

**THE IMPACT OF FINANCIAL LITERACY IN THE EFFECTIVENESS OF RURAL
SCHOOL GOVERNING BODIES**

By

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of Masters of Business Administration in Finance at the Mafikeng Campus of the
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DECLARATION

I, **Setumo Llale**, declare that this assessment, of the impact of financial literacy on decision-making by school governing bodies in rural villages, has not previously been submitted by me for a degree at this or any other university, that it is my work in design and execution, and that the source of all material contained herein has been duly acknowledged.

MR SETUMO LLALE

DATE

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ABSTRACT

This study is an endeavour to assess the financial management at schools by School Governing Bodies (SGBs) in the rural areas of Mafikeng. The following questions have been addressed. Firstly, what is the level of control of school finances applied by SGB in the rural areas of Mafikeng schools? Secondly, what are the specific causes of poor finance management and what role can the SGB play in the Mafikeng area? And thirdly, what role could the Department of Basic Education (DBE) play to improve financial control exercised by SGB in the Mafikeng area? These questions have been derived from the areas of concern that were raised in research conducted by Mestry (2004), where he interrogates financial management knowledge of SGBs and indicates that issues of accountability and skills to ensure sound financial management require more research. A further interrogation of the functioning of SGBs by Deloitte and Touché (2008) further suggested that resource management is a problem in many schools in South Africa. The Mafikeng area has not had research in this area conducted, yet the rural areas of Mafikeng alone has 49 schools according to Statistics South Africa in 2014. Therefore in an attempt to interrogate these issues a self-administered questionnaire was given to four hundred respondents who were chosen using random sampling. The data collected has revealed that financial management in SGBs is indeed an issue that requires investigation. It was clear that most of the respondents are not satisfied with information they had received to execute their duties as SGB members. The DBE needs to give attention to this aspect to ensure that the SGB members receive the required information. Furthermore the lack of adequate and trustworthy information to execute duties was identified as a major cause for poor finance management. The reasons for the lack of information were not established from the responses to the research questions. Lastly, it became clear that communication, cooperation and commitment are essential skills. This study suggests the application of the components of Organizational Commitment (OC) for developing healthy culture in schools to achieve educational goals. The same OC can be inculcated in the SGB. The provincial DBE should prioritise this and include it in their programmes of engagement with SGBs in Mafikeng. It became clear that formalised training of the SGBs in key issues, as per the need of each SGB, could be arranged by the DBE. It's clear that the area of Mafikeng has its own dynamics and therefore needs tailored interventions. Training could cover a variety of themes, including communication, accountability of members, principles of sound financial management, information dissemination and decision-making, etc. The DBE could further support on-the-job training of SGBs.

GLOSSARY

1. ANNSF	-	Amended National Norms and Standards for School Funding
2. BEE	-	Black Economic Empowerment
3. DBE	-	Department of Basic Education
4. DEA	-	Data Envelopmet Analysis
5. EQI	-	Education Quality Inputs
6. IFC	-	International Finance Corporation
7. PPP	-	Public Private Partnership
8. RSA	-	Republic of South Africa
9. SASA	-	South African School Act
10. SGB	-	School Governing Body
11. USA	-	United States of America

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CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 INTRODUCTION

The King Report on Corporate Governance for South Africa (Maile, 2002) highlights the importance of a thorough understanding of the financial management of organisations. It mentions that risk management is inseparable from organisational strategic and business processes. It also recommends that, if an organisation wants to mitigate and manage its finances effectively, in pursuance of its objectives, then it needs to have a policy and plan for a system and process of financial management. This should also apply to a school board where they could comment in an integrated report on the effectiveness of the system and process of financial management. The responsibility for governance could be expressed in the school board charter as well.

The previous paragraph highlighted the importance of financial management. This can therefore only be understood by somebody that has some financial knowledge. This can be better described as financial literacy (Hung, A., Parker, A. & Yoong, J 2009). This study is aimed at investigating the financial literacy of the people appointed by the school governing body (SGB) to manage finances and the impact it has on decision-making to help the school.

1.2 BACKGROUND TO THE PROBLEM STATEMENT

A school is an organisation that focuses on the development of access to markets for education, the supply of resources for teaching, as well as adding value to role of learners in this chain. Schools conduct extensive activities in sectors of all the industries, such as, supply of people, the mechanisation market and financing services (Khumalo, 2002).

With integrity, accountability, innovation, business orientation, self-motivation and loyalty to a school as core values, the SGB is focused on sustainable value-adding and on delivering a competitive person and services package. People should handle the finances as responsibly as possible. Below are some basic principles that guide schools in their function of managing finances.

A school is an organisation that focuses on learners and its functions include managing finances to ensure resources are allocated and managed well. Resources are broadly defined as knowledge, technology, material, people, time and money (Hansraj 2007: 15).

1.3 PROBLEM STATEMENT

There is a constant need in today's business world to identify, assess, manage and monitor any organisation's finances. Financial management should be well-established. Organisations are, however, struggling to implement, embed and sustain a realistic budgetary solution that adds value and creates a balance between cost and income because of lack of applying financial procedures. According to the results of a 2010 financial management study conducted by Khumalo (2002) the number of schools which have matured to the advanced balanced level since 2007 has more than doubled from 3% to 7%. Schools in this stage of financial maturity argue they have dynamic processes that show them how to adapt to risks and opportunities in finances and they should be able to control their finances.

Mafikeng, in the North West Province of South Africa has 145 schools in total. The rural areas of Mafikeng have 49 schools. These schools all have SGBs. These are made up of school teachers, school administrators, members of the communities, learners, etc. A closer look at Mafikeng reveals that unemployment is over 47% (Statistics South Africa, 2014). The official definition for youth in South Africa is "persons aged 15–34 years and adults are aged 35–64 years" (Stats SA 2014).

The global financial management survey of 2008 by Deloitte and Touché seems to indicate advance balanced management implementation during the year 2012 and 2013 (Deloitte 2008). Only 36% of the institutions participating reported that they had an advance resource management programme or an equivalent in place, similar to the percentage in the 2006 survey, while another 23% were in the process of implementing one. More than 40% of the participating institutions lacked an advance resource management programme.

