms for school equipment (such as gardening tools and the wheelbarrow), and another one serves as a strong room where all school machinery such as computers, copiers, stationery and cleaning materials are stored and locked up. There are also three toilets, each with four pit holes. One toilet building is for educators (males and females) and two for learners (boys and girls). The school is surrounded with a steel palisade fence. All the buildings were built by the Department of Education. The fence was erected by the School Governing Body through the norms and standards funds. The school did not have an infrastructural problem, although the school indicated that it had been promised an administration block by the DoE.

The community had diverse historical, social, cultural and economic features. The community consisted of Tsonga and Sepedi-speaking people. The majority of people were unemployed. Some are employed on farms, some in Gauteng Province, while the majority depend on social grants. Only a few people are employed by government, for example, educators and clerks.

The relationship among stakeholders, that is, parents, learners, educators and the entire community appeared to be good. This was attested to by the SGB chairperson who was a resident in that community, a pastor, tribal advisor and an educator in another village, and the SGB secretary who was an educator in the school and a community member. The relationship between the School Management Team (SMT) and educators is good. The parents attended school activities such as parents' meetings and "Letsima" for cleaning the school yard every year during school re-opening. They also planted trees. The school stakeholders seemed to share a common vision and commitment to the school. This was as a result of the leadership and management styles applied by the SMT. There was participative decision-making in this school. All stakeholders are involved in the activities of the school.

4.2.1.2. SGB overview

The SGB consisted of four parents, two educators and a principal in line with SASA. All members of the SGB could read and write. They have all passed grade 12. The SGB was able to attend a two-day workshop which had been organised by the DoE. The workshop was about the duties and responsibilities of SGB, and the use of finance. The school was represented by the SGB chairperson, the principal and the finance officer. The respondents appreciated the induction workshop which was conducted. The SGB chairperson, and supported by finance officer, said that the workshop was beneficial because it exposed them to things that they had not known before, especially the use of school finances. They further said that more workshops were needed so that they could execute their duties well. This is in line with the argument forwarded by Mathonsi (2001), that if SGBs are well informed and capacitated to understand their roles and responsibilities, they would be able to govern schools well and improve the quality of education. In fact, if lower structures are given roles to perform, these structures must be provided with resources such as information, knowledge and skills so that they can gain the capacity to make informed and sound decisions. However, the interviewees recommended that they needed an intensive workshop on governance matters so that they could fully understand what was expected of them as per the requirements of the legislation.

The SGB had some sub-committees which included a disciplinary committee and a finance committee. These were the committees which assisted the SGB to execute its roles and responsibilities. The workshop seemed to have been beneficial because the principal was able to appoint a finance officer in writing, establish SGB sub-committees, develop an SGB finance policy which was used to guide the SGB on the use of school finances, and record minutes of the SGB and its sub-committees. The finance committee had been established in terms of the SASA (Act No. 84 of 1996) section 30.1(a) and (b) which reads thus: A governing body may: (a) establish committees, including an executive committee; and (b) appoint persons who are not members of the governing body to such committees on the grounds of expertise, but a member of the SGB must chair each committee. The SGB did not have an SGB Constitution, however. They said that they were in the process of developing it.

4.2.1.3. School budget and income

The SGB chairperson said that:

“The first draft of the budget was prepared by the SMT and later taken to the staff for inputs. After the staff had made their inputs, it was then taken to the finance committee for consolidation and later to the SGB for adoption, and thereafter we call parents meeting so that they approve or disapprove...which is unlikely that they disapprove. They just make some few additions and we later make such adjustment based on the recommendations of parents”.

This response was also supported by the other respondents such as school principal and finance officer that their school complies with budgetary processes. The budget was prepared during the third term of every year. The SGB then took it to the parents for approval at a general meeting, as per the SASA (Act No. 84 of 1996), section 38 (1) and (2). They indicated that this process ensured that all stakeholders were consulted.

The SMT, finance committee and SGB identified the following four areas in order of priority: a) stationery; a greater allocation was given to stationery because the core mandate of the school was teaching and learning; b) the paying of outstanding debts so that the school could operate free from debts; c) a strong room for school security; and d) cleaning materials for classrooms and toilets.

The SMT and finance committee played an essential role in ensuring that the budget proposals were supported and later approved by the relevant stakeholders. This was because the SMT was responsible for the day-to-day functioning of the school, while the finance committee advised the principal and SGB on all financial matters.

Section 4.4.2 of the Prescripts states that “No-Fee” schools should apply the following minimum standard requirements during budgeting: Schools have to prioritise allocations to pay for the running of the school, that is, all operational expenses-for example. leasing of copiers, water and electricity and telephone; proper security fencing and repair of all broken windows and doors, electrical and gas fittings, filling cracks and painting and other repairs.

Indeed, the school budget had been drawn up in line with Prescripts relating to the management of school funds at public schools. The budget addressed activities as indicated in the School Improvement Plan (SIP), for a one-year period as prioritised, and part of the activities of the School Development Plan (SDP), for a three-year period. This budget was based on the income that the school received from the government allocation of norms and standards. The school was rated at quintile 1 and it did not charge any mandatory fees.

Apart from the state allocation of R160 938.00, the school raised funds through selling garden vegetables to community members and charging hawkers for permission to sell items within the school premises. However, the school did not include this income in their budget. Their budget was based mainly on the norms and standards allocation only. The finance officer said that:

“We mostly use this money as petty cash for buying small items such as salt for nutrition, washing powder and dish-washing liquid, sometimes for taxi fare in transporting teachers without cars when they attend workshops . This money is collected by the SGB secretary and handed over to me on daily basis for reconciliation and safe keeping”.

4.2.1.4. Budget expenditures

The school was able to spend its income as per school budget and as prioritised. The finance committee, especially the finance officer, was central to ensuring that expenditure was in line with the budget. He was the one who looked after the school finance books. The finance officer and principal indicated that whenever the SGB needed an update on finance, it was made available.

4.2.2. Findings from Document Analysis

4.2.2.1. School Budget and Income

The budget made provision for a period of one financial year, e.g. 2009/2010, and the School Development Plan covered over three years. There was evidence through the attendance register that parents were indeed present at the budget meeting. Minutes also reflected that parents approved the budget. The school budget for the financial year 2009/2010 is attached as “Appendix A.1”.

Section 38 (1) and (2) of The South African Schools Act (1996) requires the SGB to develop a budget every year which should be tabled before annual general meeting of parents for approval. This school was able to develop the school budget as reflected on “Appendix A.1”. The school had records showing the amount collected on a daily basis.

4.2.2.2. Budget expenditures

I was able to go through their monthly financial reconciliation from January 2009 to December 2009. The focus was only on the academic year 2009 because the school financial year was not the same as the government financial year. The school financial year corresponded with the school academic year, that is, from January to December. The government financial year extended from 01 April to March 31. The school expenditure as per audited financial statement is attached as “Appendix A.2”.

The auditor's report indicated that the financial records of the school had been examined as required by section 43 of the South African Schools Act (Act No. 84 of 1996). Section 43 of the SASA indicates that: (1) the governing body of a public school must appoint a person registered as an auditor in terms of the Auditing Profession Act (Act No. 26 of 2005), to audit the records and financial statements referred to in section 42.

The report further indicated that the school had complied with section 42 of the SASA, which reads as follows: The governing body of a public school must- (a) keep records of funds received and spent by the school and of its assets, liabilities and financial transactions; and (b) as soon as practicable, but not later than three months after the end of each financial year, draw up annual financial statements in accordance with the guidelines determined by the Member of the Executive Council. The audited financial statement was evaluated based on the school budget, and the following were deduced:

Most of the items were not spent in line with the approved budget. There was too much under-spending and it clearly indicated that the school was not using a time-line management strategy, and the monthly expenditure spread sheet was not considered. For example, repairs and maintenance had been under-spent by R3837.00, transport by R7661.00, and firewood by R2300.00.

In some items, the school had overspent, for example, gardening with R500.00 and electricity with R500.00. There was no documentary evidence that the school had applied for budget adjustment, and there were no SGB records to approve such spending. Neither the finance committee nor the finance officer had noticed that the expenditure had exceeded the allocated funds. This indicated that the school had poor monitoring systems for its expenditure pattern because the school expenditure was not in line with the school budget.

It was also found that there were some commitments that had been effected without being budgeted for, nor had the budget been revised to provide for such expenditure. The

school did not budget for transport costs for the execution of the budget (SDP), except for the SGB and the allocation for the clearing of old debts. The amount for clearing old debts was high and indicated that the finance committee was not sure of its debts, that is, it budgeted for R15 000.00, but only R10 139.00 was spent for transport according to the audit. This expenditure included all transport costs for the school financial year 2009. Another question was why the school budgeted for clearing old debts while it had a surplus of R47 141.17, (that is , the balance brought forward from the 2008 school financial year) which the school should have paid its expenditures referred to as 'old debts'. The budgeted amount was under-spent. This indicated that the school was not sure of its debts and, or there was a delay in paying suppliers for the activities rendered for the school.

The audited financial statement also indicated that the school had incurred expenses on school stamp, NSPN honoraria payments and petty cash. These expenditures were however not budgeted for, and school records (SGB minutes) reflected that the SGB had agreed on them. The minutes indicated that they were just informed by school principal that schools should use money allocated to schools for honoraria, and they were promised that the DoE would refund their money paid to help mothers for nutrition, but so far, the DoE had not refunded the school.

There were some items which had been budgeted for, but not executed. They included air conditioners, fans, educational resources, installation of the internet facility, SGB employees - security, gardener and cleaner, computer and printer, security house, and gas stove. However, there were no indications that anyone at the school had embezzled funds.

The school received an allocation of R160 938.00, had a total expenditure of R85 164.46, less R75 773.54 (the amount which was not spent), and had a balance brought forward from 2008 of R47 141.17. The total amount remaining in the account for 2009 was R122 914.71. The SGB minutes indicated that they should not spend their

whole allocation because it would help them to run the school from January to May during the following year. This was because the Department delayed the transferring of the following year's allocation. The schools received their allocation around May – June. After evaluating the finance documents, I found that the school had some good practices and challenges regarding the use and management of school finances, which are listed below.

4.2.2.2.1. Good practices regarding the use and management of school finances

The school had a finance committee which assisted the principal and the SGB with the monitoring and managing of school finances. The principal had appointed a finance officer in writing, and he was able to assist the SGB and principal in all finance matters. The SGB chairperson, finance officer, and principal were not signatories.

Service providers were paid after the services had been rendered, (though the delay on old debts which were incurred in 2008 and paid in 2009), as evidenced by the date on which the service was rendered in comparison with the date on which the cheque was issued and paid to the service provider. There was no advance payment for services, except on the purchase of goods because some companies would not deliver goods before payment had been made and they had cleared the cheque with the bank to ensure the availability of funds in the school account. All payments were done by cheque, except for small items like salt and dish-washing liquid for which the school used petty cash obtained through fundraising.

