

**CHALLENGES OF FINANCIAL MANAGEMENT
IN MOPANI DISTRICTSCHOOLS, LIMPOPO PROVINCE**

Mini Dissertation

by

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Submitted in partial fulfilment of the requirement for the degree of

MASTER OF PUBLIC ADMINISTRATION

in the

FACULTY OF MANAGEMENT AND LAW

(Turfloop Graduate School of Leadership)

at the

UNIVERSITY OF LIMPOPO

SUPERVISOR: PROFESSOR ZWELIBANZI MPEHLE

2015

DECLARATION

I, Ngobeni Sonia Nokuthula hereby declare that the mini-dissertation submitted to the University of Limpopo as partial completion for the Degree of Master of Public Administration has not been previously submitted at any other University, that is my own work and all materials used therein have been duly acknowledged.

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ACKNOWLEDGEMENTS

I honour God for gracing me with the courage, strength, wisdom and good health to complete my studies.

I would also like to convey my sincerest gratitude and appreciation to the following people for their support.

- My supervisor, Professor Zwelibanzi Mpehle for his expert guidance, tireless support and motivation in writing this mini-dissertation.
- My son Vusi for being my source of inspiration as well as my mother and siblings for their constant support.
- The School Principals and SGB members of the four schools where the study was conducted.
- Mrs Shipalana Rennie from my office as well as colleagues who participated in the completion of the questionnaire.
- My classmates who encouraged and motivated me through the trying times.
- The Limpopo Department of Education for granting me the permission to conduct the research.

DEDICATION

I dedicate this research study to my dear son Vusi who has been very supportive and understanding throughout the study. My dedication also goes to my mother Hlamalani Elizabeth who, in difficult circumstances, gave me the most precious gift of education that i will treasure forever. My final dedication goes to my late father, G.P. Ngobeni, who always believed in me. I know he would be the proudest father, if he was still with us.

ABSTRACT

When the ANC-led government took power in 1994, it made commitment to redress the imbalances of the past by providing capacity building of SGBs on financial management skills. The government enacted the South African School Act (SASA) no. 84 of 1996 as one of the policies aimed at improving the quality of education. The SASA, Section 19 directs the Head of Department(HOD) to provide introductory training to the SGBs to enable them to perform their financial functions. Despite some strides made by the democratic government on capacity building of SGBs, the findings of these study revealed that schools' financial management remains a very serious challenge to some schools.

The aim of this study was to examine the financial management challenges of the Mopani District Schools in the Limpopo Province. The SASA mandates SGBs to account on the management of public funds in schools. Qualitative and quantitative methods were used in this research study. The literature review reveals that SGB members are ill-equipped for their financial roles because they are inadequately trained. The literature review also shows that the SGBs can make informed decisions if they are adequately trained and conversant with the language used in finance policies and finance documents. The study found that; some SGB members have not been subjected to training in financial management. Some only have primary school education and the language used in the financial documents and financial transactions makes it difficult for them to perform their financial responsibilities. Some budgets are only developed for compliance with departmental directive but not realistic because of the lack of SGB capacity. Budget implementation is a challenge hence schools incur expenditure not budgeted for. Some schools do not have internal control.

The recommendations briefly outline the findings of this study that and change the status quo if implemented.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The ascendancy of the National Party to power in 1948 saw the setting-up of government policies that would work in favour of white people in general and Afrikaners in particular. During the reign of the National Party, the South African public education system was governed by strict racial segregation and the provision of education funding was unequal by design. The fiscal allocation in terms of race, where white schools enjoyed more funding, resulted in wide-spread disparities with regard to all aspects of education. Resources were allocated to schools serving the white minority. Blacks were given poor education due to meagre allocation from the apartheid government. There was also lack of adequate training to the school committees, teachers and principals in matters relating to financial skills. Starts (2010:6) argue that the apartheid regime underinvested in school facilities and provided poor financial training for black schools.

The Bantu Education Act no. 47 of 1953 widened the gap in education opportunities between the different racial groups by providing skills on financial management to the white minority. The Act perpetuated inequality in funding by creating 15 Education Departments on the basis of race and geographical location where only the national office controlled the finances and allocated less funds and no financial skills to black schools. The apartheid government was a huge thorn in the flesh of black people. Booyesen *et al.* (2013:294) argue that those (referring to the apartheid regime which was formed by the National Party) in favour of the Bantu Education Act held the opinion that it was meant to protect the culture of black people and their socio economic and educational upliftment. On closer investigation, the aim of such educational reorganisation has always been to ensure that education meets political goals of the ruling party by denying parents voice in the financial management of their schools. Section 6(2) of the Act further stipulates that, “[t]he Minister may, in his discretion, at any time suspend, reduce or withdraw any assistance or subsidy granted to any Bantu school”. The aim of the government was to provide black people with an inferior type of education; hence the discretion of the minister to sometimes withdraw or suspend meagre funding that they even lacked the skills to manage.

Disproportionate funding and the disparities in the provision of financial skills created disparities in the learning environment. Unerhalter, Wolpe & Botha (1991:99) agree that the historic pattern of education financing under apartheid has been characterised by racial inequalities. As further espoused by Wilson (2004:56), prior 1994 state education expenditure per capita was R5 403 for white children, R4 687 for Indian children, R3 691 coloured and R1 715 for black learners. The meagre funding coupled with lack of financial management skills in school committees' deprived black schools of quality education. Fiske and Ladd (2004:42) reflect the attitude of the white bureaucracy towards the education of non-whites through the words of Hendrick Verwoed when he said "what is the use of teaching Bantu (Black) child mathematics when it cannot use it in practice"?

1.1.1 The Dawn of Democracy

Since 1994, the government's legislation on education reform has focused on redressing the imbalances of the past by providing capacity building of SGBs on financial management skills. The education ministry developed a number of policies aimed at improving the quality of education and achieving equitable access to education by every citizen. The South African Schools Act No. 84 of 1996, hereafter referred to as SASA, is one of the policies enacted to bridge the financial gap between former white and black schools, and the preamble precisely states that one of the aims of this policy is 'to provide for a uniform system for the organisation, governance and funding of school...and to provide for matters connected therein' (SASA, 1996: B-3). The SASA section 19 directs the Head of Department to establish a programme to provide introductory training for newly elected governing bodies to enable them to perform their financial functions and provide them with continuous training to promote the effective performance of their functions.

Section 37 of SASA devolves financial responsibilities and powers to School Governing Bodies (SGBs) with an intention to put parents at the helm of making decisions concerning schools' financial management. According to Davies (1999:60), the SGB, in the execution of its duties, should always act in the interest of the school and has an obligation to develop policies to govern the schools. One of these policies the SGB is expected to develop is the financial policy as a guide in the management of finances. This therefore implies that SGBs have a moral obligation to manage the schools' finances appropriately, guided by the mandatory financial policy. However, Karlsson

(2002:332) asserts that parents serving in SGBs are often not performing their duties effectively and efficiently because of a lack of capacity and understanding of the role they need to play in managing finances in the educational institutions wherein they serve. As a result the education of learners in such institutions suffers. Despite the strides made by the democratic government on capacity building of SGBs, there is a need for adequate training on financial management skills because the expectation of the SASA has the capacity of reproducing the past inequalities between the poor schools and well-off schools. The former model C (schools that were previously meant for white learners) are richer in capacity of literate parents than the previously disadvantaged schools.

Despite growing international pressure for developing countries to provide free basic education and the Constitution of the Republic of South Africa, 1996 affirming the right of citizens to basic education, South Africa encourages SGBs to supplement the public fund from the Department of Education through fundraising projects as stated in section 36 of SASA. The funding provision of the Act has thus far ironically worked to the advantage of the middle class and wealthy schools because they are able to draw on highly professionalised skills such as accountants to be their treasurer. This is evident from the former model C schools the researcher is supporting as she performs her responsibilities. The apartheid regime favoured such communities with best facilities and resources. Today vigorous fundraising, commercial sponsorship and fee income continue to favour the same communities. Very few of the SGBs from previously disadvantaged communities have got the necessary financial knowledge and skills to manage the finances of their schools effectively. It is, however, acknowledged that the first democratic government made significant strides in the education sector in that the provision of education resources is now more equitable than at any time in the history of South African schools. One of the mechanisms that the new government used to address equity is the National Norms and Standard for School Funding (NNSF). Schools and their communities are classified on the basis of their needs where they are ranked according to their poverty level and allocated a proportional percentage of funds (as presented in table 1 below). The budget is divided into five quintiles from the poorest to the least poor. Norton and Hughes (2009:387) state that the management of finances has a bearing on the quality of education in schools and operations of organisations.

Table1: 2014-2015 Norms and Standard allocation

QUINTILE NUMBER	ALLOCATION PER LEARNER
Quintile 1	R1059
Quintile 2	R1059
Quintile 3	R1059
Quintile 4	R530
Quintile 5	R183
Small school fixed allocation	R24519

SOURCE: GOVERNMENT GAZETTE NO. 34803 OF DECEMBER 2011

1.2 RATIONALE FOR THE STUDY

SASA gives school governing bodies a full responsibility to manage finances in public schools, and further mandates principals to assist and support SGBs as they perform their functions. Mashele (2009:120) states that SGBs from previously disadvantaged communities experience many problems as they try to govern their schools effectively. This includes lack of knowledge in the formulation of policies and lack of financial skills. Van Wyk and Lemmer (2004:140) argue that in as much as the establishment of SGBs has changed the political structure of schools, school managers are still reluctant to relinquish the power and authority that belongs to SGB. This results in the financial power struggle in most public schools wherein principals still try to control school finances, a responsibility given to the SGB. Kgobe (2000:111) argues that a variety of institutions have conducted research on whether SGBs are able to exercise the powers given to them as expected. In most instances SGBs in former Model C schools (affluent schools that were reserved for white learners under the apartheid regime) are better positioned to exercise the powers than schools from disadvantaged poor communities. This then necessitated the researcher to look into the financial management in Mopani District schools, to establish if there are proper mechanisms put in place to manage school finances. The study is worth conducting because no similar study has been conducted previously in the Mopani District schools on challenges of financial management.

1.3 SIGNIFICANCE OF THE STUDY

Since there hasn't been any study conducted in Mopani district concerning the financial management of schools, the proposed study is significant because it will contribute to the body of knowledge in the field of Public Administration by bringing new insight on financial management practices in schools to improve the overall functioning of the Mopani District schools. The study will further provide, through the findings and recommendations, other districts with valuable information as far as proper school financial management is concerned. As it is the intention of the researcher to evaluate financial management in both former Model C schools and the previously disadvantaged schools. The information gathered will be utilised to identify challenges faced by these schools, and therefore provide possible solutions. The study will serve as a premise for other researchers who are interested in the research on school financial management in the Limpopo Province and other provinces in the country, as this study only focuses on the Mopani District. Finally the research will assist the provincial department on the role it needs to play in equipping SGBs with financial management skills.

1.4 STATEMENT OF THE PROBLEM

The SASA gives full responsibility of managing public school finances to school governing bodies, and further mandates principals to assist and support SGBs in the performance of their functions. The policy also mandates SGBs to augment the subsidy provided by the state (SASA, 1996: B-17). According to Mashele (2009:120), SGBs from disadvantaged communities experience numerous difficulties that prevent them from managing schools' funds effectively. The researcher continually observes that school finances get exhausted before the end of the school calendar year as she performs her responsibilities of monitoring school finances. In other instances some schools fail to conduct half-year examinations because of the exhausted finances. This implies that there might be challenges experienced by these schools in the management of school finances.

Section 30 of the SASA directs SGBs to establish different committees. One of the committees is finance committee. According to Sacred Heart College Training Manual (1999:89), the function of the finance committee will include:

- Keeping overall control of school finances;
- Drawing the budget each year;
- Assisting in drawing up annual financial statements; “ and”
- Checking financial records internally.

SASA section38 directs that the SGB of a public school should prepare a budget to regulate the spending and income of the school during the financial year. Furthermore, a public school should keep record of all its assets, liabilities and financial transactions. The public schools should also submit copies of their audited financial statements to the Head of Department on or before the 30th of June of each academic year. The question is whether the SGBs of the previously disadvantaged schools are able to meet these obligations of the SASA.

Mestry and Naidoo (2009:108) suggest that the financial responsibility of the SGB go much further than just compiling a school budget, because it is necessary to monitor and control the income and expenditure of the school continuously. According to Mestry and Grobler (2002:127), principals should have skills and knowledge to manage their schools effectively. However, it has become evident that some principals are not well prepared to manage schools resources because in some instances schools exhaust their funds long before the financial year ends. This may be a clue that financial management is a challenge. Furthermore, as expressed by Oosthuizen (2003:202), the SGB has a responsibility of managing and administering movable and immovable assets, and maintain schools as part of its financial responsibility. Maintenance helps the school to pay less now instead of waiting to pay more in the future. SASA section 20 1(g) directs that the SGB must administer and control the school’s property, building and grounds occupied by school, including school hostel. During the performance of her responsibilities at school, the researcher observes that the land on which the schools are situated, the school buildings, sporting facilities and equipments are not maintained despite the directive of Limpopo Department of Education of using 10% of the total allocation of annual funds for maintenance. Finally, as espoused by Piek (1992:121), the inability of SGB to acquire stock and necessary equipment for the effective and efficient performance of a school may be an indication that the SGB has a financial management challenge.

1.5 AIM OF THE STUDY

The aim of this study is to examine financial management challenges of the Mopani District schools in the Limpopo Province.

1.5.1 Objectives

- To establish, if the Mopani District schools have got financial policies and adhere thereto as prescribed by SASA;
- To ascertain, if the SGBs has necessary skills and knowledge to manage school finances; “and”
- To identify difficulties faced by SGBs in the management of finances in the Mopani District schools and provide possible solution.

1.6 RESEARCH QUESTION

Creswell (2003:88) argues that research questions are questions that data collection attempts to answer during study. The researcher will try to address the following research questions.

1. What strategies are put in place to ensure that all the Mopani District schools have finance policies and adhere to them as prescribed by SASA?
2. How do the Mopani district schools evaluate whether SGBs have necessary knowledge and skills to manage school finances?
3. What are the difficulties faced by SGBs in the management of finances of Mopani district schools?

1.7 RESEARCH DESIGN AND METHODOLOGY

According to Mouton (1996:107), research design is ‘a set of guidelines and instructions to be followed in addressing the research problem to enable the researcher to anticipate what the appropriate research should be to maximise the eventual results’. The research design will help the researcher to anticipate the outcome or decision and validate it. This is the plan according to which the researcher obtains participants and collects information from them. Merriam (1998:6) states that qualitative researchers are interested in understanding the meaning people have constructed in making sense of the world and the experience they have of it. Qualitative research is concerned with

how people interacting with the social world give meaning. Quantitative research is interested in predictions and attempts to maximise objectivity and generalisation of the findings. To determine the competence of Mopani District schools in financial management, the envisaged study will be both quantitative and qualitative in nature.

Mouton (1996:35) defines a research methodology as a total set of means that researchers employ in their goal of acquiring valid knowledge. Henning *et al.* (2004:36) further say that methodology is a coherent group of methods that complement one another to deliver data and finding that reflect the research question and match the research purpose. In this study, interviews will be undertaken with various stakeholders. Merriam (1998:23) points out that the purpose of interviewing is to find out, what is on someone else's mind. Since this cannot be simply measured or directly observed, the interviewer has to ask questions in such a way as to obtain meaningful information. Questionnaires will also be given to educators to determine their perception on financial management of their schools.

1.7.1 Study, Area and Population

The study area will be Mopani District that comprise of 24 Circuits. The district comprises of 690 previously disadvantaged public schools and 24 former Model C schools. The sample of the study area is four schools from different socio-economic background. The schools will comprise of two former model C schools and two previously disadvantaged schools.

1.7.2 Sampling

Breakwell, Hammond and Fife-Schaw (2000:251) define a sample as a set of individuals selected from a population and intended to represent the population under the study. The researcher will use heterogeneous sampling to select schools according to their classification and different characteristics they exhibit such as affluence and poverty. The sample will consist of four schools selected as follows: two former Model C schools and two previously disadvantaged schools. In each of these schools the following persons will be interviewed: the school treasurer, the SGB chairperson, the finance officer and a principal. Ten (10) educators in each of the four schools will be randomly selected to complete the questionnaires.

1.7.3 Data Collection Method

Mouton (2002:156) and Yin (1989:85 – 95) state that data collection techniques in qualitative research studies are observations, records, interviews and documentation. Dominick and Wimmer(2003:287) argue that interviewing is the predominant mode of data or information collection in a qualitative research. The importance of interview is to find out what is on peoples' minds since this cannot be observed or measured directly. In the case of this study, semi-structured interviews will be used to gather data on the management of finances from the four sampled schools in the Mopani District. Face to face interviews will be held with sixteen participants from the identified four schools namely four treasurers, four chairpersons, four finance officers and four principals of the sampled schools. Questionnaires will be distributed by the researcher to the 40 educators (ten from each school). Secondary data will also be collected from, among other sources, books, journals, government and school reports, dissertations and internet sources.

1.7.4 Data Analysis Technique

Dominick & Wimmer (2003:111) argue that in qualitative studies, data analysis is done early in the collection process and continues throughout the study. This therefore means that data analysis is an ongoing process. De Vos (2002: 339) suggests that data analysis is the process of bringing order, structure and meaning to the mass collected data. This is a process whereby the researcher reduces data to a story and its interpretation. Data analysis consists of processes of reducing the data into manageable size, developing summaries, displaying the data and drawing conclusions from the collected data. For the purpose of this study, data analysis will be done by grouping information from the primary sources and the secondary sources into specific themes and categories. The researcher will search for relationships between the data by analysing words that were repeated by respondents throughout the interview, by comparing answers given by respondents during the interviews and in answering the questionnaire and by analysing the language used without making assumptions. Lastly, the information gathered will be recorded, analysed and conclusions will be drawn on whether Mopani District schools can manage their finances as prescribed by SASA.

1.8 ETHICAL CONSIDERATION

According to Cooper *et al.* (2006:116) ethics are norms and standards of behaviour that guide moral choices about our relationship and with others. As the study will be based on human subjects, the principle of respecting the rights of participants should guide the researcher when collecting data and compiling the research report. The goals of ethics in research are to ensure that no-one is harmed or suffers adverse consequences from research activities. The Finance Section is a very sensitive area and therefore the researcher will ensure that the following ethical conduct is upheld:

- ✓ Voluntary informed consent will be sought from all respondents before permission to continuing with the study.
- ✓ The rights of individuals' privacy will be respected and anonymous answering of questions will be promoted.
- ✓ The researcher will ensure that names of respondent and schools are not made public.
- ✓ Because ethical issues are related to integrity, the researcher will avoid copying other peoples' work.

1.9 DEFINITION OF KEY CONCEPTS

No-fee Schools are schools that are declared by the Minister of Education annually to be no-fee, provided that the school receives a subsidy from the Department at least equal to the no-fee threshold. Schools that are declared "no-fee" are prohibited from charging learners school fees. Oliphant (2008a:10) describes a no-fee school as a school where parents are not charged mandatory fees.

The South African School Act is the Act that provides a new national system for schools which redresses past injustices in educational provision through creating a uniform system for the organisation, governance and funding of schools. The Act gives SGBs of public schools the right to charge fees, but also makes provision for school fee exemptions for those parents who cannot afford to pay fees. SASA section 16 states that the SGB is the lawful structure made up of stakeholders responsible and accountable to take and implement decisions on behalf of the school community. Potgieter *et al.* (1997:23) state that the SGB is a statutory body of elected persons to govern the public school as set up by an Act of Parliament to represent the school community. Khuzwayo (2007:5) defines the SGB as a body elected by the school

community to govern the school and composed of parents, educators, non-educators, co-opted members of the community, learners (in the 8th grade and above) and the principal as an ex-officio member.

Public Schools may be ordinary public schools or public school for learners with special education needs. Section 12(3) of SASA states that a public school maybe an ordinary public school, a public school for learners with special education needs, or a public school that provides education with special focus on talent, including sport, performing arts or creative arts.

Financial Policy: Bischoff (1997:158) defines financial policy as a statement concerning the manner in which funds will be raised and expenditure conducted in a particular school. Campher (2003:25) defines a school financial policy as documents that must include aspects such as the mission statement of the school, a quality assurance mechanism, learners' and community' needs. For the purpose of this study a school financial policy can be seen as a financial management tool that outlines how the fund - that is the school fees, donations, government subsidy and schools' expenditure - are managed. The budget is an important facet of the schools' financial policy because it provides guidelines on aims and objectives of the school.

Prescripts means rules and regulations, procedure and standards set for the managing and controlling of school fund in public schools in the Limpopo Province.

School fund: In terms of section 37(1) of the SASA the governing body of a public school must establish a school fund and administer it in accordance with directions issued by the Head of the Department of Education. Bisschoff (1997:133) defines the term as the money the school receives from the state, supplemented by the school governing body by encouraging parents of learners to make stipulated contributions and by creating special fundraising mechanisms within its means. School fund means all monies lawfully received by a public school irrespective of the source as contemplated in Section 37 of the SASA.