Protiviti (2007) notes that 50% of senior executives surveyed with the U.S. Barometer, lack a high degree of confidence in their current financial literacy capabilities to properly identify and manage financial risks.

The audit reports on school finances display the lack of financial knowledge of people involved with the finances. Furthermore, Mestry (2004) interrogates if sound financial management is widely known and applied by SGBs. This problem needs a proper investigation and this research project will interrogate the following:

- What is the level of control of school finances applied by the SGB in the rural areas of Mafikeng schools?

- What are the specific causes of poor financial management and what role can the SGB play in the Mafikeng area?
- What role could the Department of Basic Education (DBE) play to improve financial control exercised by SGB in the Mafikeng area?.

1.4 OBJECTIVE OF THE STUDY

This study is an endeavour to assess the financial management at schools by SGBs in the Mafikeng area. Moreover, this study will assist in developing effective financial management upskilling strategies to suffice the needs of SGB's and schools.

1.5 RESEARCH DESIGN

The empirical research focuses on the collection of data for which structured questionnaires were designed. All the questionnaires were completed by SGBs located at different schools to investigate the kind of financial controls applied by the SGBs in managing school finances, the role of DBE in supporting the implementation of financial controls in schools through SGBs and financial management of schools in the rural areas of Mafikeng.

Secondary data was sourced from the academic journals and the internet to obtain the latest information about financial related matters.

1.6 LAYOUT OF THE MINI - DISSERTATION

Chapter 1 maps out the problem statement and objectives of the study, culminating in how the problem will be researched, as well as including background information on the education sector that is to be researched.

Chapter 2 entails a literature review with an emphasis on financial management in education and the need to focus on the implementation of the financial framework in educational environments.

Chapter 3 describes research procedures and data handling.

Chapter 4 includes an analysis and discussions of the data.

Chapter 5 summarises and makes recommendations.

1.7 CONCLUSION

The chapter has provided details of the purpose of the study, the specific questions that will be addressed and the reason for the specific research problem being investigated.

The next chapter summarises literature that was reviewed by the researcher.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

In recent years, research has been increasingly investigating organisational commitment and school finances amongst various occupational groups. Evidence to this is described in the available literature related to organisational commitment and school finances (Aamodt, 2004). School finances and organisational commitment has been found to be inversely related to such withdrawal behaviours as tardiness, absenteeism and turnover (Yousef, 2000).

The search for relevant literature included key words such as: school finances, national spending, policy plans, risks, definitions, analysis, control of school funding, revenue and school competitiveness. Search engines used were Google Scholar, Science Direct and DuckDuckGo. The search engines found very little work done for South Africa.

2.2 DEFINITION OF SCHOOL FINANCES

Caldwell (2010) defines a self-managing school as a school in a system of education to which there has been decentralised amount of authority and responsibility to make decisions related to the allocation of resources including finances. This is within a central determined framework of goals, policies, standards and accountabilities. Also, resources are defined broadly to include knowledge, technology, power, material, people, time, assessment, information and finance.

School finance is an evolving field encompassing three resource-related functions such as raising income, allocating finances and using finances to provide educational opportunities and outcomes Rice, Monk & Zhang, 2010). Garcia-Valinas, Muniz-Perez and Suarez-Pandiello (2012) argue that the main reasons for the links between non-cognitive outputs and school characteristics are the lack of objectives. SGBs need to evaluate this dimension and also the difficulties to set a standard definition of school finances.

The SGB's have been introduced and given full responsibility to manage school finances (RSA Act No.84 of 1996; 24–28). Their term of office may not exceed 3 (three) years and dissolves automatically on the election of a new governing body at the end of its 3 (three) year term of office. The learner serving on the SGB has 1 (one) year as their term of office and an office-bearer remains in office for a term not exceeding 12 (twelve) months from the date of his or her election and may after the expiry of his or her term of office be re-elected.

The financial responsibility granted to the SGB is enormous because lack of sufficient funding for education has resulted in a situation where affluent communities subsidise the learner's education with private resources, while poor communities rely on the state, which has insufficient resources to fund an acceptable level of education provision. Below is a model that depicts the financial management landscape being discussed in this research project (Ndou 2012:24).