All teachers' travelling expenses were approved by the school principal and those of the principal were approved by Circuit Manager and SGB before they were incurred. People were required to report back after each meeting. The school used government tariffs for claims for the use of private cars, and public transport rates for those who used public transport.

For every payment, a claim form, in the form of a requisition book was completed. Procured goods were received by two people, that is, the finance officer and the SGB secretary (all were educators). Financial records were properly maintained by the finance officer. The documentation reflected the name of the person to be paid, the amount to be paid and the nature of goods supplied or services rendered. The dates on the cheque corresponded with the dates written in the requisition book. The finance officer kept vouchers in a safe for audit purposes, and no other person had access to the safe. All payments and supporting documents were presented in the next finance committee and SGB meetings. A cash flow statement was prepared on a monthly basis and made available to the SGB. The SGB had a finance policy. The SGB treasurer was able to monitor all the financial affairs of the school. She did not sign a cheque/payment without a claim form and proof of service rendered. School finance documents were audited annually and presented to parents at the annual general meeting.

4.2.2.2.3. Challenges regarding the use and management of school finances

Analysis of documents (such as school budget, expenditure spread sheet, SGB minutes, claim forms, cheque book) revealed the following:

There was no time-line management strategy for the school budget indicating the period in which the priorities/tasks were to be executed. Some purchases were not in line with the budget. Travel claims in certain months were not in line with government tariffs for that month. Some payments did not have three quotations and there were no minutes of a finance committee meeting that had adjudicated the quotations. There were no minutes indicating that finance committee recommendations were taken to the SGB for approval and acceptance. This practice was in breach of Section 6.6.4 of the Prescripts relating to the management of school funds at public schools. The school did not even complete an adjudication form. They just agreed to choose the cheapest quotation, if they had invited quotations. Payment and supporting documents (vouchers and delivery notes) were, however, presented at the next finance committee and SGB meetings and captured in the minutes.

In fact, the payment voucher did not have all the required documentation: requisition form, quotations, tax clearance, and adjudication form, invitations for travel, invoice, delivery note and commitment register. The requisition book was only partly signed, that is, there were missing signatures. In some, the SGB chairperson had not signed, and in others it was the Principal and/or treasurer who did not sign. Some claim forms were not signed at all for approval, but cheques had been issued in payment. This indicates that the activity was not sanctioned in a meeting. It was signed on different occasions or payment was may be sanctioned telephonically. It might also mean that the finance officer did not update his books regularly.

In some transactions, the treasurer had signed only the cheque, but not the requisition form. Procedurally, she should have started by approving the payment by signing the requisition book first, and later signed a cheque. Some returned cheques were not attached to claim forms/requisition book. There was no signature of the Circuit Manager to confirm that he had approved the transport claims of the school principal and approved amounts exceeding R30 000.00 (Section 6.6.5 of Prescripts). The school did not have its own database of suppliers, or the departmental one. There were no quarterly reports that were submitted to the circuit.

4.2.3. Findings from Observation

All members were able to participate well during SGB meeting. There was no domination of discussions by some components over the others. Their participation seemed satisfactory towards aiming at developing the school. The language used to conduct the meeting was Sepedi which was understood by all members, although in some instances they used English. All SGB members were able to respect each other during the proceedings of the meeting through listening opinions of others without interruptions.

4.2.4. Summary on School performance

The school seemed to be using their school finance satisfactorily, although there was a serious need for improvement, especially to address the challenges mentioned above. The school had a finance committee, SMT and SGB that assisted the principal with managing school finances for the general improvement of the school, and so that the school could provide quality education to learners. Most of the challenges mentioned above were technical in nature and they needed intervention.

4.3. RESULTS FROM SCHOOL B

4.3.1. Findings from Interviews

4.3.1.1. School profile

This is primary school with fourteen teachers including school principal and two heads of departments, three hundred and ninety six learners, one security personnel employed by SGB and three help mothers for NSNP. The school has three blocks of classrooms. One block is new with four classrooms, while the other ones are old and had three classrooms each with total of six classrooms. There is also an administration building. The school does not a challenge in terms of infrastructure. The school had a security fence, although there was no access control at the school gate.

The community is predominantly Sepedi-speaking people. The majority of people are unemployed. Some are working on nearby farms, while others are working in Gauteng province. The relationship among community stakeholders is good.

4.3.1.2. SGB overview

The SGB consisted of two educators, four parents and a principal. The parent component could read and write. They had all passed grade 12. The SGB had attended two workshops organised by the Department of Education, each lasting for one day. The first workshop was about the duties and responsibilities of SGB, which was attended by the SGB chairperson, the principal and the SGB secretary. The second workshop was about the use and management of finances.

The SGB chairperson indicated that:

“These workshops were very much useful because they made us to understand how to govern the school, how to execute our duties and responsibilities, and how to use and manage school finances”.

The secretary also supported this insertion made by SGB chairperson. The SGB secretary further raised a concern that:

“Each workshop should have been lasted for at least two days or more so that we could understand everything in relation to SGB activities”.

The SGB had sub-committees which included a finance committee which assisted the SGB with managing and monitoring school finances, and a disciplinary committee which dealt with disciplinary issues. These committees were functional and played an essential role in assisting the SGB to execute their duties and responsibilities. The workshops had had an impact on the performance of the SGB. This was evidenced by the following: the principal had appointed the finance officer in writing; the SGB had established SGB sub-committees; they had developed a finance policy; and they were able to record and file the records.

4.3.1.3. School budget and income

The school had a transparent and democratic budget development process. All stakeholders were consulted in the budgetary processes. The finance officer said that:

“The SMT starts identifying the needs of the school, then proceeded to staff, and then taken to the finance committee for consolidation, thereafter to the SGB, and finally to parents for approval”.

She further said that most of the items that had been prioritised were for teaching and learning. The SGB was able to develop school budget and approved at annual general

meeting of parents as required by SASA, section 38 (1) and (2), attached as “Appendix B.1”

The respondents indicated that they had a challenge with funds received from government. They said that the funds were unable to cover the needs of the school, but they tried to make sure that their priorities were addressed first.

4.3.1.4. Budget expenditures

The school had spent its income as prioritised, though not exactly same amount as budgeted for. The finance committee, especially the finance officer, was central in ensuring that expenditure was in line with the budget. She was looking after the school finance books. The SGB chairperson said that:

“Our finance officer ensures that all procedures in relation to procurement are followed. She is very much strict, I am happy that she does her job very well”.

4.3.2. Findings from Document Analysis

4.3.2.1. School budget and income

The school had spent its income as prioritised, though not exactly same amount as budgeted for. However, its priorities were rendered. The school received a total income of R229 816.14, which included both the state grant of norms and standards, bank interest, sports fund, firewood, IEC and miscellaneous funds. The school had a balance brought forward from 2008 of R139 296.25, explaining its high budget estimate of R306 565.00, which exceeded their income of R229 816.14. However, the school was able to spend their allocation within the limits indicated under expenditure.

4.3.2.2. Budget expenditures

It received an income of R229 816.14 and was able to spend R182 307.54 as reflected on the auditor’s statement. R47 508.60 was not spent. It was also able to spend

R153 710.02 on capital projects although it had budgeted for R161 834.00. The audited financial statement for school expenditures is attached as “Appendix B.2”.

The auditors’ report indicates that the financial records of the school were examined as required by Section 43 of the South African Schools Act (Act No. 84 of 1996). It indicated that the school had complied with Section 42 of the South African Schools Act (Act No. 84 of 1996).

A comparison was done between the school budget and the expenditure report. The following results were deduced:

- The school had under-spent on some items (affiliation by R3000, cleaning materials by R1618.60, travel by R8071.63 and petty cash by R8 763.90), and overspent on some items (stationery by R3749.75, farewell by R9 800.00), and miscellaneous by R19 841.00 as opposed to a budget of R2 000.00 for unforeseen expenses.
- There was no spending on some items (such as first aid kit refill, item under Education - charts, teaching aids, storybooks, compass, and Telephone airtime) though they had been budgeted for.
- There was spending on some items (such as firewood), although not budgeted for.
- Budget items, especially maintenance and repairs, had been placed in the budget under two headings. First, under office and administration, 1.4. maintenance (computers, printers, TV, photocopiers, shelves), and second, on school buildings and maintenance and repairs. The audited statement did not separate the two as they were separated in the school budget. This made it difficult to deduce how much the school had spent on maintenance. However, if two items of maintenance were added together, it was found that the school had budgeted for an item for R185 634.00, and only spent R29 550.12.
- The audited financial statements did not reflect what had happened to R139 296.25, which was the balance brought forward from the 2008 financial year, referred to as the 2009 Opening Bank Balance. This amount should have been added to the 2009 income.

Generally, the school had a guide document for spending which was the budget statement. It did not project the budget estimates properly, based on the previous budget spending. Good practices and some challenges regarding the use and management of school finances were found, as indicated below:

4.3.2.2.1. Good practices regarding the use and management of school finances

This school was found have the following good practices: The invitations to the workshops were attached to the claim forms as evidence that the expenditure was for transport to attend the workshop/meeting. The Principal did not approve his payments for services rendered such as attending meetings. They were first approved by the circuit manager as his supervisor, before payment could be effected. It was also found that petty cash was in the custody of the finance officer who had been appointed in writing by the principal. All purchases were done through three quotations, except one transaction for chemicals which was provided by only one service provider in their area.

Lastly, it was found that all financial commitments/purchases had been recorded in a commitment register indicating the date, cheque number, amount, purpose and the name of the service provider. No blank cheques that were written out. Receipts for donations and money collected from learners for school trips were issued to the donor and learners/parents, and the money was later banked in the school account.

4.3.2.2.2. Challenges regarding the use and management of school finances

It was also found that the school had experienced some challenges in the execution of its roles and responsibilities regarding the use and management of school finances, which included the following: There were no recommendations by the finance committee to the SGB for approval and acceptance of services to be rendered. They indicated that the SGB had resolved that the finance committee should execute the responsibility and report to the SGB in the next meeting about financial commitments made between meetings. Petty cash claim forms had not been signed by the principal.

There were no returned cheques from the bank. The finance officer indicated that the school had written letters to the bank three times but the bank had not responded. However, copies of such letters were not provided as evidence that letters had indeed been written and sent to the bank to return issued cheques. The school did not have a budget control statement and monthly expenditure statement. It was evidenced by the evaluation of the auditor's report and school budget, that some items were not executed although they had been budgeted for, and some items were under or overspent.

4.3.3. Findings from Observation

The researcher observed that all members of the SGB were participating very well during SGB meeting and respected each other in the interests of the development of the school. They respected each other through listening ones views in order to take decisions. The meeting was conducted in Sepedi, but sometimes, they used English especially on reading the agenda of the meeting.

4.3.4. Summary on School performance

Although the school had some challenges, it was found that it had the capacity to use and manage school finances. This school needed some intervention to improve its performance, especially on eradicating the challenges as indicated above. It had the potential to develop and improve their roles and responsibilities regarding the use and management of school finance, as evidenced by my interaction with the finance officer and the treasurer during interviews and documentary analysis.

