EFFECTIVE FINANCIAL MANAGEMENT AS A COMPONENT OF ABET IN THE EDUCATION SYSTEM OF THE NORTH WEST PROVINCE

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DECLARATION

I declare that the thesis "Effective financial management as a component of ABET in the education system of the North West Province" is my own work. It is submitted in fullfilment of the requirments for the PHILOSOPHIAE DOCTOR DEGREE at the Potchefstroom Campus of the North-West University. It has not been submitted before for any degree or examination at any other University.

The opinions that are expressed in this study and the conclusions that are reached, are those of the researcher and should not be ascribed to the Graduate School of Educational Sciences at the Potchefstroom Campus of the North-West University or the funder of this study.

TAMSANQA MARSHALL GUMA

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DEDICATION

This study is dedicated to the following:

- God the Father and Almighty, for finding me worthy to serve in His Church as a Priest, unworthy as I am, and affording me the privilege of a sound mind and health to complete this study in record time. He is worthy of praise and worship.
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Amahubo 126:5, 6 (Psalm 126:5, 6)

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SUMMARY

EFFECTIVE FINANCIAL MANAGEMENT AS A COMPONENT OF ABET IN THE EDUCATION SYSTEM OF THE NORTH WEST PROVINCE

Training ABET centre managers in mobilisation of financial resources and financial management skills is central to the transformation of ABET centres, from night schools to Public Adult Learning Centres. Training ABET centre managers in effective financial management will ensure that resources (human, physical and financial) are managed effectively to provide quality education and training programmes to the target group.

ABET centres, much against the state's intent to transform them into Public Adult Learning Centres, continue to remain night schools. The failure to transforming ABET centres is due to inaccessibility of resources and equipment, use of outdated equipment, use of educators who are not relevantly trained in the ABET scenario and reliance on tuition fees paid by learners for an ABET centre running costs. Adult Basic Education and Training (ABET) educators lack financial management skills as dictated by the current legislation. As a result, ABET educators cannot mobilise and utilise financial resources effectively at ABET centres, to enable them to provide quality education and training programmes to meet the education and training needs of the target group in ABET. As a result the very organs of change (ABET centres) which are supposed to help skill the adult learners to create jobs for themselves and for others in their locality, remain night schools, thus making transformation a pipe dream.

The aims of the research study were to determine:

- The training and development needs of ABET educators at state registered public ABET centres in the North West Provincial Education Department in financial management.

- The type of financial records kept at ABET centres in the North West Provincial Education Department to ensure proper financial resources management in view of the current legislation and regulations.

- Whether state registered public ABET centres have sufficient resources and equipment so as to provide quality education and training programmes to meet the education and training needs of the target group.

- Whether there are any control measures in place at state registered public ABET centres to prevent fraud, corruption and mismanagement of finances.

- Whether financial activities at state registered public ABET centres in the North West Provincial Education Department are effectively monitored.

- Whether there are training and development programmes for the purpose of equipping ABET educators in the province with financial management skills, with the aim of designing such programmes where they do not exist or to improve on existing programmes.

In the literature, the financial management of state registered public ABET centres as non profit organisations (NPOs) was closely studied. The purpose was to establish whether state registered public ABET centres as NPOs operate within the framework of the non-profit organisations Act and treasury regulations in the Province. Focus was also placed on existing pre- or in-service training programmes for ABET educators, to establish whether they provide training in line with training needs of ABET educators in financial management.

The empirical research was conducted in the North West Provincial Education Department state registered public ABET centres in all area project offices in the five regions the province is comprised. The requisite data was collected through a postal questionnaire. Questionnaires were sent to five ABET centre managers in each area project office which are currently practising at state registered public ABET centres. During the research process, legislation in the form of gazettes, regulations, policies, reports, circulars and treasury regulations as availed to the researcher, or downloaded electronically from the internet, were studied. Different training programmes from different institutions of Higher Education and Training, for the training of ABET educators were also studied. The data collected through literature study and empirical study enabled the researcher to draw a conclusion that there is a dire need to design a training and development programme for training ABET educators in financial management.

Beyond the phases of literature study and empirical research, the researcher had to decide on the kind of model which could be used to design a training and development programme for training ABET educators in financial management in line with the current legislation.

Some of the findings in the research study are:

- ABET centre managers at state registered public ABET centres have not been trained in financial management.
- No proper financial records are kept at state registered public ABET centres in the North West Provincial Education Department.
- There are no internal monitoring and control of financial activities and expenditure respectively.
- Risk management is not practised in ABET in the Province.
- Insufficient funds are raised by ABET centres.

- ABET centres do not have access to vocational training Centres, administration offices, media centres and technology.
- Financial records at state registered public ABET centres in the Province are not submitted to chartered accountants for audit purposes.
- There is a dire need for the design of a training and development programme for ABET centre managers at state registered public ABET centres.

A model for training ABET educators in financial management was developed by the researcher. It was also discovered that the mini-education-and-training-system was an effective model in providing for the specific training needs of ABET educators, with specific focus on financial management.

Key words for indexing are:

Education system, external financial control, financial accounting, financial analysis, financial management, financial management cycle, financial information, financial planning, training and development and supporting materials.

OPSOMMING

EFFEKTIEWE FINANSIËLE BESTUUR AS 'N KOMPONENT VAN VBOO IN DIE ONDERWYSSTELSEL VAN DIE NOORDWES PROVINSIE

Die opleiding van Volwassene Basiese Onderwys en Opleiding (VBOO)-sentrumbestuurders in die mobilisering en bestuur van finansiële bestuursvaardighede, is die basis van transformasie van die sentrums van skole tot Openbare Volwassene Opleidingsentrums (OVO's). Die opleiding van VBOO-sentrumbestuurders in effektiewe finansiële bestuur, sal verseker dat alle bronne effektief bestuur word om sodoende kwaliteit onderrig en opleiding aan die teikengroep te verskaf.

Die opleiding van Volwassene Basiese Onderwys en Opleiding (VBOO)-sentrumbestuurders bly steeds aandskole, alhoewel die staat hulle in OVO's wil verander. Pogings om VBOO-sentrums te transformeer, het misluk as gevolg van die onvermoë om bronne en toerusting te gebruik, die gebruik van uitgediende ondersteuningsmiddele, onderwysers wat nie voldoende opgelei is om VBOO te onderrig nie en slegs die onderriggeld te kan gebruik vir die daaglikse kostes. VBOO-onderwysers het nie die finansiële bestuursvermoë soos voorgeskryf in die huidige wetgewing nie. Die gevolg is dat VBOO-onderwysers nie finansiële bronne effektief kan gebruik om kwaliteit onderwys- en opleidingsprogramme aan die tekengroep te voorsien nie. Die gevolg is dat die VBOO-sentrums wat volwasse leerders met vaardighede behoort toe te rus om vir hulself en vir ander werk te skep, steeds `n droom bly vir transformasie.

Die doeleindes van hierdie navorsing was om die volgende te bepaal:

- Die vlak van opleiding en ontwikkeling van VBOO-onderwysers in finansiële bestuur by staatsgeregistreerde openbare VBOO-sentrums in die Noordwes Provinsiale Onderwysdepartement (NPWOD).

- Die tipe finansiële rekords wat by VBOO-sentrums in die NWPOD gehou word om deeglike finansiële bestuur te verseker, in die lig van die huidige wetgewing en regulasies.

- Of huidige staatsgeregistreerde VBOO-sentrums die fisiese bronne en toerusting het om kwaliteit onderwys- en onderrigprogramme aan die teikengroep te verskaf.

- Of daar genoegsame beheermaatreëls in plek is by staatsgeregistreerde openbare VBOO-sentrums om bedrog, korrupsie en die wangebruik van finansies te voorkom.

- Of die finansiële aktiwiteite by staatsgeregistreerde openbare VBOO-sentrums in die NWPOD effektief gemonitor word.

- Of daar onderrig- en opleidingsprogramme is om VBOO-onderwysers in finansiële bestuur op te lei, met die doel om sulke programme te ontwikkel waar dit nie bestaan nie en bestaande programme te verbeter.

In die literatuurstudie is die finansiële bestuursprosedures van staat-geregistreerde openbare VBOO-sentrums as nie-winsgewende organisasies noukeurig ondersoek. Die doel was om te bepaal of VBOO-sentrums as NWO's binne die raamwerk van die NWO-wetgewing en die finansiële regulasies van die provinsie funksioneer. Die studie was ook gerig op huidige voor- of indiensopleidingsprogramme vir VBOO-onderwysers om te bepaal of hulle die nodige opleiding het in ooreenstemming met opleiding wat deur VBOO-onderwysers in finansiële bestuur benodig word.

Die empiriese navorsing het plaasgevind in NWPOD staatgeregistreerde openbare VBOO-sentrums in al die area projekkantore (APK) in die vyf provinsiale streke. Die toepaslike data is ingesamel deur `n vraelys wat per

pos uitgestuur is. Hierdie vraelys is na vyf VBOO-sentrumbestuurders in elk van die APK gestuur wat tans VBOO-sentrums bedryf. Gedurende die navorsingsproses is wette en regulasies in die vorm van staatskoerante, beleide, verslae, omsendskrywe en finansiële regulasies bestudeer soos wat dit beskikbaar was aan die navorser of elektonies bekom is deur middel van die internet. Verskillende opleidingsprogramme ten opsigte van die opleiding van VBOO-onderwysers is ook bestudeer. Hierdie ingesamelde data en die empiriese studie het die navorser tot die gevolgtrekking laat kom dat daar `n geweldige en dringende nood is om `n opleiding- en ontwikkelingsprogram ten opsigte van finansiële bestuur vir VBOO-onderwysers daar te stel.

Na aanleiding van die literatuurstudie en empiriese navorsing moes die navorser ook besluit op `n tipe model wat gebruik kan word om sodanige program binne die wetlike raamwerk daar te stel.

Uit die navorsingsstudie is onder andere die volgende bevind:

- VBOO-sentrumbestuurders by staatsgeregistreerde openbare VBOO-sentrums is nie in finansiële bestuur opgelei nie.
- Geen behoorlike finansiële rekords word by staatsgeregistreerde openbare VBOO-sentrums in die NWPOD gehou nie.
- Daar is geen interne monitering en kontrole oor finansiële aktiwiteite en uitgawes nie.
- Risikobestuur vind nie plaas in VBOO binne die provinsie nie.
- Onvoldoende fondse word by staatsgeregistreerde openbare VBOO-sentrums ingesamel.
- Staatsgeregistreerde openbare VBOO-sentrums het nie toegang tot opleidingsentrums, administrasiekantore, mediasentrums en tegnologie nie.

- Finansiële state by staatsgeregistreerde openbare VBOO-sentrums binne die provinsie word nie ingedien soos voorgeskryf vir ouditering nie.

- Daar is `n geweldige behoefte aan die ontwikkeling van `n opleiding- en ontwikkelingsprogram vir VBOO-sentrumbestuurders by staats-geregistreerde openbare VBOO-sentrums.

`n Model om VBOO-sentrumbestuurders in finansiële bestuur op te lei, is ontwerp. Daar is ook bevind dat die mini-onderwys-en-opleidingsisteem `n effektiewe model is in die voorsiening van spesifieke opleidingbehoeftes van VBOO-onderwysers met spesifieke fokus by finansiële bestuur.

Sleutelwoorde vir indeksering:

Onderwysstelsel, eksterne finansiële beheer, finansiële boekhouding finansiële analise, finansiële bestuur finansiële bestuursiklus, finansiële inligting, finansiële beplanning, opleiding en ontwikkeling en ondersteuningstelsels.

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LIST OF ACRONYMS

ABET	Adult Basic Education and Training.
ABSA	Amalgamated Banks of South Africa.
AC	Accounting Officer.
ANC	African National Congress.
APO	Area Project Office.
BAED	Bachelor of Arts in Education.
CA	Chief Accountant.
CAF	Charities Aid Foundation.
CAO	Chief Accounting Officer.
CES	Chief Education Specialist.
CFO	Chief Financial Officer.
CGB	centre governing body.
CNA	Central News Agency.
CPJ	Cash Payment Journal.
CRJ	Cash Receipt Journal.
DAS	Developmental Appraisal System.
DCES	Deputy Chief Education Specialist.
DOE	Department of Education.
EMIS	Education Management Information System.
ETD	Education and Training Diploma.
ETDP	Education Training and Development.
ETQA	Education Training Quality Assurance.
EU	European Union.

FES	First Education Specialist.
FET	Further Education and Training.
HET	Higher Education and Training.
HRD	Human Resource Development.
HRM	Human Resource Development.
HSRC	Human Sciences Research Council.
IT	Information Technology.
KPAs	Key Performance Areas.
KPIs	Key Performance Indicators.
MEC	Member of the Executive Committee.
NDA	National Development Agency.
NGO	Non Governmental Organisation.
NICE	National Institute for Community Education.
NPO	Non-Profit Organisation.
NQF	National Qualifications Authority.
NSF	Norms and Standards for Funding.
NTB	National Training Board.
NWPED	North West Provincial Education Department.
NWPG	North West Provincial Government.
NWU	North-West University.
OMD	Office Management Development.
PALC	Public Adult Learning Centre.
PED	Provincial Education Department.
PFMA	Public Finance Management Act.
PMDS	Performance Management Development System.
PTD	Primary Teachers' Diploma.
QMS	Quality Management System.
REQV	Relative Education Qualification Value.

RPL	Recognition of Prior Learning.
SAIDE	South African Institute of Distance Education.
SANLI	South African National Literacy Initiative.
SARS	South African Revenue Services.
SAQA	South African Qualifications Authority.
SCS	Statistical Consultative Services.
SG	Superintendent General.
SGB	Standards Generating Body.
SIC	System Internal Control.
STD	Secondary Teachers' Diploma.
SWOT	Strengths, Weaknesses, Opportunities and Threats.
TQM	Total Quality Management.
UB	University of Botswana.
UCT	University of Cape Town.
UDEP	University Diploma in Education, Primary.
UDES	University Diploma in Education, Secondary.
UIF	Unemployment Insurance Fund.
UNISA	University of South Africa.
USWE	Use, Speak and Write English.
UWC	University of Western Cape.
VAT	Value Added Tax.
WCE	Whole Centre Evaluation.

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CHAPTER 1:
INTRODUCTION AND STATEMENT OF THE PROBLEM

1.1 INTRODUCTION

There is a high demand for the provision of quality ABET programmes to enable the target group to actively participate in the social, political and economic activities of the society it lives in. In order to determine the kind of programmes to be offered at ABET centres it is important to conduct a research of this nature to establish whether ABET centres have relevant resources to provide such quality programmes. A research of this nature would help outline programmes that should be designed to allow the target group to participate meaningfully in their daily life activities. It would also suggest how such programmes could be funded, taking into consideration the fact that the state will not have sufficient financial resources to fund all ABET programmes adequately. Finally the research will help ABET centre managers at state registered public ABET centres and their stakeholders to plan ABET programmes effectively, to ensure that quality ABET programmes are delivered.

1.2 BACKGROUND INFORMATION ON FINANCIAL MANAGEMENT

The greatest challenge facing the provision of quality Adult Basic Education and Training (ABET) in the democratic era with an intention to redress the imbalances of the past apartheid education system is lack of resources, with specific focus on financial resources (Bisschoff, 1997:17). Taking into consideration the meagre budget for ABET programmes at both the provincial and the national levels, it becomes imperative for ABET

practitioners to effectively manage financial resources allocated by the North West Provincial Education Department (NWPED) and donors. Lack of effective financial management strategies in ABET centre managers may lead to corruption, misappropriation of funds and squandering of scarce financial resources (Bisschoff, 1997:132; Misbach, 2000:7, Israelstam, 2000:6). Sangweni (2003:16) points out that there is a serious corruption problems in the public service and says corruption does not occur in isolation. According to him it is inter-linked and interrelated with what is happening in the private sector. He is also of the opinion that while corruption is impending, there are instances of downright maladministration in the public service. The North West Provincial Education Department's Superintendent General, as quoted by Mfoloe (2003:4), admits that the NWPED has inherited a corrupt system. Ndungane (2002:12) indicates that material resources which should be used for the benefit of all, particularly the underprivileged, are used to bolster the rapacious interests of the select few. He urges the Church to speak truth, to those in power and to challenge corrupt leaders. It is clear from the previous statements that corruption is a deterrent to development and that it should be given zero tolerance by those in positions of trust in the public service, including ABET centre managers. Mentz and Oosthuizen (2003:205) point out that financial education management in its contemporary can assist to prevent misappropriation of funds through the following three aims firstly, by estimating the financial needs of the local educational training; secondly, by obtaining finances in accordance with the estimated needs, and finally, by administering the finances obtained in a legally correct manner. Sallis (1997:89) points out that success in education is often resource driven. He says internal financial management of an institution becomes a key element in any total quality management programme. It is clear that without effective financial management skills, quality education and training programmes cannot be provided in the NWPED at state registered public ABET centres. The National Department of Education (DoE) (South Africa: DoE, 2004:9-10) in its ten year review articulates ABET as the weakest link in the chain of efforts to enable people to develop their potential to the fullest. It further

argues the uptake of learners as well as the retention rates of learners has been slow. It finally says there should be a partnership between the ABET sector and the Department of Labour in diversifying curriculum to include learnerships and other career specific programmes that will be relevant to the needs of ABET learners.

Financial management is an aspect of the administration component within the national education system. Levine, as quoted by Sangweni (2003:21), points out that while financial management is a component of the administration system, programme and project management, including financial management, are deficient skills in the public service, including state registered public ABET centres. He also indicates that while managers develop management plans and budgets, interface between management plans and budgets is often inadequate. It is important for ABET centre managers at state registered public ABET centres to be fully equipped with skills of effectively mobilising and managing financial resources with the expertise it warrants.

Sidiropoulos *et al.* (1998:171) indicate that it will cost the Department of Education R1 000,00 (one thousand rand) per learner per annum to educate one adult learner effectively. The North West Province has a total number of 754 769 adults of twenty years and older who have had no schooling at all (South Africa: DoE, 2000a:56-57; 60, 72). It means the NWPED would have to provide a total budget of R754.8 million to educate the illiterate target group basing on the indication by Sidiropoulos (1998). The NWPED (Tolo, 2001:16) only provides R41.2 million for the ABET sector. The budget has a shortfall of R713.6 million which should be raised by ABET centres to supplement state funding. The draft National Norms and Standards for Funding Public Adult Learning Centres (NSF-PALC) (South Africa, 2003:8) clearly indicates that the current Provincial Education Department's (PED) funding of Public Adult Learning Centres (PALCs) is unpredictable. It says the funding gives little incentive for effective PALC managers to achieve goals while offering little incentive for ineffective managers to become

effective as well. While the South African Constitution (South Africa, 1996a:13) assures every citizen of his/her right to basic education that the state must progressively make available and accessible, the funding of education can easily lead to the violation of this right to basic education. Veriava and Ramadiro (2003:15) point out that the unaffordable costs of education to the unemployed and poor, can violate their right to access basic education. They also indicate that educational institutions like ABET centres are highly reliant on tuition fees to supplement centre budgets in order to pay for facilities, equipment and learning materials. They further point out that if ABET centres become merciful and exempt the unemployed and poor from paying a tuition fee, to ensure their right to access basic education, if there is no reimbursement by the state to offset the loss of vital revenue, no quality education can be delivered. They finally point out for many poor communities, various practices and tuition fee policy compromise the constitutional right to basic education of many prospective ABET learners. Price Waterhouse Coopers (as quoted by Lawrence and Molusi, 2002:26) points out that the amount of money collected at ABET centres in the province as negligible and points out that the cost of instituting proper controls of financial resources would exceed the total amount collected. Stromquist (2002:17-18) argues that nation states make an effective and yet paradoxical use of education. According to her, the one hand education is defended in official discourse as a social good open to all, while on the other hand education is treated with neglect as budgets are held with such a tight rein that the target group receives the lowest quality of education. Stromquist (2002:29) also points out that there is a bifurcated educational system with private elite educational institutions catering to the wealthy class and middle class who seek high mobility, and public educational institutions that serve mostly poor learners. She finally indicates that deterioration in public educational institutions which are subjected to low resource allocations lead to such poorly resourced institutions increasingly serving poor learners who have a low leverage on the political system. Thomson (2002:103, 106) advances the following reasons for the decline in enrolment of learners in adult education as follows: low educator motivation

due to poor conditions of service; lack of teaching and learning materials, and lack of integration of income generating projects for learners in literacy programmes, as quality ABET programmes should include income generating projects.

Tolo (2001:17) points out that 91,4% of the total budget in education goes to human resources maintenance, while 8,6% of it is used to maintain non-human resources expenditure, a situation he says is unacceptable. Aware of the fact that the Department of Education, alone cannot provide sufficient financial resources for ABET programmes (South Africa: Department of Education, 1997b:41), the state has sought for partnerships with the business sector and other countries. Mecoamere (2000:1) indicates that this partnership was realised when the European Union (EU), announced its donation of R90 million over a period of three years to the South African DoE.

Skills of mobilising and managing finances are developed rather than gained intuitively. Odden and Piccus (1992:xv) indicate that although educational leaders have taken a financial course, few of them really understand how finance formulae and structures work, what the primary role of such formulae and work structures in the fiscal policy are or what the politics of education fiscal decision making are. It is evident from the previous statement by Odden and Piccus (1992) that even when people have undergone training in financial management; they will still need support in the implementation of the theory they have learned through training. The conclusion made is that should it happen that ABET centre managers at state registered public ABET centres are not trained on effective financial mobilisation and management skills, mobilisation and management of financial resources at such centres would leave much to be desired. Training ABET centre managers in financial mobilisation and management should, however, not be done merely for the sake of training. It must be done with the sole purpose of meeting the felt needs of ABET educators. Levine, as quoted by Sangweni (2003:19), argues that there is a

lot of training going on and that people constantly go on courses but expresses concern that such training is tokenism, as while such training costs up to R7 000,00 per person, it does not achieve the objectives at all. He calls for a co-ordinated and more programmatic training on the job and that training should be related to the job. In the context of the South African situation, Van der Westhuizen (1999:48) points out that the field of financial management receives less attention from educational leaders than it does from educational leaders from educational institutions abroad. He has also found that as a result of little attention to financial management in this country, educational leaders' task of financial management is confined to contributions of learners in the form of tuition fees only rather than on the money provided through the state budget and donor funding as well. The ABET Act (South Africa, 2000a:20) indicates that the state will fund public ABET centres. It becomes significant that financial managers at ABET centres should be thoroughly trained to mobilise and manage funds of all kinds (contributions by learners, state funding and funding from donors) effectively and efficiently. Mentz and Oosthuizen (2003: 209) suggest that additional funds beyond learners' contributions may be raised through marketing educational institution's facilities and services.

To ensure effective and proper management of financial resources at state registered public ABET centres in the NWPED, proper records which will help ABET centre managers to effectively mobilise, manage and control financial resources and activities should be kept. Stott (1989:1) says such records are initiated from original documents such as invoices, vouchers, and recorded transactions which are classified and grouped in such a way that they will be interpreted by management. Keeping appropriate financial records assists ABET centre managers in making periodical control and monitoring of financial activities to enable them to take corrective measures before irreparable damage is done at an ABET centre. Without keeping proper financial records, scarce financial resources can be easily be exposed to acts of fraud, misappropriation and squandering as indicated earlier on in this section. Langhout (1984:2) maintains war must be

declared to anyone who desires to keep financial records in their own way and also on those who persuade others that their way of keeping financial books and records is better than those of others, and who thereby make accounts incomprehensible. Langhout (1984) clearly shows that no individual ABET centre manager can keep financial records which differ from those kept at other ABET centres. The conclusion made in this regard is that common financial records should be kept at all state registered public ABET centres in the NWPED in line with current financial policies and treasury regulations. A relevant training programme for training ABET centre managers in effective mobilisation and management of financial resources will ensure that scarce financial resources can be productively utilised (Odden & Piccus, 1992:vii). This would also ensure a proper maintenance of the four components of the education system to enable the effective implementation of the ABET programme in the NWPED (Steyn, 2000:36-37).

1.3 STATEMENT OF THE PROBLEM

The problem which the research project attempts to address centres on the following question:

With which financial management skills should education system personnel be equipped to be in a position to mobilise and manage financial resources for the ABET programme effectively?

Several related questions arise from the above question:

- What type of training and development programmes must be designed to develop effective mobilisation and financial management skills of ABET educators in the North West Provincial Education Department?
- What type of financial records should be kept at state registered public ABET centre in the NWPED?
- What physical resources and equipment should be provided at state

registered public ABET centres to enable them to provide quality education (academic) and training (vocational) in an integrated way in terms of the current policy?

- What internal and external control measures should be in place with regard to financial activities at state registered public ABET centres to prevent corruption, fraud or misappropriation of funds?

- Is there personnel in the ABET system in the NWPED at all levels of administration, namely at ABET centres, Area Project Offices, Regional Offices and Provincial Offices, to effectively monitor financial activities for the proper implementation of ABET in the province?

- Are there any pre-service and in-service training programmes for ABET designed to train ABET centre managers in financial resources mobilisation and management in the NWPED?

1.4 AIMS OF THE RESEARCH

The aims of the research project were to determine:

- The training and development needs of ABET educators at state registered public ABET centres in the North West Provincial Education Department with regard to financial management.

- The type of financial records kept at state registered public ABET centres in the NWPED to ensure proper financial resources management, in view of the current legislation.

- Whether state registered public ABET centres in the NWPED have adequate resources and equipment to be able to provide quality education and training programmes to meet the needs of the target group.

- Whether there are any control measures in place at state registered public ABET centres in the NWPED to prevent fraud, corruption and

misappropriation of funds.

- Whether financial activities at state registered public ABET centres in the NWPED are effectively monitored and controlled at the centre.

- Whether there are existing pre-service or in-service training programmes for training ABET educators at state registered public ABET centres in financial management, with the purpose of designing such programmes where they do not exist, or to improve on the existing programmes.

1.5 ASSUMPTIONS, LIMITATIONS AND DELIMITATIONS

1.5.1 Assumptions

The assumption underlying this research is that through effective mobilisation and management of financial resources at state registered public ABET centres in the North West Provincial Education Department will be in a position to provide the target group with relevant skills, knowledge, values and attitudes. With ABET centres mobilising sufficient funds they will be able to provide physical resources and equipment to deliver quality ABET programmes which would otherwise be impossible without sufficient financial resources.

1.5.2 Limitations

The process of this research was delayed by the failure of the North West Provincial Education Department to issue a letter of permission to the researcher to conduct research at state registered public ABET centres despite a letter written to the ABET Director (cf Annexure 2). The letter of motivation to respondents made the high response possible (cf Annexure 3).

1.5.3 Delimitations

The research was conducted in the five regional offices of which the North West Provincial Education Department is comprised. A stratified random sample of 60 respondents comprising solely of ABET centre managers at

state registered public ABET centres was targeted. The reason for targeting ABET centre managers as respondents to the questionnaire is that they are accountable to the North West Provincial Education Department on financial matters. The response of ABET centre managers to the questionnaire would help the researcher to determine the exact training and development needs of ABET centre managers with specific focus on mobilisation and management of financial resources.

1.6 METHODS OF INVESTIGATION

Two methods of investigation were used in this research project, namely the literature study and an empirical investigation. A synopsis of how the methods were used is now discussed as follows:

1.6.1 Literature Study

An intensive review of literature related to the topic was done. Primary and secondary sources, which included books, legislation by government, professional journals in education, specialists' reports and newspapers, were thoroughly studied. The DIALOGUE search at the Potchefstroom Campus of the North-West University Ferdinand Postma Library was conducted, using the following descriptors:

Education system, external financial control, financial accounting, financial analysis, financial management, financial management cycle, financial information, financial planning, training and development and supporting materials.

1.6.2 Empirical investigation

1.6.2.1 Questionnaire

Questionnaires were developed based on the information gathered from literature review and through consultation with ABET management team in the Province and ABET centre managers in the North West Province. The questions were designed to determine how ABET centre managers at state

registered ABET centres in the North West Province mobilise and manage funds.

The aims of the questionnaire were to:

- Establish whether ABET educators at state registered public ABET centres in the NWPED are skilled in financial management.
- Determine if the nature of financial records kept at state registered public ABET centres in the NWPED are in line with current legislation and treasury regulation.
- Determine the type of resources and equipment needed in ABET at state registered public ABET centres in the NWPED to be enable ABET centres to integrate education and training to meet the education and training needs of the target group.
- Determine whether there are internal and external financial control measures in place at state registered public ABET centres in the NWPED to effectively monitor financial activities at state registered public ABET centres.
- Determine whether there is personnel at all levels of the ABET education system in the NWPED to effectively monitor financial activities at state registered public ABET centres.
- Determine whether there are pre-service and in-service training and development programmes to skill ABET educators at state registered public ABET centres in the NWPED in financial resources mobilisation and management.

The results of the research project were processed by the statistical consultative services (SCS) at the Potchefstroom Campus of the North-West University.

1.6.2.2 Population

All state registered Adult Basic Education and Training educators at ABET centres (n=234) in the North West Provincial Education Department in the five area project offices of which the province is comprised, formed the research project population. A stratified population sample of 60 state registered ABET centre managers, as accountable officers to the North West Provincial Education Department on financial matters at ABET centres, were randomly selected to respond to the questionnaire. One respondent from each of the sixty state registered adult basic education and training institutions was targeted.

1.7 THE STRUCTURE OF THE RESEARCH PROJECT

The research project is structured as follows:

Chapter 1: Introduction and statement of the problem.

Chapter 2: Study of ABET centres' financial management practices as non-profit organisation and the maintenance of the components of the ABET education system.

Chapter 3: Policy on educational financial management in public institutions.

Chapter 4: Study of existing selected training programmes aimed at training ABET educators.

Chapter 5: Empirical research.

Chapter 6: Development of a training programme for the ABET centres financial managers.

Chapter 7: Summary, Findings and Recommendations.

1.8 FEASIBILITY OF THE STUDY

Sources was available at several libraries, for example:

Ferdinand Postma Library of North-West University at the Potchefsstroom Campus, the University of South Africa's Library, the Human Sciences Research Council Library and the Atamelang and Delareyville libraries respectively, in the Tswaing Municipality.

Legislation in the form of white papers, Government Gazettes and draft policies were obtained from the Government Printers in Pretoria and the Internet. Circulars, reports and manuals were obtained from both provincial and area project offices. Newspapers were obtained from newspaper vendors and from the Central News Agency (CNA), while professional journals were obtained from professional bodies, Internet and libraries.

1.9 SUMMARY

The provision of quality ABET programmes requires relevant resources and equipment. The effective mobilisation and management of financial resources at state registered public ABET centres in the North West Provincial Education Department is central to the integration of education and training in line with the current ABET policy. To enable ABET centre managers at state registered public ABET centres in the North West Provincial Education Department to mobilise and manage financial resources effectively, skills of mobilising and managing financial resources need to be developed in them through training and development.

The next chapter will focus on the study of ABET centres financial management practices as non-profit organisations (NPOs) and the maintenance of the ABET education system in the province.

CHAPTER 2:

STUDY OF THE FINANCIAL MANAGEMENT OF ADULT BASIC EDUCATION AND TRAINING CENTRES AND THE FINANCIAL MANAGEMENT OF NON-PROFIT ORGANISATIONS IN THE EDUCATION SYSTEM

2.1 INTRODUCTION

In this chapter, definitions and clarification of key concepts that will be used in this study and the theoretical background thereof will be given. The purpose of defining concepts is to create a common understanding about the concepts used. Secondly, a study of state registered public ABET centres as non-profit organisations (NPOs) will be made. The intention of a study of state registered public ABET centres NPOs is to determine whether the financial management at ABET centres is based on current policies. Thirdly, the chapter will focus on financial aspects regarding the education system in the North West Provincial Education Department in tandem with the National Department of Education policies. The purpose of studying financial management of ABET centres is to determine congruence between the intention of government to phase out illiteracy by the year 2005 (Asmal, 1999:8) and the actual funding of ABET programmes to make the dream of a literate South Africa by the year 2005 to come true. This will also help in advising the state on how to provide quality education and training programmes. The assumption made is that should there be a gap between the existing policy and its implementation through providing adequate financial resources, the goals of ABET cannot be reached. At the end of the chapter, a summary of the chapter will be given.

2.2 CLARIFICATION OF CONCEPTS AND RELATED THEORY

2.2.1 Accounting period

Meigs *et al.* (1978:42), Black (2000:46) and Bebbington *et al.* (2001:96) define an accounting period as a period of one year, beginning on any given day and ending twelve months later, and highlight the following. Firstly, the period of accounting is known as a *fiscal year.* Secondly, interim reports can be issued for shorter periods such as each quarter of the year or monthly to help management in reaching financial decisions. Bebbington *et al.* (2001:96-97) point out that at the end of the accounting period (every week, month, quarter or year) the accounts must be closed off or balanced off. They further indicate that the effect of closing the account shows that the institution has finished with the period and leaves the institution with the balancing figure which will be an important part of the accounting financial process (cf 2.2.3). In addition these balancing figures will be taken to an initial trial balance. They conclude that at the end of an accounting period, an organisation has to go through a certain procedure. Firstly, it must go through each and every T-account, and secondly it must add up all the debits and credits in each T-account. Thirdly, the account must be ruled off, and finally a balancing figure must be inserted so that the total on each side is the same. The significance of an accounting period for ABET centre managers is that they will be in a position to plan the utilisation of financial resources within the said period. The interim reports will assist ABET centre managers in financial matters, so as not to run centres on a deficit. The advantage will also be that ABET centre managers can detect some anomalies that may take place during the financial period, be it on the income or expenditure side and take corrective measures.

2.2.2 Accounting policy

Camay and Gordon (1997:31), Faul *et al.* (2000:52), Flynn and Koornhof (2001:598), Saudagaran (2001:13), Atrill and McLaney (2002:134), Elliot and Elliot (2002:195), Faul *et al.* (2002:496) and Marriott *et al.* (2002:286-287) define accounting policy as an internal policy dealing with financial

situations in an organisation. It is also pointed out that financial policy is informed by both practice and convention through generally accepted methods and procedures. Faul *et al.* (2000:52-53) define *accounting policy* as the specific principles, bases, conventions, rules and practices adopted by an institution in preparing and presenting financial statements. According to them the accounting policy must be disclosed to assist users in understanding the basis on which the financial statements have been drafted. The significance of the accounting policy for ABET centre managers is that financial resources cannot be collected and disbursed indiscriminately to suite the needs of any individual at an ABET centre, but to the benefit of an ABET centre and its stakeholders. It therefore means that there must be common policy at all ABET centres in the province, which is developed on accepted methods and procedures, guided by the existing legislation on finance. Atrill and McLaney (2002:134) further indicate that the accounting policy ensures that standards for accounting are relevant, reliable, comparable and understandable and that they should be used as a benchmark for regular review to replace standards which are no longer considered appropriate. They finally remark that the processes should, through adequate disclosure in the accounts, be informative to users of financial reports. These records are used to process information in such a way that financial accounting information (cf 2.2.9) can be communicated to the external participants through financial statements. Badenhorst and Scheepers (1995:139) point out that the ABET centre manager, the secretary of the centre governing body (CGB), the CGB chairperson, the CGB treasurer and members of the management committee are accountable for carrying out the accounting policy. In the case of anomalies in the transactions at such educational institutions, disciplinary steps and even legal action should be taken against them.

2.2.3 Accounting process

Meigs *et al.* (1978:38) and Marriott *et al.* (2002:1) describe the accounting process as consisting of three major parts namely the recording of

transactions during the period, the summarising of information at the end of the period and the interpreting of the summary information. Bebbington *et al.* (2001:59) define the accounting process (bookkeeping process) as being concerned with logging (recording) inflow and outflow of information, funds, goods and services as they pass into and out of an organisation. They also indicate that this information is used to produce records. Meigs *et al.* (1978:122-123) present the following sequence of accounting procedures when using a worksheet in the accounting procedure:

- Recording all transactions in the cash book as they occur.
- Posting debits and credits from the cash book entries to the proper ledger accounts.
- Preparing the worksheet that includes a trial balance of the ledger and all necessary adjustments.
- Preparing financial statements consisting of an income statement and a balance sheet.
- Using the information shown on the worksheet as a guide and to enter the adjusting and closing entries in the journal and to post these entries to ledger accounts.
- Preparing an after-closing trial balance to prove that the ledger is still in balance.

They finally indicate that this sequence of accounting procedures is repeated in the same order in each accounting period. Marriott *et al.* (2002:1) present the following stages through which the accounting process should go:

- An economic event such as receipt of goods from a supplier whereby an originating document or voucher is made out to record the movements of goods, services or cash into, within or out of an institution should take place.

- Documents emanating from the transaction in the former bullet should be sent to the accounts department where they are summarised, analysed and then entered in the books of an account.

- Periodically, at least once a year but probably more often, balances from ledger accounts are extracted and assembled in a trial balance as preparation of the final accounts.

- Making accounting statements available to both management and a variety of external users to help them take informed decisions than would otherwise have been impossible.

The assumption made on accounting procedures is that it will ensure that financial transactions are recorded right from the beginning of the year, summarised at the end of every financial year and to ensure that the summary information is correctly interpreted to the stakeholders in ABET. This makes it easier for ABET centre managers/teams to responsibly account for all funds entrusted to their care by the public.

The conclusions that can be drawn in respect to the accounting processes are as follows. Firstly, all stakeholders at an ABET centre need to be informed about the process to ensure that everyone knows what should happen and when it should happen. Secondly, an ABET centre management team needs training to ensure that the process runs smoothly. Thirdly, all financial records will have to be well secured to ensure easy recording of the process.

2.2.4 Accounting cycle

Meigs *et al.* (1978:42); Bebbington *et al.* (2001:309); Flynn and Koornhof (2001:24) define an *accounting cycle* as a complete segment of accounting procedures repeated in the same order during each accounting period (cf 2.2.1), and indicate that such procedures include:

- Recording transactions in the book of original entry, the cash book.

- Classification of data by posting it from the cash book to the ledger.
- Summarising data from ledger on a trial balance.
- Adjustment, correction and updating recorded data after consideration of all pertinent facts.
- Summarising adjusted data in the form of financial statements.
- Closing accounts to summarise the activities of the period, and
- Reversing of certain adjustment entries to facilitate the recording process in subsequent periods.

Meigs *et al.* (1978:123) indicate that the accounting cycle in most institutions is ended when books of account are closed once a year, making an accounting cycle one year in length. They finally say the completion of the accounting cycle is the occasion for closing revenue and expense accounts and preparing financial accounts. Hermanson and Edwards (1998:60) refer to the six steps of the accounting process (cf 2.2.3) as also being essential in the accounting cycle.

It is important for the ABET centre manager to understand this process well. This will enable ABET centre managers to query some of the mistakes that might have been made. This will also enable the centre manager to give explanations on the audit financial report when asked by the stakeholders to do so.

2.2.5 Adult basic education and training

The Department of Education (South Africa:DoE, 1999:11) defines ABET in South Africa as the general conceptual foundation towards lifelong learning and development. It describes ABET programmes as comprising of knowledge, skills and attitudes required for social, economic and political participation and transformation applicable to a range of contexts. It finally points out that it is flexible, developmental and targeted at specific needs of

particular audiences and ideally provides access to nationally recognised certificates.

Dimbleby (2001:6-8) presents the following gaps which ABET programmes should address in order to bring sustainable development:

2.2.5.1 The quality of life gap. He emphasises that ABET programmes should look at the well-being of the mass of the disadvantaged people, specifically on the inequalities in the economy.

2.2.5.2 The environmental gap, which could be addressed by ABET programmes by teaching learners to prevent severe damage to economies and environments.

2.2.5.3 The poverty gap, which may be addressed by ABET programmes by teaching learners how to combat the public realm, public services and politics that respond to private and individual wants and advocate for the good of the public.

2.2.5.4 The security gap which can be addressed through ABET programmes which address threats of conflicts to the poor. He says ABET programmes should advocate for the ending and preventing conflicts to ensure sustainable development and the spreading of good democratic governance.

2.2.5.5 The democracy gap, which may be addressed through ABET programmes that address the decline in public confidence in political institutions and politicians by teaching learners how to decrease inequalities, insecurities and environmental risks.

2.2.5.6 The development gap may be addressed through ABET programmes that create an awareness between the rich industrialised world and the developing countries, gap in living standards, access to technology, finance, education and teach learners how to combat these.

He finally points out that if ABET programmes have a role to play in sustainable development, the programmes must close the six gaps in order to bring a higher quality life for all.

From the six gaps, it becomes clear that ABET programmes cannot be provided on the basis of creating jobs for unemployed educators. ABET programmes should aim at lifelong learning and development and the development of skills and attitudes that will enable learners to participate in their social, economic and political contexts. Rogers (2004:64-68) presents four types of reasons that make ABET learners to attend ABET programmes. Symbolic reasons make learners attend because they want to move out of one class in the community, the illiterate, who are usually referred to as inferior, ignorant and powerless to a class of the literate, who are referred to as dominant in society. Secondly there are instrumental reasons. Adult learners in this category come to programmes to learn to read the Bible/Quran, write letters on their own, keep accounts records and to count cash. Learners who are driven by opportunity reasons either want to get promotion at work or are seeking employment. Access to further learning may be another motive. Learners in this category want a second chance to their formal education as they might have been previously denied an opportunity to learn.

Unless ABET programmes gear towards achieving the felt needs of diverse learners, its provision will not benefit the poor, the unemployed, the employed and those on the verge of losing their jobs due to retrenchments. The provision of effective ABET programmes will therefore also require ABET centre managers to conduct extensive research to establish felt education and training needs of the target group. Gamble and Walters (1997:123-126) present the following challenges that the provisioning of ABET should overcome to ensure the provision of quality programmes:

- an increasing demand for formal value in the form of accreditation and therefore a requirement for formal assessment.

- new forms of (multi-) accountability in response to demands for participation by broad and inclusive stakeholder groupings as well as demands for downward devolution of authority to provinces, regions, area project offices, clusters, institutions and communities.
- a demand for greater distribution of the education, training and development product.
- the impact of information systems technology and the possibility of dual modes or a combination of contact and independent study.
- greater rationalisation of resources.

Guodong (2003:15-16) argues that ABET programmes should specifically fulfil the following tasks:

- provide remedial basic education to those citizens who have failed to complete basic education and secondary education;
- offer pre-employment training according to employment needs to help those of the target group who are seeking for jobs to meet standards of ideological development, moral cultivation, cultural knowledge, vocational skills and practical ability;
- offer continuous education and training to specialist professional personnel to help them adapt themselves to rapid social progress and technological development;
- provide varieties of socio-cultural and lifelong education to all citizens to satisfy their increasing spiritual demands;
- satisfy individuals' needs for personal development and assist individuals and social groups to seize personal and social opportunities for overcoming future challenges.

The conclusion that can be drawn from the tasks to be fulfilled by ABET as indicated by Guodong (2003) is that ABET programmes should be provided

to meet the holistic felt needs of the communities they provide education and training services too.

Hinzen (1994:5-7) points out that the imparting of specialist knowledge and general education may not be separated. He says an individual's knowledge of self and an ability to act must go hand in hand. He further feels that ABET programmes should respond with new directions to the following new challenges which will ensure that programmes meet expectations of quality, professionalism and reliability:

- Importance of data processing and technologies.
- Need for workplace training.
- Health and environmental education.
- Guidance for families.
- Demands placed on political education by the process of unification and growing xenophobia and violence.
- Local and Regional policies in the fields of economic development, employment and qualifications.

According to Hinzen (1994) the challenges to ABET programmes provisioning mentioned previously can be achieved through experience and expert counselling, further training of staff, quality administration of programmes and through internationally verified qualifications. He testifies certain demands for the provisioning of quality ABET programmes, for example, that maintenance of quality and professionalism in both full time and part-time staff employed by the state and providers of ABET programmes in the private and NPOs sectors. Furthermore, maintenance of socially acceptable levels of remuneration and fee structures to ensure that decentralised responsibilities for resources is not a way of saving public allocations but an opening up of possibilities of economic management and administration. Recognition and strengthening of ABET centre programmes

by the state as indispensable parts of local services and provision of means of existence are also important. ABET programmes should furthermore be supported by the state, to make ABET centres' work secure to ensure that quality of programmes is guaranteed and improved through support coming from the state. In addition it is necessary to the employment promotion law in accordance with social and labour market needs rather than according to fiscal consideration and to use ABET programmes as an effective tool for the promotion of employment. Construction and extension of ABET programmes should be supported and strengthened through model projects and research projects. ABET programmes must be used proactively rather than reactively to confront the challenges posed by the state and society by planning and conducting relevant ABET programmes with commitment, imagination and openness, to improve services to the target group, to take up ideas from marketing and to strengthen and modernise public information. This can be done through joining and contributing to the planning of ABET associations. Finally, the public regards ABET as a civil right which ensures its self-realisation and as a right which enables the target group to contribute to the shaping of democracy.

The assumption made is that the provision of quality ABET services cannot be determined by drawing a wishful list of resources to be acquired by an ABET centre in the North West Provincial Education Department. Quality education has financial implications on the side of Government and stakeholders in the Province. Closely studying the budget for ABET in the Province (cf 1.2) it is clear that there is a dire need for ABET centres to mobilise sufficient funds over and above voluntary contributions made by learners. The assumption made is that mobilisation of sufficient funds will make ABET centres to be in a position to offer quality education and training programmes to the target group. It was pointed out earlier in this study (cf 1.2) that the Department of Education recommends partnerships with the Department of labour. Semchenko (2004:99, 103) presents a number of advantages of partnerships in the provision of quality ABET programmes. A partnership, for instance, helps to train unemployed people according to the

requirement of the labour market. He finds the design of programmes according to labour market needs helps to decrease the rate of unemployment and overcomes poverty. Partnerships also help in the update of curricula and improves standards of ABET programmes in the skills that are required. Furthermore partners with expertise can carry out the following functions:

- Review and improve legislation in order to provide good quality ABET programmes.
- Co-ordination of action and processes in decision making with regard to ABET.
- Identifying needs of different sectors of the economy to inform curriculum design, taking into consideration geographical peculiarities and changes in the market.
- Conduct regular research on labour market forecasting and inform interested partners when necessary about likely future labour needs.
- Develop training and development programmes based on labour market requirements.
- Organise seminars to enable interaction between partners and stakeholders at all levels of the NWPED.
- Develop measures to stimulate employers to carry out training programmes for their staff to help government in providing skills to the economically active people.
- Conduct information campaigns to explain the need for partnerships.

Unwin (2003:1) indicates that throughout the world, different countries create closer synergies between the needs and purposes of their local, regional and national labour markets and economies. Nasta (1994:21-23) emphasises the partnership between ABET educators as facilitators of

learning and the learners as clients to the educators. He identifies a paradigm shift from the traditional curriculum which was based on a course designed and integrated by professionals, to a learning programme where a learner exercises choice, creates integration and negotiates learning outcomes, learning in ABET should become a partnership between an educator and a learner. It is from the perspective of lack of synergies that McGrath (2003:14-16) points that some forms of training in ABET are seen as weak due to the fact that they are incapable of meeting the felt needs of employers, the unemployed and the economy. He postulates that ABET centres produce graduates in trades that are already swamped or where such trades are not marketable locally. ABET centres should respond more quickly to new opportunities within their catchments areas and become more adept at training for niches rather than being in a mass production mode. He also finds that ABET centre programmes should not only meet the needs of formal wage employment but should also focus on self-employment. He says these goals can be reached by teaching the target groups to create business plans, business incubators and entrepreneurs as an addition to the conventional curriculum. Ahmed (1997:200-204) and Anon (2003:139-140) present the following stumbling blocks in providing high quality ABET programmes:

- Lack of potential information and communication technologies for improving the quality of ABET programmes due to lack of infrastructure.
- Lack of information on adult educators on their types, identity and profiles, numbers, working and living conditions, training needs and kinds of training available to them.
- Non-prioritisation of training ABET educators.
- Lack of knowledgeable, skilful, sensitive and socially committed ABET educators leading to a large turnover.
- Lack of systemic monitoring and evaluation reports on adult learning unless when donors demand for such reports.

- Limited use of research findings for improving ABET programmes, this leading to fewer education systems mentioning the impact of research findings on policies and practices in ABET.
- Under-funding ABET research as compared to other education sectors.
- Personnel costs which dominate ABET budgets, with less money for physical resources.
- The remarkable stable growth in the ABET sector.

Sussmuth (2004:174) points out the vast difference between action plans for a coherent policy on continuing education and training and the practical implication of statements of theory. She points out that while the implementation of the UNESCO-sponsored Education for all is realisable there is also a noticeable tendency to leave adult education largely out of the picture or at least to treat it as of lesser importance. She argues that as young learners will take twenty years before to be decision makers, it is through adult education that the state can develop experts to react more flexibly to the problems that are currently identified. She concludes that if people are given tools to manage their lives for themselves, they will be less of a burden on the social system.

Hinzen (2003:38-39) points out that if ABET programmes have to improve the conditions under which people live, programmes should make the target group productive. Vocational education remains a key component in ABET programmes, and ABET programmes must combine theoretical learning with practical work experience and production. He further says vocational training should always be complemented by instruction in the skills of business operation and management. ABET programmes should create new livelihood opportunities to those who are hit the hardest by the social and economic repercussions and says vocational programmes should focus on the needs of unemployed and poor people with the following programmes as a guideline:

- Construction industry. Training the unemployed in this trade could make them provide own labour in the construction of low cost housing, thus reducing labour costs in the building of low cost houses for the indigent.
- Handicrafts that could be sold to tourists where tourism is a large industry.
- Office skills for those who want to work for companies.

Aydin and Gunturk (2003:30) point out that the provision of vocational education and training at ABET centres as indicated by Hinzen (2003) above, should include the following programmes:

- Literacy programmes.
- Vocational and technical courses.
- Business management skills.
- Seminars and workshops to the unemployed and poor on self-employment skills.
- Vocational counselling services.
- Seminars on personal development and social orientation.

ABET programmes should be needs driven (Succeed, 2004:80-86). The said needs should be met in line with the felt needs of the target group, the economy and the labour market. Succeed (2004) describes the following characteristics of quality ABET programmes, as providing accredited programmes, providing affordable programmes, aligning programmes with the current labour market needs, providing programmes that lead to career paths and programmes that serve the holistic needs of the learners including the employed, the unemployed, the retrenched, the retired and the poor.

2.2.6 Audit

Gray and Manson (1993:10); Glynn *et al.* (1994:134), Bebbington *et al.* (2001:401) and Dyson (2001:10) define audit as an independent examination of and expression of opinion on the financial statement of an organisation by an appointed auditor in compliance with any relevant statutory obligation. It is clear that ABET centre managers cannot only rely on the internal control of the financial records at the centre (cf 2.2.13), but must also get an unbiased opinion on the financial activities of an ABET centre from an independent auditor. This will instil trust in the stakeholders on the daily financial transactions by ABET centre managers. Taylor et al (1992:24-33) describe the major responsibilities of an auditor as follows:

- giving written opinion on the financial or other statements that are the subject of audit;
- conducting audit with due professional care and competence, therefore avoiding giving false statements;
- maintaining his/her mental attitude, by not allowing himself/herself to be influenced by the clients or other interested parties who might exert pressure on him/her to report in a manner which is to their advantage;
- reporting on material irregularities that he/she has reason to believe have taken place or are taking place;
- detecting and reporting illegal acts, other irregularities and errors, which are contrary to the law; and
- conducting himself/herself in a manner that befits a member of the profession.

2.2.7 Budget

Mentz and Oosthuizen (2003:211), North West Provincial Education Department (2003 (d):119), Van Niekerk (2002:151), Erasmus and Visser (2000:167), Bosch and Du Plessis (1998:609), Bisschoff (1997:26),

Douglass (1994:69) and Gorton (1983:129), define a *budget* as:

- A planning instrument and statement in financial terms of an institution's priority.
- An expression of intent written in financial terms.
- The expression in monetary terms of an institution's plans for a given period and the blueprint of what the educational programme will be and what it will cost.

From the three definitions, it is concluded that a budget is a plan which ABET centre managers will have to align with the entire ABET centre plan. This will ensure that through planning activities at ABET centres in line with the budget, implementation of policy will be realisable. It further means that if plans of ABET centre managers for different activities are not in line with the budgeted amounts, delivery of the ABET programmes will be stifled. There must be a balance between the activity plans of an ABET centre and its budget. Dyson (2001:304) presents four summarised features of a budget: it is based on the policies needed to fulfil the objectives of an institution; quantitative data contained in a budget are usually translated into monetary terms; details of a budget are normally contained within a formal written document, and budget details refer to a defined future period of time. Atrill and McLaney (2001:235-236) indicate four areas in which a budget can generally be used:

- To promote forward thinking and possible identification of short term problems with a view to allow management to devise means of circumventing the problems well in advance;
- Co-ordination between various sections of an institution to ensure that the activities of one section are complementary to those of another;
- Motivation of ABET centre managers by enabling them to relate their particular role at the institution to the overall objectives of the institution;

- Provision of a basis for a system control by ensuring that events conform to plans and to determine a standard or yardstick against which the performance can be compared and assessed.

The North West Provincial Education Department (2003d:65) mentions the following five source documents that could be used by ABET centre managers to develop a budget at ABET centres:

- The business plan of activities outlining objectives, goals, deliverables and expected outputs.
- A budget document of the current and/or previous financial years.
- Latest information regarding changed policy decisions that will have impact on activities, e.g. new services to be rendered.
- A list of all expenditure items applicable to the activities, e.g. stationery, salaries and equipment.
- Latest available costs and price structures of items/services that will be required to deliver the outputs and therefore needed to prepare the budget, e.g. price lists, quotations and recent invoices.

Saayman (1998:32-33) describes the following seven steps that must be observed for a budget to be reliable:

- Creation of a budget department and an efficient accounting system.
- Training of the budget system personnel on how the budget fits in with the organisation's goals.
- Compiling an organisational structure that clearly outlines the duties and responsibilities of every member of the management team.
- Establishment of a budget committee responsible for compiling a programme for preparing a budget and ensuring that everything is carried out correctly.

- Preparation of a budget manual which contains information on aspects of principles, benefits and goals of a budget, duties of the budget committee, description of the types of information sources, time schedules, accounting guidelines and methods of budget control.
- Budget period.
- Consecutive budget activities which outline how aspects in the budget must be handled at first to ensure that everything follows in a logical sequence.

Booyens (2000:182-183) lists the following stages of a budgetary process that should be followed when doing a practical budget with an adaptation by the researcher:

- Identifying all services an ABET centre wants to render.
- Compiling a budget for services to be rendered starting from zero-point and assessing the efficiency, effectiveness and economic viability of the activities/services to be rendered.
- Determining sources of income.
- Assessing each activity against the goals of the ABET Act.
- Re-examining the reasons for each activity/service and defining reasons in the light of the fourth stage.
- Discarding activities/services which do not underpin the goals of the ABET Act.
- Arranging projects in order of preference.
- Evaluation of the first to the seventh stages.
- Formulating a five-year fiscal plan in order to decide on the financial allocations to the identified services/activities based on each one's relative need.

- Setting a limit of expenditure for each activity for a specific year within a five year fiscal plan.

- Division of allocated funds between the various activities/services.

- Approval of a budget.

The assumptions that can be made from the stages by Booyens (2000) are that there must be a committee responsible for drawing an ABET centre budget. The committee will also need guidance to prevent it from drawing a wish list of facilities and equipment for which no money will be available; that the committee must be prevented from allocating funds for services that are not economically viable; and that the committee must be prevented from providing finance for activities that are not geared towards the goals of ABET.

Booyens (2000:194-195) presents ten budgeting processes as a guideline to develop a quality budget.

- Gathering information and planning by the institution's top level management. This includes the assessment of the changing education and training felt needs of the target group to be provided with learning, significant economic factors like inflation and unemployment that could affect the provision of quality programmes and the present funding patterns from the state.

- Re-assessment of outcomes and objectives. This will need an institution to prioritise programmes in line with the mission of the institution so that resources can be allocated to the programmes that best help an institution to achieve its envisaged outcomes.

- Establish measurable financial objectives. The decision will have to be taken whether to decrease supply costs or to limit expenditure increases and for the top management to establish what the organisation's assumptions are regarding salary increases and projections for the next fiscal year.

- Reviewing the proposed budget plan and guidelines through studying work schedules, historical data about educators and their training levels, forecast information and specific instructions on how to prepare the budget.

- Formulation of outcomes. This is done through reviewing financial information and workload indexes for the past 12-18 months, anticipation of new activities, programmes or procedures which might affect the operations and function of an ABET centre.

- Estimation of future staffing needs by anticipating new activities and learner workload, the number and categories of educators.

- Estimating future supply needs determining work-loads, supplies and provisions and what they will cost.

- Estimating accumulated funds equipment needs by revisiting the formulated outcomes as this will also affect processes 6 and 7 of the budget.

- Preparing a budget proposal and submission of the proposal for approval.

- Implementing and monitoring the budget through the analysis of variances.

According to USWE (1999b:106) the following list of items may be included in the budget for an ABET centre:

- Staff remuneration.

- Facilities like classrooms and office space.

- Learner materials.

- Furniture and equipment that among others include chairs, tables, flip charts/chalkboards, computers, telephones, photocopy machines and fax

machines.

- Office supplies that include pens and pencils, paper, staplers, punches, scissors, glue, project stationary (letterheads, business cards and compliment slips).
- Staff induction and training.
- Educator support.
- Services (water, electricity and telephone).
- Transport.

Van der Merwe (2001:340) points out that depending on the requirements of an organisation, it may be necessary to adapt either the whole budget or the figures for certain items during the course of the financial year. Booyens (2000:192-194) points out that there is a cash budget and an expenditure budget. He also indicates that the ABET centre manager will have to develop strategies to increase the inflow of accumulated funds and reduce cash expenditure. He says inflow of cash may be achieved through letting learners pay their tuition fees promptly and depositing the money immediately into the ABET centre bank account. He finally mentions the following aspects which may lead to problems with cash flow:

- Increase in bad debts.
- Low enrolment of learners at a centre.
- Sudden unexpected funds expenditure due to risk of fire or floods.

Kleynhans (2003:46) refers to an institution's master budget, which comprises of and consolidates the following budgets:

- a revenue budget reflecting the anticipated charges (e.g. tuition fees) for the services an institution will provide in a particular budget period;
- a general and administrative budget reflecting the operational expenses

to meet the overall organisational strategic plan implementation;

- a capital expenditure budget that reflects amounts to be spent on the acquisition of non-current assets, and
- a cash budget projecting cash receipts and cash payments for a budgeted period.

A conclusion that is drawn on the aspect of a master budget as presented by Kleynhans (2003) is that before a budget can be drawn, there will be a necessity on the side of an ABET management team to consult widely with all ABET centre stakeholders to ensure that the drawing of the master budget is consultative and inclusive. This will ensure that no one at the ABET centre will feel marginalised in drawing this document which will ensure quality delivery of services. The assumption made is that failure to consult all stakeholders may lead to a skewed budget to the detriment of the ABET centre.

2.2.8 Financial analysis

Ferreira and Kritzinger (1999:166); Bosch and Du Plessis (1998:588); Flynn and Koornhof (2001:872) and Atrill and McLaney (2002:143) define *financial analysis* as a regular measurement and evaluation of a financial performance and status of an organisation. According to these authors the process consists of gathering information about an organisation's financial position. This determines the extent to which an organisation is succeeding in the application of its limited resources. It also determines whether the primary outcomes of an organisation have been reached. Bosch and Du Plessis (1998:593-595) indicate the importance of financial analysis as follows. First, it is done to establish whether the financial resources of an institution are utilised optimally and whether goals of the institution are reached through effective utilisation of such funds. It is also done before the institution can decide how to utilise its finances. They further point out that financial ratios are often used to do financial analysis, and that the intention of financial analysis is not to identify reasons for the strengths and

weakness in an institution, but only the symptoms that have to be diagnosed further by the financial management. Atrill and McLaney (2002:143) present the following processes of financial analysis:

- Identifying key indicators and relationships that require examination, taking into consideration who target users are and why they need information.
- Calculating ratios that are considered appropriate for a particular user and the purpose for which the user requires the information.
- Interpretation and evaluation of financial information.