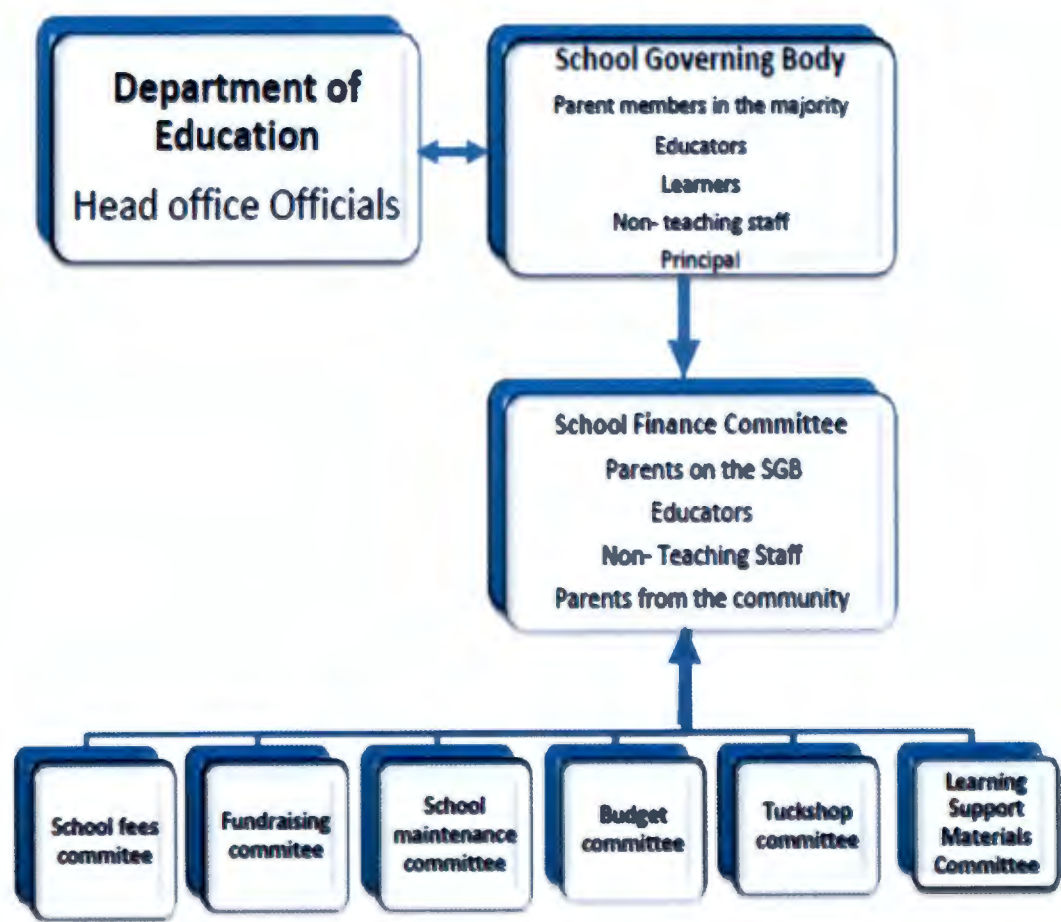


Diagram 1: SGB financial management structure (Ndou 2012: 24).

The SGB of a public school must establish a school fund and administer it in accordance with directions issued by the Head of Department (HOD), South African Schools Act (SASA) section 37(1). Subject to sub-section (3), all money received by a public school including school fees and voluntary contributions must be paid into the school fund. The SGB of a public school must open and maintain a banking account.

The specific roles and responsibilities of SGB members have been clearly defined by policy. The SGB should be able to execute the following duties (RSA, 2012):

- The Finance Committee must ensure that the school draws up an income and expenditure budget before November each year.
- The Finance Committee must consult with the rest of the SGB during the budgeting process.
- The SGB must be consulted when establishing what school fees should be paid by the parents.
- 30 days' notice is given for the budget meeting.
- School fees and the exemption policies are adopted through voting at the budget meeting.
- Minutes of the budget meeting are recorded and filed.
- The school financial books to be submitted for auditing the latest by end of January the following year.
- The school has to have a single current account at the bank, which is used to manage its school funds.
- The SGB satisfies itself that all expenditure is in accordance with the approved budget.
- Cheques may only be signed when a cheque requisition has been completed and signed by all the relevant officials.
- All cheques are signed by at least two signatories.
- All monies received are receipted.
- Stock registers are maintained.
- The SGB administers the school fund.
- A finance committee consisting of the SGB chairperson, treasurer and principal is set up and functional.
- A treasurer is the chairperson of the Finance Committee.
- A finance officer has been delegated this duty in writing (normally an educator in the school).
- The finance officer keeps records of funds received and spent and of the assets, liabilities and financial transactions of the school.

The type of information that finance officers should keep include (Ndou, 2012):

- Documentation reflecting the name of the person to whom payment is to be made, the amount to be paid and the nature of the goods supplied or services rendered.
- Vouchers in a safe for audit purposes.
- All payments and supporting vouchers that should be ready for reporting at the next Finance Committee meeting, i.e. before the SGB's meeting.

- A cash-flow statement prepared on a monthly basis.
- Monthly bank reconciliations.
- A filing and record-keeping system.

Arunatilake and Jayawardend (2010) define the scheme for Educational Quality Inputs (EQI) to include all materials, equipment, finances, and instruments, services used to add to the quality of education to the students in the learning process and by the teachers in the process of creating knowledge. The scheme provides above financial funding for four different categories of expenditure:

- consumable goods,
- capital goods,
- expenditure on the repair and maintenance of capital goods, and
- expenditure for external consultancy services.

Each school should have a separate account for EQI where allocated funds are deposited at the beginning of each year. Although schools are given the authority for identifying and purchasing EQI, it is done according to guidelines given by the Ministry of Education (Arunatilake & Jayawardend, 2010).

Kayser (2013) defines finance as the source of funds to service their needs and provide the return on their equity invested in the project. Formula-based funding and decentralized management of schools has received new interest in the late 1990s. This is among developed countries as a means of improving school quality and performance (Arunatilake & Jayawardend, 2010).

2.3 COMPETITION AND SCHOOL FINANCES

A better understanding of finances could influence approaches to improve management of school finances. The SASA also requires that SGB's keep records of school finances (RSA Act 84 of 1996). Improved record-keeping may be necessary to ensure that funds are not used to subsidise non-educational schools' offerings (Peterson, 2011). He argues that schools finances are worthy of a public debate for several reasons. The presence of budgeting in the schools is financially associated with increased financial control as envisaged by SGB. According to SASA, Act 84 of 1996 section 37(1), the SGB of a public school must prepare a budget each year according to the guidelines determined by the member of the Executive Council which shows an estimated income and expenditure of the school for the next financial year.

A budget is a management tool by means of which the management team of the school can estimate and plan, utilise and coordinate, control and evaluate the human material and other resources of the school in financial terms (Oosthuizen, 1998). Such a financial tool provides access to better opportunities and control of schools finances. Recent research indicates that overspending increases if SGBs do not plan well (Peterson 2011).

The role of the school is essential in the design of policy that aims to achieve equality of opportunity in an educational system, and the usage of finances by the schools is important in this regard as well. Garcia-Valinas et al. (2012) argue that the impact of individual and familiar variables compared with the impact of school finance usage could be an outstanding signal when looking at the role of schools in guiding policy. It is possible that schools are not employing all the possible efforts to evade the social and acquainted environmental limits of the student's education. Therefore, the school's role is a key issue to design public policies guided towards getting equality of opportunities in the educational system using finances properly.