During documentary analysis, I asked them about the availability of documents such as a budget control statement, and it was clear that they did not know about a budget control statement. The school was unable to monitor its budget. Some items were not executed although budgeted for, while others were either under or overspent. The school was, however, able to account for all its expenditures.

4.4. RESULTS FROM SCHOOL C

4.4.1. Findings from Interviews

4.4.1.1. School profile

This is a secondary school with nineteen teachers including school principal, one deputy principal and two heads of departments, and five hundred and thirty seven learners. The school has two security men, one for day shift and the other for night shift, two cleaners employed and paid by SGB and three help mothers for NSNP. The school has four blocks of classrooms of four classrooms each, and an administration block. Of the sixteen classes, one is used as a computer centre, one as a store room (for storing school equipment such as a wheelbarrow and garden tools), while the other one as a staffroom. All other classes are used for teaching and learning. The school has sufficient classes for teaching and learning which were still in good condition. The school also has a kitchenette for storing National School Nutrition Programme (NSNP) food. There are two sets of toilets for learners, one for boys and one for girls. Teachers used toilets that are inside the administration block. The school is fenced with diamond mesh with a palisade sliding gate manned by a security guard paid by the SGB.

The community had diverse cultural and economic characteristics. The community comprised of Tsonga and Sepedi-speaking people. The community consisted mainly of unemployed people. Those who worked are in Gauteng. A few depend on local short-term contracts, while the majority depend on social grants.

The relationship among community stakeholders is good because most of them are relatives and are under one 'Induna'. This was attested to by some parents who had volunteered to clean the school yard, while others had volunteered to cook food for learners, receiving a little remuneration which was not according to the sectoral wage standard.

The school principal said that:

“The SGB is involved in school matters and it keeps on encouraging parents to own the school. However, some parents were not committed to school matters which made it difficult for the SGB to execute some of its responsibilities such as disciplining learners and forming a quorum during parents’ meetings”.

4.4.1.2. SGB overview

The SGB consisted of five parents, two educators, two learners and the principal. All parents in the SGB had basic literacy skills, though uneven.

The school principal said that:

“We were able to attend two capacity-building workshops which were organised by the Department of Education. The first workshop was about the duties and responsibilities of the SGB. The school was represented by the school principal, the secretary of the SGB and the SGB chairperson, and the second workshop was about the use and management of school finances attended by the SGB chairperson, the SGB treasurer and the finance officer”.

The SGB Chairperson indicated that the workshops were beneficial because these workshops exposed them to what they had not known before, especially regarding the use of school finances. They called for continuous workshops which would empower them further in understanding what was expected of them.

The school principal had appointed the finance officer in writing as per prescripts, but there was no finance committee that assisted the principal and the SGB to manage and monitor the use of school funds. In fact, the workshops seemed to have not contributed

much to this school because the school did not execute its financial responsibilities as expected, like formation of finance committee.

4.4.1.3. School budget and income

The SGB chairperson said that:

“The school does not have a budget which was approved by parents. We arranged two parents’ meetings but did not materialise, only few parents came without forming a quorum”.

The intentions of the meetings were, among others, to table a budget so that parents could approve it. Due to the failure of the meetings, the school continued to use school funds without the parents having approved the budget. The school principal indicated that the school budget prioritised stationery, textbook top-ups, and administrative activities for the whole year. Other respondents indicated that they were not involved in the budget development processes. The principal developed the budget alone. However, the school received a norms and standards contribution amounting to R231 582.00. Apart from this income, the school was also able to raise funds through leasing chairs to communities and selling vegetables to community members.

4.4.1.4. Budget expenditures

The school had incurred expenditures without school budget because parents meeting failed to quorate. This practice of the school was against SASA (sec 38 (1) and (2)). The principal could also not produce the document he prepared for parents to adopt, if the meeting was to quorate. The SGB chairperson said that:

“We never had a meeting as the SGB to start developing school budget for parents meeting. The principal said that he will present the school needs before parents meeting”. The school expenditures were mainly on stationery and transport.

4.4.2. Findings from Document Analysis

4.4.2.1. School budget and income

The school did not have a budget document as required by SASA, sec. 38(1) and (2). In this study, there is no attachment for the school budget and income statement.

4.4.2.2. Budget expenditures

The audited financial statement report for the year ending 31 December 2009, paragraph two pronounces as follows:

“I have determined that the financial statements are in agreement with the accounting records, and have done so by adopting such procedures, and conducting such enquiries in relation to the books of accounts and records as I considered necessary in the circumstances. I have also reviewed the accounting policies, which have been represented to me as having been applied in the preparation of the annual financial statements, and I consider that they are appropriate to the school. Compliance:

The subsidy condition (from Department of Education) has been complied with as per sections 14 and 16 of the Act.

Section 18: Constitution of the school has been drafted.

Section 38 (a): Budget for the 2009 financial year has been drafted.

Section 42 (a): Partially complied with. Only record of funds received and spent has been kept.

Section 42 (b): Annual financial statements were drawn within a three months period as prescribed by the Act”.

The income and expenditure statement for the year ended 31 December 2009 is attached as “Appendix C”.

The auditor’s report on school expenditure had the following findings:

- The auditor claimed that the school had drafted the budget in terms of section 38(a).

During interviews, respondents indicated that the school did not have a budget approved by parents and the school did not produce a draft copy by the SMT,

except that, it prioritised stationery, textbook top-ups and administration. This meant that the auditor did not study the documents submitted by the school intensively.

- I agreed with the auditor on the spending process, that the school partially complied. A record of funds received and spent had been kept.

Due to the unavailability of the budget, I was unable to analyse and compare spending and expenditure. However, after the interviews and documentary analysis, good practices and challenges on the use and management of school funds were identified.

4.4.2.2.1. Good practices regarding the use and management of school finances

This school was found to have the following good practices: Cheques were correctly written out. The name of the service provider appeared on the counterfoil with the date. The date on the cheque was the same as that on the counterfoil. Cancelled cheques were attached to the cheque book and returned cheques were attached to the claim forms. Finance books were stored in the school safe with the principal and finance officer having access. Some claim and adjudication forms were fully completed and signed.

4.4.2.2.2. Challenges regarding the use and management of school finances

The school did not have a budget for the 2009 financial year, though it kept on using money. There were some transactions of R2407.07 for stationery with only one quotation, dated 09.01.09, and R1700 with the purpose not indicated, which was not approved by the circuit. Payments for the salaries of workers did not state the exact months for which they had been paid. There were two cheques, dated 11.05.2009 (R5950.00) and 22.05.2009 (R246.97), which were issued without the purpose being indicated, and no claim/requisition forms were completed. The school did not have a commitment register for recording all cheques issued and their purpose. Some cheques were written out by the principal, instead of by the finance officer. It was also found that cheque number 0820 was missing and the claim form was not attached. Cheque number

0868 dated 05.08.09 for T-shirts was without a claim form and not approved by the circuit, and an amount of R15 267.00 for stationery was committed on 20.05.09 before approval was granted on 22.05.12.

It was also found that the school did not have a finance committee that assisted the principal and SGB to manage and monitor school funds. Procurement was done by the SGB only, but there were no minutes of the SGB or SMT indicating that they had agreed to such procurement. The finance officer and teacher (SGB secretary) indicated that the principal executed the task alone. They further said that the principal would just tell the finance officer what to do. He was the one who invited quotations and none of SGB members would question him. He dominated processes for the use of funds without following the prescripts of the law. The school did not develop a finance policy which would guide the SGB and finance committee on procurement processes.

4.4.3. Findings from Observation

During the SGB meeting, it was observed that only teachers and parents were participating in discussions. Learners were not participating actively. The languages used in the meeting were Sepedi and Xitsonga, though in some instances, they used some terminology in English.

4.4.4. Summary on School performance

This school was found to be experiencing serious challenges regarding the use and management of school finances as indicated above under section 4.4.2.2. This enabled one to conclude that this school did not have the capacity to use and manage school funds. The auditor's report also did not indicate the true picture regarding financial spending. For example, there was too much summary of items. There were some items that were not reflected in the expenditure statement, such as electricity and catering for SGB meetings, although these were executed.

This school did not comply with departmental prescripts on the use and management of school finances. The auditor should have discovered this and indicated it in the auditor's statement report. To me, it indicated that the auditing was not done in a professional manner and it seemed to have been done by somebody who did not understand or had little knowledge of the legislation regulating the use and management of school funds.

This school needed serious intervention in the form of workshops and regular monitoring for compliance. The school should not have signed the assurance certificate in terms of section 38(i) (j) of the Public Finance Management Act (Act 1 of 1999) to certify that it had effective, efficient and transparent financial management and internal control systems in place and that were implemented at the school. This school seems to be regarded same as amongst those indicated by Limpopo Provincial Government Audit Report. Its challenges are related to those indicated by the audit report.

4.5. RESULTS FROM SCHOOL D

4.5.1. Findings from Interviews

4.5.1.1. School profile

This is a secondary school with twenty two teachers including school principal, two heads of departments and seven hundred and twenty learners. There are three cleaners employed by SGB. The school has four blocks of classrooms. One block with three classrooms is very dilapidated, while three blocks with eleven classrooms are still in good condition, except for requiring minor repairs (such as window stays, window handles and window panes). There were six mobile classrooms that were used as a temporary measure to relieve the shortage of classrooms. The school did not have an administration block. It used one classroom as an office for the School Management Team and for storing school property such as photocopying machines, computers and printers. Two other classrooms were used as staff rooms. The school had twenty-two educators, three cleaners paid by the SGB, three food handlers and seven hundred and twenty learners.

4.5.1.2. SGB overview

The SGB had eleven members consisting of the principal, two educators, six parents and two learners. All members were able to read and write. Two parent members were also educators at other schools. The principal said that:

“The SGB had attended two workshops organised by the Department of Education. The first one-day workshop was about the functions of the SGB, and was attended by myself, the chairperson, secretary and treasurer. The second

workshop was about financial management and was attended by the same people, and it also lasted for one day”.

Other respondents also agreed that indeed the SGB was represented in the workshop and it assisted them in understanding their duties and responsibilities.

“We were introduced to issues that we were not aware of them, I can now render my responsibilities as chairperson”. The chairperson of SGB said.

4.5.1.3. School budget and income

The SMT in consultation with the staff started by identifying school needs and later took them to the SGB for further inputs. After the SGB had agreed, it was then taken to a parents’ general meeting for adoption. The school prepared its budget every year as required by SASA, sec 38 (1) and (2).

The principal said that:

“Our school budget prioritised administration and curriculum, although we have a debt on fencing. This was a capital project debt which our SGB incurred in the previous financial year. We have an agreement with the service provider to settle its debt in three financial years. This arrangement was arrived at so that the school could also meet other financial obligations while servicing its capital project”.

The school principal insertion on school priorities was also supported by the SGB chairperson, secretary and finance officer. These priorities had been identified by the SMT, the finance committee and SGB. The SMT and finance committee played an essential role in ensuring that the budget proposals were supported and later approved by relevant stakeholders. This was because the SMT was responsible for the day-to-day functioning of the school while the finance committee advised the principal and SGB on all financial matters.