Flynn and Koornhof (2001:871) point out three objectives of financial analysis: it helps the stakeholders to watch the surplus of an institution to establish its stability in order to assess the risk attached to contributions by the public; it helps stakeholders to see whether an institution has the ability to meet its financial obligations, and it ensures that the institution is operating efficiently and effectively. Financial analysis will play a significant role in the internal control of the finances of an ABET centre (cf 2.2.13). It will also help ABET centre managers to check from time to time, whether the money is used to reach the aims and objectives of the centre according to the budget drawn for the specific financial year (cf 2.2.7). Financial analysis will finally help ABET centre managers to take corrective actions at an early stage, should it happen that something should go wrong with the finances at an ABET centre. In this way ABET centre managers can prevent fraud and misappropriation of funds at an ABET centre.

2.2.9 Financial information

Maasdorp and Van Vuuren (1998:675), Camay and Gordon (1997:30), Flynn and Koornhof (2001:6), and Atrill and McLaney (2002:4-5) define *financial information* as the information that is obtained from records of an institution on funds received, expended and money invested as liquid money or both movable and immovable property. Maasdorp and Van

Vuuren (1998:675) point out that financial information provides information on costs and expenses of activities that the organisation is involved in by recording and processing data. They explain that financial information will provide information on debtors and creditors. Finally, they indicate that financial information produces cash flow statements, income statement, balance sheet and ledger accounts which help different departments in an organisation to take a decision. According to Atrill and McLaney (2002:5) financial information must:

- Influence decisions.
- Be free from any material error or bias.
- Be understood by those to whom it is meant for.
- Be available in time for it to aid in decision-making.

Kishel and Kishel (1998:71) regard financial records as an important source for financial information. They point out that with the increasing number of government regulations, it is virtually impossible to avoid keeping detailed records at educational institutions. They argue that the value of good records in financial information is to help the management team to:

- Make effective financial management decisions.
- Monitor the financial performance of an institution.
- Keep track of income and expenses.
- Eliminate wasteful expenditure.
- Protect institutional assets.
- Prepare financial statements.

The assumption that can be made from points presented on financial information is that with proper financial information, the institution can be in a position to take informed decisions and know its financial stand at all

times.

2.2.10 Fund-raising

Camay and Gordon (1997:33-34), Greenfield (1999:315) and Flynn and Koornhof (2001:737-738) define fundraising as a formal activity undertaken by an institution to raise financial support from individuals or donors who can spare money to help those living in substandard circumstances by addressing the basic human needs of those in need. They say fundraising can be made through events such as concerts, sale of materials like T-shirts, ABET centre wear and tracksuits, consumer products such as crafts or greeting cards. USWE (1999b:33-34) points out that when an ABET centre raises funds from prospective donors it must have the following knowledge:

- What the donor's priorities and expectations are.
- Support staff and resources that an ABET centre needs.
- The contribution that the donor can make.
- Aspects of the project that will require funding.

The task of fundraising and managing financial resources as highlighted in Chapter 1 (cf 1.2) commands good skills. This also requires a centre manager who is both creative and innovative, to explore all the opportunities of raising funds. Lack of these qualities, may lead to the loss of money spent to raise funds, should the expended money in the venture be more than raised money. It calls for an ABET centre manager to make more returns from little investment in the fundraising venture. This does not suggest that too little money must be invested in fundraising ventures, but that the venture, beyond the expenditure, must bring returns. The Human Awareness Programme (1998:22-23) points out that for organisations to raise funds from members of the public (people who are not members of the organisation) organisations must, in terms of the Fundraising Act, register with the Department of Health and Welfare to become registered fundraising

organisations. Furthermore, a funding number is allocated to an organisation on registration. It finally presents the advantages of having a fundraising number as follows:

- It makes it possible for an ABET centre to ask for money from churches, big business and overseas funding agencies.
- It makes it possible for an ABET centre to ask car manufacturers to donate a car as a prize for a competition or ask a travel agency to donate a trip to oversees countries.

Without a funding number an organisation can only collect donations from members, have fetes, cake sales and jumble sales, have competitions, sell publications, offer information, advice or any service in return of money.

Greenfield (2001:117-118) indicates that fundraising events at non-profit organisations must be evaluated to ensure that the institution does not become underdeveloped. He presents the following broad areas that each institution has to assess and evaluate:

- The mission of the institution.
- The benefit of raised funds to the community in which the institution operates.
- The governance of an institution.
- The management of an institution.
- Fiscal accountability of an institution.
- Strategic plans of an institution.
- Resource allocation.
- Success in fundraising.

For an ABET centre to attract donors, Dees *et al.* (2001:20-25) describe

certain features of the mission of such an institution. Firstly, it must influence its stakeholders to value its services. It must also be used as a lever to move hearts and minds of stakeholders and create the bottom line of changed lives, and it must help individuals at an institution to make right decisions for the prosperity of an institution. It should also confront all stakeholders, including donors with challenges and opportunities throughout the year with information to make stakeholders to take intelligent decisions, as the mission is a standard against which novel ideas are compared and ranked. It must be regularly examined as well, as the needs of the target group and stakeholders change more rapidly to ensure that the institution does not get stuck working for yesterday's purpose but for the present and future felt needs of the target group, its environment and its stakeholders.

2.2.11 Independent accounting officer

In terms of the ABET Act (South Africa, 2000 (a):22), if it is not feasible for the financial records of an institution to be audited, the governing body can appoint an independent accounting officer in terms of section 60 of the Close Corporations Act (Act 69 of 1984). The independent accounting officer in this respect will examine the financial records of the ABET centre. The person appointed should not have any vested financial interest in the affairs of the particular ABET centre where he/she has been appointed as an independent accounting officer.

2.2.12 Instructional delivery

The Department of Education (South Africa:DoE, 1999:35-36), refers to instructional delivery as the process of teaching and learning leading to the development of transferable thinking and learning skills as a foundation of critical thinking, problem posing and problem solving, which are achieved if empowering participatory and learner-centred methods are used. The Department finally advocates for the following principles to encourage quality instructional delivery:

- Learner centredness.

- Relevance.
- Differentiation, redress and learner support.
- Nation-building and non-discrimination.
- Critical and creative thinking.
- Flexibility and progression.

On the other hand, the National Department of Education (South Africa:DoE, 1997a:39) points out that the development of transferable thinking and learning skills, and of a broad conceptual base as a foundation for critical thinking, problem posing and problem solving can be achieved if empowering participatory and learner-centred methods are used. It further explains that the principles informing the development, design and delivery of ABET programmes seek to address the developmental needs of all adult learners, unemployed, self-employed, employed or likely to find jobs in the formal and non-formal business sector. Instructional delivery is essential in this research project, as it is a vehicle through which effective education and training of ABET educators can take place. The assumption made by the researcher is that the correct instructional delivery, which takes into consideration the principles that encourage quality instructional delivery, will ensure that ABET centre management teams will be equipped with requisite knowledge and skills to manage financial resources at ABET centres effectively.

2.2.13 Internal control

Kleynhans *et al.* (1999:35) and Bebbington *et al.* (2001:120) define *internal control* as methods and procedures employed by management to assist it in achieving its objectives through the execution of transactions, access to assets and accountability for assets which aim at providing reliable and useful financial information and the safekeeping of assets and records. For an ABET centre manager to carry out the task of internal control properly, he/she must take into account the accounting policy (cf 2.2.2) the

accounting process (cf 2.2.3) and the drawn ABET budget (cf 2.2.7). Through internal control, ABET centre managers will prevent corruption, misappropriation of funds and squandering of centre assets (cf 1.2). Finally, internal control will assist an ABET centre manager to detect mistakes and take corrective measures, rather than waiting for the audit (cf 2.2.6) of financial records at the end of the financial year to depict errors. Regenesys (2000:12) identifies the following major internal management control problems which must be taken into consideration by the financial managers in their internal control of finance objectives:

- A budget that is not linked to strategic plans, programmes and projects.
- Lack of management autonomy due to centralised financial management systems and decision-making powers.
- Lack of financial management skills and knowledge.
- Organisational structure, attitudes and work ethic of finance personnel.
- Obsolete information/computer technology (financial management software).
- Poor budget processes.
- Political interference.
- Lack of incentives to save collected/saved revenue as saved revenues are transferred to general revenue fund and increase of spending towards the end of the end of a financial year to avoid the next budget cut.
- Corruption and theft.

Another area of internal control is on the operational costs of an ABET centre. Booyens (2000:198) indicates that operational costs can easily run out of control because of, for instance, excessively high telephone accounts, high electricity and water and sanitation expenses; appliances theft; theft

and misuse of toiletries, photo copying paper, stationery and technology; a high rate of personnel sickness and/or absenteeism; a high rate of staff turnover, and vehicle expenses such as fuel and repairs. The conclusion that can be drawn from the operational costs presented by Booyens (2000) is that ABET centre managers and the centre management teams will have to develop and use some instruments to control too high costs at the centre. A policy will have to be developed around the use of resources and facilities.

It becomes clear that internal control plays an important role if an organisation would like to reach its goals. Puttick and Van Esch (1992:94) stress that the auditor must understand internal control methods, which include how transactions are authorised and executed, how accounting information is recorded and processed, how assets are safeguarded and how financial reports are produced. Once the auditor understands these methods of internal control, the auditor will be in a position to:

- Assess the adequacy of the client's system of internal control.
- Formulate the audit approach.
- Design appropriate auditing procedures.

The North West Provincial Education Department (2002(b):20-22) presents the following three financial control processes which financial managers have to implement as a form of internal control of financial resources at all levels of the education structure in the North West Provincial Education Department:

- appointment of officials to perform the financial control function, training of officials to ensure their efficient and effective performance of their related tasks and ensuring that receipts, payments and adjustments are promptly completed;
- appropriate training of data capturing staff, ensuring accurate data

capturing and establishment of proper procedures for the management of unprocessed and processed batches; and

- provision of appropriate information in reports suitable to specific requirements, immediate scrutiny of audit and management reports to verify transactions, correct interpretation of information, ensuring that management information reaches its correct destination, proper dispatch of payments and receipts and immediate verification of the effect of financial activities on budgets or expenditure.

Certain criteria are also identified for control. It should comply with all regulations and obtaining all levels of authority to ensure that only authorised officials are involved in the control process, and it must ensure that computer terminals and passwords access are secure, immediate processing of transactions and prevention of tampering with data and transactions. The proper storing of documentation is also important, and prompt action should be taken when irregularities are discovered. Data must therefore be checked regularly and by means of ad hoc inspections to ensure that correct procedures are being followed and establishing a procedure to verify the transactions that have been effected and the produced output. In order to be transparent on matters of internal control, there is a need for a financial manual at ABET centres. Chastney and Jackson (1994:81) indicate that a financial management manual is a document that should be used as a reference document for the relevant personnel and that it should be kept secure. They also point out that the financial management manual will help the organisation to continue operating should something unforeseen happen to the finance personnel. They identify certain topics that must be addressed in the financial management manual, such as:

- the organisational chart showing the lines of responsibility and detailed descriptions of the roles played by each individual on the chart;

- accounting systems and controls operated within the institution.

- documentation and records kept by the institution;
- security of records and equipment;
- the budgeting process;
- reporting time-tables and formats of the reports;
- financial decisions of the centre governing body (CGB) and various sub-committees;
- details of computerised systems, and
- lists of all external advisers and contractors with contact names and telephone numbers.

2.2.14 Learning programme

In terms of the Department of Education ABET policy (South Africa:DoE,1999:25), a *learning programme* refers to an education and training programme, course or set of course modules or course units through which the learners can achieve agreed upon learning outcomes (spelled out in unit standards). It is important to take into consideration the modules which will ensure envisaged outcomes in training ABET centre managers to manage financial resources effectively. This calls for the designers of programmes to be well acquainted with the financial policies that exist in ABET in the province. It also suggests that the needs of the target group and those of the stakeholders in ABET will have to be borne in mind. It is only when such programmes are holistically designed that the different stakeholders feel obliged to finance ABET programmes.

Gravett (2001:51-53) gives the following seven steps which must be taken into consideration when developing a learning programme for adult learners to make such a learning programme relevant and effective to the felt needs of the target group:

- knowing the profile of each participant prior to the educational and

training event;

- knowing each participant's felt learning needs and what the learners will be expected to do as a result of the educational encounter;
- time available to reach the outcomes and how much can be learned within the available time;
- the venue where the programme will be presented, taking into consideration the available facilities;
- content of the programme, the skills, knowledge and attitudes to be taught;
- what the participants will have achieved at the end of the programme, and
- the kind of learning tasks and materials to be used.

The design of learning programmes by ABET educators' trainers cannot be done haphazardly but in terms of certain principles. Axmann and Nenungwi (2001:220-222) present the following principles that have to be followed when designing learning programmes:

- Co-operation and partnership with other stakeholders, thus removing the fragmented and diverse structures that provided education and training in the past.
- Demand led learning programmes that will lead to addressing employment needs of the target group, thus leading learners to take up work in different contexts.
- Increased participation open to adults, out of school youth and learners in the further education and training band.
- Integration of education and training.
- Lifelong learning to ensure that learners meet the demands of the

economy, social development as well as the needs of individuals.

- Quality of the learning programme.
- Efficiency and sustainability of the programme.
- Work experience of the learners.

2.2.15 Lifelong learning

Watson and Stead (2002:162) and Delors (1996:100) refer to lifelong learning as a process that starts at birth and continues throughout the life of a human being. Rapid changes that ABET centre managers face in their day to day running of ABET centres are a clear indication that learning is not an event but a process. It is through the concept of lifelong learning that the ABET centre managers as practitioners in ABET, can be trained to be effective in the management of ABET centres. Effective management of ABET centres will ensure the principle of lifelong learning. The Minister of Labour in South Africa (Mdladlana, 2002:2) indicates how through lifelong learning, the greatest challenge of unemployment that faces the country can be addressed. He points out that 4,5 million people are unemployed; that 85,6% of the unemployed are blacks, and mostly women; and that 71,9% of the unemployed, are aged between 15 and 34 years. He further indicates that the global forces have reduced the demand for lower skilled workers, which South Africa has in abundance, and has increased the demand for skilled workers of which South Africa has a short supply. He also stresses that lifelong learning, through the National Skills Development Strategy, can help to skill the unemployed through social development initiatives as well as assist new entrants into employment.

Aitchison (2003:165) is of the opinion that lifelong learning in its comprehensive and visionary concept includes formal, non-formal and informal learning extended throughout the lifespan of an individual to attain the fullest possible development in personal, social, vocational and professional life. He further argues that lifelong learning builds on and

effects all educational providers to encompass all bodies and individuals involved in learning activities, and that lifelong learning means enabling people to learn at different times, in different ways, for different purposes at various stages of their lives and careers.

2.2.16 Management development

Skinner and Ivancevich (1992:383) define management development as a process of developing and educating selected personnel in the knowledge, skills and attitudes needed to manage in future positions. They also view education and development as one and the same. Taking into consideration the ABET Act in South Africa (cf 1.2), there is a necessity for management development in ABET to ensure the efficiency of future ABET centre managers, by developing the present ABET educators. Van der Waldt (2002a:182-183) points out that unemployed people as well as employers seeking skilled workers, seldom turn to development. According to him the objectives of management development, are to foster skills development in the formal economy for productivity and employability, and to promote skills development for employability and sustainable livelihoods through social development initiatives. He concludes that human resource managers should set concrete targets and defined time periods for measuring progress in the skills development of public employees.

The assumption made on the concept of management development is that the North West Provincial Education Department has a bounden duty to develop rare skills among ABET educators and ABET management teams to afford them an opportunity to develop financial management skills. The conclusion drawn is that the Department cannot conduct workshops that only confine ABET educators and ABET management teams to the management of centres without infusing financial management skills into such programmes to ensure effective management of financial resources at ABET centres as part of lifelong learning (cf 2.2.15).

2.2.17 Educational institutions as non-profit organisations (NPOs)

Faul *et al.* (2000:731); the non-profit organisations Act (South Africa, 1997:2), Black (2000:147), Charities Aid Foundation (2001:21) Dyson (2001:18), Atrill and McLaney (2002:4) Marriott *et al.* (2002:66-67) and Potterton *et al.* (2002:90) define a *non-profit organisation* as an entity which, without gain, provides a service in the interests of the community or to the benefit of its members. Non-profit organisations have an equity interest which cannot be traded, whereby if there is surplus for any financial year arising from the activities of an enterprise, such a surplus is applied to the benefit of members of an institution, and may not be distributed to individual members. Faul *et al.* (2000:731) and Flynn and Koornhof (2000:733) indicate that non-profit organisations may vary from informal social clubs to sport clubs, churches, educational institutions, government bodies and professional societies. Non-profit organisations obtain their income from a variety of sources that include members' fees, donations, fundraising projects and government subsidies. From this definition, an assumption can be made that there must be a policy in place to govern fundraising activities of such organisations. It will be established later in the study (cf 2.3) whether ABET centres day-to-day financial management policies comply with this definition.

ABET centres as non-profit organisations (NPOs) must register to qualify for exemption from income tax (Moiloanyane, 2002:1). They must register with the South African Revenue Services (SARS) as public benefit organisations in terms of section 18A of the income tax Act. Charities Aid Foundation (CAF) (2001:22) points out that when NPOs look for resources beyond themselves they must firstly establish a formal institution. This usually involves the appointment of a controlling body (committee or board), the writing of a constitution, the opening of a bank account and the registration of an organisation under the country's legal requirements. Then a mission statement must be prepared. Agjee (2002:iii; 29; 49, 79) also refers to the transparency of NPOs in terms of the NPOs Act (Act 71 of 1997), and to the listing of ABET as defined in terms of the ABET Act (Act 52 of 2000),

including literacy and numeracy education as shown in section 18A of the NPOs Act (Act 71 of 1997). NPOs may be registered by completing the following forms:

- Application form for the registration of the NPO;
- Application form for exemption from tax (Form EI 1); and
- The public benefit organisation written undertaking.

The non-profit organisations Act (Act Number 71 of 1997) (South Africa, 1997:4;8;12&18) stipulates five objects of the Act: to create an environment in which NPOs can flourish; to establish an administrative and regulatory framework within which NPOs can conduct their affairs; to encourage NPOs to maintain adequate standards of governance, transparency and accountability and to improve those standards; to create an environment within which the public may have access to information concerning registered NPOs, and to promote a spirit of co-operation and shared responsibility within government and among donors and other interested persons in their dealings with NPOs. It also determines that any NPO that is not an organ of the state may apply to the director for registration, provided that the NPO submits its constitution. The Act further stipulates that every registered NPO must, to the standards of generally accepted accounting practice, keep accounting records of its income, expenditure, assets and liabilities. Within six months after the end of the financial year, financial statements must be drawn up. The financial statements must include at least a statement of income and expenditure for the financial year and a balance sheet showing its assets, liabilities and financial position at the end of that financial year. Finally, all members of the public have the right of access to and to inspect any document that the director is obliged to preserve. Such documents include narrative reports of the activities of an NPO, the name and physical address of an institution and residential addresses of office-bearers or any such information as may be prescribed.

The non-profit organisations Act (South Africa, 1997:12 & 18) emphasises

that every registered NPO must, to the standards of generally accepted accounting:

- Keep accounting records of its income, expenditure, assets and liabilities.

- Within six months after the end of its financial year, draw up financial statements which must include at least a statement of income and expenditure for that financial year and a balance sheet showing its assets, liabilities and financial position as at the end of that financial year.

- Within two months after drawing up financial statements, present a report to be compiled by an accounting officer and submitted to the organisation stating whether or not:

  a) financial statements of the organisation are consistent with its accounting records;

  b) accounting policies of the organisation are appropriate and have been appropriately applied in the preparation of the financial statements, and whether

  c) the organisation has complied with the provisions of the NPO Act and of the constitution of the organisation which relate to financial matters.

- Preserve each of its books of account, supporting vouchers, records of fees/subscriptions/levies paid by learners/members, income and expenditure statements, balance sheets and accounting officer's reports in an original or reproduced form for the prescribed period.

- Make the financial documents available to members of the public for inspection as prescribed by the Minister.

Flynn and Koornhof (2001:733-742) indicate that the major sources of

revenue for non-profit organisations are subscriptions and donations from members, proceeds of organised functions designed to raise funds, entrance fees, legacies, special funds raised gaining interest through investing money separate from a current account. They also indicate that the treasurer of a NPO is entrusted with the task of collecting and paying cash on its behalf and keeping a record of all transactions. It is further indicated that the treasurer should file financial records systematically and must prepare a record of cash and bank transactions in the form of a cash book rather than using a separate cash receipts and cash payments journal. The following is a summary of the main differences in terminology between a trading organisation and an NPO:

Table: 2.1 Terminology differences between a trading organisation and an NPO

TRADING ORGANISATIONS	NON-PROFIT ORGANISATIONS
Profit	Surplus
Loss	Deficit
Cash journal	Cash book summarised in receipts and payments statements.
Profit and Loss	Income and expenditure
Capital	Accumulated funds

Source: Flynn and Koornhof (2001:733).

Marriott *et al.* (2002:68) point out that officers of the NPOs, namely the chairperson, secretary, treasurer and others, are unpaid volunteers. Since they volunteer in small NPOs a comprehensive accounting system is unlikely to exist, whereas in larger NPOs with valuable assets, comprehensive accounting systems should exist. Black (2000:147) indicates

that as officers in NPOs are volunteers, it often happens that individuals serving as officials have few or no accounting skills. Cameron (1998:108) indicates that fund-raising and the management of raised funds at educational institutions as NPOs are activities that must meet the required standards for people who manage these institutions.

The management of NPOs must show stewardship (Sheldon, 2000:86). Sheldon defines *stewardship* as the process of keeping a donor informed about an institution's financial activities after the donor has donated money, and identifies eight standards of effective stewardship:

- Reporting to relevant stakeholders about sources and uses of funds expended and investments managed by the institution to accomplish its mission in order to create confidence in financial operations.
- Preparing fundraising reports by gathering appropriate information in order to assure quality decision making.
- Preparing and recommending to an ABET centre governing body on policies to ensure that the public's best interest is achieved in the fund development process.
- Communicating with the institution's leadership and management to ensure that the institution's values, mission, vision and programme are relevant to the community and invite donor response.
- Promoting a culture of giving to key stakeholders in order to help them understand the institution and the giving and fund development process.
- Clarifying, monitoring and implementing the donor's instructions by ensuring that expenditures are appropriate and are documented in the institution's financial records.
- Communicating the institution's position to appropriate stakeholders regarding issues that affect the target group it serves and the institution's ability to provide services in order to maximise benefits to those the

institution serves.

- Complying with pertinent government regulations and procedures by filing reports that demonstrate public accountability.

Greenfield (2001:370) points out that quality reporting demands that the performance of NPOs should be open and available to the public, as open and full disclosure of financial details can increase public confidence and trust.

2.2.18 Performance consultant

The concept *performance consultant* refers to the new role of the training professional (Nel & Meyer, 2000:40). The consultant forms partnership with management in order to identify performance problems and to develop appropriate training and non-training solutions for those problems, to enhance human performance as a support to the institutional goals. Van der Waldt (2002a:190), quoting Mcgregor, presents three purposes of the performance consultant in conducting performance appraisal. Firstly, it provides a way of determining promotions, transfers and salary increases. Secondly, it supplies data to management and supervisors on the performance of staff, and to the individual on his or her strengths and weaknesses. Thirdly, it creates a learning experience that motivates staff to develop themselves and improve their performance. Groenewald (2003:31) describes the importance of performance management as enhancing productivity of individuals and teams, and as developing the skills and competencies needed to achieve productivity. He also suggests that development plans can be designed to involve the following:

- defining the competency levels needed to achieve the desired performance in terms of knowledge, skills and attitudes;
- expressing competencies on the entry-level through using descriptors such as fully competent, mastery or highly skilled;
- defining competence for each aspect of work and not in general terms;

- describing competencies in task-specific terms;

- documentation of a plan where a staff member has not yet attained required competency level and gaps or deficiencies identified. The nature of the need must be specified, the development programme identified to address the need, timing, budget and responsibility for arrangements; and

- where it is possible and where it suits the organisation, development plans should also take into account the staff members' medium to long term career aims. This is of critical importance to retain the services of staff members who would be difficult and costly to replace. Fraser-Moleketi (2002:31) urges that emphasis needs to be placed on developing appropriate competence amongst managers and public servants in general for public servants to be more responsive to the needs of the citizens.

The North West Provincial Education Department (2002c:1) points out that effective and efficient delivery of services hinges on effective performance, and that the management of employees' performance is an integral part of effective service delivery. Furthermore, success of the public service in delivering its operational and developmental goals depends on the efficiency and effectiveness with which employees carry out their duties. The management of performance is identified as a key human resource management tool that should enhance organisational performance against the strategic plan, individual performance against agreed upon objectives by solving individual performance problems, and that should enhance manager-employee relationship by allowing for frequent communication of expectations in terms of set objectives, accurate performance evaluation and feedback. In addition, under-performance must be managed in a firm and constructive manner, good performance must be rewarded and direction must be given to employees in terms of their lifelong learning, career progression and personal development. It should also promote a culture of continuous improved service delivery.

The North West Provincial Department of Education (2002d:5-6) provides the following benefits of the Performance Management Development System (PMDS) to the department, managers and employees respectively, which the performance consultant should bring to the attention of different stakeholders from time to time:

a) Benefits to the department

- Increase of job satisfaction and reduction of labour turnover.
- Helps increase output.
- Motivates individuals to develop their full potential.
- Helps to attract, develop, challenge and retain individuals who are capable and are assets to the organisation.
- Informs the process of planning and decision-making.
- Links the reward system to performance.
- Saves the Department from unnecessary lawsuits and labour disputes.

b) Benefits to managers

- Improved work performance.
- Outputs are linked to strategic objectives.
- Confidence to produce results.
- Factual data for performance appraisal.
- Focused feedback and coaching.
- Improved team spirit.
- Rewarding of outstanding performance.
- Recognising poor performance and dealing with it.

c) Benefits to employee

- Clearly defined job expectations.
- Individual training plus training and development plans.
- Ownership of performance.
- Regular feedback.
- Participation in job decisions.
- Time and energy are spent on main objective/key performance areas (KPAs).
- Helps the individual to develop full potential.
- Gives individuals opinions of recourse in case of perceived bias.

Erasmus and Van Dyk (2003:212;223) present four roles of a performance consultant in an organisation. First, management of employee involvement is group processes during meetings. Second, provision and administering of a variety of team-building exercises and sessions to different stakeholders. Third, monitoring of constant change in the organisation. Finally, development of conceptual and critical skills.

The North West Provincial Education Department (2002d:16-17) points certain aspects to be taken into consideration when designing performance work plans for individual employees, such as the main objectives/KPAs; tasks or key activities to be performed to reach main objectives; standards or performance indicators to which the tasks have to be performed; competence required to carry out tasks; needs or gaps experienced by an employee to perform duties; intervention needed or required to redress the gaps; and responsible person or institution to address gaps experienced by an employee. Meyer and Mokoele (2001:16) point out that the performance consultant/manager requires wide skills in order to play a proactive role in human resources development (HRD). Meyer and Mokoele (2001) propose

the following roles that the performance consultant/manager as developed by the National Training Board (NTB) should perform:

- Provision of support and logistical backup for the enabling of training.
- Assessing competency status of individuals against agreed quality standards, using outputs and outcomes as the basis of evidence.
- Evaluating the impact of education, training and development on the effectiveness of individuals or organisation.
- Guiding interventions that enable individuals or groups to learn in a group context.
- Guiding interventions that enable individual learning needs to be satisfied.
- Designing interventions in terms of outputs and outcomes, learning opportunities and delivery to enable learning.
- Developing learning materials that will assist practitioners and learners in achieving learning objectives.
- Ensuring that the structured learning process is effective through the co-ordination of education, training and development related activities.
- Identifying learning and development needs of individuals, groups or organisation.
- Formulating plans for training and development, organisation policies and practices to accommodate their vision and mission.

Certain assumptions are made about personnel which has to serve as performance consultants in the North West Provincial Education Department if quality training and development programmes must be provided to ABET educators. Firstly, it is important to have research skills, which will ensure that the performance manager will research the felt

training and development needs of ABET educators. The performance manager should also have analytical skills, which will help the performance manager to analyse collected data to see gaps between envisaged performance and the actual performance. Furthermore, the performance manager must be a designer of programmes. This skill will help the performance manager to design programmes to the direct needs of the target group. Facilitation and assessment skills are important as well.

2.2.19 Support documents

Meigs *et al.* (1978:39) and Department of Education (South Africa, 2000c:87-88) define *supporting documents* as business paper, forms or vouchers which show the date, amount and nature of a transaction and persons involved. They further indicate that these documents are used to prepare entries in the various journals and give examples of supporting documents as invoices/statements, receipts, a cheque book, credit notes, delivery notes, purchase orders, cash book and minutes of meetings. A proper design and use of supporting documents is an important element in the internal control system (cf 2.2.13), regardless of whether the organisation uses a manual accounting system or a sophisticated computer-based system. The availability of support documents at any ABET centre cannot be completely abandoned to the records provided by the state, but must also rely on the creativity of the ABET centre manager to go an extra mile. It will therefore mean that an ABET centre manager will have to develop records over and above those which will be prescribed by the state. It also means that there is no normal ABET centre which can function properly without using prescribed supporting documents. Puttick and Van Esch (1992:110) present the following as examples of source documents, depending on the kind of an organisation:

- Sales delivery notes and invoices, statements to debtors, remittance advices from debtors;
- Purchase orders with goods received notes, suppliers' invoices and

statements;

- Wages and salaries sheets and time records, individual pay records and personnel files;
- Paid cheques, bank deposit slips and bank statements;
- Contract documents such as leases; and
- Journal vouchers and reconciliation of ledger accounts or schedules setting out computations of one sort or another.

2.2.20 Training

Gerber and Alberts (1984:82), Broad and Newstrom (1992:5), De Villiers (1997:315); the public service code (as quoted by Van der Waldt and Du Toit, 1997:394-395); Steyn (2000:10-11) and Erasmus and Van Dyk (2003:2-3) define training as all those planned and purposeful activities which enable or assist public servants or prospective public servants to improve their knowledge, skills, insight, attitude, values, working and thinking habits in such a way that they are able to perform a designated or intended job or task more efficiently. They also identify orientation training and proficiency training as two types of training. The assumption is that training and retraining in ABET will ensure that those who teach and manage at ABET centres are equipped with requisite skills to run ABET programmes correctly. Training will also help the Department of Education in the province to transform the present state registered ABET centres to provide holistic programmes. The relevant training which will provide proper knowledge, skills and attitudes, will be provided by a performance consultant (cf 2.2.18).

2.2.20.1 Types of training

Van der Waldt (2002a:181) makes reference to types of training such as orientation training, which is given to newly appointed personnel to make them familiar with specific circumstances, despite the right academic

qualifications they may posses; proficiency training which helps personnel to apply technical, communication, human, analytical and conceptual skills correctly, and sensitivity in training. It focuses on improving interpersonal relations, with the presumption that the cause of ineffective job performance lies with emotional problems. Gamble and Walters (1997:125) indicate that the training of practitioners from a diverse range of practices even when the practitioners may well engage in similar role activities, does not prepare them to fulfil the same social function. They indicate that practice is embedded in institutions which enact or represent philosophical or moral traditions and values developed over time. They say such traditions provide the institution with a set of identities that enable continuity and stability and provide principles of good practice.

2.2.20.2 Characteristics of training

Steyn (2000:10-11) presents the following characteristics of training:

- It is an intentional activity with a planned execution with clear aims and objectives, content, methods and evaluation.
- It is interpersonal in nature and occurs between a person who has the competence to train, the trainer and another person who needs training, the trainee.
- It provides the trainee with required knowledge, skills and attitudes (competencies) or opportunities to acquire the required competencies.
- It aims at preparing a trainee as a balanced person for his/her calling in life regarding his/her particular role in a particular sphere of life.

2.2.20.3 Qualities of good trainers

Marshall (1999:1-3) summarises the qualities of SMART trainers: First, they change their view of training and how best to train people, including themselves in the art of higher performance by upgrading their current thinking habits and methods as well as their current training habits and

methods. Without a favourable review of their habits and methods of training trainers will lose valuable facilitation and promotion prospects. Secondly, they remember that as important as their trainees or their institution is the person who has real power over their career in training and development profession is the trainee. Thirdly, they remain sought-after training professionals as their skills of training must ever be sharpened to become lifelong high quality personnel in the training world. Fourthly, they help others to improve as failure to help others to improve is a sign that a trainer is in a wrong job. Marshall (1999:147-154) outlines the following twelve guidelines for the code of conduct for the SMART trainers:

- Skilful, as they never skimp on their own development and learning experiences.

- Mastery, as they always have an air of control about themselves, in command of the situation of the training programme and content and have the upper hand in the training situation and use their mastery with stealth.

- Authority, as they establish their credibility with their trainees very quickly, mentor their trainees with respect and admiration and meet them on regular basis or coach trainees telephonically to help them achieve development.

- Ready like boy scouts as they are always working to a strict discipline when it comes to programme design and are able to respond quickly to training requests/needs of trainees.

- Transfer, as they ensure that their training event is designed and delivered so that it achieves true transfer of the key knowledge, skills, strategies and techniques that trainees are there to receive.

- Trustworthy, as they win their trainees over far more easily and create a far superior learning atmosphere within the training room and allow the trainees to open up with him/her.

- Resolve, as they display great resolve when it is requested by treating the transfer of key skills to their trainees as paramount, sometimes improving or adapting their usual style.

- Adroit, as they are shrewd about themselves, extremely observant, assess the training situation, they find themselves very quickly, assess the training room immediately on arrival and evaluate how the training proceedings will roll out within such confines.

- Innovative, as they get into a habit of always searching for new approaches and different routes to the same destination as they believe there are many ways of reaching the destination rather than using the same old and boring routes to reach the destination.

- Navigator, as they learn the art of being able to navigate their trainees through the learning journey via the easiest route for recall and understanding by inter-linking the road ahead where trainees are yet to go with the road back where they have come from.

- Energetic, as they know how critical the right energy levels within the training environment are to the success of the whole event of training to avoid monotone voices and static displays.

- Rewarding, as they make sure that everybody is very clear as to what the rewards will be right from the onset of the training event as they know that a reward is a key motivator of the training experience.

The conclusion that can be drawn from the twelve guidelines on the smart trainer as presented by Marshall (1999) is that all trainers should adhere to these codes of conduct. The training that is provided taking these codes into consideration would be of a high quality and would be provided effectively and efficiently, instead of wasting financial resources in training programmes that are provided as tokenism.

2.2.20.4 Training of ABET centre managers in mobilising funds

Greenfield (1999:361-362) argues that all principal financial officers and staff involved in fundraising at all levels need access to education and training in the management of NPOs. While many people come to work in NPOs with high desire and serious intentions, without any instruction or experience in the nature and the purpose of the institution they serve they cannot fulfil the role of management.

2.2.20.5 The importance of administration in training

Phillips (1991:261) emphasises the importance of training administration. He says while training administration is not exclusively related to evaluation, training administration is an important element in effective and efficient delivery of training programmes, as it helps to keep track of training attendance records, course completion records, follow-up data as well as to co-ordinate correspondence in an efficient manner. He further describes how institutions computerise training administration, which include the following types of data:

- Course title, time, date, location.
- Participants (name, title, address, employee numbers).
- Registration and placement (status, course schedule, attendance and waiting lists).
- Trainers.
- Costs.
- Calenders.

He concludes computerised training administration is essential for effective and efficient use of trainee staff and trainee time. It ensures that records are kept properly to reflect the progress of trainees.

2.2.20.6 The importance of cost analysis in training

Phillips (1991:142-148) emphasises the importance of costing training. He says some institutions use estimating worksheets to arrive at the total cost for the proposed programme, including analysis, development of content, delivery and evaluation costs respectively. He compiles the following training cost models, which he claims stimulate the behaviour of human resource development (HRM) costs under various specified conditions. The office management development (OMD) model is used in government agencies. The model has four steps, which involve making certain basic assumptions about the proposed HRD programme, selecting data from cost data tables, entering the cost data on four individual worksheets and transferring the cost data to a summary worksheet. The head model, in turn, focuses on five cost variables namely trainee costs, trainer costs, training development costs, facilities costs and maintenance costs, whereas the decision-oriented cost model is developed around a comprehensive decision-making process and focuses on the justification to conduct a programme, and is designed to be used with a spreadsheet on a personal computer.

2.2.20.7 Procedure for designing and implementing training Programmes

Phillips (1991: 62-62) points out that there are different models for the design and implementation of training and development programmes. He also indicates that many training and development programmes fail to reach their objectives due to lack of proper steps in the design process, with specific emphasis on the evaluation of the programme and desired results. Van Dyk *et al.* (1997:240) quoting Knirk and Gustafson explain that the instructional models have five common elements namely:

- Data collection.
- Assessment of learner entry skill.
- Specification of behavioural objectives or performance tests.

- A procedure for selecting presentation methods and media.

- An implementation, evaluation and revision of procedure.

Van Dyk *et al.* (1997:33) identify a number of prerequisites in order for training to be successful. The design and implementation of training should not be done in isolation but should be integrated with other interventions. Neither should training interventions be based on knowledge of the trainee, the environment and their major problems and aspirations, and training should not be offered as a social service but as a response to needs and should correspond to training policies.

From the indications made by Phillips (1991) and Van Dyk *et al.* (1997) on the procedure of design of training and development programmes, a conclusion can be made that there is no training programme that can be used to train all trainees at different places as there is no programme that is a one size fits all. The assumption is that a training programme should be designed to meet the training and development needs of the focus or target group.

Van Dyk *et al.* (1997:248-352); Erasmus and Van Dyk (2003:55-58) have found that in order to design an effective training programme the following procedures should be followed:

- Identifying organisational needs. This entails an examination of areas of management and the system.

- Specification of job performance. The specification of job performance focuses on whether people are prepared to or not capable of performing the job.

- Identifying learner needs. They say this procedure will assist the designer to determine entry requirements accurately and to decide on those instructional methods, media, techniques and approaches that would be most appropriate for the target group and which would help to

achieve best results.

- Determining objectives. Objectives guide inputs towards the achievement of specific outcomes and helps to monitor the successful attainment of outcomes. They also say objectives serve as a guideline for the trainees and trainer in evaluation of training.

- Building curriculum. This is a stage where the trainer decides what is to be learned and the sequence in which the content should be learned. This also involves examination of each instructional objective to determine specified facts, concepts, principles, skills and operations involved in each learning task and arrangement of teaching points and learning activities in the optimal learning sequence.

- Selection of instructional strategies/methods. This section examines the number of instructional methods/strategies used by many organisations in their training and to select those that will be relevant to the learning styles of the target group.

- Determination of support services. This includes media services, physical resources for the accommodation of trainees and the trainers.

- Conducting of training. The conducting of training protrudes above all stages of training design because it can be seen and is a component on which most training programmes are evaluated.

- Evaluation and feedback. Evaluation tests the appropriateness of each critical event in the process of designing a training system. It is not just a specified happening at the end, but takes place on an ongoing/ formative basis and at the end/summative. They finally say evaluation can be criterion- or norm referenced.

2.2.20.8 Evaluation of training programmes

Van Dyk *et al.* (1997:440-441) emphasise the importance of evaluating the efficiency and effectiveness of training and development programmes.

While evaluation of the efficiency and training and effectiveness of training development programmes is one of the most important aspects of the design of training and development programmes, it is the most neglected or least adequately carried out parts of the training process. Through evaluation information can be gleaned from the trainees and in the light of comments made by trainees, courses and training programmes can be amended. Evaluation of the efficiency and effectiveness of training and development programmes must not be based on intuition but on data collected through knowledge acquirement, comprehending the acquired knowledge, applying the knowledge, analysing data and finally synthesising the acquired data.

2.2.20.9 An ideal system for training ABET centre managers in financial management

Steyn (2000:20-27) refers to two types of education systems as a structure to provide for the education and training needs of a target group. The first is the national education system, and the second is the mini-education/training system. The structure is qualified by the type of education or training that is provided and by the target group which it serves, which in terms of this study involves ABET educators as managers of institutions. The national education system provides for the education and training needs of all the inhabitants of a particular territory/state through public providers (state or state-appointed) agencies while the mini-education/training system aims at solving the specific educational/training needs of a particular group of people. Furthermore, while the mini-education/training system is complete, when it is compared with the national system it becomes an education system on a limited scale as it provides educational needs on a smaller scope and could be limited to a specific competency. The mini-education/training system comprises courses of education/training programmes.

2.2.20.10 Creating a conducive environment for effective training

Rae (1994:97-96, 108-110) explains that the conducting of training can be

effective if preceded by planning, design and preparation of the training venue. He says physical aspects of a training environment in which training is to be conducted is as important as presentation/facilitation skills. If physical aspects of a training environment are wrong, even the best training can fail. A training room should be arranged properly, with training equipment like flipcharts, whiteboards and overhead projector (OHP) strategically in place. Steyn (2004:217-218, 222) also argues that training should not only be grounded on what trainees should learn, but should also take into account factors which could influence the effectiveness of a training programme implementation such as the training environment. For training programmes to be successful, there is need for management and different stakeholders in training to support the training programme. The assumption made with regard to the support of training programme is that advocacy campaigns can play a significant role in persuading all stakeholders to "buy in" the training. It was highlighted earlier in this study (cf 1.2) that many programmes that are conducted are a waste of money as there is no sign of value for money in training courses.

2.2.20.11 Basic outline for a financial management training programme

Mestry (2004:129) maintains that training in financial management should be practice-based and should comprise of the following basic outlines:

- The legal framework that underpins financial institutional management.
- Funding of institutions, including state funding, contributions from learners and donor funding.
- Management of learners' voluntary contributions.
- Financial planning, including budgeting.
- Financial organisation.
- Financial control.

- ABET centre information systems.

In conclusion, based on the overview of literature study on training, training of ABET centre managers in financial management should be contextualised to the principles and procedures laid down in this section. This will ensure that training is not done for the sake of (cf 1.2), but that it would meet the direct felt needs of the target group.

2.3 FINANCIAL ASPECTS REGARDING THE EDUCATION SYSTEM IN THE NORTH WEST PROVINCIAL EDUCATION DEPARTMENT

Steyn (2000:13) indicates that due to international co-operation between nations, the needs of different communities undergo rapid changes and are more and more characterised by specialisation. As a result of international co-operation, more and more differentiated and complex education systems are brought about. Steyn (2000:17) also indicates that the education system is created by people to respond to education and training needs of people. The education system emerges from the education needs of a particular group of people and the education system does not exist for its own sake. The education system in the North West Provincial Education Department cannot exist for its own or for the needs of certain people to the exclusion of others. It therefore calls for the education system to do a thorough study of the needs the target group to ensure that the programmes are relevant to such needs. Failure to take cognisance of the education and training needs of ABET centre managers can result in a chaotic education system.

Lifelong learning (cf 2.2.14) will have to be a focus point if the education and training needs of the target group have to be properly catered for to let the target group to cope with ever changing times in life. According to Afrik (2001:19) everyone, from cradle to the grave is learning, not for the sake of learning, but to learn to live together, to know, to do and to be. Lifelong learning is also relevant towards helping ABET centre managers to develop their financial management skills to keep in trend with the modern methods

of administering financial resources. Adult Education and Development (Anon., 2000a:263-268) says lifelong learning is about learning throughout life that it implies the rethinking of content to reflect such factors as age, gender equality, disability and economic disparity. It also points out that opportunities for attaining skills are needed. In this research study the financial management skills of the target groups will be achieved through lifelong learning. Lifelong learning is described as:

- A natural part of men's and women's lives in education and training, based on the need to maintain professional currency, having an internationally competitive workforce and the enrichment of society and people's fulfilment as individual citizens.

- A means to bring about effective economic development and to meet the demands of powerful societies.

- A means to recognise diversity and differences among people as potentially productive components of the teaching and learning process and supports the growing trend towards cross-disciplinary research, teaching and learning.

- About interaction between the learners, educators and diverse knowledge and that it calls educators to examine many of their assumptions about what is taught and why.

- A means of de-colonisation of minds by encouraging the re-examination of local communities, culture and context.

- A means to influence institutional transformation, including the acknowledgement of the lived experiences of all the learners, women and men, recognising the complex nature of adults' lives.

It becomes abundantly clear that the provision of training programmes for ABET educators and ABET centre management teams in the North West Province cannot ignore the significance of lifelong learning and the role that

it has to play in the betterment of the financial management skills of the target group. Lifelong learning will have the following implications for training ABET centre managers and ABET management teams in the province:

- ABET providers must be aware of the fact that learning is not an event but a process that takes place throughout life and as a result the training programmes will have to be adapted from time to time.

- Where possible, public and private educational institutions' resources should be jointly utilised.

- There must be creativity and innovation to those who provide training programmes to an ABET centre management team.

- Programmes for the training of ABET centre management team will have to be provided in a flexible way to suit the needs of the target group rather than needs of the providers.

Ahmed (1997:201) indicates that there is a lot of cost wastage through the academic calendar classes being held for five to six hours a day. He further indicates that during long vacations, holidays and weekends such resources are not utilised, whereas such institutions should be vibrant all the times. Asmal (1999:9) points out that schools must become centres of community life, through making its facilities being put to use for youth and adult learning, as busy schools are places the community will protect because they claim ownership of them. He further mentions that idle schools are vulnerable places inviting vandalism. It is important at this juncture, to see how the financial maintenance of the education system in the province can ensure that lifelong learning is taken into consideration when providing learning to the target group. The point of departure in this section will be to discuss the four components of the education system. Later on in the section, it will be shown how the education system can be financially maintained to make it possible to provide education and training for the needs of the target group.

2.3.1 Education system policy in the North West Province

Policy plays an important role in carrying out the daily tasks in any organisation/institution, including ABET centres. Knowledge of the policy ensures that whatever activities are planned, are planned in such a way that they will make all stakeholders to focus on the common goals. Steyn (2000:39-40) and Steyn *et al.* (1998:8), define an *education system policy* as a statement of intent of the way in which the identified educational needs of the target group are solved. Steyn (2000:39) quotes Van der Westhuizen, who identifies the following requirements for the education system policy, namely that it must:

- clearly reflect its goals;
- be consistent but also allow for the possibility of free interpretation in given (particular) circumstances;
- be published and made available to all interested parties.

It is important for ABET programme providers to know the goals of the education system policy, so that their provision of learning programmes can be directed to such goals. It is also important for the providers to interpret the policy correctly as lack of interpreting it correctly may lead to distortion of policy. The assumption made is that it is the distortion of policy which will always put implementation of policy at risk and lead to chaotic situations. On the other hand, proper interpretation of policy will make the implementation of policy easier.

Steyn (2000:46-48) points out that the education system policy can be presented in three formats, namely:

- In the form of acts.
- Government notices issued by the minister in a gazette, used to refine policy without following the long process of legislation.
- Departmental regulations in the form of syllabuses and departmental

notices to ensure the orderly and systematic provision of education.

Steyn (2000) finds that policy should be developed on aspects of personnel, finances, administration, support services, education programmes and internal external liaison. It becomes imperative for ABET programme providers to know different forms in which policy is promulgated. This will ensure that ABET centre managers are in a position to differentiate dictates of policy from political statements. Lack of differentiation between the two may lead to confusion and interference by politicians in matters that strictly merit educational approach.

2.3.1.1 The right to basic education as entrenched in the constitution of South Africa

The Constitution of South Africa is a basic law on which all the laws and policies (cf 2.3.1) are based. The assumption made is that knowledge of the content of the constitution will help ABET centre managers to develop policies that are not in conflict with the constitution or any current legislation in line with the constitution. The constitution of South Africa (South Africa, 1996a:13), states that everyone has the right to basic education, including adult basic education and training and further education and training, which the state, through reasonable measures must progressively make available and accessible.

The provision of adult basic education to the target group, however, is a constitutional right that must be protected at all costs. The provision of ABET to the learners in the NWPED, must be seen as a right rather than a favour. The provision of ABET to the target group has financial obligations. In order to phase out illiteracy by the year 2005 (Asmal, 1999:8) there must be financial resources allocated to ABET. The skills shortage portion of the South African society (Anon, 2000b:3) is made up of Blacks (88,1%), Coloureds ((8,7%), Indians (1,6%) and Whites (1,5%). To phase out illiteracy would involve addressing the shortage of skills, and redressing financial skills. The assumption is that as long as ABET centre managers

are unskilled in effective financial management, prospects of sound financial management practices are bleak. When ABET centre managers are unskilled in effective financial management, they cannot monitor the financial activities at ABET centres. It is surprising to realise that while literacy is a right, the state registered public ABET centres in the NWPED are registering a minority of the total number of the illiterate in the North West Province. The South African Assessment Report in Education (South Africa: DoE, 2000a:56-57,69,72) provides the following data which must be taken into account when compiling budgets to provide education to the ABET learners and the training of ABET educators in the North West Province:

- The North West Province has a total population of 3 342 972, which represents 8,3% of the South African National population.
- 22,7% of the North West Province population, totalling to 754 769 people, is comprised of people over the age of 20 years with no schooling.
- In 1999, only 29 051 adult learners were enrolled at state registered ABET centres, thus making it only 3,8% of the 754 769 people with no schooling at all who then attended ABET programmes to become literate. This means there were still 725 718 people of age of 20 years and above who remained illiterate during that year.

The African National Congress (ANC) (1994:87-90) and the National Department of Education (South Africa: DoE, 1995:30), suggest that large scale ABET programmes which are to be run by government bodies, employers, organised labour, NGOs, churches and civic organisations be implemented to address the illiteracy problem in the country. Tolo (2001:13) points out that SANLI has been established as part of the policy of the Department of Education to make adult education more accessible to adults, especially women. One can therefore conclude that SANLI is a strategy that government wants to use to provide ABET on a large scale rather than a

narrow one. The North West Provincial Government (2001b:59) points out that a high growth in employment opportunities is expected in highly skilled occupations and says efforts to create jobs for the unemployed is a challenge to those who are lowly skilled. Skills training should go hand in hand with job creation. The only way to make people trainable is to equip them with basic education and training. This is particularly true, taking cognisance of the number of people who need literacy skills in the North West Province.

2.3.1.2 The National Education Policy Act

The National Education Policy Act (South Africa,1996b:4&6) points out that in line with Chapter 3 of the Constitution (cf 2.3.1.1) it will advance and protect the fundamental rights of every person, which among others include protection of a person's rights in terms of unfair discrimination, basic education and equal access to basic education institutions, freedom of conscience, religion, thought, belief, opinion, expression and association within the education institutions. The Act further enables the education system to contribute to the full personal development of each student, the achievement of equitable education opportunities, redress of the past education provision to ensure that a person receives education to the maximum of his/her ability. According to the National Education Policy Act (1996b), the Minister of Education determines policy on facilities, finance and development plans for education including advice on financial matters and funding of educational institutions. The significance of this policy is that it emphasises the sentiments of the constitution, on the right people have in their education. It also emphasises non-discrimination of people in the education system. The assumption made is that existence of policy does not automatically do away with discrimination of individuals. The policy therefore needs to be known, understood and to be implemented evenly before people, irrespective of their political affiliation.

2.3.1.3 The Adult Basic Education and Training (ABET) Act (Act 52 of 2000)

The ABET Act (South Africa, 2000a:2) in its preamble outlines its aims as to:

- Establish a nationally co-ordinated system which promotes co-operative governance and to provide programme-based ABET.
- Restructure and transform programmes and centres to respond to human resources, economic and development needs of the country.
- Ensure access to ABET by persons who were marginalised in the past, e.g. women, the disabled and the previously disadvantaged.
- Provide optimal opportunities for adult learning and literacy and the development of skills to keep with international standards of academic and technical quality.
- Respond to the needs of the republic and the labour market and of the communities served by the centres.
- Complement the skills development strategy in co-operation with the Department of Labour.

One category among the disadvantaged groups as alluded by the ABET Act, is women. Wolpe *et al.* (1997:161) point out that a socio-economic profile of South African women shows them to be more affected by unemployment than men by 23% and earning less than men. Four out of every five African women in rural areas are not engaged in income generating activities, and functional illiteracy is one of the barriers to women's participation in many areas of the labour market and call for improved formal educational opportunities for women.

The conclusion made is that implementation of the ABET Act in order to redress illiteracy in women, necessitates a transformation of ABET practitioners. The transformation of ABET practitioners will ensure that the practitioners will see the provision of ABET from a completely different

perspective than it was seen in the past. This calls for the retraining of ABET practitioners in service. It also requires tertiary institutions to train ABET practitioners on modern methods of providing ABET, to ensure that when ABET educators graduate from college or university, they are holistically prepared to take up the job of educating adults with proper understanding. The policy also calls for a radical change in the provision of physical resources by the North West Provincial Education Department. It means the erection of vocational skills workshops will have to be prioritised by the North West Provincial Education Department. The assumption made is that failure to provide resources for implementing ABET policy, will lead to yet another barrier to provide quality education thus re-inventing the illiteracy and unemployment wheel. The move to provide relevant physical resources will also challenge the NWPED to prioritise the ABET budget. It is due to lack of funds to erect proper buildings suitable to meet felt needs of adults, that the present schools are utilised to host ABET centres, despite the fact that they cannot cater for holistic needs of the target group.

The ABET Act (Act 52 of 2000) (South Africa, 2000 (a):20) stipulates that the Minister must determine norms and standards for funding public Centres. The draft National Standards for Funding Public Adult learning Centres (NSF-PALCs) (South Africa, 2003:8-10) suggests that access to the norms and standards funds must be programme-based. It says funds will involve most costs incurred by the PALC including educators, even though educators are not employees of the PALC but continue to be employees of the Provincial Education Department (PED). It finally presents the following requirements for the effective programme funding:

- Clearly defined, articulated, publicly available learning outcomes for the ABET sector contained in the General Education and training qualifications and unit standards linked to specific learning programmes.
- A National quality assurance providing a framework within which providers offering ABET Levels 1 to 4 will be accredited in terms of their provisioning and assessment capacity.

- A systematic approach to Whole-Centre-Evaluation (WCE) that evaluates each PALC on annual and non-random basis.

- Effective financial monitoring by PEDs and Non Governmental Organisations (NGOs).

- Enhanced management capabilities in PEDs and PALCs since a shift to formula-based funding will be accompanied by greater institutional autonomy for PALCs.

- Vastly improved management information systems where managerial information floating up to PEDs is a by-product of good management at the PALC level.

The draft NSF-PALCs (South Africa, 2003:16-17) points out that currently PALCs do charge some form of contribution on a voluntary basis but says learners cannot be barred from attending classes as a result of non-payment of contributions charged. Payment of contributions should be construed as voluntary and that no legal or official action of any kind may be brought against learners who are unable to contribute or who on good cause shown to peers at the centre are unwilling to pay. Since the approval of the level of contributions is to be unanimous and payment is voluntary, there is no need for formal exemption procedures. There is a clear indication that the learners' rights are protected by ensuring that there is no learner who can be debarred from attending lessons on the basis that he/she has not paid charged contributions.

The conclusions drawn by the researcher about non-payment of charged contributions are that non-payment of charged contributions does not suggest the sacrifice of quality education at ABET centres. This would suggest that funding for those who are unable or unwilling to pay charged contributions will have to be raised in one way or another to maintain quality education. Failure of learners to contribute the charged contribution will also make it impossible for the centre governing body to supplement the procurement of learning support materials (LSM) for a public centre as

stipulated in the ABET Act (South Africa, 2000a:16) as part of the function of the centre governing body.

2.3.1.4 Financial policy and procedures in ABET in the National and Provincial Departments of Education

According to Steyn (2000:47) *financial policy* in essence refers to the financial control and procedures regarding the income and expenditure that occur in the particular educational system. The essence of the financial policy in the education system will be to guide ABET centre managers on the common way of administering the financial resources at such centres. This implies, as pointed out in Chapter 1 (cf 1.2), that there must be a uniform method of administering finances in the Province. Lack of uniform accounting procedures in ABET will lead to improper methods of receiving and expending money. The National Department of Education (South Africa: DoE, 1998:2) points out that a financial policy is formulated to guide departmental actions towards a specific objective. It says in the case of the Department of Education, the objective is three-fold; establish sustainable and accountable educational institutions; render accessible quality service; and render a service that promotes excellence and self-reliance, lifelong learning and democracy, while it continually contributes toward economic growth. From the objective of the financial policy of the Department of Education, it is clear that accountability plays an important role in the provision of quality education. This position of accountability in the context of ABET is placed on ABET centre managers. It is for this reason that the National Department of Education (South Africa: DoE, 1998:4) points out that ABET centre managers are appointed as accounting officers and are responsible for all financial matters. It further asserts that ABET centre managers are directly and solely responsible to the Department of Education for handling of government funds. As far as possible, this duty should NOT be delegated, but for practical administrative reasons, an ABET centre manager who is legally the treasurer of an ABET centre, will in writing delegate the power to a cashier or clerk. The ABET centre manager remains responsible for proper management of all government funds

received at the centre, irrespective of having delegated any duties to other staff members.

It becomes clear therefore, that the delegation of any financial duty by an ABET centre manager, does not imply the relegation of such a duty. It is incumbent on the ABET centre manager to own responsibility for whatever happens to the centre funds. It also means that an ABET centre manager will put mechanisms and strategies, which will assist him/her to ensure that management of funds at the centre is on track with stipulated policy. The strategies include the accounting process (cf 2.2.3), making financial analysis of the centre (cf 2.2.8), frequently asking for the financial information (cf 2.2.8), conducting periodical internal controls (cf 2.2.13) and ensuring that support documents are kept intact at all times (cf 2.2.19). Mestry (2004:131) summarises the qualities of a good financial policy as follows:

- It has a statement of the need for a policy and values and principles to reach financial goals at an institution.
- It has a statement of action and expected outcomes.
- It spells out the rules and regulations of handling money and assets with a focus on learner voluntary contributions, state funding, donations, handling of cheques, signatories to the bank account, expenditure, bank overdrafts and recording of transactions.
- It states financial control mechanisms developed by the finance committee on cash receipts, assets management, stock control and budget control.
- It outlines duties or responsibilities of the treasurer, finance committee/officer, auditor, ABET centre manager, staff and the ABET centre governing body.
- It outlines procedure to be followed when delegating duties, taking into

consideration the necessary knowledge and skills of the person delegated to perform tasks.

The conclusion made is that failure to have a financial policy in place may lead to public funds being misappropriated to the sacrifice of quality education and training provision at the centre. Lack of quality ABET programmes will easily thwart the objective of an ABET centre to contribute toward the economic growth in the province.

Flynn and Koornhof (2000:734) outline the following financial activities and source documents that arise from the accounting differences associated with non-profit organisations (cf 2.2.17):

Table 2.2: Activities and source documents of non-profit organisations

ACTIVITY	SOURCE
Maintenance of a list/register of members.	Register/file of entry of membership.
Sending statements of accounts to members	Duplicate invoices and statements.
Banking of cash received.	Carbon copies of deposit slips.
Receiving suppliers' invoices and statements.	Original suppliers' invoices and statements.
Paying suppliers for expenses	Cheques.
Reconciling the institution's cash records with the bank statements.	Bank statement and cash book.

Source: Flynn and Koornhof (2001:734).

ABET centre managers must ensure that financial activities at the centres they manage comply with these requirements. The documents mentioned previously in this study (cf Table 2.2), will also serve the purpose of support

documents (cf 2.2.19) and financial information (cf 2.2.9) to assist a centre manager to prioritise financial activities of an ABET centre.