Recent studies have suggested that without additional revenue, it might be impossible to maintain school programmes. School services face financial difficulty and the reluctance of school officials' to address problems is understandable if revenue is viewed as imperative (Peterson, 2011).

2.4 LOCAL SPENDING AND SCHOOL FINANCES

In terms of Section 21 of the SASA (RSA Act 84 of 1996), specific schools, deemed Section 21, will have the following responsibilities:

- the maintenance and improvement of the school's property, buildings and grounds occupied by the school;
- including school hostels, where applicable;
- determining the extramural curriculum of the school and the choice of subject options in terms of provincial curriculum policy;
- purchasing textbooks;
- educational materials or equipment for the school;
- payment of services to the schools, e.g. water, electricity and telephone;
- promotion of the best interests of the school;
- developing the mission statement of the school, which refers to what the school wants to achieve;
- supporting the principal, educators and other staff in carrying out their professional functions;

- recommending and advising the Provincial Head and DBE on the appointment of educators and non-educator staff;
- keeping the financial records of the school;
- meeting and consulting the parents, learners and educators where required by the SASA (RSA Act 84 of 1996); and
- provision of adult basic education and training classes or centres subject to any applicable law and legislations.

On the other hand, Mestry (2004:130) shows that non-Section 21 schools have different responsibilities as the DBE exercises more controls on the funds. Since the DBE controls the schools expenditure, the school has to spend the amounts allocated through the DBE:

- Learner support material, education material, equipment and curriculum needs: 60%.
- Maintenance of and repairs to buildings: 12%.
- Payments for services: 28%.

Schools may acquire the goods and services only from authorised suppliers selected by the provincial DBE. The principal is required to fill in the necessary requisition forms and submit it to the DBE who will then pay the suppliers. There are numerous disadvantages for non-Section 21 schools.

- Schools are unable to negotiate discounts, better prices or even efficient suppliers. They must only deal with suppliers contracted to the DBE.
- The districts do not have the capacity to process the requisitions timeously because they deal with approximately 150 schools in the district. Furthermore, the district officials must attend to all the problems in these schools.
- If suppliers cannot process all the requisitions before year end, then schools lose their allocations since there is no roll over of unspent budget amounts. This means that if the school does not spend all the funds allocated by the DBE in a particular financial year they will lose that unspent portion of the allocation. It cannot be carried over to the next financial year.
- Goods are not delivered on time, services are not rendered when required, and no after sales services are provided.

The advantage of being a non-Section 21 school is that when the cost of a service provided is far more than the amount allocated by the DBE, then the DBE has to pay for these services. Some schools are only allocated about R80 000. Note that 60% of the allocation must be spent on learning supporting material, 12% must be spent on repairs and maintenance. This means that the school only has R22 400 (28%) to pay for services rendered. If the water and electricity

account amounts to R60 000 per annum, the DBE is obliged to pay the balance of R37 600 to the service provider.

The SGBs in the different schools would therefore exercise different levels of responsibility for the finance of the various schools. This raises critical questions regarding capacity issues in management of finances by the SGBs. Furthermore it is clear that policy issues of centralisation and decentralisation of responsibilities have an impact on the roles and responsibilities of the SGBs.

There are several other factors including race and gender that have a critical role to play in the functioning of the SGB in the South African context. For instance Deem, Brehony and Heath (1995), as quoted in Mncube (2009), argue that power relations are central in understanding the practices and processes of school governance (Mncube 2009:94). Power relations are 'an ineradicable feature of the fragile character of the SGBs as organization' (Deem et al., 1995:133).

Issues of literacy and rural women have a large impact in the distribution of decision-making power. There has been research that acknowledges that SGBs are facing these kind of challenges, where it is argued that SGBs continue to be under-represented in terms of race and gender, and so fail those SGB members who are not literate (Modisaotsile, 2012:3–4). She mentions that one of the key challenges is that there are many SGB members who lack the necessary financial knowledge and skills, and are placed under tremendous pressure because they are unable to develop practical solutions to practical problems (Modisaotsile, 2012:3–4). This problem is greater in rural areas where there are more illiterate or semi-literate parents (Heystek, 1999).

In South African schools race also has a significant role to play. Important research conducted in South Africa claims that black South African parents are reluctant to participate in SGBs and where they are represented they are not so keen to participate according to expectations (Mncube 2007). This research further questions the chair of governors (SGBs) about the reasons for the reluctance of black parents to take part in the SGB. A significant interview that is quoted in the paper speaks to this issue; where the interviewer was told by the interviewee that it's a surprise that some black parents would put their trust in white parents, as some parents will sometimes vote for a white parent even if the name of a black parent was put forward (Mncube 2007). The lack of participation by black parents has been associated with the lack of training, which agrees with findings by Carrim and Tshoane (2000).

In addition, literacy levels contribute to their lack of participation (Mncube, 2007). Coupled with the parents' literacy levels, is their lack of experience in school governance issues, since they

have not been exposed to this, to the same extent as white parents (Mncube, 2007). Some black parents lacked confidence because they were not sure of their responsibilities (Mncube, 2007).

2.4.1 International context

The decentralization of the school management system in South Africa is not new to the global policy conversation on school management. Developed countries like the United States of America (USA) and others have also implemented decentralization strategies and policy that has had a meaningful impact in the management of school finances by SGBs. The literature will provide more information on this, and thereby drawing comparisons with the South African concept of Section 21 and non-Section 21 schools; which are a manifestation of the South African decentralization project.

An international context shows some slightly different dynamics worthy of noting. For instance Baicker and Gordon (2006) argue that the federal government and the states use intergovernmental grants in the USA to try to change the composition of local spending across different programmes and the distribution of resources across localities. While literature suggests that the grants increase the level and progressivity of education spending, there is little evidence on their broader effects on the total finances available for schools across all localities.

Spending is shown to vary for each school. Expenditure increases as the proportion of special education and talented students in a school increase (Downes & Schoeman, 1998). Therefore, attempts by Texas state lawmakers to raise the level of finances allocated to poor schools have been reinforced by district-level decisions regarding intra-jurisdictional discretionary spending. The outcome is likely to help raise the achievement in disadvantaged schools.