Apart from the state allocation, the school was also able to raise some funds through selling garden vegetables to community members and monthly payments by hawkers for

permission to sell within the school yard. However, the school did not include this income in their budget. The budget was based mainly on the norms and standards allocation. The finance officer said that:

“We use this money as petty cash for buying small items such as salt for nutrition, washing powder, and supplementing the salary of a gardener, who serves as a day shift security and I keep records for the money collected on daily basis”.

4.5.1.4. Budget expenditures

The school spent its income as per school budget and as prioritised. The principal said:

“The finance officer together with finance committee assist us in managing and monitoring our expenditures. She works on our finance books, with her, I am certain that our finances are in good hands. I appointed the right person for the right job”.

Other respondents also supported this claim that the finance committee is doing well in assisting the SGB in managing and monitoring school finances. The respondents indicated that the school used the procedure as outlined by Prescripts for the Management of School Funds in procuring their goods and services.

4.5.2. Findings from Document Analysis

4.5.2.1. School budget and income

The budget addressed activities as indicated in the SIP, for a period of one year as prioritised. However, there was no time-line management strategy in terms of how and when the budget was to be executed. This budget was based on the income that the school received from the government allocation of norms and standards for one financial year. The school prepared its budget and income statement as required by SASA, sec 38 (1) and (2). The school budget for the financial year 2009/2010 is tabled in “Appendix D.1”.

4.5.2.2. Budget expenditures

The audited financial statement for the year ending 31 December 2009 indicated that:

“the financial statements fairly present the financial position of the school as at 31 December 2009, and the results of its operations for the twelve months ended in conformity with the generally accepted accounting practice.”

The audited financial statement of this school is attached as “Appendix D.2”. This school both good practices and challenges regarding the use and management of school finances, as indicated below.

4.5.2.2.1. Good practices regarding the use and management of school finances

The respondents indicated that the school used the procedure as outlined by Prescripts for the Management of School Funds in procuring their goods and services. The school was able to manage and monitor its funds through the finance committee. The finance officer checked the procured goods against the budget. If necessary, a review of items on the budget was done to adjust the budget to meet the needs of the school. The school used the expenditure monitoring instrument, with items, amount budgeted and the months from January to December. The finance officer was central in the management and monitoring of finances and kept other members informed about school finances. In every finance meeting, members of the committee evaluated the expenditure as opposed to the amount budgeted for. All transactions were recorded. Records were kept properly and reconciled on a monthly basis by the finance officer.

The school also had good measures in place to ensure that all goods procured were delivered as per order. The head of department (at school level) had been tasked with recording all the goods delivered at the school. The parents were provided with a report on annual expenditure. This practice was in line with the provisions of the Prescripts for the Management of Funds in public schools.

4.5.2.2.2. Challenges regarding the use and management of school finances

The school also experienced challenges in the execution of their responsibilities regarding school finances which included the following: The cheques issued to pay for services were not returned to the school so that they could be attached on the claim form. Some of the claim forms were not completed, although the cheques had been issued. There were no cheque numbers or the dates on which they were issued.

Payments for electricity and a learners' trip to a career exhibition were made without the approval by the signatories (treasurer and SGB chairperson) and the circuit manager. The principal indicated that the school was not aware that electricity was finished because it used a pre-paid system. In respect of the trip, it was said that they had received the invitation letter very late and they felt that learners should be transported to the exhibition centre.

The school combined the refund of educators' travelling costs on one cheque, writing in the name of only one educator. The risk was that this educator could claim that he/she had lost the money after having cashed the cheque at the bank. It was said that the reason for this practice was to avoid bank charges.

The school did not have a time-line management strategy in place, which led to non-fulfilment of some items that were budgeted for. The time-line management strategy would help to make sure that the institution executed its plan within the prescribed period as agreed to by the SGB. The school principal would be able to monitor the progress made with the implementation process. Their estimates of items in the budget were also not realistic or close to the prices of items.

4.5.3. Findings from Observation

I attended the SGB meeting with observation status. I noticed that both teachers and parents participate actively, with learners less. They all respect one another during the proceedings of the meetings. They raise hands whenever they want to speak. They use Sepedi in their meetings, sometimes some mix it with English.

4.5.4. Summary on School performance

This school seemed to be challenged regarding some aspects of the use and management of school finances which were needed for improvement. However, the school was doing well in respect of some practices. No money appeared to be lost, but the processes as indicated in the prescripts for the use and management of finances were not followed. It could be concluded that this school had the capacity to execute its responsibility with regard to the use and management of school finances, but it also needed support to improve its practices. The finance officer should also be assisted with the arrangement of the finance file.

4.6. CONCLUSION

In this chapter, the researcher presented and analysed data collected during the research study using interviews, documentary analysis and observation in SGB meetings from four schools arranged and coded A, B, C, and D. The next chapter present the summary and recommendations.

CHAPTER FIVE

SUMMARY AND RECOMMENDATIONS

5.1. INTRODUCTION

Since the audit report of Limpopo provincial government found that there were many schools that were struggling to use and manage school funds according to the defined objectives of the No-Fee Schools policy, I decided to conduct a study to analyse whether the schools of the Bolobedu cluster circuits of Mopani District were among those which struggled with the use and management of school funds. The research objectives were to establish how schools implemented the No-Fee School policy; examine the schools' sources of funding; evaluate how do schools comply with prescripts on financial management systems and analyse the criteria and strategies used in the process of allocating, spending and monitoring and reporting school finances.

The performance of the four schools was compared. The rationale behind comparing the schools' performance was to identify factors that contributed towards best performance or those that impacted negatively on the execution of SGB functions regarding the use and management of school finances. The SGB which appeared to have demonstrated sound school financial management practices was able to establish a finance committee, develop a school finance policy and school business plan with a clear budget, that was adopted by parents and implemented as budgeted according to timelines, manage expenditure transparently and properly using a budget control statement (which assisted with overseeing whether items were being under or overspent), and account to the SGB and parents.

Findings from this study indicated that three SGBs had the capacity to maintain good financial responsibility in respect of the No-Fee School policy, though they needed to

improve on some aspects of their responsibility. One SGB was found to be struggling but had the potential to improve its capacity regarding its financial responsibilities.

This chapter is structured along the major themes from the findings, being those which contributed to schools' performance regarding their financial responsibility. They are:

- (i) Management and Leadership
- (ii) SGBs' prior knowledge
- (iii) Capacity-building workshop
- (iv) Communication and stakeholder relations
- (v) Compliance with finance legislation and prescripts
- (vi) Departmental support and monitoring

The following paragraphs try to explain how each theme contributed towards school performance in relation to the use and management of school finances.

5.2.1. MANAGEMENT AND LEADERSHIP

Schools A, B and D enjoyed strong management and leadership. These are the two key concepts for school effectiveness. The SMT and SGB of these schools were able to plan (by determining the organisation's vision, mission and goals); to organise activities at schools through defining tasks, roles and responsibilities, and to establish policies and procedures to achieve set goals; to lead by directing the human resources and motivating them to achieve plans and goals; and to control the tasks performed. These three schools were able to put proper financial management systems in place in respect of their financial responsibilities.

Schools A, B and D demonstrated sound and effective management. All stakeholders in these schools were involved in the school budgetary processes and budget spending as required by finance prescripts. Participants indicated that in these schools (A, B and D) there was stakeholder collaboration in sharing school governance matters. The SGBs of schools A, B and D were able to develop their budgets and have them approved by parents. Continuous collaboration among all school stakeholders and transparency of decisions and procedures are necessary to ensure the effective and efficient management of schools' finances.

Maestry (2006) argues that the principal must support the school governing body in all efforts to govern the school and, in the same vein, parents must support the principal to achieve the ultimate objective, namely, to educate the learners. This entails that the principals work collaboratively with the school governing body in the management of finances. Collaboration between the principal and school governing body was also mentioned by the Judge in the Schoonbeen case, who stated that the principal had a duty to facilitate, support and assist the SGB in the execution of its statutory functions relating to the assets, liabilities, property and financial management of the public school (Maestry, 2006).

Giese et al (2009) found that ANSSSF made some gains which included removing the burden from parents in paying school fees, and their social grants will be spent on other family expenses; and the relationship and engagement between SMTs and parents increased because parents do no longer feel pressurized or discriminated against for non-payment of school fees. Indeed, schools A, B and D parental involvement increased due to the leadership provided; hence the schools were able to develop their budgets as required by SASA.

The management of school C did not provide proper leadership. This was attested to by the failure of the school to hold parents' meetings in order to approve the proposed SGB budget.

The SGB secretary of school C said that:

“Our principal does not give us time to make inputs on school matters. He just tells us what he has planned. Our voices or participation is limited and it is very much to change what he has already planned. Sometimes he does not provide us with feedback from departmental meetings”.

This lack of collaboration among stakeholders seemed to have impacted negatively on school performance. The school failed to develop a budget and continued to use school money without a detailed budget approved by parents. This school had violated the SASA (Act No. 84 of 1996) Section 38(1) and (2) that requires the SGB to prepare a

budget which must be presented to parents for consideration and approval by the majority of parents present at the meeting with voting powers.

During parents meetings, schools will be able to identify their priorities as indicated in section 4.4.2 of Prescripts for management of school funds at public schools. Their participation will then realise and achieve the defined objectives of No-Fee School policy of attaining redress, access and equity.

Management can be defined as “the process of planning, organising, leading and controlling the resources of the organisation to predetermined stated organisational goals as productively as possible” (Smit, *et al.*, 2007:9). Management can be simply defined as the process of giving direction within an organisation, providing leadership, and deciding on how to use organisational resources to attain goals and objectives. The activities of management involve getting things done through people and other resources and providing direction and leadership. Leading refers to the use of influence to motivate employees to achieve organisational goals and objectives as determined.

SGBs as structures responsible for governance at schools should ensure that they set goals and objectives for the effective execution of their duties and responsibilities regarding the use and management of school finances. The SGB is the structure that leads the school and with whom the final authority and responsibility for executing the management process rests. Management and leadership are two concepts that are central to school effectiveness. All school structures (SMT, SGB, LRC and SGB sub-committees) should be effective in order to improve the quality of education. The school principal and SGB chairperson should provide leadership and direction to ensure that other members of the school community realise the strategic objectives and translate them into action plans and inspire them to reveal trust and commitment.

The principal of a school should ensure that all stakeholders have a shared and common vision for the school. This will enable them to own the school and accept the concept, “our school”. This is only possible through continuous engagement with all stakeholders. They need to understand the schools’ vision and mission statements, aims, policies and procedures which assist their schools to attain their goals and objectives.

This enables stakeholders to have a sense of belonging and ownership. Smit *et al.* (2007) assert that managers are responsible for getting things done correctly through other people. They should collaborate with their superiors, peers, and subordinates, with individuals and groups in order to attain the goals and objectives of the organisation.