UNISA (1993:163) mentions that in the South African situation there are essentially three sources of funding for education and training:

- Public funding acquired either via a general tax or earned tax.
- Funding from local or international donors who make funds available as a grant or a loan on the grounds of a convincing argument and the conviction that they are contributing to a worthy cause.
- Private funding, supplied by individuals and private organisations.

UNISA (1993) suggests that in order to make the best use of available funds, an institution must:

- Create an optimum balance in the mixture of public, donor and private funding which is consistent with the macro-economic situation.
- Achieve stability in this balance and be able to sustain in the long term.
- Provide incentives in the form of visible results to encourage and sustain all forms of financial investment in education and training, particularly with regard to investing in new skills required by the economy and society.

The ABET Act (South Africa, 2000a:20) stipulates that the member of the Executive Council for Education (MEC), must from money appropriated for this purpose by the provincial legislature fund public adult basic education and training on a fair, equitable and transparent basis. The legislation obliges the state to fund ABET programmes. Funding will help ABET centres, especially those from the rural areas, to provide quality education that is not affordable to the target group. There are, however, processes that are to be followed to access the money provided by the state. Boshoff and Morkel (1999:48) explain that the Department of Education must

establish an objective test by devising a managerial capacity checklist which the Head of Department will use to approve educational institutions which can be given section 21 status. They point out that section 21 status institutions deal directly with suppliers and contractors for the relevant budgeted items in accordance with standard procurement procedure. The institutions that have not been approved for the section 21 status, procure their goods and services according the existing departmental arrangements through filling VA2 forms. Such institutions will receive their paper budget to make them understand actual costs of running their institutions and improve their capacity to join the section 21 list in due course.

Menoe *et al.* (2001:2) indicate that the capacity checklist used in the North West Province allowed only 110 out of a total of 2 400 educational institutions to attain section 21 status. The number of educational institutions that attained the section 21 status makes a mere 4,6% of the total educational institutions population in the entire North West Provincial Education Department. They further indicate that the language used in norms and standards is high flown, making it impossible for the governing bodies to cope with the task of expending money from norms and standards. The norms and standards for funding ABET centres will to a certain extent cause centres to experience serious challenges. Taking into consideration the fact that 92,8% of ABET centres (Guma, 2000:131) use schools as their hosts, the implementation of the norms and standards may be duplicated. If what has been procured for the school cannot be used for an ABET centre, it would therefore mean that the centre will have to duplicate the orders. The assumption made is that it will be important for the host schools for ABET centres to work co-operatively with ABET centres to ensure the joint procurement of facilities. The joint use of resources will ensure that the facilities are jointly utilised.

There are several assumptions that can be made from the sources of funding as mentioned by UNISA (1993) and the ABET Act with specific reference to the ABET programme in the province. ABET centre managers

cannot only rely on one source of funding, but should explore a combination of funding programmes. This will assist ABET centre managers to mobilise the amount of money that will help him/her realise the goals of the centre. It also means that ABET centre managers must be equipped with the skills of mobilising such funds through the methods mentioned earlier on in this study (cf 1.2) and through fundraising (cf 2.2.10) by writing project and funding proposals to prospective donors and private organisations. ABET centre managers should also realise that public donors consider funds they donate to institutions as an investment which must bring value for money. As a result, ABET centre managers must ensure that quality results are produced. This will continue in the long term, to win the hearts of donors to continue funding ABET centres generously. ABET centre managers must provide education and training programmes which will provide the target group with requisite skills relevant to modern times and the economic trends. The assumption made is that ABET centres cannot continue to provide programmes relevant to a century ago today. This also demands for research skills on the part of ABET centre managers and educators to ensure that programmes are conducted on the basis of researched felt needs of the target group (cf 2.2.20.7).

The conclusion made is that failure to conduct research on the kind of programmes that an ABET centre must provide, will turn donors away, to the detriment of quality education services. Howe (1995:51-52) points out that an institution, even if it hires services of a private person, is responsible for the success or failure of its fundraising effort. It is important for an institution to ensure that it monitors the process of fundraising to make it a success. Mboyane (2001:4) exposes a scam where an amount to the value of three hundred thousand rand was withdrawn from the account of an educational institution allocated in terms of the norms and standards for funding. This was for reasons that were not beneficial to the institution, and the educational leader disbanded the institution's finance committee and retained the institution's cheque book. The educational institution's leader colluded with self-appointed governing body members to misuse the funds.

The system of norms and standards for funding cannot be immune to abuse by individuals or syndicates; it therefore requires vigilance on the side of all stakeholders.

The Sunday Times Career Junction (Anon., 2001a:1) gives a comparative picture of the allocation of funds to ABET by the different Provinces for the financial years 1999-2004, as shown in Table 2.3:

Table 2.3: ABET as % of the total education budgets

PROVINCES	1999/00	2000/01	2001/02	2002/03	2003/04
EASTERN CAPE	0.6%	1.3%	1.2%	1.2%	1.2%
FREE STATE	1.1%	1.5%	1.7%	1.7%	1.7%
KWAZULU-NATAL	0.3%	0.4%	0.5%	0.6%	0.6%
MPUMALANGA	0.9%	1.2%	0.9%	0.9%	0.9%
NORTHERN CAPE	0.5%	0.6%	0.5%	0.8%	0.8%
NORTHERN	0.4%	0.9%	0.4%	0.5%	0.5%
NORTH WEST	1.4%	1.4%	1.2%	1.3%	1.3%
WESTERN CAPE	0.6%	0.3%	0.4%	0.3%	0.3%
TOTAL	**0.8%**	**1.1%**	**0.9%**	**1.0%**	**1.0%**

Source: Sunday Times Career Junction (Anon., 2001a:1)

It is clear that in the medium term, ABET centres will have to raise funds to achieve the goals of providing quality education. The challenge is so impending that the ignorance of the need to raise additional funds, can render ABET centres ineffective. Taking into account the intricacy of management of funds, the ABET act (South Africa, 2000a:18) gives the governing body the latitude to establish committees and to appoint persons who are not members of the governing body to such committees on grounds of expertise. Furthermore each committee should be chaired by a member of the centre governing body. The heading of such committees by a member

of centre governing body, will ensure that a centre governing body continues, as Howe (1995:41) puts it, to oversee the finances of the organisation, maintain controls of finances and to monitor the financial statements. Howe (1995) further says the governing body through the finance committee, must ensure that the finances are in order. It becomes important for ABET centre managers to know the skills, interests and competencies of their staff (Allais, 1995:280). This knowledge will enable ABET centre managers to delegate financial duties to staff members who have competency in financial management. Failure to delegate financial management duties to personnel with expertise in this field will easily lead to mismanagement of funds. It also calls for the development of internal policy on the management of finances. Such a policy can outline the following:

- How, when and where money will be collected at the institution. This will streamline the procedure for the payment of fees and to ensure the deposit of money in time. This will also prevent the keeping of lump sums of money at the institution. It is too risky to keep a lot of money at the centre as this may lead to burglary and theft.

- Policy must stipulate when records of finances must be submitted for purposes of control. This will ensure that problems are identified and corrected at an early stage. This is part of internal control (cf 2.2.12). It is important to ensure that the staff is conversant with such control procedures.

- Policy must stipulate the procedure to be followed to expend money at the centre. This must also include the steps that must be taken before money is expended.

The North West Provincial Government (2001a:37) shows, as part of its financial policy to root out corruption, that a forensic audit was made on the basis of reported cases of corruption, bribery and fraud. It also indicates that immediate steps were taken to investigate reported cases through the South African Police Services for possible prosecution. To the contrary, Jansen

(2001:274, 279-280) indicates that dramatic policy announcements and sophisticated policy documents continue to make no or little reference to the modalities of implementation. He points out that even when policy implementation does appears on the agenda, it is often as a last-minute concession or as a way of muddling through difficulties experienced in practice within a new policy.

2.3.2 Administration policy and procedures in ABET in the North West Provincial Department of Education

It was indicated earlier on in this study (cf 2.3.1.4) that the financial management duties should be delegated to staff members with the appropriate competency levels. Focus on the administrative policy becomes important in this study as it establishes whether the personnel administrating financial activities in an institution are relevantly skilled. Steyn (2000:48) explains that administrative policy *inter alia* refers to authority and responsibilities of different functionaries in the educational system at different levels of authority and as represented in the organisational structure of personnel. Steyn *et al.* (1998:52-62) indicate that administrative policy deals with control at three levels. At the *macro* level. This concerns the organisation and responsibilities of the functionaries in the national ministry of education in South Africa. At the *meso* level. This concerns the organisational structures of the Provincial Education Department as well as at the Regional and Area Project Office level. At the *micro* level, concerned with the Cluster and institutional level management bodies. The powers and responsibilities of management bodies at the respective levels differ from each other. Steyn (2000:49-50) indicates threefold responsibilities of these functionaries:

- Responsibility for formulation, adoption and implementation of education system policy.
- Responsibility for consultation with the target group, especially different interest groups in the target group.

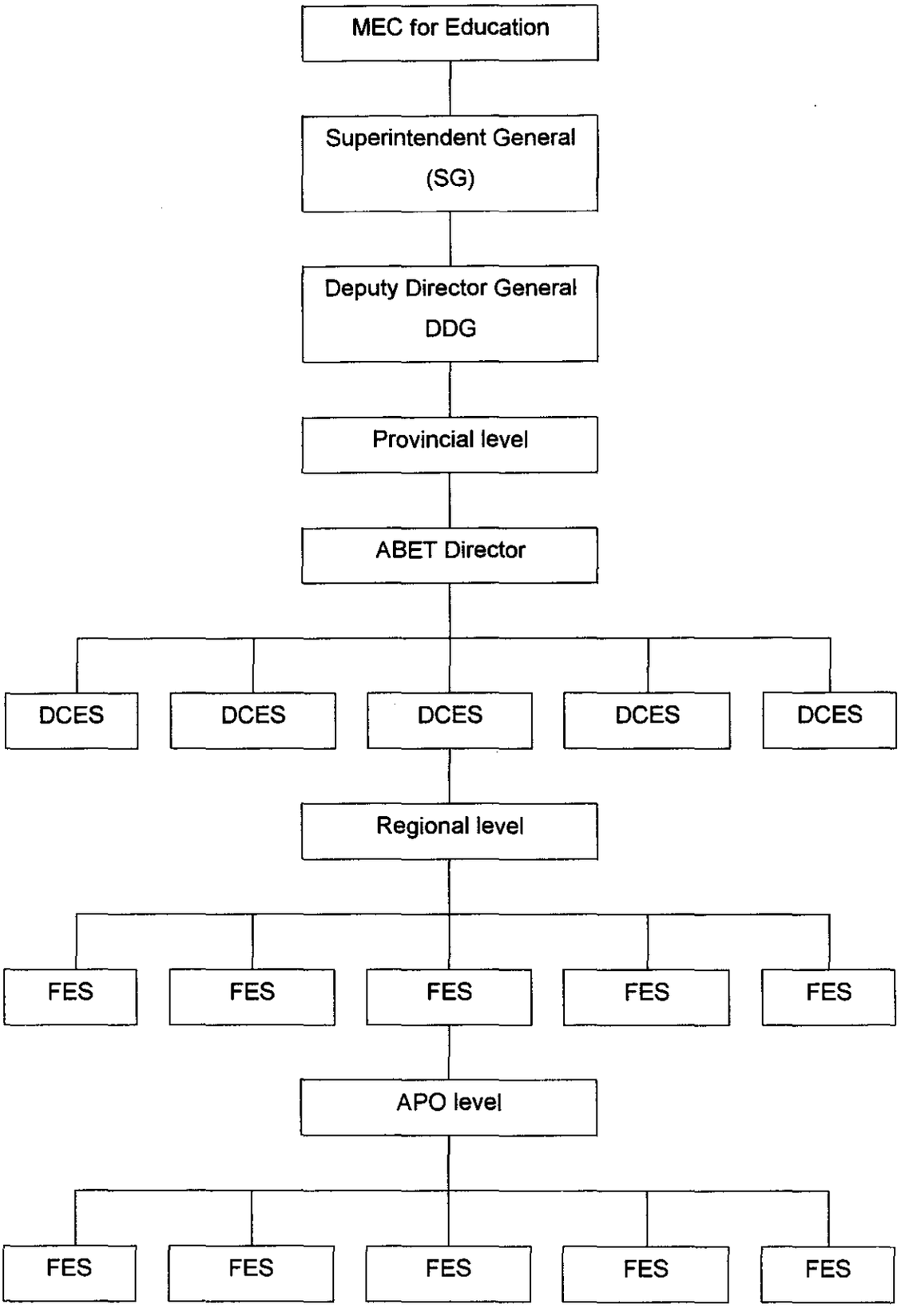
- Responsibility for agencies and functionaries in administrative structures to collect and distribute necessary finances.

The assumption made is that for ABET centres to function effectively, there is need for effective administrative personnel. The said effective personnel will ensure proper implementation of policy. The implementation of policy will have to be done within the three responsibilities mentioned by Steyn (2000) in this section. Should administrative personnel at ABET centres neglect any of the responsibilities, ABET delivery services will be negatively affected.

One of the challenges that the North West Provincial Education Department had to face since the dawn of democracy, was the integration of former administrations of which the province was comprised. Davies (1999:40) indicates that the North West Provincial Education Department comprised of six former administrations. Synchronising these Departments had to be done carefully to ensure that no one was unfairly disadvantaged by the process of integration. Davies (1999) gives the following executive structures in the North West Province: the Provincial Office situated at the capital city of the Province, Mafikeng; the Regional Offices, reporting to the Provincial Office; Area Project Offices (APOs), reporting to the Regional Offices; and Clusters reporting to the APO.

Administration of ABET programmes differs from one province to another. The National Department of Education (South Africa: DoE, 2001b:16, 24, 35, 45, 53, 61, 70, 78, 88) indicates how ABET programmes were administered in the nine provinces. In the North West, ABET activities fall under the ABET Directorate. There is now a new organisational structure the North West Provincial Education Department (North West Provincial Government (NWPG), 2001b:61) including the ABET programme as shown in Table 2.4:

Table 2.4: Structure of the North West Provincial Education Department with focus on ABET



Source: North West Provincial Government (2001b:61).

2.3.3 Structure of teaching

Steyn (2000:57) and Steyn *et al. (*1998:64) maintain that the structure for teaching indicates the structural combination of all education institutions and the movement of learners within and between the different institutions. They also describe the primary function of the structure for teaching as to create and arrange such teaching and learning situations to make it possible to provide for interests and choices of learners and demands by society. Reference must be made to aspects of education and training levels, education and training institutions, curricula, entrance requirements, as well as to evaluation and certification. A deduction made in this respect is that learners must learn what they choose to learn and not what they are taught by educators. This requires the design of learning programmes (cf 2.2.14) according to the needs of the learners and society. This will also require that whoever is engaged in facilitating learning to adult learners, must not use tailor-made programmes, as such programmes may not meet the needs of different target groups. The aspects are now discussed.

2.3.3.1 ABET education and training institutions in the North West Province

In terms of the National Qualifications Framework (NQF), education and training programmes for ABET educators should be located within the NQF Bands (HSRC, 1995:20). The fundamental point to make in this regard is that programmes offered at the different locations, must be accredited for the purpose of portability. As 92,8% of ABET centres in the province were accommodated at schools (Guma, 2000:131) Centres accommodated at these schools cannot maximally serve the education and training needs of the target group. As a result of the staggered use of the physical resources at these schools, it means the ABET Act (Act 52 of 2000) cannot be implemented on a large scale (cf 2.3.1.3). Koltai (2002:132) has found that institutions attended by adults should be made accessible, their accrediting process should make it easy for adults to be credited for their prior learning and avoid pointless duplication of effort to decrease the amount of time

spent studying before gaining a qualification or degree. Where schools which accommodate ABET centres are not properly equipped with the relevant technology, attempts to transform them from night schools to ABET centres will remain a pipe dream. No matter how determined and committed educators can be in ABET, the availability of resources will determine whether they will achieve their goals or not.

In terms of the National Department of Education (South Africa: DoE, 1997a:10-13) there are four types of educational institutions that can provide adult education:

a) Public ABET centres

These institutions are established and maintained by the state to offer education to adults. Such institutions are accommodated at existing schools or public institutions (e.g. technikons, technical colleges and government departments. ABET centres may either focus on the programmes defined by the NQF as well as courses aimed at community development and personal enrichment. With an intention to curb the problems experienced at satellite Centres in the 2001 academic year, the Department decided to merge ABET centres (see Annexure 5). In terms of the ABET Act (South Africa, 2000a:10) merger of centres must be done according to the following procedure:

- Notice must be given by the MEC for education about his/her intention to merge ABET centres in question.

- The MEC for education must publish a notice giving reasons for the proposed merger in one or more newspapers circulating in the area in which the centres are situated.

- The MEC for education must give the governing bodies of the centres in question and any other interested persons an opportunity to make representations within ninety days from the date of notice referred to merge centres .

- It must be insured that the employers of staff at the public centres in question have complied with their obligations in terms of the applicable labour law.

- Assets, liabilities and obligations of the merged centres must rest in the single centre into which they are merged.

- Governing bodies of the merged centres must have a meeting before the merger to constitute a single interim governing body.

- The interim governing body must decide on the budget and differences in the code of conduct and fees as well as any issue that is relevant to the merger.

- The governing body of any public centre to be merged, must be given an opportunity to appeal to the Minister against the merger.

The Superintendent General in the North West Provincial Education Department (Karodia, 2002 (a):1-2) indicates the factors which need to be taken into consideration when merging educational institutions, as this will ensure cost effectiveness of such mergers. He specifically refers to the distance between/among the educational institutions that are to be merged, availability of transport for learners who may need to travel to the centre to which they are merged, the curriculum, the consent of the learners and the CGB, to ensure that learners are not disadvantaged.

b) Satellite ABET centres

Satellite ABET centres form part of the main ABET centre. Classes are conducted at a different building (e.g. school, church, library or community centre). Satellite ABET centres are established if learners cannot have easy access to the main centre due to distance. Satellite ABET centres use the registration of the main ABET centre adding the name of the Satellite ABET centre. In an effort to redress the problem of ghost educators in ABET and the indiscriminate mushrooming of satellite ABET centres in the entire province, a new application form was designed for the purposes of re-

registering all centres (see Annexure 6).

c) State-aided ABET centres

State-aided ABET centres are established at the initiative of a group. These groups include mines, factories, hospitals, and churches if they wish to provide facilities for persons or individuals outside the ABET centre. Application for registration is made by the group even if this group lives in an area where there is an ABET centre. Such centres provide their own resources, with the proviso that the education department may provide learning materials and the training of educators through an agency appointed by the department. The state-aided ABET centres may apply for a grant for the department to remunerate part-time educators at the centre, pending the availability of funds.

d) Private ABET centres

Legislation requires these centres to register with the department. Such centres do not receive any subsidies or grants-in-aid from the department. There are arguments that the state's emphasis on the registration of such centres, is an attempt to stifle the freedom of NGOs in providing quality education. Registration can be a means through which the department ensures quality delivery of programmes in ABET. Without this measure, many institutions will emerge, offering poor programmes which will not give the target group value for their money, while the target groups do not get any value for their money. Such programmes have a negative impact on the economy of the province.

2.3.3.2 Learners in ABET

Koltai (2002:132-133) indicates that in the structure of society many prospective ABET learners who have had no chance of schooling during their youth days and who have to face a qualification deficit are pushed to the margins by their financial situation and can thus not join the world of work. Marginalised target groups are under-educated, unemployed and might experience other social disadvantages and discrimination. Unemploy-

ment has become their way of life and they can pass their cultural disadvantages to their next generation. Adult education should turn to these people with empathy and support programmes through various bridging-the-gap programmes and to campaign to ensure that such marginalised people can join adult education to learn in parallel but also together with their children.

The admission of learners in ABET has financial implications, as the Provincial Education Department has to fund the remuneration of ABET educators. In terms of the National Department of Education (South Africa:DoE, 1997:18) no person shall be registered at an ABET centre unless he/she is sixteen years or older. Adams and Lombard (2001:100-101), however, indicate that the admission policy on the exclusion of over-aged learners from schools, could further contribute to the number of learners who will need to be educated at ABET centres. They further indicate that 2 million primary and 1,6 million secondary learners in South Africa were over-aged. The exclusion of these over-aged learners from mainstream schools and the direction that they should be re-directed to ABET has serious financial implications to the ABET budget, which is only 1.2% (cf 1.2) of the entire education budget in the province. As the meagre budget cannot fund these numbers of illiterate learners, the number of illiterate people will continue to grow, despite the commitment to phase out illiteracy by 2005 (cf 1.2). The out-of-school youth and adult learners who did not have an opportunity to have basic education or went to school but did not acquire the status of basic education, also form part of the target group in ABET. Another group of learners who form part of the target group in ABET is the unemployed, the under- or unskilled and those who are at the brim of retrenchment or are already retrenched. The Sunday Times Career Junction (Anon., 2001b:1) indicates the following problems that need to be addressed:

- The rate of unemployment which is running at about 37%.
- The shedding of jobs.

- The estimates that only 5% of school leavers will find formal jobs in the future.

2.3.3.3 ABET educators/personnel

The concept *ABET educators* (Education Training and Development Practices (ETDP) 2001:31) refers to all those who are facilitating and /or providing skills training for adults from ABET levels one to four. The ETDP further indicates that currently, the majority of adult educators do not have job descriptions, as the seven roles of an educator as described in the Norms and Standards for Educators are generally used as a measurement for ABET educators, although they are not applicable for the ABET educators. The ETDP (2001:32) finally recommends the following core responsibilities for ABET educators and centre managers respectively:

Core responsibilities of educators:

- Teaching.
- Extra-curricular activities.
- Administration.
- Interaction with stakeholders and
- Communication.

Core responsibilities of ABET centre managers:

- General Administration.
- Financial management.
- Personnel management.
- Teaching.
- Extra-curricula activities.

- Interaction with stakeholders and
- Communication.

According to Rogers (2004:61) it is appropriate to ensure that educators should meet the felt needs of the target group. In order to meet these felt needs, adult educators should fulfil certain roles, such as determining and assessing the felt needs of the prospective learners, matching the design of programme with the economy and labour market needs, planning learning content with all stakeholders (employers and learners), implementing programmes to accepted standards, and monitoring implementation, evaluating the effectiveness of the programmes and giving feedback. The assumptions which can be made in view of the responsibilities of educators and ABET centre managers include that there must be proper administration of the ABET programme in the province to ensure that financial resources are utilised efficiently and effectively, and that ABET centre managers, should be in a position to account to stakeholders on how finances are utilised to ensure quality programmes. The latter roles also challenge the centre managers to realise that their duty is not only confined to teaching but as well as to the effective management of financial resources at the centre. Koltai (2002:225-226) indicates that many ABET educators work part-time and receive a contract only for a set period of training. The practice of employing ABET educators on contract is a clear indication that the state does not assume liabilities for the significantly more expensive costs of permanent and established employment in the ABET sector. The continuous employment of ABET educators on a part-time base will unfortunately affect the quality of ABET programmes as the ABET sector cannot pay enough attention to train ABET educators as educators will continuously leave the ABET sector for better opportunities somewhere else.

2.4 FUNDING THE ABET PROGRAMME

The main reason behind the failure and collapse of many programmes is

failure to develop strategic plans around programmes and to mobilise adequate financial resources to fund the strategic plans (cf 1.2). The failure to plan properly, leads planners to focus narrowly on what is to be achieved. It is important for programme managers to fully know and understand the processes that will lead to the success of programmes they embark on. It will also be important for the programme planners to make a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the programme that has to be embarked on. The assumption is that this analysis will make the planners to know what they already have, what they will need, where they will find what they need, what challenges to anticipate in the implementation of the programme and how such challenges will be approached.

The conclusion made by the researcher is that it is only when these facts are well known that the programme will start and reach its goals. Sussmuth (2003:190-191) shows the importance, necessity and possibilities of public-private partnerships in the funding of education and training activities in any country. However, she warns that such partnerships should not lead to the state being allowed to escape its responsibility of funding education and training activities. She further reports that she has noticed that only a small proportion of young people and young adults see a point in taking part in ABET activities that are not adequately funded and which are not concerned with their success. The National Department of Education (South Africa: DoE, 1997a:30) confirms lack of sufficient funding of ABET programmes in the Provinces, the North West Provincial Education Department included, by pointing out that ABET is marginalised at Provincial education levels budgets. The amount of money budgeted for ABET in the Province (cf 1.2) is evident to this. Taking into consideration the indication that ABET is marginalised, the conclusion that is drawn is that for ABET programmes to be funded properly, the following processes must be taken into consideration to held the ABET centres to mobilise funds in addition to those funds provided by the state.

2.4.1 The mission statement of an ABET centre

Bisschoff (1997:64-65) argues that knowledge of an institution's mission statement is a point of departure in drawing the budget. It is in the mission statement that the staff at an ABET centre, the learners and the stakeholders will understand the goals that have to be achieved and the strategies to put in place to achieve such goals. Bisschoff (1997) also describes a budget as a mission statement of an organisation expressed in monetary terms. The following conclusions can be made on the basis of the indications by Bisschoff (1997):

- Any leader who runs an institution without a mission statement is like a pilot who goes on a voyage without a radar. The institution may be run on day to day basis on the temperaments of individuals. Individual interests will be the order of the day.

- Any institutional manager who initiates the development of a mission statement but fails to market it among staff members, learners and stakeholders will lead the institution into chaos and disaster should the mission statement be imposed on others.

- Budgets drawn without considering the mission statement of an institution will be a smoke screen and will not help the institution to reach its goals.

Bisschoff (1997:78-79) explains that the mission statement must comprise of the following aspects:

- It must refer to the philosophy of the institution based on the existing legislation, e.g. the country's constitution and the ABET Act.

- The needs of learners, the community and stakeholders.

- Learner centred programmes.

- Quality assurance, which indicates how the institution will develop its staff, conduct action research and how it will service the community, and

how to increase the quality of education at the institution.

The mission statement can only be developed when the management and staff know the needs of the target group and the community. Failure to know and understand learners and the community in which an institution operates will lead to the development of a misguided mission statement and the design of irrelevant programmes. Recruitment of educators should be done on the basis of the mission of an institution. It also means programmes designed should be geared towards the mission. This will result in educators not being employed to provide them with jobs, whereas their employment will not ensure the achievement of the ABET centre mission. Educators must view their appointment from perspective of offering services for which they will be remunerated.

2.4.2 Determining resources needed to run a programme

The next step after determining the mission statement of the institution is drawing up a list of all resources that will be needed to run the programme effectively. The list should not be a mere wish list, but must focus on the needs of the entire programme. The assumption made is that failure to list all resources needed may lead to the programme running out of funds as the budget would be based on a wrong premise. Rae (1994:99) provides a following list of facilities and factors that should be taken into consideration when considering the resources needed to provide quality ABET programmes.

- A suitable room to allow for the division of the group into sub-groups.
- Accessibility of the training centre.
- Security of learners and educators.
- Air conditioning of the learning area.
- Suitable provision for note taking facilities relevant to the particular training.

- Comfortable sitting accommodation for adult learners.
- Natural lighting.
- Temperature control.
- Availability of ablution facilities.
- Availability of visual aid equipment where necessary.
- Doors that open and shut and which preferably do not have glass panels through which outsiders can be seen.
- Location and suitability of electric points.
- Relevant training techniques.
- Widows which can be opened or closed and which can be shielded against glare.

Caffarella (1994:178) suggests the following budget items and the estimated costs as indicated in Table 2.5:

Table 2.5: Programme expense budget

Budget costs	Development costs	Delivery costs	Evaluation costs	Subtotal
Staff salaries.				
Staff benefits.				
External consultants.				
Instructional materials.				
Facilities.				
Transport expenses.				
Catering expenses.				
Equipment.				
Promotional materials.				
General overheads.				
Support services.				
Others.				
TOTAL				

Source: Caffarella (1994:178).

2.4.3 Determining how a programme will be financed

At this stage, it is important to determine where funds needed to fund the programme will come from. Wilson (2003:26) points out the National Department of Education recognises the centrality of the right to basic education. However, despite this recognition the National Department of Education is unwilling to acknowledge that if financial resources currently available to Department are inadequate to realise the target group's right to education, it must rearrange its total budget to increase education to adequate levels. Wilson (2003:26) also maintains that while the Department of Education says poor educational institutions should not charge fees to buy essential equipment, the Department has not been able to provide such poor educational institutions with adequate funding. He finally points out that since provinces operate on tight budgets and that cash stripped Provincial Education Departments will be tempted to grant poor educational

institutions the right to charge contributions simply to relieve pressure on their scarce financial resources.

From the statement made by Wilson (2003) it can be concluded that it is not proper for ABET centre managers to hallucinate about large sums of money that are needed to finance programmes at ABET centres when there is no knowledge of where money will come from. Caffarella (1994:21) indicates that sources of funds can be through contribution by learners, donor funding and state funding. Ritchie (1998:2) also indicates that funding can be available from foreign donors in the United States of America, Canada and European countries. As mentioned earlier in this study (2.4.1), the budget is a mission statement expressed in monetary terms. The budget has the following advantages and factors that may hinder its processes, as indicated by Weil and Noi (2001:289-290):

2.4.3.1 Advantages of a budget

- It clearly defines the institution's policies and procedures.
- It motivates all stakeholders to work together towards achieving common objectives.
- It properly coordinates activities of all divisions, sections and units with specific areas of responsibility.
- It creates an increased awareness of the importance of cost considerations in the operations of an institution.
- It sets standards for key elements of cost so that any deviations from standards can be promptly controlled.
- It assists in easy identification of problem areas and ensures that corrective action is taken.

2.4.3.2 Factors that hinder the budget process

- High costs of monetary terms of implementing an effective budgeting and

budgetary control systems.

- Possible negative attitudes of staff towards the budget system.
- Inaccurate forecasts putting staff pressure.

Weil and Noi (2001:290) indicate that budget systems need to be clearly communicated to all organisational stakeholders especially to an organisation's employees. They say employees must be informed because they will be required to participate in a budget as the working conditions of such workers will be affected by the budget. According to them, allowing staff to participate in the budget process has the following dividends, namely that it:

- Provides an opportunity for in-service training for staff. When staff is guided on budgetary processes it gains insight on how budgets are drawn as it gives participants to get coaching on how to budget accurately.
- Makes the institution experience continuity as other members who remain with the institution will know how to draw a budget when an ABET centre manager leaves.
- Allows staff to make inputs on their learning area needs so that they are addressed adequately.
- Helps staff in its career path.
- Motivates staff as it shows that its ideas are recognised.

2.5 CONCLUSION

In this chapter definition and clarification of key concepts were given to create a common understanding around the concepts used in this study. The chapter further focused on the four components of the education system, namely the education system policy, the education system

administration, the structure for teaching and support services, specifically as based on ABET. The chapter finally focussed on the ways in which funds can be mobilised to deliver effecting teaching services at ABET centres in the province. The next chapter will focus on policy on the educational financial management at ABET centres in the province, based on the existing legislation.

CHAPTER 3:
POLICY ON EDUCATIONAL FINANCIAL MANAGEMENT AT ABET CENTRES

3.1 INTRODUCTION

In the previous chapter, definitions and clarifications of key concepts that will be used in this study and the theoretical background were given. The chapter also made a study of non-profit organisations and the financial management at ABET centres.

In this chapter, focus will be on the policy on financial management at ABET centres. In discussing the policy around financial management at these institutions, reference will be made to the clarification of concepts and theory as discussed in Chapter 2. The purpose of referring to chapter two is to determine whether there is congruence between the existing financial management policies at ABET centres and the theory in Chapter 2.

3.2 FUNCTIONS OF ABET CENTRE MANAGERS WITH REGARD TO FINANCIAL MANAGEMENT AND ADMINISTRATION

The planning of activities at an ABET centre ensures that financial and other resources are utilised maximally towards the achievement of an ABET centre's mission and goals (cf 2.4.1). Makhene (2000:4-11) presents three levels of planning and four stages of strategic planning of the ABET centre management team:

3.2.1 Levels of planning

- Effective planning which involves the elements of:

  a) A vision and philosophy of an institution.

b) A mission and goals of an institution describing the core business of an institution.

c) A list of critical factors (internal and external) that may constrain the institution from its broad activities and those that can help an institution to meet the challenge.

d) A list of role players and stakeholders who can support or hinder the institution from carrying out its goals.

e) A set of priority strategies that an institution would need.

f) A three-year programme of action with key performance indicators and the monitoring mechanisms that will be applied.

g) A sustainable plan which includes human, physical and financial projections.

- Effective management which focuses on what is to happen at an institution for it to function optimally at an operational level through resourcing an institution, co-ordinating activities, giving support to staff, monitoring and accounting/reporting to the institution.

- Effective service delivery which focuses on:

a) Finance and administration to ensure service delivery.

b) Programme development and implementation by planning the optimal use of financial resources, physical resources and other resources.

c) Providing a sound quality management plan which includes continual assessment and support for those involved in the delivery of services and staff appraisal.

3.2.2 Strategic planning stages

In order to plan the financial activities at an institution, the four strategic planning stages have to be explored by management prioritised as follows:

- Analysis of internal factors affecting the institution including its strengths, areas of challenge and critical issues.
- Analysis of the external environment of the institution including community needs, economic needs, population and target group needs, critical issues, opportunities, threats, strengths and areas of challenge.
- Development of strategic direction through the vision and mission statements, core services to be rendered, prioritising activities and resources.
- Development of a programme of action by having in place short and medium term intervention, identifying indicators of effectiveness and monitoring mechanisms.

From the indications made by Makhene (2000), a conclusion can be drawn that proper planning is necessary for the ABET centre management team to be successful in providing quality education and training to the target group. The assumption made is that any ad hoc provisioning of ABET programmes without proper planning may lead to a waste of financial, human and physical resources at ABET centres.

A pivotal role of an ABET centre manager as an accountable officer to the Department on financial activities is to effectively manage financial resources at an ABET centre. Flynn and Koornhof (2001:875) point out that the most frequently quoted reason for institutional failure is poor financial management. Furthermore, while the quality of financial management is difficult to assess, financial statements of an institution often provide details of the experience of top management in an institution. Dyson (2001:12) defines *financial management* as a branch of accounting through which financial managers are responsible for setting financial objectives, obtaining

the finance needed to achieve the plans and to generally safeguard all financial resources of an institution. Smit (2000:183) points out that one of the biggest weaknesses with educational institutions with regard to financial management is poor control over finances. Financial management also warns the institutional management team about problems on the way of management and shows management the best routes to take. Financial management means good record keeping so that an educational institution can achieve the following seven benefits:

- using all resources effectively;
- always being informed about the financial position of an institution.
- being able to make informed decisions.
- easily identify problem areas like debts.
- control delivery of quality services.
- measure what the institution actually achieved against what it originally intended to achieve.
- determine and control assets of an institution.

In order to safeguard the financial resources an ABET centre management should maintain a good bookkeeping system in order to account for the funds entrusted to its care (cf 2.2.2;2.2.3 and 2.2.13). Dyson (2001:11) defines *bookkeeping* as a mechanical task involving the collection of basic financial data. Data is first entered in special records, known as *books of account*, and then extracted and summarised in the form of surplus and deficit account and balance sheet. The bookkeeping procedures usually end when the basic data have been entered in the books of account and the accuracy of each entry has been tested.

Regenesys (2000:50-53) indicates one of the government's main pillars for transformation and performance improvement strategy to be devolution of

managerial power from higher level government institutions to lower levels of educational institutions, also referred to as *cost centres*. Successful devolution of financial management requires certain preconditions. These include clarification of roles and responsibilities of financial managers, financial management capacity building, mechanisms for rewarding good performance and discouraging bad performance, broader public sector reforms (with regard to culture change, structures change like Human Resources information systems) and an appropriate change management process. Regenesys finally points out that when power is devolved the importance of stewardship delegation should take into consideration the following factors:

- The desired results and methods of achieving the results.
- Provision of guidelines for operation but avoiding restrictive principles.
- Resources needed to reach the desired results (human, financial, technical and otherwise).
- Establishment of standards of performance that will be used to evaluate the desired results and specification of times that the reporting and evaluation will occur and the person who will be responsible for specific areas of tasks.
- Indication of both the positive and negative consequences of what will happen as a result of the evaluation process, i.e. financial rewards, promotion, further projects or disciplinary action.

The North West Provincial Education Department (2002b:17) presents the following duties and responsibilities that the Department of Education in the province devolves to an ABET centre manager as an accounting officer (AO) at an ABET centre:

- co-ordination of the budget requirements of the different projects and compiling a comprehensive budget for the ABET centre based on its key objectives;
- monitoring expenditure against the budget on monthly basis;
- processing and controlling of payments;
- requesting and evaluating accounting reports;
- providing financial support to the line and responsibility managers;
- controlling vouchers and payrolls for educators;
- providing internal control
- control of revenue, and
- responding to audit queries.

The North West Provincial Education Department (2002b:8-9) points out that given the significant performance expected from the AO, it becomes necessary to allow the AO to delegate any power or duty he/she has under the Public Finance Management Act (Act 1 of 1999) in writing or verbally to an individual or post within the institution. However, delegation does not divest the AO of the responsibility for exercising the delegated power or duty. An official can also be charged with financial misconduct if he/she wilfully or negligently fails to exercise power or duty assigned in terms of section 44 of the Public Finance Management Act. It is finally pointed out that the delegation of authority in financial management must go hand in hand with training on matters being delegated to ensure their effective execution.

The Adult Basic Education and Training (ABET) Act (South Africa, 2000a:16) says the ABET centre governing body (CGB) is responsible for budgeting and financial management systems of the ABET centre. The ABET centre manager is, however, not exonerated from monitoring and accounting functions on financial activities at the centre he/she is appointed.

Doyle (2002:13) points out that the accounting officer is obliged to account for the effective and efficient management of his/her institution and thus cannot avoid responsibility. Black (2000:2) and Bebbington *et al.* (2001:8) quoting the American Accounting Association, defines *accounting* as the process of identifying, measuring and communicating economic information about an institution in order to permit informed judgements by users of information. Black (2000:2) and Bebbington *et al.* (2001:8) finally point out the following key aspects of accounting:

- Identifying the key financial components of an institution such as assets, liabilities, income, expenses and cash flow.
- Collecting, describing and recording financial information.
- Measuring the monetary values of the key financial component in a way which represents a true and fair view of the institution.
- Processing and communicating the financial information to users in a way which is useful to the users for them to know what happened to the institutional resources in order to support economic decisions.

An ABET centre manager as a public servant is, in terms of the Public Service Commission (2002:44-46) code of conduct, expected to be honest and accountable in dealing with public funds. He should also use public service's property and other resources effectively and efficiently and only for authorised official purposes and to report to the appropriate authorities any fraud or corruption. The Public Finance Management Act (South Africa, 1999:28, 30) presents the following responsibilities of an ABET centre manager as an accounting officer, to maintain:

- An effective, efficient and transparent systems of financial management and internal control.
- A system of internal control.

- An appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.

- A system for properly evaluating all projects prior to a final decision on the project.

- Effective, efficient, economical and transparent use of resources of the ABET centre and the Department.

- Effective and appropriate steps of collecting all money due to the institution.

- Measures for prevention of unauthorised, irregular, fruitless and wasteful expenditure and losses resulting from criminal conduct.

- Measures for the management, including the safeguarding and maintenance of the assets and for the management of liabilities of the institution.

- Measures for the settlement of the obligations and the payment of all money owing within the prescribed or agreed period.

- Procedures for immediately reporting on discovery any unauthorised, irregular or fruitless and wasteful expenditure and procurement of goods or services.

- Taking effective and appropriate disciplinary steps against any official in the service of the Department who contravenes or fails to comply with the provision of the act, commits an act which undermines the financial management and internal control system of the Department or makes, or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure.

- Measures to prevent making payment of funds to institutions that do not implement effective, efficient and transparent financial management and internal control systems.

- Measures to prevent committing an institution to any liability for which money has not been appropriated.

- Keeping full and proper records of the financial affairs of the ABET centre in accordance with any prescribed norms and standards.

The North West Provincial Education Department (2003b:10) defines a *sound financial manager* as someone who achieves the good objective of good governance to ensure the highest quality services rendered at the lowest possible cost for the benefit of all stakeholders in education. The statement clearly indicates that the ABET centre manager should be someone who will always ensure quality services at a lowest cost. The North West Provincial Education Department (2003(d):5-6) indicates the following administration management and control duties that an ABET centre manager has to carry out as they form part of his/her financial management tasks:

- Educators' leave.

- Pension funds (where applicable).

- Unemployment insurance fund (UIF).

- Medical Aid Scheme.

- Bursaries for both learners and educators.

- Workmen's compensation.

- Long service recognition.

- Overtime remuneration.

- Performance management.

- Skills development and training.

- Employment equity.

Bunton and Associates (2003:c64-c65) also outline the core duties and responsibilities of an ABET centre manager in regard to administration, personnel, teaching, interaction with stakeholders in ABET and communication which have effect on the financial management at an ABET centre:

- Professional management of an ABET centre.
- Time-tabling of teaching programmes, admission and placement of learners.
- Keeping various kinds of ABET centre accounts and records properly and to make the best use of funds for the benefit of learners in consultation with appropriate structures.
- Making regular inspections of the ABET centre premises and equipment and to ensure that they are used properly for the benefit of an ABET centre.
- Being responsible for staff and learner activities at the ABET centre.
- Provision of professional leadership within an ABET centre.
- Ensuring that workloads are equitable among the staff.
- Development of staff training programmes, induction of new staff to ensure the achievement of educational objectives in accordance with the needs of an ABET centre.
- Participation in the appraisal of educators in order to regularly review their professional practice with the aim of improving teaching, learning and management.
- Engaging in ABET levels teaching as per the workload of his/her post and needs of the ABET centre.
- Assess and record the attainment of learners taught.

- To serve on the ABET centre governing body and to render all necessary assistance to the centre governing body (CGB) in the performance of their functions in terms of the ABET Act (Act 52 of 2000).

- Liasing with the area project office community and rural development officer, the finance section, personnel section concerning administration, staffing, accounting, purchasing of equipment, research and updating of statistics in respect of educators and learners.

- Liasing with other relevant government departments for common utilisation of available resources.

The ABET centre manager has financial responsibilities with regard to the administrative duties he/she should perform at the ABET centre. The Public Finance Management Act (South Africa, 1999:36) stipulates the following responsibilities of the ABET centre manager, namely that he/she:

- Must ensure that the system of financial management and internal control established for the department is carried out within the area of responsibility of that official.

- Is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility.

- Must take effective and appropriate steps to prevent, within that official's area of responsibility any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due.

- Must comply with the provisions of this Act to the extent applicable to that official including any delegations and instructions which include delegating accounting duties to officials in writing, instructing officials of the department to perform any duties assigned to the accounting office.

- Is responsible for the management including the safeguarding of the assets and the management of the liabilities within that official's area of responsibility.

Doyle (2002b:30-31) points out that the Public Finance Management Act (PFMA) introduces a new era of financial management in South Africa. She also points out that the PFMA has the objectives of regulating financial management at all levels of government institutions, of ensuring that all revenue, expenditure, assets and liabilities of government institutions are managed effectively and efficiently, and of providing for the responsibilities of persons entrusted with financial management in government institutions. In addition, both financial and non-financial professionals should be suitably equipped to implement the reforms that the PFMA envisages. The vision underlying the PFMA is a move towards public sector institutions that will have:

- Stable financial systems and processes generating necessary information for managers.
- Budgeting processes that are transparent and open.
- Effective and efficient management of revenue, expenditure, assets and liabilities.
- Unqualified consolidated financial statements prepared on the accrual basis.

Doyle (2002b:13-14) identifies a number of administrative duties of the public institution financial manager, such as accountability to the public regarding the resources entrusted to his/her care as this is a fundamental aspect of good governance; accountability regarding the effective and efficient use of resources entrusted to him/her; being accountable to the public/taxpayer with regard to their effective and efficient execution of their tasks that include the collection and spending of public funds; and being responsible for all financial activities and ensuring that all financial practices

that occur in the institution are above reproach and open to public scrutiny. Doyle finally articulates the following standards that have to be adhered to in the public financial management:

- Financial management must be performed by or under the supervision of personnel who have the necessary technical training or competency.
- The financial impact of decisions affecting institutional outputs must be considered objectively with the aim of providing the public with economical, efficient, effective and appropriate services or products.
- Due professional care must be exercised during all financial decisions affecting the outputs of an institution.

The North West Provincial Government (1996:4-5, 16) stipulates the duties and responsibilities of financial managers as follows:

- Determine whether the objectives, programmes and objects of the educational institution are clearly defined and measurable and to advise staff on the promotion of effectiveness in persuasion of the objectives of the institution.
- Advise the treasurer on the effectiveness of the institutional structure for the support of the identified functions in the objective and programme structures of the institution.
- Ensure that financial management measures exist to support healthy objectives and programme management and to ensure that the institution keeps within approved budgets.
- Continuously evaluate whether sufficient measures exist to reveal inefficient and uneconomical use of organisational moneys, property and other resources for which staff is responsible and shall advise staff on the establishment and improvement of such measures.

- Advise staff on the financial results that would be brought about by new projects, services and changes to existing projects.

- Carry responsibility and accountability of any duty or responsibility entrusted to a subordinate person.

- Ensure that proper systems of internal financial control are put into practice at the institution.

- Control the costs of expenditure at least on a monthly basis against the allocated funds and advise staff on correctional actions to be taken.

- Evaluate different projects of the institution in order to identify wasteful practices and to advise the treasurer and the centre governing body on correctional actions to be taken.

- Co-ordination of training in financial and management and ensure that responsibility managers utilise training courses presented by the service providers.

- Give prompt attention to all audit queries and arrange where applicable for replies on audit minutes to be given and signed.

- Issue instructions that shall not be inconsistent with the Provincial and National financial regulations, in connection with the collection, receipt, custody and payment of money or any other matter concerning financial administration and internal control (cf 2.2.12).

An ABET centre manager must therefore know the rules of financial management principles. This can be done through a thorough study of legislation in the area of financial management. This also requires the proper interpretation of legislation and the proper implementation thereof. Financially skilled ABET centre managers are also needed. The assumption is that without proper financial management skills, an ABET centre manager may not be in a position to innovate new ways and instruments to combat financial crime which will keep in line with efforts of crime syndicates who

always would improve their criminal methods. The failure to have proper skills will see scarce financial resources of the ABET centre being misused to enrich individuals instead of the institution and the target group (cf 1.2).

The North West Provincial Government (1996:5) was determined that no person in the employ of a government department shall use state money or property for personal or unofficial purposes unless, in the case of state property but excluding state money, he/she is duly authorised thereto by law or by the treasury. The conclusion that can be drawn from the theory on financial management in this section is that an ABET centre manager cannot develop financial management skills on his/her own. Pre-service training or in-service training programmes have a significant role to play in this regard. The assumption made is that without the financial management skills, ABET centre managers will not be in a position to mobilise and utilise financial resources effectively and efficiently.

3.3 SOURCES OF FUNDING IN ABET

In Chapter 1 (cf 1.2) mention was made of different ways of financing learning programmes in ABET. Badenhorst and Scheepers (1995:131-133), Buchel (1992:202) and the ABET Act (South Africa, 2000a:20) indicate the following sources of financing learning programmes:

- Fetes, sponsorships and donations.
- Competitions and concerts.
- Community services.
- Collection lists.
- Sale of products produced by learners as part of their instruction for which the materials were bought by the centre and sale of magazines or news letters.

- Bequests.
- Contributions by the learners in the form of tuition fees.
- Funds allocated by the state through the norms and standards for funding.

Potterton *et al.* (2002:22, 23-52) point out that educational institutions can also raise funds through lotteries. Lotteries include any game, scheme, arrangement, system, plan, promotional competition or device for distributing prizes by lot or chance. They also point out the following conditions for events that can be exempted entertainment in terms of Section 38 of the Lottery Act., such as when proceeds are used for the benefit of a deserving section of the public, when the total number of the tickets sold are not more than ten thousand, and when tickets are not sold for more than R10 each. They further advise that where an educational institution wishes to raise larger amounts of money through lot or chance, such institutions should register with the National Lotteries Board. Other methods of raising funds include:

- Save on accounts, where members of the educational institution stop wasting resources such as paper, time, telephone, water and electricity, by making them aware of the running costs.
- Use of recycled materials such as magazines, post cards, wool, candles for art classes.
- Creating food gardens by planting vegetables and fruit trees that are in turn sold to the local community.
- Recycling paper.
- Venturing on projects of collect-a-can.
- Running a school tuck shop.

- Conducting mini-enterprise ideas whereby learners are given an opportunity to sell snacks to apply the theory they have learned in small business management.

- Neighbourhood walks, where members of families walk along a route with historical events and prizes are made available for families that can answer the most questions on what they have seen during the walk.

- Second hand furniture sales, whereby parents, community members or the business sector donate old furniture to the school to sell.

- Providing catering services when there are events at the school.

- Selling books that have been donated by members of the community.

- Jumble sale of second hand clothes that are still in a fairly good condition, these being donated by members of the community.

- Organising soccer tournaments for local soccer teams where prizes are offered.

Lovegrove (2003:59-60) indicates that there is sadly very limited funding made available for ABET by government or donors. Of what is available for the funding of adult education, a high percentage also goes to adult literacy, thus making the funding of vocational training to be poorly funded. He finally points out that government and donors cannot give funding priority to ABET, firstly because they are not convinced of the values of ABET, as it is difficult to measure the impact of ABET. Proponents of ABET are also not effective in promoting their role and benefits to donors and government as the proponents find it difficult to find the resources to survive, let alone to make their voice heard where it counts. The ABET voice, furthermore, is not clear and sharp enough even amongst proponents of ABET and says until ABET proponents are clear amongst themselves, they have little hope of convincing anyone else of the merits of ABET. The conclusion made is that if the different sources of funding generation can be properly implemented

by the ABET centre managers, depending on the skills they have, the ABET centres in the province can be run on sound financial principles. The problem of depending on learners' contributions and the state as sole providers of financial resources at ABET centres will negatively affect the provisioning of quality education and training programmes. The National Department of Education (South Africa: DOE, 1997a:19) indicates that on registration, learners shall contribute a nominal fee that will cover:

- Electricity, water and other facilities costs.
- Maintenance costs, e.g. cleaning materials.
- Learning support materials.

There is congruence between the source and application of financial resources as discussed in Chapter 2 and the source and application of financial resources at ABET centres as stipulated previously in this section.

Strauss and Burger (2000:17-18) indicate that the *per capita* income in the North West Province is below the national average, at four hundred and twelve rand, while the national figure is five hundred and twenty one rand. They also indicate that this will affect the expenditure on education by adult learners to a large extent. In view of the meagre budget provided by the North West Provincial Education Department (cf 1.2) and the socio-economic background of the target group, consideration must be made of these variables when determining tuition fees (Davidoff and Lazarus, 1997:115). It is not feasible for the ABET centres to strictly depend on such tuition fees, as this will not enable them to reach their goals of providing programmes that will help the target group to cope with the life challenges. Taking into consideration the fact that the target group may comprise of the unemployed people, it may not be possible for all learners to be able to contribute the stipulated tuition fee. The incapacity for some learners to pay tuition fee does not suggest that such learners should be sent away from the centre, neither that they must be provided with low quality education. This becomes a challenge to the ABET centre management to mobilise funds to

fund quality programmes through fundraising campaigns. Badenhorst and Scheepers (1995:134) indicate that properly planned fundraising campaigns pay special attention to:

- The formulation of a clear outcome for the campaign as this makes people know what their donations will be used for.
- A clear goal, as this will make collectors, organisers and the community to work harder to achieve such goals.
- The target group that will be approached for donations.
- The type of fundraising, as the choice of the right option will make the campaign more successful.
- The person to carry the responsibility for the necessary planning, co-ordination, implementation and control.
- Consideration of legal requirements on fundraising to ensure that fundraising takes place within the parameters of the law.

From the above six points on campaigns for fundraising, it is clear that fundraising is a skill that an ABET centre management team, will have to develop. It further requires ABET centre managers to acquaint themselves with the legislation that governs procedures for fundraising, even if the legislation is not education orientated. Ritchie (1998:60-64) provides the following facts which educational institutions should know when preparing fundraising proposals:

- Whether the organisation from which an educational institution requests funding from gives donations or sponsorships.
- A specific need of an educational institution and what the money will be used for.
- Exactly how much is needed.

- The expense that will be defrayed through donations in kind.
- Where the institution will find the balance of funds required should the donor be able to fund part of the money required.
- Proposals must have no spelling mistakes.
- Enclosures that must be attached to the proposals.
- Things not to do when asking for funding.

These hints by Ritchie (1998) will help ABET centre managers to raise funds for their Centres to enable them to provide quality education and training programmes.

The Charities Aid Foundation (2001:100-104) indicates that project proposals can be sent to prospective donors and warns that since many donors accept English as a language of communication, those who are unsure about their English should find help to write proposals for a project. The following guidelines are provided for the outline of a project proposal:

- The covering letter addressed to the specific person who has been previously contacted making reference to the prospect donor's interests, stating the documents that are attached and expressing hope that the submission will be favourably received and accepted.
- The executive summary. It outlines a brief description of an institution and its work. The paragraph explains the community needs to be addressed by the project, envisaged achievements during the period of funding, total costs for the project for the next one to three years, a list of project objectives and a request to the prospect donor to fund the project.
- The main proposal with an introduction on how the project started and the support the project gets from the community leaders. The problem statement describes needs and provides statistics, project objectives,

methods to be used to achieve objectives, future funding needs if the project is a long-term one and the budget for the project.

3.4 FINANCIAL MANAGEMENT AT ABET CENTRES

Brealey and Meyers (2000:7) define a *financial manager* as anyone responsible for a significant investment or financing decision at an institution. Samuels *et al.* (1999:325) point out that for financial activities of an institution to be maximally utilised there is a need for planning. The planning exercise involves studying the following aspects:

- Strengths and areas of challenge (weaknesses) of the institution relative to competitor institutions engaged in the same education and training service provision.
- Socio-economic position of the education institution target group.
- Changes taking place in the education and training environment.
- Education and training needs of the target group and labour markets requirements.
- Institution's failures in the past.

An institution's financial planning involves six aspects, namely determining the institution's financial goals; forecasting certain key variables; analysing the choices open to the institution in terms of investment opportunities and finance available; comparing the projected outcomes under the different opportunities available; deciding what action needs to be taken; and comparing subsequent performance against the plan.

Potterton *et al.* (2002:5, 9) indicate different functions and roles of different stakeholders at ABET centres. They further indicate the importance of the stakeholders in an educational institution in raising funds to provide quality education to the target group. According to them there are five ways through

which stakeholders can ensure a successful fundraising and management of financial resources: forming an effective committee comprised of skilled members from representatives of all stakeholders; planning the project carefully; publicising the project widely; jointly implementing and monitoring the project closely; and evaluating the project afterwards. The conclusion drawn from the five successful fundraising guidelines given by Potterton *et al.* (2002) is that for an ABET centre to run its financial activities properly, it is important for the different stakeholders to know and understand their roles and functions. The assumption is that failure to understand roles and functions may lead to confusion and usurping the powers of others. This can happen to the detriment of the centre.

Those in charge of financial management at the ABET centres will have to carry out a number of tasks as outlined by Bosch and Du Plessis (1998:587-589). Firstly, a financial analysis (cf 2.2.8) must be made to determine how effectively finances are managed and how the internal financial situation and performance can be monitored. Secondly, assets (both movable and immovable) must be managed to ensure how much money and which assets will be required and that fixed and current assets are managed effectively. Informed decisions must also be made on the basis of financial information (cf 2.2.9) made available to them as determined in the financial policy, and financial services must be provided, including internal audit and control measures (cf 2.2.13), to determine the procedures, methods and systems for financial accounting policy (cf 2.2.2) and providing financial information (2.2.9).

Broyles (2003:7-9) identify three principal financial officers who are responsible for running the finances of an ABET centre effectively. The chief financial officer (CFO), who from a close study of the ABET Act (Act 52 of 2000) is the ABET centre finance committee to whom the centre governing body will delegate the duty of mobilising funds due to the finance committee's expertise. The chief accountant will in terms of the ABET Act (2000) be the ABET centre manager. The treasurer will in terms of the ABET

Act be an educator at the ABET centre or a member of the ABET centre governing body who has knowledge in finances. The ABET centre manager also occupies a strong position of influence, as members of the CGB who lack financial expertise or are illiterate may rely on him for advice concerning payments, accumulated funds expenditure for new assets and interpretation of economic and financial developments. Advice may be needed on government monetary policies and tax legislation. The following responsibilities are identified for each of the principal financial officers:

a) Chief financial officer (CFO)/finance committee:

- Give advice concerning payments and major accumulated funds expenditure for new assets.
- Interpretation of the economic and financial developments including the implications of government regulation, economic and monetary policies.
- Preparation of long term budgets linking expenditures on fixed assets and financing requirements to strategic plans.
- Advising the centre governing body on investments in new assets.
- Overseeing the budgeting of funds for investment.
- Screening of investment proposals.
- Preparing and updating of the accumulated funds expenditure manual for staff.
- Responsible for all activities delegated to the chief accounting officer and the treasurer.

b) The chief accountant (CA)/accounting officer (AO)/ ABET centre manager:

- Establishment, maintenance and auditing of the institution's information systems and procedures.

- Preparation of financial statements and reports for management and the centre governing body.
- Acquire information that makes his/her participation and advice useful to many decisions throughout the institution.
- Management of information and computer facilities.
- Oversee cost control throughout the institution.
- Supervision of collection of outstanding debt.
- Provide training programmes to make methods of financial analysis more widely known to the ABET centre staff.

c) Treasurer (educator or member of the CGB):

- Making forecasts of the financing needs of an institution and manages cash.
- Maintains effective institutional and staff relationships and relationships with the institution's commercial bankers and investment bankers.
- Effects payments on behalf of an institution.
- Custodian of the institution's cash balances and financial activities.
- Takes such measures as required to prevent cash losses due to negligence.
- Provides advice on learner debts.
- Provides financial analytical expertise at the institution.
- Provides special projects analysing on financial plans, major accumulated funds expenditure and on ways of raising new funds.
- Ensures that there are sufficient funds available to meet all likely needs of the institution and to manage risks due to changes in interest rates.

3.4.1 Composition of the governing body of ABET centres

The Adult Basic Education and Training (ABET) Act (2000a:12, 14, 16) indicates the composition of the CGB as follows:

- Elected members.
- The Centre Manager in his/her official capacity.
- Co-opted members.
- Any representative of any sponsoring body.
- Any representative of an organisation for the disabled persons where applicable and
- Any expert in the field of ABET where applicable.

The Act further points out that elected members must be from educators at the centre, members of staff who are not educators at the centre and learners at the centre. From these stipulations by the Act, the following conclusions about the establishment of CGBs at ABET centres are made. Firstly, the election of members should be transparent. This must ensure that the concerned stakeholders are duly informed about the elections. Secondly, the ABET centre manager cannot violate this legislation by picking on the people he/she prefers to serve in the body. This calls for an ABET centre manager to act beyond his/her personal interest, which may include his/her preferences when CGB members are elected. Finally, this requires that the ABET centre manager should see himself/herself as a representative of the Department in the CGB and ensure that decisions made and conclusions taken by the CGB are informed by legislation.

The researcher suggests that the CGB which has a full complement of representation, may have the following advantages:

- The needs of the target group, the community in which the centre operates and the labour market, will be addressed holistically. This will

be possible when stakeholders meet and share ideas on the supply and demand of labour.

- It will assist the centre to develop education and training programmes that will produce human resources which are relevant to the needs of the prospective employers. The provision of relevant education and training programmes will encourage the learners to realise the importance of lifelong learning (2.2.14, 2.3).