Management is a universal personal and organisation process of relating resource to objectives. Torkildsen (2005:102) defines it as the act of managing, an active human occupation and a process by people and organisations to achieve results. For the

purpose of this study management means getting things done with and through people to achieve set goals.

1.10 LIMITATIONS OF THE STUDY

The main limitation of this study is that it cannot be generalised to all schools in the Mopani District, since the researcher only sampled few schools because of time constraints and financial implications. However, the findings can provide the Limpopo Department of Education with an opportunity to learn about challenges of financial management and how to address these challenges. Qualitative research is also biased because the interpretation of findings is always influenced by level of education, gender and class, so objectivity becomes difficult.

1.11 OUTLINE OF THE RESEARCH REPORT

The research report has five chapters. Chapter one concentrates on exposition of the problem, research question and objectives. The chapter further explains the background of the study, its significance and ethical issues.

In chapter two a literature review is undertaken to examine challenges of financial management in schools.

Chapter three focuses on research methodology and the gathering of data. The development of the research instrument is discussed. The study has used both qualitative and quantitative research methods. Semi-structured interviews have been conducted to collect primary source of data from stakeholders. Questionnaires have also been used to collect data from educators of the sampled schools in the Mopani District.

Chapter four focuses on the data analysis from interviews and documentation. Findings are verified and interpreted.

In chapter five the conclusion of the study is presented. Recommendations are made on how to improve the financial management of schools.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The management of school finances can be one of the most challenging responsibilities of schools. Clark (2008:278) argues that SGB members are ill-equipped on financial matters because they have little or no training. It is against this background that this chapter will explore the role of School Governing Bodies (SGBs) in the management of schools' finances. This chapter explores literature relevant to the challenges of financial management in schools. The chapter starts by defining the concept and the aim of a literature review.

According to Schulze (2002:2, in Sebashe, 2010: 8), a literature review is a systematic, critical analysis and summary of existing literature relevant to the research topic. It aims at contributing towards a clearer understanding of the nature and meaning of the problem that has been identified. Marshall and Rossman (1999:43) state that a literature review builds a logical framework for research and sets it within a tradition of inquiry and context of related studies. Terre Blanche, Durrheim and Painter (2006:19), define a literature review as a process that involves the identification and analysis of information resources and/or literature related to one's research project. This process includes identifying relevant sources, an initial assessment of these sources, thorough analysis of selected sources, and construction of an account that integrates and explains relevant sources.

Terre Blanche *et al.* (2006: 21) further state that a review of literature provides a researcher with sources of generating or picking up definitions of key concepts that need to be operationalised in the study. De Vos *et al.* (2005:123) provide the aim of literature reviews as contributing towards a clearer understanding of the nature and meaning of the problem as identified; and Strydom, Forche & Delport (2005:124) state that the aims of a literature review are, amongst others, to:

- ✓ Serve as an excellent source, for selecting a topic as it reduces the chances of selecting of irrelevant or outdated task.

- ✓ Save time and avoid duplication of some research work. (Mouton, 2001:82) stresses that a literature review saves time and avoids duplication and unnecessary repetition.

Therefore, the concept of a literature review will enable the researcher to identify and analyse relevant sources that contribute to the research problem on challenges of financial management in Mopani District Schools.

Macmillan (1992:43) also agrees that the main purpose of literature review is to relate the topic under investigation to previous research. So based on what the other scholars have said, these literature review will focus on the best intentions of the goal of democratic decision-making in schools on issues of financial management.

2.2 GOOD FINANCIAL MANAGEMENT IN SCHOOLS: INTERNATIONAL PERSPECTIVES: INTRODUCTION

Dimmock (1993: preface, xiii) argues that international countries have experienced restructuring and reform in their education system. The researcher will be looking into developed countries such as Australia, England, USA, Europe etc. This comparison is very important for South African policy makers, politicians and implementers to see how developed countries are prevailing.

2.2.1 Australia

Gladwell and Spinks (1998: 4 – 5) state that an Australian government is promoting self-managing schools. Self-managing school is a school in a system of education where there has been a significant amount of authority and responsibility decentralised to make decisions about the allocation of resources within a centrally determined framework of goals, policies, standards and accountabilities. Education is a constitutional responsibility of the state which provides funds through general and special purpose grants. According to Gladwell (1998:84), these states have decentralised 90% of their state budget to schools for local decision-making. As a result of the decentralisation of this authority to schools, there is a great improvement in the management of finances in this Victorian state.

The Education and Training Reform Act (ETRA) of 2007 of Australia further stipulates that responsibility of safe keeping the financial records is in the hands of the finance

officer who must be delegated such responsibilities in writing. The manual further directs the council to ensure there is internal control of the schools' finances.

Internal control ensures that:

- Transactions are authorised;
- Transactions recorded are supported by fact;
- Accounting records reflect the current position; "and"
- Safe-keeping of assets. Section 37 (3)

The ETRA further mentions that schools may open three types of accounts which are registered in the name of the school council. The account has two signatories who are the principal and the finance officer or a member of the school council. To improve school governance on finances, the manual reiterates that the school council is responsible for overseeing the school's financial performance. Victorian Government schools have the finance sub-committee. All Victorian Government School Council undergoes an independent financial audit once every three years. Section 37(2) of the Act stipulates that the school council must maintain records in a form that will:

- Ensure that all money payable to the council is properly collected;
- Ensure that all money expended in the council name is properly authorised and expended;
- Ensure that adequate control is maintained over assets held in the name of the council;
- Ensure that all liabilities incurred are properly authorised;
- Ensure efficiency and economy of operations and avoidance of waste and extravagance; "and"
- Develop and maintain an adequate internal audit system.

The Education and Training Reform Act emphasizes the responsibilities of keeping the finance documents in a safe place and the need for internal control of schools' finances.

2.2.2 England

Dekker and Van Schalkwyk (1995:213) argue that in England; educational finances are considered as local affair. The Local Education Authorities (LEA) has much freedom in relation to educational budgets. Fruitless expenditure by some LEAs caused central government to provide guidelines on how money should be spent. The School governors set the overall strategic framework for schools' financial management and

determine the extent to which it wishes to delegate the financial powers to the school head.

2.2.3 United States of America

Dekker and Van Schalkwyk (1995:311) further suggest that in the USA, the increase in spending which exceeded the inflation rate created the financial crisis in educational local authorities could no longer meet their educational obligation which led to change in the role of the three financial providers being local, state and federal authorities. The Committee on Educational Finance then outlined guidelines on how to promote the achievement of a fair and productive education system aligning the finance decision with educational goals. The greatest task which then faced the Committee was to design education finance system to ensure that fundraising of educational funds and that these funds are efficiently and effectively utilised. Unlike in South Africa where the condition of being an SGB member is being a parent of a child that studies in that particular school, in the United States wealthy community members can be members of the school council by their virtue of supporting a school financially.

The annual budget should be adopted by the school council not later than December of the previous year. It must consist of recurrent capital required for the operation of the programmes in the following year. In contrast, the SASA stipulates that the approved budget must be submitted not later than 31st January of the preceding year together with the name of the auditor appointed.

The US principals, with the permission of the council, may establish a petty cash advance to meet minor payment for purposes other than salaries and wages. Dekker and Van Schalkwyk (1995: 320) confirm that the limit of any one payment is \$200. It is the responsibility of one officer to be the custodian of the petty cash that should be kept in the safe at all times

2.2.4 Europe

Wylie and King (2004:120) argue that school boards have a legal responsibility for developing their own budgets and managing their finances after the decentralisation of the Education administration in 1989. They assert that prior to the decentralisation, boards of governors and school committees used to manage small amounts of money. Unlike the South African situation, money raised from voluntary parental donations and

local fun raising cannot be used for employment and payment of staff. The parent-teachers association (PTA) determines how the money can be spent except for payment of staff. In South Africa the money raised through parental donations and fund-raising by the SGB can be used for employment and payment of staff. Wylie and King conclude that in most European countries, the ministry of education describes the financial management responsibilities of boards as “Board members are the trustees for the schools’ financial resources. The board is publicly accountable for the schools’ financial governance”. Board members are accountable and responsible for the following:

- Allocation of funds to reflect school priorities;
- Control of school expenditure; “and”
- Preparation and auditing of annual reports.

2.3 VIEW OF THE SOUTH AFRICAN SCHOLARS ON NEEDS FOR GOOD FINANCIAL MANAGEMENT IN SCHOOLS.

The unequal and separate funding of public schools prior 1994 created huge disparities between black and white schools. Post-apartheid South Africa has been characterised by highly centralised top-down unequal provision of education by National department of education. Unterhalter, Wolpe & Botha (1991:99) also agree that the historic pattern of education financing under apartheid has been characterised by racial inequalities. Today the SASA provides for a system which devolves much power to schools as self-managing (Department of Education 2000:7). The SASA Section 16 (1) states that subject to this Act the governance of a public school is vested in the Governing Body. 16(2) A Governing Body stands in position of trust towards the school, which means the SGB must take the responsibility for the financial management of the school. Section 7 of the Constitution of the Republic of South Africa (1996) requires the state to uphold the Bill of Rights by advancing the right to education for all citizens. The right to education cannot be realised as long as funding of schools is not the government’s priority. While the state has the obligation to fund public schools, it is the responsibility of the SGBs to ensure that funds are properly managed. It therefore became imperative that the state introduced policies as far as management of funds at schools is concerned, thus the introduction of the 1996 Education White Paper 2 on the organisation, governance and funding of schools with the aim of fostering democratic institutional management. In contrast to the situation in America where the school

governor approves the annual budget drawn by the school head, the white paper states that the Governing Body of a public school will have substantial decision-making powers selected from a menu powers according to their capacity. In the financial responsibilities, the SGB will raise and control funds, prioritise the school budget, purchase textbooks and equipments and the make the payments of light and water accounts. The White Paper gave birth to SASA which is the first attempt to involve communities in the governance of schools. This therefore calls for the SGB to be more productive and be more accountable by managing schools finances which is one of the most challenging responsibilities because for many it is an area in which they have little or no training. Clark (2008:278) asserts that many SGBs are not well equipped to perform their responsibilities of financial management.

Section 34 and 35 of SASA mandate the state to redress the historic imbalances and achieve equity through the distribution of state resources in an equitable manner. Section 34 of the SASA further directs the state to fund public schools from public revenue in an impartial approach to address the past anomalies. Section 35(2) of National Norms and Standard for School Funding provides for the creation of the model of funding for the individual learner that can disclose the poverty level of each family. From the researcher's observation, the former Model C schools are thriving financially because of financial skills and knowledge possessed by these schools as most parents are from a middle class and capable of funding the schools on their own. Again, because of the historical aspect, the schools have had knowledgeable parents and teachers who are able to vigorously raise funds to improve schools' facilities. This then calls for SGBs from the previously disadvantaged schools to also take their rightful positions and account for the state resources as provided for each learner.

The SASA encourages a partnership between the state and communities whereby education becomes a societal issue. SASA has briefly captured the nature of this partnership in the following preamble: to [...] uphold the rights of all learners, parents and educators, and promote their acceptance of responsibility for the organisation, governance and funding of schools in partnership with the State. This partnership is pursued through centralisation of governance and financial functions at the level of the school. Mncube (2008:189) argues that the extent of stakeholders' participation is influenced by various factors such as the type of the school (rural, urban or township school) or also by the stakeholders themselves (adult and young adult SGB members)

and the gender. Parents in urban and township schools show more interest of involvement in the governance of their schools than parents from rural schools and also young adults are keen to participate in governance structures more than adults. Karlsson (2002:332) further suggests that instead of addressing and preventing the inequalities caused by the apartheid government, SGBs tend to worsen these inequalities. They identify themselves through socio-economic class, race and gender by which the privileged secure school admissions for their learners in urban schools. The privileged take their skills to former model C schools, leaving the disadvantaged schools in the hands of the majority of illiterate parents who are unable to pay fees and to take their learners to affluent schools.

Karlson (2001:45-46) argues that school governance functions, particularly the understanding of financial management as legislated in the SASA, favours the literate and affluent SGBs at the expense of the majority of the previously disadvantaged communities by expecting them to augment the resources supplied by the state. This situation is likely to continue unless proper training and support is given to the less educated SGBs. There is a need to assist SGBs with financial skills to undertake their function because developing schools' policies require some level of literacy which is hard to find in disadvantaged communities. According to Zafar (2004:99), parents in the SGBs are required to have knowledge of education policies and to understand the language of dominant policy discourse, which is foreign to them. Gallagher (1992:28) further argues that for the SGBs to perform their governance functions, it calls for sound knowledge of schooling, good writing skills and the ability to verbalise the contents in an effective manner- skill which many SGBs do not have. This therefore implies that the SASA has the potential of quieting parents and the voice of the community. Mathonsi (2001:323) agrees with Zafar's claim by arguing that parents can make informed decision if they are conversant with the language used in the finance policy. However, the majority of South African parents did not receive formal education in reading, writing and numeracy; this does not suggest that they cannot think logically, conceptually and contextually. This is proven in situations where parents are addressed through the use of their home language.

Section 23(9) of the SASA allows parent members to be one more (in the majority) than the total number of the other members with voting rights in the SGB. Being in the majority can be overwhelming for the inexperienced SGB members from disadvantaged

communities. Section 19 of SASA stipulates that the provincial department should provide continuous training to SGBs to perform their functions effectively, because without necessary financial skills, SGB structures cannot claim to be democratic.

Dimmock (1993:17) asserts that various factors such as lack of training on financial management can hamper progress in schools. Mestry (2006:vol12) argues that some members of the SGB and principal either have little knowledge of Schools Act or just interprets it incorrectly which results in the lack of financial management in schools. Mestry (2004:126) contend that many principals and SGBs lack necessary financial knowledge and skills and are placed under tremendous pressure because they are unable to work out practical solutions to practical problems. Mestry (2004:129) suggests that training in school financial management should include the following:

- The legal framework that underpins financial management;
- Funding of the school including the school fee policy and the school fee exemption policy;
- Financial planning, including budgetary planning;
- Policy formulation, including finance policy and financial control; “and”
- School Management Information system (MIS).

2.3.1 Relationship between effective, efficient and sound financial management.

Du Preeze and Grobler (1998:39) suggest that there is a relationship between sound financial management, effectiveness and efficient SGB. This implies that the Head of Department must ensure continuous training of SGB members. Davies (1999:106) argues that for the SGB structure to operate effectively, it must have clear a conception of its mandate as outlined in the SASA. Section 37 of the SASA states that SGBs have mandatory financial functions. They are responsible for establishing a school fund, preparing a budget, administering school fees, appointing an auditor and augmenting the resources. Having discussed training of the SGBs on financial matters, it is important to discuss the finance committee which is responsible for drawing finance policy which is the basis of financial management in schools.

Section 30 of SASA mandates the SGB to establish sub-committees such as finance and fundraising to carry out delegated tasks. The SASA also empowers the SGB to appoint a person with financial expertise to serve in the committee as a finance officer.

Donnelly (1999:92) agrees that the finance committee of the SGB plays an important role in managing the funds of the school. Bisschoff & Mestry (2003:64) state that the finance committee has a responsibility of planning, organising, leading and controlling. In planning it develops and implements finance policy that must be adopted by the SGB and the all parents.

Section 38 of the SASA directs the SGB of a public school to prepare a budget each year during the third term of the school year and present to the parents during the fourth term for considerations and approval by the majority of parents present with voting powers. The approved budget is a guiding document for expenditure for the preceding year. Van Rooyen (2007:44, cited by Xaba & Ngubane, 2010:14) acknowledges that the SGBs are legally charged with the responsibility of financial management and must be able to account for the financial action in their schools. In organising, the committee advises the SGB when preparing the budget on the amount of school fees, school fee exemption, collection and enforcement on the payment of school fees. The budget is accompanied by a list of learners exempted from paying school fees. In leading, the sub-committee develops strategies of raising funds. In the control function the sub-committee monitors all expenditure processes, maintain accounting records and documents to ensure procurement is done correctly, prepare internal financial statements and present to the SGB. According to Isabella (2010:1) very few of the SGB members from previously disadvantaged communities possess the necessary financial skills and knowledge to manage the finances of their schools effectively. This view is supported by Mashele (2009:120) where his findings reveal that SGBs of previously disadvantaged schools experience many problems that prevent them from managing their schools effectively. These include lack of knowledge concerning communication skills and financial management.

Section 36 of SASA imposes a responsibility to augment the resources supplied by the state to the SGB to improve the quality of education provided for all learners at schools'. Augmenting refers to raising the funds to supplement the subsidy provided by the state. Section 36 of SASA further directs SGBs at all public schools to take 'all reasonable measures within its means to supplement the resources supplied by state'. In a fee-charging school, the Norms and Standards for school funding policy makes provision for parents who cannot afford to pay school fees to be partially or fully exempted and this is within the mandate of the SGB to monitor. An exemption of the qualifying

learners affects the financial income of the school; hence SGB needs to supplement the resources.

Central to South Africa's transition from apartheid to democracy there has been the establishment of a quality, equitable and democratic education system. Under close scrutiny the gap between rich former Model C Schools and poor public schooling system is increasing and this can be attributed to the capacity of SGBs to mobilise resources.

According to the SASA Section 15 and Davies (1998:58), a public school is a juristic person with the legal capacity to perform its function. This means that the school can buy, sell or own property. Financial management is therefore one of the major responsibilities facing the school governing bodies. The governing body of a public school must prepare an annual budget, augment the subsidy supplied by government, charge school fees after a resolution to do so has been adopted by the majority of parents, enforce payment of school fees, keeping the financial records and appointing an accountant. Mesrty (2006:28) suggests that many principals and SGB members are placed under tremendous pressure to manage their schools' finances because they are unable to work out practical solutions to financial problems, on account of their lack of financial knowledge, skills and expertise. Mestry& Naidoo (2009:125-127) further articulate that financial management can be considered as a specialised function requiring specialised skill which is very rare in the SGB of previously disadvantaged communities.

In his study, Swartz (2009:2, quoted by Manamela, 2004:6), came face to face with the shocking realities and atrocities common in schools in respect of the management of schools finances, which include:

Budgets were poorly compiled or non-existent and in instances where budgets existed, variance reports were never generated and bank reconciliation statements were rarely compiled. Signatures to school fund account were questionable. Cheque and cash payment were generally made in the absence of payment authority. Supporting documents, procurement procedures were highly questionable and petty cash was generally abused.

Xaba & Ngubane (2010:13) state that managing school funds and taking responsibility to implement financial accountability is mandatory for SGBs of all public schools. This implies ensuring effective, efficient, economic and transparent use of financial resources within the school by the SGB. The situation in schools is the complete opposite of what the SASA expects from the SGB and it means that governance is failing to execute its legal mandate as stipulated in the Section 38.

The SASA stipulates that the principals must undertake the professional management of public schools. In many schools, they end up performing their professional responsibilities and also the financial function which is the mandate of the SGB. Bisshoff & Mestry (2003:147) argue that many principals have attempted to differentiate between professional management and governance but it evident that there is an overlap between the two concepts. This grey area has given rise to many conflicts between principals and parent members of the SGB. Potgieter *et al.* (1997: 14), illustrate some of the differences between professional management and governance.(See Table 2 for an outline of these differences).

Table 2

PRINCIPAL (PROFESSIONAL MANAGEMENT)	SGB (GOVERNANCE)
<ol style="list-style-type: none"> 1. Perform and carry out professional functions. 2. Administer and organise day to day teaching and learning at school. 3. Perform the departmental responsibilities prescribe by law. 4. Organise all the activities which support teaching and learning. 5. Manage personnel. 6. Decide on the intra-mural curriculum that is all the activities to assist with teaching and learning during school hours. 7. Decide on textbooks, educational materials and equipments to be bought. 	<ol style="list-style-type: none"> 1. Adopt a constitution, adopt a code of conduct and develop the mission statement of the school. 2. Supplement the funds supplied by the state to improve the quality of education in the school. 3. Start and administer a school fund. Open and maintain a bank account for the school. 4. Prepare an annual budget that is planning the school finances for the next year. 5. Submit budget to parents and get approval. 6. Ensure that school fees are collected according to decisions made by stakeholders. 7. Keep the financial records of the school.

According to Clark (2008:288) there are three essentially areas of responsibility that clearly show the overlapping functions between the SGB and the principal.

- Management of the financial process: this is essentially an operational role normally delegated to finance officer.
- Financial management of income and expenditure: this is normally the responsibility of the principal.
- Oversight function: ensure that there are policies and procedure in place to control the schools' finance; this is the responsibility of the SGB and its finance committee.