The SMTs and SGBs of schools A, B and D worked together as a collective in planning and decision-making. Their discussions and interactions were meant for collective and shared ownership of their decisions geared towards the development of their schools. These SGBs were able to execute their duties and responsibilities regarding the use and management of school finances, although they had various challenges that could be rectified.

From the discussion above, it is evident that for schools to be successful in executing their responsibilities, they should have good managers with leadership potential to develop into leader-managers (as in the case of schools A, B and D). The managers focused on non-behavioural aspects of management, such as the systematic selection of goals, the development of strategies to achieve these goals, the design of the organisation, and the control of the activities required to attain the goals. In contrast, leaders focused on the behavioural aspects of management. They mobilised people to change what needed to be changed, and they steered the organisation in a certain direction. Good leadership entails taking responsibility for translating strategies into best practice and being held accountable for delivery and effectiveness. Organisations need both management and leadership in order to be effective (Smit, *et al.*, 2007).

5.2.2. SGB PRIOR KNOWLEDGE

All four schools had SGB members who were able to read and write, with varied abilities. Before SGBs were elected, some members of the parent component of schools A, B and D had an understanding of the SASA (Act 84 of 1996), although not in full detail, especially regarding the use and management of school finances. These parents acquired their knowledge of the use and management of school finances from the schools they were attached to, serving as either SGB members (teacher component) or school teachers. These schools were able to assume their financial powers before they

could be inducted because they had some members who had prior knowledge, plus the principals who were also members of the SGBs.

During meetings, all SGB members of the four schools participated in decision-making. The level of participation was satisfactory. There was no component that dominated the others, except in the case of some of the subjects under discussion which might not have been familiar to some members. This prior knowledge enabled SGB members to assume their responsibility before they received induction into SGB duties, responsibilities and finances.

However, the parents of school C were not educators. Two parents had matriculated at that school, two parents had only primary school education, while the other member was a pensioner but able to read and write. These two parents did not have any knowledge of SGB functions. Only the pensioner was serving in the SGB for a second term. The teachers in the SGB were serving as SGB members for the first time. This school could therefore not assume its responsibilities before the capacity-building workshop. However, the Department of Education had an obligation to provide training to newly-elected SGB members to enable them to execute their duties and responsibilities.

5.2.3. CAPACITY-BUILDING WORKSHOP

After SGBs had been elected, the department organised two workshops. The first workshop was about inducting SGBs to their duties and responsibilities. Each school was required to be represented by the principal, the SGB chairperson and the SGB secretary. The second one was on school finances and guidelines as per the SASA, PFMA and prescripts for the management of school funds in public schools. Schools were represented by key personnel responsible for school finances, that is, the principal, SGB chairperson, SGB treasurer and the finance officer.

This was primarily because the SASA (Act No. 84 of 1996) section 19 mandates the provincial department to provide introductory training to newly-elected SGB members to enable them to execute their functions. It further indicates that SGBs should be provided with continuous training to develop and promote effective performance of their functions and also to enable them to assume additional functions as required. This

assertion is in line with post-structuralist perspectives such as those expressed by Wohlstetter and Mohrman (1992) and Mathonsi (2001), who maintain that SGBs should be trained and capacitated for their new decision-making roles, and have sufficient information to make genuine and informed decisions.

Some authors have raised this point about the skills required to carry out the SGB functions as indicated in the SASA (Act No. 84 of 1996). Porteus (2001) argues that if SGBs do not gain the required skills and capacities, failure and frustrations may occur, as in the case of school C. This might lead to a situation wherein those who were sceptical about the idea of decentralising functions and responsibilities to SGBs, start to think that the decentralisation effort had been fruitless.

The SGBs of schools A, B and D were able to develop finance policies and establish finance committees which assisted their SGBs with drawing up their school budget, and managing and monitoring school expenditure. Financial responsibilities were executed through the DoE's policies, although there were some challenges (as indicated under each school), which had to be attended to. The workshop increased their financial management knowledge.

Maestry (2006) asserts that research done by Du Preez and Grobler (1998:39) has indicated that there is a correlation between sound financial management and effective, efficient SGBs. The HoD had to ensure that school governing bodies were trained continually.

The SGB of school C started by struggling, and failing to secure a meeting of parents to approve the budget. They operated with a budget that was not approved by parents. The school had only tabled school priorities without allocating amounts for each item. However, personnel at this school had not embezzled school funds. It needed to be assisted. The Department of Education did not detect that the school was challenged. The school should have requested assistance from the circuit office. In fact, during the workshop, the SGB did not acquire sufficient knowledge and capacity to practice financial management responsibly. The school had its good practices and challenges regarding the use and management of school finances as listed previously.

If the SGBs are well informed and capacitated in understanding their roles and responsibilities, they will be able to govern schools well and improve the quality of education in South Africa (Mathonsi, 2001). This was attested to by the SGBs of schools A, B and D after they had attended the workshop. The SGBs of schools A, B, and D were able to establish finance committees in their schools, that were able to advise and assist the SGB with budget development, follow proper procurement systems as detailed by the school finance policy and other finance prescripts, manage school finances and ensure that expenditures were accounted for to the SGB, parents and department.

The SGB chairperson at school B asserted that:

“The workshop on finance was very much helpful. When we were elected, we did not know how to manage school funds, and we use to argue unnecessarily, thinking that the principal is manipulating system. But now, we know what is expected of us and I am happy that we will do our job well.”

This assertion was supported by other respondents, that indeed the workshop played an essential role because they were then ready to take the financial responsibility forward to ensure that they improved their school’s performance.

Because school C did not establish a finance committee and could not develop a budget, it was difficult for the SGB to monitor the budget. The school funds were committed as and when there was a need to buy any item in an unstructured and unplanned manner. This school did not have systems in place for developing and controlling a budget, monitoring and approving all expenditure and ensuring that all procurement (purchasing of goods and services) was executed following proper quotations and tendering procedures. In fact, this school lacked the committee which was vital to the managing of school finances.

One could assert that if we want the policy to achieve the intended goals and objectives, more focus should be on those who have to actualise it by providing them with resources, information, knowledge and skills so that they have capacity and ability to interpret and implement it as intended by the policy-makers. Furthermore, it is vital for

the policy-makers to actively engage the policy implementers at an early stage of policy formulation. This engagement will assist in creating a sense of ownership and facilitate a broad understanding of the matters involved. De Clercq (1997) argues that when a discrepancy develops between intended policies and implemented policies, it is blamed on the state bureaucrats for lacking institutional and resource capacity, or insufficient control systems. The bureaucrats defend themselves by pointing out that the Department of Education is overwhelmed by policy overload, unfunded mandates, lack of prioritisation plans and strategic planning as well as severe inherited backlogs, insufficient provincial plans and managerial capacity (De Clercq, 2000).

Mathonsi (2001) comes straight to the point when saying that if the SGBs are well informed and capacitated, and understand their roles and responsibilities, they will be able to govern schools well and improve the quality of education in South Africa. For the government to close the gap that exists between policy and implementation, SGBs should not be given the policy document only, but should be exposed to an intensive and constructive capacity-building workshop so that they can perform their tasks and roles as empowered by the SASA (Act No. 84 of 1996).

The performs of school C makes one to refer to the statement I indicated earlier under literature review that, since most of policies within DoE are developed by national government and the provinces and schools are expected to implement them in achieving the intended objectives, my question on what assistance or intervention by the DoE (national office) in ensuring that policy intentions are achieved is still relevant on this matter. Though the capacity- building workshop was provided by the circuit office, did the national office quality assure the workshop provided? Was there sufficient monitoring and support?

Veriava (2005) raised concerns regarding the challenges that had become apparent between the year 2000 and 2003 which led to the enactment of Education Laws Amendments Act (Act No 24 of 2005). These challenges included schools lacking effective management training and sound financial accounting systems. In fact, schools required a solid understanding of how best to use the allocation of No-Fee Schools

policy in the interests of school improvement and the support of the curriculum in order to achieve policy intentions of attaining access, redress and equity.

Though DoE embarked on series of amendments to sections of South African Schools Act and other related policies into equity (pro-poor) policies, there is a vital need to attend to fundamental issues such as capacitating those to implement these policies and provide them with sufficient resources in order to achieve the intentions of equity orientated policies. There should be support and monitoring at all levels of the DoE for coherent and systemic implementation of the policy.

5.2.4. COMMUNICATION AND STAKEHOLDER RELATIONSHIPS

Since the SGB comprised all components of the school community (parents, teachers, non-teaching staff, and learners in secondary schools), school principals had to ensure that their SGBs were functional and effective. They had to provide effective management and leadership through engaging all stakeholders. This would result in developing trust and respect amongst themselves and inculcate a sense of ownership.

The schools were able to convince some parents to do some voluntary school work, such as cleaning the school yard, without compensation.

Giese et al (2009) noted some gains made by ANSSSF which include: parents being happy because the burden of paying school fees have been removed, parents are now engaged in the affairs of the school and do no longer felt being humiliated or discriminated due to non-payment of school fees, learners' attendance increased. Indeed, policy intentions of achieving access, redress and equity have been considerable noted.

However, some parents at school C were not committed to school matters which led to the failure of parents to adopt the school budget, although the SGB kept on encouraging parents to own the school. Non-attendance of parents meeting by the parents of school C made them not to have adequate information about Amended National Norms and Standards For School Funding, and failed to comply to SASA obligation on the approval of school budget. Though Giese, et al (2009) indicated that school principals complained about poor communication by DoE to schools, but this time, it was the parents who did not attend the meeting wherein they were to receive information on the ANSSFF and further develop the school budget as required by SASA.

There were effective communication and healthy relationships in schools A, B and D. SMTs and SGBs were able to consult each other and their stakeholders, listen to alternative points of view, share information, provide regular feedback and respond positively to constructive criticism. This enabled stakeholders to start understanding the changes occurring in education and to develop trust in school authorities.

The stakeholders in schools A, B and D, and a few parents at school C were able to participate in the activities of the schools which enhanced communication among teachers and administration and improved the quality of educational decision-making. Indeed, schools A, B and D succeeded in executing their duties and responsibilities because they encouraged parents and the community to participate in the activities of the schools. Stakeholder participation implies people-driven development as the community is consulted in planning, setting objectives and influencing to the extent that development is owned by the community. The participation of stakeholders impacted positively on the SGBs' execution of their duties and responsibilities, and allowed the SGBs to make the best of their new powers under the decentralisation of school financial management, although school C had a problem with budgeting processes. It had the potential, however, to increase its capacity to execute its responsibility for finances.

Relations (in schools A, B and D) were very good, and they were able to plan collectively and communicate effectively with all people involved in the use and management of school finances. The cooperation among stakeholders committed them to school development, and helped them to understand their vision and mission statements, aims, policies and procedures which assisted the school to attain its goals and objectives. Parents were encouraged to make contributions towards the development of the education of their children.