Most educational institutions, especially from the previously disadvantaged communities, may be threatened by the presence of skilled and educated CGB members at their centres. This may happen where an ABET centre manager has a hidden agenda which he/she would not thrive in, in the presence of knowledgeable members of the CGB. The assumption made is that the more ABET centre managers could bring experts on board as members of a CGB and finance committee, the more would they be able to mobilise sufficient funds to reach their goals. Xinwa (2000:63) points out that institutions must ensure that specific financial resources are available or know how, where or from whom to obtain resources. He says some of the more crucial resources required by institutions to provide quality education and training programmes include finance, expertise, skills and materials.

3.4.2 Functions of the CGB

The CGB of an ABET centre has the following financially related functions in terms of the ABET Act (South Africa, 2000a:14, 16):

- Development of a business plan.
- Control of budgeting and financial management systems of the centre.
- Supplementing the procurement of learning support materials for the centre.
- Development of a vision and mission statements of a centre.

- Recommendation for the appointment of educators at an ABET centre in terms of the Employment of Educators Act.
- Establishing and administering ABET centre funds from voluntary contributions.

One central function of a CGB at an ABET centre is the compiling of the business plan. Sexton and Bowman-Upton (1991:143-145) explain that the compiling of a centre business plan is essential, because through it an internalised vision of the centre can be communicated to interest groups such as prospective donors, the risks of misappropriation of donor funds through poor financial management skills are reduced, and personal outcomes and centre outcomes are reconcilable.

The business plan should be drawn in a particular way. Ritchie (1998:90-93), Sacks (2000:84-91) and Kruger (1998:206-209) provide guidelines for drawing a business plan:

- The potential business of the institution must be clearly identified in such a business plan.
- All aspects of the institution venture must be investigated before writing a business plan.
- The business plan must be succinct, waffle and jargon free.
- The steps and strategies to be followed in order to achieve the outcomes of the institution must be outlined.
- Contingency plans and control measures to be implemented if the goals are not achieved must be outlined.
- The nature of the institution must be described.
- The viability studies and research undertaken must be explained, stating why the institution will satisfy the needs of the target group.

- The opposition must be detailed, in terms of any and how the opposition will be monitored and what will be done if the target group is lost.
- Including market analysis in the business plan.
- Outline the aspects of staffing.
- Describing the overall financial strategy for the successful running of the institution.
- Drawing the executive summary.

The conclusion that is made is that the drawing of a business plan at every ABET centre is important. It is therefore essential that an ABET centre manager and the financial team at each centre are versatile with the importance and procedure in drawing a business plan for the centre. When the skills of drawing a business plan is properly mastered by the financial team, money can be raised from prospective donors as they will know the goals of the centre from the business plan sent to them. The business plan is clearly an instrument of planning without which the centre cannot operate properly. Care must, however, be taken that business plans are not drawn to mobilise funds that are not employed for the purposes for which they were requested for at the right time. Meintjies (2000:16) gives the following examples where due to poor financial planning and lack of foresight, money was not utilised to create jobs or alleviate poverty as envisaged:

- Failure to use R25 million to create jobs and alleviate poverty a year after the fund was established.
- Hundreds of millions of rands of the welfare Department poverty relief that were lying unused in a bank account.
- The lottery fund which raised about R5 million a week but failed to work out how and whom it should give money to.

- The National Development Agency (NDA) struggling to decide on the funding criteria to match a development approach to poverty eradication.

The four examples sited by Meintjies (2000) are a clear example of failure to plan the utilisation of funds. The conclusion drawn from these examples is that such money may end up in being misappropriated. The significant role to be played by the CGB and all involved in the management of financial resources at an ABET centre, is to ensure that the development at the centre goes according to the plans. Once plans are in place, they must be implemented to the letter. The implementation of plans must be done within the stipulated time frames. Failure of the CGB to implement plans properly will lead to the scenario painted by Meintjies to the detriment of the target group and to the disgrace of those in management. The conclusion made is that an ABET centre management team at every ABET centre has a significant role to play in the mobilisation and management of financial resources. The assumption made is that those who take up positions in an ABET centre management team should be prepared to carry out this delicate responsibility of effective financial management to prevent events of corruption and mismanagement of finances.

3.4.3 Establishment and administering of ABET centre funds from voluntary contributions

It was indicated earlier in this chapter (cf 3.3) that contributions from learners and the funding of ABET centres are some of the sources of income/funding at an ABET centre. Black (2000:8) defines income as the revenue generated by an institution by providing services, getting donations from donors, raising funds (cf 1.2; 3.3) plus any sundry income as bank interest received. Buchel (1992:201) points out that the aim of establishing tuition fees at the centre is to supplement the provision of money by the state. The establishment of a fund at an ABET centre is not something that is done unilaterally but through consultation. This consultation is important because people want to be part of decision making rather than having decisions taken for them. It is also important to consult with people because

it is not easy for people to renege from the decisions they have taken and bound themselves to. The management at an ABET centre should not make the mistake of charging fees without taking into consideration the socio-economic background of the target group (cf 3.3). It therefore means an ABET centre manager will have to make a thorough study through an action research, of the social and economic background of the target group. Once the amount to be contributed by learners has been jointly agreed upon, the collection of money should be done in terms of the financial regulations under the direction of the ABET centre manager (cf 3.2). The North West Provincial Government (1996:100) accepts the following methods of payment that are treated as cash:

- Bank drafts.
- Cheques guaranteed by a banker.
- Post office money orders.
- Postal orders.
- Travellers' cheques.
- Other instruments of payment as may be prescribed or approved by the Provincial treasury from time to time.

A number of guidelines with regard to the receipt of payment by means of private cheques and post-dated cheques are given. Private cheques not marked by the banker may, for instance, be accepted at the discretion of the institutional financial manager who should take into consideration the safeguarding of the institution against loss. The issuing of post-dated cheques and control over them after receipt, shall also be the responsibility of the ABET centre manager. Furthermore no receipt must be issued before the date of such a post-dated cheque. The North West Provincial Government (1996:102-105, 109-110) gives the following financial rules with regard to the receipt of money:

- All monies received shall be brought into account by issuing an official receipt and in the case of a manual bookkeeping such a receipt shall be posted in the relative books of account in numerical sequence.

- Alterations shall not be made to the name of a payer, the amount in words and the amount in figures in any official receipt and no erasures of any kind shall be permitted.

- All receipts (unless prepared by a machine) must be filled in ink or with ball-point pen with the exception of erasable ball-point pen which is not permissible.

- If a receipt is cancelled, the word CANCELLED shall be endorsed by means of a rubber stamp or in bold writing in ink across the face of the original form, the copies and counterfoils must be preserved for inspection.

- In no circumstances may more than one original receipt be issued for the same payment, If a further original receipt is issued in error it must be cancelled.

- A receipt must be issued for every cheque received for payment.

- Institutional money cannot be used to cash cheques, unless Provincial Treasury authority has been obtained to do so.

- When money is temporarily held in the course of collection under the direct control of the person handling it (treasurer), money shall be kept in a safe/strong-room and not be left in the drawers or tills even though locked.

- In no circumstances shall anyone in charge of a safe/strong-room leave it unlocked in his/her absence.

- The sharing of safes/strong-rooms or any other safe receptacles should in normal circumstances not be permitted, but if circumstances

necessitate such sharing, arrangements shall be made to ensure that it is possible at all times to fix responsibility for the safe custody and security of the institutional money.

- Keeping private money in the institutional safe/strong-room or any official place of safe keeping is prohibited.

The conclusion that can be drawn from the rules provided by the North West Provincial Government (1996) is that lack of control of cash paid to the educational institutions by learners or donors will negatively affect the image of an ABET centre's management team and lead the community and stakeholders losing trust in the ABET centre financial management systems. Bisschoff (1997:120-121) points out that the state, donors and learners would not like to see their hard earned money being mismanaged. He also advises that the cash budget is the obvious management instrument to circumvent money mismanagement. For the purposes of effective cash management, the CGB must also receive regular reports on:

- The cash flow position on monthly basis.
- Unexpected and sudden changes in the cash flow and precautionary balances.
- Projection of expected cash requirements and the cash flow.

The following points that are important for controlling and administering centre funds are identified:

- Receipts must be issued for all monies received and in respect of all amounts spent.
- No expenditure should exceed the amount laid down by the CGB or its financial committee.
- No loans should be made from centre funds.
- The centre funds account should never be overdrawn.

- Causing centre funds to be audited or examined annually and copies of income and expenditure as well as the balance sheet to be given to the learners and one copy sent to the Department as well.
- All cash to be deposited immediately.
- Making all payments by cheque.
- Settling the accounts of creditors on the due date – neither early nor late.

Weygandt *et al.* (1990:282) point out that it is appropriate for the client to immediately receive an official receipt when paying money directly to the institution. He also gives the following hints with regard to the handling of cash:

- Money received by post in the form of cheques and money orders should be received by at least two officials.
- All cheques received must be marked "Not Transferable" to prevent them from being diverted to personal use.

A modern trend in the payment of tuition fees is through direct deposit of money into the bank account of the institution. To facilitate this the institution gives its bank details to the learners. What is important is that the depositor should fax the deposit slip to the institution. In this regard, Archer *et al.* (1996:51) remark that the institution must keep a record of all cash transactions and deposits made.

Financial records and other documents with value should be kept in a safe place to ensure that they are available whenever reference has to be made to such records. The North West Provincial Government (1996:142-144) stipulates the following measures that must be taken into consideration in keeping such records secure at any educational institution:

- Ensuring that records are properly and safely stored, if possible under lock and key in a room specifically equipped for the purpose.

- The control over and care of records must be entrusted to a specific person in writing.

- The records must be clearly labelled and neatly and orderly arranged in order to facilitate reference thereto.

- Regular inspections must be carried out on such records in order to ensure that the foregoing measures have been complied with and that the available storage space is being utilised as economically and efficiently as possible.

- If records must be destroyed after lapse of a stipulated time frame, permission must be sought through filling a destruction certificate.

3.4.4 The function of recommending ABET educators for appointment by the department

The ABET Act (South Africa, 2000a:16) gives the CGB powers to recommend the appointment of educators at an ABET centre to the Department. Despite the right of CGBs to recommend the appointment of educators, application forms that are currently used to employ ABET educators in the North West Provincial Education Department (see Annexure 7) have no provision for a CGB to recommend the appointment of an educator by signing an educator's application form. The assumption made on lack of signing an application form for an ABET educator by the chairperson of a CGB may lead to acts of corruption, collusion and nepotism when ABET educators are appointed. Given the opportunity to recommend the educators to the Department for appointment, the CGB should take the following into consideration:

- The learning needs of the learners. This will ensure that the recruited and appointed educator will meet the holistic needs of the learners

he/she will be teaching rather than appointing the educator for creating a job for him/her.

- The relevance of the qualifications the educator has, i.e. whether the qualification of the educator is relevant to the level of the target group.

- Whether the educator will facilitate learning properly through relevant methods rather than treating adult learners as young children who do not have a wide experience.

The conclusion made is that as long as the recruitment and appointment of educators in ABET is skewed and does not address the needs of learners but those of educators, the goal to phase out illiteracy will not be realised. The Education Training Development Practices (ETDP) (2001:33) indicates that the use of mainstream educators to teach in the ABET sector has resulted in little recognition for the unique and specialised skills necessary to impart knowledge to adults. It further points out that there is still evidence in many provinces of the assumption that mainstream educators can assume responsibility for ABET successfully. In addition not only do mainstream educators lack the depth of skill necessary to provide quality teaching, but they are often exhausted from their mainstream duties and therefore unable to give the adult learners the care and quality teaching they deserve.

3.4.5 Financial administration and management role of the CGB

The effective financial administration, management and accountability, will ensure that the financial resources of an ABET centre are properly utilised. Due to failure and ignorance to ensure these three aspects of management, CGB members will not help the institution to reach its destiny. Morris and Feris (2001:1) quote Ramphele, who criticises government for letting erring corrupt officials off the hook at the expense of public interest. Those serving as representatives of people must get the message clear that they are in positions to serve people's interests and not theirs. The administration, management and accountability of the CGB for financial resources of

centres, must be anchored on the interests of the target group. The North West Provincial Education Department (2003a:3) outlines certain core responsibilities of the bookkeeping component, such as the administering of payments to suppliers, providing receipt books to decentralised institutions, and safeguarding accounting records. The Department finally outlines a number of broad principles that must be adhered to when payments are made. Payments may, for instance usually be made to suppliers for rendering of services and/or supply of goods to an educational institution, payments should form a legitimate charge against the institution's vote/budget, payments may only be effected where appropriate provision for such expenditure has been made in the budget, and the accounting officer should be responsible for all expenditure incurred by the institution and must ensure that appropriate authority exists for the authorisation for it. There are several conclusions made with regard to the duties of an ABET centre management team. Signatories should not sign blank cheques indiscriminately, cheques must be signed if an ABET centre still has money in its bank account, it must be ensured that not more than one cheque is issued for the same purpose, signatories should sign a cheque when all details (the person/company to be paid, the date of the cheque, the amount in words and figures) have been clearly filled with a pen, and signatories will have to be taught thoroughly on how to identify people who may trick them into signing cheques fraudulently. As the CGBs will have to use cheque books as a form of payment for services rendered to the centre (cf 3.4.4.3), the CGB must have the following knowledge about cheque accounts as presented by Clayton (2001:3):

- The costs entailed in using the cheque book.
- Amounts charged when depositing large sums of money.
- Costs for special clearance for cheques.
- Overdraft administration fees.
- The cost of each written cheque.

The Banking Council of South Africa (2001:5) points out the following measures that the CGB must follow in order to prevent cheque fraud:

- Locking away blank cheques.
- Not signing blank cheques ahead of time as fraudsters can simply fill details to suit themselves.
- Keeping paid cheques that are returned in a safe place, as they provide a sample of signatures.
- Writing the amount in figures as closely as possible to the rand sign ("R") to prevent fraudulent people from changing the amount.
- Filling unused spaces after the name of the payee and after the amount with lines or asterisks to prevent fraudulent additions.
- Making out cheques in indelible ink, as ink that can be erased can easily be removed.
- Using ballpoint pens for hand-written cheques so that the written text should penetrate the paper surface and leave indelible impression.
- When type writers are used to write cheques, they should be fitted with a fabric ribbon and not a carbon or correctable ribbon.
- Cheques should not be foiled.
- When receiving cheques, they must be kept in a safe place and must be deposited as soon as possible.
- Cheques must be crossed "NOT NEGOTIABLE" for protection purposes.
- Cheques become stale after six months.
- Electronic payments must be considered where possible.
- Altered cheques are not acceptable.

Without this knowledge, the CGBs and the ABET centre managers cannot administer, manage and account for the public funds entrusted to their care properly. In order to carry out the three tasks, the CGB must acquaint itself with the principles of financial management. It also means that the CGB must continuously update itself with the current developments in financial institutions. This will help the CGB to ensure that it will run the financial activities of the centre with expertise. Failure of the CGB in keeping abreast with the recent developments in financial management may lead to unnecessary loss of scarce financial resources.

3.4.6 Approval of claims for services rendered to the ABET centre and purchased goods

The amassing of large sums of money by an ABET centre does not mean such money has to be spent lavishly. The CGB should be thrifty in the expenditure of money. It will therefore be necessary for the CGB to have a financial policy that will succinctly outline the procedures to be followed when money is expended. These procedures may include the following as outlined in Chapter 2 (cf 2.2.7) with regard to the tasks that will be stipulated in the budget:

- Procedure to be followed before a service is rendered.
- The manner in which claims can be laid (claim letters or claim forms).
- The person to whom claims have to be given to.
- Approval of claims by the CGB executive.

It is also common practice to ensure that the CGB will always seek for at least three quotations for the service to be rendered. From the three quotations, the CGB will select a service provider who provides the best quality service at the lowest price. The duty to approve claims for the services rendered to the centre, requires committed and dedicated people, who see their membership to the CGB as a voluntary service, rather than for personal gain. Regenesys (2000:49) points out that sound financial

management includes efficient purchasing, storing, record keeping, issuing and control of goods or stock, the process referred to as inventory management. Regenesys also warns that bribes may be paid to public service officials responsible for purchasing low quality products or bills being paid for goods not received. Legislation compels public sector organisations including ABET centres, to call for tenders before buying goods and procuring services from service providers. The North West Provincial Government (1996:112-114) points out that before payments can be effected, the CGB must ensure that such claims have not been presented before for payment to avoid paying twice for the same service or goods. The CGB should check vouchers for payment to make sure that they comply with the following requirements:

- Tariffs or agreements should be in accordance with the law or regulation and that they are reasonable and fair.
- Claims are correct in regard to the period they cover.
- Claims are correct in regard to computations.
- Claims are supported where applicable by the necessary documents.
- Goods supplied are in fact required for official purposes, are an approved service in terms of the budget, are correct on receipt and in good condition, rate in accordance with a contract and that the supplier is entitled to payment.
- Services rendered are necessary for official purposes, satisfactorily carried out, charges are in accordance to relative tariffs/contract/ agreement.

The conclusion made with regard to the procedure for the procurement of goods at ABET centres is that no one can let an ABET centre to be exposed to expenses that are not economic, with a sole purpose of benefiting

individuals at the expense of the institution and those who contributed funds for needs of an ABET centre.

3.4.7 The role played by the finance committee of a CGB

Taking into consideration the fact that many of the people over the age of twenty years in the North West Province have never had an opportunity to become literate (cf 1.2) the assumption is that not all members of the CGB will be literate. Should this happen, a finance committee, led by one member of the CGB will have to be established comprising of a team of experts in financial matters. This team of experts will help the CGB in the following aspects:

- Helping the CGB with the development of ideal and realistic budgets based on the mission statement of the centre.
- Advising the CGB on how to run the financial activities of the centre effectively.
- Helping the CGB with the drawing of the business plan and funding/project proposals for the centre.
- Helping the centre with the drawing of a financial policy.

Cuthbert (1992:16-17) describes the challenges that finance committees at ABET centres may face in their career of raising funds, such as coping with the socio-political scene in the democratic era; the duplication of services will prove to be very costly to the donors when fundraising is not well co-ordinated; South African investors who have not proved to be equally open to influences like community-programme funding after they took over American companies; and failure of fundraisers to talk to one another.

Cuthbert (1992:16-17) also advises that the ideal fundraisers must know the public's giving habits, what causes the public to give, and why the public gives. In conclusion he points out that the fundraisers must give a report-back to the donor through an audit report on how their money was being

spent. He says this will turn fundraising out of the tin-shaking era into a future of trust and accountability. Murray (1998:25-29) presents a fifteen-point formula for fundraising success that can work for fundraisers:

- understanding the basics of where money comes from, why people give, the donor pyramid and how to ask;
- ensuring an organisational plan through a mission statement, objectives, action plans and budgets;
- dreaming about the future through having a vision of what the future could be, showing enthusiasm and selling the magic of the idea;
- building contacts through keeping card indexes, networking with other organisations and fundraisers and developing good relationships with suppliers;
- educating oneself through attending seminars, reading fundraising books and magazines, seeking expert advice, sharing own knowledge and joining organisations like Southern Africa Institute of Fundraising (SAIF);
- willing to work long hours;
- growing the awareness of non-profit organisation through the establishment of relationships with the media to see what you are doing;
- building relationships with the donors through newsletters that address their interests, tours that grow their knowledge, functions that encourage their support and through telephone and personal calls;
- learning rules about special events which should always make money and provide enjoyment and satisfaction of all and are appropriate to the fundraiser's cause;

- knowing how to succeed with corporate and trust submissions through researching prospects thoroughly, sticking to the donor's guidelines and recognising investment and marketing needs of corporates;

- recognising the way to get major gifts by involving and motivating volunteers with top financial influence and developing ownership among influential volunteers to see the campaign through;

- encouraging bequests for the organisation through promoting the idea of older donors and supporters, producing suitable literature on the subject, having regular functions for older supporters and publicising what the organisation has achieved with bequests already received;

- knowing how to thank by acknowledging major gifts in the right way, offering recognition where appropriate, accounting to the donors for the money spent and sharing successes and triumphs;

- evaluating the programme, people and yourself as a fundraiser through the development of formulae to measure success, adjusting the programme every year, checking whether time is well spent and the amendment of the composition of the board where necessary, and

- never giving in to myths and misconceptions such as that fundraising is begging, making decisions for the donors, letting a few complaints ruin the programme, avoiding proven techniques because one thinks one is different and that philanthropic giving is gambling.

Cuthbert (1999:51-52) presents the following guidelines for successful fundraising:

- Starting with an institutional plan containing the mission, long term goals, measurable objectives and strategies to be included in a case statement.

- Preparing a fundraising strategy based on financial needs of the institution and analysis of the funding markets, including fundraising

objectives, plans of action, all sources of potential income and income and expenditure budget.

- Balancing the fundraising strategy by planning how support for operating costs, fundraising costs, projects costs and future funding will be raised.
- Ensuring that the centre governing body or the finance committee is committed to the institutional finance and is prepared to raise funds.
- Appointment of a fundraising committee by the centre governing body to assist with fundraising work which includes planning, implementing, overseeing, evaluating and reporting.
- Appointment of a fundraising staff on fulltime, part-time or volunteer to co-ordinate and run the fundraising programme.
- Training those involved in fundraising for the task through workshops, seminars, study, reading and interaction.
- Building a donor base through identifying and analysing potential donor markets (individuals, corporates, foundations, trusts, institutions and foreign sources) with the best funding potential and establishing linkages, interests and their ability.
- Servicing the donors by understanding the current funding areas, what satisfies them, what will attract them to give more and more often.
- Evaluating the fundraising programme regularly in order to remove failures, make corrections and build on top successes.

Govender as quoted by Hendrickse (2003:81) formulates three challenges faced by NPOs in South Africa since the democratic era, namely freeing of those states who were unwilling to be associated with the apartheid state to now work directly with the state rather than through NPOs as it was the case in the past, thus stopping donors to see NPOs as deserving recipients for funds although NPOs are still and will in future depend on donors for their

funding; and confused and diffused strategic focus of NPOs. Hendrickse (2003:85-86) also cautions NPOs to carefully study the past records of donors to find out if they have hidden agendas behind their support. Moshoeshoe (1999:147) identifies a problem of taxing interest on income of NPOs in South Africa. Should foreign funders find that their funds are being taxed in South Africa, they will be induced to allocate these funds elsewhere. He argues that NPOs in South Africa should not be taxed, because they are an essential component of a vibrant society and resilient civil society which is essential for the creation and existence of development, as they provide mechanisms for active participation and contribution to public life. Secondly, NPOs make a significant economic contribution to the society.

3.5 FINANCIAL CONTROL MEASURES AT ABET CENTRES

Ferreira and Kritzinger (1999:167) maintain that part of the ABET centre manager's and the CGB's financial management task is to control the execution of plans of action and to determine whether the predetermined objectives have been achieved. The following processes of financial control are presented:

- Setting specific standards.
- Comparing the actual performance with the predetermined standards.
- Evaluating the differences that may be positive or negative,
- If necessary, instituting corrective measures.

3.5.1 Drawing financial estimates

Nugus (1997:1-7) defines *estimates* as a prediction of what is expected to occur in the future, and explains that estimation is a prediction of future income, costs or inventory levels. It estimation is the first step in the cycle of

estimation, planning and budgeting. The following approaches can be used in drawing estimates:

- The subjective or qualitative estimation approach, which relies to a large extent on human input and an in-depth knowledge of the activity being estimated. The approach comprises reading reports and consulting experts for information and using the information in a relatively unspecified or unstructured way to predict the required activity.

- The objective or quantitative estimation approach, which requires the development of a model which represents the relationship deduced from historical facts to hypothesise a relationship between the items to be estimated and the factors which are believed to be affecting it. Since this approach requires the use of mathematical models to describe and analyse the relationships between the variables the spreadsheet is an ideal tool and thus can play a central role in the production of such estimates.

It is important to clarify the difference between *estimates* and a *budget*. The reason for making this distinction is that the two concepts are mistaken as being synonymous by ABET centre managers. Technikon South Africa (TSA) (1990), as quoted by Erasmus and Visser (1997:129), draws a very clear distinction between the two concepts as follows:

Table 3.1 Difference between estimates and budget

No	ESTIMATE	BUDGET
1.	Component of planning.	Final result of planning.
2.	Activity preceding the budget.	Drafted after estimate of expenditure has been made.
3.	Is regularly adapted and revised.	Is adapted annually.
4.	Forms the basis of the budget.	Is drawn up on the basis of the estimate.
5.	Not submitted to the Department for approval as it is only a planning documented.	Submitted to the Department for approval for the purposes of allocation of funds from the norms and standards for funding.
6.	May be changed at any time.	Cannot be changed unless a re-adjusted budget is sent to the Department.
7.	Not subjected to auditing as there is no expenditure incurred on the basis of estimates.	Subject to auditing as expenditure is incurred on the basis of the budget.
8.	The drafting of estimates is optional or voluntary.	The drawing of a budget is compulsory as it must be submitted to the Department for approval.
9.	Only a financial calculation for planning and budgeting purposes.	Actual implementation of planning – funds are actually used.
10.	Based on future action.	Focuses on present delivery of service – converts planning into practice.

Source: Erasmus and Visser (1997:129).

It is important for an ABET centre management team to submit estimates to the Department in order for the centre to be allocated funds. Failure to submit the estimates will disadvantage the centre from being allocated

funds. TSA (1990) as quoted by Erasmus and Visser (1997:130-131) formulates the following advantages and disadvantages of estimates:

3.5.1.1 Advantages of estimates

- They give an indication of planned activities costs at an early stage before the start of the financial year.
- They serve as a management aid to determine at an early stage whether the costs justify the expected results.
- They serve as a measuring instrument to determine whether sufficient funds are available to achieve the objectives of an institution.
- They help to determine actual expenditure deviations leading to more accurate and reliable future estimates.
- They give a timely indication of the savings and excesses which enable functionaries to take corrective measures.
- When the estimates indicate excessive cost in goods and services cheaper alternatives can be looked at.
- They promote rational decision-making as they make decisions to be based on facts.
- They provide senior officials with information that they need to be able to make meaningful decisions to make sure that funds are allocated to objectives that enjoy the highest priority.
- They ensure that officials take both the historical and future expenditure into consideration as this will promote effectiveness and efficiency.

3.5.1.2 Disadvantages of estimates

- The correctness of an estimate is dependent on the compiler's dedication to thoroughness and accuracy, but if the compilers lack of these qualities, this will have a negative effect on the estimates.

- As estimates need to be revised from time to time to ensure that the financial information reflects the latest state of affairs, neglect to keep estimates up to date by officials may have negative effects.

- If officials fail to consult compilers of estimates when changes are made to them, the compilers may develop a negative attitude.

- When estimates are unrealistic they may lead to managers cutting down expenses and this may cause a negative attitude among compilers.

It is clear that an ABET centre manager normally cannot operate without authentic estimates. It is also clear that the ABET centre manager cannot allow the educators to draw a wish list of resources for which they will never secure funds to acquire items listed in their wish list. It is important to point out as well that there is a need to do market research for authentic prices when drawing estimates. Without the market research for prices the centre may over- or underestimate to its detriment.

To assist the ABET centre manager to be realistic about the estimates and not to unnecessarily raise the hopes of stakeholders, it is important to use the following instrument as designed by Gajanayake and Gajanayake (1993:100) as given in Table 3.2 below:

Table 3.2 Estimates preparation information

Activity	Required Facilities	Estimated costs	Source of finance	Gap deficit	Funded by	Amount

Source: Gajanayake and Gajanayake (1993:100).

The use of this table will ensure that an ABET centre does not only draw a wishful list of needs which the centre does not know how to finance. It is only when the ABET centre knows what it needs, how much what it needs will cost and what the sources of funding its needs will be that it can boast of ideal estimates. Should the ABET centre realise that it cannot raise the amount it needs, it is imperative that such estimates should be revised or re-adjusted to ensure that an ABET centre operates within its means. It is in view of this that the ABET Act (South Africa, 2000a:22) emphasises the submission of estimated income and expenditure statement and the re-adjusted income and expenditure statement to the North West Provincial Education Department. The submission of the latter is a direct indication that an ABET centre is prepared to operate within its means.

An aspect often ignored by the educational institutions when a budget is drawn up, is insurance against risk. Insurance is a means of helping an institution to defray costs of property in case of damage/loss through burglary or natural disaster. The need for insurance against risk was particularly realised when the Pretoria Kolonnade shopping complex collapsed, trapping dozens of people and injuring twenty-one people (Momberg, 2001:1). It is through such risks that educational leaders should be reminded to protect the institutions by taking up an insurance policy. It would be unrealistic to think that institutions could afford to indemnify those who might become victims of such risks from the tuition fee. Nichols (1994:92-95) indicates the following areas that have to be covered in an insurance policy:

- The buildings and contents for which an all perils cover has to be taken.
- Liability of the public and the employer, which includes cover for such risks as professional negligence, slander and libel.
- Fidelity guarantee which insures against staff fraud and infidelity.
- Legal costs for the defence of actions of unfair dismissal of staff employed by the centre or provide services to the centre.

- Personal accident of staff, CGB members and learners at the centre.
- Public access to areas where large events are held and large amounts of money are handled.
- Centre visits whereby learners undergoing trips over any considerable distance or period are covered for personal accident/illness or loss or damage to belongings and
- Ensuring that contractors employed upon the premises have suitable liability insurance policies.

The Department of Education (South Africa: DoE 2000b:108) defines *risk management* as a process concerned with identifying, analysing and responding to uncertainty by maximising the results of positive events and minimising the consequences of adverse events. In order to protect institutions from unnecessary risk, the risk must be identified, quantified, have both their causes and effects established, have value attached to them, have possible response strategy developed for each risk and have control mechanisms put in place to manage risk. Responses to risk events can be planned by:

- Identifying risk triggers – signs that show that something is about to go wrong.
- Developing risk avoidance strategies.
- Establishing mitigation actions (reducing effect of risks through contingency and action plans).
- Deflecting the risk effect to the third party service providers or insurers.
- Establishing the degree of acceptance of the consequences of the risk actually occurring through a rescheduling process or taking a financial loss.

The assumption is that failure by an ABET centre management to take a risk insurance policy may lead to endless lawsuits which an ABET centre management cannot afford. On the other hand, if the equipment and facilities that have been supplied to the centre are stolen, it will be difficult to replace them if no risk insurance is taken by the centre to indemnify themselves against such losses. It would also be difficult to raise funds to replace such stolen goods should they not be recovered. If a risk insurance policy is taken, the centre would only be expected to pay an excess amount rather than the total costs for the lost or stolen items. The assumption made on failure of ABET centres to take risk insurance, as institutional management teams ignore the importance of property insurance is because amounts paid for such policies in the form of premiums are not redeemable should no theft, loss or disaster occur. The assumption made is that ABET centre management perceives insurance premiums as money that could have been profitably utilised somewhere else, ignoring the risk consequences when property is not insured. The North West Provincial Education Department (2003c:18) gives the following guidelines to ABET centre managers to be taken into account for potential risks:

- Identifying procurement risks on case-by-case basis.
- Allocation of risks to party best equipped to manage such.
- The cost of risks where the costs of transferring them is greater than that of retaining them.
- The exercising of risk management in a proactive manner and providing adequately for the cover of residual risk.
- The contract should clearly and unambiguously assign relative risks to the contracting parties.
- Risk management should form part of the business plan for the acquisition of all goods and services.

- Either insuring procurement related physical risks, establishing risk management programmes, or making advance provision for losses associated with such risk.

Kishel and Kishel (1998:191-197) describe the following types of risks for which insurance policies can be taken by institutional management teams, for instance fire risk insurance, covering the building and property contained in the building. Liability risk insurance covers an institution against indemnity due to bodily injury, property damage claims, expenses for medical services required due to accidents, investigation and court costs. Marine risk insurance is used for the transportation of institutional goods by ship, rail, trucks or planes, whereas automobile risk insurance indemnifies the institution against bodily injury claims of passengers, property damage claims, medical payments, other motorists' damage claims, damage to the institution's own vehicle and towing costs. Crime risk insurance indemnifies an institution against burglary and robbery.

3.5.2 Budget control at ABET centres

According to Dyson (2001:305) budgetary control involves comparing the actual results for a period with the budget for the same period. If there are any *variances* that need attention, corrective action must be taken to ensure that future results will conform to the budget. Budgetary control has several important features:

- It clearly defines managerial responsibilities.
- It lays down a detailed plan of action for a particular sphere of responsibility.
- Once the budget has been approved the budgetary control makes managers to have a responsibility to adhere to their budgets.
- It makes actual performance to be constantly monitored and compared with the budgeted results.

- It facilitates corrective action to be taken if actual results differ significantly from the budget.
- It makes departures from the budget to be permitted if approved by management.
- It makes possible for *variances* that are accounted for to be subject to individual investigation.

The North West Provincial Education Department (2003b:71) notes that having completed the budget compilation and allocation of funds to the different projects, budget control (which is ongoing management of the budget) requires vigilant monitoring of expenditure against the budget and continuous implementation and refinement of the annual action plan. It calls on financial managers to design and implement co-ordinated budget control processes, mechanisms, structures and procedures and to conduct monthly financial committee meetings where financial policy and management issues shall comprise the agenda. The North West Provincial Education Department (2002b:24) indicates that budget control or monitoring is often downplayed or ignored within the financial process where managers authorise transactions and assume that authorised action is executed. It further points out that very often, human error, deliberate alterations and other irregularities result in a very different financial picture. Budget control is a fundamental element of the financial process, and only through regular scrutiny of the transaction records and assessment of the impact on the budget or expenditure, can a manager ensure that a transaction has been correctly executed. Managers can expect to derive four advantages from the budget control: understanding activities within accounts; easy tracking of expenditure trends; prompt reaction to irregularities; and fulfilling their responsibility towards financial management and control. Failure to control the budget can lead to educational leaders being charged with misappropriation of funds (cf 3.2). Correira *et al.* (1989:676) point out that *control* is the process of monitoring the progress of the plans and includes:

- Comparing actual performance against the planned performance.
- Conducting further investigation when necessary.
- Re-evaluating the plans in the light of performance and changing circumstances.
- Ensuring that the plans remain relevant for achieving the objectives of the organisation.
- Taking the necessary corrective action before any irreparable damage is done.

No institution that aims at reaching particular goals can undermine control of financial activities. Failure to put control mechanisms in place is a recipe for disaster. Berkhout and Berkhout (1992:75-76) describe budget control as a specific multiple control, with the following functions:

- A comparison between the amounts budgeted and the results achieved.
- Analysis and interpretation of discrepancies.
- Audit and calculation.
- Accounting and reporting.
- Implementing corrective measures.

Budget control simplifies the management function substantially, as the financial figures will usually highlight the flaws and defects in the organisational structure, co-ordination, staff relations and also in other household affairs. It will therefore be important for the centre to have an instrument which can be used to control the budget. Van der Walt and Knipe (2001:70) recommend the following instrument as adapted by the researcher as shown in Table 3.3:

Table 3.3: Monthly budget control

MONTHLY BUDGET CONTROL SHEET			
Month:			Year:
ITEMS	**AMOUNT BUDGETED**	**ACTUAL EXPENDITURE**	**DIFFERENCE**
TOTAL			

Source: Van der Waldt and Knipe (2001:70).

The North West Provincial Government (1996:55) points out that adjustments in the budget can only be effected through a virement. This can be done through giving approval for a saving under a main or subdivision of a budget to be applied towards the defray of excess expenditure under another main division of the same budget. The North West Provincial Education Department of Education (2003b:84-85) provides the following guidelines when effecting the principles of virement:

- The maximum amount transferred out of a project towards defraying excess expenditure in another project may not exceed 8% of the amount appropriated for the first mentioned project (the project from which money is transferred from).
- Transfer payments and conditional grants are specifically and exclusively appropriated for a particular purpose and may not be used for any other purposes. Thus virement cannot be done from such funds.

From the budget control theory as discussed in this section, it may be concluded that it should ensure that no money is spent when it has not been budgeted for, and that no excess expenditure must be incurred within a budget unless the excess expenditure is made good by reducing expenditure from one division or subdivision of the same budget. The North West Provincial Education Department (2002b:29) indicates that the procurement management administration forms part of budget control. It shows that the procurement administration component's core function is to ensure the procurement of budgeted goods and services, including compliance to tendering procedures for the department in line with budget allocations and procurement policy. It further identifies certain responsibilities of procurement management administration, such as the administration, management and control of assets, maintaining a database of all suppliers, tracking commitments, and safeguarding of supplier records.

3.5.3 Control of assets at ABET centres

The ABET centre will acquire assets in the form of liquid cash, movable and immovable property. Black (2000:5), Faul *et al.* (2002:35-36), Atrill and McLaney (2002:24) and Marriott *et al.* (2002:12) define assets as resources held by an institution with the following characteristics:

- A profitable future economic benefit, meaning an obsolete piece of equipment can be sold for scrap.
- An institution has an exclusive right to control the benefit.
- A benefit must arise from some past transaction or event, meaning that the items an institution thinks of buying in the future cannot currently form part of an institution's assets.
- The asset must be capable of measurement in monetary terms.

Marriott *et al.* (2002:82-83) indicate that control of cash receipts and payments is obviously of particular importance to the institution as resources that are in the form of cash are vulnerable to misappropriation (cf

1.2). They also indicate that the cash book in which all receipts and payments are recorded is the central element of cash control to ensure that all cash due to an institution is received and retained until its subsequent properly authorised disbursement takes place. The conclusion that can be drawn from indications by Marriott *et al.* (2002) is that it is essential for an ABET centre manager to keep a register of all ABET centre assets. Regenesys (2000:49) stresses that assets represent cash and therefore the mismanagement of stock means the mismanagement of cash. It further indicates that if the process of purchasing, storage and control of assets is not properly managed a conducive environment is created for theft and corruption. It is important also to have a mark on such assets, particularly the movable property, for easy identification.

3.5.3.1 Control of credit at ABET centres

A major flaw in controlling assets at ABET centres in general is the control of fees owed to the centre by adult learners. Lack of control of money owed to the centre leads to progress reports of learners being withheld by the institution at the end of the academic year. This happens even if no prior notices were given to the learners to remind them of their debt and the consequences of failure of the learners to meet their obligation to pay the tuition fee. The ABET centre manager can control the money owed to the ABET centre through some or all the following measures that worked for the researcher:

- Sending notices of accounts to learners who are not paid up.
- Inviting the learners to advance the reasons for their failure to meet their tuition fees obligations and obliging them to indicate as to when they will be in a position to pay.
- Sending letters of warning to those who never respond to notices sent to them.

According to Bisschoff (1997:112-114) credit is used to accommodate the fact that learners cannot pay the amount of say R600.00 (six hundred rand) per annum at once. He says as a result, learners are given an opportunity to pay this amount in instalments over a time, usually ten months. He warns that if this matter is handled haphazardly, the educational institution will tend to lose a great deal of money. He further cautions the credit policy of the centre should be drawn on how overdue accounts should be handled. The following aspects should be taken into account after consultation with the CGB:

- Encouraging prompt payment through transparency.
- Giving discounts to learners who pay a lump sum of money at once at the beginning of the year as an incentive.
- Keeping a manual or computer system which will determine the age of the learners' accounts.
- Determining the procedure to write off bad debts.

To prevent an embarrassment at the end of the year, it is important for the centre to operate like the business sector does by sending learners monthly statements as indicated earlier on in this section. This may be considered a waste of time by the management, but it will continuously create awareness to the learners that they seem to renege from their contract of prompt payment.

3.5.3.2 Control of stock at ABET centres

An assets register is essential for stock control at an ABET centre, because it provides a backup information for the centre property, it helps the manager know when to dispose of property that proves too expensive to maintain, it is a sign that the manager is well organised and knows all the centre property, it facilitates easy hand-over when the manager leaves the centre and a new incumbent must take over, and in the case of theft, easy reference can be made to the asset register about the invoices and the

value of stolen property. The North West Provincial Government (1996:151, 155-156) points out that stores and equipment that are capable of being marked must be marked with the institutional ownership mark. It further points out that when stock is disposed of, the institutional mark on stores and equipment shall be cancelled with a cross (X) to show that institutional ownership has ceased. It also points out that in the case where an ABET centre manager leaves and a new incumbent has to take over, a hand over certificate should be completed, thus clearing the exiting Centre Manager. One copy of the hand-over certificate should be kept by the incoming ABET centre manager while the other copy is given to the departing ABET centre manager. If the person from whom the take-over has to be made is not available, an impartial person must be nominated in writing by the accounting officer (area project office manager) to assist the person taking over with checking finances, stores and equipment and certifying any of the discrepancies. In the case of surpluses or deficiencies, a certificate shall be dealt with in stock taking reports, and in the case where no official hand-over is made, the new incumbent shall be liable for any shortages unless it can be established that the shortage existed prior to taking over.

As ABET centre assets may include delicate technology such as computers, photocopier machines and duplicating machines, it is important for the manager to have a policy that will provide guidelines on how to utilise the centre assets. The policy as explained by Flanagan and Finger (1998:306-307) may include capital development of assets (buildings and grounds), maintenance of assets (e.g. restoration of assets to their original conditions), management of facilities (e.g. lighting or air conditioning), and disposal/adaptation of assets.

Failure to develop a policy on the use of ABET centre assets may lead to exorbitant amounts spent on unnecessary repairs of equipment as such repairs will be costed to an ABET centre when the assets were actually used for personal gain. Lack of policy on these assets may also lead to the staff using the assets for their own personal gains rather than to the benefit

of the target group. Through an effective policy, the assets at the centre will have a longer life span. Buchel (1992:189) indicates that any loss of state or public property through theft, fire or any form of fraud must be reported to the police immediately, giving all available information. He finally advises that the following measures should be taken on the use of public property: incidents of theft must be formally reported to the local department of education (area project office) and the copy of the final police report must be transmitted to the area project office; state property may under no circumstances be lent to private people or used for private purposes; and state property may only be sold after permission has been obtained from the Department of Education's controller of stocks.

Wisniewski (2002:417-419) indicates that an organisation has to have an efficient and effective stock system so that adequate supplies of stock are readily available. He also points out that the organisation has a problem of looking after the stock in stores. He describes a classic dilemma of the manager with stock control responsibility of trying to minimise costs incurred and on the other trying to ensure that a stock-out (running out of stock) does not occur. The following problems involved in stock control are highlighted:

- Order costs which are incurred whenever a stock order is generated, these costs involving costs to clerical, administrative and managerial activities, transportation, receiving and inspecting orders and finance and accounting support.

- Purchasing of the stock item.

- Holding costs whereby the organisation holds a fixed quantity over a given period of time including storage costs (heating, lighting and security), depreciation, insurance and obsolescence.

- Stock-out costs involving the costs that may be incurred in obtaining supplies of item at short notice from a supplier who charges a higher price or sending someone to the supplier to collect directly instead of supplies being delivered.

A conclusion that can be drawn from the problems on stock control mentioned by Wisniewski (2002) is that the ABET centre manager will have to be conversant with these problems so that he/she can control stock efficiently and effectively. Lack of stock control at an ABET centre may lead to the misuse of public property by the staff. Loss of stock will prevent the centre in reaching its goal. It is essential to have stock control mechanisms to ensure that ABET centre property is used for the benefits of learners and the staff in carrying out their duties. Bisschoff (1997:117) says stock management includes the following aspects:

- The right quantity, which ensures optimum level of stock to be available, ordering economic quantities through large quantity orders, which lets the centre qualify for discounts.

- The right time, which means the centre must ensure that the stock is available at the time as this will allow the centre to proceed as smoothly as possible, ensuring that the stock is bought during sales at stockists.

- The right source, which means the centre must buy from the right stockists as such a stockist will supply the right quality at the right price and will be reliable as regards delivery of the material.

The three aspects mentioned above by Bisschoff (1997) have certain implications for an ABET centre manager. Firstly, an ABET centre manager must be aware that bulk buying at the right time will leave the centre with more money to spend on other matters. This can be possible if an ABET centre Manager knows different suppliers and is ready to negotiate for a reasonable price. It also will be possible if an ABET centre manager is aware when the service provider wants to turn his/her Centre into a dumping area. This happens when the service provider sells large stocks that the centre does not need. Secondly, it means an ABET centre manager must be able to differentiate between what is quality and what is not. In order to control stock properly, there are registers that must be kept by the ABET centre.

As stock depreciates, it must be disposed of when it no more has value or becomes too expensive to maintain. Levitt (1997:42) indicates that many institutions squeeze the maintenance budget and reduce the amounts for maintenance every year. He warns that every reduction of the maintenance budget below the base need level that is not covered by increases in efficiency, productivity or by maintenance improvements will result in deterioration. Wisniewski (2002:524) indicates that institutional managers are periodically faced with decisions about the replacement of equipment. The decision lies with whether to stay with the existing equipment and probably incur additional costs in terms of maintenance and repairs or buying replacement equipment that requires a hefty initial investment. He finally presents the following aspects that should be taken into consideration when taking a decision to replace equipment. First, assessing the financial information available in terms of keeping the existing equipment and determining whether these costs are at a minimum as against the cost of replacement. Second, considering whether the capital budget has sufficient funds for the new equipment. Third, establishing whether quality service is adversely affected to the point where the decision to replace the equipment has to be made. Mills and Stiles (1994:37), Atrill and McLaney (2001:40-41), Bebbington *et al.* (2001:180), Atrill and McLaney (2002:43-44) state that it is generally accepted to reduce the value of assets each successive year. They say this reflects their use in an organisation and what happens to them during the time that the organisation possesses them. They give the following as examples of depreciation:

- Depreciation of land and buildings as while they may increase in value. In a long-term perspective buildings will deteriorate and require modernisation or replacement.

- Office furniture and equipment that wear out, become obsolete or just too expensive or uneconomic to maintain, in time having a scrap value.

- Vehicles, which tend to lose value as soon as they are purchased and become increasingly more expensive to operate with time.

They finally point out that the reduction in the value of fixed assets in the case of tangible assets is known as depreciation while that of the non-tangible assets is known as amortisation. Bebbington *et al.* (2001:181) remark that while it is important for the institution to know that fixed assets depreciate, it is significant for the institution to know when the asset was purchased and the cost when it was purchased, as well as the estimated useful life of the fixed asset (for how long is the asset expected to be owned by the focal institution and to generate revenues/reduce costs for the institution), and whether the asset will be sold, repaired or scrapped at the end of the estimated useful life. It is also important to know the focal institution's depreciation policy, e.g. whether a straight-line depreciation or reducing depreciation method will be used. Bisschoff (1997:119) indicates that fixed assets can depreciate due to economic or physical obsolescence and gives the following three types of depreciation that exist that must be realised:

- Technical obsolescence that is due to wear and tear of an asset.
- Economical obsolescence as a result of technical innovation as in the world of computers.
- Directives given by the Education Department on how educational institutions should depreciate the assets entrusted to them.

The North West Provincial Education Department (2003b:101-102) instructs that a commitment register should be kept at the ABET centre and says someone (from the procurement section) should be appointed in writing to maintain the register. The commitment register should provide for the following:

- Name of the supplier/service provider.
- The order number.
- Expected delivery date of goods or services.

- Quantity to be delivered.
- Unit price.
- Total amount.
- Amount paid or outstanding.

3.5.3.3 Control of opening and running a bank account

Marriott *et al.* (2002:83) point out that one result of using a bank account is the creation of an additional source of information on cash flows of an institution. The bank statement is provided periodically by the bank and that this statement should contain the corresponding entries to those in the cash book. Financial resources of ABET centres cannot be spent according to an individual ABET centre manager's personal needs but in terms of the goals of the centre as expressed in the centre budget (cf 2.2.7). There is a need in terms of the ABET act (South Africa, 2000:) for the CGB to open and maintain a bank account for the centre. The North West Provincial Education Department (2003d:40) points out that in accordance with TR 15.5.1 all money received by the educational institution shall be deposited daily into the relevant bank account or for the amounts less than R500,00 (Five hundred rand), as soon as possible but at least by the last working day of the month. It further says the account to be credited shall be clearly marked/stamped on the reverse side of all cheques or other negotiable instruments to be deposited at the bank in order to ensure that the correct bank account is credited. The total amount of cash received, including postal orders/money orders shall be listed on the deposit slip and that the amount of each cheque included with the deposit shall be indicated separately on the deposit slip in the space provided. To the contrary, the Human Sciences Research Council (HSRC) (1999:iii) indicates that 73 centres in the North West Province did not have bank accounts. This leads to questions such as: How did the Department of education in the province allow such ABET centres to operate when there is a clear indication that there are no proper accounting practices for money at such centres? How

would the Department ensure that the money collected as tuition fee at such centres was properly collected, disbursed and accounted for? How would ABET centre managers at such centres audit their financial records in the absence of proper records? How did such centres manage to send their monthly financial returns as a form of internal control by the Department at the area project office? Were the learners provided with transparent and authentic financial reports periodically? Was the Department aware of this glaring mistake? Were there any monitoring processes that took place to ensure that such Centres operated according to the laid down rules?

The HSRC (1999:iii) further indicates that 92 centres did not have funds. This raises further questions as to how an ABET centre can successfully operate without funds. Another question that arises is whether there was any progress shown at these centres as lack of money would make it impossible for the centres to function effectively. The assumption that can be made in this regard is that the learners at such institutions may suspect that their money at ABET centres was not utilised properly. There is also a need for transparency in the financial activities of a centre, there is need for a bank account to be opened and maintained. The decision to open and maintain a bank account is not a unilateral one, but involves other stakeholders. The task of the ABET centre manager in this regard will be to brainstorm the CGB members about the available financial institutions and services rendered by such institutions. The ABET centre managers can also provide the stakeholders with information brochures from different financial institutions to those of the members who are literate.

The knowledge of the different fee structures for the services rendered by the different financial institutions will enable the manager and the CGB to take informed decisions of where to open and maintain bank accounts.

3.5.3.4 Control of expenditure

In Chapter 1 (cf 1.2) it was indicated that financial resources are hard to obtain. The assumption made by the researcher is that the manager will have to be thrifty in expending money at the centre. Black (2000:8) defines *expenses* as the expenditure made by an institution related to the revenue generated within the same financial period (revenue expenditure). The cost of fixed assets (capital expenditure) is not considered as an expense as the asset lasts for several financial periods, but an estimate, known as *depreciation* is made of the proportion of the fixed asset's value used in the specific financial period. The loss in value is treated as an expense when calculating the surplus or deficit and is also deducted from the assets value in the balance sheet. The surplus or deficit is calculated by comparing an institution's income with its expense. Where income exceeds expenses, the institution makes surplus and the institution's accumulated funds are increased. Where an institution's expenses exceed income, the institution's accumulated funds decrease. The conclusion that is drawn by the researcher is that before money is expended, it will be important for the ABET centre manager to ask himself/herself the following questions: Is an item budgeted for (cf 2.2.7)? If not, money should not be spent on such an item because this constitutes a misappropriation of funds and thus leading to a charge of misconduct. Can the item/service be purchased/procured at the most reasonable price from another supplier/service provider? Is the item/service of the required quality? Is the supplier/service provider of a reputable standard? Will the item/service bought/provided at the right time? Are there sufficient funds to buy such an item/service?

Booyens (2000:192-193) indicates that institutions usually set aside a fixed amount of money for expensive items of equipment like photocopier machines and computers. Before requests for a purchase of costly equipment can be made a thorough analysis should be made, through answering a list of questions and asking a list of questions:

a) List of questions to be answered

- Is there no equipment currently to be used?
- Will new services be offered in future which will require different/new equipment?
- Does the current equipment break down easily and how often?
- What is the cost of repairs?
- Is there a decrease in quality service delivery by ABET educators because of poor functioning equipment or lack of it?
- Does the current equipment provide low quality service which leads to negative impacts to effective and efficient delivery of quality services by the ABET centre?
- Would new equipment improve delivery of services?
- Will new equipment improve or lower the institution's operating costs?

b) List of questions to ask

Once a decision has been taken to purchase a new equipment, the following questions must be asked:

- What would the initial purchase price be?
- What would the installation costs be?
- What would the maintenance costs be?
- What would the labour costs in terms of extra staff needed to maintain or operate the machine be?
- How much would training costs for the existing staff in order to operate the equipment correctly be?
- What would regular service and repair costs for the equipment be?

- What will be the additional charges for special features to the equipment costs be?

The conclusion that is drawn from the questions presented by Booyens (2000) that have to be answered and asked by ABET centre managers is that they will help them to take informed decisions on whether to buy or lease equipment. By taking informed decisions based on tangible facts the ABET centre manager will be in a position to utilise financial resources at the ABET centre effectively and efficiently, rather than purchasing equipment which will be turned into a white elephant.

Once the above facts have been established, it would be appropriate to seek at least three quotations from the prospective service providers (cf 3.2.6). Lawrence and Molosi (2002:26) indicate that all persons with a financial interest in any tender/business activity should declare it in writing and should not take part in any discussion, transaction or negotiations which are meant to decide a service provider to be considered. It is important to consider the lowest bidder who will provide a quality service. After a formally constituted meeting of the executive has approved the right service provider, a cheque will be issued.

Sharrock and Kidd (1993:17, 19; 161-170) define a cheque as bill of exchange drawn on a banker payable on demand. A bill of exchange is an unconditional order in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time, a sum certain in money to a specified person or his order or bearer. A cheque, at its inception involves three parties: the person who gives the order to pay, also referred to as the *drawer* as the creator of the cheque, who and is also responsible for its being paid, a banker to whom the order to pay is given or the banker on whom the cheque is drawn, and a person to whom payment is to be made, referred to as the *payee* or *bearer* when the cheque is drawn simply payable to bearer. Cheques may be dishonoured for the following reasons:

- Making payment without mandate. It happens when a customer's signature is forged or appended without authority or when payment on it is countermanded by the drawer.

- Failure to observe terms of a mandate through making a payment to a non-holder.

- When a payment is made contrary to a crossing.

- Premature payment of a post-dated cheque.

- Payment of more than an amount stipulated by the drawer.

To show that an expenditure is officially approved, it will be essential for the executive to sign the expenditure voucher form. It must also be emphasised that cheques should not be signed indiscriminately as such cheques will be easily exposed to fraud. Cheques may be lost or mutilated. In this case it is important for the CGB to know the conditions under which such cheques can be replaced. The North West Provincial Education Department (2003a:28-29) points out that the issue of replacement cheques shall be controlled strictly in order to avert any possible overpayments and/or fraudulent activities. It also says replacement cheques are issued under the following circumstances:

- Where the beneficiary has lost/misplaced his/her cheque and the cheque has not been cashed.

- Where the beneficiary has not received his/her cheque and the cheque cannot be traced.

- Where the cheque has been stolen prior to being handed to the beneficiary.

- Where the cheque has been destroyed.

- Where the cheque has been stolen and has not been cashed.

- Where the check has become stale.
- Where the details on the cheque are incorrect.

In the event where the relevant cheque has been cashed, the onus is upon the beneficiary and not the Department to take corrective action. When issuing cheques, the North West Provincial Government stipulates as follows:

- Each cheque must be signed by at least two persons and the counterfoils initialled by the same two persons.
- A list of specimen signatures must be made with the educational institution's banker.
- Before signing a cheque each signatory shall make a proper check of the documents or vouchers supporting a payment and satisfy himself/herself that:

  a) A payment is a correct charge against the account concerned.

  b) A payment has been duly authorised.

  c) A cheque bears the correct date, name of payee and amount, and that the amount in words and figures tallies.

- Issued cheques must be checked against the bank statement at the end of the month for reconciliation purposes.

Elliott and Elliott (2002:332) point out that leasing may be an alternative to buying equipment for ABET centres. Brealey and Meyers (1999:735) and Broyles (2003:332) define a lease as a contract between a lessee and a lessor for a rental of a specific asset which may include office machinery, equipment or computers. A lessee who is the user of an asset, decides on the kind of asset to be leased and the period for which it is required. The user of the asset should pay rent to compensate the lessor for capital cost for the time value for money and for risk, and the rental payments include a

premium for the risk of the lessee defaulting on lease payments. Elliott and Elliott (2002:332) identify the following commercial advantages of leasing:

- It helps with cash flow management as cash used to purchase equipment is not available for the normal operating activities of an institution.
- It conserves the accumulated funds as it keeps lines of credit open.
- The lease agreement is itself a line of credit that cannot easily be withdrawn or terminated due to external factors in contrast to an overdraft that can be called in by the lender.
- The lease payments can be structured to match the income pattern of the lessee.
- It lets the institution use an economic resource that does not appear in the balance sheet, with the corresponding omission of the liability.

3.5.3.5 Controlling and reconciling ABET centres' financial records

Marriott *et al.* (2002:85-86) explain that a valuable check on the accuracy of the bank account is provided by the routine preparation of the bank reconciliation statement to ensure that the bank account balances of an institution agree with the bank statement. To provide an additional control, the reconciliation should ideally be prepared or checked by an official of the institution who is otherwise independent of the control and recording of the flows of cash. In terms of this study, the ABET centre manager is an accounting officer. Levine, as quoted by Sangweni (2003:8), points out that some basic administrative systems in the public service are breaking down and says simple record keeping is not up to scratch, thus letting ABET centre managers run into major problems because the filing system is appallingly managed.

On the other hand, Bebbington *et al.* (2001:119-121) point out that no matter how good the system could be, a few errors may occur and as a

result some sort of internal financial control needs to be exercised. According to them control ensures that everything that should be recorded is correctly recorded and that nothing that should not be recorded slips into the financial system of an institution. Each institution will have some form of system internal control (SIC) which will cover everything from physical security to the authorisation of expense claims. The following steps are to be taken into consideration by the ABET centre manager when doing control and reconciling financial records, namely to use:

- a control account, which is usually maintained to check on the accuracy of the ledger to which it relates, e.g. debtors control account;
- a suspense or error account, where items that an institution is uncertain with are recorded, a cheque received from someone but the organisation does not know what it is for;
- various reconciliations which are used to cross-check different parts of the accounting system.

At the end of every month, it is important for the financial records of a centre to be balanced and reconciled. The North West Provincial Education Department (2003a:39) points out that cash books are maintained to record information regarding all official money received and deposited. It further points out that once a receipt has been issued its details shall be recorded in the relevant cash book. Two uses of the cash book are identified. In the first instance, it serves as a reconciliary tool between receipts issued and money deposited. Van der Merwe (2001:63) points out that at the end of each month, the organisation receives a bank statement from the bank, which should be compared with the entries in the cash receipt journal (CRJ) and the cash payment journal (CPJ) in order to correct and reconcile all differences to balance the financial records of the organisation with that on the bank statement. In the second place, it is utilised as a source document to capture the relevant information onto the WALKER system. Although this is the task of the treasurer, it is important for the ABET centre manager to

initiate and supervise this process. This process is essential to ensure that the centre will not overspend.

Marriott *et al.* (2002:85-86), Archer *et al.* (1996:51) and Stevens (1990:39-40) describe the reconciliation of financial books as comparing the balance on the institution's monthly bank statement with the balance in the institution's own records. They further indicate differences between a bank account and a bank statement emanating from errors of calculation caused by failure to record items or recording the same item twice; standing order payments authorised by an institution for the bank to debit its account which were not recorded in the institution's books. Differences may also be due to bank charges and interests that are entered by the bank on the institution's account. Another reason may be unpaid cheques issued by the institution which have not yet been presented for payment and cheques issued to the institution which have not yet been credited, or dishonoured cheques due to insufficient funds or because alterations have been made on the cheques. Money may also have been deposited directly into the institution's account by learners or donors. Debit or stop orders, and errors in recording amounts, (e.g. R645 entered as R465) may also account for differences.