2.3.2 SGB's Level of Literacy.

In his research, Xaba (2011:206) finds that school governing bodies are faced with serious challenges as they perform their mandated responsibilities of managing the finances of the school such as establishing school funds, preparing annual budget, collecting and administering school fees, keeping the financial records, appointing an accountant and supplementing school's resources. Mestry & Naidoo (2009:109) support the view by articulating that SGBs of previously disadvantaged schools lack financial management skills and their capacity to prepare school budget is of serious doubt. Van Wyk (2005:53) articulates in his survey about functionality of SGBs that they are not well trained and as such they do not know what is expected of them with regard to finances. "They only sign cheques and do not work according to the budget." Heystek (2004:12) supports this view by asserting that illiteracy level of parents in black rural schools is very high and parent governors are not well equipped for their expected responsibilities. Nyambi (2004:10) further expand this by suggesting that SGBs should have the capacity not only to manage finances well but to translate the financial resources into physical resources in a cost-effective manner. Based on the above background, these chapters also reflect the framework on matters of financial accountability in schools.

2.4 THE CONCEPT OF FINANCIAL ACCOUNTABILITY

According to Stewart (1979:80, in Law, 1999:121) accountability consists of two parts, the element of account and the 'holding to account'. The element of account refers to the need for information including the right to question and debate that information as a basis of forming judgments. When an account is given of performance, information is provided which may be written or verbal, formal or informal and may or may not be governed by strict rules. Law (1999:80) argues that the element of holding to account refers to the meeting out of sanction in cases where, according to the evaluation, the performance did not meet the standard or some expectation.

Lewis (2003:8) defines financial accountability as a moral or legal duty, placed on an individual, group or organisation, to explain how funds, equipment or authority given by a third party have been used and assets that those who have invested not just money, but also time, effort and trust in the organisation, are interested to see that the resources of the organisation are used effectively and for the purpose for which they

were intended. Section 36 and 43 of the SASA makes it mandatory for schools to manage school fund and to implement financial accountability processes by ensuring effective, efficient, economical and transparent use of the financial resources. Financial accountability is an important part of the schools' financial management.

Kogan (1999:124, in Watt *et al.*, 2002:213) distinguishes between three forms of accountability: moral accountability as being "answerable to ones' client", professional accountability as being "liable to oneself and one's colleagues and contractual accountability as "being responsible to ones' employer". Accountability is the state of being accountable, liable and responsible for certain actions or decisions. According to Mestry (2006:127) the SGB in most cases delegates financial responsibilities to the principal and then holds him accountable. However, this kind of delegation has a danger because the principal is in the position of wielding power when the members of the SGB are illiterate or have little knowledge when it comes to school financial matter. Van Deventer and Kruger (2003:119) acknowledge that the principal is indeed accountable to the SGB but also to the District Senior Manager.

Ngubane (2010:142) defines school financial accountability as a function of proper financial accounting and reporting problems. Prescripts for management of school funds in Limpopo Public Schools (2011:11-12) state that the SGB through its treasurer must control and monitor school fund by:

- Receiving at each SGB meeting the latest financial report;
- Inspecting supporting vouchers to ensure that they are in line with all prescripts and other departmental directives;
- Satisfying itself that expenditure is in accordance with the approved budget and with the Public Finance Management Act (PFMA) regulations;
- Monthly expenditure and a financial report for the period against budget (variance report) should be reported to the finance committee and to the SGB on a monthly basis; "and"
- Quarterly reports to be submitted to the Circuit Manager on or before the 7th of the following months.

Financial accountability is aimed at ensuring that the public through their elected representative is informed about how funds are utilised by public institutions. The school governing bodies are accountable to the parents, to the Limpopo Department of

Education, to tax payers and all stakeholders who have an interest in issues of education. In the South African education context, the principal serve as an ex-officio member of the SGB and does not have an executive role in the financial matters of the school. Karlsson (2002:332), however, argues that principals still play a dominant role in meetings and in decision making on financial matters. In addition, Parker and Leithwood (2002:4) contend that the dual nature of the role played by principals is problematic and very controversial because they have a capacity to render governance structure redundant by retaining control for them. Mestry (2006:28) asserts that previously, the principal was in charge of managing the schools' finances and they now feel disempowered by the new legislation. School principals feel threatened because SGBs have been given a responsibility of managing the school funds. Financial accountability is the most important component of schools financial management; therefore, schools with sound financial accountability are properly managed.

2.4.1 School Financial Management

Bisschoff (1997:250) defines financial management as the way in which schools generate more and more money to be used, administered and managed as school funds. It entails an accurate means for recording financial transactions which are necessary for sound financial control. School financial management as a crucial role of the SGB is also emphasised by the office of the Director General (Soobrayan, 2012:15). "School Governing Body members have an important role to play in managing the financial performance of the school". Shapiro (1995:2) asserts that financial management involves planning, budgeting, financial accounting, financial analysis and decision making. Financial planning is a process an organisation uses to work out what resources it needs and where it can find extra resources. A guide for accounting officers in the Public Finance Management Act (2000:22) defines budgeting as "a cycle that runs from policy formulation to the determination of priorities in the short and long run, to planning the delivery of services and reflecting these plans in financial allocation and to the monitoring of the results." Therefore budgeting is a framework of spending money and of assessing financial performance. Financial accounting relates to seeing to it that the resources of the organisation are used effectively for the purpose they were intended, which implies a moral or legal duty to explain how funds have been used.

Section 19 of the SASA stipulates that out of the funds appropriated for this purpose by the provincial legislature, the Head of Department (HOD) must establish a programme to:

- Provide for introductory training for newly elected governing bodies to enable them to perform their function;”and”
- Provide continuity training to governing bodies to promote effective performance of their functions or to enable them to assume additional functions.

The HOD must ensure that principals and other officers of the Education Department render all necessary assistance to governing bodies in the performance of their functions in terms of SASA.

Dimmock (1993:107) states that various factors such as lack of training on financial management can hamper progress in schools. Mestry (2006:vol 12) argues that some members of the SGBs and principals either have little knowledge of the Schools Act or just interprets it incorrectly which results in the lack of financial management in schools. Du Preez and Grobler (1998:39) suggest that there is a relationship between sound financial management, effectiveness and efficient SGB. Davies (1999:106) argues that for the SGB structures to operate efficiently, they must have clear conception of mandate as outlined in the SASA.

2.4.2 Functions of the SGB

Section 20 of the SASA makes provision for the ordinary function which all SGBs of public schools must perform while Section 21 of the SASA makes provision of the allocated functions which are only performed when the school has been granted permission by the Head of Department. Pampallis (2004:234) divides school governance functions into the following categories: Mediating the interest of various constituencies in the school to ensure that different interests do not lead to the development of destructive conflict. Provide for democratic participation of all constituencies in the running of the school and helping to create an environment conducive to teaching and learning in schools.

2.4.2.1 Ordinary functions of all governing bodies: (Section 20 of the SASA).

- Policy matters: the SGB must adopt a constitution, develop the mission statement of the school, adopt a code of conduct for learners at school, determine times of school day, adhere to any action taken by the HOD in terms

of section 16 of the Employment of Educators Act 1998, recommend to the HOD the appointment of educators at the school, subject to Employment of Educators Act, 1998 and recommend to the HOD the appointment of Public Service Act, 1994.

- Day to day matters: the SGB must promote the best interest of the school by providing quality education, supporting the principal, educators and other staff members in the performance of their professional function, administering and controlling the school's property, and building and the ground occupied by the school, encouraging parents, learners and educators and other staff to render voluntary services at the school, at the request of the HOD allowing for the reasonable use (under fair conditions, determined by the HOD) of the facilities of the school for educational programmes not conducted by the school, discharging all function imposed upon the SGB and discharging other functions consistent with the SASA as determined by the Minister or a Member of the Executive Council by notice in a Provincial Gazette of Government Gazette.
- Financial matters: the SGB of the public schools must establish a school fund, open and maintain one bank account and draw the budget.

2.4.2.2 Allocated functions of governing bodies: (Section 21 of the SASA)

- To maintain and improve the school's property, and buildings and grounds occupied by the school, including school hostels if applicable.
- To determine extra-mural curriculum of the school and the choice of subject service in terms of the provincial curriculum policy.
- Purchase textbooks, educational materials or equipment for the school.
- To pay for services to the school.
- To provide an adult basic education and training class or centre subject to any applicable law.

Apart from the above-mentioned functions, Section 36 directs the SGB of public schools to take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners at the school. Adams & Waghid (2005:30) assert that the economic conditions of the school community have influence on the school's ability to raise funds. The SGBs has to establish structures that will assist them to perform their responsibilities. One of

these structures is the finance committee where some members can be co-opted on the basis of their expertise. Oosthuizen (2003:145) asserts that these structures should:

- Ensure that all sub-structures are chaired by a member of the SGB;
- Report and account to the SGB on monthly basis;
- Be given specific activities and functions;
- Understand what the other structures are doing to avoid duplication of roles; “and”
- They must be aware of the resources of the school and be able to prioritise.

2.5 SCHOOL FINANCE COMMITTEE

Clarke (2009:81) states that the finance committee is one of the most important committees that the SGB should establish. The committee serves as advisory body to the SGB on issues of finance. Mestry (2004:129) asserts that management of school finances is an integral part of effective school management. SASA guides this committee to meet at least once per month to fulfil its functions such as managing and monitoring income and expenditure, preparing the budget and making recommendations on school fees to be levied. SASA Section 30 also makes provision for the SGB to establish committees.

Section 30(1) (a) establishes committees, including an executive committee and a finance committee and 30(1)(b) appoints persons who are not members of the governing body to such committees on the grounds of expertise, but a member of the governing body must chair the committee.

According to the Revised Prescripts on Management of School Finances in the Limpopo Provincial Department of Education (2011:3), a finance committee must be established with the principal, the SGB chairperson, treasurer and finance officer as members. The members should not exceed nine and the parent component must be in the majority.

The treasurer shall

- Chair all meetings of the finance committee;
- Monitor all the financial affairs of the school through a commitment register;
- Present a financial report to the SGB;
- Develop a finance policy for the school; “ and “
- Ensure that finance policy is adhered to at all times.

Mestry (2004: 113) also suggests that where members of the SGB have no financial knowledge, the SGB should solicit assistance from the parent community with expertise in financial management because the inability of the SGB to raise funds has a direct bearing on the capacity of the school to compete with other schools in more affluent communities.

Finance officer

The revised prescript in the management of school finances in the Limpopo Department of Education (2011:12) further directs the appointment of the finance officer in writing. The letter must give detailed explanation of the roles and responsibilities which are to:

- Maintain a cash books;
- Receipt income;
- Do monthly bank reconciliation statements;
- Ensure completion of monthly and quarterly reports;
- Compile annual financial statements; “ and”
- Perform any other delegated tasks as required by finance committee.

2.6 SCHOOL FINANCE POLICY

Bishoff (1997: 150) defines finance policy as a statement involved in the manner in which funds will be generated and expenditure carried out in a specific school. It is, therefore, of paramount importance that all stakeholders must be involved in the drafting and implementation of finance policy. The finance policy gives details of everyone’s responsibilities, procedures and rules involved with school finances. It also ensures that all stakeholders are in full knowledge of how school finances are managed in terms of budgeting, income and expenditure, monitoring, control and reporting. Mestry (2004:131) states that a finance policy may eliminate and reduce the mismanagement of school funds.

Clarke (2008:291) supports the views of Mestry by stating that one of the main purposes of finance policy is to put in place a system of control to ensure that the finances of the school are safeguarded and properly managed. The main purpose of a control system is to minimise mismanagement and fraud – for example, SASA prescribes that the person responsible for collecting and receiving the school fund should not be the same person issuing new receipt books to avoid corruption.

Joubert and Prinsloo (2008:26) indicate that it is the responsibility of the finance committee to develop a finance policy that must be approved by the SGB in consultation with the stakeholders. The policy must have the principles of transparency, accountability, consultation, equity and redress. The question which then arises, according to Naidoo (2006:25), is: are these SGB structures equipped to manage the huge responsibility of financial management entrusted upon them?

According to Mestry (2006:35) the school finance policy should meet the following minimum requirements:

- Cash management: this refers to safe storage of cash, daily banking of monies, received, proper accounting records, financial transactions supported by source documents and monthly reconciliation of the cash books with bank statements.
- Internal control: entails internal checks, internal audits, establishment of functional finance committee and audit committee.
- Procurement procedure: entails the responsibility of the finance committee to authorise expenditure, the SGB to ratify and approve expenditure, and finance committee to get three quotations before expenditure is incurred.
- Assets management: entails safe guarding of assets, annual stock taking and board of survey.
- Reporting: entails monthly budget variance, monthly income and expenditure to the SGB and circuit office, quarterly income and expenditure to the Head of Department and audited financial statements to the Head of Department before 30th June of each financial year.

2.6.1 The importance of a budget in public schools

Oosthuizen (1998:300) defines a budget as a management tool or mechanism by means of which the management team of the school can estimate and plan, utilise and co-ordinate control and evaluate the human material and other resources of the school in financial terms. Kruger (200:237) further defines a budget as a management tool or mechanism by which the governing body and the management team of the school can estimate, plan, utilise, coordinate, monitor and evaluate the allocated resources of the school in financial terms. Bischoff (1997:122, as quoted by Kruger, 2003:236) defines a budget as the mission statement of the school expressed in monetary terms.

The SASA, section 38, directs SGBs of a public school to prepare a budget each year according to prescriptions determined by the member of the executive council in a provincial gazette, which shows the estimated income and expenditure of the school for the following financial year. Budget planning involves joint decision making by all stakeholders in respect of financial resources allocation, distribution and spending. The budget process involves implementing the budget, monitoring the budget and evaluating the budget.

Implementing the budget involves the actual spending allocated to each cost centre programme; monitoring involves the development of a control system and evaluating the budget involves examination of how the money allocated to different cost centres or programmes has managed to achieve its goal.

The budget is a basis for financial control according to which the legislative authority can determine whether financial policy is being implemented. The budget of the school is drafted after all stakeholders have submitted their needs in order of priority. The budget should be linked to the school improvement plan (SIP) and to the academic performance improvement plan (APIP) of the school for the following financial year. The SASA, section 10, directs the SGB to present the budget to a general meeting of parents for consideration and approval by the majority of parents (with voting powers during the last quarter of the academic year) present. Shim and Siegel (1994:12) concur with the SASA in that the preparation for the budget of the following year should start several months prior to the beginning of the year.

According to Mestry (2009:108) planning, decision-making, control, accountability, stewardship and motivation are the functions of a budget. The preparation of an effective budget is unlikely at the previous disadvantaged public schools due to a lack or shortage of financial management skills amongst their SGBs. Wasch (2003:18) states that budget development consist of estimating revenue, preparing budget by different cost centres, preparing a consolidated budget and reviewing and revising the budget.

Mentz and Oosthuizen (2003: 214, cited by Issabella, 2011:39) indicate that the following budgeting principles should be applied when drafting the budget of a school:

- The budget should be realistic;

- All sources of income should be indentified;
- All possible expenditures have to be determined;
- A financial projection should be done and aspects, such as expected price changes, and the short, medium and long term goal of the school, should be considered;
- All stakeholders should be involved in the budgeting process; “and”
- The financial means of the community should be thoroughly explained and discussed with the stakeholders.

Bischoff (2002:67) suggests that the finance committee must consider the following purposes as it draws the budget:

- To assist in systematic planning of the activities of an academic financial year;
- To be used in coordinating activities and communicating plans within the organisation;
- To be used to motivate and increase and accountability of middle management.
- To be used as a tool for the authorization of expenditure within on institution;
- To be used for controlling, monitoring and analysing expenditure “and”
- To be used as a means of evaluating performance at the end of the financial year to assess whether budget objectives have been achieved;

Woods & Burger (2010:77) differentiate various approaches to budgeting that have evolved over the past decade. These approaches are:

Incremental budgeting

The incremental budget is a method of budgeting wherein the previous year’s budget is adjusted with increment for any anticipated increases in income and expenditure items. The added percentage is inflation linked. Increment mean growing and this suggest that if the budget is incremental, the school builds next year’s budget on this year’s budget and on this year’s expenditure and income. Lewis (2003:24) suggests that incremental budget is fairly simple and quick to implement and is most useful for organisation like schools where resource and activity levels change minimal from year to year. According to Van Deventer and Kruger (2003:237) the SGB builds the yearly budget on the previous year’s budget; hence incremental budget is highly preferred by schools.

Zero-based budget

This way of budgeting is very strict. Each year you ask “Is this expense really necessary?” Van Deventer and Kruger (2003:237) define it as the most comprehensive form of budgeting, where each of the expenses at a school is re-evaluated and re-considered each year. When using a zero-based budgeting, each year the process starts from scratch with proposed activities for the year.

Vogario (2005:244, cited by Manamela, 2014:37) defines zero-based budget a procedure that requires every manager to justify in detail the nature and level of the entire budget relative to the functions required for the effective achievement of specific objectives. Vigario (2005:245) and Drury (2008:376) suggest the following as advantages of zero-based budgeting:

- It has a potential for developing a more vibrant and interactive management team;
- It highlights the weaknesses in an organisation’s planning procedure,
- It creates a questioning attitude rather than one that assumes that current practice represents value for money; “and”
- It focuses attention on outputs in relation to value for money.

Du Plessis (2012:90) also suggests the following advantages of zero-based budgeting:

- It allows for the new initiatives to be incorporated into the budget;
- It should prevent inequalities of the past from continuing; ” and”
- It introduces an evaluative or reflective element into the financial planning process.

The disadvantage of this form of budgeting is that it is very costly and that it is difficult to make comparison from year to year.

Activity-based budget or priority-based budget

This approach to budgeting focuses on the importance of certain activities; for example, if the school’s mission statement shows that the school puts high priority on sport, and the netball team did very well the previous year, the school may decide to treat netball as a priority. It is designed in such a way that it remains unchanged irrespective of the

level of activity attained. The disadvantage of the approach, according to Du Plessis (2012:90) is that budget items may be unchanged as priorities change

2.7 CONCLUSION

According to Gann (1998:45), one of the most important characteristics of an effective SGB is its ability to understand and to implement the contribution it can make to the management of the school finances. This chapter has provided an overview of the literature on school financial management. From the above discussion, it is apparent that financial skills and knowledge are very fundamental for SGBs to perform their roles and responsibilities as mandated by the SASA. The SASA section 19(2) states that the Head of Department must ensure that principal and other officers of the Education Department render all necessary assistance to governing bodies in the performance of their function in terms of the Act. It is a great challenge that Mopani is a rural district, characterised by a majority of parents who did not receive education and are illiterate. Providing effective and efficient training to such parents poses a serious challenge. Mestry (2004:126) claims that SGBs or school management teams must have some knowledge and skills relating to inner workings of the finance of the school.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This chapter presents the methodology and design of the research undertaken to gain insight into the research problem. This entails an exposition of how the study unfolded, what the challenges were and how they were resolved in terms of the procedure for investigation such as data collection, population and sampling. The researcher used both, qualitative and quantitative designs, to conduct the study. The researcher employed a variety of data collection methods, namely questionnaires, interviews and observation. As the study was based on human subjects, the study ensured that ethical issues were taken into consideration.

3.2 RESEARCH DESIGN

According to Mouton (1996:107) research design is a set of guidelines and instructions to be followed in addressing the research to anticipate what appropriate form of research should be used to maximise the eventual results. Mouton (2001:55) further defines research design as a “blueprint of how one intends conducting the research”. There are two main research approaches namely the qualitative and the quantitative approaches. This study has used both qualitative and quantitative research approaches to examine the financial management challenges in Mopani Schools. The research design will help the researcher anticipate the outcome or decision and validate it. Again this is the plan according to which the researcher obtains participants and collects information from them.

3.2.1 Qualitative Research Approach

Qualitative research is a research conducted in the natural setting of social actors. Babbie& Mouton (2001:270) argue that the perspective of the social actor is emphasised, meaning that human subjects are the main role players. Merriam (1998:6) states that qualitative researchers are interested in understanding the meaning people have constructed in making sense of the world and the experience they have on it and also concerned with how people interact with the social world and give meaning hence it is considered suitable for this study because the study is aimed at gaining an in-depth understanding of the phenomena as they occur in a natural setting. The key aim of this

study is to examine financial management challenges of Mopani District schools in the Limpopo Province.

The phenomenon was examined in respect of public schools with different socio-economic conditions which are two former Model C schools and two previously disadvantaged schools. In this study a qualitative approach is followed as an attempt to gain an understanding of the challenges participants face in managing school finances. Krathwon (2009:236) supports the use of a qualitative research approach because it is ideal for examining complex phenomena. Through examining, a qualitative approach teaches us how to understand the phenomena. In this study the phenomena are the challenges of financial management in schools. Leedy and Ormrod (2002:47) also support the sentiment that qualitative research gives the researcher an opportunity to understand phenomena within their direct surroundings. Flick (2007:ix, in Isabella & Griesel, 2011:195) defines qualitative research as research that is intended to approach the world out there and to understand, describe and sometimes explain social phenomena from the inside in different ways by analysing experiences of groups of individuals, analysing documents (texts, images, films or music). As espoused by Lichtman (2010:12) qualitative studies provide in-depth descriptions and are aimed at understanding human experiences. The author believes that the purpose of a qualitative study is to describe and understand human phenomena, human interaction and human discourse.