Burge (2014) argues that development impact fees are a controversial and moderate method of financing local public infrastructure, such as schools. While their effects have been examined extensively, it is an important relationship with the price of undeveloped communities. Rubenstein, Schwartz, Stiefel and Amore. (2007) found reliable evidence of resource trade-offs with schools serving bigger proportions of poor and minority students that had received more funding. This had enable them to hire more teachers that were less experienced and fewer educated teachers. This will impact on finances.

Problems in finances were due to a combination of factors, including low teacher salaries that provide little incentive for teachers to teach in high need schools. This will impact on finances at needy schools. Rubenstein et al. (2007) suggest that finance allocation in larger school resulted

from an intricate interaction of multiple policies and constraints rather than a directed effort to target a certain level and mix of finances to schools based on the specific needs of students in each school.

While the trend in the USA has been to centralise school finances in order to avoid inequalities in school district spending, Sweden has undertaken national reforms to decentralise the responsibility and finances of the school sector (Ahlin & Mork, 2008). In 1991, the responsibility for compulsory and better secondary school provision was transferred to the lower level government along with a less centralised system of targeted grants to schooling. In 1993, a grant reform transformed the system of grants into a grant system. The latter reform implied a fundamental change of the organisation of school finances.

Comparisons between countries were undertaken after the implementation of these reforms and Sweden is ranked as having accomplished decentralised schooling sectors. It could be the case that the allocation of school finances within the school sector has become efficient after the reforms (Ahlin & Mork, 2008). Therefore, the allocation within the school finance sector should make a difference after the decentralisation reforms.

Furthermore, if one were to consider a move to the other extreme that is a move to a pure local system of financing the falsity of the conclusion becomes evident (Fernandez & Rogerson, 1999). When using the same income distribution as in a prior analysis the model predicts that had California instituted a reform to a pure local finance system and this would have caused a drop in financial spending.

Therefore, the coefficient of variation for the distribution of per finances would move to a financial system than can lead to a decrease in expenditures as the move to a pure state system, while at the same time resulting in a better level of inequality. Thus, it is possible that there is efficiency gains associated with these decreases in finances.

Leob (2001) argues that a model and successive simulations indicate that the perceived benefits of a financial system with unlimited local supplementation that it retains control over financial decisions on the margin while insuring an adequate level of financing for all districts. Furthermore, a system with no local supplementation may be politically difficult because it forces many voters far from their preferred spending level (Leob, 2001). Capped financial supplementation provides a balance between financial controls.

2.5 SCHOOL SPENDING AND SCHOOL FINANCES EQUALISATION

Baicker and Gordon (2006) stated that education requires an increase in financial spending in part by reducing their help to other programmes for well-to-do areas. However, court-ordered school finance equalisations need increased state help for education. They can do so at the expense of drawing state inter-governmental help from programmes like public welfare, health, hospitals, and general services.

Downes and Schoeman (1998) argue that supporters of finance reforms are correct in that finance reforms promote equity to account for differences in the costs and revenue-raising capacities of schools. Therefore aid formulas exist that adjust for such fiscal disparities, while imposing no limits on local choice in financial spending. There is almost no case for forcing equalisation by eliminating local discretion in financial control.

Chaudhary (2009) noted that school finance reforms can reduce the variance in spending patterns across schools. He found limited effects of improved performance following equalisations in expenditures. Chaudhary (2009) urges school finance reforms by increase expenditures, which might be effective if spending increases are targeted towards increasing teacher salaries that are perhaps a proxy for teacher quality.

Power equalisation has the advantage of on-going financial control, while providing help to poorer districts (Leob, 2001). However, equal tax prices in richer districts are likely to demand more money per pupil spending than poorer districts. A complete system of power equalisation will not lead to equal funding or to the elimination of the positive correlation between wealth and school spending. A foundation system with local supplementation also will not lead to equal funding across districts (Leob, 2001).

Leob (2001) predicts, with the use of a computable equilibrium model, that both power equalisation and foundation grant systems with local supplementation increases the attractiveness of helping lower income communities. The power equalisation system, because of its inherent price effects, is likely to lead to increased inter-jurisdictional equity. A foundation grant system with no local supplementation of funds guarantees equal spending, but eliminates all local control and this is important for finances.

Inequalities in expenditures have been a concern in school finance. Equalisation of spending fulfils the idyllic of equal educational opportunity (Ruggiero, et al., 2002). However, equity measures that use expenditures per pupil as the object will capture variations and may not be suggestive of unequal educational outcomes. Data Envelopment Analysis is used to adjust

expenditures for differences in cost environments and to control for inefficiency in New York State school districts. Therefore, one half of the measured inequity can be attributed to sources other than disparities in outcomes (Ruggiero et al., 2002).

The combination of equalisation across schools and the measured increase in average revenue has led to a relative decline in the funding of schools that fared well under local finance (Brummer & Sonastelie, 2003). Comprehensibly, not all parents in those schools regard reform to be an improvement and it has taken away their authority to tax themselves for their mutual benefit. From the perspective of these parents, government is failing to provide a level of service for which they are willing to pay. In response to this government failure, many parents have turned to collective action (Brummer & Sonastelie, 2003).

2.6 STRATEGIC INTERACTION AND SCHOOL FINANCES

SGBs are tasked with managing the financial resources of a school, which are effectively the strategic decisions of managing the resources for running the school. The governance of the finances has a major impact in the achievement of these objectives. Therefore adequate governance structures are required and moreover greater knowledge of how to get more resources for the school and learners concerned. South Africa has clear policy direction on management of school funds as is described below.

It is stipulated in section 37(1) of SASA (RSA Act 84 of 1996) that the SGB of a public school must establish a school fund and administers it in accordance with directions issued by the HOD. Furthermore, according to sub-section (3), all money received by a public school including school fees and voluntary contributions must be paid into the school fund. The school governing body of a public school must open and maintain a banking account. Money or other goods donated or bequeathed to or received in trust by a public school must be applied in accordance with the conditions of such donation, bequest or trust (Ndou, 2012:37).