In fact, principals of these schools applied good communication strategies which ensured that stakeholders remained informed, inspired and connected to the school activities in order to improve the quality of education in their respective schools. Engaging stakeholders in critical discussions about the school, its activities and how it impacted on the socio-economic environment, was essential for performance improvement of the school. Principals as managers and leaders of schools had to be able to harness their intimate understanding of stakeholder interests and needed to advise the SGBs how best to establish rapport, build strong relationships and gain the trust of their stakeholders. This was central to retaining stakeholder loyalty and continuous support. School C did not consider stakeholder communication and relationships and mismanaged this aspect, forgetting that it was the one aspect that connected the school and its community.

5.2.5. COMPLIANCE WITH LEGISLATION

After the schools had attended the capacity-building workshop on legislation, they started to improve their compliance with the legislation governing the use of school finances. The schools were provided with finance documents such as the SASA (Act No. 84 of 1996), Prescripts on the Management of School Funds, and Guidelines on how to use public funds. These were two pieces of legislation that were introduced specifically to manage the No-Fee School policy, because schools were given more money and there was the likelihood of some people being tempted to steal and misappropriate funds.

The legislation further assisted in making sure that schools did not use common sense in the management of school finances. The legislation further required each school to develop a school financial policy as per the PFMA, national treasury regulations and directives issued by the HoD, which should provide a clear understanding of the responsibilities of SGB members within the finance committee, and other persons to whom specific duties had been delegated. Schools A, B and D were able to develop their finance policy so that they could manage school finances effectively and efficiently. The SGB should be in at the start and at the end of each process, creating or reviewing the procedure or the policy. School C did not have a finance committee or a finance policy,

however, and the school did not have effective control measures in place for the use and management of school finances.

The finance officer of school C said that:

“Our principal takes decisions on finances alone, later calls the old man, SGB chairperson to rubber stamp his decisions. Later, they will call me to issue a cheque without questioning. Some teachers have started to complain, but they are afraid to be victimised.”

This clearly indicated that school C lacked transparency in the use and management of school finances. This was the result of the school not having a finance committee. Most respondents indicated that they were excluded from financial decisions because the principal and chairperson did not discuss decisions with them, except to be told what they had done. This was exacerbated by the SGB treasurer’s lack of financial expertise and being afraid because she had been a student at that school under the current principal.

Documentary analysis also attested to the fact that schools tried by all means to comply with the basics of finance legislation, although there were some challenges which schools experienced as reported under the findings of each school. Generally schools (A, B and D) used accepted standards in the management of their finances as supported by auditors’ reports and supported by the good practices found by the researcher.

Given the above status in relation to school C, the Department of Education should have ensured that all schools submitted a list of finance committee members, their finance policies and minutes of meetings on a quarterly basis, to ensure that the use of school finances was monitored. This was because the finance committee played an essential role in managing school finances. The SGB should have requested assistance from the

Department or an expert with sound financial knowledge from the community after having discovered that the SGB treasurer had little knowledge of finances and related procedures.

5.2.6. DEPARTMENTAL SUPPORT AND MONITORING

During the workshop, the SGBs were cautioned about the responsibilities and the obligations of the school principals and the Head of Department. It was emphasised that the Head of Department might, at any time, call for a special report or other particulars, as he/she may consider necessary, in connection with the administration of school funds. Furthermore, he/she might appoint an officer (within or outside the Department) to investigate and report to him/her about school finances, and departmental officials would visit schools from time to time to inspect and peruse all their financial records and activities.

Principals were further reminded about their obligations. They had to ensure that all statutory provisions such as Prescripts on finances and departmental directives were observed without fail by him/her and by employees under his/her supervision. The principal had to maintain and retain sufficient documentary evidence and make such documentation available for inspection. On the basis of the above, it was easy for me to access schools' documents related to finances for documentary analysis. Indeed, principals adhered to the proceedings of the workshop.

Schools were also directed to submit all their claim forms together with adjudication forms signed by all members of the finance committee, and three quotations from service providers, before they committed funds. Schools A did not comply with this requirement. All transactions were finalised at school level and the respondents indicated that it was the practice in their circuit. The Circuit Manager did not tell them that they should bring claim forms for approval. School B (which was in a different circuit than school A) complied partially. School B only submitted some transactions for capital projects and the principal's claims for approval by the Circuit Manager. Schools C and D, in the same circuit, but different from A and B, submitted all their claims forms for

approval by the Circuit Manager. There was only one claim of school C that was found not to have been submitted for approval.

The submission of claims to the circuit office for approval assisted the SGBs to manage and monitor school finances because the Circuit Manager was able to see whether the school was encountering any challenges or not adhering to legislation. Circuit Managers and Deputy Manager Governance as officials of the department were able to monitor and support schools in respect of the challenges that might be discovered.

It was also discovered that the department did not monitor the use and management of school finances regularly. In fact, after the Department had conducted the capacity-building workshop, it should have monitored schools' practices regularly to ensure that it provided regular support where schools needed support most. If this had happened, the DoE could have deduced that school C had serious challenges in the execution of their financial responsibility and intervened promptly. Hence, the challenges posed by Giese et al (2009) regarding the implementation process of ANSSSF. Amongst them, is poorly planned and capacity building workshops, that the workshops were poorly planned with less content on the policy, though ANSSSF requires both National and Provincial Departments of Education to design and roll out training programmes in order to support policy implementation. Noting all the challenges related to logistics of the workshop, one may then ask a question that was the DoE able to support and monitor all the schools to ascertain if they are implementing the policy as it should be?

5.3. CONCLUSION

The overall findings of this study indicate that the SGBs of schools A, B and D had the capacity to practice good financial management in respect of the No-Fee school policy, although they still need to improve in some areas of responsibility. These SGBs were able to manage and monitor their finances properly. The SGB of school C, however, had the potential to improve its capacity to execute its financial responsibility, but it needed continuous support and monitoring so that all stakeholders would realise the need for working as a collective for attaining common vision and organisational goals.

From this study, it can be concluded that the SGBs had the capacity to interpret and implement their duties and responsibilities regarding the No-Fee schools policy. These SGBs were found in rural villages where some parents had never been exposed to administrative and financial responsibilities before the SASA (Act No. 84 of 1996) was enacted. Findings indicated that three SGBs (Schools A, B and D) had demonstrated sound practice in the use and management of school finances by establishing finance committees, developing finance policies, drawing up school budgets and presenting them to parents for adoption by a majority of parents and implemented as budgeted. Expenditure was managed properly and accounted for to the SGB and parents. Their performance on the use and management of school finances was able to improve the quality of education through achieving the intentions equity orientated policies as developed.

Although the SGB of school C did not establish a finance committee, have a realistic budget, or develop a finance policy, it was able to spend its income on school-related items as indicated in the auditor's financial statement. The expenditure was accounted for to the SGB. No funds were found to have been misappropriated or stolen.

With regard to the above findings in respect of the implementation of the No-Fee Schools policy, it is recommended that immediately SGBs are elected, all members of SGBs must receive an intensive induction workshop on their duties and responsibilities and on related critical legislation dealing with governance. This will assist SGBs to execute their duties and responsibilities. This will make and encourage SGBs to take genuine and informed decisions regarding the development of their schools, and implement best practices in the use and management of school finances. The DoE should also monitor the implementation process and compliance so that struggling schools receive immediate support in order to maximise best practices regarding financial responsibility and related functions as required by legislation. Quick intervention will reduce the risk of misappropriation of school finances and increase school performance in relation to the SGB's financial responsibility and to ensure that the intentions of ANSSSF (redress, equity, and access) are realised and achieved. Berne and Picus (1994) further asserted that central for the success of efforts to achieve equity, factors such as

comprehensive funding formula, effective organisation and the use of the resources, and capacity to implement these policies is vital.

Having considered findings of this study, one would like to recommend future study on the impact made by the use and management of school finances towards improving the quality education. Was there any noticeable improvement of teaching and learning with increased learner performance? If yes, what strategies can be employed to ensure that improved learner performance is sustained?

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APPENDIX A.1**BUDGET INCOME STATEMENT FOR THE FINANCIAL YEAR 2009/2010
SCHOOL A**

PROGRAMME	OBJECTIVE	ACTIVITY	AMOUNT REQUIRED
1.Infrustructure	1.Renovation	Broken chairs and ceiling, toilet roofing	R9 000.00
2.Fulfilment of commitments	Clearing of old and new debts	Travelling cost of educators to workshops, meetings, submission of quotations, etc.	R15 000.00
3.Administration	Office equipment	Computers, printer, stationery, etc.	R33 178.00
4. Educational Resources/ Aids	Teaching and learning materials	Posters, Dictionaries, video Cassettes, Teacher guides and Floral Covers	R1 730.00
5. Sports	1. Affiliation	Affiliation fees	R1 000.00
	2.Transport	Meetings and transporting learners	R2 300.00
	3.Catering	Visitors and learners	R5 000.00
	4.Soccer equipment	Soccer balls, first aid kit, Medium trommel, and soccer kit.	R2 550.00
	5.Netball equipment	Netball, first aid kit, Medium trommel and netball kit	R2 550.00
	6.Passport-size photos	Sports participants	R1 000.00
6.Cleaning materials	1.Classroom hygiene	Brooms, floor polish, washing powder, pine gel, cloth, toiletries, etc.	R3 945.00
	2.Toiletries	Toilet paper, brooms, Jeyes fluid, etc.	R1 350.00
7.Gardening equipment	Cleaning school	Steel rakes, rubber rakes, wheelbarrow, hand hoes, etc.	R1 650.00

	surroundings		
8. Security house	Strongroom	Safety of computer, machinery, Cage and TV stand .	R11 000.00
9. Wages	1. Security man	Night watchman @ R500 x 12	R6 000.00
	2. Cleaners	4 People @ R350 x 12	R16 800.00
	3. Gardener	One person @ R600 x 12	R7 200.00
10.Paving	School beautification	Paving, labour, sand	R8 000.00
11. Water Facilities	Water supply	Taps and hosepipe	R500.00
12.Electricity	Electric current	Facilities running	R3 000.00
13.Rental	Communication	Postal box	R300.00
		Television licence	R300.00
14. Phone	School phone	Cell phone	R1 500.00
		Airtime	R1 000.00
15. Governance	SGB	Transport to meetings/workshop and catering	R1 000.00
16.Kitchen utensils	Catering	Plates, dishes, glasses, spoons, etc.	R1 855.00
17. National Nutrition School Programme	Wood	For cooking	R6 000.00
	Gas stove	1 x 3 plates	R1 000.00
		2 x Afrox Handi Gas	R400.00
		Gas refilling	R200.00
18.Functions	Catering	Parents' meeting	R1 500.00
		Grade 7 farewell	R2 000.00
19. Urinating	Hygiene	Points for learners	R500.00

point/stand			
20. Maintenance	General	Facilities	R3 828.00
21. Fundraising	Projects	Farming	R1 500.00
22. Bank charges	Account maintenance	Monthly charges and services	R2 500.00
23. Audit costs	Auditors	Auditing school finance books	R1 300.00
TOTAL			R159 436.00