Wellington (2000: 18) suggests that qualitative study is subjective since it is not possible for researchers to distance themselves from their research. Lichtman (2010:13) argues that qualitative research tends to be “ever-changing”. According to this author, qualitative research does not always start out with fixed plans on how to conduct the research. The research questions may change as the study progresses and as the researcher collects and analyses the data. According to Lichtman (2010:15), qualitative researchers collect data in natural settings through observations for example at school or at the workplace and interviews at the workplace of the person interviewed.

Punch (2009:3) mentions that qualitative researchers rely on field notes, transcriptions and diaries and journals to reflect on data for analysis progress. Welman, Kruger & Mitchell (2005:9) say that in qualitative research, a holistic approach is applied to collect a wide array of data using various sources like documents, records, observation,

interviews and case studies. A total of sixteen in-depth interviews (4 in each school) were conducted. These interviews were guided by an interview schedule with open-ended and objective questions. (See Annexure D)

McMillan and Schumacher (2006:317 – 318, cited by Rangongo, 2011:64 – 65) state that qualitative research approach is based on:

1. Assumption about the world: Qualitative research is based on constructivist philosophy that assumes that reality is a multilayered interactive, shared social experience that is interpreted by individuals. Reality is a social construction, that is, individuals and group derive or ascribe meanings to specific events, persons, processes and objects from individuals and collective perception.
2. Research goal: It deals with understanding phenomena from participants' views. Understanding is achieved by analysing the contents of the participants and by giving the participants' meaning for these situation and events.
3. Research methods and process: Qualitative researchers study the participants' perspective with interactive strategies: Participants observation, in-depth interviews and supplementary techniques. In qualitative research there is a great deal of flexibility in both strategies and the research process. Qualitative researchers use an emergent design and revise decisions about the data collection strategies during the study.
4. Researcher's role: Qualitative researchers become immersed in the situation and the phenomena being studied through interactive social roles which they record through observations and interviews with participants in a range of contexts.
5. Importance of the context in the study or context sensitivity: Qualitative research develops context bound summaries. The qualitative researcher believes that human actions are strongly influenced by the settings in which they occur. The researcher cannot understand human behaviour without understanding their thoughts, feelings and actions.

3.2.2 Quantitative Research Design or Approach

Creswell (1994:2) defines quantitative research as an inquiry into a social and human problem based on testing a theory composed of variables, measured with numbers and

analysed with a statistical procedure in order to determine whether the predictive generalisation of the theory holds true.

According to Burns and Groove (1993:26), a quantitative research approach is an objective and systematic process that is applied to obtain information, to describe variables and their relationships. A quantitative researcher is interested in predictions and will attempt to maximise objectivity and generalisation of the findings. In this study a quantitative approach was applied by collecting quantitative data through the administration of questionnaires (See Annexure C) to which educators who served and are still serving in the SGBs of the sampled schools responded. According to Mouton *et al*, (2006:279) a quantitative research approach involves a collection of primary data from the sample and projecting the results to a wider population.

3.3 STUDY AREA

The study area was Mopani District that comprises of 24 circuits. The district comprises of 690 previously disadvantaged and 24 former model C schools.

3.4 POPULATION

Gary and Airasian (2003:102) define population as the group of interest to the researcher, the group to which the results of the study will ideally be generalised. The population in this study encompassed schools from different socio-economic background in the District. The sampled schools will comprise of two former Model C schools and two impoverished rural schools. According to Kitchin and Tate (2000:53 in Mohan, 2006:88) the total of all possible people who display the characteristics the researcher is interested in is the population, while a sample is a subset of measurement drawn from a population in which the researcher is interested. A sample is studied to understand the population from which it was drawn.

3.5 SAMPLING

Breakwell, Hammond and Fife-Schaw (2001:251) define a sample as a set of individuals selected from a population and intended to represent the population under the study. Ary, Jacobs & Razavien (1990:169) define sampling as a small group to be observed to represent a larger group. The researcher used heterogeneous sampling to select schools according to their classification and different characteristics they exhibit such as affluence and poverty. The sample consisted of four schools selected as

follows: two former Model C schools, two previously disadvantaged schools. And in each of these schools the following persons have been interviewed: the school treasurer, the SGB chairperson, the finance officer and a principal. The researcher also used random sampling through the assistance of school principals to sample educators who are serving in the SGB or those who served in the SGB to complete the questionnaires. According to Kerlinger (1986:110); random sampling means that all possible cases or households of a fixed n have the same probability of being selected.

Burke and Larry (2011:230) classify non-random sampling techniques into categories, but this study will only employ purposive sampling where the researcher specifies the characteristics of the population of interest and locates individuals with those characteristics.

Johnson and Christensen (2008:239) state that purposive sampling is a non-random sampling technique in which the researcher solicits persons with specific characteristics to participate in a research study. Babbie (2008:204) describes purposive sampling as a type of non-probably sampling in which the units to be observed are selected on the basis of the researcher's judgment about which one will be the most representative. At this stage, an important consideration was gathering data that would respond to the research question of the challenges of financial management in the Mopani schools. Mc Millan and Schumacher (2006:122) argue that in deciding on participants, an important consideration is that of who is "information rich". For this reason parents and officials entrusted with school governance were the most suitable participants to assist the researcher in exploring the challenges of financial management in schools. Participants were drawn from four schools. In purposive sampling, the participants are selected according to the researcher's knowledge and opinion about which ones they think will be appropriate to the study topic.

3.6 Data Collection Procedure and Methods

The researcher used a variety of data collection methods such as interviews, questionnaires and observation. Permission to conduct the research was sought from the Head of Department of Limpopo Department of Education (See Annexure A1). Primary data were collected from the four sampled schools categorised as affluent (former Model C schools which previously had been reserved for white learners only) and non-affluent schools (public schools in rural areas and townships that had been reserved for black African learners). Welman, Kruger & Mitchell (2005:148) define

primary data as the original data that are collected by the research study. This is the information that has been collected from participants when the researcher visited the sampled schools. It is original in nature. Mouton (2002:156) and Yin (1989:85 – 95) state that data collection techniques in a qualitative research study are observations, records, interviews and documentation. Dominick and Wimmer (2003:287) argue that interviewing is the predominant mode of data or information collection in a qualitative research. The importance of interviews is to find out what is in peoples' minds since this cannot be observed or measured directly. In the case of this study, semi-structured interviews (see Annexure D) were used to gather data on the management of finances from the four sampled schools in the Mopani District. To this end, four treasurers, four chairpersons, four finance officers and four principals was selected for this study purpose and face to face interviews were conducted.

A questionnaire was distributed by the researcher to the 40 educators (10 from each school). The questionnaires were used by researchers to obtain information about the thought, feeling, attitudes, values, beliefs, perception, personality and behavioural intentions of research participants. Secondary data were also collected from, among other sources, books, journals, government and school reports, dissertations and internet sources.

3.6.1 Interviews

According to Bless and Higson-Smith (1995:106), an interview involves direct personal contact with the participant who is asked questions. Neuman (1994:120) describes it as a process that represents a direct attempt by the researcher to obtain valid results in the form of verbal response from respondents. Cohen & Manion (1989:307) describe the interview as a two-person conversation initiated by the researcher for a specific purpose of obtaining relevant information and focused on content specified by the research objective. According to Nieuwenhuis (2009:87), interviews allow researchers to “see the world through the eyes of participants”.

Interviews were used for this study because they allow for in-depth probing participants' views. This was the prime method followed in the gathering of data from all elements of the study. A semi-structured interview is open, allowing new ideas to be brought up during the interview as a result of what the interviewee says. Being open ended, treasurers, finance officers, principals and chairpersons were able to express

themselves freely and relate their experiences and perceptions on the challenges of financial management. In an open-ended interview there are no fixed questions. The researcher instead had a general plan of inquiry. An interview schedule consisting of open-ended questions was prepared prior to the interview. The researcher physically visited the sampled school to conduct the interviews. The researcher conducted individual face-to-face interviews as one method of collecting data. Patton (2002:21) agrees that open-ended responses permit the researcher to understand the world as seen by respondents. The researcher also applied probing to get clarity from interviewees. Ruskin (2006: 6) suggests that probing is one of the key techniques in good interviewing. Key (1997:1), Merriam (1998:7) and Creswell (2003:183) all indicate that the human being - in this case the researchers - are the primary collection instruments as they conduct interviews. Bogdan and Biklein (2007:37 – 39) and Merriam (1998:20) argue that humans being the primary instrument in the qualitative research may cause researcher biasness and subjectivity in data collection, analysis and reporting. The data gained from the interview were transcribed and later analysed.

3.6.2 Questionnaire

Pilot & Hungler (1991:193) describe a questionnaire as a tool that is used to gather self-reported information from respondents consisting of their attitudes, knowledge, feelings and beliefs. Johnson and Christensen (2008:170) further describe a questionnaire as a self-report data collection instrument that each research participant fills out as part of a research study. Questionnaires can be used to collect data using both qualitative and quantitative approach.

The design of the questionnaire was done in a manner that maintains interest from respondents. Questions were formulated in a very simple and the shortest terms possible. The questionnaires contained clear instructions on how to respond to questions. All questions were close-ended in nature to help in pre-coding responses into a standardised set of answers when analysing data. The assistance of the school managers was sought to distribute questionnaires to the respondents in the sampled schools. A memorandum giving instructions on how to complete the questionnaire and a motivating letter to encourage respondents was attached to the questionnaire. (See Annexure C)

3.6.3 Documentary Study

Bailey (1987: 290) states that documentary study involves the analysis of written material that contains information about the phenomena being studied. As espoused by Easton (1997:175), documentary analysis entails careful examination of the many types of materials produced by stakeholder groups in direct or indirect relation to the programme. Merriam (1998:112) suggests that the use of documents in data collection has the advantage that their presence does not intrude upon or alter the setting in ways that the presence of the investigator often does. SASA Section 43(6) made it mandatory for the SGB to make available all financial records for inspection to any interested party. The data from analysis of audited statements and observations will serve to support and verify some of the data collected during interviews.

3.7 DATA PROCESSING PROCEDURE

Merriam (1998:178) suggests that data analysis makes sense of collected data and thereby finds answers to the research question. Dominic &Wimmer (2003:111) argue that in qualitative studies, data analysis is done early in the collection process and continues throughout the study. This means that data analysis is an ongoing process. De Vos (2002:339) suggests that data analysis is the process of bringing order, structure and meaning to the mass collected data. This is a process whereby the researcher reduces data to a story and its interpretation. Data analyses consist of processes of reducing the data into manageable size, developing the summaries, displaying the data and drawing conclusions from the data collected. For the purpose of this study data analysis was done by grouping information from the primary sources and the secondary sources into specific themes and categories. The researcher searched for relationships between the data by analysing words that were repeated by respondents throughout the interview, comparing answers given by respondents during the interviews and in answering the questionnaire and analysing the language used without making assumptions. Lastly the information gathered was recorded, analysed and conclusion drawn on whether Mopani District schools can manage their finances as prescribed by the SASA.

In the quantitative data collection procedure, a questionnaire comprising of seven sections was used. The first part of the questionnaire employed a Likert-Scale. Bertman (2012:23) defines a Likert- scale as “A psychometric response scale primarily used in questionnaires to obtain participants’ preference or degree of agreement with a

statement or set of statements” Quantitative data was analysed by using the S.P.S.S. program and a professional statistician employed by the University of Limpopo trained the researcher. S.P.S.S.is a software program that can capture data entries, complete analysis and also create graphs and tables. Graphic presentation of data through frequency diagram of pie charts enhanced the analysis process. According to Royer (1981: 440) graphic presentations or figures are pictorial devices to illustrate data.

Qualitative data analysis started when the researcher was collecting the first piece of data. It involves the synthesis of what participants were sharing with the researcher during in-depth-interviews. The content analysis technique was employed to make sense of the collected data. Following several rounds of reading and re-reading of the transcripts, the researcher applied coding according to Miles and Huberman (1994:102) and did the following:

- Looked at how participants responded to each question and identified key words;
- Organised the data by questions across respondents and their answers to identify consistency and differences;
- Categorised the information by indexing data to bring meaning to the words; “and”
- Identified themes and organised them into coherent categories.

In organising the themes into categories, care was taken not to jump to pre-mature conclusion of the data. The researcher critically read through all categories continuously until she was satisfied and sure with all categories and presented the data analysis in chapter 4.

3.8 ETHICAL CONSIDERATIONS

According to Cooper et al. (2006:116) ethics are norms and standards of behaviour that guide moral choices about our relationship and with others. Neuman (2006:01) explain that research has an ethical-moral dimension in that the researcher has a moral and professional obligation to be ethical even when the researched are unaware of the ethics. As the study was based on human subject, the principle of respecting the rights of participants guided the researcher when collecting data and compiling the research report. The goal of ethics in research is to ensure that no-one is harmed or suffers

adverse consequences from research activities. Since the research topic is very sensitive, the schools were referred to as A, B, C, and D. The participants and their opinion were held very confidential. The Finance Section is a very sensitive area and therefore the researcher ensured that the following ethical conduct is upheld:

- Voluntary informed consent was sought from all respondents before continuing with the study. Consent is a process in which individual choose whether or not to participate in a research after being informed of the facts that would be likely to pursued their decisions.
- The rights of individuals' privacy were respected and anonymous answering of questions was promoted. Cohen, Manlon & Morrison (2011:91) agree with the view of right to individual privacy; stating that the right to privacy means that a person has a right not to take part in the research, not to answer question and not to be interviewed.
- The researcher ensured that names of respondent are not made public. A person is considered anonymous when the researcher or another person cannot identify the participants from the information provided.
- Because ethical issues are related to integrity, the researcher avoided copying other peoples' work.

3.9 CONCLUSION

This chapter discussed the research design and methodology necessary to examine the challenges of financial management in Mopani schools. It commenced with the methodological approach where Qualitative and quantitative procedures were adopted to collect relevant and rich data. Questionnaires, interviews and observation were the method used to collect data for this study. Sampling method was clearly outlined. The data were collected from stakeholders entrusted with the finances of the school, namely the SGB chairperson, treasurer, finance officer, principal and educators'. Non-probability sampling was used to select the affluent and non-affluent schools for the study namely two former Model C schools and two previously disadvantaged public schools. In the last part of this chapter the researcher emphasised ethical measures to be considered when conducting a research study. The chapter that follows will serve to outline and analyse the findings of this chapter.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 INTRODUCTION

This chapter presents and analyse the empirical study results. Mouton (2002:108) argues that data analysis involves “breaking up” data into manageable themes, patterns, trends and relationships. The main objectives of data analysis is to understand the various constituent elements of data through the inspection of the relationship between variables, and to see whether there are patterns that can be identified or isolated. The researcher present data collected from four sampled schools in order to present, analyse and discuss challenges experienced by the Mopani District Schools in Limpopo Province in the management of their finances.

The first part of the chapter presents the data that were collected using the interview schedule. There were 18 questions divided into three themes in the interview schedule. The themes were biographical information, budgeting and expenditure control. The data were collected between the month of February and March 2015. The second part of the chapter presents the data derived from questionnaires. To ensure confidentiality and anonymity of the participants, their real names are not disclosed when presenting their views.

4.2 Presentation and analysis of data collected through interviews

It was not easy to conduct these interviews particularly getting chairpersons and treasures of some schools regardless of many prior arrangements. In school A the researcher was not able to get the SGB chairperson despite several prior arrangements and ended up interviewing the deputy-chairperson. Interviews with principals and finance officers were conducted in their respective schools that are referred to as Schools A, B, C and D. Interviews for the other participants were conducted in venues convenient for each participant. Questions asked during the interview focused on exploring how School finances were managed and also to identify challenges facing SGBs and opportunities to improve the management of Schools' finances in the Mopani Schools.

4.2.1. Biographical Data of Participants.

Table 3

SCHOOL	DESIGNATION	AGE (Years)	ETHNICITY	HOME LANGUAGE	GENDER	LEVEL OF EDUCATION	EXPERIENCE IN SGB
School A	Principal	Above 50	White	Afrikaans	Male	Above Grade 12	Above 9 years
	Deputy chair	Between 40 & 50	African	Sepedi	Male	Above Grade 12	Between 3 & 6 years
	Treasurer	Between 40 & 50	African	Xitsonga	Male	Above Grade 12	Between 3 & 6 years
	Finance Officer	Between 40 & 50	White	Afrikaans	Female	Above Grade 12	Between 3 & 6 years
School B	Principal	Above 50	White	Afrikaans	Male	Above Grade 12	Above 9 years
	Chairperson	Between 40 & 50	White	Afrikaans	Male	Above Grade 12	Between 3 & 6 years
	Treasurer	Between 40 & 50	White	Afrikaans	Female	Above Grade 12	Between 3 & 6 years
	Finance Officer	Between 30 & 40	White	Afrikaans	Female	Above Grade 12	Between 3 & 6 years
School C	Principal	Above 50	African	Sepedi	Male	Above Grade 12	Above 9 years
	Chairperson	Above 50	African	Sepedi	Female	Below Grade 12	Above 9 years
	Treasurer	Between 40 & 50	African	Xitsonga	Female	Grade 12	Between 3 & 6 years
	Finance Officer	Between 40 & 50	African	Sepedi	male	Above Grade 12	Between 3 & 6 years
School D	Principal	Between 40 & 50	African	Xitsonga	Male	Above Grade 12	Above 9 years
	Chairperson	Above 50	African	Sepedi	Male	Below Grade 12	Between 3 & 6 years
	Treasurer	Between 30 & 40	African	Xitsonga	Female	Below Grade 12	Between 3 & 6 years
	Finance Officer	Between 40 & 50	African	Xitsonga	Female	Above Grade 12	Between 3 & 6 years

Principals' age

The data collected revealed that 75% of the school principals are above 50 years of age and only 25% of the school principals are between the 40 and 50 years of age. This therefore implies that in the coming 10 to 15 years the majority of principals with experience will be retiring. These principals had been appointed in the era where the management of finances was the responsibility of the state. There is a need for an intensive training on financial management since the majority of the principals are starting to manage huge budgets.

Principals' ethnicity

Response to this question revealed that 100% of the sampled former Model C schools (previously known as affluent schools) are still headed by white principals irrespective of the attempts by government to address the past injustice. 100% of the previously disadvantaged public schools are headed by black African principals. During the past dispensation the former Model C schools were allocated more financial resources to manage than their counterparts. This implies that white principals have more experience in managing finances than their counterparts (refer to Page 21 of the literature review).

Principals' gender

Reaction to this question revealed that 100% of the sampled schools are headed by male principals. This gender imbalance seeks to undermine the affirmative action principle which lays emphasis on gender equity and seeks to affirm women as leaders in public institutions (Van Wyk, 2004:49). The principle seeks to confirm that responsibilities that used to be solely the responsibilities of males can also be performed by females and in this case the management of schools finances.

Principals' experience in the SGB

Principals are ex-officio members of the SGB. Reply to this question revealed that all the sampled schools are headed by principals with experience of more than nine years. This suggests that the school managers have been exposed to a number of training on financial management if the HOD is carrying out his mandate as directed by section 19 of the SASA.

Age and the level of education for the SGB Chairperson

Data collected in this question shows that 50% of the SGB chairpersons are above 50 years of age and the remaining 50% are between 40 and 50 years of age. Response to the question on educational qualification revealed that SGB chairpersons of the previously disadvantaged schools

are illiterate or semi-illiterate, thus making it difficult for them to execute their financial responsibilities as mandated by the SASA. 25% of the SGBs from previously disadvantaged schools only have primary education. The education level of the SGB chairperson plays an important role in the financial management of the school since they need to understand financial transactions in the process of playing their oversight roles in the management of school finances. The data of the SGB chairpersons' educational qualification of the former model c schools revealed that these schools are chaired by educated parents which make it easy for them to manage the schools' finances. These chairpersons are managing very big companies with millions; they use their wealth of knowledge on financial management to assist their schools.

Age and the level of education for the SGB treasurers

75% of the treasurers are between 40 and 50 years of age while only 25% are between 30 and 40 years of age. As a directive from Limpopo revised prescripts for management of school funds, treasurers must be elected from the parent component of the SGB. The treasurer chairs all meetings of the finance committee, monitors all the financial affairs of the school through the commitment register, presents a financial report to the SGB, develops a finance policy for the school and ensures that finance policy is adhered to at all times. This responsibility, as spelled out in the Limpopo Prescripts, requires some financial skills and knowledge.

All treasurers of the former Model C schools have educational qualification above Grade 12 which is an advantage when it comes to reading and understanding finance policies and financial transactions. 25% of the treasurers from previously disadvantaged school only have secondary education while the other 25% has Grade 12 only. The educational level of some treasurers from the previously disadvantaged schools hinders them from performing their responsibilities as prescribed. The treasurers' function as chairpersons of finance committees is critical in ensuring financial accountability.