Section 37(6) of SASA 84 of 1996 outlines that the school fund, all proceeds thereof and any other assets of the public school must be used only for (Ndou, 2012:37):

- Educational purposes, at or in connection with such school;
- Educational purposes, at or in connection with another public school, by agreement with such other public school and with the consent of the HOD;
- The performance of the functions of the SGB; or another educational purpose agreed between the SGB and the HOD.

Schools should maintain one bank account for all activities with the exception of schools with hostels where a separate account should be maintained in line with paragraph 146 of the amended norms and standards for school funding. The account must be a current cheque account opened in a registered bank.

The money collected as part of the school fund must be receipted and banked on a daily basis where practicable. A deposit book serves as evidence of proof of deposit of income received by the school from different sources in terms of SASA 84 of 1996.

The SGB must spend the school fund according to the budget. In terms of the prescripts for the management of school funds in Limpopo Province DBE (2009:18) for instance, the SGB of a public school must prepare a budget each year which indicates estimated revenue and expenditure of the school for the next financial year. The SGB must present the budget to a general meeting of parents for consideration and approval by a majority of parents present and with voting powers. The approved budget together with the name of the auditor, as per Section 43 of SASA, Act 84 of 1996, must be submitted to the HOD by 31 January of each year (Ndou, 2012:38)

Part of the responsibilities of SGBs is dealing with financial statements that have to be drawn up, interpreted and prepared for the SGB; include a variety of complex documents. Aspects of financial statement (RSA 2013) show the kind of information that is required for an SGB member.



Diagram 2 Aspects of Financial Statement (RSA 2013:56).

The statements on finances should ideally be in five parts (RSA 2013):

1. A statement of the financial position, or income statement.
2. A statement of financial performance, or balance sheet.
3. A cash flow statement.
4. An audit report.
5. Notes comprising a summary of significant accounting policies and other explanatory notes.

The following schedules should be included in the financial statements (RSA 2013):

- Asset verification certificate.
- Bank reconciliation.
- Statement of investments.
- Statement of outstanding debt.
- Copy of bank statement.
- Certificate of sound financial management.
- Declaration of other accounts.
- Certificate of verification of computerised receipting.

Early efforts in self-management placed the focus on management with attention being given to planning and finance allocation (Caldwell, 2010). It is understandable that preparation and professional development programmes for leaders and managers at school level tended to focus on these. However, with heightened expectations for schools in terms of success for all learners in all settings, the focus will continue to shift to leadership and the building of professional capacity. This is to achieve an alignment of curriculum, pedagogy and finances with the mix of learning requirements at the school level.

The incentives for individual schools are to seek a financial supported differentiated strategy that will attract students to particular niches of interest (Levin, 2012). Too much regulation towards an experience will undermine the degree of choice among schools and too little will undermine the capacity of education to provide a foundation for the young in a democratic society with the available finances.

There have been two ways in which the International Finance Corporation (IFC) poverty alleviation mandate has been addressed, namely by broadening IFC investments in low income which it describes as frontier markets and by expanding its work in sectors that it identifies as directly addressing the needs of the poor: financial markets, infrastructure, health and education (Mundy & Menashy, 2014). In 2004, the IFC adopted strategic pillars which include: strengthening the focus on frontier markets and addressing constraints to private sector growth in infrastructure, health, education and food supply chain.

The details on roles and responsibilities and their disposition should not be viewed as complete nor should the illustrative applications be considered concrete recommendations (Levin, 2012). Therefore, the plan has been designed to illuminate the issues surrounding the governance of choice schools. The specific steps that are appropriate in any context need to be addressed by a constituted governance body. It is hoped that this framework demonstrates how goals and economic criteria can be used to draft the design of an overall governing and organisational system for schools that move in this direction (Levin, 2012).

Gallagher, et al. (2013) argues that attempts to estimate willingness to pay for public school services have generated a range of results that relied on proxies for school quality. When measuring school quality these difficulties must be addressed. Therefore, attempting to measure the capitalisation of property taxes, the best strategy is to identify quasi-experiments that hold public service constant. Furthermore, the learner is the important unit rather than the classroom, school or school system.

Caldwell (2010) argues that finance levels should support and must be drawn from a range of sources. Furthermore, central, regional, and district offices in systems of public education will need to take on tougher support roles than in the past in terms of financial roles.

Arunatilake and Jayawardend (2010) argue that state level monitoring and support is compulsory for the success of education management at the school level. Therefore, qualified principals, adequate levels of school level human and finances are needed for the success of education management at the school level. Furthermore, there is a need to reduce existing financial differences across schools to improve equity under formula-based funding and decentralised management.

Wenli and Qiang (2013) suggest that to further improve school finance systems, its operation mechanism should establish equity, high-quality and efficient financing systems by including the following:

- 1) In the aspect of adequacy, efforts should be made to increase school operating expenditure per student.
- 2) In the aspect of equity, a standard on the basic conditions in running a school and a standard on the government appropriation per student should be formulated. The SGB should guarantee that each student be provided the same financial support on a basic level.
- 3) The development trend of school financing is changing from supply oriented type to the demand-driven one to realize the purposes a consultation committee appointed by the SGB can be set up to integrate the higher education resources and enhance the effectiveness of finance allocation.
- 4) It is further necessary to improve the cost sharing system and completely change the upside-down relationship between tuition and quality.
- 5) Private education should to be strongly developed and expended to satisfy various educational needs. Government should engage in education financing. In addition, provision should be made for the ear-marked subsidy..
- 6) Also, it is crucial to set up a monitoring and evaluation system on the use of the financial resources which shall be an important index for improving the operation status of higher education (Wenli and Qiang, 2013).

2.7 REVENUE ANALYSIS AND SCHOOL FINANCES

Revenue from competitive and other sources accounts for the income from the government (DBE) and SGB. (Peterson, 2011). The SGB needs to bear in mind that identification and collection of all income due to the school constitute good financial management. (Bisschoff & Mestry, 2005). According to the prescripts for management of school funds at public school in North West, the school revenue may take different forms as follows:

- Income from school fees.
- Fundraising income.
- Government allocation.
- Donations and grants.
- Investment income.