Failure to reconcile financial transactions at the end of the month may lead to the management issuing cheques while there are no sufficient funds, and it usually forces the centre to ask for a provisional statement from the bank. This is costly as the bank charges the institution's account for such statements in addition to the normal services charged. The checking and reconciliation of records also helps the ABET centre manager to go through all monies that were deposited during the month and to check the deposit slip book against the monthly bank statement. This will help the ABET centre manager to trace errors at an early stage rather than waiting for such errors to be traced by the auditor. This checking forms part of the internal control at the institutional level (cf 2.2.12). The skills to check, balance and reconcile financial records will have to be developed. After going through the process of checking, balancing and reconciling the financial records, the

ABET centre manager must sign and indicate the date on which this exercise was done.

Constant control of records will show the staff that the ABET centre manager is in control and that he/she has all knowledge of all activities taking place at the centre. A thorough and regular control of records will enable the ABET centre manager to make financial analysis (cf 2.2.8) to do internal control (2.2.13) to see whether support documents to financial activities are in place (2.2.19) whether the financial policies are followed (cf 2.2.3) and whether procedures for the accounting cycle (2.2.4) are properly followed. In order to control financial activities of a Centre, the ABET centre must keep the following records (North West Provincial Government, 1996:67-68; Annexure 8):

- A main ledger account which must be balanced on monthly basis.
- Official receipt books, the NWPED/OT 02.
- A register of receipts, (NWPED/OT 03I) in which in order of receipt, all monies received as well as accepted credits received direct through the bank deposit shall be entered.
- A register of payments (NWPED/OT 03E) in which in order of payment, particulars of debit/stop orders, cheques and transfers shall be entered.
- Deposit slips book issued by the banker.
- Expenditure voucher forms.
- Receipts and invoices from the service providers.
- Audit reports.
- Minutes of meetings where financial decisions were taken.
- VA2 forms through which the centres will order goods from government warehouses.

- Telephone register.

3.5.3.6 Control of consumable stock

Buchel (1992:174) says consumable assets include any article that is used up and cannot be used again by someone else. He gives examples of consumable assets as laboratory chemicals, receipt books, paper and toners for computers and photocopiers. Some of these assets, like toners, are expensive. If not properly controlled such assets can be misused to the disadvantage of the centre. It was indicated earlier (cf 3.6.5) that a policy must be developed around this. As it may be dangerous to have such assets lying loose, it is important to lock them up. A proper issue of such assets must be made. The periodical control of the stock register for consumables will ensure that there is a topping up of stock rather than to make an order when everything has come to a standstill.

The North West Provincial Education Department (2003a:33) points out that the Department of Finance provides the Department of Education with receipt books that are distributed to educational institutions where funds are collected, the receipt books NWPED/OT 02 being relevant for use by ABET centres. The bookkeeping component at the head office is responsible for the distribution of receipt books received. The following process is proposed for the acquisition or procurement of receipt books:

- The Area Project Office places requisitions on behalf of educational institutions with the Bookkeeping component at Head Office which in turn requests the necessary quantities from the Department of Finance.

- On receipt of the requisition for receipt books from the North West Provincial Education Department the Department of Finance issues receipt books to the bookkeeping component for onward distribution to the area project office.

- The bookkeeping component maintains a register for each area project office and records all details of receipt books issued in sequential order.

- The bookkeeping component notifies the area project office to collect their relevant receipt books and on collection, the area project office official signs the register as proof of receipt.

The North West Provincial Education Department (2003a:43) also points out that the bulk stock of official receipt books shall be kept in a strong room or safe. Furthermore, it says a person must be appointed in writing for the purpose of exercising control over the stock, and a main stock register shall be kept containing at least the following information.

- the date on which new stock was received;
- serial numbers of the receipt books;
- name of the person/institution to whom the stock is issued;
- name of person receiving the stock;
- date of receipt of stock by the said person;
- signature of person issuing stock;
- date issued;
- signature of checking officer; and
- date of inspection.

The stock registers are usually submitted to the auditor at the end of every financial year (cf 2.2.6).

3.6 FINANCIAL REPORTING

It was indicated earlier on in this study (cf 2.2.1) that although the accounting period is a period of one year, interim reports must be submitted. The interim reports will ensure transparency about the financial activities of a Centre to all stakeholders. This will also inform those who are handling

finances of an institution what is happening about the financial resources at the institution. In this way everybody will be conversant with the financial activities of an ABET centre. Reporting on financial matters can be done on two levels. Firstly, internal monthly, quarterly and annual reports may be given by the treasurer on behalf of the CGB and to different stakeholders of the ABET centre. Such reports will be presented at CGB meetings and learners' meetings convened for such purposes. Secondly external reports are given by the auditor (cf 2.2.5). The internal and external financial reports are now discussed in detail.

3.6.1 Internal financial reports of ABET centres

At the end of every month the treasurer under the supervision of the ABET centre manager must compile a monthly financial report. This report must be presented to the CGB, the staff and the learners. The treasurer will also have to send monthly financial returns to the area project office. This is done for the purposes of control. Buchel (1992:213) describes it as ideal to send the monthly returns. The monthly financial returns will comprise of the following documents (cf Annexure 8):

- All original copies of the NWED/OT 3 (I) - Income register pages for the current month.
- All original copies of the NWED/OT 3 (E) - Expenditure register pages for the current month.
- Duplicate receipts for receipts issued for the current moth (NWED/OT 2).
- Duplicate deposit slips for the money deposited during the current month.

Buchel (1992:213) also indicates that the treasurer must give a report back on the income and expenditure of the centre fund at a quarterly meeting of learners and the stakeholders. The CGB can check all account books and documents to verify details of the report. The monthly and quarterly reports gear up the CGB for the audit of books at the end of the accounting period.

The ABET Act (South Africa, 2000a:22) points out that the Member of the Executive Council (MEC) for education must request the CGB to provide him/her with a report on the overall governance of the centre in respect of the preceding financial year. This report will serve as an analysis of the past activities of the governing body for the previous financial year. On the other hand the report indicates that the governing body is accountable for the financial resources entrusted to its care. The report will also help the governing body to realise its shortcomings for the previous financial year with the purpose of correcting this in the ensuing financial year. Management and staff will be assisted by this report to reflect on the results produced the previous year. It will help management to look at the input made and the outcomes that have been achieved. This will assist the management and staff to get back on track if they realise that they were out of track the previous year. O'Reilly (1993:209) gives the following outlines of a checklist for the project post-mortem that will guide the CGB on the report:

- Defining what the objectives of the CGB were for the previous year.
- The plans that the CGB had to reach the outcomes.
- Monitoring strategies that were put in place to ensure that the CGB is on the track to reach its envisaged outcomes.
- How the CGB will realise whether it is moving towards reaching its key performance indicators (KIPs).
- The overall achievement of the CGB.
- Challenges experienced during the previous year, the causes thereof and how to face such problems in future.
- How the CGB intends to improve on their present performance.

When reporting financial activities to the internal users of the institution, the ABET centre manager will have to take guidelines into consideration, such as to ensure that the decision to report is based on the appropriate

appraisal methodology decided upon by the stakeholders, to establishment of all the information necessary to support the decision that is to be taken/made, and to ensure that the stakeholders understand the full impact and financial report, taking into account the stakeholders' level of understanding and prior knowledge (Elliott and Elliot, 2002:6).

3.6.2 External financial reports of ABET centres

At the end of an accounting period (cf 2.2.1) the accounting process of an institution (cf 2.2.3) must be examined by the auditor or an independent accounting officer (2.2.5) or by the auditor general in terms of the ABET Act (South Africa, 2000a:22). Sheldon (2000:148) explains that donors require that an annual audit be conducted by a qualified outside accounting firm before they allow any money to be donated to a non-profit organisation. He also indicates that the inclusion of a projected budget put together by the institution's financial committee is not enough to convince the donor to release funds. Through the request for an audited financial statement, the donors want to ensure that the institution's needs are real and that the institution's financial affairs are in order. The audit report serves as evidence to the prospective donor whether funds of the institution are properly managed (cf 3.2). Other advantages of an audit report include are that it removes doubts in people that the financial resources are not properly handled, and that it is an authentic report to clear an ABET centre manager when he/she leaves the centre at the end of the financial year. The submission of financial records for audit purposes cannot be done hurriedly. It must be properly planned. In terms of the ABET Act (South Africa, 2000a:1) the accounting period for ABET centres is 1 January to 31 December each year. Knowledge about the accounting period is important as the CGB will ensure that the financial records are properly prepared for audit at the end of such a period. The submission of financial records on time for audit will ensure that the centre will start the ensuing financial year smoothly. This will happen as the financial records are returned to an ABET centre by the auditor before the reopening at the beginning of the financial

year. An ABET centre manager must also ensure that all relevant records are submitted to the auditor to ensure that the audit process continues smoothly. The submission of all records needed for the audit of books is usually a nightmare if financial records were not properly kept. It is important for the ABET centre manager to ensure that records are kept according to the standards of good bookkeeping at all times.

It is important for the ABET centre manager to know the type of records that must be submitted for the audit of the financial records of the centre. This will help the PALC manager to check whether all the records have been included to make the audit process easy. The following is a list of records which must be submitted for audit (NWPED, 2002b:28):

- The cash book.
- The ledger book.
- The asset register with all acquired assets and their values listed in such a register.
- A list of debtors and the amounts such debtors owe to the centre.
- A list of creditors and amounts owed to them by the centre.
- The bank deposit slip book for the current year.
- The receipt books used for the collection of money during the current year.
- All paid up cheques for the financial year attached to the relevant expenditure vouchers, claim letters, receipts and invoices.
- Bank statements for the financial year.
- All cheque books used for the financial year.
- All income registers used for the financial year.

- All expenditure registers used for the financial year.
- A letter of appointment for the auditor.
- A letter to the bank authorising the auditor to access bank statements on behalf of the centre.

As ABET centres' academic year ends in November, it is important for the financial records to be submitted as early as December of the financial year. This will make it easier for the auditor to finalise the audit of books early in January the ensuing year after obtaining the December bank statement.

3.6.2.1 The audit report

Bromberg (1997:119) makes reference to basically two main financial accounting statements, known as the *surplus* and *deficit account* and the *balance sheet*. A third statement, the *cash flow statement*, is derived from the surplus and deficit account and the balance sheet. The conclusion made from the statement by Bromberg (1997) is that the audit report of an ABET centre should comprise of the two main statements and the cash flow statement. It was indicated earlier in this research project (cf 2.2.5) that financial records of an institution must be examined by an independent auditor who expresses opinion on the financial position of an ABET centre. Elliott and Elliott (2002:758) identify three principal qualities of an auditor:

- The competence of the auditor, which includes the basic requirements to become a member of a professional body of auditors, the continued education required of auditors to keep them up to date and the practical experience of the auditor.
- Independence of the auditor, which has to do with the auditor being and appearing to be having no interest in the reporting assignment which might be regarded, whatever its actual effect as being incompatible with integrity, objectivity and interest.

- Other professional/ethical matters, including prohibition from providing other services to client institutions, e.g. preparing the client's financial statements.

Mills and Stiles (1994:81-82) indicate that a statement on the basis of opinion should explain why and how the auditor arrives at the opinion he/she expresses and that the opinion should include:

- A statement that the organisation has/has not complied with auditing standards.

- A statement that the audit process includes an examination on a test basis of evidence which relates to amounts and disclosures in the financial statements.

- A comment that the organisation's accounting policies are appropriate, consistently applied to and adequately disclosed.

- A statement to the effect that the auditor has planned and performed the audit to obtain a reasonable assurance that the financial statements are free from material miss-statements, whether caused through fraud or error.

Marriott *et al.* (2002:284) indicate that the auditor should express opinion upon the financial statements whether they provide true and fair view and whether they have been prepared in accordance with relevant accounting requirements and Acts. A qualified statement must also be given for two reasons: firstly, when the scope of the auditor's examination is limited, secondly, when the auditor disagrees with the treatment or disclosure of a matter in the financial report. The ABET centre manager and the CGB will therefore have to be versatile with the format of the auditor's report. This is important so that a Centre is not cheated by anyone who may pretend to be an auditor whereas he/she is not. This can be detected when looking at the auditor's report which does not meet the requirements presented by Mills

and Stiles. This will assist the ABET centre manager to know exactly what to expect in an auditor's report.

The auditor's report comprises of the following sections (Black, 2000:182-183; Marriott, 2002:282-283):

- The chairperson's review outlining an assessment of the year's results, an examination of factors influencing the results of the audit report, major developments, capital expenditure plans and an assessment of future prospects.

- The director's report outlining principal activities, changes in fixed assets during the financial year, substantial differences between the book value and market value of land and buildings and names of the CGB.

- The auditor's report setting out responsibilities of a CGB and the auditor, informing the stakeholders about the scope of the audit (whether work done complies with the instructions issued by professional accounting bodies for the guidance of auditors) and the auditor's expression of opinion (whether the accounts are a true and fair reflection or not).

- The cash flow statement showing a full record of the cash implications of transactions undertaken during an accounting period.

- Statement of accounting policies, which sets out the principles adopted by an institution when dealing with various items included within summaries such as how stocks are valued, what depreciation methods have been followed.

a) The auditor's report and expression of opinion

Gray and Manson (1993:387-388, 393) indicate that the auditor's report is effectively the means by which auditors communicate satisfaction or dissatisfaction with the accounts of an institution to the stakeholders. They also indicate that if the auditor is satisfied that the financial statements do give a true and fair view and comply with all relevant legislation he/she will

give an unqualified or clear opinion. They further indicate that if the auditor is dissatisfied he/she will have to consider whether a qualified opinion will be appropriate. They give the following sections of which the report is comprised:

- The addressee. The person/institution to which the report is given.
- The scope of the report and the identification of the subject matter.
- The opinion paragraph containing reference to the measurement method.

Dissatisfactions can result from any one of the following reasons or more:

- The institution using an accounting policy which the auditor believes to be inappropriate.
- The institution's disclosure in respect of a particular item being inadequate or
- Non-compliance with legislation.

From the reasons given it becomes clear that auditors as professionals operate within a particular framework of legislation. This will be a guiding principle to all auditors who perform the task of auditing the financial records of an educational institution. Another point to make is that the auditor must operate within the framework of a code of ethics in his/her profession. It can be concluded that an auditor cannot sacrifice his/her professionalism by expressing a false report or opinion on the financial report of any institution. The institutions will have to know that favours may not be curried to them by an auditor, should it happen that there are deviations that have been discovered by an auditor. Pendlebury and Groves (1994:99) describe the following various forms that qualified opinions can be expressed:

- The qualified opinion – disagreement which occurs when the auditor disagrees with the treatment or disclosure of the matter in the financial statement. This disagreement is explained in the report.

- Qualified opinion – adverse that occurs when the effect of the disagreement is so material or pervasive that the auditor concludes that the financial statements are seriously misleading. The auditor states that the accounts do not give a true and fair view.

- Qualified opinion – except the limitation scope that is expressed if the auditor's scope is limited by the inability to obtain sufficient evidence or expectations or because proper accounting records have not been kept and that this prevents an unqualified opinion to be given. They also indicate that where the effect of limitation is so material or pervasive, a disclaimer opinion will be given.

A thorough study of the opinions expressed by the auditor indicates clearly that those who deal with finances at an ABET centres in the province must be conversant with the opinions expressed by the auditor. Lack of knowledge of these opinions expressed by auditors may lead to controversial audit reports sent out for public consumption before they are scrutinised by the ABET centre management team in order to respond to audit query and to respond to questions asked by stakeholders. With the thorough knowledge and understanding of the qualified opinion management will ensure that the records of finances are properly kept. This will make those who handle finances to ensure proper record keeping as the failure to do this will have a negative effect to the stakeholders about their dealing with financial resources of the centre.

b) The cash flow statement.

Stevens (1990:18); Weygandt *et al.* (1990:775); Berry and Jarvis (1994:199-201); Sneyd (1994:43-45); Faul *et al.* (2002:385); Atrill and McLaney (2002:162) explain that the cash flow statements analyses inflows and outflows of cash to see whether there is an increase or decrease in cash,

and summarises the cash receipts and payments over a period concerned. The cash flow report reflects cash transactions on the institution's cash resources through identifying and drawing attention to the change that has taken place in the institution's cash balances. Faul *et al.* (2002:385) also indicate that economic decisions taken by users of financial statements require the evaluation of the ability of an institution to generate cash and cash equivalents and of timing and the certainty of their generation. The purposes of cash flow statements fall into two groups. In the external group users of accounting cash flow information are interested in appraising the institution's performance in using the cash supplied or generated, policy on acquisition of new fixed assets, the extent to which new assets were financed by borrowing or by cash generated internally. In the internal group, management uses it as a planning tool for the amount of money needed by an institution, nature of funding and timing of new financing. If the estimated outflow of cash exceeds the internally generated cash means will have to be devised on where additional cash needed by the institution will come from.

Marriott *et al.* (2002:338-339) present the following benefits of a cash flow statement:

- The cash flow statement concept is understood by lay people and helps to remove some of the misunderstanding which may arise when users of accounts do not understand the concepts and conventions that underlie such features as the depreciation charge.

- The cash flow statement allows the user to judge an institution's ability to generate positive future cash flows and meet its financial obligations.

- The cash flow statement enables the effect of investments undertaken during the financial period on the institution's financial position to be assessed.

- It explains the reasons for differences between surplus and cash flow arising from financial activities.

- The value of an institution reflects the amount of cash it is expected to generate in the future and so the cash flow statement (although reporting historical events) provides a useful input to institutional evaluation models based on estimates of likely future cash flows.

The deductions that can be made from the definition of a cash flow statement are, firstly, that there will have to be a comparison between the amount of money received and the money expended in a particular year. This comparison ensures that expenditure does not exceed income. The comparison, on the other hand, will ensure that management spends according to its estimates. The cash flow statement will also help the management to realise those projects that used more money than they were allocated. An ABET centre manager will be in a position to caution project managers whose expenditure exceeds their allocated funds. Secondly, the cash flow statement will help management to realise the change from liquid assets to equipment. In this way an ABET centre manager will be in a position to account for this change in the form of assets. Proper understanding of the cash flow statement can also help the accounting officer to plan for the future. This will happen when an ABET centre manager is in a position to know those areas of needs that were met by the present allocation of funds.

c) The balance sheet

Stevens (1990:21), Pendlebury and Groves (1994:52-53), Sneyd (1994:26-27), Atrill and McLaney (2001:20) Elliott and Elliott (2002:332) and Marriott *et al.* (2002:8) define a *balance sheet* as the position statement. It sets out the assets and liabilities of an institution at a particular point in time (usually at the end of a reporting period) and serves as a valuation document as it reports the financial strength of an institution to allow an assessment of risk by extracting appropriate ratios. Marriott *et al.* (2002:8) explain that the balance sheet provides scope for management to undertake cosmetic exercises that present the institution's position in the best possible light. The balance sheet comprises of:

- Assets: current assets in the form of stock, money owed by debtors, cash on hand and the balance in the institution's bank account; fixed assets like premises, equipment, furniture and motor vehicles.
- Accumulated funds which are a source of finance to the institution.
- Current liabilities, e.g. bank overdrafts and money owed to creditors.
- Long-term liabilities, e.g. amounts payable after 12 months including items as bank loans and mortgages.

Atrill and McLaney (2001:41-42) describe the balance sheet as helping management to examine:

- The liquidity of the institution in meeting short term obligations from its liquid (cash) assets.
- The mix of assets held by the institution. The relationship between fixed assets and current assets is compared. Institutions with too much of their funds tied up in assets could be vulnerable to financial failure as fixed assets are not easy to convert into cash and may lead to substantial losses, as they are not always worth on the open market what they are worth to an institution.
- The financial structure of the institution by making calculations to see whether the institution is heavily dependent on outside financing or on accumulated funds.

d) Trial balance

Marriott *et al.* (2002:132-133) indicate that prior to the production of statements from the ledger, is the preparation of a trial balance consisting of all balances remaining at the end of the accounting period (cf 2.2.1) on the many accounts contained in the main ledger. The fact that a trial balance shows equal totals for both debit and credit balances does not necessarily mean that it is correct since the following errors do not result in an imbalance:

- Errors of principle emanating from an entry made in the wrong account.
- Duplication caused by both debits and credits for a transaction entered in the accounts twice.
- Omissions where a transaction is omitted altogether.
- Compensatory errors brought about by two or more errors, the effects of which cancel each other.
- Error in the original entry due to an incorrect figure used as a basis for the double entry record.

Dyson (2001:62-73) mentions a number of functions and purposes of a trial balance. It enables the accuracy of bookkeeping to be checked and to provide basic data for the preparation of financial accounts, as well as the accuracy of the transactions entered in the accounts to be checked, to facilitate the obtaining of a summary of the balance on each account and to provide the information needed in preparing the annual accounts.

e) Analysis and interpretation of financial statements

Archer *et al.* (1996:275) and Dyson (2001:16) indicate that the accounting officer or the financial committee must be able to analyse and interpret the financial statement. They indicate that this will enable the management to make meaningful deductions about the financial well-being of an institution. The ability of management to interpret and analyse financial statements will put management in a better position to identify loopholes in the financial transactions of an institution and to close gaps on these loopholes. Without the knowledge of interpreting financial statements, a financial statement of an institution will be reduced into a mere token.

3.7 WRITING OFF OF BAD DEBTS

Black (2000:95) defines *bad debts* as account balances of individual learners where there is no possibility that they will be paid. Bad debts are a

nightmare for an educational institution, as debts can lead to the dysfunction of an educational institution. Sometimes, however, a miracle happens that a debt previously written off is then paid, and if this happens the amount is added to the surplus as a bad debt recovered. To consider a debt as bad is an extreme step and is usually the culmination of a long drawn-out process involving reminders, threats of legal action and solicitors' letters. Stott (1989:87) and North West Provincial Education Department (2003d:74) point out that irrecoverable balances of debtors who cannot pay their accounts or who ignore all requests for payment must eventually be written off to bad debts account as a loss and expense to an institution. The reality of learners failing to meet their financial obligation of paying tuition fees cannot be ruled out. This is due to the fact that most learners are being laid off their jobs while others cannot afford to pay tuition fees because of their socio-economic conditions (cf 3.3). ABET centre managers should not ignore the socio-economic situations of learners and think that they can all afford to pay tuition fees. It is important to point out that the point of departure is to explore all means to collect all outstanding fees. It is only when all avenues to collect outstanding tuition fees have been explored and found to be failing that the option of writing off a debt can be resorted to. The North West Provincial Education Department (2003b:74) gives the following guidelines when ABET centres deal with bad debts:

- Debt files for individual learners should be kept.
- Debt policy must be included in the financial policy of an institution.
- The debtor should be notified of the amount owed and the method, instalment and duration of the debt recovery.
- Debt recoveries should where necessary be adjusted.
- Instalments with debt balances, including the management of interest must be reconciled.

- Where recovery of debt is impossible or not cost-effective, a-write off of debt should be considered.

- Where institutional attempts to recover debts proof fruitless and where this is financially feasible, the matter should be handed over to the institutional legal representative.

- ABET centre managers should be proactive and identify risk areas in the overall financial and administrative processes to reduce the likelihood of debts arising.

- Debt information must be provided to the financial management team.

3.8 COMPUTER-BASED FINANCIAL MANAGEMENT

Information technology (IT) plays an important role in data capturing, communication, information processing and financial transactions. In a fast developing country like South Africa, IT will also play a significant role. It is important for the educational institutions to adapt to the use of information technology in dealing with financial matters. The bright decision to take the IT route will bring about tension to a novice in this field. Wagstaff (1994:250-257) gives the following four advises with regard to the choice to follow the IT route:

- Ensure that senior management team acquires some experience of IT. This is important because senior management team has to draw the broad strategy within the institution that must be based on some knowledge of IT.

- Since technology changes rapidly, technology that will be bought will need to be upgraded or replaced. The senior management must be knowledgeable about computers so as to choose the relevant computers.

- Senior management should seek external advise when drawing up an IT strategy. There is wide range of advise available but that some will have bias towards particular brands or types of technology some to particular methodologies. It would be essential for the senior management to have discernment on such matters so as not to solely rely on the advice of some people who may claim to be experts in the field of IT whereas they are not.

- Senior management must begin by listening to the opinions of those who have already been advised never to hesitate to take up references or visit other educational institutions which are already advanced in using IT.

- Senior management must place an overarching emphasis on staff development, support and training. Excellent management knows that IT is only good as the people who use it.

Based on the articulation made by Wagstaff (1994), it may be assumed that senior staff must not be threatened by technology. Management must understand that learning takes place throughout life (cf 2.2.14, 2.3) in order to adapt to the ever-changing life. Management must therefore know that it will have to command expertise in the field of IT to be able to mentor the staff at the institution. Furthermore management cannot blame those from whom they may have sought advice from when things go wrong with their IT. It is important for the senior management to take responsibility for the decision it takes on IT matters. Finally, management should not only consider the cost of technology that is to be acquired. It must go beyond the acquisition stage and look at the maintenance costs. Should the management fail to consider maintenance costs the machinery will lay fallow at the centre ultimately turning into a white elephant.

Van der Merwe (2001:1-10) points out that in the modern world it is important that an organisation obtains information concerning its financial position on a regular basis. Management can only make effective decisions

if figures and information are readily available. Microcomputers make information available very quickly hence their being used more and more by organisations because using microcomputers make organisations to have ready access to information, to easily calculate new data and compare new data with the previous data. The following characteristics of the pastel accounting programme, for instance, can be utilised by ABET centre managers in producing financial reports:

- It has 1 000 000 ledger accounts available.
- An ABET centre can create 3 500 learners and client accounts on it.
- It calculates interest on outstanding learner fees or accounts (cf 3.5.3.1).
- It can print payment cheques.
- Age analysis of the learners and suppliers' balance accounts can be easily done on it.
- It has budget options.
- It gives institutions to have the option of more than one bank account.
- It has an effective writer of reports called the report writer.
- It is able to handle the Value Added Tax (VAT) system.
- It provides the following functions:

  a) Double entries.

  b) Subsidiary books or entry types including cash receipt journal (CRJ), cash payment journal (CPJ), supplier's journal, learner's journal and general journal.

  c) Financial statement or report writer.

  d) General ledger structure.

e) Trial balance.

Du Toit (2000:1) and Du Toit and Van der Merwe (1995:3) define a *computer* as an electronic machine that:

- Receives data from an input device.
- Carries out calculations and logical processing according to a previously complied programme.
- Stores the processed data.
- Sends the processed data to an output device for further processing or final printed form, e.g. business documents, schedules and management control reports.

According to Nicholson (1994:146-147) many kinds of information can be stored in an organisation's databases, some of this information being classified or confidential. Confidential/classified information, can only be accessed by authorised users through a password. She further says confidential or classified information must also never be discussed or disclosed, and says in-house security procedures and regulations must be strictly observed in this regard. Spreadsheets can be used for the following:

- To keep accounts.
- Analyse information and to make calculations.
- To find out the effect of increases.
- Offering fast and reliable way of converting data into various graphical forms.

The North West Provincial Department of Education (2003(d):75) gives the following guidelines for the use of passwords:

- Passwords must be treated as strictly confidential and users should not disclose their passwords to anyone irrespective of their designation or rank.

- Passwords must be at least 4 digits (alpha and/or numeric) but not more than 8 digits.

- Passwords may be changed at any time by users without waiting for PERSAL to prompt when a password needs to be changed.

- Passwords previously in use cannot be used again.

Sheldon (2000:134-135) mentions that many institutions rely on software to track donor requests and the status of all incoming proposals. As a result institutions purchase tracking and reporting software to keep a track of donor funding deadlines and to provide staff with an alert prior to the deadlines. In addition, technology has the power to allow NPOs to communicate with prospective and current donors more quickly, more often and more cost effectively as NPOs that embrace the technology will be able to maintain their edge in the competitive corporate support environment.

3.9 SUMMARY

This chapter focused on policy on educational financial management at ABET centres as non-profit organisations. The point of departure was to focus on how financial activities of ABET centres can be managed at different points, namely: at the fundraising level; collection level; expenditure level; the reconciliation level; and the assets control level. The chapter also focused on different ways in which the ABET centres can raise funds to be in a position to fund their programmes as the amount of money supplied by the state is not adequate to allow the ABET centres to provide quality services. Theory background was given on how funds can be raised, on the procedure to collect funds at the ABET centres, on proper procedures to be followed when spending money and on the purposes for

which the tuition fee can be utilised for. The chapter also focused on the control of both financial records through the reconciliation of financial records at the end of the month, reports given to stakeholders, audit of financial records and the control of ABET centres' assets.

The chapter discussed advantages of using computers for financial management as a tool for adapting to modern technology at ABET centres. Advantages and disadvantages of using computers were presented, and it was shown how the problems that may be encountered in using computers can be circumvented. The pastel computer system was indicated to be the best system to manage the ABET centre funds, financial reports and statements.

CHAPTER 4:
SELECTED TRAINING PROGRAMMES AIMED AT TRAINING ABET EDUCATORS, WITH SPECIFIC FOCUS ON FINANCIAL MANAGEMENT

4.1 INTRODUCTION

In Chapter 2 (cf 2.2.20) it was indicated that training is a means to ensure that public servants or prospective public servants perform intended jobs or tasks effectively. In the previous chapter focus was on the policy for effective financial management. The purpose of this chapter is to study selected training programmes for ABET educators to determine whether the training programmes include a module in financial management to ensure that the ABET educators are effective in managing financial resources at ABET centres. The chapter will focus on both pre-service and in-service training programmes for ABET educators with specific focus on financial management.

4.2 TRAINING PROGRAMMES FOR EDUCATORS OF ABET

The significance of making a study of programmes used to train ABET educators is fourfold. The first objective is to determine whether there are programmes that are used to train ABET educators in financial management. Secondly, the intention is to establish whether such programmes meet the holistic training needs of the ABET educators. In the third instance it will be determined whether the programmes are based on the present policies regarding financial management as stipulated in the present policies as outlined in Chapter 3. Fourthly, it will be suggested

where it is necessary the improvement on existing programmes. Where no programmes exist, the aim is to design a new programme to skill ABET educators with requisite financial management skills.

4.3 THEORETICAL BACKGROUND ON THE MINIMUM REQUIREMENTS FOR TRAINING ABET EDUCATORS IN SOUTH AFRICA

The training of ABET educators, taking into consideration the theory in Chapters 1-3, is not a haphazard process but one that must be thoroughly planned. Orpen (2003:29) indicates that providers of training programmes should use various strategic planning techniques in planning training. One of these techniques is scenario planning with the sole purpose to better understand outcomes-based education and training. Orpen (2003) identifies three challenging scenarios that should result from the National Skills strategies in providing rare skills training, financial management being one of scarce skills, which scenario planners should not ignore in providing training. The first of these is the ostrich scenario, where the skills training strategy fails due to lack of interest and incentives for the trainer and the trainee. The second is the lame duck forecast scenario, where training skills are developed but with no real or lasting impact. In this scenario the process of training is slow, indecisive and unstructured. Training authorities become cumbersome bureaucracies that add little real value to trainees in the medium to long term. The third is the icarus and flight of the flamingos scenario, where the update of the National Skills strategy is rapid, where training authorities try to achieve too much too quickly with noble intentions but with little attention to sustainability. In this scenario, trainee numbers soar and training quotas are reached but very soon progress is slowed due to lack of long-term strategies. Training must also be aligned to the National Qualifications Framework (NQF) training and assessment principles. The following requirements are pointed out as a guideline for trainers to be effective.

- Development of skills needed to adapt and innovate in a system where conditions are continually changing.

- Trainers should not only know the functions they perform but should become contextual and education and training experts to enable them to design the tools needed to cope with shifting conditions.

Levine, as quoted by Sangweni (cf 1.2) expresses concern on the training courses that are conducted costing up to R7 000,00 per person, drawing people away from their jobs but fail to really achieve the objectives at all. Training should be better coordinated and more programmatic if it is to be effective and should preferably be on the job and must be related to the job. Dees *et al.* (2001:4-5) indicate that education and training institutions face different challenges in attracting resources and justifying their existence. They indicate that the best measure of success for education and training services providers is how they create their value. The following guidelines would assist the education and training institutions to act as change agents:

- Adopt a mission to create and sustain its values.

- Recognise and relentlessly pursue new opportunities to serve that mission.

- Engage in a process of continuous innovation, adaptation and learning.

- Act boldly without being limited to resources currently in hand.

- Exhibit a heightened sense of accountability to the constituencies served and for the outcomes created.

Knipe (2002:236-239, 248-249) presents the following six practical steps as guidelines in ensuring proper management of a training project:

- identifying the need for the training project using formal methods of questionnaires, scientific surveys and opinion polls and through informal methods of debates, discussions and mere observations;

- choosing the training project team that must place the interests of the target group above personal interests and which has requisite expertise in the field of financial management to be able to manage the budget together with a human resource manager to handle personnel financial matters;

- defining the training project so that stakeholders can exactly understand what they are letting themselves in for and to be able to clarify all uncertainties about the training project;

- planning the training project which involves drawing a schedule for the whole project giving starting and completion dates and showing the logical tasks that must be linked with the responsible person or people, with realistic target dates;

- implementation of the training project by executing planned actions and ensuring that responsible people who carry out tasks will give feedback to the training project team about resources allocated to the training and on how control is exercised over these resources; and

- evaluation of the training project by giving quantifiable/measurable results on the tangible (physical results such as financial statements), invisible results (such as degrees of change in attitudes and perceptions), the cost-effectiveness of the training project, the organisational capacity and optional systems.

From the previous guidelines provided by Knipe (2002) in this section, the assumption made is that there must be particular minimum requirements that should be ensured to provide high quality training programmes to ABET educators. MacLennan (1996:99-100) indicates that the institutionally based management system is aimed at providing an educational institution under the leadership of an ABET centre manager with maximum flexibility to manage its own affairs and accountability to ensure that it provides quality programmes and instruction for each of its trainees. She further points out that the level of success at an educational institution is often dependent on

the knowledge, skills and commitment of an institutional Manager. The conclusion made from the indications by MacLennan (1996) is that an ABET centre manager should have required financial management skills to manage financial resources at an ABET centre properly.

Vaida (2003:1) discusses the Council on Higher Education's evaluation report on private tertiary education institutions' poorly organised courses. He points out that the National Department of Education will regard as worthless the degrees and diplomas awarded by the institutions that have been discredited. Amongst flaws on courses that are provided by discredited institutions, he depicts the following:

- Up to 84,5% of institutions offered higher education and training programmes which fall into NQF levels five and six while the programmes were found to meet the qualification criteria for NQF level four, which falls into the Further Education and Training (FET) band.

- Failure of programmes to require a sufficient number of credits for the programme, while on the other hand the programme's duration did not comply with the NQF level.

- Only 67% of the institutions allowed for the qualifications to be mobile, thus enabling students to enter other qualifications within the same field or to move across other fields.

- 75% of the institutions had no policy in place for recognising students' prior learning.

- 85% of the institutions named their qualifications incorrectly.

- Except for information technology (IT) programmes were seen as not responding to the explicit skills needs of the country.

- Vocational degrees were not constructed with a substantive proportion of workplace experience, this being left to students' initiative.

- The minimum standard requirement that lecturers have a relevant first degree and at least one qualification higher than the level at which he/she lectures was ignored, as only 19 of the institutions had properly qualified staff in terms of training and experience.

- A part-time lecturer acting as the external examiner and a human resource graduate teaching travel and tourism.

- More than 50% of the institutions did not have the necessary advisory committees and governing bodies with the right academic experience.

- 28% of the institutions either employed part time staff or else did not employ enough academic staff to establish quality programmes or student support.

Certain conclusions may be made from the expositions made by Orpen (2003), Levine, as quoted by Sangweni (2003) and Vaida (2003). Firstly, trainers must adhere to a code of conduct as indicated by Marshall (cf 2.2.20) to ensure that they provide high quality training programmes. Secondly, before any training can take place it must be ensured that such a training will meet its objectives and that it is not another fruitless or wasteful expenditure (cf 3.2). Thirdly, the trainers must be in possession of required standardised qualifications. In the fourth instance, there must be support provided to the trainees to ensure that those trainees who experience problems of study are helped out rather than left frustrated.

4.3.1 Minimum requirements for the registration of training providers

The National Department of Education (south Africa: DOE, 1999:42) indicates that the current reliance in the ABET field on external provision of educator training has often resulted in buying pre-packaged training programmes which are often not context specific. It indicates that context specific programmes are an integral part of education and training. Two modes of training for ABET educators are suggested. Firstly, provision should be made for training within the state through the establishment

and/or development of the existing national and provincial training units as internal agencies of training educators. It says this will provide an overall and sustainable co-ordination and management of training ABET educators and capacity building. Secondly, training should take place through a partnership between the Department and training agencies and training institutions to provide ongoing professional and technical assistance. The National Department of Education (1999) emphasises the establishment and/or development of training units; therefore it is essential for the Department, as Marshall (cf 2.2.20) indicates, to ensure that such units operate on the basis of quality training.

The National Training Board (NTB) (1994:118) refers to the institutions that provided education and training in the past, such as secondary schools, technical colleges, non-governmental organisations (NGOs), regional training centres, private colleges and training centres, private companies, and industrial training centres. It also highlights the following shortcomings in the provision of education and training programmes by these institutions:

- Difference in the quality of programmes for training.
- Inadequate resources.
- Reaching of a small percentage of the target group which met the requirements for training.
- Education and training programmes not aligned to changing social and economic needs of the target group.
- Isolated functioning of institutions even in areas of socio-economic development.
- Non-recognition of learning acquired from other institutions.
- Incapacity on the side of learners to transfer training to the place of work.

- Separation of theory from practice.
- Lack of combination of different training methods.
- The training programmes for the unemployed which focused too much on the number of trainees rather than on the quality of training in line with the labour market.
- More students training in social sciences rather than in natural sciences at universities.
- The imbalance at technikons and technical colleges of racial groups trained at such institutions.
- Poor liaison between regional training centres and the industrial sector, which led to the non-recognition of courses offered at such training centres.
- Training provided by the state to its employees, which could not be recognised beyond the public sector.
- Non-provision of education and training services to the illiterate, which made training not to be commensurate with the unemployed training system in the Department of Labour.

The implication of the said stumbling blocks as mentioned by the NTB (1994) with regard to training ABET educators, is that such barriers should be circumvented. It is important for the service providers in the training of ABET educators, be it the state or private institutions to provide training programmes with the following requirements in mind in order to register with SAQA, to indicate that the provider has a Quality Management System (QMS) and to be accredited by the Education and Training Quality Assurance (ETQA) body as presented by Coetzee (2002:31-32) :

- Necessary financial, administrative and physical resources.
- Policies and practices for staff selection, appraisal and development.

- Policies and practices for trainee entry, guidance and support systems.
- Policies and practices for the management of off-site practical or work-site components.
- Policies and practices for the management of trainee assessment.
- Necessary and reporting procedures.
- The ability to achieve the desired outcomes, using available resources and procedures considered by the ETQA body to be needed to develop, deliver and evaluate training programmes which culminate in specific registered standards or qualifications contemplated in the requirements for accreditation.

The above requirements are a clear indication that whatever training is provided by whosoever provides it, must be accredited, must lead to a qualification and ensure that the necessary financial, administrative and physical resources are in place.

4.3.2 Minimum requirements for the recognition of ABET educators' qualifications

Vaida (cf 4.3) and the NTB (cf 4.3.1) presented flaws in qualifications offered at Higher Education and training institutions. These flaws may lead to ABET educators who ultimately may become ABET centre managers to practice with bogus qualifications to the detriment of learners. To circumvent these flaws, Coetzee (2002:4-5) formulates the following requirements for qualifications:

- It must represent a planned combination of learning outcome which has a defined purpose and which is intended to provide qualifying learners with applied competence and a basis for further learning.
- It must add value to the qualifying learner in terms of the enrichment of the person through the provision of status, recognition, credentials and

licensing, enhancement of marketability and employability and the opening up of access routes to additional education and training.

- It must provide benefits to society and economy through enhancing citizenship, increasing social and economic productivity, providing specifically skilled/professional people and transforming and redressing legacies of inequity.

- It must comply with the objectives of the NQF.

- Where applicable, it must be internationally comparable.

- It must incorporate integrated assessment appropriately to ensure that the purpose of the qualification is achieved and that such assessment shall use a range of formative and summative assessment methods. The methods include portfolios, simulations, workplace assessments, written and oral examinations.

- It must indicate in the rules governing the award of the qualification that it may be achieved in whole or in part through the recognition of prior learning (RPL). This includes learning outcomes achieved through formal, non-formal and informal learning and workplace experience.

- A total of 120 credits or more will be required for the registration of a qualification with the NQF at levels 1-8.

Two assumptions can be made with respect to the indication by Coetzee (2002) for the requirements for training ABET educators during both the pre-service or in-service. Firstly, the education and training service provider, whether it be the state, NGO or institutions of learning, must be registered with the ETQA. The registration will protect the target group which could be easy target to fly-by-night institutions which may pry on ignorant learners. On the other hand, it will keep the providers on track to provide quality programmes rather than educate and train people for the sake of educating and training when the programmes fall far too short to expected standards.

Secondly, it will be necessary for the service providers to provide the target group with the authentic evidence of the units they shall have previously learned or experienced for the purposes of accreditation. The conclusion made is that all education and training service providers must register with the NQF so that their qualifications will add value to training ABET educators who through experience and promotion would become ABET centre managers.

The University of South Africa (UNISA) (2002c:1-2) indicates that a report entitled *Qualifications and Unit Standards for Adult Basic Education and Training (ABET)* was submitted and accepted by the South African Qualifications Authority (SAQA). This became a landmark for qualifications for ABET practitioners because through the ABET Standard Generating Body (SGB) the qualifications and unit standards have been registered on the NQF. UNISA finally indicates that the qualifications it offers for the training of ABET educators are recognised by the National Department of Education. Venter-Hilderbrand and Houston (1997:227-228) indicate the aspect of forming a legal staff entity to take charge of the financial disbursement and development plans which the training programme of ABET educators must take into consideration. They further indicate the following seven aspects which trainers should take into consideration when designing training programmes for ABET educators:

- ABET educators must be included in training programme design and implementation theory to ensure their active participation and to ensure that the design of a training programme includes all training needs of ABET educators, including financial management;

- the designer should be familiar with the target group to make training more appropriate, particularly on the rare skill of financial management;

- ensure that the material is presented in the language that ABET educators will easily comprehend rather than using sophisticated language suitable for specialists in financial management;

- ensure that ABET educators will grasp concepts used in the training programme with ease;
- ensure that the purposes of training are clear and understood and that outcomes are attainable, accessible and measurable;
- ensure that the physical location where training takes place is cost effective and easily accessible to the target group; and
- project evaluation to determine its impact at the place of work and whether it is not a money wasting venture.

The training of ABET educators will also be based on the purpose of the skills development Act (Act of 1998). The Act (South Africa, 1998b:6) stipulates its purposes as follows: To improve the South African workforce's quality of life, productivity in the workplace and ensuring cost effectiveness, self-employment and delivery of social services. The increase of levels of investment in education and training in the labour market and the improvement of the return on the investment by ensuring that trainees are trained in high quality programmes. The encouragement of the employers to use the workplace as an active learning environment, provide employees with opportunities to acquire new skills, provide opportunity for new entrants to the labour market to gain experience and to employ people who find it difficult to find employment. To encourage workers to participate in learnerships and other training programmes. The improvement of the employment prospects of persons previously disadvantaged through education and training. Ensuring the quality of education and training in and for the workplace. Assisting work-seekers to find work, assisting retrenched workers to re-enter the labour market and to assist employers to find qualified employees. Providing and regulating employment services.

The purposes of the skills development act have several implications in the training of ABET educators. The training programmes for ABET educators must, for instance, have an impact on the quality of life of trainees and make the trainees to become productive. The providers of training must also see

training as an investment in human resources. This challenges the providers to design quality programmes. On the other hand, it has a demand on those who go through the training to ensure that there are returns for the money and time resources invested in them. Furthermore, the act challenges the past concept of seeing education and training as the responsibility of the education and training institutions only. It challenges the Department of Education as employer in the province to take responsibility to equip ABET centre managers with financial management skills they need to run centres and resources at such centres effectively. This would help in redressing the imbalances of training programmes which ABET centre managers shall have gone through in their pre-service training.

The node that ABET educators will have to be prepared for different work environments is well known. Smith (2002:15) refers to the new trend of job hopping and remarks that there is no such thing as a permanent job anymore, due to downsizing, rightsizing and organisations keeping only those employees who add value to them. ABET centre managers must be in-serviced through training and development to do their work effectively and to occupy other positions in other fields when they get retrenched or when they feel to have a change of scene. The training of ABET educators must lead to the employment of such trainees. This poses a challenge to service providers to provide training on the merits of the demand and supply principle. It means the service providers will have to provide training programmes on the basis of research that will ensure that there is no over-supply of ABET educators. The service providers must ensure that the trainees will contribute to the economic growth of the country through offering authentic qualifications. The assumption made by the researcher is that the ABET educators should not only look at their personal financial needs, but take into consideration the fact that their engagement in ABET will ensure the required development of the target group.

Boshoff and Morkel (1999:3c-9) indicate that management in education should be able to draw on professional competencies of educators to make

the difference. Boshoff and Morkel (1999:3c-9 – 3c-11) explains that the duties of ABET centre managers will firstly entail the professional management of a public ABET centre. They must also give proper instructions and guidelines for time-tabling, admission and placement of learners in terms of recognition of prior learning (RPL) and will be responsible for proper keeping of various kinds of centre accounts and records and to use centre funds to the benefit of learners in consultation with the appropriate structures.

Claassen (1995:481) warns that the diversified educational post structure consisting of eight different levels between which mobility is often regulated by qualifications has led to a "paper chase" by educators. Additional qualifications are eagerly sought by educators, often to the detriment of their teaching. Additional qualifications of educators are not so much intended to improve professional competence, but rather for financial gain. A conclusion that is made on the indication by Claassen (1995) is that additional qualifications of an educator should not be attained for the economic gains of an educator alone but should also bring improvement to the professionalism of the educator and above all to benefit the learners as well.

4.3.3 Minimum requirements for support services

It was previously indicated in this study (cf 1.2) that provision of quality education and training programmes is resource driven. Without the minimum requirements of resources, the provision of quality education (theory) and training (vocational) will never be realised. The requirement for resources will differ, depending on the nature of the mode of training. Castaldi (1994:330-333) presents the following twelve minimum resources required for the pre-service training of ABET educators at a residential institution which the training service provider should readily make available:

- A library as it will make books available to the entire student body and faculty.
- Food service to students.

- Instructional materials centre for the provision of special charts, transparencies, films, tapes or other supplementary teaching materials.
- Computer centre which can be housed in the library for all departments through a central control system.
- Television production centre.
- Student personnel service where students can access health services, personal aid services, financial services and guidance and counselling services.
- Campus maintenance and operation centre where custodial and maintenance supplies and materials are kept.
- Campus transportation centre and a maintenance garage where an institution owns a fleet of vehicles.
- Administrative centre for academic control and business affairs.
- Centralised warehousing where the receipt, checking, recording and distribution of equipment are controlled.
- Centralised printing for the material duplication, located at the administrative centre for approval of materials produced by the centre.
- Centralisation of related instructional function.

The resource needs for distance learning students will differ to a certain extent from those of the residential students due to the unique nature of the programme. National Institute of Community Colleges (NICE) (1995:9&34) indicates the plight of distance education learners, as the characteristics of the institutions providing education and training and the characteristics of students participating in the process are vastly different in comparison with their residential counterparts. It points out that in order to survive and complete their studies successfully, distance education students must develop appropriate skills and strategies. While some distance education

students may possess these attributes, others may not. It suggests that an institution that provides the education must have the responsibility to set up a system of services that will help the isolated learner. It recommends that the local learning centres should network with any providing institution anywhere in South Africa to facilitate services such as face-to-face sessions for correspondence learners to reduce the costs of travelling and to help the students to derive benefits from the tuition fee paid to the institution; and the establishment of study venues for distance education students; face-to-face study groups for distance education students led by a teacher, tutor, trainer or community leader who is guided and supervised by the providing institution. The distance education students will need the following minimum resources:

- Learning resource centres with media/technological support services.
- Career guidance and counselling services provided by qualified counsellors and advisors.
- Bursaries and loans to needy learners.
- Child care centres adjacent to ABET centres to enable students to have a place where their children could be taken care of while they attend programmes.

The South African Institute for Distance Education (SAIDE) (1996:viii) also highlights certain problems identified with distance education programmes, like a lack of good quality examining or quality assurance; a lack of good quality student support or counselling; unusually high pass rates, thus creating concern given the paucity of student support offered; little understanding of the educational institutions and lives of educators; little ability to improve the teaching practice as set assignments lacked reference to practical aspects of education; memorising theory instead of using theory to enlighten practice; and outdated and poorly researched content.

SAIDE finally points out that educators who are faced with the task of building a new system are being prepared for it in a system still located (in terms of curriculum content and pedagogic style) in the undemocratic educator-centred apartheid serving system of the past. Claassen (1995:483) indicates that distance education is an education delivery mode suited to the needs of the country. Despite the drawbacks of distance education, it offers economic scale of benefits as compared to residential institutions and it is flexible to allow learners to earn an income while they study. A favoured model of distance education provision should combine distance education with a limited contact teaching.

Claassen (1995:486-487) points out that there are marked inequalities in the provision of supporting services between different race groups and between urban and rural areas. He describes library services and psychological services as being non-existent in many rural areas, particularly in the previously disadvantaged groups. Steyn (2000:77-79) defines *support services* as the specialised non-educational services needed to improve the quality and effectiveness of educational activities. He lists the following support services which should be provided to both trainees and trainers:

a) Support services for trainers of ABET educators:

- Personal and personality problems which include stress and medical problems.
- Socio-political-economic problems which include money shortages, low status, party political affiliations.
- Vocational problems which include salaries and promotion.
- Environmental problems including poverty, drugs and crime.
- Professional problems including professional services, communication services and teacher unions/associations.

- Education media services.

b) Support services for ABET educators (Trainees):

- Psychological or personality problems which may necessitate either medical or psychological services.

- Accommodation.

- Environmental problems.

Steyn (2000) finally points out that support services differ from one place to another in view of development in a society and says support is usually offered by specialists in their own particular area. Apple and Jungck (1992:21-24) argue that while teaching is a labour process different from that of working on an assembly line in the industry, in the home or in an office, the pressures that are currently affecting jobs in general are now being increasingly felt in teaching as well. These pressures result in two profound consequences. Firstly, the separation of conception from execution occurs. It happens when complicated jobs are broken down into atomic elements, resulting in the person doing the job losing sight of the whole process and losing control over her or his own labour since someone outside the immediate situation now has greater control over both planning and what is actually happening. Secondly, de-skilling takes place, which results in atrophy of the skills that educators have taken decades to gain, setting relevant curricular goals, establishing content, designing instructional strategies, community building and control of their expertise.

There is no better formula for alienation and burn-out than loss of control of one's labour which leads to psychological problems rather than a structural problem in the control of an educator's labour issues. Mboyane and Mahlangu (2003:1) point out that thousands of educators in different Provinces in South Africa could lose their jobs in 2004 when Provincial Education Departments restructure. They also indicate that thousands of educators have been declared either in excess or in addition in terms of

resolution number 7 of 2002. They say these educators who are declared in excess/addition will either be re-deployed or dismissed. The assumption made in this regard is that support services will be essential to help educators to cope with whatever problems they may be facing due to the process of redeployment or retrenchment.

Egan (2002:6-10) reports that support services do not only focus on pathology, weakness and damage done on human beings but also focuses on the strengths and virtues of people. Support services also do not just fix what is broken but nurtures what is best in those provided with the support services. There are two principal goals of support services which are related to increasing the client's happiness, namely, helping the clients to manage their problems in living more effectively and develop unused resources and missed opportunities more fully; and helping clients become better at helping themselves in their everyday lives by providing clients with tools to become more effective self-helpers. Egan (2002:24) remarks that while problem management skills are important, there is a tendency in society to leave the acquisition of these skills to chance. He says while the world is a laboratory for problem solving, the skills needed to optimise learning in this laboratory should be taught as they are too important to be left to chance.

4.3.4 Minimum requirements for recognition of prior learning (RPL)

In Chapter 2 (cf 2.2.15) it was pointed out that learning takes place from birth throughout life. The assumption made in this regard is that ABET centre managers, due to experience gained in life and at the workplace will bring a certain amount of experience in mobilising and managing financial resources. The conclusion made is that new learning should be based on previous learning experiences of learners if it is to make learning more meaningful. It was also indicated earlier in this study (cf 2.20) that training should take into consideration the level of education and knowledge of the trainee. It is important in terms of RPL to assess the experience ABET educators bring into their training, with specific reference to their previous learning on financial management in order to build onto this knowledge if it

exists. Simosko and Cook (1996:2-3); Coetzee (2002:153) and Human Sciences Research Council (1995:3) define RPL as a process that enables people of all ages, backgrounds and attitudes to receive formal recognition or credit for experience, skills and knowledge they already possess whether gained formally, non-formally or informally or anywhere irrespective of how it was achieved. Assessment must be done through an open and transparent approach.

Coetzee (2002:154) highlights two RPL factors, namely that it is a useful approach to raising skill levels, including financial management skills in the workforce and increasing the proportion of workers holding relevant vocational qualifications, thereby enhancing the ability of institutions to compete in an international market; and that it offers a relatively new and flexible route to qualifications, including qualifications in financial management particularly for those who have experienced difficulty in accessing formal and recognised qualifications in the past in the field of financial management (cf 1.2). Simosko and Cook (1996:3) also indicate that although the basic concept RPL seems clear enough, it has led to many misunderstandings and a belief in some people that the process is a soft option towards obtaining qualifications. Simosko and Cook (1996:22-29) formulate the following six stages in the assessment of RPL.

Stage 1: pre-entry stage

At this stage the training service provider distributes application forms, information brochures, makes press releases, meets with the target group as a way of marketing services and products at the institution.

Stage 2: candidate profiling

At this stage an individual candidate completes a written or computer-generated self-assessment or writes a personal report of what he/she knows and can do, or a candidate undergoes an interview with a trained advisor to develop the necessary profile or candidates work in a group to develop a profile.

Stage 3: gathering/generating and compiling evidence

The candidate prepares a personal profile/narrative statement/requests for letters of validation from past/present employer(s)/educational institutions/community structures where he/she gained experience/presents products he/she has produced or contributed to or generate new evidence to supplement the other forms of available evidence.

Stage 4: assessment

The process goes through six steps:

- the review of the candidate's portfolio for completeness by the RPL assessor to ensure that evidence relates to the standards or learning outcomes being claimed by the candidate and that there are no gaps in the evidence;

- the RPL assessor decides whether the evidence presented is valid and sufficient and that it provides full and ample proof that the standards or learning outcomes have been met;

- if the assessor believes the evidence is valid and sufficient, no further assessment would be required and the assessor records the outcome, recommending credit or some other form of recognition. Where the evidence is not sufficient, the assessor develops an assessment plan in order to help the candidate to generate further evidence;

- the completed assessment plan is discussed with the candidate and when the candidate agrees with the plan, final arrangements for assessment can be made;

- the assessor assesses the candidate using one or more method(s) of assessment (cf Table 4.1);

- the assessor provides feedback to the candidate; and

- the assessor records the outcomes of the assessment and transmits it to the appropriate administrative office.

Stage 5: accreditation

At this stage the portfolio is sent to SAQA for awarding a credit or recognising the positive outcomes of the assessment.

Stage 6: post-assessment guidance

At this stage a trained advisor provides a post-assessment guidance to a candidate on how a candidate should reflect on his/her achievement in line with his/her initial expectation, and on how a candidate can seek and achieve new learning and development roles.

The recognition of prior learning of learners by training institutions and training service providers has financial benefits on the side of the trainees. When part of their experience is recognised trainees will only have to pay for the unfinished courses/modules rather than paying for what they have already learned.

Simosko and Cook (1996:41-43) propose a Total Quality Management (TQM) approach to flexible assessment as follows. This firstly involves the identification of the target group requirements through the establishment of a local forum in which mutual concerns could be discussed and issues addressed. Secondly, the satisfaction of the target group needs must be ensured through audit of the curriculum, developing a new curriculum based on standards set by the service providing institution and its stakeholders, introducing an assessment service which allows candidates to earn credit for what they know and can do, modification of admission procedures and the development of staff training programmes which would make staff to be responsive to the needs of both internal and external stakeholders. Thirdly, target group service must be provided by determining the capacity of the institution to provide such a service and how the service will facilitate the necessary change. Commitment to training should also be encouraged by organising awareness campaigns to the target group, by

emphasising to the staff that the candidate is put first and by providing specialist training to the assessment service providers. A final requirement is the measuring of success, e.g. the number of enrolments, number of candidates who did not have formal qualifications who have enrolled for and acquired qualifications through the institution's assessment services, local community members enrolling because of the flexible approach of the institution particularly with flexible assessment.

It was indicated in Stage 3 in this section that the assessor can use one or more different assessment methods to assess the prior learning of a candidate. Harris (2000:148-149) presents the following different methods that can be used to assess RPL and their purposes, as indicated in Table 4.1.

Table 4.1: Methods of RPL assessments and their purposes

ASSESSMENT METHOD	PURPOSE OF ASSESSMENT AND EXAMPLES
Interviews	Purpose: To clarify issues raised in documentary evidence presented and/or to review scope and depth of learning, particularly in areas of judgement and values. Examples: Structured/unstructured interviews.
Debate	Purpose: To confirm capacity to sustain a considered argument demonstrating adequate knowledge of the subject.
Performance testing	Purpose: To test applications of theory in a structured context in a correct/safe manner.
Examination	Purpose: To test concepts and basic skills and application using practical examples.
Oral examination	Purpose: To check deep understanding of complex issues and ability to explain in simple terms.
Essay writing	Purpose: To check the quality and standard of academic writing and use of references, ability to develop a coherent argument and to confirm the extent, understanding and transferability of knowledge and critical evaluation of the ideas.
Examples of work done or performed or designed	Purpose: To check the quality of work, relevance to credit sought and authenticity of production.
Portfolio	Purpose: To validate the applicant's learning by providing a collection of materials that reflect prior learning and achievements. The portfolio identifies relevant connections between learning and specified or unspecified credit sought. Examples: Learner's own work, reflection on own practice and indirect evidence from others that are qualified to comment.
Book review	Purpose: To ensure currency and analysis of appropriate literature to see whether it is at the satisfactory level.
Annotated literature review	Purpose: To illustrate the range of reading done by the applicant and to ensure appropriate coverage to fulfil learning area requirements.
Special projects	Purpose: May be used to meet a variety of purposes- to add currency of knowledge or skills, to extend scope of prior learning.
Reports, critiques, articles	Purpose: To indicate the level of knowledge and assess analytical and writing skills and issues involved in the current debate on the subject.

Source: Harris (2000:148-149).

4.3.5 Minimum requirements for the production of quality results

The National Institute of Community Education (NICE) (1995:30) has registration procedures that must be taken into consideration as a measure to eradicate *fly-by-night* service providers who may exploit learners while the learners do not derive any benefits from the programmes provided by such covetous providers:

- development of a mission, goals and objectives on which the service provider will always focus on;
- ensuring that the appropriate infrastructure (buildings and equipments) exist, including governance and management structures as well as suitably qualified educators in order to meet the standards set by the South African Qualifications Authority (SAQA);
- proof of consultation with the stakeholders and the target group to reach a consensus on the need to establish the provision of services;
- ensuring that the education and training programmes to be offered are examined by the North West Provincial Education Department or ETQA to ensure that the learning products meet standards prescribed by SAQA;
- forwarding the application for registration, accompanied by a report of self-study and written approval from the stakeholders to the Provincial Education Department;
- a visit to the service provider site by the Provincial Education Department or ETQA to evaluate the adequacy and accuracy of the self-study and to examine the extent to which the prospective service provider will ensure that the learning products will meet the standards prescribed by SAQA;

- registration of the service provider by the Department of Education on condition that the said service provider complies with the requirements as set out in the existing legislation;

- submission of education and training standards and/or qualifications for consideration and subsequent registration by SAQA;

- monitoring and auditing of achievements in terms of standards and/or qualifications by the ETQA.