Age and educational qualification of the finance officers

The data collected in this question reveal that 75% of the finance officers are between 40 and 50 years of age while only 25% are between the age of 30 and 40 years. This therefore entails that financial records of the schools are entrusted to the experienced members of the staff who have educational qualification of above grade 12. The Prescripts give guidance on the appointment of the finance officers in that they should have an accounting or financial background. Finance officers of the former Model C schools are administrative officers who execute this function on a daily basis.

The Limpopo Provincial Government Revised Prescripts for Management of School Funds (2011:12) states their responsibilities as follows: to maintain cash books of the school, to do monthly bank reconciliation statement, to ensure completion of monthly and quarterly reports, to compile annual financial statements and receipting of income.

4.2.2 Budgeting

Section 38 of the SASA mandates the SGB to prepare a budget each year according to prescriptions by members of the executive council which shows estimated income and expenditure for the following financial year. SASA further mandates the SGB to present the budget to a general meeting of the parents for consideration and approval by the majority of parents with voting rights. Mentz and Oosthuizen (2003:207) also agree that the SGB is responsible for the drafting of the budget and remind us that the budget should be presented to the parents at a parents' meeting with voting rights to be considered for approval. Clarke (2007:227-228) supports that one of the most important responsibilities entrusted to the SGBs is financial control, which entails preparation and approval of the budget. Budget preparation involves collective financial planning by all finance sub-committees in the sampled schools. The budget process also involves the allocation of resources according to the needs and priorities of the school. All the sampled schools had been aware of the mandate of the SASA.

Mestry and Naidoo (2009:108) suggest that a budget has the following functions which are planning and decision making, control, accountability, and stewardship and motivation. They however maintain that the preparation of effective budget is unlikely at many previously disadvantaged schools as a result of lack of financial skills amongst the SGB members. Response by all participants confirmed that their schools have an approved budget although some budgets are developed for compliance but totally useless as a tool in financial management. The majority of the participants' agrees that they have played some role in the preparation of the budget as finance committee members or as members of the SGB.

This is some of the response by the SGB chairpersons on the following question: Who is responsible for the preparation of your school budget and explain the budget processes. The purpose of this question was to understand whether SGB Chairpersons and members understand their roles and responsibilities in their schools financial management.

SGB Chairperson of School A: The Deputy Principal drafts the budget.

Budget processes: The Deputy Principal draft the budget, takes it to the finance committee which receives inputs from the schools sub-committees. Our role as the SGB is to approve the budget and takes it to parents' meeting for adoption.

SGB Chairperson of School B: The finance Committee prepares the budget.

Budget processes: The School Principal receives draft mini-budgets from different departments and sub-committees on behalf of the Finance Committee. The Finance Committee draft the budget and present it to the SGB. The SGB approves the budget and present it to the parents with voting rights for approval. Our school follow a bottom up approach.

SGB Chairperson of school C: The Finance Committee prepares the budget.

Budget processes: The Finance Committee prepares a draft budget after considering inputs from all internal stakeholders and takes it to the SGB for finalization. The SGB adopt the budget and present it to parents for approval.

SGB Chairperson of school D: The Finance Committee prepares the budget.

Budget processes: The staff members prepare their needs in their various sub-committees and departments and present to the Finance Committee. The Finance Committee prepares the budget by prioritizing the schools' needs. Finance Committee present the draft budget to the SGB for finalization and adoption. The SGB in turn present the budget to the parents for approval

An abnormality has been exposed by the SGB chairperson and all participants of school A who agree that the deputy principal played a very critical role in the development of the budget while the finance officer knows nothing about finances. Responses by all participants indicated that presentation of budget to the parent body was a big challenge. Parents are reluctant to engage actively and meaningfully in the budget processes and this is worsened by the fact that very few of them attend the budget presentation meeting.

4.2.3 Expenditure Control

The views expressed by respondents with regard to expenditure control indicate a number of challenges with particular reference to school A and B. Though a budget is drawn as per legislation, the expenditure control reflects that budget preparation seems to be done only for compliance with departmental requirements. Limpopo prescripts (2011:11) relating to management of school funds in public schools direct that:

- All procurement should be done on a minimum of 3 quotations basis;
- 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 adjudication process;
- The recommendation of the finance committee should be presented to the SGB for approval, acceptance and appointment; “and”
- The circuit manager must approve any expenditure exceeding R30 000.00 for ensuring the compliance with the applicable prescripts.

School A incurs expenditure without the knowledge of the SGB while the policy directs on how expenditure should be incurred. The SGB will learn of the expenditure incurred if they are fortunate to have a meeting. Again the responsibility of the finance officer in school A is carried by the deputy principal which is a complete violation of the SASA. This means that the finance officer is appointed for compliance with legislation but practically dysfunctional. The above findings further advocate that the finance committee is not functional to manage the schools' finances which may result in the manifestation of corruption and financial mismanagement.

The views expressed by respondents of School B on expenditure control indicated that the school budget is realistic and there is collective decision making by the SGB and a high level of trust by the SGB in the principal. Spending is discussed in every quarterly meeting. For operational spending an order form is completed before expenditure is incurred.

The views articulated by respondents of school C and D in relation to expenditure control indicated that these schools were guided by the SASA and by the Limpopo Provincial Government Prescripts for Management of School Funds in public Schools amended in 2011. A core aspect of dealing with public finances is transparency. Principals of these schools exercised transparency and openness.

Although the members of the SGBs have been trained in financial management, these schools experienced challenges of capacity from parent component in the finance committee. The views expressed by both schools paint a bleak picture of the capacity building by the Department of Education wherein both treasurers have never presented financial reports to the SGB and parents meetings. They rely on the services of the finance officers who are not supposed to be part of SGB meetings as per policy. There was a call by these schools for more government assistance in

school financial management workshops. It was revealed in the interviews conducted that the SGBs were aware of the meaningful role they were supposed to play in the management of their schools' finances, but the literacy level is a hindrance. This implies that the Limpopo Department of Education did not comply with the SASA Section 19 which requires that SGBs should be provided with continual training to promote the effective performance of their function. Continuous training of SGBs in financial management will enhance better management of school finances.

Response to the question on the presentation of the audited statement to parents shows that very few parents from all the sampled schools are ready to hold those entrusted with financial matters of their schools accountable. The researcher found invitation to parents' meeting where statements are to be presented. Financial reporting is one of the major elements of accountability. One chairperson from former Model C School said:

"Parents do not come to inspect the audited statement because they have confidence in us"

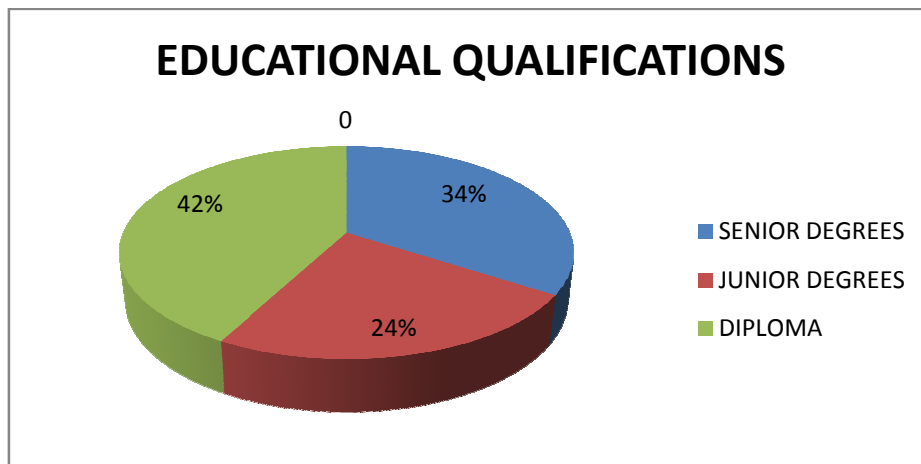
Emanating from the above remarks it is therefore evident that parental involvement in the schools' financial matters is not influenced by the literacy level of the parent because parents taking their learners to affluent schools are mostly literate.

4.3 DATA FROM QUESTIONNAIRE

Ten educators who are either members of the SGB or once served in the SGB were selected from each of the four sampled schools. The expected participants were forty but only thirty eight returned the questionnaire. They were from affluent (former Model C, previously only meant for white learners) and the previously disadvantaged public schools. Data collection in this section referred to biographical information of the respondents who are all educators. It outlines the respondent's background in terms of educational qualification, race, age, gender and the teaching experience.

4.3.1 Biographical Information

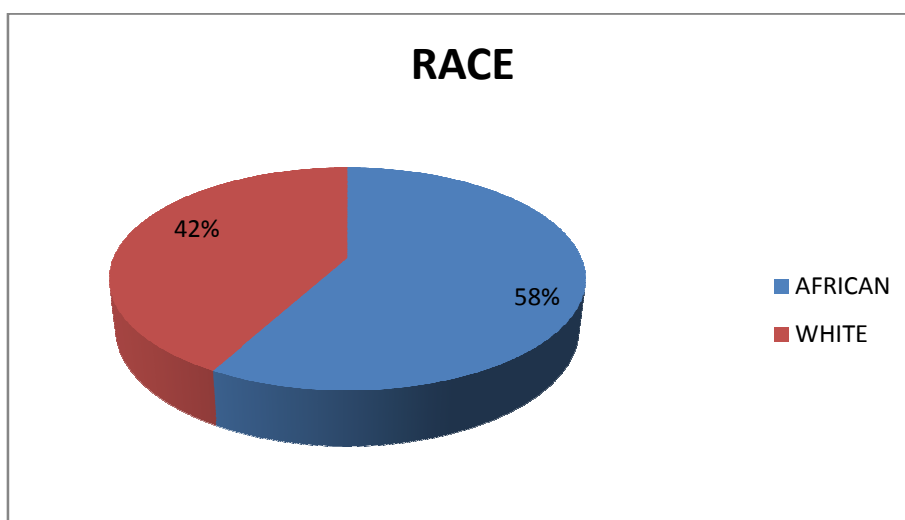
Figure 1: Respondents' educational qualifications



Educational Qualification	Senior Degrees	Junior Degrees	Diplomas
	34 %	24%	42 %

The data on the educational qualification of the respondents revealed that out of the 38 educators who participated in the study, 34 % have senior degrees, 24 % have junior degrees and 42 % have diplomas. This implies that all educators serving in the SGB can do simple financial transactions and understand the basic financial terminologies. This basic knowledge is imported as it assists them as they perform their role of managing schools' finances.

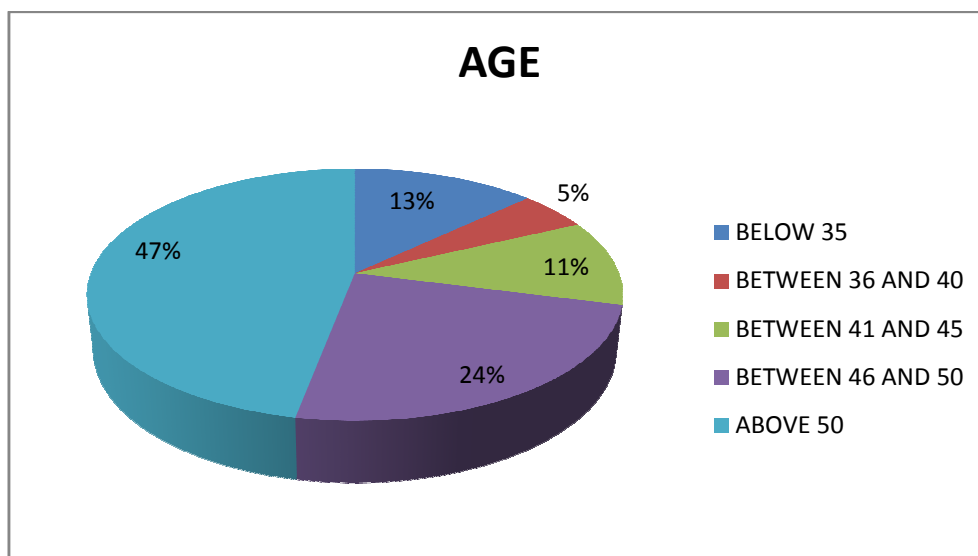
Figure2: The respondents' race



Race	African	White
	58%	42%

Figure 2 indicates that 58% of the educators who participated in the study were Africans while 42% were Whites. From the two affluent sampled schools, eighteen educators participated. Out of the eighteen educators only two educators are Africans, sixteen are White. Twenty-one years into democracy there is still a problem in the appointment of the educators in affluent schools where there is racial division when it comes to appointment (refer to page 22 of the literature review). This implies that the idea of transforming the education system and sharing of good practice by the ruling government is not yet realised. In the past the apartheid system created educational inequality through funding. It allocated less money to black schools while giving most to white schools. This may mean that White educators have a greater wealth of experience in the management of finances than African educators.

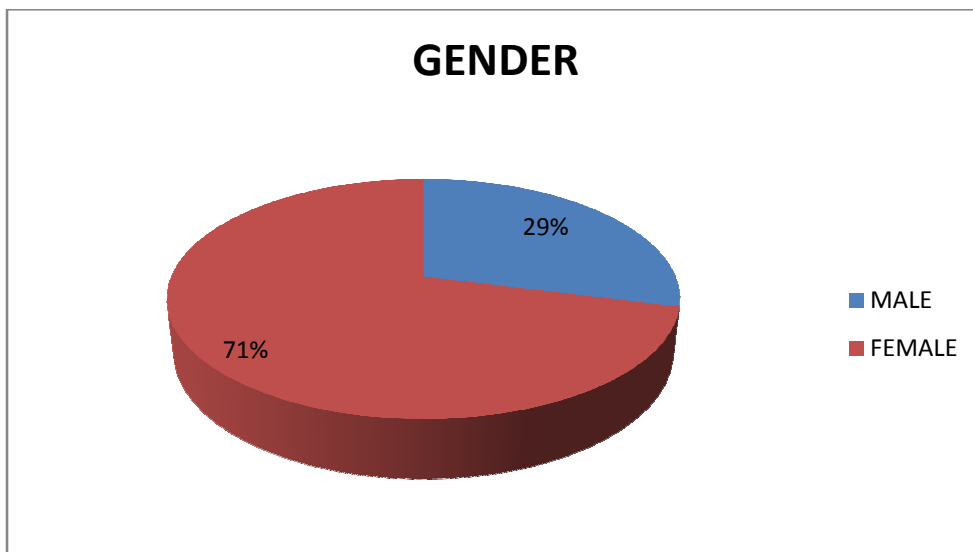
Figure 3: Respondents’ age



Age	Below 35	Between 36-40	Between 41-45	Between 46-50	Above 50
	13%	5%	11%	24%	47%

13% of the educators are below the age of 35, five percent are between the age of 36 and 40. Those between the age of 41 and 45 were 11%, and those between the age of 46 and 50 were 24%. Educators above the age of 50 years were 47%. This suggests that the majority of educators with vast experience in financial and teaching matters will be retiring in the near future.

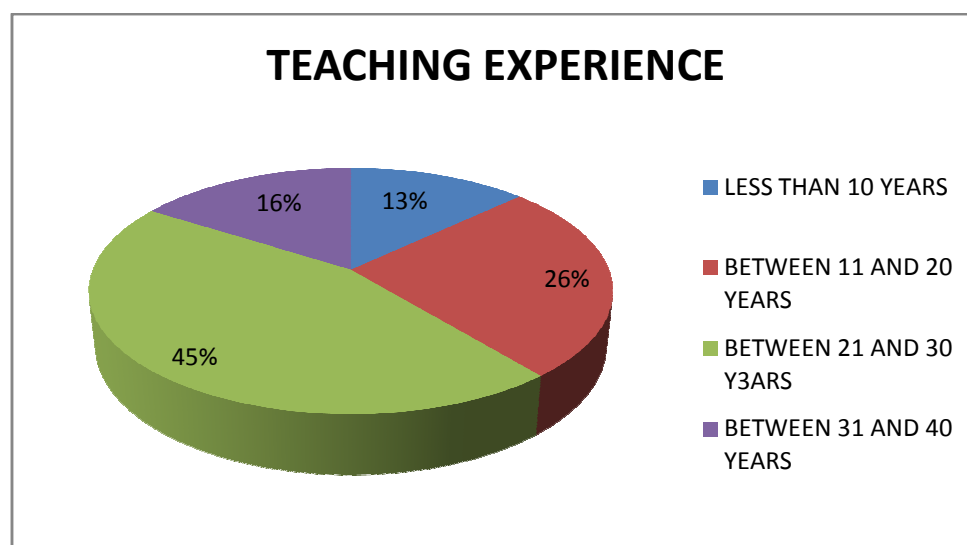
Figure 4: Respondents' gender



Gender	Male	Female
	29%	71%

The data collected on this question demonstrate that 71% of the educators elected in positions of school governance in the sampled schools are female. Only 29% of these educators are male. This is in line with the Employment Equity Act No. 55 of 1998 which seeks to address representation of the previously disadvantaged groups. The sampled schools confirmed that the affirmative action principle was applied by giving female educators the responsibility of leadership, in this case the management of school finances.

Figure 5: Respondents' teaching experience



Teaching experience	Less than 10 years	Between 11-20 years	Between 21-30 years	Between 31-40 years
	13%	26%	45%	16%

Figure 5 shows that 13% of the educators serving in the SGB have teaching experience of less than 10 years, 26% of the educators have between 11 and 20 years of teaching experience, 45% have teaching experience of between 21 and 30 years and 16% have teaching experience of between 31 and 40 years. This implies that there are a high percentage of educators who were in the field prior to 1994 (before the enactment of SASA). There is a need for continuous training on management of school finances because they were never exposed to the governance of schools for a very long period and the financial responsibility is new to them.

4.3.2 School Governance

Figure 6: Management of Public Funds

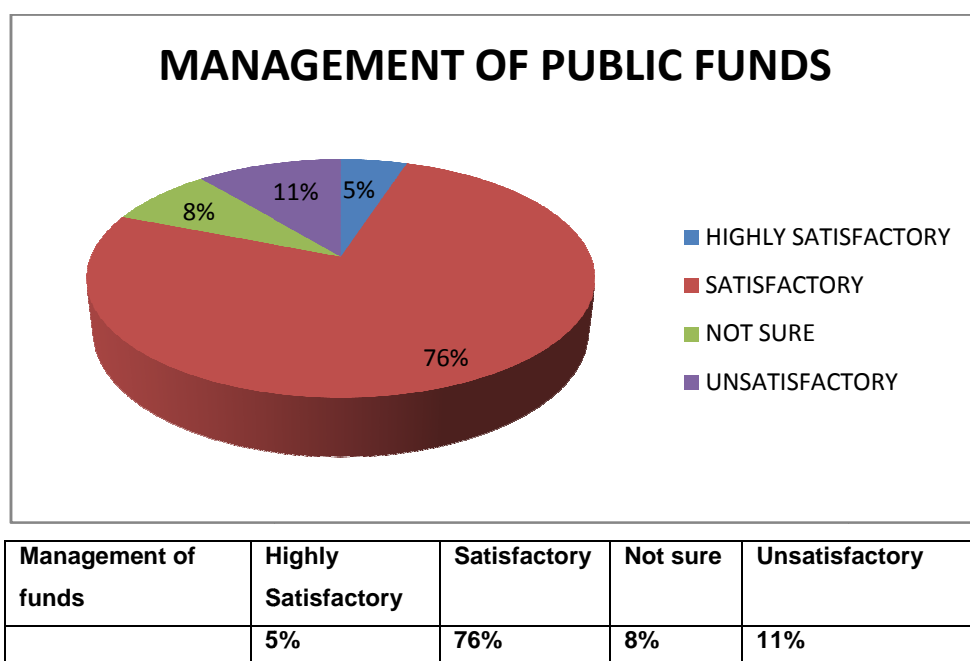


Figure 6 suggest that five percent of the participants are highly satisfied on how the school is managing the public funds. 76% of the participants agree that their schools management of public funds is satisfactory; eight percent of the participants echo that they are not sure on how the school manages the public funds while 11% suggest that they are not satisfied about the management of the public funds. In as much as five percent and 76% provide an image of schools where public funds are managed effectively and efficiently, there is a need to improve on the management of school finances through the provision of continuous training on financial management in schools.