DBE must fund the schools from public revenue on an equitable basis in order to ensure that proper exercise of the rights of learners to education and redress of the past inequalities in education provision (RSA SASA section 34(1). SGB must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners at the school (RSA SASA section 36(1).

The Amended National Norms and Standards for School Funding (ANNSSF) which came into effect on January 2007 deals specifically with public funding of schools as well as with school fee exemptions policies.

According to Section 21 of SASA, 1996 the state provides funds to schools. It allocates a certain amount to all public schools based on a quintile system (enrolment, urban and rural schools). Learners that are in rural areas, where electricity, water and other learning materials are scarce, are then allocated more funds. The amount provided to schools is also determined by the number of learners in particular school. The higher the number of learners, the more money will be provided.

In a country like the USA where Vollrath (2013) argues that in 1890's the property tax was the primary source of revenue for countries, municipalities, and schools within the USA. Taxation varied and this contributed to variation in finances for public schools. Therefore, inequality measured by the distribution of community sizes within countries does not have a consistently negative relationship with local school tax revenues in the USA but varies between regions.

Several different means of measuring inequality and sub-samples of counties are used to control for the fact that financial distributions are not perfect measures of wealth inequality and the results are robust in each case (Vollrath, 2013). Possible biases introduced because of declining assessment rates and competitive under-assessment is controlled for by including the total assessed value of property both real and personal in the USA.

The financing issue of schools in the USA is the search for alternate revenue sources to reduce or replace governmental income. A response elucidated by school finance reforms in California and Michigan is to replace local taxes with increased state income or sales taxes (Wassmer & Fischer, 2012). The current distribution of revenue sources for USA schools rest on the notion that it would be unfair in the absence of perfect human capital markets and reasonable distribution of income to require the unfortunate to pay for more for public education (Wassmer & Fischer, 2012).

Wassmer and Fischer (2012) argue that better reliance on user charges to finance special services that provide benefits would free up some revenue to improve educational programmes. This is an attempt to reduce vertical inequities in public education outcomes. Therefore, charges should be used to finance auxiliary services and foregoing increases in taxes to avoid the efficiency costs of tax increases.

Rice et al. (2010) argue that traditional methods used to raise funds for education, such as lotteries have been considered by many legislatures as a potential revenue source for public education. Lotteries provide fungible income that is often earmarked for education. However, revenue from lotteries tends to be unstable, regressive and qualities that make this strategy less attractive on both practical and normative grounds as means to generate revenue for education.

Several state equalisation formulas in the USA have become tools to redistribute funds in equitable ways (Rice et al., 2010). Flat grants have been used to ensure that all schools are funded to provide a basic education for learners. These programmes provide all schools a grant of equal size to help support fundamental education programmes. However, by treating all schools the same grants fail to recognise varying fiscal volume of different districts that gives rise to inequities in the first place. Foundation programmes were introduced in the early 1900s in the USA in direct response to the shortcomings of flat grants (Rice et al., 2010).

The combination of free riding on the policy innovations of others and the down side risk associated with failed policy innovations will tend to result in less policy innovation than is socially optimal in the USA (Downes, 2010). In the case of school finance, this may mean that,

unless they are pushed by outside forces, policymakers are likely to make modifications to help formulas that are less ambitious than may be necessary.

2.8 POLICY FOR SCHOOL FINANCES

The general role of SGB is governance, which is defined not as the system of administration and control of education in a country, the whole process by which education policies are formulated, adopted, implemented and monitored. The SGB is responsible for developing school finance policy and ensure that it adhered to at all times (RSA, SASA, Act 84 of 1996).

In order for a school to manage its finances effectively and efficiently, a school finance policy must be developed, adopted by all its stakeholders and implemented accordingly (Mestry; 2004).

There are set policies and procedures for any organisation so that it can function optimally for the achievement of its vision and mission. Policy is a statement of intent, decisions, courses of action and resource allocation designed to achieve a particular objective (Kallaway, 1997).

Finance policy is a statement concerning the manner in which funds will be generated and spent at a specific school and should form an integral part of the school policy, as in the case of subject policy (Bischoff, 1997:158). The finance policy should be seen as a document that can change over time and such a process should at all times be inclusive and transparent.

In this study finance policy refers to rules and regulations which guide the manner in which income can be generated for the establishment of school funds and how the expenditure can be monitored in terms of applicable national and provincial laws in the DBE.

School finance equalizations are being used as a policy tool to improve outcomes for deprived children (Baicker & Gordon, 2006). While it is difficult to design systems that prevent USA from redistribution through changing other intergovernmental grants, understanding the magnitude and impact of such responses should inform policy design.

Educational finance to support high learning standards has important implications for educational policy in New York and elsewhere in the USA. Numerous policy implications flow from the analysis done in the policy briefs as the follows (Wyckloff & Naples, 2000):

1. Increase overall capacity for school districts in the USA.
 - Most districts will require finances to implement better learning standards.

- Curriculum and staff development should begin in elementary and middle school with appropriate financial allocation.
 - Methods are needed whereby districts can share information on what approaches are more and less successful in reaching high learning standards and how much finances is needed.
 - There is a need to create opportunities in and outside school to provide extra help to students having difficulty achieving, will depends on finances.
2. Align the finance system with the differing needs of districts and students.
- The majority of state aid should be allocated to explicitly account for the differing input and environmental costs across districts.
 - This implies an output-based, cost-adjusted help formula in finances.
 - All formulas need to provide incentives consistent with the high learning goals for all students and should know how much money is needed.
 - This is particularly true for special learners.
3. Encourage schools to reallocate resources to meet the learning goals.
- It is important that information be shared on how resources can be reallocated.
 - Teacher hiring practices need to be attentively examined (Wyckloff & Naples, 2000).