APPENDIX A.2

INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR 2009/2010 FOR SCHOOL A

INCOME

R160 938-00

Grant : LP Education
R160 938-00

IEC R100-00

LESS EXPENSES
R85 164-46

ITEM	AMOUNT
Affiliation fee	R952-50
Auditing	R1 083-00
Bank Charges	R4 427-91
Catering	R3 628-16
Cleaning Materials	R2 303-42
Electricity	R2 500-00
Firewood	R3 700-00
Gardening	R1 450-00
Kitchen Utensils	R2 464-15
Petty Cash	R6 450-00
Post Box Rentals	R270-00
Printing and Stationery	R13 758-45
Primary School Nutrition Programme (PSNP)	R13 800-00
Repairs and Maintenance	R5 122-10
School Stamp	R430-00
Sports Expenses	R12 685-77

Transport	R10 139-00
Nett Profit/(loss) for the year	R75 773-54

BANK RECONCILIATION STATEMENT

Opening Bank Balance	R47 141-17
Add: Income (Per Income Statement)	R160 938-00
Less: Expenses (Per Income Statement)	(R85 164-46)
Less: Capital Expenses (Per Balance Sheet)	(R33 921-75)
Closing Bank Balance per Bank Statement	R88 992-96

BALANCE SHEET AS AT 31 DECEMBER 2009

ASSETS	NOTES	2009
Non Current Assets		R33 921-75
Property Plant and Equipment	1	R33 921-75
Current Assets		R88 992-96
Cash and Cash equivalents	2	R88 992-96
TOTAL ASSETS		R122 914-71
EQUITY AND LIABILITIES		
Capital and Reserves		R122 914-71
Accumulated Funds	3	R122 914-71
TOTAL EQUITY AND LIABILITIES		R122 914-71

NOTES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

Property, Plant and equipment

Owned Assets Value	Cost/ Valuation	Carrying
Land and Buildings	R8 683-75	R 8 683-75
Improvement	R8 451-00	R 8 451-00
Equipment	R15 487-00	R15 487-00
Furniture and Fittings	R1 300-00	R1 300-00
		R 33 921-75
		R 33 921-75

The Carrying amount can be reconciled as follows:

	Cost/Valuation	Additions	Revaluations/ Scrapping value	Cost/valuation	Carrying Value
IMPROVEMENT Building Materials	R -	R 8 451-00	R -	R -	R 8 451-00
LAND AND BUILDINGS Fencing	R -	R 8 683-75	R -	R -	R 8 683-75
EQUIPMENT Computer, copier, Printer	R -	R15 487 00	R-	R -	R 15 487-00
FURNITURE AND FITTINGS	R -	R 1 300-00	R -	R -	R1 300-00

Stove					
	R -	R 33 921-75	R -	R -	R 33 921-75

Cash and Cash Equivalents

Bank	R 88 992-96
	R 88 992-96

Accumulated Funds

Opening Balance	R 47 141-17
Add:	R 75 773-54
	R 122 914-71

APPENDIX B.1

BUDGET INCOME STATEMENT FOR THE FINANCIAL YEAR 2009/2010 FOR SCHOOL B

ESTIMATED INCOME: R306 565.00

ESTIMATED EXPENSES: R306 384.00

ITEM	AMOUNT
1. OFFICE AND ADMINISTRATION	R49 500.00
1.1 Auditors	R1 500.00
1.2 Phone Airtime	R6 000.00
1.3 Stationery	R10 000.00
1.4 Maintenance (computers, printers, photocopiers)	R10 000.00
1.5 First aid kit refill	R200.00
1.6 Bank charges	R4 500.00
1.7 Postage and box rental	R300.00
1.8 Petty cash	R12 000.00
1.9 Learners' utensils	R5 000.00
2. FUNCTIONS	R8 750.00
2.1 SGB catering (meetings and trips)	R1 050.00
2.2 Catering for visitors (sports)	R2 400.00
2.3 Parents' meeting	R1 500.00
2.4 Farewell	R2 000.00
2.5 Catering (educators and learners during trips and tours)	R1 800.00
3. SPORTS	R7 700.00
3.1 Affiliation	R4 500.00
3.2 Athletics equipment maintenance	R700.00
3.3 Netball equipment	R1 500.00
3.4 Soccer equipment	R1 000.00
4. EDUCATION	R10 300.00

4.1 Charts	R800.00
4.2 Compass (globe). Map of the world and map of South Africa	R1 500.00
4.3 Grade R-1 Story books	R3 500.00
4.4 Teaching aids	R4 500.00
5. SCHOOL BUILDING, MAINTENANCE AND REPAIRS	R175 634.00
5.1 Fence (pre-cast)	R161 834.00
5.2 Sports ground	R 5 000.00
5.3 Garden/ greenery	R4 000.00
5.4 Electricity	R4 000.00
5.5 Fire Extinguisher	R 800.00
6. FINANCIAL HONORARIUM	R24 000.00
6.1 Food handlers (cooking and cleaning toilets)	R24 000.00
7. TRAVEL	R23 000.00
7.1 Educators, SGB members	R7 000.00
7.2 Learners (sports & athletics)	R6 000.00
7.3 Touring	R10 000.00
8. CLEANING EQUIPMENT	R5 500.00
8.1 Cleaning equipment and toilet paper	R5 500.00
9. UNFORESEEN EXPENSES	R2 000.00
TOTAL	R306 384.00

APPENDIX B.2**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31
DECEMBER 2009 FOR SCHOOL B**

INCOME	R229 816.14
Firewood	R1 900.00
Grant: LP Education	R187 694.00
IEC	R200.00
Interest Received	R2 989.74
Miscellaneous Fund	R27 462.40
Sports Fund	R9 570.00
LESS: EXPENSES	R182 307.54
Affiliation fee	R1 500.00
Auditing	R1 140.00
Bank charges	R6 615.62
Catering	R7 975.14
Cleaning materials	R7 118.60
Electricity	R2 529.69
Farewell function	R11 800.00
Firewood	R5 930.00
Miscellaneous	R19 841.00
Petty cash	R8 763.90
Post box rental	R270.00
Printing and stationery	R13 749.75
Project fund	R5 362.70
NSNP	R21 460.20
Repairs and maintenance	R24 187.42
Sports expenses	R28 910.15
Transport	R14 928.37
TV license	R225.00
Nett profit/loss for the year	R47 508.60

BANK RECONCILIATION STATEMENT: 2009

Opening Bank Balance	R139 296.25
Add: Income (Per Income Statement)	R229 816.14
Less: Expenses (Per Income Statement)	R182 307.54
Less: Capital Expenses (Per Balance Sheet)	R153 710.02
Closing Bank Balance per Bank Statement	R33 094.83

BALANCE SHEET AS AT 31 DECEMBER 2009

ASSETS	NOTES	2009
Non-Current Assets: Property plant and equipment	1	R153 710.02
Current Assets: Cash and Cash equivalents	2	R33 094.83
TOTAL ASSETS		R186 804.85
EQUITY AND LIABILITIES		
Capital and reserves		R186 804.85
Accumulated funds	3	R186 804.85
TOTAL EQUITY AND LIABILITIES		R186 804.85

APPENDIX C**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31
DECEMBER 2009 FOR SCHOOL C**

ITEM	AMOUNT
INCOME:	R273 781.00
Transfer from the Dept. Of Education:	R231 582.00
School fee (trips, donations, etc):	R36 411.00
Interest earned on: Credit bank balances:	R5 788.00
LESS EXPENDITURE:	
Administration and teaching and learning	
Cleaning materials	R6 140.00
Printing and Stationery	R86 764.00
Bank charges	R5 115.00
Transport - SGB & School Management.	R74 651.00
Accounting fee	R250.00
Box rental	R853.00
Sundry expenses	R148 650.00
Total	R322 423.00
Surplus or deficit	-R48 642.00
Retained surplus (deficit) at beginning of the year	
Retained surplus (deficit) at end of the year	-R48 642.00

**BANK RECONCILIATION STATEMENT FOR THE YEAR ENDED 31
DECEMBER 2009**

Opening bank balance	R179 349.00
Receipt Cash Book (Total of bank column)	R267 993.00
Less: Payments Cash Book (Total of bank column)	R317 307.00
Balance as per Cash Book	R130 035.00
Add: Interest on credit balances	R5 788.00
Less: Bank charges	R5 115.00
Balance as per Bank statement (31.12.2009)	R130 708.00
Add: Deposits not yet credited	0
Less: Outstanding cheques	0
Balance as per reconciled bank statement	R130 708.00

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2009

ASSETS	2009
Non-current assets	0
Office equipment	0
Office Furniture	0
Current Assets	R130 709.00
Cash at bank	R130 709.00
Petty Cash	R130 709.00
TOTAL ASSETS	R130 709.00
ACCUMULATED FUNDS AND LIABILITIES	
Accumulated funds:	
Surplus for the current year	R130 709.00

Non-Distributive Reserve	- R48 642.00
Current Liabilities	R179 349.00
Expenses owing	
Income prepaid	2
	2
TOTAL FUND AND LIABILITIES	0
	R130 709.00

BUDGET CONTROL STATEMENT AS AT 31 DECEMBER 2009

	2009 total anticipated income	2009 actual income collected	Variance
School fees	0	R36 411.00	0
Subsidy: Dept. Of Education	0	R231 582.00	0
Opening balance	0	R179 349.00	0
Interest received	0	R5 788.00	0
TOTAL INCOME		R453 130.00	

EXPENDITURES:

ITEM	ANTICIPATED EXPENSES	ACTUAL EXPENSES	VARIANCE
Audit	R4 000.00	R250.00	R3 750.00
Outings	0	R33 886.00	-R33 886.00
Travel	R30 000.00	R40 765.00	-R10 765.00
Stationery	R50 000.00	R86 764.00	-R36 764.00
Electricity	0	R14 160.00	-R14 160.00
Cleaning materials	R15 000.00	R6 140.00	-R8 860.00
Box rental	0	R853.00	-R853.00
Incidental/ Miscellaneous	R105 540.00	R139 605.00	-R34 065.00
TOTAL EXPENDITURE	R204 540.00	R322 423.00	-R117 883.00

APPENDIX D.1**BUDGET AND INCOME STATEMENT FOR FINANCIAL YEAR 2009/2010
FOR SCHOOL D**

ITEM	BUDGETED AMOUNT
1. CURRICULUM (Study aids, teaching aids, CDs, charts, models)	R15 800.00
2. ADMINISTRATION STATIONERY (Duplicating paper, ink for duplo and copier, machine service, chalk, files, memory sticks)	R47 480.00
3. SPORTS	R13 000.00
4. MAINTENANCE (Two chalkboards, window panes, floor, doors, electrical wires)	R8 900.00
5. COMPLETION OF NEW STRUCTURE (Bricks, cement, sheeting, door frames, doors, window frames and panes, timber and labour)	R14 540.00
6. UTENSILS (Fridge, Kettle, iron, stove, tablecloth, glasses, jugs, washing basins)	R4 850.00
7. FURNITURE (2 tables and 2 chairs)	R5 700.00
8. FENCING (payment of fence balance and paint)	R60 000.00
9. PETTY CASH	R5 000.00
10. CATERING (SGB, and visitors)	R5 000.00
11. AWARDS	R12 000.00