Figure 7: SGB Training on financial management

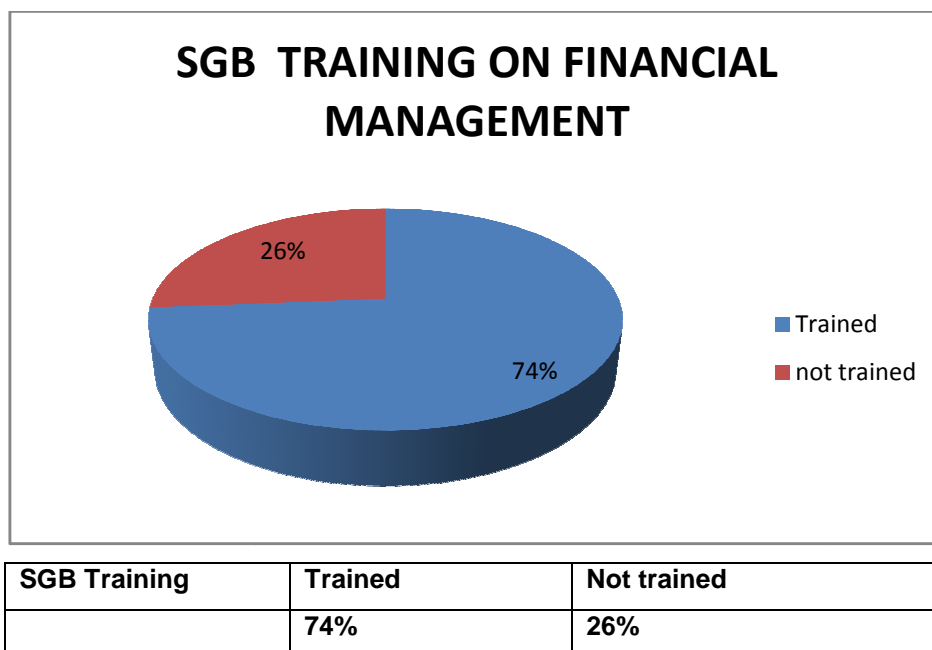


Figure 7 shows that 74% of the SGB have been subjected to training on the management of school finances while 26% are not trained. Non-training of the SGB on financial management is in contravention of the SASA Section 19 which mandates the Head of Department to provide training to the SGB. It is therefore evident from the above finding that there are SGB members who lack the necessary skills to manage the school finances which may lead to misappropriation of funds. Mestry (2004:126) argues that many SGB members are placed under tremendous pressure because they are unable to work out practical solution to financial problems. Training in financial management is fundamental in equipping the school with financial management.

Table 4: Annual budget

Annual budget	Yes	No
	100%	0%

The data collected in this question imply that all the sampled schools prepared annual budget. This is an encouraging scenario to note that all sampled schools are able to carry the mandate of the SASA 38(1) that states that a governing body of a public school must prepare a budget each year according to the prescription determined by the Members of the Executive Council which shows the estimated income and expenditure of the school for the following year. The budget serves as a guide to spending the financial resources of the school and helps the school to avoiding fruitless expenditure.

Figure 8: Responsibility of preparing the budget

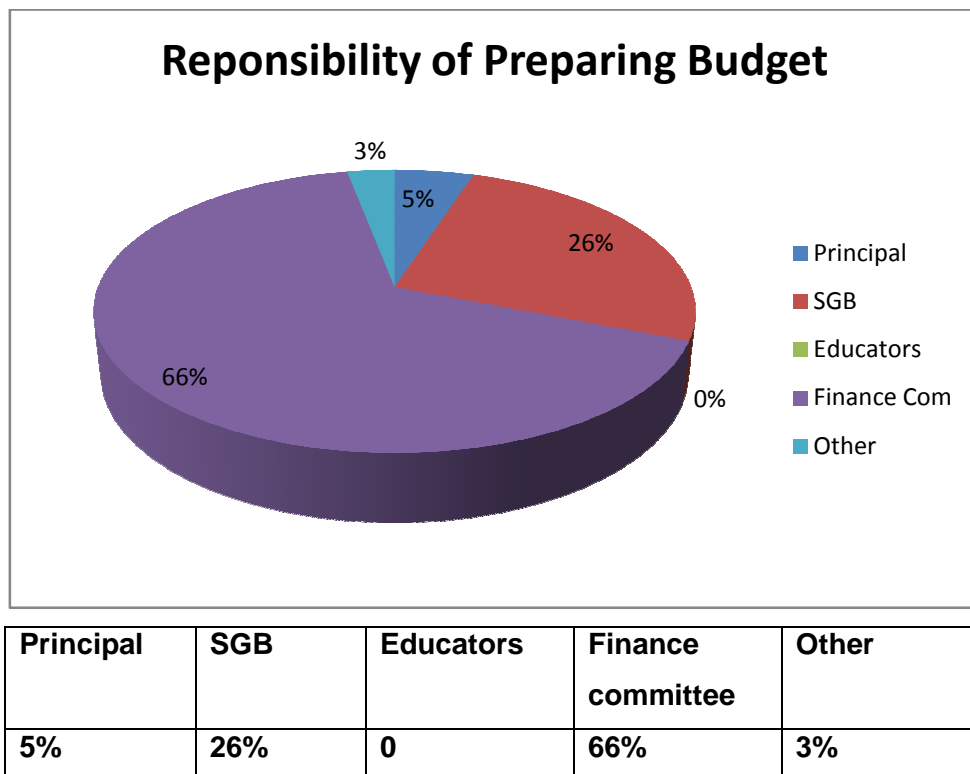
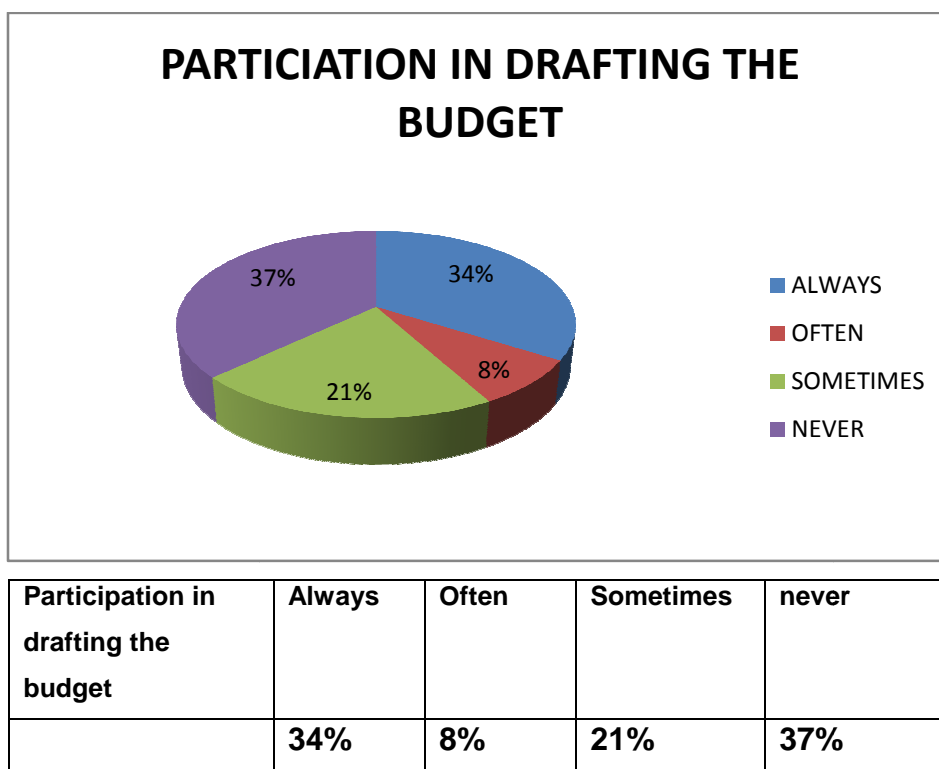


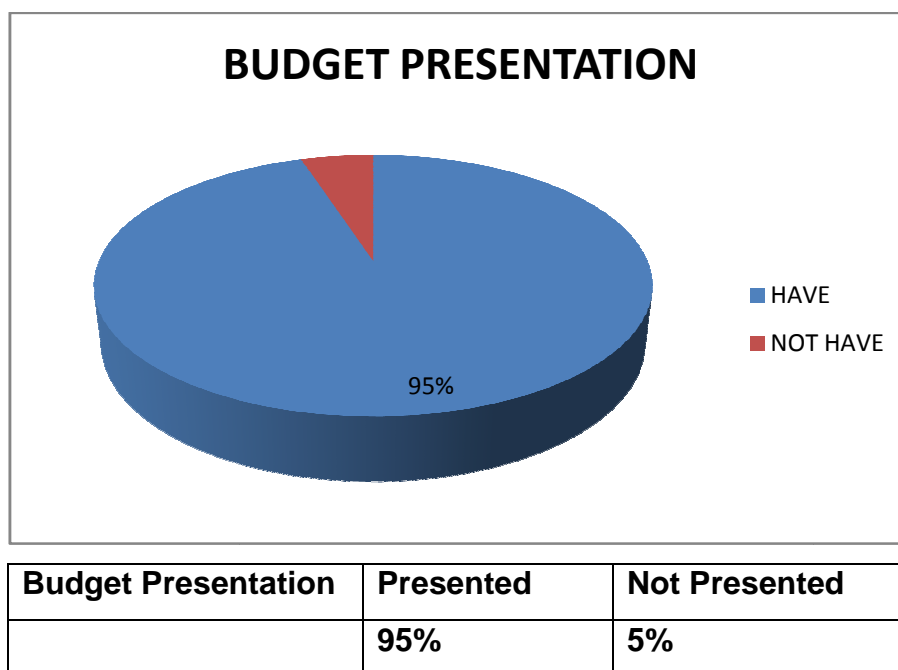
Figure 8 shows that five percent of the budgets are prepared by school principals, 26% of the respondents suggest that it is the SGB who prepared the budget, whereas 66% claimed that the budget is prepared by the finance committee. Only three percent suggest that others prepared the budget. Examples of “others” include a deputy principal of school A who performs the responsibilities of the finance officer. The SASA Section 38(1) clearly indicates that preparation of the school budget is the responsibility of the SGB. The response in this question suggests that there is confusion on whose role is it to prepare the budget; this suggests that if the SGB did not prepare the budgets, how will they execute their financial control function? The SASA Section 19(2) mandates the Head of Department to ensure that the principal and other officers of the Education Department render all necessary assistance to the SGB in the performance of its function. It is therefore imperative that principals play their role of assisting the SGB in performing their function.

Figure 9: Participation in the drafting of the budget



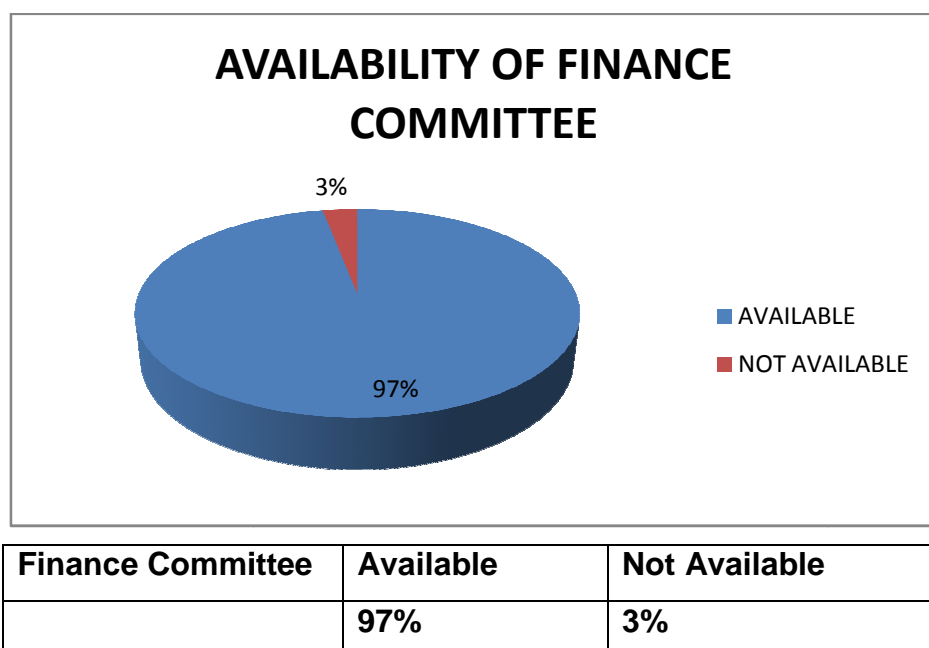
34% of the respondents suggest that they always participate in the drafting of the school budgets while eight percent of the respondents often participate in the drafting of the budget. 21% of the respondents revealed that they sometimes participate in the drafting of the budget and 37% of the respondents have shown that they never participate in the drafting of the budget. Table 11 above shows that some educators who are serving in the SGB do not participate in the drafting of the budget. This concurs with Mestry’s (2004:128) finding in that the principal is in the position of wielding power when the members of the SGB are either illiterate or have little knowledge when dealing with school financial matters.

Figure 10: Presentation of the budget to the parents



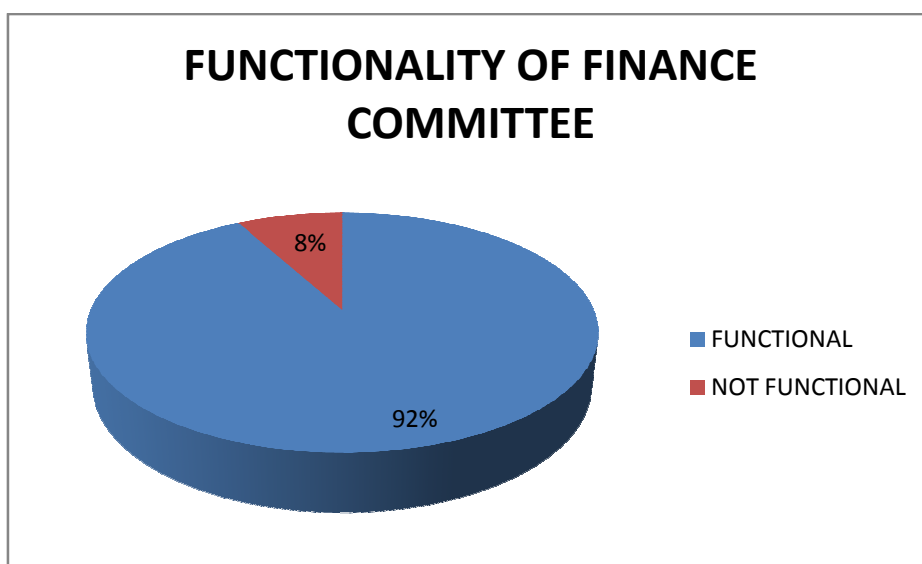
95% of the respondents agree that the school budget is presented to the parents while only five percent disagree. This may mean that there is no financial accountability and it can lead to the manifestation of corruption and fraud. The SASA Section 38(2) directs that before a school's budget is approved by the SGB, it must be presented to a general meeting of parents for consideration and approval by the majority of parents present and voting.

Figure 11: Availability of finance committee



The data collected in this question indicate that in 97% of the sampled cases, the educators claim that schools have a finance committee while three percent do not. The SASA Section 30 makes provision for the SGB to establish committees and appoint persons who are not member of the governing body to such a committee on ground of expertise, but a member of the SGB must chair the committee. One of these committees is the finance committee which is responsible for the management of schools' finances on daily basis. Although the response to this question is encouraging, the three percent of the sampled cases that does not have finance committee is a serious cause of concern because the management of a school finances is an integral part of the managing schools effectively.

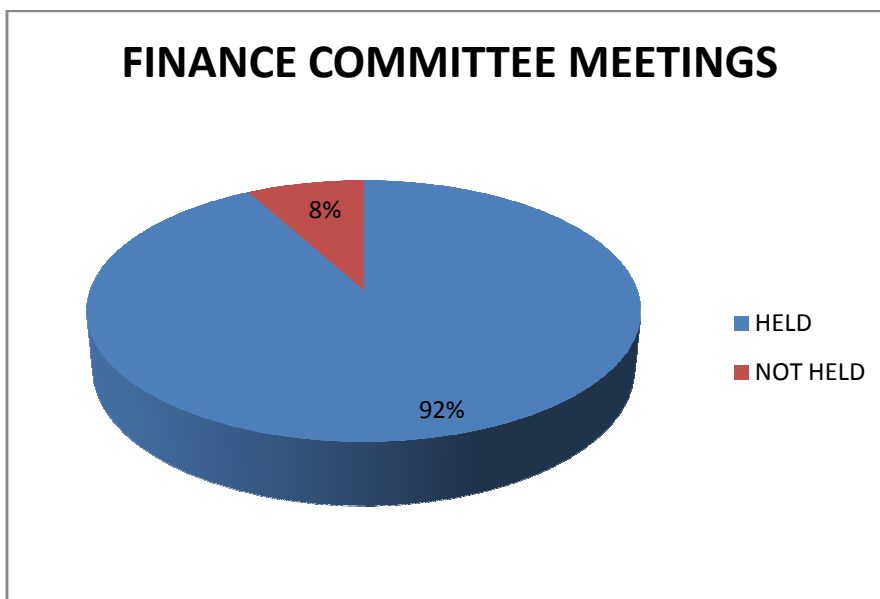
Figure 12: Functionality of the finance committee



Functionality of FINCOM	Functional	Non Functional
	92%	8%

The data collected in this question show that 92% of the finance committees are functional, while eight percent are dysfunctional. It is remarkable that some schools are doing well in this regard. The sub-committee of finance plays a vital role in the management of finances at schools. This sub-committee is responsible for, among others, developing finance policy, preparing the monthly reports and serving as a bid adjudication committee after accessing quotations. The sub-committee makes recommendation to the SGB on expenses to be incurred. For the eight percent schools without finance committee this may mean that there is no accountability and therefore school finances may be subjected to mismanaged and misappropriated.

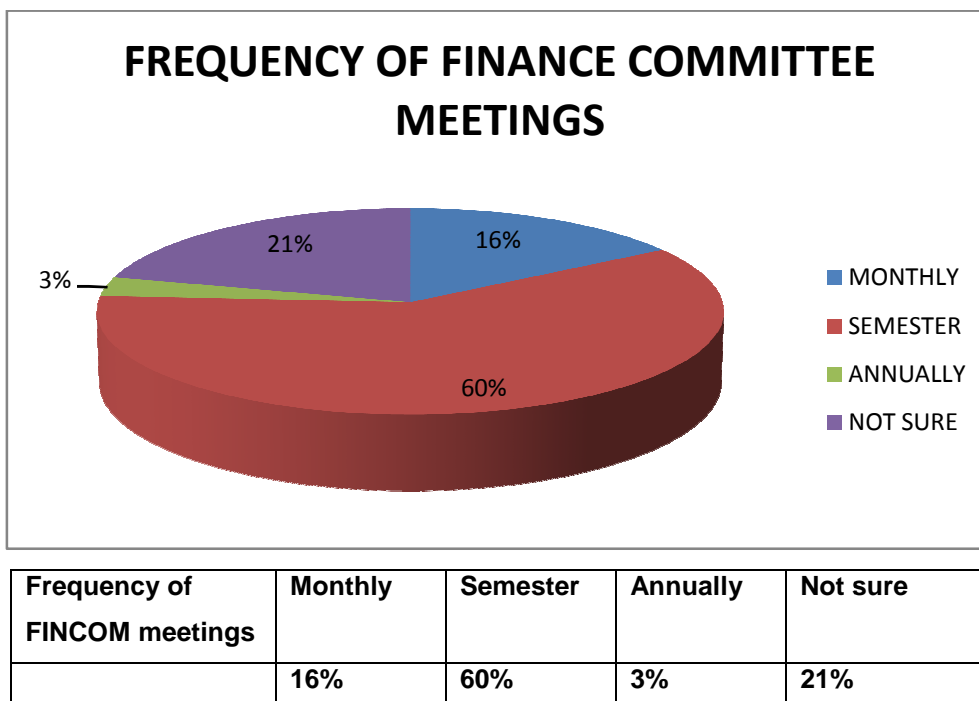
Figure 13: Finance committee meetings



Finance committee meetings	Held	Not Held
	92%	8%

The data collected in this question exposed that in 92% of the sampled cases educators claim that finance committee hold meetings while eight percent do not. The view presented by the eight percent of the sampled cases present a bleak picture on the management of schools' finances. The finance committee meetings serve the purposes of control, how transactions are processed and provide internal checks. Schools without this committee may be subjected to high risk or corruption and fraud.

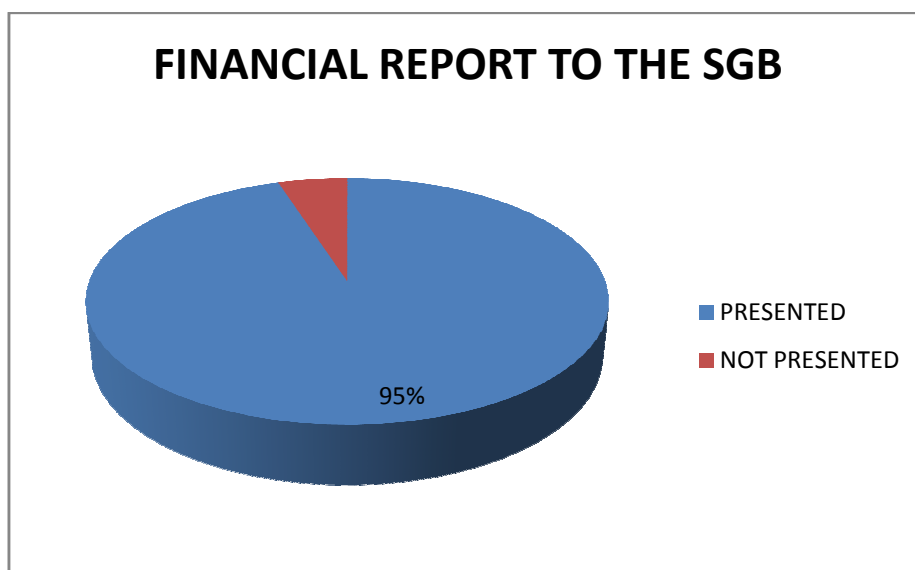
Figure14: Frequency of finance committee meetings



The data collected in this question show that in 16% of the sampled cases, educators claim that schools hold finance committee meetings on a monthly basis, 60% hold their meetings per semester, three percent hold them annually and 21% are not sure. The Limpopo Prescripts for Management of School Funds in Public Schools (2011:12) prescribes that monthly expenditure and financial reports should be reported to the finance committee and SGB on monthly basis.