These requirements have implications for all education and training service providers, be they state institutions, non-governmental organisations or a private sector in that whatever training of ABET educators takes place, such programmes must be recognised and accredited.

It was pointed out in Chapter 1 (cf 1.2) that the success of education and training is often resources driven and that the internal financial management of an institution becomes a key element in any total quality management programme. The national Department of Education (South Africa: DoE1997c:66) indicates a lack of physical learning facilities. It also indicates that most facilities are inadequate and inappropriate for the needs of adult learners. Guma (2000) (cf 2.3.3.3) indicates that schools are used to host ABET centres, this making such schools being made available for ABET learners after school. The conclusion made is that there will be no adequate time to use such resources adequately when needed. Lawrence and Molusi (2002:35) formulate the following performance in the ABET sub-level 4 (NQF Level 1) examinations for the 2001 academic year in the North West Provincial Education Department as presented in Table 4.2.

Table 4.2 ABET level 4 (NQF level 1) draft results for 2001

Subject/learning area description	Total number of entered candidates	Total no. of candidates passed	Pass rate
Applied Agric. and Agric. Tech	123	3	2 %
Arts and Culture (AC)	2 060	270	13 %
Economics and Management Sciences (EMS)	3 149	185	6 %
Human and Social Sciences (HSS)	3 598	398	11 %
Afrikaans	1 658	39	2 %
English	4 067	49	1 %
Sepedi	10	3	10 %
Setswana	3 120	1 175	38 %
IsiXhosa	9	1	11 %
IsiZulu	22	11	50 %
Life Orientation (LO)	3 200	220	7 %
Maths Literacy, Math. and Math. Sciences (MLMMS)	3 910	74	2 %
Natural Sciences (NS)	3 734	111	3 %
Small Medium and Micro Enterprises (SMMEs)	507	16	3 %
Technology (T)	2 345	66	3 %
Grand totals	**31 512**	**2 621**	**8 %**

Source: Lawrence and Molusi (2002:35).

In interpreting Table 4.2, the following conclusion can be made. A high failure rate will have a negative impact on the ABET budget (cf 1.2) as

educators will be remunerated to teach the same learners in the same ABET sub-level over a period of more than one year.

Ginsberg (1998:114) points out that the government should reward public servants who do good work and reprimand those who show lackadaisical in their performance of duties. Milstein *et al.* (1991:14) present a number of criteria for the selection of participants in training, such as a trainee's personal attributes. This includes how a trainee would deal with adversity, success and difficult challenges. A second criterion is professional reputation of the participant which includes trustworthiness and integrity, how successful the trainee is in earning trust and the extent a trainee is exemplary to others. Thirdly, the professional experience of the trainee is important, which includes involvement of a trainee beyond contractual obligations, his/her innovation and whether the educator can challenge the *status quo.* A final criterion is the academic preparation of a trainee which includes the University/College where the trainee was trained, the qualification obtained and the area of specialisation. The assumption that the researcher makes in respect to the qualities of a good ABET educator is that the certificate issued after the completion of a course cannot be a sign of effectiveness on the job. It is the output that proofs the quality of the trainee. The implication for the training of ABET educators is that it is not everyone who can be trained as an ABET educator. The point to highlight the stumbling blocks in the training of ABET educators in the past, is the neglect in Colleges Departments to prepare educators of adults (African National Congress (ANC), 1995:51-52). However, the providers need not have to be opportunistic to provide quick fix training programmes for the training of ABET educators under the pretext of redressing the imbalances of the past, while such programmes do not meet the standards set by SAQA and are mere waste of financial resources (cf 1.2; 3.2.2).

The Assessment College of South Africa (2002:51-52) gives the following procedure to be followed when developing programmes for training, the

types of learning, purpose and composition that the programmes must be comprised as presented in Tables 4.3 and 4.4 respectively.

Table 4.3 Programme development procedures

Stage	Description
1	Identification of stakeholders.
2	Holding of an initial workshop for the stakeholders.
3	Making needs analysis.
4	Drawing of the first draft of the unit standards based on the input from the workshop and needs analysis.
5	Circulation of the draft to stakeholders for validation and comment.
6	Holding of a second workshop.
7	Incorporating the comments received and input of the second workshop into the second draft.
8	Repeating the process if necessary until all stakeholders agree to a final version.

Source: Assessment College of South Africa (2002:51-52)

Table 4.4: Types of learning, purpose and composition

Type of learning	Purpose	Composition
Fundamental	To achieve competencies needed for qualifications as a whole.	Personal development, life skills and computer literacy.
Core	To contextualise the qualification.	Both theory and practice forming the basis of the qualification.
Elective	To enrich qualification or specialise in a specific field, e.g financial management.	A selection of additional credits at the NQF level, from which the learner can choose.

Source: Assessment College of South Africa (2002:51-52)

Based on the above two figures, it may be concluded that a needs analysis must be made through a wide consultation of all stakeholders in ABET. This can be done through a research to establish felt training and development needs of ABET educators. Secondly, the programmes that are designed to train ABET educators during pre-service and in-service must be provided within the NQF principles so that they can be accredited. The designer of training programmes for training ABET educators on effective financial management must also ensure that the trainees are provided with fundamental, core and elective types of learning which will give the trainees a basic knowledge in financial concepts and prepare them for advanced studies in the field of financial management.

4.4 PRE-SERVICE TRAINING OF ABET EDUCATORS IN SOUTH AFRICA AND BOTSWANA

In order to make a study of the pre-service training programmes for ABET educators in South Africa and its neighbouring countries, the researcher

wrote to different institutions of Higher Education and Training (HET) to request for information brochures. Other information in this regard was obtained through the services of the Internet. The study will focus on the programmes of institutions which responded to the request of the researcher. The institutions are University of South Africa (UNISA), University of Cape Town (UCT), University of Western Cape (UWC) and University of Botswana (UB). The study now focuses on programmes offered at these Universities. The procedure that will be followed in the study of training programmes at these institutions is as follows. Firstly, focus will be placed on the admission requirements to see whether the principles of the NQF with regard to RPL are practised at these institutions. Secondly, focus will be placed on the curriculum for training ABET educators at these institutions and the duration of training. An outline of the content of different modules/courses offered will be presented, as well as an analysis of whether the content of modules/courses offered at these institutions include financial management. **The study will focus on training programmes for ABET educators as at the end of 2003.** At the end of the study of all the training programmes for training ABET educators at different institutions, a synthesis will be given.

4.4.1 Pre-service training of ABET educators at UNISA

4.4.1.1 Admission requirements

UNISA (2002a:3) indicates two types of admission requirements for the diploma programme. Firstly, a matric exemption is required for those who are not yet twenty-three years of age. Secondly, those who do not have matric must be older than twenty-three years of age. The flexibility of the admission requirements at UNISA indicates the fact that the University recognises the experience that the trainees might have gained somewhere else (cf 4.2). UNISA (2002c:2) indicates that the certificates it offers at the three levels are recognised and accredited as follows:

- the UNISA ABET certificate course, with a credit value 120 (equivalent to 1 year of study), which is placed at REQV 11;
- UNISA ABET practitioner's course with a credit value of 240 (equivalent to 2years of study), which is placed at REQV 12;
- the UNISA ABET Diploma course with a credit value of 360 (equivalent to 3 years of study), which is placed at REQV 13.

4.4.1.2 The curriculum for training ABET educators and the duration of training

UNISA (2002b: 413-415) indicates that the training of ABET educators is provided over a period of three years at levels 1-3. UNISA (2002a:7) also indicates that after completing level 1 modules the ABET educators are issued with a certificate to start practising as educators and with a diploma at the end of the third level. UNISA provides the following modules as the curriculum for training ABET educators, with synopsis given on the content as presented in the calendar (UNISA, 2002b:413-415).

a) Level 1 Modules

- ABT101-B: Contextual studies

The module prepares students to understand various contexts of adult learners in different communities. It makes it possible for trainees to understand the social circumstances and problems of learners, determine learners' needs and establish possibilities for ABET in a community. It also focuses on the relationship between ABET and the position of women, health, youth and work.

- ABT102-C: Adult learning

The module focuses on how adults learn. It discusses different ways of facilitating adult learning, the evaluation of leaner support materials and other aids, different forms of assessment (formative, diagnostic and

summative), lesson planning, general classroom administration and the importance of the reflective educator.

- ABT103-D: Managing projects

The module provides the student/trainee with the knowledge of how ABET projects are started, implemented, administered, managed and evaluated. It also introduces students to various methods of profiling and mapping communities, conducting needs analysis and developing strategies for establishing community based ABET projects.

- ABE104-E: Specialisation area

The module provides a variety of specialised ABET learning areas, which include the teaching of primary health, environmental education, literacy, numeracy, English and small business development, from which a student selects one module.

b) Level 2 modules

- ABE201-E: Adult teaching and learning

The module focuses on different approaches to teaching adults. It also deals with the ABET policy analysis, outcomes based education, a variety of assessment techniques and teaching adults with special learning needs and materials design.

- ABE202-F: Teaching practice.

The module expects students to spend a certain number of days in an adult teaching and learning centre. During this period students are expected to observe classes, conduct research and present a certain number of lessons which are assessed.

- ABE203-G: Specialisation area.

The student chooses one of the following learning areas in which he/she would like to specialise in: Computer literacy, Business economics, English,

Literacy, Environment, Applied science, Trade theory, Water and waste treatment and Mathematics.

b) Level 3 modules

- ABT301-H: Development studies.

Students are exposed to different theoretical accounts of development and underdevelopment. They are also introduced to a number of development concepts and indicators and to the relationship between health, education, technology and development. The module also deals with issues like people centred development, women and development and ABET and literacy across sectors.

- ABT302-J: Research methods.

The module discusses a variety of methods useful to ABET educators, evaluators and policy makers. It looks at qualitative, quantitative, action and mapping research methods and shows how they may be applied to the education, training and development field.

- ABT303-K: Research report.

The module guides students through the various phases of doing a practical research project in an ABET related field. The research report is submitted for assessment. In order to fulfil outcomes of this module students must undertake a research project in an ABET related field. They are also required to submit a research article which demonstrates their ability to apply these research skills in carrying out their investigation and to integrate a large volume of knowledge.

A close study of the UNISA study manuals for the three levels of study, revealed that the training of ABET educators on financial management is only done in the first level of study in the module ABT103-D, managing projects. This broad subject is cursorily covered in pages 134-139, and is firstly involved with keeping financial records. On this topic, the manual

hints on the receipts that must be given by suppliers and a list of learners with an indication of how much each learner has paid. Secondly, the money management system for every month is dealt with, indicating money collected from various classes each month, payments made for the particular month and money that is in balance. The manual does not give any directive on the policies governing finances in the public sector (cf 2.4.1; 3.4, 3.7) as these policies are fundamental if corruption, fraud and misappropriation of funds (cf 1.2) are to be given zero tolerance. Closely studying the assignment questions and the end of year question papers on the project management, the financial management aspect is not touched. The aspect of financial management in the training of ABET educators at UNISA is not covered in detail. It forms only a small part of the programme and cannot adequately prepare ABET educators for effective financial resources management.

4.4.2 Pre-service training of ABET educators at University of Cape Town (UCT)

4.4.2.1 Admission requirements for training ABET educators

The University of Cape Town (1999:8) indicates the following requirements for the admission of students to their certificate programme for adult education, training and development. Firstly, two years of service experience in the field of adult education and community development are required. In addition to this requirement, the student should have a senior certificate or matriculation certificate. Secondly, a student must have the ability to communicate, read and write in English, approximately equivalent to a school leaving level. Admission on the basis of the second option is preceded by a process of assessment by the admission Department at the University.

It is clear that the University uses a particular criteria to ensure that the people who are trained as ABET educators are those who will be of benefit to their learners at the first time on the job. The emphasis on the experience

at the ABET centre before training will give the prospective trainee the opportunity to experience what he/she will be dealing with after completing. This will help the prospective trainee to decide whether he/she is in the right field or not. Should it happen that the prospective trainee realises that he/she is not in the right field, he/she will opt out before wasting resources on a training that would not bring returns. These admission requirements also show recognition of prior learning of prospective learners.

4.4.2.2 The curriculum for training ABET educators at University of Cape Town (UCT)

The certificate programme at the University of Cape Town (UCT, 1999:4-5) is a two-year programme with some courses done during the first year while others are done during the second year. The courses, as stipulated above in this section, are as follows, with an outline on each course.

a) First year curriculum

- Introduction to adult learning.

The course introduces theories of learning through letting students reflect on their own experiences as learners and educators. This helps students to understand how theory shapes practice.

- Organisation development.

The course introduces students to theories of organisation development and develops practical skills in areas of goal-setting, planning and working in groups.

- Designing and facilitating learning events.

In this course students carry out practical projects in groups. These projects develop both their design, presentation and facilitation skills, as well as skills in education planning, evaluation and assessment.

b) Second year curriculum

- Foundation of adult learning theory

Students are introduced to some of the basic concepts of social theory and explore different ways of viewing the relationship between education, social change and development.

- Fields and sites of ETD practice

The course examines the different sites of practice of education, training and development work, their different histories, different approaches to learning and different institutional or organisational forms.

- Field study

In this course students undertake a practical project designed to deepen their expertise in a selected area of work, e.g. project evaluation, education materials development or organisational planning.

A close study of the programme offered at UCT indicates that financial management is not studied.

4.4.3 Pre-service training of ABET educators at the University of Western Cape (UWC)

4.4.3.1 Admission requirements for training ABET educators

The UWC (2003a:1) indicates that the admission requirements for the Higher Certificate in Education Training and Development: Adult Learning, is matric and two years of experience in adult education practice. The UWC (2003b:1) indicates that for the Higher Diploma in Education Training and Development: Adult Learning, a higher certificate in education is required. The observation made by the researcher in regard to admission requirements at the institution is that experience in the ABET practice before a prospective trainee can be trained is needed. Allowing prospective ABET educators to gain experience before starting with the actual training will

ensure that the trainees develop SMART trainer characteristics as outlined by Marshall (cf 2.2.20)

4.4.3.2 Curriculum

The UWC offers a Higher Certificate in Education, Training and Development: Adult Learning (UWC, 2003a:2-3) comprising of the following modules:

- contexts of adult learners which focuses on the world and context the educator and the learner lives in on the one hand, and the social, political, historical, economical, religious and cultural contexts of adult learners on the other;
- course design and facilitation, which focuses on the theories, styles, methods and approaches to adult learning for social change;
- organising skills and democracy which focuses on the challenges facing South Africa in its quest for democracy and on management and administrative skills such as project proposal writing and report writing;
- training small business developers which focuses on the understanding of theory and principles of entrepreneurship and business and the development and implementation of learning programmes for adult learners on how to start a new business, write business plans, market, manage and expand their business; and
- teaching literacy which focuses on the relationship between ABET and development and principles and approaches to mother tongue literacy and communication.

UWC (2003b:2-3) also offers a Diploma in Education, Training and Development: Workplace learning. The following modules are offered:

- Professional practices in skills development facilitation which focuses on emerging policies and practices in skills development facilitation.

- Skills development facilitation which focuses on the appointment of a skills development facilitator (SDF), compilation of workplace skills plan, implementing skills development and establishing systems for quality assurance.

- Skills development as a workplace learning A which focuses on understanding the learning related elements of skills development such as the NQF, units standards, learnerships, learning programmes, learning outcomes, knowledge, assessment and quality assurance.

- Skills development as workplace learning B which focuses on the examination of international literature related to workplace learning.

- Design, facilitation and assessment of learning in the workplace A, which focuses on the analysis of theories of adult learning and the design, facilitation and assessment of learning in the workplace.

- Design, facilitation and assessment of learning in the workplace B, which focuses on equipping the educator to assess skills and learning needs, design a skills programme and to assess such a programme.

- Adult learning in the workplace, globalisation and social transformation A, which focuses on the projection of high levels of productivity, as a pre-requisite for this country's success in a global economy.

- Adult learning in the workplace globalisation and social transformation B, which focuses on engaging educators in debating and developing approaches and strategies to mediate various and often different political and economic agendas an organisation confronts when it implements skills development and workplace learning.

A close study of the above programmes clearly shows that they do not have a module which provides financial management skills to ABET educators.

4.4.4 Pre-service training of ABET educators at the University of Botswana (UB)

4.4.4.1 Admission requirements

The University of Botswana (UB) (2000:157) offers a certificate in Adult Education course by extension the admission criteria of which is two-fold. Firstly, the minimum of third division in the COSC or equivalent qualification. Secondly, a Junior Certificate with one year's experience in work-related to adult education as well as satisfactory performance in a written test.

4.4.4.2 Curriculum for training ABET educators at UB

The UB (2000:157-158) indicates that the following courses are offered over a period of two years.

a) Year 1 courses

- CAE011 Communication and study skills
- CAE012 Learning and teaching in adult education.

b) Year 2 courses

- CAE013 Introduction to organisation and management in adult education.
- CAE014 Planning, implementation and evaluation of adult education programmes.
- CAE015 Adult education and the community.

As was the case with the programmes of the other institutions, (cf 4.5.3), there is no training offered to ABET educators on financial management.

4.4.5 Synthesis on all pre-service programmes offered at the different institutions studied in this chapter

A common observation made by the researcher in programmes offered at the four institutions is that there is no thorough training of ABET educators in the area of financial management. The conclusion that is made is that in terms of literature study made on the curriculum offered at the four institutions, there is a dire need for the development of a training programme in financial management for ABET educators.

4.5 QUALIFICATIONS APPROVED BY THE DEPARTMENT OF EDUCATION FOR TEACHING AT ABET CENTRES

It is important to indicate different qualifications which the Department of Education recognises for teaching at ABET centres. The reason for considering qualifications relevant to teaching in ABET is to determine whether the intention by the Department to transform night schools into Public Learning Centres (cf 4.3.6) is feasible in order to turn night schools into change agents that can provide relevant skills to the target group. The assumption made is that the continued use of educators who are not relevantly trained to facilitate learning to adult learners will result in ABET centres continuing to be the weakest institutions to provide relevant education and training programmes (cf 1.2). The Department of Education (South Africa, 2000b:8,9,15,18,20,22,25,26) presents the following institutions and the qualifications recognised for teaching at ABET centres, as presented in Table 4.5:

Table 4.5: Recognised qualifications for teaching at ABET centres and institutions accredited to offer them

Name of institution	Qualification (s)	REQV
Potchefstroom University for CHE	Advanced Certificate in Education (ABET)	14
University of Pretoria	B. Ed (Hons) Adult and Community Education and Training	15
University of South Africa	Higher Certificate in ABET	11
	Advanced certificate in ABET	12
	Diploma in ABET	13
University of Stellenbosch	B. Ed Hons Adult Education	15
University of Venda	Advanced Certificate in Education (Basic Adult Education)	14
University of Western Cape	Certificate in ETD: Adult Learning	11
	Diploma in ETD : Adult Learning	12
University of Zululand	Advanced Certificate in Education (Basic Adult Education)	14
University of the North	Higher Certificate in ABET	11
	PGDE: Adult Education	14
	B. Ed Hons (Adult Education)	15
	M. Ed. (Adult Education).	16
	M. Ed. (Adult Education Research).	16

Source: South Africa, 2000b: 9;15;18;20;22;25-26.

Sykes (1999:33) points out the importance of certifying educators. Firstly, certificates protect the public by preventing the care of ABET learners and trainers from the hands of unqualified educators and trainers. Secondly, it guarantees a common standard, as lack of common standards would lead to an unhealthy variation which would result in disadvantaging learners or ABET educators respectively. Thirdly, it ensures the state's interest in an

educated citizenry and thus guaranteeing access to learning resources that meet public standards to make education and training a legitimate and necessary role of the state.

4.6 IN-SERVICE TRAINING OF ABET EDUCATORS

Porter (1975:83-85) indicates that although in-service education of educators can be provided outside colleges, it is vital that agencies providing initial training of educators to play a central role in the in-service of educators. However, he points out that in-service education cannot be sustained by part-time attention that many colleges give to it. The staff must be concentrated to it, resources and organisation be made available to serve special and continuing needs of practicing educators. He finally indicates that through induction, the following can be realised: induction is a bridge between training and teaching; induction paves way for future in-service opportunities; and induction offers a systematic programme for professional initiation, guided experience and further study.

4.6.1 Induction as a process of in-service training

Hall and Goodale as quoted by Gerber (1998:126), define *induction* as a process through which a new employee learns how to function efficiently within a new organisational/institutional culture by obtaining the information, values and behavioural skills associated with his/her new role in the organisation. Gerber (1998:127-129) testifies the objectives of induction as making a new employee more rapidly productive, reducing fear and insecurity in the new employee, reducing labour turnover, helping to create realistic employee expectations, creating job satisfaction and a positive attitude towards the employer, and saving the time of supervisors and colleagues. A close study of these objectives of induction leads the researcher to assume that, firstly, failure to induct new employees to their new positions may render them ineffective and incompetent in their new positions, specifically on the management of financial resources. This may

lead such employees to develop a feeling that they are not part of the organisation. This will ultimately make them feel out of place. Secondly, it means the performance consultant (cf 2.2.18) in any organisation should design induction programmes that will make the new incumbent of a post to be quickly infused into the organisation/institution. Thirdly, it means the new incumbent of a post must be inducted before starting his/her daily duties in the new post. This requires communication between management to ensure that the plans for induction are well in place to avoid confusions.

Gerber (1998:128-129) also outlines the following as items for the induction programme:

- An overview of the organisation – its history, goals, norms, standards and philosophy, organisational structure, services and job environment.
- An overview of policies and procedures – communication channels, service delivery standards and management philosophy.
- Compensation. This comprises salaries, bonuses, leave pay and how payments take place.
- Fringe benefits – medical aid schemes and retirement.
- Safety measures.
- Facilities – media centre, library, rest rooms and telecommunication.
- Economic factors – cost of theft, absenteeism, starting work late, misuse of equipment and stationary.
- Functions of the different departments and sections – organisational structure and relation of functions.
- Tasks and responsibilities – job descriptions, performance standards, working hours, records and reports to be completed and procedure to be followed when experiencing work problems.

- Policy, procedures, rules and regulations.

In view of the fact that literature study of all pre-service training institution programmes for training ABET educators do not provide quality financial management modules, it becomes incumbent on the state to provide in-service training to ABET educators in financial management.

4.6.2 In-service training of ABET centre educators through training and development programmes

Ferreira and Kritzinger(1999:137-142) describes human resources management (HRM) as one of the functions of an organisation. He also indicates that it is not possible for the manager of an organisation to handle all staff matters effectively himself/herself. He suggests that managers need expertise and assistance from the human resource section headed by an HRM. He stipulates the following functions of the HRM:

- the employment of staff;
- the selection of staff;
- induction of staff;
- conducting of performance evaluation of staff;
- handling of grievance procedures; and
- dealing with labour relations issues.

Human resources can furthermore be planned to ensure that an institution has human resources with right skills, the right quantity of human resources at the right time through a job analysis as shown in Table 4.6 below.

Table 4.6: Job analysis, job description and job specifications

JOB DESCRIPTION	JOB SPECIFICATION
Job title	Training
Location	Experience
Summary of work	Education
Duties to be performed	Responsibilities
Working conditions	Communication skills

Source: Ferreira and Kritzinger (1999:142).

Realising the failure to effectively implement Developmental Appraisal System (DAS) due to lack of relevant human resources, Lukhaimane (2002:1) advocates for the revival of DAS and its sustainability respectively in the North West Provincial Education Department. She argues that a structure must be created within the human resource development (HRD) in the province and says posts must be created at the provincial level and at area project offices. An assumption made in this respect is that for ABET to be provided effectively in the province, it is important to ensure that a proper analysis of human resources is made to determine whether there is a right quantity of human resources with the right skills to ensure quality performance.

Rebore (1991:173-174) indicates that studies concerning the inclusive role of educational organisation leaders have been conducted. These studies identified the following major areas as appropriate for development programmes for educational organisational leaders:

- the instructional skills, which will help the manager to evaluate and supervise the instructional process including the provision of curriculum leadership and securing instructional resources;

- management skills to establish job objectives and be able to assess the needs of the staff, identifying problem areas and to plan towards an

effective solution, being capable of budgeting and prioritising the use of scarce financial resources;

- human relations abilities which will enable him/her to establish an open two-way system of communication between the learners, educators and members of the community which will ultimately lead to an atmosphere of trust;

- political and cultural awareness which will help him/her to identify the leaders within the community and to involve them in addressing conflicts between the ABET centre and the community in meeting community needs;

- leadership skills, which will help him/her to keep current of advances in the field of education and to help him share leadership skills with other professionals, learners and members of the community; and

- self-understanding, which will help him/her to develop a plan of self-improvement through evaluation by centre-based stakeholders.

The assumption that can be made in this regard is that a programme will have to be designed to train ABET centre managers. Kroehnert (2000:221-222) presents the following five major steps in the design of a development programme:

- the extensive consultative process between the relevant parties or groups to identify the relevant developmental skills needed for a particular position in an organisation;

- organisation of identified skills in order to develop learning activities;

- the development of physical materials on which the programme will be based;

- the training of people who will administer the skills development programme; and

- identification and establishment of ways of recording information.

Development of staff plays a significant role in making future leaders although organisations ignore the significance thereof. Tomkins (1997:40) points out that few institutions are interested in investing in their employee's future, which is at the same time the future of the institution, through providing training and development opportunities within the organisation. He further says developing employees for new duties is an investment as it offers a career path to such employers.

4.6.2.1 Definition of traning and development

Van Dyk, P.S. *et al.* (1997:227) Erasmus and Van Dyk (2003:2-3) define *training* and *development* as follows:

- **Training**

  Training is the provision of a learning experience which seeks a relatively permanent change in an individual to improve his/her ability to perform on the job. It must be result oriented, as it must focus on enhancing specific skills and abilities to perform a job. They finally point out that it must make real contribution to improving both goal achievement and the internal efficiency of the organisation.

- **Development**

  Development is a process by which managers obtain the necessary experience, skills and attitudes to become or remain successful leaders in their organisation. It is aimed at employees serving in managerial capacity or who are being prepared for managerial posts in the organisation, and it is directed towards preparing supervisory and managerial personnel for subsequent levels of management.

Training and development can play a significant role in the provision of requisite management skills. Meyer, as quoted by *Business Times Career Junction* (Anon, 2002b:2), points out that the average South African organisation faces a critical shortage of talented future leaders of as much

as twenty five percent. He further stresses that in an environment where there is a shortage of good people as in South Africa, an inability to attract and hold best talent available will negatively affect the organisation's ability to realise its goals. He suggests that it is critical for organisations to invest in identifying and developing the talents of employees through creating an environment in which the best people are continually learning, exploring and innovating. He proposes the following steps to be followed in developing management skills:

- through the identification of talent within the organisation and implementing the succession management programme which aims at creating a talent pipeline by developing future leadership skills and competencies of identified people;

- providing constant fast-track development in which people are simultaneously stretched and supported, this being done by allowing people to attend development programmes and involving them in projects and stretch assignments where they are exposed to different leadership challenges and are required to develop problem-solving capabilities;

- through the collection of robust objective data on individual performance, possible career paths, available development opportunities and likely attrition rates; and

- through investing in differentially talented individuals by paying them between thirty and forty percent more, rather than training being skewed to those who are easiest to release from day-to-day responsibilities (the poor performers).

Lack of management skills in many of ABET educators due to the type of pre-service training programmes used to train educators of young learners (cf 4.5) and their pre-service as ABET educators (cf 4.7) development will play a significant role. Through development, ABET centre managers will be equipped with the requisite skills to manage ABET centres effectively. The

study will now focus on the development programmes the North West Provincial Education Department has in place to equip ABET centre managers with requisite skills.

4.6.2.2 Training and development of ABET centre managers by the North West Provincial Education Department's ABET sub-directorate

The National Department of Education (cf 4.3.1) pointed out that it would train ABET educators through its personnel training units at both national and provincial levels as internal agencies. In order to make a study of the programmes that the North West Provincial Education ABET sub-directorate uses to train ABET centre managers in financial management, the researcher wrote to the Acting Deputy Director for ABET to request for the following documents (cf Annexure 9):

- policy on human resources provision in ABET in the Province;
- existing training programmes used to train ABET centre managers by the ABET Directorate in the Province, with a specific focus in financial management;
- instruments used by the sub-directorate to control service delivery at Centres to measure delivery of quality education and training services; and
- the development plans that were in place to develop the skills of ABET centre managers in the province.

Although the Acting Deputy Director for ABET assured the researcher telephonically of the availability of these documents, when the researcher tried to collect them, not a single document was availed to him. The assumption made is that such documents do not exist. This assumption is based to the fact that the programme for a workshop (see Annexure 10), on the agenda for the provincial Co-ordinating Committee Management Meeting consists of items in areas on which the researcher requested

information. The agenda does not, however, include financial management. It is clear from the latter document that financial management is not mentioned as one of the aspects that should be included in the manual.

Tolo (2002:4) emphasises the importance of the whole centre evaluation. This must be done firstly through monitoring and evaluation of quality education on a continuous and permanent basis, to ensure the sustainability of the system. Secondly, it should provide an information base for policy interventions to improve performance standards. Thirdly, methods and indicators for long-term monitoring and evaluation must be developed, to increase the levels of accountability within the system. Without mechanisms of evaluation, ABET in the Province cannot realise the goals it aims reaching.

Youngman (2000:285) points out that the availability of competent personnel to develop, organise, promote, teach and evaluate modes of learning for adults is an indispensable condition for the successful implementation of adult education policies and programmes. He finally says the training of adult educators should be an important component of the future adult education. The number of policies that are in place (South Africa: DOE, 2001a:70-71) but which are not implemented, will thwart the whole idea of providing ABET quality services.

In the research and audit carried out by Technikon South Africa and Pricewaterhouse Coopers respectively (Anon, 2002a:2) which were mandated by the MEC for Education in the North West Province on the ABET programme, the following findings, among others, were made:

- No proper financial records were kept at ABET centres. A question to be asked in this regard is whether the records were not kept due to adamant ABET centre managers or whether they were not kept because the ABET centre managers were not trained on how to keep such records. Another question that can be posed in this regard is whether there were means devised by the Department of Education in the

province for the internal audit of financial transactions at the centres (cf 2.2.12).

- Under-age learners were admitted. The question to be posed in this regard is why could the Provincial ABET personnel did not detect and stop this, as the snap survey forms are submitted annually in March to the Provincial offices.

- Illegal centres were opened. The question to be posed in this regard is whether the Provincial ABET sub-directorate ever had any control on monthly remuneration to ABET educators. If it had, the question is why the programme manager did not detect the variance in the amount of money paid monthly in the form of salaries and money budgeted for salaries.

Earlier assumptions on the existence of documents which could not be availed, is supported by the findings of the research and audit by PriceWaterhouse Coopers and Technikon South Africa (Anon, 2002a:1).

Lawrence and Molusi (2002:16) come to certain conclusions about financial records at both Provincial and ABET centres respectively. They find that no proper records of expenditure of the ABET Sub-Directorate were kept, because all expenditures of the Sub-Directorate were subsumed under the Auxiliary Services Directorate. Neither was any commitment register kept by the ABET Sub-Directorate, and as a result there was no historical data to inform future budgeting. In addition no recognised record could be found of the policy, procedures for collection, banking and expending of tuition fees at ABET centres. Furthermore members of the centre governing bodies, though responsible for the finances, had not been adequately trained in financial management. Madliwa (2002:42) points out that the validity of expenditure of R62 million incurred for the Adult Education and Training could not be verified.

If the ABET centre managers were properly trained, as the acting ABET Deputy Director claimed, it is difficult to explain the large-scale corruption in

ABET in the province. If the provincial personnel had trained ABET centre personnel on financial procedures, the provincial personnel should have been able to detect the glaring errors detected by the audit. One of the recommendations made by Lawrence and Molusi (2002:30) is that the Provincial ABET Sub-Directorate staff should be re-deployed as per their skills.

Based on the literature review in this section it may be concluded that a manual for training ABET centre managers in financial management, as purported by the Acting Deputy Director for ABET, does not exist (see Annexure 10). A conclusion can be made that there is no in-service training programme that is designed to train ABET educators in financial management in the North West Provincial Education Department ABET Directorate.

4.6.2.3 Financial management training provided by colleges of education in the province

The North West Provincial Education Department and Danida (1999) developed an in-service training programme to develop management skills of state employed managers in educational institutions. The Department had to out-source the training to colleges of education (cf 4.3.1). The closer study of the manuals clearly indicates that the training which was originally meant for the mainstream schools, was also used to train ABET centre managers without any form of adaptation to ABET centre managers' needs. The programme consisted of five manuals titled as follows:

- Vision and mission.
- Human resource development 1.
- Human resource development 2.
- Human resource development 3.
- Financial management and fundraising.

The latter manual was the product of Community Education Trust. The Community Education Trust (1999:6) touches on two aspects of financial management, namely resource allocation and financial sources, and policies on financial management. The researcher observed that the training programme was based on the schools' models of finances. This was observed on the emphasis on the norms and standards for funding which are only applicable in the schools and not in ABET. The ABET Act only came into being at the end of 2000 (South Africa, 2000a:1). Furthermore, the manual was not thoroughly treated at the course. The module on financial management does not appear in the certificates that were issued to ABET centre managers as a recognition of completed modules at the training that took two years, 1999-2000 (North West Provincial Education Department, 2001b:1). The assumption is that the manual was merely given to the attendants as a reference, rather than as part of the training. In addition the certificates that were issued to the attendants at this workshop were no more than recognition for attendance. The course neither showed the endorsement of the course for credit purposes, neither the NQF level at which the course was offered for lifelong learning, portability and credit purposes (cf 4.3;4.3.2). The conclusion is that although the ABET educators were given the manual, the fact that the course/module could not be included in the certificate, is an indication that the college staff was not competent to present this module (cf 2.2.20).

4.7 FACILITIES NEEDED BY THE ABET CENTRE MANAGER TO RUN THE CENTRE EFFECTIVELY AND EFFICIENTLY

The ABET centre manager will need certain basic resources to be in a position to run the centre effectively and efficiently. One of the basic resources that the ABET centre manager needs is office space. Previous research (Guma, 2000:144) has found that only 15,7 % of respondents indicated that they had office space. Access to an office space can help the centre manager to run the institution professionally through keeping relevant records. Ashton (2000:71) indicates that there is a need to have security

measures in place for the organisation's records and books, and that it must be ensured that the records are kept in locked cabinet or free from damp and other environmental hazards. With accessible office space, the ABET centre manager will ensure the safety of the documents.

The computer is another resource to which the centre manager should have access. Preller (1998:185-187) points out that the application of technology in an office is generally known as *automation* and implies that routine work is done by machines to make it possible to do work faster. The advantages of using computers are improved management of information and decisions, as it makes all information centrally available, facilitating decision making. It also saves time, as routine tasks are more rapidly performed by means of a computer. A computer increases productivity as computers are efficient to make smaller input results in bigger outputs. Computers also offer better service in that transactions are concluded faster resulting in better service. Furthermore, the computer can be used as a word processor, database, store of addresses and names of learners, to create spreadsheets, for graphics and desk-top publishing.

Bhola (1990:143) also indicates that data kept in a computer can be used by some decision makers although in some instances it can be used in a reactive, impressionistic, unconnected and unsystematic way. The availability of and effective use of a computer will help the ABET centre manager to also be in a position to develop learning support materials rather than to purchase such materials.

According to Ashton (2000:71-72) users of computerised records should maintain daily backups, duplicate records ensure office site storage copies in the event of disaster. Security systems must be considered through a series of passwords to be maintained to enable access to various levels of sensitive information. She further advises that the password should be regularly changed and should not be easy to guess or systematically to discover. The computer information should also be treated as if it were in the form of manual records that are stored safely. The policy protecting the

computer system from infiltration from outside, including the possibility of infection from computer viruses (cf 3.8.2) should be maintained as well.

The use of computers cannot be separated from the provision of stationery. The stationery will specifically be needed to keep records. Olivier (1999:26) and Cohen and Manion (1977:216) say adequate records of learning must be established for each learner to embody credits and qualifications gained by means of any delivery system. They further point out that the keeping of records enables learners to build on what they have learned as they move from one environment of learning to another. They also report that these records of learning outline and list all unit standards and qualifications which are achieved on various levels. Learners gain unit standards and qualifications of any delivery system which must be registered and added to their records.

4.8 SUMMARY

In this chapter a study was made of selected training programmes offered by different institutions of Higher Education and Training (HET) and the North West Provincial Education Department in the form of pre-service and in-service training of ABET educators in the province. The Literature study revealed that both pre-service and in-service training programmes for ABET educators do not prepare them for the effective management of financial resources at ABET centres. It was also discovered that where aspects of financial management are addressed in the modules of study, such modules are not up to the expected standards. The conclusion that is made with regard to the literature study is that there is a need to develop financial management skills in a training programme for ABET centre managers in the province.

The next chapter will focus on the empirical study.

CHAPTER 5:
EMPIRICAL RESEARCH

5.1 INTRODUCTION

The previous chapter focused on selected training programmes for ABET educators, with a specific focus on whether such training programmes have a financial management module. This chapter focuses on the research design and execution of the empirical research. The focus will be on theory on various measuring instruments and the choice of the best data collection instrument relevant to this research study, the pilot study and the construction of questionnaires. The chapter will also focus on the administrative procedures for the questionnaire. The chapter will finally focus on the study population, statistical techniques and the interpretation of the collected data.

5.2 METHODS OF RESEARCH

5.2.1 Data collection

Requisite information for this research study was solicited from the state registered public ABET centre managers in the North West Provincial Education Department, as ABET centre managers are accountable to the North West Provincial Education Department on financial matters (cf 3.2.2). The procedure followed to obtain data is now discussed.

5.2.1.1 The postal questionnaire as an ideal research instrument for this research study

There are basically four types of methods that are used to collect data from respondents, namely:

- Individual, structured interviews.
- A structured postal questionnaire.
- A group completion of individual questionnaire; and
- A telephone survey.

After studying the advantages and disadvantages of the various kinds of collecting data (Ary *et al.*, 1990:241; Anderson, 1990:207; Steffens, 1992:59; PU for CHE, 1996:21-22; Dixon, 1989:19-21; Smith, 1988:62; Johnson, 1994:37-43 and Leedy and Ormrod, 2001:197-204), a structured postal questionnaire was chosen as an ideal data collection instrument in this research study for the reasons discussed below.

Ary *et al.* (1990); Anderson (1990); Steffens (1992); PU for CHE (1996); Dixon (1989); Smith (1988); Johnson (1994) and Leedy and Omrod (2001) respectively give the following advantages and disadvantages of postal questionnaires as outlined in 5.2.1.2 & 5.2.1.3:

5.2.1.2 Advantages of the postal questionnaire

- **Low unit costs**

The researcher does not have to travel to respondents. As a result, there is no money expended on subsistence, travelling or payment for field workers. Expenditure is thus limited to printing costs of questionnaires and postal tariffs.

- **Homogeneous stimulus**

As the questionnaire is the only means of communication between the researcher and the respondent, the stimulus provided by the questionnaire is identical and individual variations can only be attributed to an individual rather than to the questionnaire.

- **Geographical coverage**

The distance and accessibility of respondents do not pose any problems because even the remotest and most inaccessible rural areas will be within easy reach of the researcher as those living in the same town, farm or rural area.

- **Anonymity of the respondent**

As it is normally not necessary to have the respondent's name appear on the questionnaire, the postal questionnaire allows the respondent to be anonymous. On the other hand, the researcher could be distracted by the physical appearance, habits, dress or any other attributes of the respondent. Doubts about anonymity can influence the validity of responses, particularly when a research project of a sensitive nature is undertaken.

- **Freedom of respondent**

The completion of the questionnaire is left to the respondent, whether to fill or not and the respondent will choose the place, time, tempo and similar variables.

- **Speed**

Through this method, it is possible to obtain information from literally thousands of people within a relatively short time, particularly in extensive surveys. All information is also ready for computer analysis within few months after the questionnaires have been dispatched.

- **Ease of processing**

The postal questionnaires are usually highly structured and very little use is made of open questions. Most of the information received is already categorised. No clerical work is necessary to prepare it for data capture on the computer.

5.2.1.3 Disadvantages of the postal questionnaire

- **Representativeness**

The greatest disadvantage of the postal questionnaire is probably the high rate of non-responses. However well designed the sample may be, a poor response rate can introduce bias into the data since the very persons who fail to react may have definite opinions on the matter concerned.

Taking the disadvantage into consideration, the questionnaire was presented in four colours to make it more attractive. This would lure respondents to respond positively as they realise that the researcher has taken pains to make the questionnaire presentable.

- **Impersonal**

People often wish to provide more information than is asked for and this is easier in an interview situation than in a questionnaire. Some respondents may also want to qualify their responses or to discuss them with the researcher, which is not possible in a postal questionnaire.

This problem was minimised through conducting a pilot study. The researcher requested the respondents in the pilot study to comment on the phrasing of questions and to suggest on how they would like questions to be rephrased. Respondents in the pilot study were also requested to add some options or to indicate areas where there would be need for more information to be given. Finally, respondents were asked to use separate sheets, indicating confusing questions on the questionnaire and giving which they felt were not correctly structured and suggest how they would have liked them to be structured/re-phrased.

- **Limited to the literate**

As illiteracy is a problem in South Africa, the postal questionnaire cannot be used without stumbling blocks when all groups are represented as the target population.

In this research study, the questionnaire was sent to stratified randomly selected ABET educators who would easily understand and interpret questions correctly because of their level of education. The terminology used in the questionnaire is relevant to the practice of ABET educators.

- **Negative attitude to questionnaires**

The completion of questionnaires and forms has become an integral part of every day life in such a way that respondents have developed a negative attitude towards questionnaires. On the other hand, the bulk of any householder's daily post usually consists of junk mail which householders have little interest in. As a result, a questionnaire can easily land in the waste paper basket with the rest of the junk mail.

To ensure that the questionnaire does not face the same fate of the junk mail ending in the waste paper basket, the envelope containing the questionnaire was boldly marked: EXCITING NEWS YOU HAVE LONG AWAITED, OPEN NOW. A special personal letter was also written to the respondent attached to the questionnaire, informing the respondent of the importance for responding to the questionnaire (cf Annexure 3). The letter indicated that by responding to the questionnaire, respondents would contribute towards professionalising the mobilisation and management of finances in ABET. Follow-ups were telephonically made to those who did not return the questionnaires as the researcher was provided with the contact information of the respondents.

- **Lack of control**

There is usually no control over who completed the questionnaire and how correct the responses are. It also happens that spouses respond on behalf of the respondent. Some respondents even enjoy playing the fool.

To circumvent the problems mentioned in the previous paragraph, a schedule was kept where all the names of the respondents were kept (cf Annexure 4). Each respondent was allocated a number and when

questionnaires were returned, they were controlled in terms of the list. This made it easy for the researcher to know who did not return the questionnaire.

As the questionnaire uses a technical language which is strictly used in ABET by ABET educators, it would be impossible for anyone who is not an ABET educator to respond to the questionnaire.

- **Availability of addresses**

It sometimes happens that addresses of respondents are not available. This may lead to questionnaires not being delivered. This would add considerably to postal costs.

As the questionnaires were targeted at state registered public ABET centre managers in the North West Provincial Education Department, there was easy access to the contact information of all ABET centre managers. The researcher further contacted the prospective respondents to verify their postal addresses before he could send the questionnaires by post, to ensure that the questionnaires would reach their destination. Two weeks after sending questionnaires to respondents the researcher phoned respondents to establish whether they had already received questionnaires.

- **Independence of responses**

It can happen especially when certain parts of the questionnaire apply to a sub-group only, that the respondent decides to respond to that part of the section of questions that he/she prefers and not to the part he/she has been called upon to complete.

The problem would not be experienced in this study because questions were designed in such a way that they completely avoided any bias. An ABET centre manager of any racial group or gender was in a position to respond to all questions equally.

5.2.2 Question construction

The construction of the postal questionnaire (cf 5.2.1) was guided by the literature study and was based on the research aims.

It was decided that the structured questions would be relevant to this study. Structured questions are customarily newly drawn up to obtain the information required for each investigation (Dixon, 1989:16) and contain specific mutually exclusive categories of responses from which the respondent selects the one category that best suits his/her response (Schnetler, 1989:49). Schnetler (1989) also points out that structured questions are easy to administer, since they are coded beforehand. Data processing and analysis were facilitated through prior encoding are more economical and less time consuming to administer.

Although there are different types of structured questions, the aims of this research warranted the use of the following types of questions:

- The dichotomus questions which allow for only one of the two responses options, e.g.

Are you employed at a state registered public ABET centre in the North West Provincial Education Department?

YES	
NO	

- The multiple-choice questions, where provision is made for three or more response categories, e.g.

In which of the following positions are you presently employed? (Multiple-choice question)

ABET educator	
ABET centre manager	
ABET specialist	
ABET curriculum specialist	
ABET RPL personnel	

- Filtering and follow-up questions which are used to test the sample population into sub-classes relevant to the subject under investigation, e.g.

Are you presently practising as an ABET educator? (Filtering question).

YES	
NO	

If 'YES' to the previous question, which of the following positions do you hold? (Follow-up question).

ABET educator	
ABET centre manager	
ABET specialist	
ABET curriculum specialist	
ABET RPL personnel	

5.2.3 Pilot study

A pilot study (Johnson, 1994:39) involving ten ABET centre managers (five males and five females) as respondents who would not be eligible to take part in the main study was conducted. The ABET centre managers involved in the pilot study had the same characteristics as the population to be approached. The pilot study was conducted in the then Atamelang Education District with a sole purpose of testing the relevance of the

research tool. Tuckman (1994:235) has found that it is highly desirable to run a pilot test on a questionnaire based on the results of the test. He says a pilot test which uses a group of respondents who are part of the intended test population but who will not be part of the sample, attempts to determine whether the questionnaire items possess the desired qualities of measurement and discriminability. The respondents in the pilot study were requested to respond to the questions with great care and to make note of questions or statements they found to be problematic and to suggest alternatives where possible. Respondents were also requested to consider how questions could have been better phrased and to draw the attention of the researcher where they felt there are contradicting/conflicting statements or any form of ambiguity. The draft questionnaires were handed directly to the respondents at a meeting arranged specifically for the pilot study. The respondents made written comments. The comments and remarks did not show any problems which warranted changes in the questionnaire. The draft questionnaire was therefore taken as a final draft.

5.2.4 The final questionnaire

The final questionnaire was discussed with the Statistical Consultation Services (SCS) at the Potchefstroom Campus of the North-West University, to ensure that the data would not be problematic when it had to be processed and analysed. This would ensure easy processing of data when the questionnaire would be submitted to the SCS for the processing.

After this process, the questionnaire was sent to the North West Provincial Education Department ABET sub-Directorate with a letter requesting for permission to conduct the research at state registered public ABET centres in the North West Provincial Education Department (cf Annexure 2).

5.2.5 Construction of the questionnaire

The questionnaire comprises seven sections:

5.2.5.1 Biographical details (Questions 1-2).

5.2.5.2 Section 1: Effective financial management skills (Questions 3-15).

This section determined whether ABET centre managers at state registered public ABET centres are skilled to effectively mobilise and manage financial resources.

5.2.5.3 Section 2: Financial records kept at ABET centres (Question 16).

This section determined the nature of financial records kept at state registered public ABET centres in line with the Public Finance Management Act, Provincial Treasury regulations and current legislation on financial management.

5.2.5.4 Section 3: Financial resources (Questions 17-21).

This section determined the type of resources and equipment needed at ABET centres to provide quality education and training programmes to meet the felt needs of ABET educators in financial management.

5.2.5.5 Section 4: Internal and external financial control (Questions 22-27).

This section determined whether there are internal and external financial control measures in place at state registered public ABET centres in the North West Provincial Education Department to prevent fraud, corruption and misappropriation of financial resources.

5.2.5.6 Section 5: Monitoring of financial activities (Questions 28-31).

This section determined whether financial activities at state registered public ABET centres are monitored.

5.2.5.7 Section 6: Training needs on financial management (Questions 32-34).

This section determined whether there are current pre-service and in-service training programmes to train ABET educators at state registered public ABET centres in financial management.

5.2.6 Administration process

Although correspondence was sent to the Director for ABET in the North West Provincial Education Department (cf Annexure 2) to request permission to conduct a research at state registered ABET centres, no response was received from her. A schedule of control was designed (cf Annexure 3) on which names of the respondents, their contact information and a unique number allocated to each respondent were written. Through the list and schedule of control (cf Annexure 3) follow-ups could be made telephonically to those respondents who delayed in returning their responses.

5.2.7 Population

The method that was selected in this study, namely the structured postal questionnaire, is cost-effective and made it possible for the researcher to cover a broad geographical area. It was decided that questionnaires be sent to ABET centre managers throughout the area project offices (clustered in five regions) of which the province comprises.

Questionnaires were sent to 60 stratified randomly selected state registered public ABET centre managers to respond to. ABET centre managers as accountable officers to the NWPED had to personally respond to the questionnaire. The questionnaires were sent out on the 17 February 2004 per post using the fast mail services, as the ABET academic year in the Province starts at the beginning of February each year. The purpose of using the fast mail services was to show respondents that their urgent responses were necessary. The sending of questionnaires was correctly timed, as by the beginning of February admissions were already done and ABET centre managers would not be so busy that they would ignore the questionnaires.

By 27 February 2004, 30 questionnaires were already returned. Respondents who had not returned their questionnaires were contacted telephonically as a follow-up. By 15 of March 2004, after telephonic follow-

ups, 27 additional questionnaires were received. This meant that 57 out of 60 questionnaires were returned.

Table : 5.1: Received questionnaires

No. of questionnaires sent out.	No. of questionnaires received back.	Percentage
60	57	95%

In Table 5.1, the return rate of 95 % of the questionnaires is shown. Van der Westhuizen (1992:61) indicates that reliable and valid deductions can be made if 70% of the questionnaires have been returned.

5.2.8 Statistical techniques

The Statistical Consultative Services at the Potchefstroom Campus of the North-West University analysed and processed the data. The interpretation of data was done by the researcher.

5.3 INTERPRETATION OF DATA

5.3.1 Remarks

The results that will be reached in this study are strictly relevant to the North West Provincial Education Department and the selected state registered public ABET centres in the North West Provincial Education Department and cannot be applicable in any other Province in the Republic of South Africa.

5.3.2 Biographical information

The purpose of questions in this section (cf Annexure 1) was to determine the gender of respondents and relevance of their qualifications to teach at ABET centres as outlined in the policy (cf 4.5).

Statistics on this are presented in Table 5.2.

Table 5.2: Biographical details

Questions	Responses	F	%
1. Respondent's Gender	Male	14	24.6%
	Female	41	71.9%
	No response	2	3.5%
TOTAL		**57**	**100%**
2. Professional qualifications of ABET centre managers	Higher Certificate in ABET – UNISA	1	1.8%
	Higher Certificate in ABET – UNIN	-	-
	Higher Diploma in ABET – UNISA	13	22.8%
	Certificate in ETD – UWC	-	-
	Advanced Certificate in Educ. PU	2	3.5%
	Advanced Certificate in Edu. UniZul.	-	-
	Diploma in ETD – UWC	2	3.5%
	Advanced Certificate in Edu. UniVEN	-	-
	Other	39	68.4%
TOTAL		**57**	**100%**

5.3.2.1 Interpretation of data in Table 5.2

The number of females who serve as ABET centre managers in the population sample are 71.9%, while males represent 24.6%. This trend shows that more and more women are participating in management positions rather than serving in teaching positions only. This is a clear indication that women cannot be denied an active role in management positions, as indicated by Wolpe earlier in this study (cf 2.4.1).

1.8% of the ABET centre managers hold the UNISA Higher Certificate in ABET, 22.8%, the UNISA Higher Diploma, 3.5% the Potchefstroom University Advanced Certificate in ABET Education, while 3.3% hold a Diploma in ETD from the University of Western Cape. The average of ABET Educators who hold relevant ABET qualifications is 31.6%. The bulk of

educators teaching in ABET, or 68.4%, do not have relevant qualifications to teach in ABET. As indicated in the respondents' responses, the qualifications they hold are Primary Teacher's Diploma (PTD), Secondary Teacher's Diploma (STD), University Education Diploma Primary (UDEP), University Education Diploma Secondary (UDES), Higher Education Diploma (HED) and Bachelor of Arts in Education (BA Ed). The implications for educators who do not have ABET qualifications is that they are insufficiently qualified to provide quality teaching services unless their studies were orientated towards ABET teaching methodologies/strategies. The fact that 39 respondents (68.4%) of the respondents indicate that they have other qualifications not recognised by the state for teaching ABET (cf 4.5) is a serious concern. It becomes clear that ABET educators employed by the North West Provincial Education Department's ABET Directorate is a clear flouting of legislation, while the NWPED was supposed to help ABET centres to implement policy by employing educators relevantly qualified to teach in ABET (cf 4.5). It is against this backdrop that the National Department of Education (cf 1.2), in its review of ABET after ten years of democracy described it as one of the weakest links in efforts to enable the target group in ABET to develop its potential to the fullest. The employment of educators with mainstream school qualifications may also lead to a high staff turnover, as these educators will be lured to greener pastures in the mainstream schools because there are no benefits for them in ABET (cf 2.3.3.1).

5.3.3 Training in financial management, training providers and topics of training

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.3 Training in financial management, effectiveness of training, training providers and topics of training

QUESTIONS	RESPONSES	F	%
3. Training in financial management	Yes	2	3.5%
	No	55	96.5%
TOTAL		57	100%
4.Effectiveness of training	Highly effective.		
	Effective.	-	-
	Effective to some extent.	2	3.3%
	Not effective at all.	-	-
	No training attended.	55	91.6%
TOTAL		57	100%
5. Training service providers	Institution of higher learning.	-	-
	Department of Education.	2	3.5%
	Non Governmental Organisations.	-	-
	Other.	-	-
	Frequency missing.	55	96.5%
TOTAL		57	100%
6. Topics of training	Vision and Mission of ABET centre.	-	-
	Fundraising.	-	-
	Financial records.	2	3.5%
	Opening and running a bank account.	-	-
	Budget and budget control.	-	-
	Procurement procedures.	-	-
	Assets and stock control.	-	-
	Expenditure voucher forms.	-	-
	Procedure in issuing cheques.	-	-
	Internal financial reporting.	-	-
	External financial reporting.	-	-
	Risk management.	-	-
	Interpretation of audit reports.	-	-
	None of the above.	55	96.5 %
	Other.	-	-
TOTAL		57	100%

5.3.3.1 Interpretation of data in Table 5.3

In response to question 3, only 3.5% of the respondents showed that they have been trained in financial management. 91.7% of respondents indicated

that they have not gone through training in financial management. From the responses, it is quite clear that ABET centre managers were not exposed to any financial management. Failure by the North West Provincial Education Department to equip ABET centre managers with financial mobilisation and management skills will lead to insufficient mobilisation of financial resources and mismanagement of funds at state registered public ABET centres. Misappropriation of funds at state registered public ABET centres will be to the detriment of ABET learners who contribute money and to the disgrace of the North West Provincial Education Department.

In response to question 4, only 3.5% of the respondents indicated that training in financial management was effective to some extent. 96.5% of the respondents as illustrated in Table 5.3, indicated that they have not undergone training in financial management. It may thus be concluded that the training which ABET centre managers received did not meet their training demands. This is a direct proof as indicated by Levine (cf 1.2) that courses may be regarded as tokenism. It is also clear that courses were conducted only for the sake of conducting them, the purpose being to enrich service providers. Such training amounts to fruitless expenditure, as it is outlined in the Public Finance Management Act (cf 3.2.2).

In response to question 5, 3.5% of respondents indicated that the Department of Education provided training in financial management. 96.5% of respondents did not respond to this question. The reason for non-responding may be ascribed to the fact that the bulk of the respondents, 91.7%, indicated that they received no training in financial management. There was thus no way in which they could indicate an institution of training for this question.

In response to question 6, 3.5% of respondents showed that they have only been trained on financial records. 96.5% of respondents indicated that they have not been trained on any of the topics listed in question 6. It is clear that the training that was conducted by the North West Provincial Education Department was not based on the current legislation and treasury

regulations in the province. The conclusion that is made is that the performance managers (cf 2.2.18) and trainers (cf 2.2.20) did not predetermine the felt training needs of ABET centre managers in financial resources mobilisation and management but chose to use a training programme they assumed would be suitable for the target group. It is clear that the handling of finances at ABET centres in the North West Provincial Education Department will lead to misappropriation of funds, fraud and corruption (cf 1.2). Without thorough training in financial management ABET centre managers cannot be in a position to perform their duties, as outlined earlier in this research study (cf 3.2). Data also clearly indicates that the appointment of ABET centre managers did not take into consideration one of the pivotal roles ABET centre managers have to play, namely the role of effective mobilisation and management of financial resources at ABET centres (cf 3.2.1). On the other hand, data validates the literature study done on selected training programmes and in-service training, which succinctly indicated that financial management is not focused on in both the pre-service and in-service training (cf 4.4; 4.5; 4.6). Without the knowledge and skills to plan ABET centre activities, which involve drawing the vision, mission, budget and budget control instruments (cf 2.4.1), ABET centres will be run in a chaotic way.

5.3.4 Receipt of money, safekeeping of money and frequency of depositing money at ABET centres

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.4 Receipt of money, safekeeping of money and frequency of depositing money at ABET centres.

QUESTIONS	RESPONSES	F	%
7. Receipt of money at ABET centre	ABET centre manager.	40	70.2%
	ABET centre Secretary.	-	-
	ABET centre Treasurer.	17	29.3%
	ABET centre Chairperson.	-	-
	No funds are collected.	-	-
	Other	-	-
TOTAL		57	100%
8. Security of money before deposit	In the filing/stationery cabinet.	-	-
	In a strong room/safe	4	7%
	In a safe place at home.	1	1.8%
	At home by the Treasurer.	10	17.5%
	At home by the centre Manager.	42	73.7%
	No money is kept.	-	-
	Other	-	-
TOTAL		57	100%
9. Frequency of depositing money	Twice a week.	-	-
	Weekly.	3	5.3%
	Fortnightly.	3	5.3%
	Monthly.	26	45.6%
	Quarterly.	18	31.6%
	Twice a year.	2	3.5%
	Once a year.	1	1.8%
	No money is deposited.	4	7 %
	Other.	-	-
TOTAL			

5.3.4.1 Interpretation of data in Table 5.4

In response to question 7, 70.2% of the respondents indicated that money is receipted by an ABET centre manager, 29.8% indicates that it is receipted by the treasurer. It becomes evident that failure to train ABET educators in financial management makes it difficult for the different stakeholders to clearly understand their different role functions in the management of financial resources at ABET centres. As outlined earlier on the study (cf 3.2;3.4), the collection of money at ABET centres is done by the treasurer.

The collection of finances by ABET centre managers will make it impossible for the ABET centre manager to monitor himself/herself as the person accountable to the Department on financial matters at the ABET centre (cf 1.2; 3.2; 3.4). It is due to this ill practice that scarce financial resources will be exposed to corruption, fraud and misappropriation (cf 1.2) if ABET centre managers handle finances alone.