(trophies, certificates and farewell)	
12. GARDENING (fence, trees and flowers, pipes, taps)	R9 500.00
13. TRANSPORT	R20 000.00
14. SALARIES FOR SGB EMPLOYEES (security and cleaners)	R36 000.00
15. ELECTRICITY	R4 000.00
16. CLEANING MATERIALS	R10 000.00
17. BOREHOLE SERVICE	R5 000.00
TOTAL	R276 770.00

APPENDIX D.2**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDING
DECEMBER 2009 FOR SCHOOL D**

Balance as on 01 January 2009	R66 419.15
INCOME	R461 661.34
Admin/Activities fund	R12 100.00
Fundraising	R000.00
Interest earned	R3 621.34
Norms and standards	R438 440.00
NSNP Honorarium	R7 500.00
LESS: EXPENSES	R270 280.34
Audit fee	R2 929.54
Awards	R1 000.00
Bank charges	R3 340.67
Electricity	R3 800.00
Fencing	R58 597.02
Firewood	R9 200.00
Furniture & Equipment	R15 678.17
Material and labour	R32 688.98
Repair and maintenance	R7 357.76
Salary and Wages	R52 300.00
SGB meetings and catering	R3 971.00
Stationery and printing	R34 996.25
Transport	R36 420.95
Trips	R8 000.00
Cash book as at 31 December 2009	R257 800.15
Balance as at 31 December 2009	R257 800.15

**BANK RECONCILIATION STATEMENT FOR THE YEAR ENDING 31
DECEMBER 2009**

Receipt cash book (total of bank column)	R528 080.49
Less: Payment Cash book (total of bank column)	R270 280.34
Balance as per cash book	R257 800.15
Balance as per bank statement (31.12.2009)	R257 800.15
Balance as per reconciled bank statement	R257 800.15

BALANCE SHEET AS AT 31 DECEMBER 2009

ASSETS	
Non-current assets	
Furniture & Equipment	R15 678.17
Other assets	R32 688.98
Current assets	
Cash & cash equivalent	R257 800.15
Consumable stores	R34 996.25
Revenue prepaid	
Revenue owing	
Total	R341 163.55
ACCUMULATED FUNDS AND LIABILITIES	
ACCUMULATED FUNDS	
Accumulated funds	R341 163.55
CURRENT LIABILITIES	
Revenue paid	
Expenses owing	
Total	R341 163.55

APPENDIX E

INTERVIEW SCHEDULE

This interview schedule was used by the researcher to interview the interviewees in order to respond to the questions of the study. The following respondents participated in the study for each school as sampled: Principal, SGB chairperson, SGB secretary, SGB treasurer, Finance officer, Teacher on SGB and RCL President in case of secondary school. The interview schedule focused on three sections, namely, school profile, SGB overview and school finances.

1. SCHOOL PROFILE

This section had three subsections aiming at knowing the number of personnel at each school, availability of infrastructure and the relationship that exist amongst stakeholders.

1.1 PERSONNEL

1.1.1. What is the number of the following personnel at this school?

Total number of educators as per school staff establishment	
Deputy Principals	
Heads of Department	
Senior Teachers	
Cs1 educators	
Support staff (i) Security (ii) Admin (iii) Cleaners	
Number of learners	

1.2 INFRASTRUCTURE

1.2.1. How is the state of condition of infrastructure?

1.2.2. How many classrooms do the school have and how are they utilized?

1.2.3. Do these classrooms meet the requirements of the school? If no, what is the shortage, and how have you addressed it?

1.2.4. Does the school have enough staff accommodation? If no, what is the shortage, and how have you addressed it?

1.3 STAKEHOLDER RELATIONSHIPS

1.3.1 What is the relationship amongst the following stakeholders?

a. SMT

b. Teachers

c. Learners

d. Parents

e. SGB members

f. Support staff

1.3.2 What role do the stakeholders/ community play towards the development of the school?

2 SGB OVERVIEW

This section wanted to know the number of SGB members per each component. It also aimed at knowing the level of education and literacy status amongst the interviewees.

2.1 How many members do SGB consists of?

2.2 How many parents are in the SGB?

2.3 How many teachers are in the SGB, including the school Principal?

2.4 How many learners are in the SGB (for secondary school)?

2.5 What level/ standard of education do SGB members have, parents in particular?

- 2.6 What role do they play in the community and other organisations?
- 2.7 What is the capacity of SGB in terms of reading and writing?
- 2.8 Did the SGB ever attend capacity building workshop? If yes, on what aspects were you capacitated, and for how long? Who attended the workshop? Did you/ they understand what you/ they were capacitated on?
- 2.9 Does the SGB have sub-committees? If yes, what are those?
- 2.10 Does the SGB have finance officer? If yes, how was he/ she appointed and by whom?
- 2.11 Does the school have policies? If yes, who developed them, and what are those?

3 SCHOOL FINANCES

- 3.1 What are the school's experiences in budget development, in relation to the School Business Plan and what aspects are prioritised most?
- 3.2 What is the source of your income, and how do you supplement it?
- 3.3 How does your school procure goods?
- 3.4 How does your school manage and monitor the school budget?
- 3.5 What measures are in place to ensure that all procured goods are delivered as per order, and do not get lost after delivery?
- 3.6 How often do you receive support from the department, and what kind of capacity did you receive, and what on aspects do you still need assistance?
- 3.7 What kind of challenge/s do you encounter in the whole process of budgeting and execution of the budget? What kind of assistance do you think can improve the situation?
- 3.8 How does the SGB account for its expenditures to the school's stakeholders?
- 3.9 What role is played by parents in all school financial matters?

APPENDIX F

OBSERVATION SCHEDULE

The researcher attended SGB meeting with observation status with a focus on the following:

1. Language/s used to conduct the SGB meeting.
2. Level of participation amongst SGB members.

STAKEHOLDER	Good / Satisfactory (Participate fully and question issues not clear of)	Fair (Try to ask issues not clear of and attempt to make meaningful contributions)	Poor (Only listens to what other stakeholders say. Spend much time listening/ keeping quite throughout the meeting)
School Principal			
Parents			
Teachers			
Learners			

3. Respect amongst SGB members during the proceedings of the meeting through listening opinions of others without interrupting.

APPENDIX G

LETTER REQUESTING PERMISSION TO CONDUCT RESEARCH

Enq: Mokoena MD
0848115474

Box 4529
Tzaneen
0850
05.10.09

Head of Department
Limpopo Department of Education
Private Bag 9489
Polokwane
0700

Dear sir

REQUEST TO CONDUCT RESEARCH

1. The subject above refers.
2. Kindly be informed that I am a PhD student registered at University of Limpopo.
3. I hereby request permission to conduct research at the sampled schools and further promise you that I will adhere to research ethics.
4. My research topic is: Implementation of No-Fee School Policy.
5. Your positive response will be highly appreciated.

Sincerely Yours
Mokoena MD

APPENDIX H

GRANTED PERMISSION TO CONDUCT RESEARCH



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF EDUCATION


Enquires: Armer I, Telephone: 015 290 7951 e-mail: ArmerI@edu.limpopo.gov.za

M. D. Mokoena
P.O. Box 4529
Tzaneen
0850

Dear Researcher

Request for Permission to Conduct Research

1. Your letter of request bears reference.
2. The Department wishes to inform you that you are granted permission to conduct research. The title of your research project is "Implementation of No-Fee Schools Policy."
3. The following conditions should be observed.
 - 3.1 The research should not have any financial implications for Limpopo Department of Education.
 - 3.2 Arrangements should be made with both the Circuit Offices and the schools concerning the conduct of the study. Care should be taken to disrupt the academic programme at the schools.
 - 3.3 The study should be conducted during first three terms of the calendar year as schools would be preparing themselves for the final end of year examinations during the fourth term.
 - 3.4 The research is conducted in line with ethics in research. In particular, the principle of voluntary participation in this research should be respected.
 - 3.5 You share with the Department, the final product of your study upon completion of the research assignment.
4. You are expected to produce this letter at schools/offices where you will be conducting your research, as evidence that permission to this activity has been granted.
5. The Department appreciates the contribution that you wish to make and wishes you success in your investigation.


.....
Head of Department

05/11/2009
.....
Date

APPENDIX I
INFORMED CONSENT LETTER

Enq: Mokoena MD
0848115474

Box 4529
Tzaneen
0850
10.02.2010

Dear Interviewee

AGREEMENT BETWEEN THE INTERVIEWER AND INTERVIEWEE

1. The subject above refers.
2. Kindly be informed that I am a PhD student at University of Limpopo. I obtained permission from HoD (Limpopo Department of Education) to conduct research subject to the conditions stated in the approval letter.
3. My research topic is: Implementation of No-Fee School Policy.
4. The interview will be audiotaped and it might be repeated.
5. I also remind you of your Constitutional rights of: Freedom of expression, to safer environment that is not harmful to your health or well-being, and to privacy regarding your identity.
6. You are further informed that your participation in the interview is voluntary, and you can terminate your participation anytime you wish, but the information already provided at the time of termination, may be used for study purposes.
7. All your responses will be confidential and will not be used for any other purpose except for this research.
8. You will be informed of the date, venue and time of the interview.
9. Regards

Mokoena MD
UL Student

I,.....attached to school
have read and understood the contents of the above letter requesting me to participate
in the research. I give Mokoena MD consent to interview me on the topic:
Implementation of No-Fee School Policy.

Signature:..... Date:.....

APPENDIX J

CONSENT LETTER: PARENT OF A LEARNER

Enq: Mokoena MD
0848115474

Box 4529
Tzaneen
0850
10.02.10

Dear Parent/ guardian of:.....

REQUEST TO CONDUCT RESEARCH WITH YOUR CHILD

1. The subject above refers.
2. Kindly be informed that I am a PhD student at University of Limpopo. I obtained permission from HoD (Limpopo Department of Education) to conduct research subject to the conditions stated in the approval letter.
3. My research topic is: Implementation of No-Fee School Policy.
4. The interview will be audiotaped and it might be repeated.
5. I also remind you of your child Constitutional rights of: Freedom of expression, to safer environment that is not harmful to your health or well-being, and to privacy regarding your identity.
6. You are further informed that his/her participation in the interview is voluntary, and he/she can terminate his/her participation anytime he/she wishes, but the information already provided at the time of termination, may be used for study purposes.
7. All his/her responses will be confidential and will not be used for any other purpose except for this research.
8. He/she will be informed of the date, venue and time of the interview.
9. Regards

Mokoena MD
UL Student

I,.....parent/ guardian of.....
attached to school have read and understood the contents of the
above letter requesting my child to participate in the research. I give Mokoena MD
consent to interview my child subject to his/ her agreement on the topic:
Implementation of No-Fee School Policy.

Signature:..... Date:.....