It is evident from the above responses that many schools are unable to implement policies on financial management. These can be attributed to the lack of necessary financial knowledge and skills and subject schools to being victims of mismanagement and misappropriation. As espoused by Mashele (2009:121) the SGBs from previously disadvantaged schools experience many problems as they try to manage their school finances.

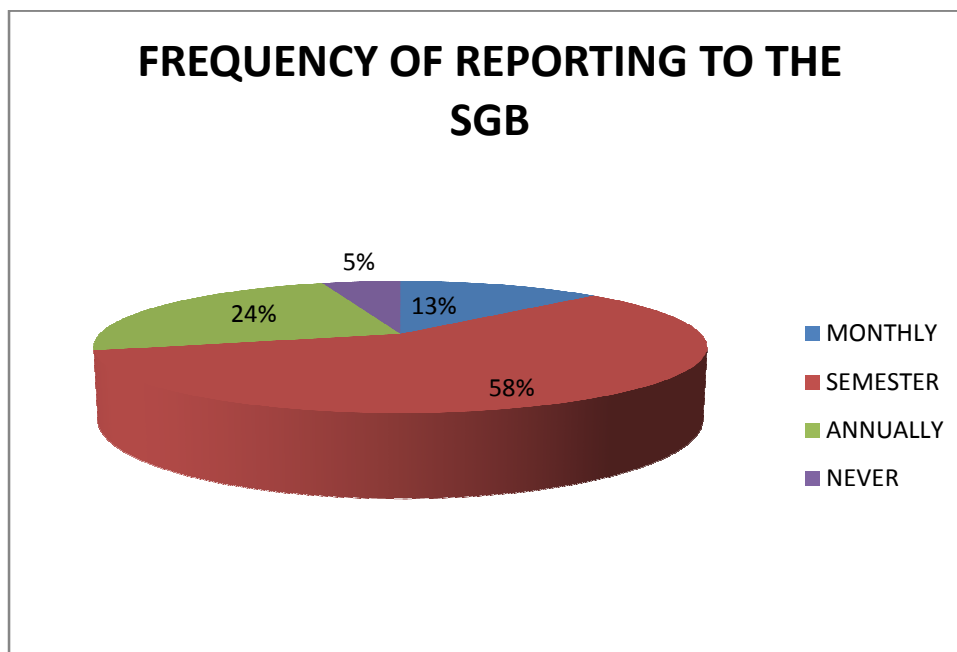
Figure 15: Financial report to the SGB:



Finance report to SGB	Presented	Not Presented
	95%	5%

In 95% of the sampled cases the educators claim that the finance sub-committee give financial reports to the SGB while five percent do not. One of the reasons for mismanagement of funds in schools is the lack of accountability. Financial reports are supposed to be presented on a monthly basis to the SGB to monitor the budget and how expenditure is carried out. The presentations of the finance reports provide an opportunity of external control as a means of budget control execution. Xaba & Ngubane (2010:23) also agree that reporting on school finances implies providing a financial report on how public money is spent and it shows how a school is funded and from which sources.

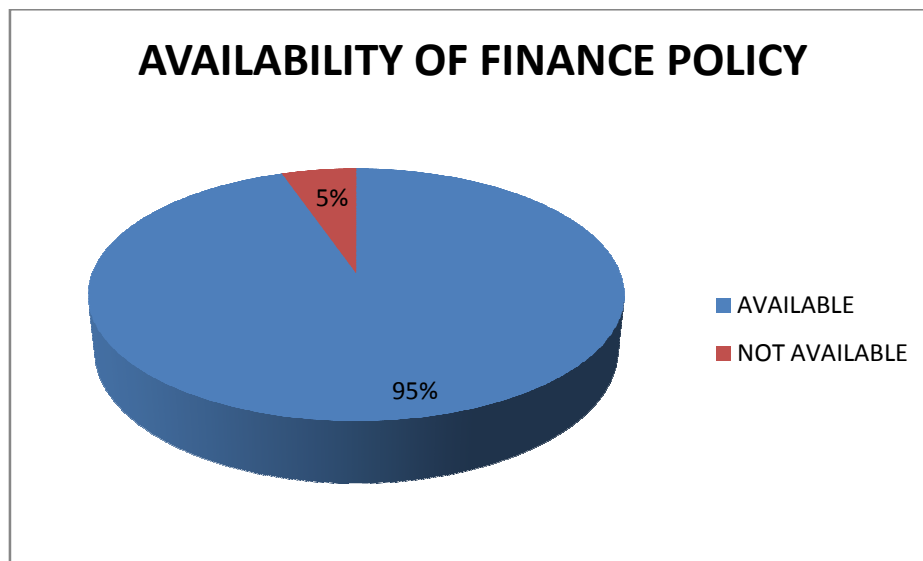
Figure 16: Frequency of reporting to the SGB



Frequency of reporting	Monthly	Semester	Annually	Never
	13%	58%	24%	5%

Response to this question elicit that there is confusion in the giving of reports to the SGB. 13% of the respondents indicate that financial reports are given to the SGB on a monthly basis, 58% of the respondents point out that financial reports are given to the SGB per semester, while 24% of the respondents indicate that financial reports are given to the SGB annually and five percent of the respondents claim that reports are never given to the SGB. According to Limpopo Prescripts for Management of School Funds in Public Schools (2011:03), the SGB must receive at each meeting the latest financial report. Section 4, 6 of the Prescripts directs the SGB and the finance committee to meet once per month to effectively execute its responsibilities. Many schools have little knowledge on the content of Limpopo Prescripts and this may lead them being victims of fraud, embezzlement or theft.

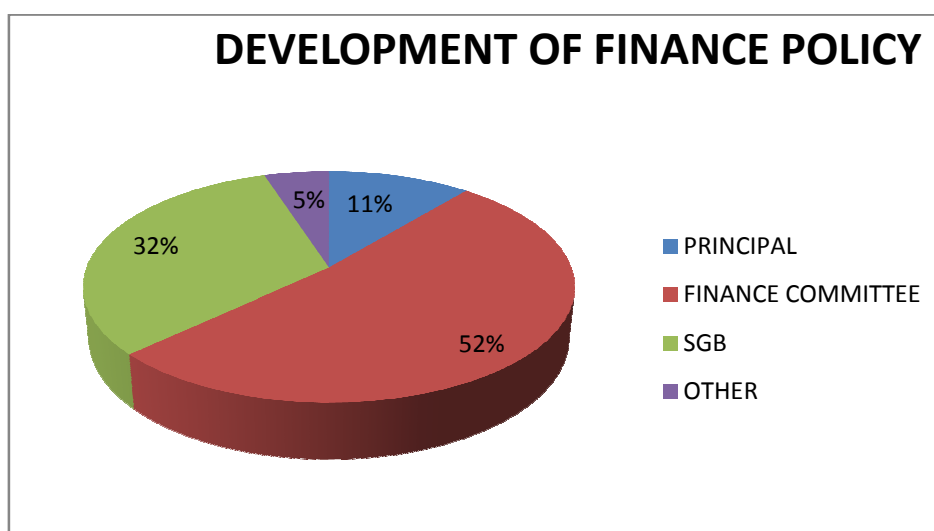
Figure 17: Availability of the finance policy



Finance policy	Available	Not Available
	95%	5%

The data collected in this question reflect that in 95% of the sampled cases educators claim that schools have finance policies, while only 5% does not have. This may be a confirmation that schools are managing their finances correctly. The finance policy is one of the most important documents that assist school in carrying out expenditure effectively and efficiently. It also helps schools to ensure that the resources are deployed in such a way that it addresses the schools' needs.

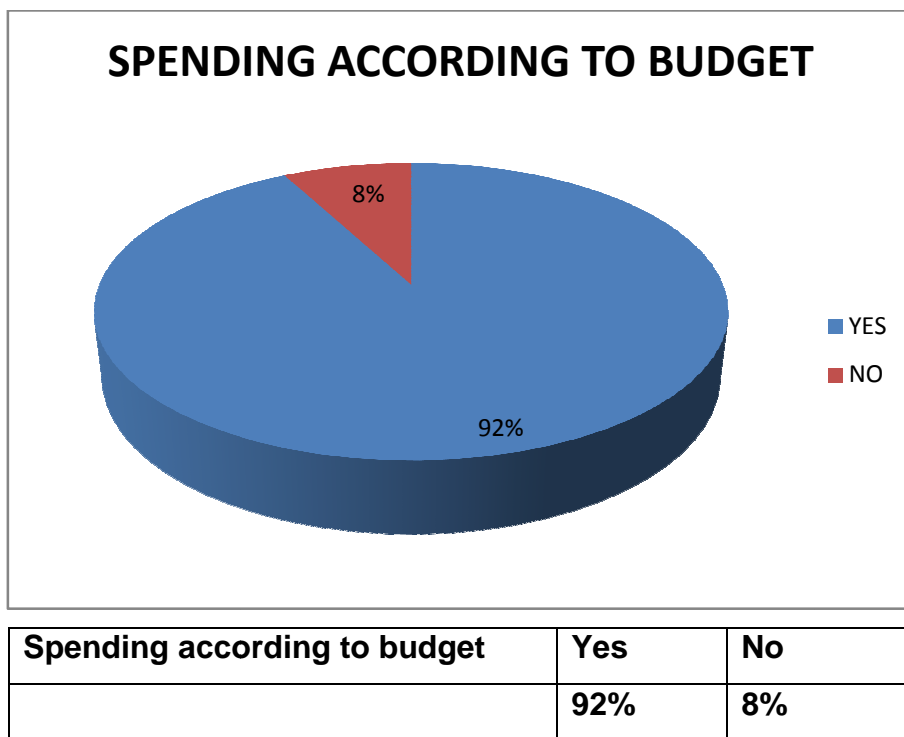
Figure 18: Development of the finance policy:



Finance policy	Principal	Finance committee	SGB	Other
	11%	52%	32%	5%

The SASA Sections 36 to 38 clearly spell out that financial management of the school is the responsibility of the SGB, who can delegate this function to the finance committee. The data collected in this question show that in 11% of the sampled cases respondents claim that finance policies are developed by the principal, 52% by the finance committee, 32% by the SGB and five percent are developed by others. The “others” may refer to the deputy principal of school A, who solely performs the roles of the finance officer and that of the finance committee respectively. The scenario as reflected by respondents clearly confirms that SGB members do not perform their clearly defined roles.

Figure 19: Spending according to the budget



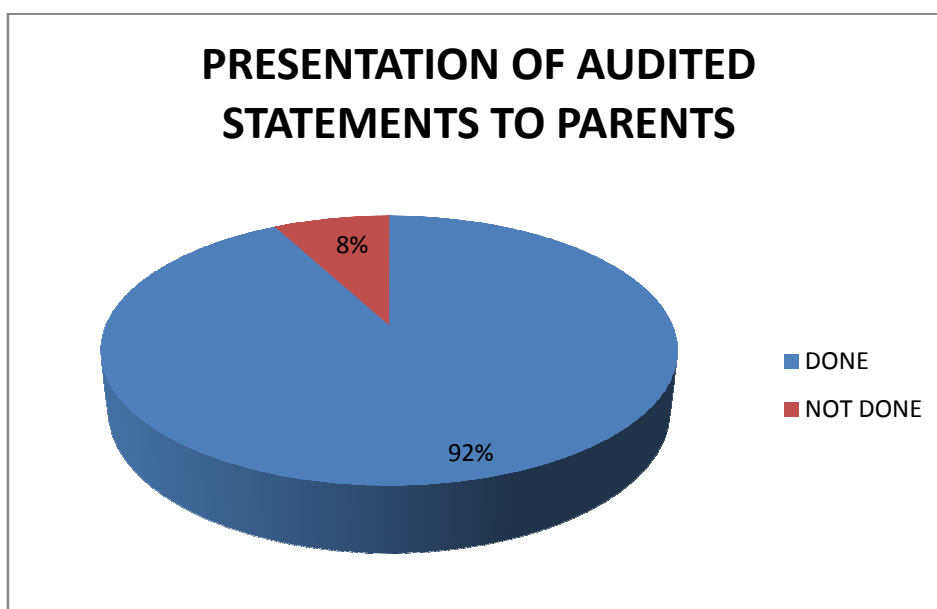
A budget is an instrument that directs the financial activities of the school. Spending according to the budget relates to the relationship between the schools’ financial plan and the actualisation of the plan. The data collected in this question indicate that in 92% of the sampled cases educators claim that schools spend according to the budget, while only eight do not spend according to the budget. Schools that are not spending according to the approved budget may incur unauthorised expenditure as stated by Public Finance Management Act as amended.

Table 5: Auditing of schools' financial documents

Audited statement	Available	Available
	100%	0%

The data collected in this question reveal that all the sampled schools' financial records (100%) are audited. In terms of the SASA Section 43(1), the SGB of a public school must appoint a person registered as an auditor to audit the records and financial statements. The situation projected by the sampled schools display a well executed management of school finances.

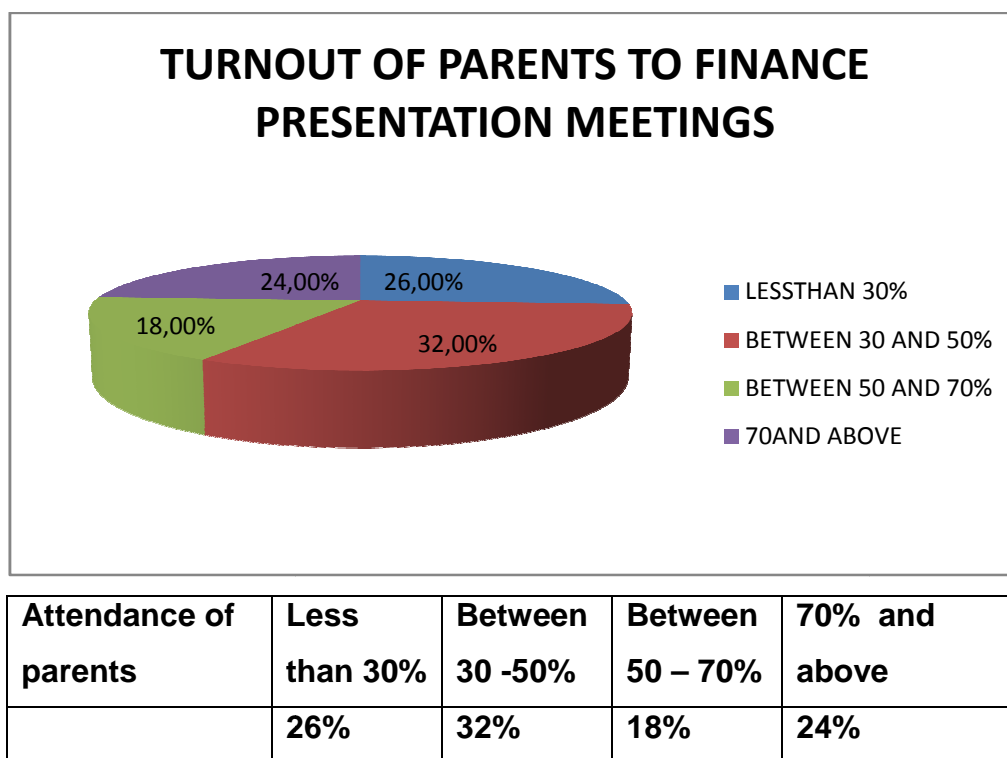
Figure 20: Presentation of audited statements to the parents



Presentation of audit reports	Done	Not done
	92%	8%

The data collected in this question show that in 92% of the sampled cases the educators confirms that schools are presenting audited statements to the entire parent community, while eight percent do not. The Limpopo Prescripts for Management of School Funds in Public Schools, Section 10.1.2 says that the SGB of a public school must present annual audited statements to the parents meeting not later than 31 March for following year. The failure of the eight percent sampled cases is an indication of the challenge that some schools are encountering in the management of their finances and parental involvement in the financial matters.

Figure 21: Turnout of parents to finance presentation meetings



26% of the participants have shown that less than 30% of the parent community attend the audit report presentation meeting, 32% of the participants suggest that their schools audit reporting meeting is attended by between 30%-50% of the parents, 18% of the participants revealed that their schools' audit presentation meeting is attended by between 50%-70% of the parents while only 24% of the participants suggest that their schools' audit reporting meeting is attended by above 70% of the parents community. The scenarios painted by the above findings suggest that parents are not holding those entrusted with the management of the schools' finances accountable.

4.4 CONCLUSION

This chapter presented the analysis of data by using both quantitative and qualitative methods. Data were collected through the use of interviews and questionnaires. In most instances data collected revealed that the SGBs do not have the necessary capacity to manage their schools' finances. The data collected suggest that poor parental involvement is the same in both affluent and previously disadvantaged schools. The failure of parents to hold to account those who are mandated to account on the financial management of the schools is a serious cause for concern. Poor parental involvement on finance presentation meetings compromises the effectiveness of financial accountability.

The data collected reveal that lack of SGB capacity places the financial management of schools at risk because some schools incur expenditure without the knowledge of the SGB. Gaps have been noticed where policies guiding financial management are not adhered to by schools. In some instance finance committees have been appointed for compliance with the expectation of the department but not serving the financial management control purposes. The last chapter will provide concluding remarks and recommendations.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The main purpose of this study was to examine financial management challenges of the Mopani District Schools in the Limpopo Province. This was to be achieved by addressing the following objectives:

- To establish, if the Mopani District schools have got financial policies and if they adhere to them as prescribed by SASA;
- To ascertain, if the SGBs have got the necessary skills and knowledge to manage school finances; “and”
- To identify difficulties faced by SGBs in the management of finances in the Mopani District schools and provide possible solution.

Data collected from interviews, questionnaires and from a document study revealed that some Mopani schools faces financial management challenges. Mestry (2004:126) suggest that although the Department of Education provides training for School Governing Bodies in financial management, financial management in many schools are still a challenge.

Chapter one introduced the study by giving the historical background on the disproportionate funding and the disparities in the provision of the financial skills during the reign of the National Party. It also highlighted how the dawn of democracy focused on redressing the imbalances of the past by providing capacity building on financial management skills and bridging the financial gap between former Model C schools and the previously disadvantaged public schools. The chapter continued to elucidate the mandate that SASA bestowed on the SGB of managing the finances of the public school.

Chapter two outlined the literature review related to the challenges of the financial management in the Mopani public schools in the Limpopo Province. The first part of the chapter gave views of international scholars on the needs for good financial management in Australia, China, USA and other international countries. The second part provided views of South African scholars on the need for good financial managements in schools.

Chapter three presented the research design and methodology used in the study. The researcher used both qualitative and quantitative methods to collect data; hence the results are offered graphically and non-statistically. Challenges encountered during data collection were insignificant. It was very difficult to get some SGB members for interviewing purpose despite making prior appointments. In some instance the researcher interviewed the deputy chairperson because of the non-availability of the SGB chairperson. In one school only eight questionnaires were returned instead of the ten.

Chapter four presented the findings of the study based on the interview schedule used to gather information and the questionnaires returned by the participants. It further provided an analysis and presentation of the data collected. These last chapter presents conclusion derived from the analysis of the findings of the entire study.

5.2 FINDING AND CONCLUSION

This section presents the findings and conclusions according to the aim and objectives of the study.

5.2.1 SGB Training

Data collected in this section revealed that some SGB members have been subjected to training in financial management of schools' finances while others lack such financial skills which may lead to misappropriation of school funds. The government has made some strides to address inequalities in the provision of financial management skills to all public schools but there is still a serious challenge regarding the effective and efficient

financial management in some Mopani public schools in the Limpopo Province. This may mean that the training provided is very inadequate as the SGBs continue to experience challenges in their oversight role of providing financial accountability. Clark (2008:272) asserts that the SGB are ill-equipped on financial matters because of inadequate training (refer to 2.1. and refer 2.2.1).