In response to question 8, 73.7% of the respondents indicated that after collection of money, it is kept at home by the ABET centre manager. 17.8% of the respondents said money is kept by the treasurer at home. 7% of respondents said money is kept in a safe/strong room, while 1.8% said money is kept in a safe place at home. The keeping of money at home by the ABET centre managers or treasurers is a clear indication of a lack of security measures at ABET centres. Keeping ABET centres' financial resources at home is too risky to contemplate. It is clear that the establishment of ABET centres at host schools did not have strategies for safeguarding the financial resources of ABET centres in place (cf 3.2.2). Keeping money at home is contrary to the directive that money held temporarily in the course of collection should be kept in a safe/strong room (cf 3.4.3)

In response to question 9, 45.6% of respondents said money is deposited on a monthly basis. 31.6% of respondents say money is deposited on quarterly basis. 5% of the respondents indicated that money is deposited on weekly and fortnightly basis respectively, while 1.8% of the respondents indicated that money is never deposited. The fact that ABET centre managers and treasurers take money with them to their homes and the fact that money is deposited after long periods, further indicate that a volatile situation is created where public money will be used to benefit individuals while quality education is sacrificed. Keeping money at home will not benefit the ABET centre as an ABET centre would lose the interest on the money that could have been invested in the bank. It is also clear that due to lack of training in financial management, there are no clear policy guidelines on

who is to collect money, where to keep money secure before banking and when to bank the money (cf 2.3.1.4; 3.5.3.3). People may also be tempted to use ABET centre money for urgent private purposes, with the intention of repaying it before it is needed by an ABET centre. Money kept by ABET centre managers at their homes is a clear indication that ABET CGBs are not conversant with their responsibility for controlling financial activities at an ABET centre (cf 3.4.2). The fact that there is 7% of the respondents indicated that money is not deposited, implies that ABET centres do not open and run accounts for the centre (3.5.3.3). Furthermore, if money is not deposited in the bank, it will be used as cash. The use of cash is prohibited, as the treasury regulations show that all payments from public funds should be made by cheque (cf 3.4.3)

5.3.5 Drawing of budget, tuition fees determination, sources of funding

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.5 Drawing of budget, tuition fees determination, registration with institutions and sources of funding

QUESTIONS	RESPONSES	F	%
10. Drawing of budget	Yes.	-	-
	No.	57	100%
TOTAL		57	100%
11. Determination of tuition fees	ABET centre manager.	19	33.3%
	ABET centre governing body.	3	5.3%
	ABET centre learners.	1	1.8%
	All ABET centre stakeholders.	34	59.6%
	None of the above.	-	-
	Other.	-	-
TOTAL		57	100%
13. Registration of centre with institutions	South African Revenue Services.	-	-
	Public benefit organisations.	-	-
	None of the above.	57	100%
	Other.	-	-
TOTAL		57	100%
19. Sources of funding	Donations.	1	1.8%
	Leasing of centre facilities.	-	-
	Selling of promotional materials.	-	-
	State funding.	-	-
	Services rendered to community.	-	-
	Tuition fees paid by learners.	56	98.2%
	Other.	-	-
TOTAL		57	100%

5.3.5.1 Interpretation of data in Table 5.5

In response to question 10, 100% of respondents indicated that there is no budget drawn at ABET centres. The fact that ABET centre managers do not draw budgets can also be related to the fact that they have never been effectively trained/not trained in financial management processes. Due to

failure to train ABET centre managers in financial management, ABET centre managers are not aware that a budget is a planning instrument which expresses an intent in financial terms, outlining how much the plans of an institution will cost (cf 2.2.7, 3.5.2). Failure to express institutional plans in a budget may lead to the drawing of a wish list of equipment and resources which an ABET centre would like to posses, while there is no source of income for the ABET centre to procure the assets or services. The absence of a budget will make it impossible for the ABET centre manager to control, monitor and evaluate financial activities at the centre, as the control of financial resources is based on the existing budget (cf 3.5.2; 3.5.3). The absence of the budget will also lead to public funds being spent lavishly at the centre. In this way, the financial resources of an ABET centre may be thinly stretched right at the beginning of the year, and this would ultimately lead to the ABET centre running into a deficit.

In response to question 11, 59.6% of respondents indicated that all stakeholders decide on the amount to be paid as contributions. 33.3% of respondents indicated that ABET centre managers unilaterally decide on how much learners should contribute. 5.3% of respondents said the centre governing body (CGB) determines the amount to be paid as tuition fee, while 1.8% said learners determine how much should be paid as contributions. Concern is expressed about the idea that an ABET centre manager (33.3%), CGB (5.3%) or learners (1.8%) unilaterally determine the amount to be paid as contributions. The failure to consult widely and collectively agree in determining the amount to be paid as contributions may lead to either an overestimation or underestimation of the needs at an ABET centre and the different stakeholders. There is therefore a need to consult widely to ensure that all stakeholders participate actively in decision making. The benefits of active participation by all stakeholders is that it ensures ownership of the ABET programme at an ABET centre. Secondly, consultation with all stakeholders will ensure that all voices are heard. Thirdly, an ABET centre will from the onset know which learners cannot afford to pay contributions and may devise alternative means to raise funds

to ensure that quality education is not sacrificed due to non-contribution by learners who cannot afford to pay.

In response to question 13, 100% of the respondents indicated that they are neither registered with the South African Revenue Services (SARS) nor are they registered as non-profit organisations (NPOs). Failure to register with the SARS may hamper an ABET centre from raising funds publicly from local and foreign donors as donors will not enjoy tax rebates on the money donated to ABET centres which do not have a registration number with the SARS. Failure to register as an NPO by an ABET centre will prevent an ABET centre to raise funds from the public, as registration as an NPO is a prerequisite in raising funds from the public. Failure to register with SARS or as an NPO is a violation of legislation (cf 2.2.17).

In response to question 19, 98.2% of respondents indicated that their sources of funding are largely comprised of tuition fees. Only 1.8% said their source of income is through donations. The fact that 98.2% of ABET centres depend on learner contributions is a clear indication that ABET centre managers raise funds in a limited way. It is also clear as indicated earlier in the study (cf 4.3.3), that ABET centres are not in a position to bring about sustainable solutions to address skills shortage, as they largely depend on contributions by learners for their running costs. ABET centre managers are prohibited from raising funds from the public and private sector because they have not registered with SARS and as NPOs. It is through training ABET centre managers in financial mobilisation and management that ABET centre managers will be in a position to explore other means of mobilising funds as stipulated earlier on in this study (cf 1.2; 3.3).

The great dependence largely on contributions by learners is a clear indication that ABET centre managers have not created an optimum mixture of mobilising funds, as suggested earlier in this study (cf 2.3.1.4; 3.3; 3.4.3). As a result of insufficient financial resources ABET centres cannot be sustainable. The fact that ABET centres depend on contributions by

learners is also a indication that ABET centre managers do not have skills of publicising the ABET centre widely to create an awareness of its existence to prospective donors (cf 3.4). Without raising money over and above state funding and voluntary contributions by learners, only lip service will be paid to the delivery of quality ABET programmes (cf 1.2).

5.3.6 Learner enrolment, tuition fees and sufficiency of funds

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.6: Learner enrolment, tuition fees and sufficiency of funds

QUESTIONS	RESPONSES	F	%
17. Learner enrolment at ABET centre	80 – 100	26	45.6%
	101 – 150	23	40.4%
	151 – 200	3	5.3%
	201 – 250	3	5.3%
	251 – 300	1	1.8%
	301 – 350	-	-
	351 – 400	-	-
	401 – 450	-	-
	451 – 500	-	-
	501 – 600	-	-
	601 learners and above	1	1.8%
TOTAL		57	100%
18. Tuition fees paid by learners	R 20.00 – R 50.00	49	86 %
	R 51.00 – R 80.00	3	5.3%
	R 81.00 – R100.00	1	1.8%
	R101.00 – R120.00	1	1.8%
	R121.00 – R140.00	-	-
	R141.00 – R160.00	1	1.8%
	R161.00 – R180.00	1	1.8%
	R181.00 – R200.00	-	-
	R201.00 and above	1	1.8%
TOTAL		57	100%
21. Sufficiency of funds	Yes	1	1.8%
	No	56	98.2%
TOTAL		57	100%

5.3.6.1 Interpretation of data in Table 5.6

In response of question 17, 45.6% of respondents indicated that the enrolment is between 80-100 learners. 40.4% indicated that enrolment

ranges between 101-150 learners. 5.3% indicated that enrolment ranges between 151-200 learners and 201-250 learners respectively. Only 1.8% of respondents indicates that enrolment ranges between 251-300 learners. The statistics on the enrolment of learners at ABET centres prove that ABET is weak in the recruitment and retention of learners as indicated in the National Department of Education review of the ten years of democracy in education in South Africa (cf 1.2). Unless quality education and training programmes are provided by ABET centres in the North West Provincial Education Department by employing educators relevantly trained to teach ABET programmes (cf 4.5), ABET centres cannot attract many learners. It is clear as it is indicated earlier on in this study, that ABET centres cannot attract and retain learners (cf 1.2). The dream to skill the target group and eliminate illiteracy among adults of twenty years of age and over (cf 2.3.1.1) will never materialise.

In response to question 18, 86% of the respondents indicated that the amount of tuition fee paid at ABET centres ranges from R20.00-R50.00. 5.3% of respondents indicated that contributions paid by learners range between R51.00 – R80.00. 1.8% of respondents indicated that learners' contributions range between R81.00-R100; R101.00-R120.00; R141.00-R160.00; R161.00-R180.00 and R201.00 and above respectively. Taking the maximum number of enrolment at an ABET centre to be 100 (cf 5.5.5) and the maximum amount paid by learners at R50.00, an ABET centre has to its discretion a total amount of R5 000.00 to survive on annually. With the rate of inflation in mind, the amount of R5 000.00 will end up in transport expenses for educators for attending workshops, leaving no money for learning materials (cf 3.4.2). Should learners not afford to pay tuition fees due to the low *per capita income* (cf 3.3) and thus be exonerated from contributions (cf 1.2) ABET centres may expect a further problem of raising sufficient funds to sustain the provision of quality ABET programmes.

In response to question 21, 98.2% of the respondents indicated that ABET centres do not raise sufficient funds, while only 1.8% indicated that it raises

sufficient funds. It is clear that without sufficient funds (cf 1.2) ABET centres cannot maintain total quality management programmes, as finances are a driving force in maintaining quality programmes.

5.3.7 Procurement of goods and risk management

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.7 Procurement of goods and risk management

12. Procurement of goods	Goods and services are provided by anyone.	1	1.8%
	Chairperson decides where to buy.	1	1.8%
	ABET centre manager buys goods at own discretion.	44	77.2%
	Procurement procedures are followed.	11	19.3%
	No goods or services are provided.	-	-
	Other.	-	-
TOTAL		57	100%
15. Risk management	Fire.	-	-
	Burglary.	-	-
	Theft.	-	-
	Personal injury.	-	-
	Natural disaster.	-	-
	Arson.	-	-
	Robbery.	-	-
	None of the above.	57	100%
	Other.	-	-
TOTAL		57	100%

5.3.7.1 Interpretation of data in Table 5.7

In response to question 12, 77.2% of respondents indicated that ABET centre managers buy goods at their own discretion. 19.3% of respondents indicated that procurement procedures are followed in acquiring assets. 1.8% of respondents indicated that goods are provided by anyone, and 1.8% indicated that the CGB chairperson decides unilaterally where to buy goods respectively. Lack of training in financial management is seen as a

disturbing factor even in this regard. Without proper knowledge, skills and expertise (cf 2.2.13), financial resources of ABET centres will be exposed to fruitless and wasteful expenditure (3.2.2). The indication that ABET centre managers buy goods at their own discretion clearly shows that there are no financial goals at concerned ABET centres (cf 3.5). The unilateral decision by an ABET centre manager to procure goods violates the rights of other stakeholders in ABET (cf 3.5). It is important for ABET centre managers to be trained on the proper procedures of procurement as outlined earlier in the research study (cf 3.5.3.4). Failure to follow the right procedure in procurement of goods and services may lead to acts of nepotism, monopoly by individuals who feel above the system. This will ultimately lead to individuals enriching themselves unfairly using ABET centres' scarce financial resources.

In response to question 15, 100% of respondents indicated that there are no contingency plans for risks at ABET centres. Lack of proper underestanding of the need for risk management will lead to tremendous losses at ABET centres. While insurance money cannot be retrieved when nothing has happened to property or individuals at an ABET centre, an ABET centre may run a serious risk if it does not ensure the security of assets and possible casualties that individuals may sustain. Failure to insure the property at an ABET centre may lead to greater loss which ABET centres cannot afford, taking into consideration the meagre amounts of money collected by ABET centres as contribution (cf 5.5.6). Failure to insure an ABET centre against risks will also lead to endless legal suits which will leave an ABET centre to be cash-strapped and unable to afford the litigation demanded of it as an independent entity (cf 3.5.1).

5.3.8 Interpretation of audit report and audit of financial records at ABET centres

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.8: Interpretation of audit report and audit of financial records at ABET centres

14. Interpretation of audit report sections	Auditor's written opinion.	-	-
	Cash flow statement.	-	-
	Income and expenditure statement.	-	-
	Balance sheet.	-	-
	Trial balance.	-	-
	None of the above.	57	100%
	Other.	-	-
TOTAL		57	100%
27. Audit of financial records	Yes	-	-
	No	57	100%
TOTAL		57	100%

5.3.8.1 Interpretation of data in Table 5.8

In response to question 14, 100% of respondents indicated that they cannot interpret audit financial reports. Lack of skills to interpret audit financial reports can be assigned to the fact that ABET centre managers have never been trained in financial management. Failure to interpret audit financial reports may prohibit an ABET centre manager in various ways, such as being unaware of and unable to understand implications of cash flow to enable a centre to take corrective measures where necessary (cf 3.6.2.1). Furthermore, ABET centre managers will not know the position of ABET centres by comparing the current assets and fixed assets of the centre, and they will not understanding the trial balance (cf 3.6.2.1). Their lack of understanding and inability to interpret the audit financial report will also make it impossible for an ABET centre manager to help stakeholders to make decisions on the disposal of assets which have depreciated to such an extent that they have unbearable costs on maintenance to an ABET centre (cf 3.5.3.2).

In response to question 27, 100% of respondents indicated that their financial records are not submitted to chartered accountants for audit purposes. The reasons for the failure of ABET centre managers may be that

the amount of money collected by an ABET centre cannot make them afford to pay audit fees charged by chartered accountants. Another reason may be that ABET centre managers are not trained in financial management (cf. 5.3.2). As a result they may not be aware of the mandate that financial records should be taken to auditors for the auditors to report and express their opinions on the status of the finances at such centres (cf 3.6.2.1). Failure to allow auditors to do an external control of financial records will prevent ABET centres from raising funds from donors, as donors usually ask for audit reports to see whether their funds will be administered correctly by an institution (cf 2.2.17; 3.4.2).

5.3.9 Financial records kept at ABET centres

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.9: Financial records kept at ABET centres

QUESTION	RESPONSES	f	%
16. Financial records/ documents kept at ABET centres	Receipt book (NWED 01/02).	1	1.8%
	Income register (NWED 03 (I).		1.8%
	Expenditure register (NWED 03 (E).	1	1.8%
	Cheque book.	1	1.8%
	Bank deposit slip book.	1	1.8%
	Monthly payment sheets.		
	Expenditure voucher forms.		
	Financial management guide.		
	Financial manual.		
	Invoices/ receipts.		
	Budget.		
	Procurement policy.		
	ABET centre constitution.		
	Business plan/funding proposal.		
	Audit reports.		
	None of the above.	43	92.3%
	Other.		
TOTAL		57	100%

5.3.9.1 Interpretation of data in Table 5.9

In response to question 16, 92.3% of respondents indicated that there are no financial records kept at ABET centres. 1.8% of respondents indicated that they have either official receipt books (NWED/OT/01 or 02), income register (NWED/OT/03 (I), or expenditure register (NWED/OT/03 (E) respectively and a bank deposit slip book. With ABET centre managers and treasurers collecting money from learners without issuing receipts (cf 5.3.4) an ABET centre's financial resources may be exposed to scenarios of theft, fraud, misappropriation of funds and corruption (cf 1.2). Failure to issue official receipts for collected funds will result in stakeholders not trusting ABET centres on the management of public funds. The collection of funds at ABET centres will be done haphazardly, ignoring treasury regulations on the collection of funds at public institutions (cf 5.3.4) using unofficial receipt books which are not prescribed by the treasury regulations (cf 3.4.3) or using no receipt book at all. Without common financial records being kept at all ABET centres in the North West Provincial Education Department, improper methods of receiving and expending money will be used (cf 2.3.1.4). Failure to keep proper financial records is violation of the North West Provincial Government treasury regulations (cf 3.5.3.5) regarding the records that every public institution should have to manage financial activities properly. Finally, failure to keep financial records to administer financial resources will mean that an ABET centre manager will have no source documents (cf 2.2.19). It is clear that there is no clear policy and procedures on the kind of records to be kept by ABET centre managers (cf 3.4.5). Failure to draw a budget at an ABET centre (cf 2.2.7) will thwart participation and prevent completion of different activities at an ABET centre. Absence of a budget will also result in stakeholders failing to align their roles to overall objectives of the institution, as well as no basis being available for control to ensure that activities of an ABET centre conform to plans. ABET centre managers will then also have no standard against which to measure performance.

5.3.10 Access to facilities

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.10: Access to facilities

QUESTION	RESPONSES	f	%
20. Access to facilities	Centres for vocational training.	-	-
	Computers.	-	-
	Teaching media centre.	-	-
	Staff room.	4	4.7%
	Administration office.	4	4.7%
	Telephone.	1	1.2%
	Fax Machine.	1	1.2%
	E-mail.	-	-
	Classrooms.	38	44.7%
	Suitable sitting accommodation.	35	41.2%
	None of the above.	-	-
	Other.	-	-
TOTAL		85	100%

5.3.10.1 Interpretation of data in Table 5.10

In response to question 20, 44.7% of respondents indicated that classrooms are made available by host schools. 40.7% of the respondents indicated that suitable seats are available to ABET learners. 4.7% of the respondents indicated that the staff room and the administration office are utilised by ABET centre managers. Only 1.2% of the respondents indicated accessibility to a telephone or a fax machine. The fact that 41.2% had suitable accommodation, may be due to the fact that most ABET centres are hosted at secondary schools, where the seating accommodation is suitable for learners in the age range of 14-18 years. Such seating accommodation will be suitable for adults older than 15 years. Another danger of using

furniture for young adults is that the furniture will not last, as the furniture carries more wait than it was designed to carry. It is also clear that the plan to use schools as hosts for ABET centres did not take into consideration minimum resources needed to provide ABET quality services (cf 4.3.3). Without relevant resources and equipment the ideal to transform ABET centres from night schools to public adult learning centres will remain a pipe dream (cf 4.3.6).

It is surprising that ABET centres do not have access to vocational training centres. This is a clear indication that the North West Provincial Education Department ABET Directorate continues to pay lip service to the integration of education and training. Adult learners cannot be attracted to attend programmes at state registered public ABET centres, as the centres do not provide the skills that would assist the learners to create jobs for themselves and others, rather than to look up to the state to create jobs they can consume. It is against this practice of providing theory to adult learners that the National Department of Education (cf 1.2) evaluated ABET as one of the weakest strategies in providing for the education and training needs of adults. The failure of ABET programmes to provide sustainable vocational training to the target group perpetuates the problems of unemployment and poverty rather than alleviating them.

Failure of the host schools to make office space and office resources available to ABET centre managers is a great stumbling block when it comes to effective management of an ABET centre. Due to failure to avail these resources, ABET centre managers will have to develop mobile offices which will be detrimental to good record keeping and their security. This lack of office space and resources may very well be the reason why ABET centre managers and treasurers (cf 5.3.3) take public funds home for security purposes, illegal as it is.

Failure to make the media centre available to ABET centres is another disturbing factor. With the low *per capita* income in the North West Province as compared with that of South Africa and other Provinces (cf 3.3), it is

unrealistic for adult learners to have enough reading material or to have enough study space at home. The availing of the media centre would ensure better performance in the sense that learners will easily access reference materials. The poor performance in the examinations, as indicated earlier in this research study (cf 4.3.6), can be attributed to a lack of media.

The non-availability of telephone and fax machines creates a serious problem that may lead to communication breakdown. Lack of landlines may also lead to exorbitant expenditure in mobile phone bills, which will not be affordable to ABET centre managers, because insufficient funds are raised at ABET centres (cf 5.5.6).

5.3.11 Reconciliation, control and frequency of checking financial records

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.11: Reconciliation, control and frequency of checking financial records

QUESTIONS	RESPONSES	f	%
22. Person reconciling financial records	Treasurer.	-	-
	Secretary.	-	-
	Chairperson.	-	-
	ABET centre manager.	-	-
	No reconciliation done.	57	100%
	Other.	-	-
TOTAL		57	100%
23. Control of financial records	CGB chairperson.	-	-
	CGB secretary.	-	-
	CGB treasurer.	4	7%
	ABET centre manager.	3	5.3%
	No control of financial records.	50	87.7%
	Other.	-	-
TOTAL		57	100%
24. Frequency of control of financial records	Weekly.	-	-
	Fortnightly.	-	-
	Monthly.	1	1.8%
	Quarterly.	-	-
	Per semester.	-	-
	Annually.	1	1.8%
	No financial records are controlled.	55	96.5%
	Other.	-	-
TOTAL		57	100%

5.3.11.1 Interpretation of data in Table 5.11

In response to question 22, 100% of respondents indicated that financial records are not reconciled at ABET centres. Failure to reconcile financial records on a monthly basis (cf 3.5.3.5) will have several negative effects. Errors of calculation can for instance not be traced at an early stage, thus leading to compounded problems at the end of the financial year (cf 3.5.3.5). Secondly, ABET centre managers may not be in a position to check whether there are still outstanding cheques that have not yet been

presented to the bank, thus leading to cheques being issued while there are insufficient funds.

In response to question 23, 87.7% of the respondents showed that financial records are not controlled. 7% of the respondents indicated that financial records are controlled by the ABET centre treasurer, while 5.3% of the respondents said financial records are controlled by an ABET centre manager. The responses are a clear indication that the respondents are not familiar with the responsibilities of different personnel at the ABET centre. In terms of policy (cf 3.5.3.5) ABET centre managers have to control financial records at an ABET centre. Even if an ABET centre manager can delegate this duty (cf 3.2.2), he/she will still be held accountable as he/she cannot renege his/her accountability to someone else. Failure to control financial records may lead to personnel at ABET centres taking advantage of this and misappropriating funds.

In response to question 24, 96.5% of respondents showed that financial records are not controlled by anybody while only 1.8% of the respondents indicate that financial records are controlled on a monthly or quarterly basis. Failure of ABET centre managers to control financial records is a violation of legislation, as it is stipulated that an ABET centre manager should maintain an effective, efficient and transparent system of internal control which must be done on monthly basis (cf 3.5.3.5) by him/her.

5.3.12 Financial returns, availing of financial records to the public and measures taken when overspending is experienced

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.12 Financial returns, availing of financial records to the public and measures taken when overspending is experienced

QUESTIONS	RESPONSES	f	%
25. Financial returns	Yes	-	-
	No	57	100%
TOTAL		57	100%
26. Availing financial records to the public	Yes	2	3.5%
	No	55	96.5%
TOTAL		57	100%
30. Measures taken when experiencing overspending	Nothing is done.	52	91.2%
	An overdraft is arranged with the bank.	1	1.8%
	Overspending account is suspended.	3	5.3%
	Virement is applied.	1	1.8%
	Other.	-	-
TOTAL		57	100%

5.3.12.1 Interpretation of data in Table 5.12

In response to question 25, 100% of respondents indicated that no returns are sent to the area project office as part of internal control. Failure to send monthly financial returns to the area project office may prevent an ABET centre manager from tracing some of the financial problems that might have been traced right at the beginning and could have been addressed.

In response to question 26, 96.5% of respondents indicated that financial records are not availed to the public, while only 3.5% of respondents say financial records are availed to members of the public. Failure to avail financial records of an ABET centre to members of the public is a violation of policy, as indicated earlier in the research study (cf 2.2.17). The advantage for an ABET centre in availing the financial records of the centre to the public is that the public will give money generously to institutions that are transparent with their financial activities.

In response to question 30, 91.2% of respondents indicated that nothing is done when an ABET centre experiences overspending. 5.3% of respondents said overspending accounts are suspended. 1.8% of respondents stated that an overdraft is arranged or virement is applied. The responses indicating that an ABET centre manager does nothing when accounts are overspent, are a direct indication that ABET centre managers are not aware of the devolved powers and their roles at ABET centres as Cost Centres (cf 3.2.2) to take precautionary measures to circumvent overspending. The fact that 1.8% of respondents contemplate arranging an overdraft with a bank is a clear indication of ignorance on the side of ABET centre managers of the fact that ABET centres are not permitted to overdraw their finances. The responses of this nature reveal the fact that ABET centre managers, despite the fact that some claim to have been trained (cf Table 5.2), have not been adequately trained in financial management and will need retraining in financial management.

The researcher compared the responses of females and males to see whether there were different opinions expressed on the question. There was, however, no difference between the responses of males and females.

5.3.13 Monitoring and frequency of monitoring financial activities and records used to control financial activities

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.13 Monitoring and frequency of monitoring financial activities and records used to control financial activities

QUESTIONS	RESPONSES	f	%
28. Monitoring of financial records	District finance team	-	-
	District ABET specialist.	-	-
	Provincial ABET staff.	-	-
	ABET centre manager.	2	3.5%
	No monitoring takes place.	55	96.5%
	Other.	-	-
TOTAL		57	100%
29. Frequency of control of financial activities	Monthly.	-	-
	Quarterly.	-	-
	Once per semester.	-	-
	Annually.	-	-
	No monitoring of financial activities.	57	100%
	Other.	-	-
TOTAL		57	100%
31. Records used in controlling financial activities	Monthly bank statements.	-	-
	Bank deposit slips.	2	3.5%
	Cheque book.	-	-
	Assets and stock register.	-	-
	Income and expenditure registers.	1	1.8%
	Expenditure vouchers.		
	Bank returned cheques.		
	Budget document.		
	Receipt books.	1	1.8%
	No monitoring of financial activities.	53	93%
	Other.	-	-
TOTAL		57	100%

5.3.13.1 Interpretation of data in Table 5.13

In response to question 28, 95.5% of respondents indicated that no one at an ABET centre monitors financial activities. Only 3.5% of respondents indicated that monitoring of financial activities is conducted by the ABET centre manager. Failure of ABET centre managers to monitor financial

activities at the centres will make it impossible for the ABET centre manager to ensure proper accounting processes, which include the recording of transactions, summarising information and summarising and interpreting financial information (cf 2.2.3), and to make financial analysis (cf 2.2.8).

In response to question 29, 100 % of respondents indicated that there is no monitoring of financial activities at ABET centres. This does not agree with the responses in question 28, where 3.5% of respondents indicated that ABET centre managers monitors of financial activities at an ABET centre. The discrepancy between responses to questions 28 and 29 is ascribed to the fact that ABET centre managers may have given the impression that they are acting responsibly, whereas in reality they are not. By not indicating the frequency of monitoring, it is clear that they are not doing any monitoring of financial activities at the centre. Lack of training in financial management is a reason why ABET centre managers are not aware of their duty and responsibility to periodically monitor financial activities at ABET centres.

In response to question 31, 93% of respondents indicated that no records are used in monitoring the financial activities at ABET centres. 3.5% of respondents indicated that bank deposit slips are used to monitor financial activities at ABET centres. 1.8% of respondents indicated that income and expenditure registers or receipt books are used to monitor financial activities at ABET centres. It should be noted, however, that the source documents that are alleged to be used for the monitoring of financial activities at ABET centres are sources compiled internally by ABET centre personnel, and as a result such sources are prone to manipulation by the personnel at the centres. It is surprising that bank statements and bank returned cheques are not mentioned as records used by ABET centre managers to monitor the financial activities at ABET centres. ABET centre managers can compare the amounts that are reported to have been deposited as per deposit slips with the actual amounts deposited as they appears on the monthly bank statement, to see whether the amounts tally. Cheques that were issued and have not yet been presented at the bank can also be checked against the

monthly bank statement. The conclusion that is made in this regard is that ABET centre managers have not been exposed to financial management training, hence their ignorance about documents that can be used to monitor financial activities of ABET centres. All records mentioned in this question (cf 3.5.3.5) are essential in monitoring the financial activities at ABET centres.

5.3.14 Rating of financial management skills, awareness on existing training programmes in financial management

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.14: Rating of financial management skills, awareness on existing training programmes in financial management

QUESTIONS	RESPONSES	f	%
32. Rating of financial management skills	No knowledge of financial management.	44	77.2%
	1 – 10 %	11	19.3%
	11 – 20%	2	3.5%
	21 – 30%	-	-
	31 – 40%	-	-
	41 – 50%	-	-
	51 – 60%	-	-
	61 – 70%	-	-
	71 – 80%	-	-
	81 – 90%	-	-
	91 – 100%	-	-
TOTAL		57	100%
33. Awareness about existing training programmes in financial management	Yes.	-	-
	No.	57	100%
TOTAL		57	100%

5.3.14.1 Interpretation of data in Table 5.14

In response on question 32, 72.2% of respondents indicated that they do not have any knowledge of financial management. 19.3% of respondents indicate that its knowledge of financial management ranges between 1-10%.

3.5% of respondents indicated that their knowledge of financial management ranges between 11-20%. The indications by respondents of the knowledge of financial management shows that financial management skills are rare, as indicated earlier in the research study (cf 1.2). The responses also indicated that, although some of the respondents reported that they were trained in financial management, such training was tokenism and a waste of money (cf 1.2), as it did not meet the expected needs of trainees (cf 2.2.20). With envisaged funding from the state through norms and standards for funding, ABET Centre Managers will have to be exposed to training in financial management in line with current legislation.

5.3.15 Suggested topics for training ABET centre managers in financial management

The table below summarises the findings with regard to the above-mentioned topics.

Table 5.15: Suggested topics for training ABET centre managers in financial management.

QUESTION	RESPONSES	f	%
34. Suggested topics in financial management training	Vision and mission of ABET centre.	57	6.5%
	Drawing of budget.	56	6.4%
	Fundraising skills.	55	6.3%
	Registering as public benefit organisations.	57	6.5%
	Registering with SARS.	57	6.5%
	Keeping assets and stock registers	53	6.0%
	Procurement procedures.	53	6.0%
	Maintaining a commitment register.	51	5.8%
	Risk management.	53	6.0%
	Development of a financial manual.	56	6.4%
	Control of finances.	55	6.3%
	Norms and standards for funding.	53	6.0%
	Interpretation of audit report.	57	6.5%
	Opening and running current account.	55	6.3%
	Procedure in issue of cheques.	54	6.2%
	Policy on financial management.	55	6.3%
	None of the above.	-	-
	Other.	-	-
TOTAL		877	100%

5.3.15.1 Interpretation of data in Table 5.15

In view of the topics preferred by the respondents, the conclusion is made that there is a need to design a training and development programme with a specific focus on training ABET centre managers in financial management. The responses of respondents who reported to have attended financial management training and those who indicated that they did not undergo the training, were closely studied. It was found that all respondents, those who claim to have attended the workshop on financial management and those who indicated that they did not attend, indicated a need to be trained on all topics tabulated in this table. Another comparison was made between the responses by females and males in respect of the need for training. No difference in responses was found between the males and females.

5.4 CONCLUSION

This chapter focused on the research design and execution of the research. The chapter presented the theory on various measuring instruments and chose the postal questionnaire as an ideal method of investigation in this study. An analysis of responses was made, based on the literature study performed in Chapters 1-4. The conclusion drawn, based on both the literature study and empirical research, is that there is a dire need to design a training programme in financial mobilisation and management for ABET centre managers.

The next chapter will focus on the theory of a model and a way in which to design a model that will be used to train ABET educators in financial management.

CHAPTER 6:
DEVELOPMENT OF A MODEL FOR TRAINING ABET EDUCATORS IN FINANCIAL MANAGEMENT

6.1 INTRODUCTION

The sixth aim of this research (cf 1.4) was to develop a financial management training programme for ABET educators. In terms of literature study in Chapters 2 to 4, conclusions were made regarding a need for the development of a financial management training programme for ABET educators to equip them with requisite skills to manage financial resources effectively. The starting point in this chapter will be to focus on the concept *model* and the role a model plays in the design of a training programme for training ABET educators in financial management. The purpose of the model is to indicate the procedure that has to be followed in the design of a training programme for training ABET educators in financial management to enable them to manage financial resources at ABET centres effectively.

6.2 THE CONCEPT *MODEL*

Garbers (1996:16) explains that scientific knowledge as a product or outcome of scientific research can be defined as the body of propositions (factual statements, hypothesis, models, theories, laws, etc.), accepted by the scientific community at a given time. Bhola (1990:302) defines a *model* as a design, description or analogy used to help visualise or make understandable something that is more complex. Van Dyk *et al.* (1997:239-243) point out that the designer of a training and development programmes has a variety of conceptual models which can be explored in the development of training programmes. These models are seen as extremely

useful and as enhancing chances of success in training design. Mouton (2001:176-177) points out that theory building or model building studies are aimed at developing new models and theories to explain particular phenomena. According to him the building theories or models occur mainly through two strategies. The *inductive mode of thinking strategy* is constructed to fit certain empirical data. A construction of this model is based on its similarity to another phenomena. The *deductive model construction strategy* postulates or formulates an action to be taken as true. Wisniewski (2002:7) points out that models come in a variety of forms and that they are not only quantitative. Models might be constructed of a new office development; a financial model may be developed to assess the impact of budget changes on service delivery; the marketing department may develop a model in terms of assessing customer response to product changes. Any model, no matter what its form or purpose, has one distinctive feature of attempting to represent a situation in a simplified form.

6.2.1 Purposes and characteristics of a model

Van Dyk *et al.* (1997:239-240), quoting Anglin identify four purposes of instructional design models as follows:

- Improving the learning and instruction by means of the problem-solving and feedback characteristics of the systematic approach.
- Improving management of instructional design and development by means of the monitoring and control functions of the systematic approach.
- Improving evaluation processes by means of the designated components and sequence of events, including the feedback and revision events inherent in models of systematic instructional design.
- Testing or building learning and instructional theory by means of theory-based design within a model of instructional design.

Mouton and Marais (1990:14) give the following characteristics of an effective model:

- It identifies central problems or questions raised in a researched phenomenon.
- It limits, isolates, unifies and systematises the domain that is studied.
- It provides a new definition.
- It provides clarifications, sketches and means for making predictions.

6.2.2 Model development

Van Dyk *et al.* (1997:239, 243) explain that the designer of training or human resources development programmes has a variety of conceptual models which can be explored in the development of programmes and which can be explored, based on the systems approach. A designer can either choose a model that would be most appropriate to his/her need, adapt a model to suit the unique needs of an institution or utilise some of the existing models. The choice of a model will be determined largely by the situation within each institution. Garbers's (1996:19) model poses the following questions. First of how one can manage a project optimally to achieve the required objectives, and what the basic principles of project management are, which include human resource management, time management and management of financial resources. Van Dyk *et al.* (1997:240-241), quoting Knirk and Gustafson, refer to five common elements that most training programme designs comprise of, namely data collection; assessment of learner entry skills; specification of behavioural objectives or performance tests; a procedure for selecting presentation methods and media; and implementation, evaluation and revision procedure.

In facilitating the design of a training programme for the training of ABET educators in financial management a model has been developed, comprising of the following steps:

- Organisation analysis.
- Financial tasks analysis.
- Determining training needs.
- Training objectives.
- Training resources.
- Programme design.
- Selection of instructional strategies/methods.
- Support services.
- Programme advocacy.
- Conducting training.
- Evaluation and feedback.

While evaluation and feedback is placed last, this should be seen as a process that will take place after each step to ensure that the final product of the programme will meet the holistic needs of the target group.

6.2.2.1 Identification of the problem

The problem on effective management of financial resources was indicated in Chapter 1 (cf 1.2).

6.2.2.2 Making of assumptions

The assumption made in this research in Chapter 1 (cf 1.3) is that ABET educators can be in a position to provide quality education and training programmes if financial resources are properly and effectively mobilised and managed. Another assumption is that through a training programme in financial management ABET centre managers can be equipped with requisite skills to mobilise and manage financial resources.

6.2.2.3 Verification of assumptions

Assumptions were verified by establishing whether training programmes used to train ABET educators, whether they be pre-service or in-service programmes, had a component of financial management programme. The assumptions were tested through a postal questionnaire (cf Annexure 1).

6.2.2.4 Design of a model for the training of ABET educators in financial management

The different parts of a model can be presented separately and thereafter be integrated to unify and link them.

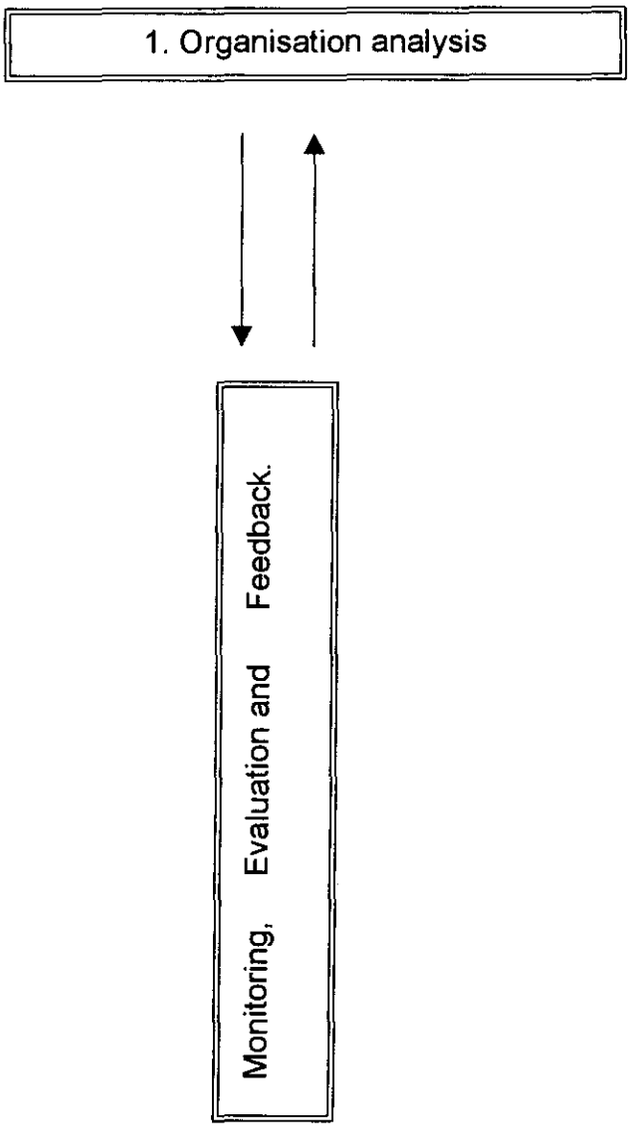
6.3 A MODEL FOR TRAINING OF ABET EDUCATORS IN FINANCIAL MANAGEMENT

The following model as designed by the researcher will be used for training ABET educators in financial management. The model comprises eleven steps, as indicated earlier in this study (cf 6.2.2). The model will now be presented first in eleven steps in figures 6.1-6.11. The model will then be presented as an integrated model in figure 6.12 .

6.3.1 Organisational analysis

The process of organisational analysis may be schematically presented as follows:

Figure 6.1 Organisational analysis



Organisational analysis has the following advantages:

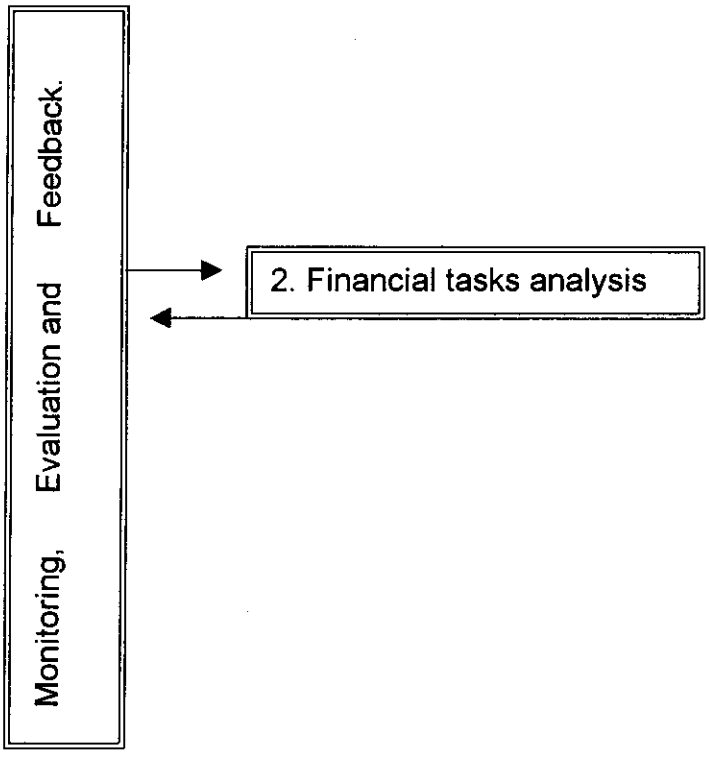
6.3.1.1 It helps in the assessment and identification of managerial and systems problems which may hamper the educators in reaching the goals of an institution.

6.3.1.2 It helps an institution to recruit educators with skills that will enable them to manage financial resources effectively.

6.3.2 Financial tasks analysis

The process of financial task analysis may be schematically presented as follows:

Figure 6.2: Financial tasks analysis



In Chapter 3 (cf 3.2) an analysis was made of financial tasks of an ABET centre manager. An analysis of financial tasks of ABET centre managers is important for the following reasons:

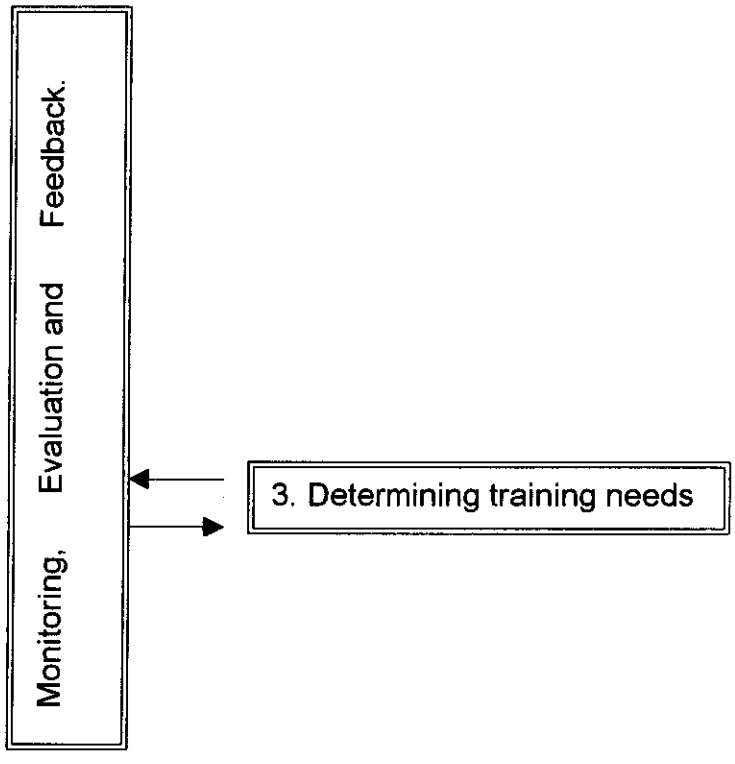
6.3.2.1 It helps the designer of a training programme to identify financial tasks to be performed by ABET educators and the knowledge, skills and attitudes needed to perform such duties.

6.3.2.2 The specification of financial tasks will also help in the evaluation of ABET educators in the performance of their duties for training or development purposes.

6.3.3 Determining training needs

The process of determining training needs may be schematically presented as follows:

Figure 6.3: Determining training needs



It was indicated in Chapter 1 (cf 1.2) that skills of mobilising and managing financial resources cannot be gained intuitively but must be acquired through training. Determining training needs is important for the following reasons:

6.3.3.1 It will help the training programme designer to know exactly the areas on which ABET educators will need training so that the training programme is more relevant to the training needs of the

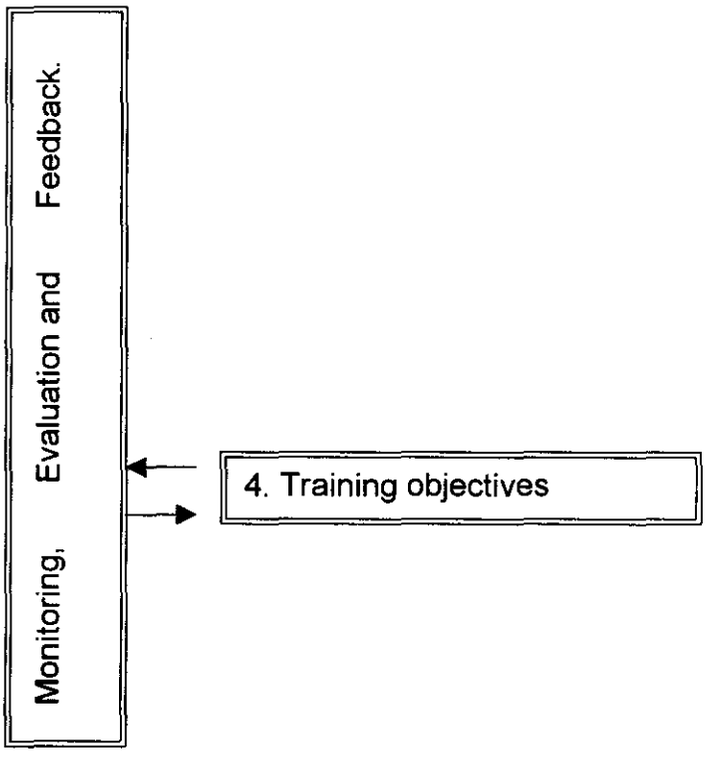
target group rather than using programmes which are not addressing the particular needs of the target group.

6.3.3.2 It will help the training programme designer to identify the prior experience of ABET educators which will have to be recognised and be built upon when teaching new content (cf 4.3.4).

6.3.4 Training objectives

The process of training objectives may be schematically presented as follows:

Figure 6.4: Training objectives



It is important for the training designer to determine objectives of training for the following reasons:

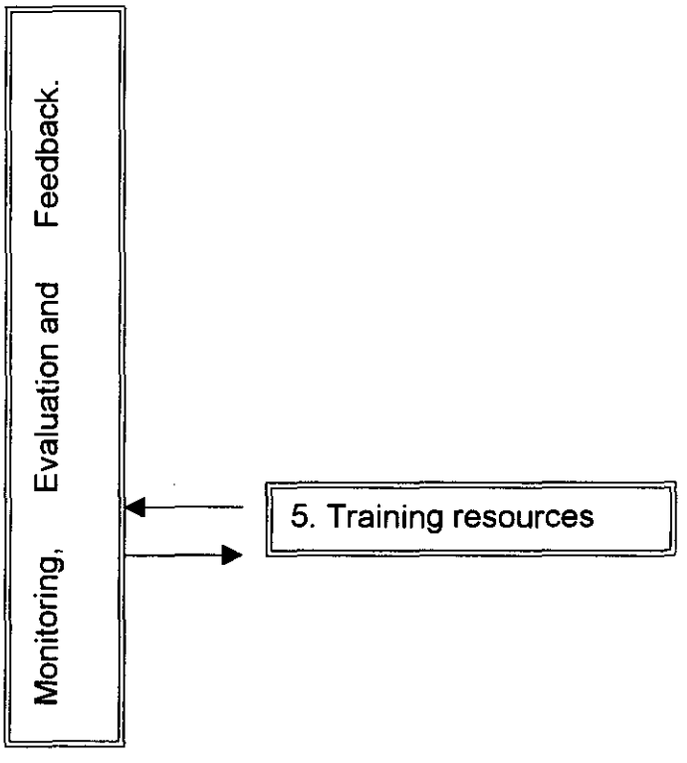
6.3.4.1 The objectives of training will form as a radar to direct the trainer during training to ensure that by the end of training, the training programme shall have accomplished its mission.

6.3.4.2 The objectives will also help the trainer to evaluate the training, to see whether its goals were achieved.

6.3.5 Training resources

The process of training resources may be schematically presented as follows:

Figure 6.5: Training resources



It was earlier pointed out in this study (cf 2.20), what kind of trainers are envisaged for conducting training for the target group. It was also indicated that proper training needs to be conducted at an environment that is conducive to training, using relevant equipment. The identification of training resources will ensure that:

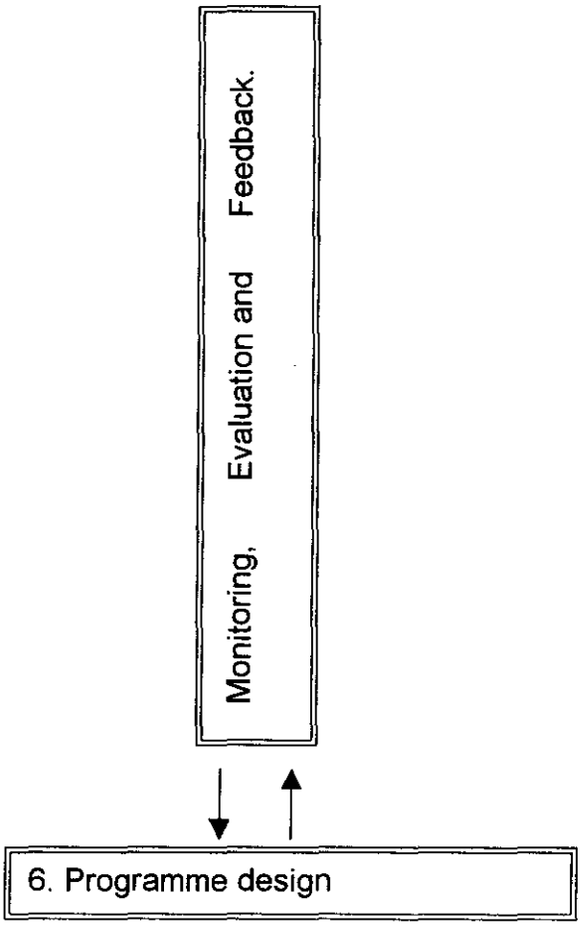
- Relevant human resources are utilised in the training.
- Support services are in place.

- Financial resources are available.
- Relevant equipment is available.
- A relevant venue is booked on time.
- Training is properly scheduled.

6.3.6 Programme design

The process of programme design may be schematically presented as follows:

Figure 6.6: Programme design



In order to ensure that the objectives of training are reached, it is important for the trainer to determine the content of training. Designing the content of a training programme has the following attributes:

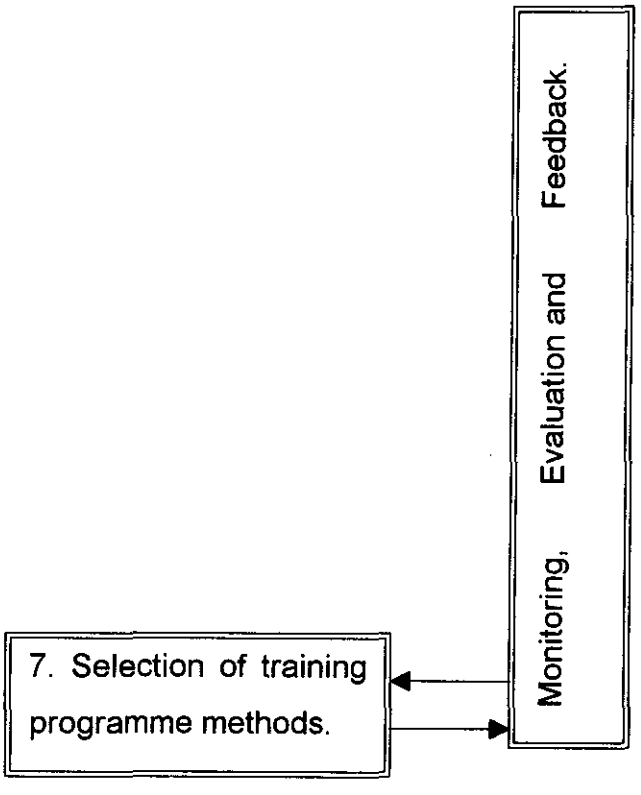
6.3.6.1 It helps the trainer to get specific information to train the target group in order to meet the training needs of the target group.

6.3.6.2 It helps the trainer to sequence information in such a way that it will be easily comprehended by the target group.

6.3.7 Selection of training programme methods

The process of selection of training programme methods may be schematically presented as follows:

Figure 6.7: Selection of training programme methods



The selection of instructional strategies will have the following benefits for both learners and the trainer:

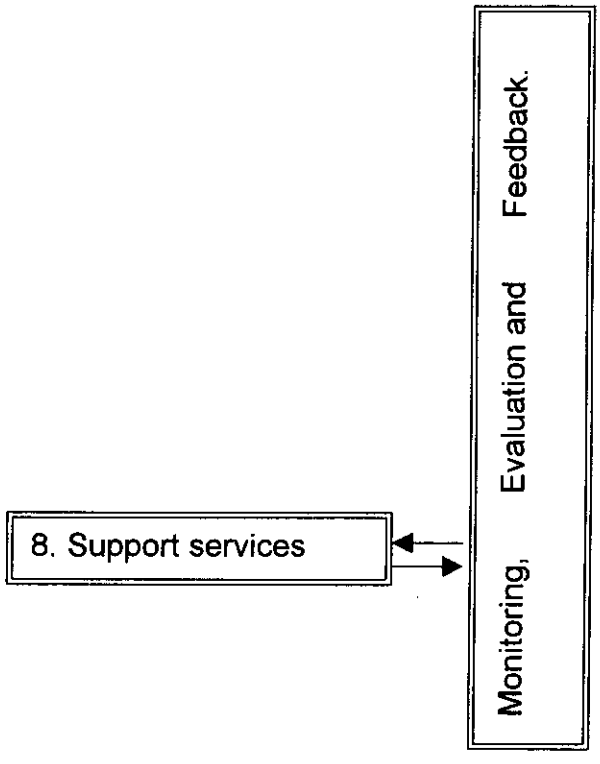
6.3.7.1 For the learners, it will ensure that the instructional strategies/methods used by the trainer, will be commensurate with the target group's learning styles.

6.3.7.2 For the trainer, it will ensure that the right teaching media is selected, as the methods will determine the particular media which the trainer will use during training sessions.

6.3.8 Support services

The process of support services may be schematically presented as follows:

Figure 6.8: Support services



Effective training requires support services, as indicated earlier in this research study in Chapter 4 (cf 4.3.3). Support services will ensure that:

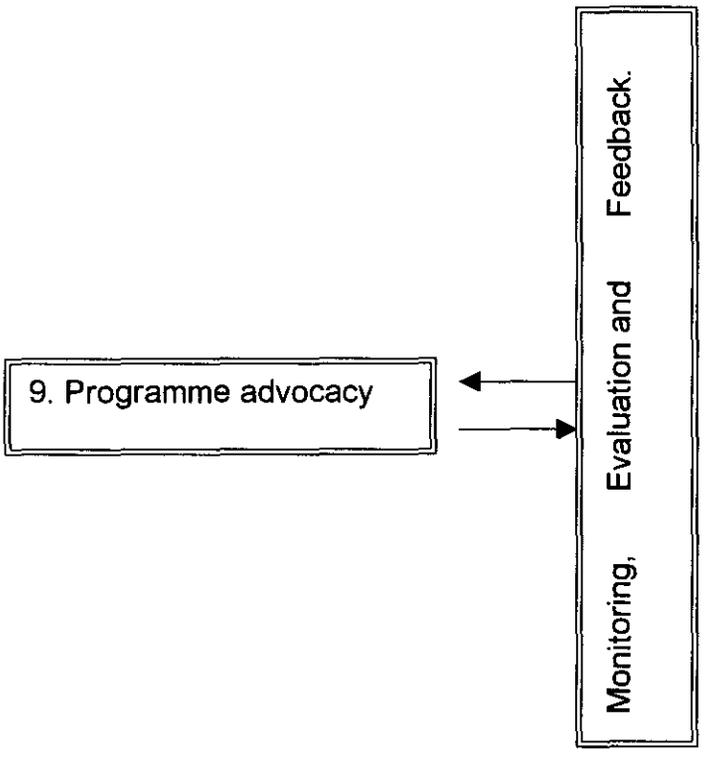
6.3.8.1 Library, catering and accommodation services are identified and provided during training.

6.3.8.2 Psychological services are in place in case of need during training.

6.3.9 Programme advocacy

The process of programme advocacy may be schematically presented as follows:

Figure 6.9: Programme advocacy

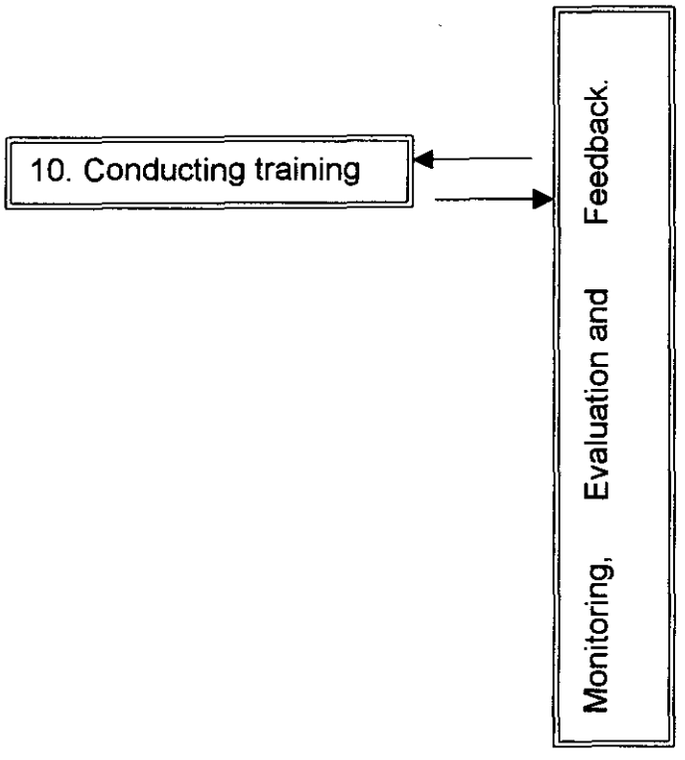


It was earlier pointed out in this study (cf 2.20; 4.3.4) that for the training programme to be successful, there is a need for the support of trainees. The advocacy of the programme will assist the trainer to consult the different stakeholders to "buy in". This would ensure that everyone supports the training programme, so that it runs smoothly.

6.3.10 Conducting training

The process of conducting training may be schematically presented as follows:

Figure 6.10: Conducting training



It was indicated in section 1.2 of this study that financial management skills cannot be attained intuitively, but through training. The following are the advantages of conducting effective training:

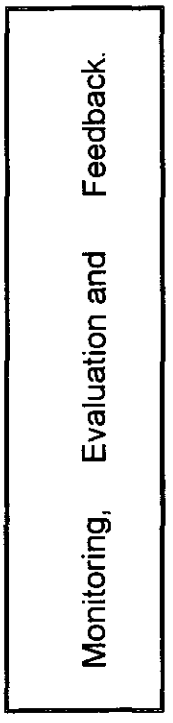
6.3.10.1 The training programme will help the trainer to reach the objectives of training.

6.3.10.2 ABET educators will be skilled in the effective management of financial resources.

6.3.11 Monitoring, evaluation and feedback

The process of monitoring, evaluation and feedback may be schematically presented as follows:

Figure 6.11: Monitoring, evaluation and feedback



Although this stage is the last, it is taking place during all the previous stages. After each stage, evaluation will be done before the next/following stage is explored.