5.2.2 The SGBs' Level of Education

The SGB needs some specialised skills to understand the financial transaction to perform its role of financial management. The data collected revealed that the some SGB members from the previously disadvantaged schools only have primary education. The language used in the financial documents and transactions makes it difficult for them to perform their financial responsibility and that may be the cause of the poor performance. The treasure's function as the chairperson of the finance committee is very critical in ensuring financial accountability. Treasures from the previously disadvantaged school have never given reports to the SGB and parents meetings as they rely on finance officers. Karlson (2001:45-46) acknowledges that the understanding of financial management as legislated by SASA favours the literate and affluent SGBs at the expense of the previously disadvantaged communities (refer to 2.1.2 and 2.1.4).

5.2.3 Budget Development

Camper, *et-al* (2003:19) defines a budget as "a document showing the estimated income for a financial year and everything that must be financed from that income."

Schools budget shows estimated income and expenditure for the following financial year. The SGB has a mandatory responsibility of developing the budget, of controlling and monitoring to ensure the effective use of the school's finances. All schools confirmed that they do develop a school budget but in some instances the drawing of the budget is only for compliance with departmental directives while at times it lacks transparency. This may be attributed to the lack of capacity to prepare a realistic budget on the part of the SGB. Davies (1997:106) argues that for the SGB structure to operate effectively it must have clear conception of its mandate (refer to 2.1.3).

5.2.4 Budget Implementation

Budget implementation looks into spending according to the approved budget. The data collected in the question revealed that some budgets are developed only for compliance as is evident by the fact that some schools incurred expenditure without the knowledge of the SGB and have challenges of spending according to the budget which is a complete violation of the PFMA and Limpopo Provincial Regulation on financial management. Schools that are doing well in this part revealed that expenditure is not always in line with the budget as a result of the failure by the department to allocate funds to schools on time.

5.2.5 Budget Presentation to Parents

Budget presentation is an opportunity whereby the SGB give financial accountability to the parents in an annual general meeting. Response to this question revealed that parents do not show interest in the finances of their schools. This trend is similar in both the affluent and previously disadvantaged schools. Financial reporting is therefore a formality to comply with the directives of the department of education (refer to 2.2).

5.2.6 Internal Control

While some schools seemed to be managing well in terms of internal control as is evident by the availability of a finance policy, by finance committee meetings held and by finance reports being given to the SGB, to parents and to the department, others did not implement these good practices as it is evident by lack of finance committee meetings and by finance reports not being presented to the SGB and parents (refer to 2.1.3).

5.3 RECOMMENDATION

This section of the study outlines the recommendation that emanate from the findings and the literature review of the study.

5.3.1 SGB Training

The SGB members are often provided within a one-day once-off training on financial management for their entire three years term which is not adequate. It is recommended that intensive training of SGB members on financial management should be conducted at least once a year. These training events must not only focus on the general financial management of the school, but also on the role of the treasurer, finance officer and the finance committee in the management of the school's finances since the executive committee of the SGB is elected annually. The intensive training which will separate components of financial management will help the SGB to develop a realistic budget that can be implemented and improve their abilities of performing the oversight role. Such intensive training must finally equip the SGB with basic financial management principle.

5.3.2 The SGBs' Level of Education

The department must use the SGB data form to conduct skills audit of the elected members since most SGB members from previously disadvantaged schools only have primary education. The language used in the financial documents offers no value to some SGB members. To ensure the active participation of all SGBs across the racial lines, training programmes and manuals on financial management must be customised (refer to 2.1.3). Training the SGB members on the language that they can understand will help them to account to the parents who voted for them and also hold the principal who is an *ex officio* member accountable for all expenditures in the school.

5.3.3 Budget Development

Some schools' budgets are only developed for compliance with departmental directives. Budgets can help schools to manage their finances effectively and efficiently while addressing the elimination of misappropriation. It is, therefore, recommended that the department should develop a budget monitoring tool that must be used once per quarter by a departmental official to ensure the implementation of schools' budget.

5.3.4 Giving feedback to the SGB by the department of education

The schools submit quarterly financial reports and audited reports to the Department of Education. It is recommended that the feedback must be given to the SGB so that they may know if they are managing the schools' finances accurately or inaccurately and assistance be provided for to needy schools.

5.4 FINAL REMARKS

The chapter presented the summary of each chapter, findings and recommendations for addressing schools' financial challenges in the Mopani district schools. The study has succeeded in revealing that not enough has been done to ensure the implementation of sound financial management in some Mopani public schools in the Limpopo Province. It was not the intention of the study to generalise the findings of this study to all the Mopani schools but it is clear from the above chapters that there are varied challenges of financial management in various Mopani schools which will need further research.

The study, therefore, concludes that effective financial management is one of the essential elements of a functional school. This function of school financial management can only be carried effectively if the SGB members are fully capacitated. For continuous improvement on schools financial management, the Limpopo Education Department must consider the findings and recommendation of this study.

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ANNEXURE A1

**APPLICATION TO CONDUCT RESEARCH: LIMPOPO DEPARTMENT OF
EDUCATION**

STUDENT : NGOBENI S.N. P O BOX 366
CONTACT : 082954 0919 TZANEEN

0850

14 JANUARY 2015

TO : The Department of Education
Limpopo Department of Education
Private Bag X9489
POLOKWANE
0700

**RE: APPLICATION TO CONDUCT RESEARCH AT SELECTED MOPANI
SCHOOLS IN LIMPOPO PROVINCE – MYSELF**

1. The matter above refers.
2. I am currently studying for a Master of Public Administration with University of Limpopo and as a requirement students must conduct empirical research in partial completion of their studies.
3. I hereby seek permission to conduct research at selected schools in Limpopo Province in Mafarana and Tzaneen Circuit, Mopani District.
4. My research topic: "Challenges of financial management in Mopani District schools, Limpopo Province", seek to identify new insight on financial management practices in schools to improve their overall functioning. It is likely to contribute new knowledge of how the SGB should be equipped to effectively execute their financial management mandate.

5. I will protect the privacy of research participants and satisfy ethical standards.
6. Attached please find a confirmation letter from the University of Limpopo.

Thanking you in anticipation.



.....

NGOBENI S.N.



DEPARTMENT OF
EDUCATION

Enquiries: MC Mokoale PhD, Tel No: 015 290 9448 .E-mail: MokoaleMC@edu.limpopo.gov.za

PO BOX 366

TZANEEN

0985

NGOBENI SN

RE: Request for permission to Conduct Research

1. The above bears reference.
2. The Department wishes to inform you that your request to conduct research has been approved. Topic of the research proposal: **"CHALLENGES OF FINANCIAL MANAGEMENT IN MOPANI DISTRICT SCHOOLS, LIMPOPO PROVINCE"**.
3. **The following conditions should be considered:**
 - 3.1 The research should not have any financial implications for Limpopo Department of Education.
 - 3.2 Arrangements should be made with the Circuit Office and the schools concerned.
 - 3.3 The conduct of research should not anyhow disrupt the academic programs at the schools.
 - 3.4 The research should not be conducted during the time of Examinations especially the fourth term.
 - 3.5 During the study, applicable research ethics should be adhered to, in particular the principle of voluntary participation (the people involved should be respected).

Cnr. 113 Biccard & 24 Excelsior Street, POLOKWANE, 0700, Private Bag X9489, POLOKWANE, 0700
Tel: 015 290 7600, Fax: 015 297 6920/4220/4494

The heartland of southern Africa - development is about people!

- 3.6 Upon completion of research study, the researcher shall share the final product of the research with the Department.
4. Furthermore, you are expected to produce this letter at Schools/ Offices where you intend conducting your research as an evidence that you are permitted to conduct the research.
 5. The department appreciates the contribution that you wish to make and wishes you success in your investigation.

Best wishes.



Mashaba KM

Acting Head of Department.



Date

ANNEXURE A3

APPLICATION TO CONDUCT RESEARCH: MAFARANA CIRCUIT

STUDENT : NGOBENI S.N. P O BOX 366

CONTACT : 082954 0919 TZANEEN

0850

14 JANUARY 2015

TO : The Circuit Manager
Mafarana Circuit
Department of Education
Private Bag X1420
LETABA
0870

**RE: APPLICATION TO CONDUCT RESEARCH AT SELECTED SCHOOLS IN
MAFARANA CIRCUIT - MYSELF**

1. The matter above refers.
2. I am currently studying for a Master of Public Administration with University of Limpopo and as a requirement students must conduct empirical research in partial completion of their studies.
3. I hereby seek permission to conduct research at selected schools in Mafarana Circuit, Mopani District.
4. My research topic: "Challenges of financial management in Mopani District schools, Limpopo Province", seek to identify new insight on financial management practices in schools to improve their overall functioning. It is likely to contribute new knowledge of how the SGB should be equipped to effectively execute their financial management mandate.

5. I will protect the privacy of research participants and satisfy ethical standards.

6. Attached please find a confirmation letter from the University of Limpopo.

Thanking you in anticipation.



.....

NGOBENI S.N.

ANNEXURE A4

APPLICATION TO CONDUCT RESEARCH – TZANEEN CIRCUIT

STUDENT : NGOBENI S.N. P O BOX 366

CONTACT : 082954 0919 TZANEEN

0850

14 JANUARY 2015

**TO : The Circuit Manager
Department of Education
Tzaneen Circuit
TZANEEN
0850**

**RE: APPLICATION TO CONDUCT RESEARCH AT ONE SELECTED SCHOOL
IN TZANEEN CIRCUIT – MYSELF.**

1. The matter above refers.
2. I am currently studying for a Master of Public Administration with University of Limpopo and as a requirement students must conduct empirical research in partial completion of their studies.
3. I hereby seek permission to conduct research at one selected school in Tzaneen Circuit, Mopani District.
4. My research topic: "Challenges of financial management in Mopani District schools, Limpopo Province", seek to identify new insight on financial management practices in schools to improve their overall functioning. It is

likely to contribute new knowledge of how the SGB should be equipped to effectively execute their financial management mandate.

5. I will protect the privacy of research participants and satisfy ethical standards.
6. Attached please find a confirmation letter from the University of Limpopo.

Thanking you in anticipation.



.....

NGOBENI S.N.

ANNEXURE A5

APPLICATION TO CONDUCT RESEARCH – SCOTCH MABOKO SCHOOL

STUDENT : NGOBENI S.N. P O BOX 366

CONTACT : 082954 0919 TZANEEN

0850

14 JANUARY 2015

TO : The Principal

Scotch Maboko Secondary School

LETSITELE

0885

RE: APPLICATION TO CONDUCT RESEARCH AT YOUR SCHOOL– MYSELF

1. The matter above refers.
2. I am currently studying for a Master of Public Administration with University of Limpopo and as a requirement students must conduct empirical research in partial completion of their studies.
3. I hereby seek permission to conduct research at your school.
4. My research topic: "Challenges of financial management in Mopani District schools, Limpopo Province", seek to identify new insight on financial management practices in schools to improve their overall functioning. It is likely to contribute new knowledge of how the SGB should be equipped to effectively execute their financial management mandate.
5. I will protect the privacy of research participants and satisfy ethical standards.

6. Attached please find a confirmation letter from the University of Limpopo.

Thanking you in anticipation.

A handwritten signature in black ink, consisting of a stylized initial 'N' followed by a long horizontal stroke that ends in a small upward curve. The signature is positioned above a horizontal dotted line.

NGOBENI S.N.

ANNEXURE A6

APPLICATION TO CONDUCT RESEARCH – MOLABOSANE SCHOOL

STUDENT : NGOBENI S.N. P O BOX 366

CONTACT : 082954 0919 TZANEEN

0850

14 JANUARY 2015

TO : The principal

Molabosane Secondary School

Lenyenye

0857

RE: APPLICATION TO CONDUCT RESEARCH AT YOUR SCHOOL – MYSELF

1. The matter above refers.
2. I am currently studying for a Master of Public Administration with University of Limpopo and as a requirement students must conduct empirical research in partial completion of their studies.
3. I hereby seek permission to conduct research at your school.
4. My research topic: "Challenges of financial management in Mopani District schools, Limpopo Province", seek to identify new insight on financial management practices in schools to improve their overall functioning. It is likely to contribute new knowledge of how the SGB should be equipped to effectively execute their financial management mandate.
5. I will protect the privacy of research participants and satisfy ethical standards.
6. Attached please find a confirmation letter from the University of Limpopo.

Thanking you in anticipation.

A handwritten signature in black ink, consisting of a stylized initial 'N' followed by a long horizontal stroke that ends in a small upward tick.

NGOBENI S.N.

ANNEXURE A7

APPLICATION TO CONDUCT RESEARCH: UNITY PRIMARY SCHOOL

STUDENT : NGOBENI S.N. P O BOX 366

CONTACT : 082954 0919 TZANEEN

0850


14 JANUARY 2015

TO : The Principal
Unity Primary School
TZANEEN
0850

RE: APPLICATION TO CONDUCT RESEARCH AT YOUR SCHOOL – MYSELF

1. The matter above refers.
2. I am currently studying for a Master of Public Administration with University of Limpopo and as a requirement students must conduct empirical research in partial completion of their studies.
3. I hereby seek permission to conduct research at your school
4. My research topic: "Challenges of financial management in Mopani District schools, Limpopo Province", seek to identify new insight on financial management practices in schools to improve their overall functioning. It is likely to contribute new knowledge of how the SGB should be equipped to effectively execute their financial management mandate.
5. I will protect the privacy of research participants and satisfy ethical standards.
6. Attached please find a confirmation letter from the University of Limpopo.

Thanking you in anticipation.



A handwritten signature in black ink, consisting of a stylized initial 'A' followed by a long horizontal stroke that ends in a small upward tick. The signature is positioned above a horizontal dotted line.

NGOBENI S.N.



A handwritten signature in black ink, consisting of a stylized initial 'G' followed by a long horizontal stroke that ends in a small hook.

NGOBENI S.N.

ANNEXURE B: UNIVERSITY OF LIMPOPO

RESEACHER: SONIA NGOBENI (082 335 2232)

SUPERVISOR: PROFESSOR Z. MPEHLE (084 497 8151)

CONSENT:

I.....(please fill in your full name) hereby confirm that
i understand the nature of the research project, and willingly consent to participate in
the research project.

.....

Signature of participant

.....

Date

ANNEXURE C: QUESTIONNAIRE TO EDUCATORS.

**CHALLENGES OF FINANCIAL MANAGEMENT IN MOPANI DISTRICTSCHOOLS,
LIMPOPO PROVINCE**

Dear Sir/Madam

The aim of this study is to examine the “challenges of financial Management in the Mopani District Schools in Limpopo Province”. Please complete this questionnaire to the best of your ability. The findings and recommendations may assist SGBs to effectively execute their financial management mandate. Your objective response will be highly appreciated.

NB: Please be assured that your privacy and anonymity will be protected.

A. BIOGRAPHICAL DETAILS: PLEASE PUT ON X WHERE APPROPRIATE.

1. What is your highest qualification?

Diploma	Junior Degree	Senior degree	Doctorate	Other (specify)
01	02	03	04	05

2. Race.

African	Asian	Colored	White	Other (Specify)
01	02	03	04	05

3. In which age group would you place yourself?

Below 35 years	36 – 40 years	41 – 45 years	46 – 50 years	50 years and above

01	02	03	04	05
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4. Gender.

Male	Female
01	02

5. Please indicate the number of years as an educator.

Less than 10 years	11 – 20 years	21 – 30 years	31 – 40 years	40 years and above
01	02	03	04	05

SECTION B: FINANCIAL MANAGEMENT.

6. How is your school's management of public funds?

Satisfactory	Unsatisfactory	Highly dissatisfactory	Not sure
01	02	03	04

Give reasons for the answer you provided above:

7. Are SGB members subjected to training on financial management?

Yes	No
01	02

8. If yes, how often?

Monthly	Semester	Annually	Never
01	02	03	04

C. BUDGETING.

9. Does your school have an approved annual budget?

Yes	No
01	02

10. Who prepares the annual budget?

Principal	SGB	Educators	Finance Committee	Other (specify)
01	02	03	04	05

11. Do you take part in the drafting of the budget?

Always	Often	Sometimes	Never
01	02	03	04

13. Is the budget presented to the parents for consideration and approval?

Yes	No
01	02

D. SCHOOL GOVERNANCE.

14. Does your school have finance committee?

Yes	No
01	02

Briefly explain.

15. Is the finance committee functional?

Yes	No
01	02

Briefly explain.

16. Does the finance committee hold meetings?

Yes	No
01	02

17. If yes how often do they hold meeting?

Monthly	Semester	Annually	Not sure
01	02	03	04

18. Does the finance committee give financial report to the SGB?

Yes	No
01	02

19. How often are financial reports given to the SGB?

Monthly	Semester	Annually	Never
01	02	03	04

E. MONITORING AND EVALUATION.

20. Does your school have finance policy?

Yes	No
01	02

21. Who developed the finance policy?

Principal	Educators	Finance Committee	SGB	Other(specify)
01	02	03	04	05

22. Does your school spend according to the approved budget?

Yes	No
01	02

Briefly explain

23. Are the school financial documents audited?

Yes	No
01	02

24. Is the audit report presented to the parents of the learners?

Yes	No
01	02

25. How do you rate parent's turn of meeting to discuss school finances?

Less than 30%	Between 30% and 50%	Between 50% and 70%	Above 70%
01	02	03	04

F. GENERAL.

1. What would you say are the major financial challenges in your school?

2. What suggestions do you have in addressing the financial challenges in your school?

3. Any other comment?

Thank you for your co-operation and support.

ANNEXURE D: LETTER OF CONSENT

**CHALLENGES OF FINANCIAL MANAGEMENT IN MOPANI
DISTRICTSCHOOLS, LIMPOPO PROVINCE**

University of Limpopo
Student: Ngobeni S.N.
Contact No: 082 335 2232

Dear participants

Thank you for making time and availing yourself for this interview. I am a Master of Public Administration registered with Limpopo University and as a requirement in partial completion of their studies, students must conduct empirical research.

The interview should take around 20 minutes. All responses will be kept confidential and the information included in the research report will not identify you as a respondent.

Thanking you in anticipation.

.....

PARTICIPANT'S SIGNATURE

.....

DATE

ANNEXTURE E

INTERVIEW SCHEDULE FOR PRINCIPALS, SGB CHAIRPERSONS, TRESURERS AND FINANCE OFFICERS.

THEME 1: BIOGRAPHICAL DATA.

1. In which age group would you place yourself?

Less than 30 yrs	Between 30 and 40 yrs	Between 40 and 50yrs	Above 50 yrs
------------------	-----------------------	----------------------	--------------

2. Race.

African	White	Coloured	Asian	Other
---------	-------	----------	-------	-------

3. What is your home language?

Xitsonga	Sepedi	Afrikaans	English	Specify
----------	--------	-----------	---------	---------

4. Gender.

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

5. Where is your school located?

Rural	Township	Urban	Farm
-------	----------	-------	------

6. What is your level of education?

illiterate	Primary	Secondary	Grade	Above
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	school education	school education	12	grade 12
--	---------------------	---------------------	----	----------

7. What is the quintile ranking of your school?

01	02	03	04	05
----	----	----	----	----

8. Please indicate the number of years that you served in the SGB.

Less than 3 years	Between 3 and 6 years	Between 6 years and 9 years	Above 9 years
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THEME 2: BUDGETING.

9. Does your school have an approved budget?

Yes	No
01	02

What is your role in the budget processes? Explain.

10. Who is responsible for the preparation of the budget?

Principal	Educators	Finance Committee	SGB	Other (specify)
01	02	03	04	05

Explain the budget processes that your school follows?

11. How is the turn-up of parents in the budget presentation meeting?

Less than 30%	Between 30% and 50%	Between 50% and 70%	Above 70%
01	02	03	04

THEME 3: EXPENDITURE CONTROL.

12. Does your school spend according to the approved budget?

Yes	No
01	02

Give reasons for the answer you provided above.

13. What measures are in place to ensure that the recommendation of the finance committee is approved by the SGB? Briefly explain.

14. Does your finance committee have financial expertise?

Yes	No
01	02

Briefly explain.

15. Who present the finance report to the SGB?

Principal	Treasurer	Finance Officer	Other (specify)
01	02	03	04

16. How often are these reports presented?

Monthly	Semester	Annually	Never
01	02	03	04

17. If the expenditure to be incurred is not budgeted for, what processes does your school follow before spending?

18. Briefly explain the role of parents during the presentation of the audited statement.

Thank you for your support and co-operation.

Revd. Dr. Lutz Ackermann
(Independent Researcher)
Mankweng, Zone A, Stand 506
Tel: +27 72 3487010
e-mail: DRLA4 @ directbox.com

26 Jul 2015

TO WHOM IT MAY CONCERN

This is to confirm, that I, Dr Lutz Ackermann, have read the Research Dissertation entitled

***“CHALLENGES OF FINANCIAL MANAGEMENT IN MOPANI DISTRICT SCHOOLS,
LIMPOPO PROVINCE”***

by Ms NGOBENI SONIA NOKUTHULA

(student number 2013233832) and that I am satisfied with the quality of work she has produced in terms of structuring the document, in terms of style, grammar and spelling. Suggestions for suitable corrections and improvements have been made to the candidate.



(Rev. Dr. Lutz Ackermann, Mankweng)