Evaluation will be done in two ways:

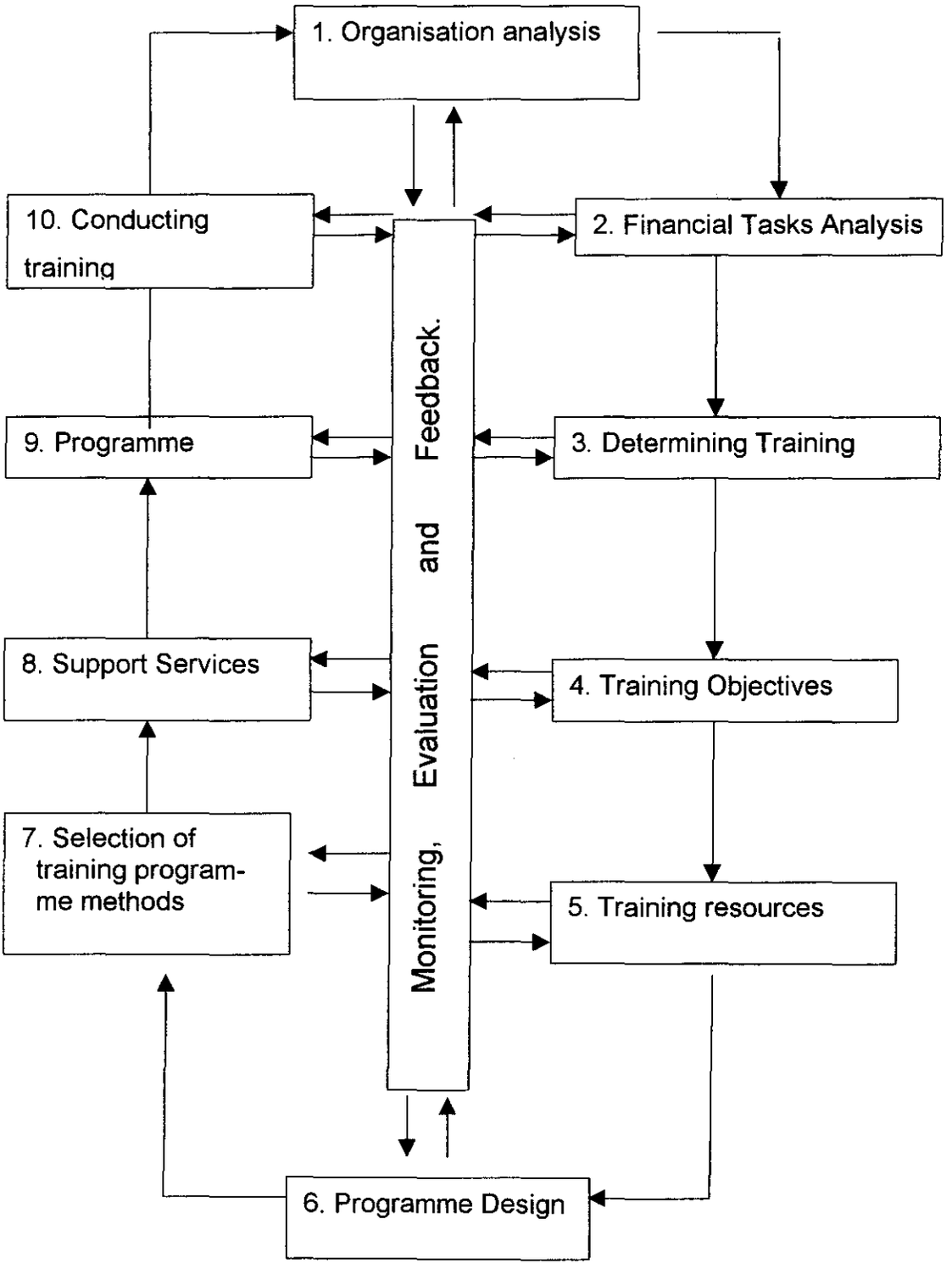
6.3.11.1 Formative evaluation, will ensure that the training design is directed in such a way that it is geared to succeed.

6.3.11.2 Summative evaluation will ensure that the outcomes of training have been reached.

6.4 THE INTEGRATED MODEL FOR TRAINING ABET EDUCATORS IN FINANCIAL MANAGEMENT

The integrated model for training ABET educators in financial management may be schematically presented as follows:

Figure 6.12: Integrated model for training ABET centre educators in financial management



6.5 RECOMMENDED ORGANISATIONAL STRUCTURE THROUGH WHICH THE TRAINING OF ABET EDUCATORS IN FINANCIAL MANAGEMENT CAN BE MANAGED

It was indicated earlier on in this study (cf 2.2.20) that the mini-education-and-training system provides particular education and training needs of a particular group of people with specific education and training needs. The mini-education-and-training services for training ABET educators in financial management can be provided by different training service providers within and beyond the North West Province, taking into consideration the following competencies of such service providers:

- Their professionalism.
- Technological competence.
- Operational competence.

The researcher also emphasised the point that training with regard to financial management for ABET educators should be based on current policy.

6.6 GUIDELINES FOR THE OUTLINE OF THE TRAINING PROGRAMME CONTENT FOR TRAINING ABET CENTRE EDUCATORS IN FINANCIAL MANAGEMENT

In view of the literature study in Chapters 1-4 and the empirical study in Chapter 5, the following will form a guideline for the outline of a training programme for ABET educators in financial management:

6.6.1 Legal framework for financial management at ABET centres.

6.6.2 Drawing of the vision and mission statements of ABET centres.

6.6.3 Sources of funding in ABET:

6.6.3.1 Contributions of learners and legal implications.

6.6.3.2 State funding in terms of the norms and standards for funding.

6.6.3.3 Donor funding:

- Registering ABET centres as non-profit organisations.
- Registering ABET centres with the South African Revenue Services (SARS).
- Developing an ABET centre business plan.
- Writing project/funding proposals.

6.6.4 Financial records to be kept by state registered public ABET centres.

6.6.5 Drawing estimates and a budget.

6.6.6 Opening and running a bank account.

6.6.7 Control of finances:

6.6.7.1 Monitoring financial activities at ABET centres.

6.6.7.2 Reconciliation of financial records.

6.6.7.3 Financial information systems.

6.6.7.4 Writing off bad debts.

6.6.8 Procurement procedures.

6.6.9 Risk management.

6.6.10 Control of assets.

6.6.11 Financial reporting.

6.6.11.1 Internal financial reporting.

6.6.11.2 External financial reporting.

6.6.12 Interpretation of audit financial reports.

6.6.13 Computer-based financial accounting.

6.6.14 Developing a financial policy.

6.7 SUMMARY

This chapter focused on the model for the design of training and development programmes for training ABET educators in financial management. The chapter presented the procedures to be followed in developing a model for training and development. The chapter further presented eleven steps as a guideline for the design of a training and development programme for training ABET educators in financial management. Finally, guidelines for a course outline for training ABET educators in financial management were presented. The next chapter will present a summary, findings of the research based on the six aims of the research and recommendations based on the findings.

CHAPTER 7:
SUMMARY, FINDINGS AND RECOMMENDATIONS

7.1 INTRODUCTION

This chapter will present an overview of the previous chapters. It will further present the research findings based on the aims of the empirical research. Recommendations on findings based on the aims of the research study will be made, as well as recommendations for future research projects.

7.2 SUMMARY

The aims of this research study were to determine:

- The training and development needs of state registered public ABET centre managers with regard to financial management in the North West Provincial Education Department.

- The type of financial records that are kept at state registered public ABET centres in the North West Provincial Education Department to ensure proper financial resources management in view of the current legislation.

- Whether state registered public ABET centres have sufficient resources and equipment, to provide quality education and training programmes to meet the needs of the target group.

- Whether there are internal and external financial control measures in place at all state registered public ABET centres to prevent fraud, corruption and mismanagement of funds.

- Whether the financial activities at state registered public ABET centres in the North West Provincial Education Department are effectively monitored at the centre.

- Whether there are pre-service and in-service training and development programmes for training ABET centre managers in financial management in the North West Provincial Education Department, with the intention to design a programme for training ABET centre managers where it does not exist, or to improve on an existing programme.

Chapter 2 presented a clarification of concepts and related theory that would be used in the study to create a common understanding around such concepts and theory. The chapter concluded with a discussion of need for resources and how state registered public ABET centres in the North West Provincial Education Department can be effectively funded.

Chapter 3 focused on the policy regarding financial management at state registered public ABET centres. The policies studied included the Public Finance Management Act, the ABET Act and the Procurement Procedures in public institutions. The chapter highlighted different sources for funding in ABET and how, through business plans/funding proposals, centres can mobilise additional funds from donors to supplement funding from the state and learners in order to provide quality education and training programmes. The chapter also gave guidelines on the management of income, expenditure and assets at the centre. Procedures on the drawing and monitoring the budget were also given. The chapter further provided guidelines on the monitoring of financial activities at an ABET centre, writing of a financial manual as a means to curb corruption, fraud and misappropriation of funds at ABET centres.

In Chapter 4 a study was made on the existing selected training and development programmes aimed at training ABET centre managers in financial management. The chapter also focused on the minimum requirements for training ABET educators in the pre-service and the in-

service training programmes. The purpose was to determine whether the existing pre-service training and development programmes provided by institutions of higher education and training and in-service training and development programmes provided by the North West Provincial Education Department include a course/module in financial management.

In Chapter 5, the method of data collection, the postal questionnaire was discussed. The collected data was interpreted to establish whether there is congruence or discrepancies between the literature study in Chapters 1-4 and what is practically happening in the financial management of finances at ABET centres. It became quite evident from the data collected that there is a dire need for the design of a training programme for all state registered public ABET centre managers regarding the mobilisation and management of financial resources.

In Chapter 6, theoretical information was given on the role of models. A model was designed for the training of state registered public ABET centre managers in mobilising and managing financial resources.

7.3 FINDINGS

It is significant to mention that the provision of quality education and training at ABET centres will never take off unless the centres mobilise funds to finance the programmes and that financial resources are managed efficiently and effectively. Taking into consideration the mean budget for ABET in the province (cf 1.2) it is imperative to design a training programme to train ABET centre managers in mobilising funds and in the management of such funds. Lack of financial management skills among the ABET centre managers can be attributed to two major factors, namely pre-service training programmes that neglect the importance of a module/course on financial management, and in-service training programmes that ignore the need for training ABET centre managers in financial management.

7.3.1 Findings based on the first aim of the research study

The following findings were made in this regard:

- ABET centre managers are not trained in financial management.
- ABET centres operate without a vision and mission statements, business plans, constitution or financial manuals.
- There are no risk management mechanisms in place at ABET centres.
- Procurement procedure is flouted at ABET centres.
- ABET centres are neither registered with the South African Revenue Services nor as non-profit organisations.

7.3.2 Finding based on the second aim of the research study

The following finding was made in this regard:

- No proper financial records are kept at ABET centres.

7.3.3 Findings based on the third aim of the research study

The following findings were made in this regard:

- The enrolment figures at ABET centres are too low as compared to the number of illiterate adults of the age of twenty years and above.
- ABET centres can only raise funds through contributions by the learners.
- The state does not fund state registered public ABET centres as stated in the policy with regard to norms and standards for funding.
- ABET centres do not have access to vocational training centres, administration blocks, offices, media centres and technology at their host schools.

7.3.4 Findings based on the fourth aim of the research study

The following findings were made in this regard:

- There are no internal control measures of financial records at ABET centres.
- Financial records of state registered public ABET centres are not submitted to chartered accountants for audit purposes.
- ABET centre managers cannot interpret audit financial reports.
- There is no transparency on financial activities at state registered public ABET centres.

7.3.5 Finding based on the fifth aim of the research study

The following finding was made in this regard:

- There are no monitoring mechanisms of financial activities at state registered public ABET centres.

7.3.6 Findings based on the sixth aim of the research study

The following findings were made in this regard:

- ABET centre managers lack financial management skills.
- There is no existing training and development programme designed to train ABET centre managers in financial management.

7.4 RECOMMENDATIONS

7.4.1 Recommendations based on findings of the first aim of the research study

Based on the above-mentioned findings, the following recommendations are made:

- Institutions of Higher Education and Training and the North West Provincial Education Department should include a module/course in financial management in both pre-service and in-service training respectively.

  Motivation

  Failure to equip ABET centre managers with financial management skills may lead to the misappropriation of scarce financial resources.

- ABET centre managers should be trained on how to develop proper vision and mission statements, constitutions, business plans and financial manuals.

  Motivation

  a) Without clear vision and mission statements, ABET centre activities cannot be aligned to the strategic plan of the Department, and as a consequence educators would fail to align their objectives with those of an ABET centre and ultimately with those of the North West Provincial Education Department.

  b) Without a constitution and a business plan, an ABET centre cannot raise funds from donors, as these two documents are needed by prospective donors.

  c) Without a financial manual, ABET centre managers cannot induct new staff on procedures for handling finances at ABET centres. Lack of a financial manual will bring about disorder in managing scarce financial resources at ABET centres.

- Risk management procedures should be in place at ABET centres.

  Motivation

  Should ABET centres fail to insure property at the centre there will be no compensation in an event of loss. It may then take a long time to

replace equipment and technology at centres, as the ABET centre will have to raise money for that purpose.

- Procurement procedures must be observed at state registered public ABET centres.

Motivation

Failure to follow procurement procedures at state registered public ABET centres may result in the ABET centre being cash-stripped due to unscrupulous services providers. This may also lead to service providers providing services without proper tender procedures.

- ABET centre managers should register ABET centres with the South African Revenue Services (SARS) and as NPOs.

Motivation

When ABET centres are registered with SARS they will be in a position to issue IRP 5 certificates to donors to allow the donors to get tax relief from the state for contributing to the development of communities through education and training. Registering as NPOs, educational institutions can raise funds from donors as they will be allotted a fundraising number on registration.

7.4.2 Recommendation based on the finding regarding the second aim of the research study

- Proper financial records must be kept by all ABET centres.

Motivation

Failure to keep proper financial records may result in ABET centre managers not to being in a position to ensure that all funds collected at an ABET centre are deposited into the ABET centre account and that they are properly accounted for.

7.4.3 Recommendations based on the findings regarding the third aim of the research study

- ABET centres should hold advocacy campaigns to increase learner enrolments.

  Motivation

  Failure of ABET centres to have high enrolments may have the following negative effects:

  a) The rate of illiteracy will not be reduced.

  b) Unemployed people cannot be skilled to get employed.

- ABET centres should supplement money raised through contributions by learners through mobilising funds from donors.

  Motivation

  Failure to raise additional funds will result in ABET centres being unable to provide quality ABET programmes, thus being ineffective in serving the education and training needs of the target group in ABET.

- The state should provide funds to ABET centres through norms and standards for funding.

  Motivation

  Failure of the state to provide funding to ABET centres will thwart the intention of the state to phase out illiteracy and to skill the unemployed people to realise a better life, as expressed in the social contract of the people.

- ABET centre host schools should avail resources to their ABET centres.

Motivation

Availing resources to ABET centres will ensure co-ownership of the property and the learners, who are the parents of the learners attending such host schools, will be motivated to pay fees when they realise that the host school also serves their own needs.

7.4.4 Recommendations based on the findings regarding the fourth aim of the research study

- ABET centre managers should be trained to do internal control of financial records.

Motivation

Failure to teach ABET centre managers to perform internal control of financial records may cause a delay in taking corrective measures and ultimately to misappropriation of funds.

- Financial records of ABET centres must be submitted annually for auditing purposes as an external control measure in finances.

Motivation

Failure to submit financial records of ABET centres for purposes of auditing, will prevent an ABET centre from improving the handling of financial activities at the centre. In addition, an ABET centre will not be in a position to raise funds from donors as donors always want to be provided with an auditing report to show that financial records of the institution they want to donate money to, are properly kept.

- ABET centre managers should be trained how to interpret audit financial reports.

Motivation

Failure to teach ABET centre managers how to interpret audit financial reports may lead to failure to manage cash flow and disposal of assets whose value has depreciated to the level that they are a financial burden to an ABET centre due to unreasonable maintenance.

- ABET centres should be transparent about their financial activities.

Motivation

When ABET centres are transparent about their financial activities they will easily win the confidence of stakeholders and prospective donors to give generously to an ABET centre to support programmes.

7.4.5 Recommendation based on the finding regarding the fifth aim of the research study

- Financial monitoring functions should be in place at all ABET centres in the province.

Motivation

Failure to monitor the financial activities of ABET centres in the province may lead to ABET centres spending money they do not have, resulting in overdrafts, which are not allowed in terms of the current legislation. Lack of monitoring strategies will also lead to deviations from the budget, which may end up in fruitless and wasteful expenditure.

7.4.6 Recommendations based on the findings regarding on the sixth aim of the research study

- ABET centre managers must be trained on financial management.

Motivation

Training ABET centre managers in financial management skills will ensure that ABET centre managers are properly skilled to perform

generic functions of management holistically. This will ensure properly functioning institutions.

- A relevant training and development programme must be designed for the training of ABET centre managers in financial mobilisation and management.

Motivation

The design of a development and training programme based on the researched needs of the ABET centre managers and the current policy will ensure that finances are handled efficiently and effectively to benefit the learners at an ABET centre.

7.5 RECOMMENDATIONS FOR FUTURE RESEARCH

Although the following topics are related to the phenomenon which was researched in this study they did not receive direct focus in this study, because these issues are beyond the scope of this research. However, it is recommended that they are studied in more detail in future research studies.

- Employment of educators with mainstream school qualifications in ABET, will enable such educators to provide effective services to adult learners.
- Tutors who are utilised to provide face-to-face contact tuition in distance education programmes have expertise to executive such duties.
- Merging ABET centres in the North West Province in view of the interests of the target group.
- The North West Provincial Education Department has staff with expertise to train ABET centre managers in financial management.
- The private sector is willing to fund ABET programmes to assist them to provide the target group with other skills needed in the market.

- The North West Provincial Education Department offers accredited vocational skills training programmes to the target group.

- Social partnerships have been entered into between the North West Provincial Education Department ABET Directorate and the Department of Labour.

- The present structure of ABET in the North West Province is relevant to implement ABET policy and other policies related to the provision of ABET programmes.

- The use of part-time (hourly paid) educators in ABET is beneficial to the quality delivery of ABET programmes.

- Physical facilities at ABET centre host schools are conducive to integrate education and training to the target group in the North West Provincial Education Department through providing labour market related skills.

- Training programmes provided at state registered ABET centres are based on the researched needs of the target group and according to the needs of the economy and local employers.

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ANNEXURE 1

QUESTIONNAIRE

Instructions.

1. Your **prompt** response to the questionnaire and immediate return thereof will be appreciated.

2. Please **do not detach** any of the questionnaire pages. The questionnaire consists of 34 questions.

3. The questionnaire pages are divided into **four colours**:

   3.1 The **yellow** page for instructions.
   3.2 The **pink** page for the aims of the questionnaire.
   3.3 The **blue** page for the biographical details.
   3.4 The **white** pages for the questionnaires.

4. The **shaded** blocks are for office use only.

5. **Mark** your response(s) in the **un-shaded** block with an '**X**' using a black pen.

6. All the information you provide will be treated in the **strictest confidence**. I therefore ask you to be **honest and frank** in responding to the questions. You will not be identified and as a result there is no way in which your image as the respondent to this questionnaire will be tarnished or damaged.

EFFECTIVE FINANCIAL MANAGEMENT AS A COMPONENT OF ABET IN THE EDUCATION SYSTEM OF THE NORTH WEST PROVINCE

The aims of this questionnaire are to:

1. Establish whether ABET Centre Managers at state registered public ABET Centres in the Province have effective educational financial management skills.

2. Determine the nature of financial records kept at ABET Centres in the Province in tandem with rules and procedures stipulated in the Public Finance Management Act and other existing legislation regarding the management of public funds.

3. Determine the type of resources and equipment accessible to ABET Centres to enable ABET Centres to integrate education and training.

4. Determine whether there are internal and external financial control measures in place in ABET in the North West Province to manage resources effectively.

5. Determine whether there is personnel in ABET to effectively monitor financial activities of ABET Centres in the Province.

6. Determine whether there is need for the design of pre-service and in-service training and development programmes for the development of ABET Centre Management teams at state registered ABET Centres, to effectively manage financial resources.

BIOGRAPHICAL INFORMATION

1. Respondent's gender

Male		1
Female		2

2. Which of the following ABET qualifications, approved by the National Department of Education for practice in ABET do you hold? Only mark the highest qualification you hold.

Higher Certificate in ABET (UNISA)		1
Higher Certificate in ABET (UNINORTH)		2
Higher Diploma in ABET (UNISA)		3
Certificate in Education, Training & Development (UWC)		4
Advanced Certificate in Education (PU for CHE).		5
Advanced Certificate in Education (UNI. ZULULAND)		6
Diploma in Education, Training & Development (UWC).		7
Advanced Certificate in Education in ABET (UNI VENDA)		8
If other, specify below:		9

SECTION 1: EFFECTIVE FINANCIAL MANAGEMENT SKILLS

3. Have you ever been trained on financial management before?

Yes		1
No		2

4. If yes to the previous question (question 3) how would you rate the quality of training in financial management to enable you to manage financial resources effectively?

Highly effective		1
Effective		2
Effective to some extent		3
Not effective at all		4
No training attended		5

5. Through which of the following institutions were you trained in financial management? You may mark more than one.

Institution of higher learning		1
Department of Education		2
Non Governmental Organisation		3
If other, specify below:		4

6. Which of the following topics were handled during training on financial management? You may mark more than one.

Vision and Mission of an ABET Centre		1
Fundraising (Writing funding/project proposals, constitution and business plans)		1
Financial records.		1
Opening and running a bank account.		1
Budget and budget control.		1
Procurement procedures.		1
Assets and stock control.		1
Expenditure voucher forms.		1
Procedure in issuing cheques.		1
Internal financial reporting.		1
External financial reporting.		1
Risk management.		1
Interpretation of audit reports.		1
None of the topics above.		1
If other, please specify below		1

7. Who receipts money at the ABET Centre? You may mark more than one.

ABET Centre Manager		1
ABET Centre Secretary		2
ABET Centre Treasurer		3
ABET Centre Chairperson		4
No funds are collected		5
If other, specify below:		6

8. Where do you secure money until it is deposited in the Bank? You may mark more than one.

In the filing/stationery cabinet.		1
In a strong room/safe.		2
In a safe place at home.		3
At home by the treasurer.		4
At home by the Centre Manager		5
No money is kept.		6
If other, specify below:		7

9. How frequent is the ABET Centre money deposited in the bank at the Centre?

Twice a week.		1
Weekly.		2
Fort-nightly.		3
Monthly.		4
Quarterly.		5
Twice a year.		6
Once a year.		7
No money is deposited.		8
If other, specify below:		9

10. Is your ABET Centre budget drawn and submitted to the Provincial Education Department annually?

Yes		1
No		2

11. Who determines the amount of money to be paid as tuition fee at the Centre?

The ABET Centre Manager.		1
The ABET Centre Governing Body.		2
The ABET Centre Learners.		3
All ABET stakeholders.		4
None of the above.		5
If other, specify below		6

12. What procedures are followed before buying books, stationery, equipment, etc at the ABET Centre?

Goods and services are provided by anyone.		1
The Chairperson decides where to buy.		2
The ABET Centre Manager buys goods at his/her own discretion.		3
Procurement procedures are followed.		4
No goods or services are provided.		5
If other, specify below:		6

13. With which of the following institutions has the ABET Centre registered? You may mark more than one.

The South African Revenue Services.		1
Public Benefit Organisation (PBO).		2
None of the above.		3
If other, please specify below		4

14. Which of the following sections of the audit report can you easily interpret? You may mark more than one.

The auditor's written opinion.		1
The cash flow statement.		2
Income and expenditure statement.		3
Balance sheet.		4
Trial balance.		5
None of the above.		6
If other, specify below:		7

15. Against which of the following risks is the ABET Centre insured? You may mark more than one.

Fire.		1
Burglary.		2
Theft.		3
Personal injury.		4
Natural disaster, e.g. lightning.		5
Arson		6
Robbery		7
None of the above.		8
If other, specify below:		9

SECTION 2: FINANCIAL RECORDS KEPT AT ABET CENTRES

16. Which of the following financial records/documents are kept at the ABET Centre? You may mark more than one.

Receipt book (NWED 01/02		1
Income Register (NWED 03I)		1
Expenditure Register (NWED 03E)		1
Cheque book.		1
Bank deposit slips book.		1
Stock and assets register.		1
Monthly payments sheets.		1
Expenditure voucher forms.		1
Financial management guide.		1
Financial manual (developed by the Centre Management).		1
Invoices/Receipts.		1
Budget.		1
Procurement policy document.		1
Centre Constitution.		1
Centre business plan/funding/project proposal.		1
Audit reports.		1
None of the above.		1
If other, specify below:		1

SECTION 3: FINANCIAL RESOURCES

17. What is the total enrolment of learners at your Centre for the 2004 academic year?

80 - 100		1
101 - 150		2
151 - 200		3
201 - 250		4
251 - 300		5
301 - 350		6
351 - 400		7
401 - 450		8
451 - 500		9
501 - 550		10
551 - 600		11
601 learners and above		12

18. What is the avarage amount of money paid as tuition fee by an ABET Learner?

R 20,00 – R 50,00		1
R 51,00 – R 80,00		2
R 81,00 – R100,00		3
R101,00 – R120,00		4
R121,00 – R140,00		5
R141,00 – R160,00		6
R161,00 – R180,00		7
R181,00 – R200,00		8
R201,00 and above		9

19. Which of the following are sources of finance at the ABET Centre? You may mark more than one.

Donations from funders		1
Leasing of Centre facilities		2
Selling promotional materials, e.g. T-Shirts.		3
State subsidy.		4
Services rendered to the community by the Centre.		5
Tuition fees from the learners.		6
No sources of finance		7
If other, please specify below:		8

20. To which of the following facilities do you have access to at your Centre/host school? You may mark more than one.

Workshops for income generating skills, e.g. bricklaying.		1
Computers.		1
Teaching media Centre.		1
Staff room.		1
Administration Office.		1
Telephone.		1
Fax Machine		1
E-mail.		1
Classrooms.		1
Suitable sitting accommodation.		1
None of the above		1
If other, please specify		1

21. Do you think the ABET Centre raises sufficient financial resources to provide quality education training programmes?

Yes		1
No		2

SECTION 4: INTERNAL AND EXTERNAL FINANCIAL CONTROL

22. Who reconciles financial records at the ABET Centre?

The Treasurer.		1
The Secretary.		2
The Chairperson.		3
The ABET Centre Manager.		4
No records are reconciled.		5
If other, specify below:		6

23. Who is accountable for control of financial records at the ABET Centre?

Centre Governing Body Chairperson		1
Centre Governing Body Secretary.		2
Centre Governing Body Treasurer		3
ABET Centre Manager.		4
No control of financial records.		5
If other, specify below:		6

24. How frequent are financial records controlled at ABET Centre?

On weekly basis.		1
Fortnightly.		2
On monthly basis		3
On quarterly basis.		4
On semester basis.		5
Annually.		6
No control of financial records.		7
If other, please specify below:		8

25. Is the ABET Centre submitting monthly/quarterly financial returns to the District Finance team?

Yes		1
No		2

26. Are financial records of the ABET Centre made available to members of the public for inspection?

Yes		1
No		2

27. Are financial records for the ABET Centre annually submitted to qualified Chartered Accountants for audit purposes?

Yes		1
No		2

SECTION 5: MONITORING OF FINANCIAL ACTIVITIES

28. Who of the following officials monitors the financial activities at the ABET Centre? You may mark more than one.

District Office Finance Team		1
District ABET Specialist.		2
Provincial ABET staff.		3
ABET Centre Manager.		4
ABET Centre Governing Body.		5
No monitoring takes place.		6
If other, specify below:		7

29. How frequent are financial activities at ABET Centres monitored?

Monthly		1
Quarterly		2
Once per semester.		3
Annually.		4
No monitoring of financial activities		5
If other, specify below:		6

30. What precautionary measures are taken when overspending is experienced at the Centre? You may mark more than one.

Nothing is done.		1
An overdraft is arranged with the bank		2
Overspending accounts are suspended.		3
Virement is applied.		4
If other, please specify below:		5

31. Which of the following records are used to monitor the financial activities at the ABET Centre? You may mark more than one.

Monthly bank statements.		1
Bank deposit slip book.		1
Cheque book.		1
Asset and stock registers.		1
Income and expenditure registers.		1
Expenditure voucher forms.		1
Bank returned cheques.		1
Budget document.		1
Receipt books.		1
No monitoring of financial activities.		1
If other, please specify below:		1

SECTION 6: TRAINING NEEDS ON FINANCIAL MANAGEMENT

32. How do you rate your own knowledge of financial management using the percentage rates given below?

No knowledge of financial management.		1
1 - 10 %		2
11 - 20 %		3
21 - 30 %		4
31 - 40 %		5
41 - 50 %		6
51 - 60 %		7
61 - 70 %		8
71 - 80 %		9
81 - 90 %		10
91 - 100 %		11

33. Are you aware of any existing in-service training programmes on financial management?

Yes		1
No		2

34. Which of the following topics would you like to be included in in-service training programmes on financial management, should you be given an opportunity to attend a training and development workshop or register through a training institution? You may mark more than one.

Vision and mission of an ABET Centre.		1
Drawing of a budget for the Centre.		1
Fundraising skills.		1
Registering as public benefit organization.		1
Procedure to register with SARS.		1
Keeping assets and stock registers.		1
Procurement procedures.		1
Maintaining a commitment register.		1
Risk management.		1
Development of a financial manual.		1
Control of finances.		1
Norms and standards for funding.		1
Interpretation of audit reports.		1
Opening and running a current account.		1
Procedure for the issue of cheques.		1
Policy on financial management.		1
None of the above topics.		1
If other, specify below:		

Thank you for your time. May the Lord bless you abundantly.

T.M. Guma.

ANNEXURE 2

Enq. : Reverend Canon T.M. Guma
Tel. No. : 018 334 2802/3
Fax No. : 018 334 2619

P.O. Box 540
DELAREYVILLE
2770

5 January 2004

The Director for ABET
North West Provincial Education Department
Private Bag X 2044
MMABATHO
2735

Dear Madam

REQUEST FOR A WRITTEN PERMISSION TO CONDUCT A RESEARCH AT STATE REGISTERED PUBLIC ABET CENTRES IN THE NORTH WEST PROVINCIAL EDUCATION DEPARTMENT IN THE FIVE REGIONS OF WHICH THE PROVINCE IS COMPRISED

I should like to request you to grant me a written permission to conduct a research at state registered public ABET Centres in the North West Provincial Education Department in the five Regions of which the Province is comprised.

Please find enclosed a structured postal questionnaire to be posted to 60 respondents who form the population for this research.

The research addresses some of the challenges depicted in the National Multi-year implementation plan for ABET published in November 1997, which states that:

1. There is insufficient allocation of the budget to the ABET sector by Government. The National Multi-year implementation plan says lack of sufficient financial resources makes the implementation and planning of ABET activities impossible.
2. Lack of research and research dissemination.
3. Failure of ABET programmes to respond to new learning demands, specifically in the teaching of income generating programmes like small agricultural business management, general community development and village based income generating projects.

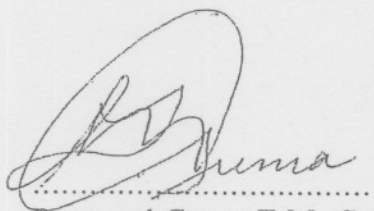
The research, as you will see in the questionnaire, will benefit the Department in three ways in addressing the challenges presented by the National Multi-year implementation plan:

1. ABET Centre Managers will be trained to mobilise funds from donors to supplement the tuition fee paid by learners and will be trained to effectively manage financial resources at ABET Centres.

2. At the end of the research, you will be briefed about the findings of the research in order to help you to improve ABET delivery in the Province.
3. With sufficient financial resources available, ABET Centres will be in a position to procure relevant physical resources and equipment to make it possible for the ABET Centres to provide for the holistic education and training needs of ABET learners, including the provision of income generating programmes. After my Master's Degree research, these projects have been running successfully in the Atamelang Education District.

I have no doubt that you will realise the benefits that the Department will derive from this research project and will support the success of the project, as it is helping the Department to address some of the challenges it faces.

Yours sincerely



.....

Reverend Canon T.M. Guma.
RESEARCHER

ANNEXURE 3

Enq. : Rev'd Canon T.M. Guma.
Tel. Nos : 018 334 2802/3 (Work)
018 334 2744 (Home)
Fax No. : 018 334 2619

P.O. Box 540
DELAREYVILLE
2770

15 February 2004

.....

.....

.....

.....

.....

Dear Respondent

PHILOSOPHIAE DOCTOR (PH. D.) DEGREE RESEARCH: MYSELF

Many people become too busy to take time to contribute to projects that aim at developing them and the communities they serve, but do often find time to avail themselves to activities that ruin their lives and make them regret forever thereafter.

You are different from the above lot because you always, despite all odds, find time to **promptly respond** to important research questionnaires aiming at developing you as a professional and the community you live in. **The community can count on people of your calibre.**

You may be surprised as to why you have been selected to participate in this research as a respondent. I am sure you will agree with me when I point the following attributes in you, which you never thought would ever be recognised:

- You have the passion for ABET as a professional. That is why you are a practicing ABET Centre Manager.
- You like utilising your time in important research projects like this, because you know they contribute to scientific knowledge and therefore to human resources development.
- You value research projects as you know they contribute in influencing the policy makers and practitioners like yourself to take informed decisions based on scientific research.
- You consider the achievement of researchers like myself not as a selfish advantage but as a way of sharing knowledge

You should by now realise how special you are to the society you live in and that you would always like to be upheld in this highest quality esteem by all, including myself.

Please find enclosed the following documents:

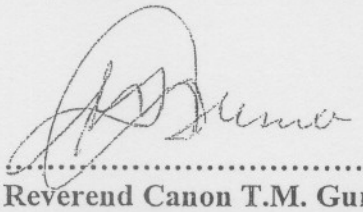
- The questionnaire with the following sections:
- A self-addressed and postage stamped envelope which you will use to return the completed questionnaire.

The questionnaire will take you **20-30minutes** to complete, a time I think you will realise as an investment.

After completion of this research, I will send you a summary of the research report. I am sure you will highly value the receipt of the report as a special respondent. This would probably be by the end of January 2005. **Remember, your response like your vote, is a secret. You are not forced to tell anybody that you have responded to this questionnaire**

Thank you for your attention and anticipated speedy response.

May the Grace of God the Almighty abide with you always.



.....

Reverend Canon T.M. Guma.
PH. D. DEGREE RESEARCHER
POTCHEFSTROOM UNIV.

ANNEXURE 4

LIST OF RESPONDENTS AND SCHEDULE OF CONTROL OF RESEARCH QUESTIONNAIRES

Allocated No.	ABET Centre Name	Respondent's Surname & Initials	Postal Address	Telephone Number	Cellphone Number	Date of dispatch of Questionnaire.	Date of return of Questionnaire

ANNEXURE 5

NORTH WEST PROVINCE

Department of Education
Lefapha La Thuto
Departement van Onderwys

1st Floor
Carona Building
Mmabatho

Private Bag X2044
Mmabatho 2735
Tel: (+2718) 387 3429/3404
Fax: (+2718) 387 3430
e-mail: zwane@nwpg.org.za

OFFICE OF THE SUPERINTENDENT-GENERAL

To : District Manager
Auxilliary Services Co-ordiantor
From : Superintendent General
Date : 23 April 2002

Subject : Re-opening of ABET Centre-Atamelang District

The attached list of approved ABET Centres refers .

Kindly take notice that ABET Centres in your district are recommended for re-opening and should start to operate with immediate effect. In the light that these centres are hosting Grade 12 ABET Candidates and with the understanding that the re-opening of ABET Centres is an ongoing process, learners from other centres should be re-routed to these centres so that tuition can begin. The clustering of ABET Centres is consistent with the PWC audit of 2001. This will ensure effective implementation of ABET.

It must further be noted that ABET Level 4 learners registration will also take place at these centres therefore learners who wish to sit for NQF 1 ABET Level 4 2002 end of year examinations should be registered at these centres.

Furthermore, it must be noted that it is the imperative of this department to afford our learners access to lifelong education and the understanding is that the whole exercise is to perfect the system and therefore it should not be misconstrued as an exercise to phase out ABET.

A List of the recommended Centres is herewith appended.

Your prompt response to this will be highly appreciated.

Yours sincerely

Superintended General
Dr Anis Karodia

DEPARTMENT OF EDUCATION
ATAMELANG DISTRICT OFFICE
2002 -04- 24
PRIVATE BAG X1001
ATAMELANG

NAME OF CENTRE	EXAMINATION CENTRE NO.	LOCATION
1. Maipelo	B 269	Gaanalagte
2. Phatsima	B 748	Atamelang Township
3. Resegofetse	B 447	Wrischewacht
4. Thotloetso	B 4446	Mareetsane
5. Balebogeng	B 29	Gelukspan Hospital
6. Itlotleng Barolong	B 152	Madibogo
7. Kgosikala	B4445	Madibogopan
8. Utlwanang	B520	Khunwana

ABET Centres that have registered for 2002 examination must begin to offer tuition At the above mentioned Centre.

ANNEXURE 6

REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF EDUCATION AND TRAINING

ADULT BASIC EDUCATION AND TRAINING SECTOR
(FOR INSTRUCTION SEE LAST PAGE)
COMPLETE IN DUPLICATE

PROVINCIAL REGISTRATION FORM

APPLICATION FOR ESTABLISHMENT OF PROPOSED PUBLIC ADULT LEARNING CENTRE:ABET.(ABET Specialists to ensure that this application is completed in full)

SECTION 1

A. 1. Proposed date the centre is to start.
---

2. Proposed names for centre (in order of preference):
(Give three, we will choose one)

2.1. ----------Meaning----------

2.2. ----------Meaning----------

2.3. ----------Meaning----------

3. Education District (e g Mafikeng District)----------

4. Circuit----------

5 Name of centre or institution where the learning is to take place: (Host School)

5.1 Physical Adress----------

Tel----------Fax No----------

5.2 Name of the host institution/ school manager (Principal)---------
---

5.3 Has the governing body of the host school given consent for the operation of the PALC?

Yes ----------No----------

5.4 Stipulate hours of operation of PALC

5.4.1 Academic programmes----------

5.4.2 Skills Programme----------

5. Details of person applying for the provisional registration of the PALC for 2002.

Name----------

Persal number----------

I D Number----------

Position at PALC----------

Physical Address----------

Postal Address----------

Contact Telephone Number----------

Tel Number of Host Centre----------

Cellular Number----------

Signature----------

Date----------

7 Is the host institution/centre in the township, plot, village, Mine, Farm, City, Informal settlement etc, Specify

---

B 8. Name of :

8.1. Village/ Township /Suburb/Informal settlement:----------

---

.8.2 Give reference number of the centre:----------

.8.2.1 How many lecture rooms are available?----------

8.2.2 Are these lecture rooms built according to departmental specifications?:----------

8.2.3 Are the following facilities available at the centre, (state the number) ?----------

*. Laboratories ----------

*. Biology ----------

*. Physics/chemistry ----------

*. Library ----------

*. Dress making centre ----------

8.2.4 --Are all lecture rooms electrified?----------

9. Availability of latrines:

9.1. Number of seats for males----------Females----------

9.2. Waterborne or pit?----------

9.3. Distance from nearest established adult education centre (radius):----------

C. 10. Classes:----------Levels/Grades ----------

10.1 Specify the number of learners for each of the following levels or Grades.

GENERAL EDUCATION AND TRAINING = G E T

ABET LEVEL 1	ABET LVEL 2	ABET LEVEL 3	ABET LEVEL 4	TOTAL

FURTHER EDUCATION AND TRAINING = F E T

GRADE 10	GRADE 12	TOTAL

SKILLS PROGRAMMES (Fill in)

				TOTAL

SECTION 2

FINANCIAL MANAGEMENT

1. ~~STUDENT~~ SUPPORT

1.1 Financial Management and Administration of Centre:----------
---

1.2 Provide details of Centre's Bank Account :
Name of account holder----------
Type of account (current/savings/other)----------
Bank and Branch where account is kept----------
Account Number----------
Signatories ----------

When were the books of the centre last audited? (Attach latest audited Financial statement)
---

2. MANAGEMENT OF ASSETS AND LIABILITIES

2.1 Does the centre maintain a register of assests and liabilities?
Yes----------No----------

2.2 How often has this register been updated
Annually/Quaterly/Never

2.3 What is the book value of the assets of this centre?
---

3. GOVERNANCE AND COMMUNITY PARTICIPATION

3.1 Does the centre have an elected Governing Body?

3.2 Date of election of Governing Body

3.3 Representation on Governing Body
No of Tutors/Educators/Learners/Community members/Host centre representatives

Educators ----------Learners ----------Host centre ----------
-Community members ----------Additional members ----------

3.4 Date of meetings of Governing Body during the previous Academic year. ----------
---

3.5 Supply details of community participation in the centre e.g NGOs/Business sector/ Youth and Womens gproup

4. What strategies does the centre use to recruit adult learners?
Specify

4.1 Specify the involvement of the different community sectors and role-players in recruiting learners?

4.2 Are the adult learners placed in the appropriate level according to the procedures and stipulation of the NQF?
Explain how the centre places learners

4.3 Date placement tests conducted----------

4.4 Name and contact details of officers who conducted / who will conduct placement tests
---

4.5 Specify your target group for 2002 e.g unemployed youth, rural women/ disabled persons
---

5. CURRICULUM AND SKILLS PROGRAMMES

5.1 No of learners per level

ABET Level 1----------
2----------
3----------
4----------

Grade 10----------

Grade 12----------

Skills Programme (Specify)----------

5.2 STIPULATE LEARNING AREAS PER NQF LEVELS AND LEARNERS NUMBERS APPLIED FOR (e.g ABET LEVEL 1 LLC 29 LEARNERS)

NQF LEVEL	LEARNERS NUMBERS
ABET LEVEL 1	
LLC	_____
MLMMS	_____
L O	_____
ABET LEVEL 2	
LLC	_____
MLMMS	_____
L O	_____
ABET LEVEL 3	
Human and Social Science	_____
Natural Science	_____
Economic and Management Sciences	_____
Life Orientation	_____
Arts and Culture	_____
Language, Literacy and Communications	_____
Mathematical Literacy,Mathematics and Mathematical Science	_____
Technology	_____
ABET LEVEL 4	
Language, Literacy and Communication	_____
Mathematical Literacy, Mathematics and Mathematical Sciences	_____
Human and Social Science	_____
Natural Science	_____
Technology	_____
Economic and Management Science	_____
Life Orientation	_____

Arts and Culture _____

ELECTIVES

Small Medium and Micro Enterprises _____

Applied Agriculture and Agricultural Technology _____

Ancillary Health _____

Tourism _____

SKILLS PROGRAMMES

Specify kind of skills Programmes (e.g plumbing) _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

GRADE 10

SUBJECTS	NUMBER OF LEARNERS
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

GRADE 12

SUBJECT	NUMBER OF LEARNERS
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

SECTION 3

1. DECLARATION BY APPLICANT:

I hereby declare that to my knowledge the particulars furnished in this form are correct.

Name: ---------- Date: ----------

Signature: ---------- Place: ----------

2. RECOMMENDATION

EDUCATION DISTRICT

The application for the establishment of this centre is recommended or not recommended for the following reasons:

ABET SPECIALIST ----------

NAME ----------

SIGNATURE ----------

DATE ----------

Establishment centre recommended/Not recommended

Establishment of centre approved/Not approved ----------

3. For SUPERINTENDENT GENERAL----------

Date : ----------

NB: Should the information or part thereof supplied in this application be found to be incorrect, even after registration is granted the Department reserves the right to rescind and to nullify the registration of the PALC centre. If the centre fails to maintain the minimum stipulated learner/tutor ratio of 1:20 at any time during the academic year' Learners may be transferred and the centre deregistered.

INSTRUCTIONS

1. This form must be completed in quadruplicate by the applicant who retains one copy and forwards three to the local circuit office.

2. The ABET Specialist completes Section 3 and forwards two copies to the Superintendent General for the attention of the ABET Section, Private Bag x2044 Mmabatho 2735.

3. All Sub Sections A,B C,D , E and F must be completed by the applicant for approval in the form Ts, Th 40.

4. The centre shall be held in the building of a registered institution, where such a building is not available, another building, approved by the Superintendent General may be used.

5. Minimum ratio for the centre should be 1:20 and is to be strictly adhered to.

6. No centre or with fewer than hundred learners/students shall be registered. A class or a learning area must have at least twenty students i.e minimum of 1:20. Only students aged sixteen years and older shall be admitted to a Public Adult Learning centre.

7. The centre shall receive funds from students as shall be determined by the centre Governing Body from time to time such funds shall be managed in accordance with the PFMA and any other relevant legislation and policy.

8. Claim forms TsTh 64, 127 and 133 must reach head office on or before the 7th of every month, accompanied by a register of learner attendance as well as proof of hours taught by claimant

9. Where electricity is not available the PALC governing body shall be responsible for lighting.

10. The centre must operate between 14h00 and 17h30. Any deviation from these times must be approved by Head Office.

ANNEXURE 7

APPLICATION FORM ABET TUTOR

PERSONAL DETAILS

Surname_____ Title_____

First name_____ Known as_____

ID/Passport number_____

South African Council of Educators (SACE) membership reference: _____

Permanent residential address_____

_____

Postal address_____

Telephone number (Work)_____ (Home)_____

Cellular number_____

Alternative contact person_____

Telephone number_____

LANGUAGES

(Insert appropriate level of competence in written/spoken : A. Fluent B. Conversational C. Basic)

Speak_____

Read_____

Write_____

APPLICATION DETAIL

District applied for_____

ABET centre-applied for_____

ABET level applied for (Level 1 to 4, Grade 10 to 12)_____

Subjects applied for _____

_____

_____

_____

UNIVERSITY DEGREES/DIPLOMAS AND OTHER QUALIFICATIONS

(Please attach a copy of your transcript of results for your degree/s or part thereof)

List any degree, diploma or other tertiary qualification	From	To	Full-time	Part-time

Present/Intended studies: (Degree/Diploma)	From	To	Full-time	Part-time

Complete studies: List subjects attempted, year by year, for qualification obtained. If still studying, list subjects attempted to date (certified copy of results may be attached)

Subject	Year attempted	Pass or Fail	Mark or class of pass

Subject	Year attempted	Pass or Fail	Mark or class of pass

Complete studies: List subjects attempted, year by year, for qualification obtained. If still studying, list subjects attempted to date (copy of results may be attached)

Subject	Year you will attempt it	Pass or Fail	Mark or class of pass

Subject	Year you will attempt it	Pass or Fail	Mark or class of pass

SCHOOL

Highest standard passed_____ Year_____

(Please attach a certified copy of your Grade 12 certificate)

Subjects taken for Grade 12

Subject	Higher or Standard Grade	Mark or class of pass

Subject	Higher or Standard Grade	Mark or class of pass

APPLICATION FORM ABET TUTOR

EMPLOYMENT (full-time, part-time or vacation)

Names and addresses of present and previous employees (last to first)	Dates From To	Last salary	Last position held	Name of superior for reference purposes	Reason for resignation

REFEREES

Name, addresses and position of persons, otlier than employers, who will vouch for your character, ability, etc. (e.g. headmaster, university lecturers)

Name	Position	Address	Telephone

INTERESTS AND ACHIEVEMENTS

Please list other activities and interests, including sporting achievements, leadership roles, special award/achievements.

At School_____

_____

_____

At University or other_____

_____

_____

APPLICATION FORM ABET TUTOR

CAREER ASPIRATIONS

Please give reasons why you believe that you should be considered for this position

_____

_____

BANK DETAILS

Account Holder _____

Banking Institution _____

Branch Name _____ Branch Code _____

Account Number _____

PLEASE ATTACH CERTIFIED COPIES OF:

- Your matric / grade 12 results
- Your identity document
- Proof of your membership of the South African Council of Educators (SACE)
- Proof of any post matric / grade 12 qualifications

I declare that all the information I provided in this form is, to the best of my knowledge, correct and true.

Signed _____ Date _____

OFFICE USE ONLY

Comments _____

_____

Date received	Regret	Accepted	Contract	Captured on database

Signed _____ Date _____

ANNEXURE 8

NORTH WEST PROVINCE

(To be completed in triplicate by Principal. Original and one copy to be forwarded to local District Manager and the third copy to be kept by school as a voucher.)

Reference Number..... School

Circuit : ..... Address .....

District : .....

.....

APPLICATION FOR SCHOOL FUND BOOKS

Attached is cheque number :..... for the amount of R.....

Please supply this school
with the following

(a)	Class Teacher's Receipt Book (NWED/OT 1)	..... books
(b)	Treasurer/Principal's Receipt Book (NWED/OT 2)	..... books
(c)	Income Register (NWED/OT 3I)	..... books
(d)	Expenditure Register (NWED/OT 3E)	..... books

Signature of Governing Body Chairperson / Treasurer / Secretary

.....

Date .....

Signature of Principal

.....

Date .....

District :.....

Official stamp

The Principal

School .....

The following receipt books are forwarded herewith :

(a)	Teacher's Receipt Book (NWED / OT 1)	books numbers..... to.....
(b)	Treasurer/ Principal's Receipt Book (NWED/OT 2)	books numbers..... to.....
(c)	Income Receipt Book (NWED /OT 3I)	books numbers..... to.....
(d)	Expenditure Receipt Book (NWED/OT3E)	books numbers..... to.....

The school cheque was dully deposited in the State Account.
Name of officer issuing Receipt Books :.....

.....
Signature

Date : .....

District Manager : .....

.....
Signature

Date : .....

ANNEXURE 9

Enq. : T.M. Guma.
Tel. No. : 018 334 2802/3.
Fax No. : 018 334 2619.

P.O. Box 540
DELAREYVILLE
2770

31 May 2002

The Acting Deputy Director – ABET
Attention : Ms M. J. Mekgoe
North West Education Department
Private Bag X2044
MMABATHO
2735

Dear Mrs Mekgwe

REQUEST FOR INFORMATION AND LESGISLATION ON ABET

I would appreciate it if you would provide the following information and policies/legislation with regard to ABET in the Province:

1. A list of public ABET centres operating in the North West Provincial Education Department for the 2002 academic year per District.
2. Statistics of learners registered at operating ABET centres for 2002 specifically in the ABET sub-levels 1-4.
3. Policy on the provisioning of human resources in ABET in the Province.
4. Manuals on the induction programme of ABET centre managers.
5. Instruments used by the ABET sub-directorate for the monitoring and evaluation of performance at the ABET centres.
6. Skills Development Plans for the ABET centre managers in the Province.

The reason for requesting for these documents is that I need to study these documents as part of my literature study in my studies for a Ph. D. Degree. The title of my thesis is:

Effective financial management as a component of the education system in the North West Province with specific reference to the ABET programme.

I am sure that you are aware of the commitment of the Department of Education in terms of the **Policy for Adult Basic Education and Training (1997:43-44)** to promoting ongoing research that is responsive to needs and encouraging research undertakings which are demand driven, and will realise this as a positive move towards the implementation of that commitment.

Please find enclosed a proof of registration as a final year Ph. D. Degree student. Should you need more information in this regard, please communicate with me or with my Promoter Dr S.C. Steyn at the Potchefstroom University for CHE at telephone number 018 299 1907.

Thank you for your attention.

Yours faithfully

.....
Rev'd Canon T.M. Guma.
RESEARCHER.

ANNEXURE 10

ATTACHMENT -18-

Department of Education
Lefapha la Thuto
Departement van Onderwys

NORTH WEST PROVINCE

Email: jmekgoe@nwpg.org.za
Private Bag X 2044
Mmabatho
2735

ABET SECTION, JAMES MORAKA DRIVE, GA-RONA BUILDING, GROUND FLOOR
TEL.018-3873460/1FAX.018-387 3028

To : ABET Specialists & Training Manual Team
From : Training Co-ordinator
Date : 20 May 2003

Subject : Invitation to a workshop to complete Training Manual

You are hereby invited to a workshop to complete the Training Manual which has been in a draft for quite some time. The workshop will be held as follows:

Date : 2-6 June 2003
Arrival time : 9H00 on the 2nd June 2003
Venue : The Park Lodge

Find attached names of Educators that you are required to bring with to the workshop.

NB. **Due to the nature of the project, specific competencies and skills determined the choice of participants. Should it become necessary to replace any of the participants, it will be the Training Co-ordinator's sole prerogative to effect or not to effect any proposed changes.**

Looking forward to your active participation and co-operation.

Z.A Gwanya
Training Co-ordinator

CC : **Ms Josephine Mekgoe**

8 pages

1

ABET WORKSHOP FOR THE DEVELOPMENT OF A TRAINING MANUAL – 2-6 June 2003

WORK BREAKDOWN STRUCTURE

1. Support and Ensuring availability of tools: (Computers, Overhead Projector, Flipcharts, Photocopiers, and stationery in general etc.): **J. Mekgoe**

2. Head of Administration: Ensuring efficient typing and physical arrangement of content, smooth administration and control of the process): **A. van Niekerk**

3. Typing:
   - **Kedibone Molosankwe**
   - **Ruth Edward**
   - **Grace Maqa**

4. Technical Team: (Arrangement of content, Chaptering, layout, illustrations, Documentation, Typesetting, cover design and color, physical features, pictures, printing and distribution etc: **B. Sesoko, T. Sedupane, A. van Niekerk, S. Lekgatsane, Z. Gwanya, V. Tshetlo (Facilitator: B. Sesoko)**

5. Group leaders: **J. Maluleke, Rev. L, Leburu and G. Molefe**

6. Time-frames, Rules and Regulations: **S. Lekgatsane**

7. Foreword/Preface: **Dr E. Pedro**

8. Acknowledgements: **J. Mekgoe**

9. Introduction: **Z. Gwanya**

10. Footnotes and Bibliography: **V. Tshetlo**

11. Production and Distribution of material and/or copies during the process. Also, safeguarding and control of all material: **T. Sedupane & T. Mathebula**

12. Resources & References for Manual content in general: **V. Tshetlo, J. Mekgoe and Z. Gwanya**

13. Final Editing and Quality Assurance: **Z. Gwanya, V. Tshetlo, T. Guma & P. Motete**

14. Overall Co-ordination and Management of the process: **Z. Gwanya**

GROUP TASKS

Group 1

Leader & Facilitator: G. Molefe

Members of Group 1:

1. M. Rakgwale (Mabopane)
2. L. Mokale (Lichtenburg)
3. S. Malefo (Themba)
4. B. Maselwane (Potch)
5. F. Matlhaga (Rustenburg)
6. V. Tshetlo (Head Office)
7. J. M. Mogodu (Atamelang)
8. N. Malaolwe (Mothibistadt)
9. T. Mathebula (Lichtenburg)
10. M. V. Makgahlela (Vryburg)
11. B. Sesoko (Mabopane)
12. T. Sedupane (Head Office)
13. A. Hantise (Mothibistadt)
14. M. Thwane (Zeerust)

Task for Group 1:

Assessment

- What is Assessment? – check various definitions
- Principles of Assessment
- Types of Assessment
- Principles of good Assessment
- Legislation and policy dealing with Assessment
- Deal with continuous assessment
- Portfolio Assessment
- Assessment Guidelines
- Placement Assessment
- What is Placement and why Placement?
- How to conduct Placement Assessment
- Moderation
- Verification
- When do we assess?
- What do we assess?
- How do we assess?
- Why is standards based assessment important

- What are standards?
- Evidence
- What is evidence?
- Types of Evidence
- Assessment Guidelines
- Quality Assurance mechanisms
- Moderation
- Verification
- Roles, Functions and Responsibilities of an ASSESSOR, MODERATOR AND VERIFIER
- Continuous assessment in practice – Recording of CASS marks
- Example of assessment grid and recording
- Assessment terms and Definitions
- How assessment is conducted – Clear and practical examples of assessment in practice
- Portfolio construction and management
- Combinations, credits, Qualifications and Certification
- GETC Structure and Qualifications
- Quality assurance and UMALUSI
- The role of UMALUSI

Group 2

Leader & Facilitator: J. Maluleka

Members of Group 2:

1. M. Monareng (Rustenburg)
2. L. M. Kaunoana (Themba)
3. J. Moumakwe (Brits)
4. S. K. Masire (Mothibistadt)
5. B. Mogale (Vryburg)
6. B. Modise (Potcheftsroom)
7. M. Gaarekwe (Klerksdorp)
8. D. C. Lebotse (Atamelang)
9. M. Meno (Zeerust)
10. T. Lenoke (Mabopane)
11. B. Poo (Brits)
12. A. Nkate (Mafikeng)
13. M. M. Teme (Lichtenburg)

Task for Group 2:

- What is OBE?

- What are Unit standards and learning programmes?
- Adult Learning Principles
- Learning needs of Adults
- Purpose of SAQA and NQF
- The difference between content based and outcomes-based Education
- ABET Learning Areas
- What are outcomes?
- Format of a Unit standard
- Learning Areas and Unit Standards
- The difference between a subject and learning area
- Practical Application of Unit Standards
- What are credits?
- How are credits determined
- How to motivate Adult Learners
- Lesson planning
- Example of a Lesson Plan

- USE OF LEARNING SUPPORT MATERIAL

- How to select material
- How to adapt material
- How to create material
- Using material

- DESIGNING OF LEARNING PROGRAMMES

- What is a Learning Programme
- Components of a Learning Programme
- How to design a Learning Programme
- Explain components of a Learning Programme
- Example of a Learning Programme
- Learning Programmes and needs of learners

Group 3

Leader & Facilitator: Rev L. Leburu

Members of Group 3:

1. T. Pitso (Klerksdorp)
2. A. van Niekerk (Zeerust)
3. S. Lekgatsane (Vryburg)
4. S. Tlhapi (Brits)
5. T. Guma (Atamelang)

6. T. Mputle (Rustenburg)
7. P. Motete (Klerksdorp)
8. J. Mekgoe (Head Office)
9. Z. Gwanya (Head Office)
10. M. M. Sindwa (Potcheftsroom)
11. F. Zozi (Mafikeng)
12. T. Mogotsi (Lichtenburg)
13. M. B. Seabi (Vryburg)

Task for Group 3:

- Relevant Legislation and Policy matters (highlights
- Things to know about ABET policy (relevant to capacity building)
- Where can u read about ABET policy (References)
- What is expected of an ABET Practitioner (Centre Managers, Educators, Specialists and other Role players
- Partnerships relevant to capacity building
- Other relevant issues **(Note that policy matters per se will be dealt with in the Handbook – Here only highlights relevant to capacity building, training and skills development)**

- Highlights on the following Acts:

1. The Skills Development Act
2. Skills Development levies Act
3. Employment Equity Act
4. SAQA Act
5. Further Education and Training Act
6. Adult Basic Education and Training Act
7. Refer to other relevant Acts

Other:

- National Skills Development Strategy
- Sector Education and Training Authorities (SETAs)
- Learnerships
- What is a Learnership
- How to enter into a Learnership
- RPL
- What is RPL
- Issues around RPL
- Similarities and differences between Placement and RPL assessments.
- Quality Management Systems
- Needs analysis and skills audits
- How to develop workplace skills plans
- Structure of the NQF (bands)

- Explain NQF structure
- Principles of the NQF
- Functions of the NQF
- Critical outcomes – What are critical outcomes
- Guidance and Counseling
- Dealing with learners with special needs
- Inclusive Education
- Acronyms (NQF, NSB, SAQA, RPL etc.)

 # NOTES TO ALL PARTICIPANTS

1. Please check your tasks and groups to which you belong and prepare accordingly. Your work begins as soon as you receive this task allocation.
2. It would be advisable for Group leaders to make prior contacts, where possible, with their group members in order to co-ordinate, for example, collection of relevant material.
3. All participants are in themselves resource persons, and quality assurance begins with each participant.
4. The success of this process depends on the co-operation of ALL.