Ruggiero et al. (2002) argue that the restrictions of the specific methods used to control costs and efficiency shows that less reliance should be given to unadjusted measures of spending in determining whether arrangements for school finance are in conflict with provisions. Therefore, help needs to be based on cost considerations as well as fiscal capacity and policies need to be examined as regards their effects efficiency of the schools.

Standard equity measures are applied to the adjusted expenditure and to observed expenditure to analyse the effects of adjustment for outcomes on the measures of equity of service provision. Furthermore, the use for DEA to analyse a key area of public policy is important (Ruggiero et al., 2002).

Baicker and Gordon (2006) found that schools did change their spending patterns in a way that offset the mandated increase in their spending; e.g. increases in education spending were offset by marginal declines in spending on other areas. Thus, while mandated changes to education financing systems may have increased the level and progressivity of state spending on education they did so at the expense of drawing resources away from schools

Rice et al. (2010) argue that policymakers struggle with challenges (e.g. finances, etc.) related to the effective and efficient deliveries of special-education services include designing and implementing effective alternatives. This is to provide special education in the education setting for students with mild-to-moderate learning disabilities. Establishing reasonable special education service standards could help control finances, narrow the variation in per-pupil expenditures across systems and guide determinations about special education funding adequacy.

Ritzen, Van Dommelen and De Vulder (1997) argue that the school system in the Netherlands provides parents freedom of choice. Public and private schools are funded on an equal balance by the national administration. Most parents can choose from several schools in the vicinity of their homes.

Parental choice can divide schools to take on a profile and improve their education provided schools offer reliable information (e.g. finances, etc.) to parents about their profile and quality. To support this process government policies require schools to provide such information validated by the national educational inspectorate (Ritzen et al., 1997).

Choice can lead to social isolation and rather than fighting this separation, the Dutch government focuses on offering all children quality education (Ritzen et al., 1997). A weighted funding system that gives the government financial support to schools with large amounts of children from disadvantaged backgrounds was introduced in order to compensate for the task these schools are facing. Presently, efforts are being undertaken to make this policy effective by giving local authorities a say in the way schools deal with children from underprivileged families to ensure good financial control (Ritzen et al., 1997).

Downes (2010) argues that during the past several decades federal and state governments have followed a range of redistributive policies aimed at adopting equality of economics. The idea being that although people's incomes may vary this variance should be primarily due to factors such as individual ability and effort not due to differences in circumstance. Downes (2010) suggests that in the policy arena opportunities could be further equalized via the implementation of changes in the way elementary and secondary education is financed.

However, in the Netherlands, freedom of choice also gives rise to problems and these are partly linked finances such as the following (Vollrath, 2013): (i) many private schools supplement their income by demanding a financial contribution from parents. However, schools do tend to present the parental contribution as an obligatory payment (Vollrath, 2013).

(ii) Freedom of school choice brings with it the danger of ethnic separation such as the Netherlands schools have been referred to as a different colour to indicate that due to parental selection behaviour they can differ in their numbers of students. This can be attributed to prejudices, but it can also be due to a lack of information about how finances are controlled (Vollrath, 2013).

2.9 RISKS AND SCHOOL FINANCES

Ritzen et al. (1997) argue that a system of private schools and parental freedom of choice could give a boost to raising the quality of schooling. Therefore, adversaries see in freedom of choice strong associations with separation tendencies and the risk of further broadening of inequality of educational opportunities. Furthermore, an improvement in the quality of schools can be achieved by abolishing public schools, replacing them with privatised schools and allowing freedom of choice and ensuring financial control is better.

Salvatore (2004) states that advanced countries are outsourcing more and more of their work to emerging markets in order to reduce costs and remain competitive. In the future, more work will be done in emerging markets best equipped to do the job economically. If governments in advanced nations tried to restrict the flow of work abroad to protect domestic jobs their firms would risk losing international competitiveness and may end up having to move all of their operations abroad minimum accreditation requirements little financial controls.

Poverty seems to have increased around the world when measured by average national incomes across nations, looking at individuals who live in poverty that have decreased over the past two decades. (Salvatore, 2004). Public Private Partnership (PPP) policy has probed the risk transfer argument used by the UK government to legitimise its adoption. Khadaroo (2014) suggests that the financial numbers used to value risks are not neutral or objective, but are socially constructed and may be manipulated to justify the PPP decision.

Khadaroo (2014) argues that limits of finances on the basis of which the PPP decision is justified, should be acknowledged. It is not only finances and the complex rules and regulations which have colonised social systems but also the experts upon whom reliance is placed. The processes of simplification are contingent on the beliefs and discretion of the technical experts in terms of what is counted and excluded by the SGB

Khadaroo (2014) points out that a democracy is preserved where the public has reliable ways of knowing whether policies are having the promised effect. However, in the current era of strictness where PPP is perceived as the only show in tow and conventional procurement is not

a viable alternative to PPP, the incentive to influence figures to justify PPP will not disintegrate (Khadaroo, 2014).

Mundy and Menashy (2014) argue that there are three core principles that can guide to all finance activities: a business principle, of taking on the full commercial risks of its investments, accepting no government guarantees and earning a profit from its operations; the principle of being an honest broker, using its unique abilities as a corporation owned by governments to bring together investment opportunities, domestic and private capital, and experienced management, the goal of playing a catalytic role and investing in projects for which 'sufficient private capital is not available on reasonable terms.

However, the finances have increasingly attempted to make money in low fee private schools in low income countries (Mundy & Menashy, 2014).

The most publicised among these initiatives is the IFC Africa Schools Program which grew out of initial risk sharing agreements with banks in Ghana and Kenya (Mundy & Menashy, 2014). As a mechanism, such risk arrangements allow the IFC to support small private enterprises that would otherwise be too small to meet the minimum project size expected by the IFC.

Therefore, while projects are screened for the quality of their academic services and environmental impacts, the IFC does not have a formal mechanism for assessing and evaluating the impact of its investments (Mundy & Menashy, 2014). In its project appraisals, performance reporting, programme evaluations and strategic planning success is measured by the IFC in terms of direct financial returns on investment and not in terms of poverty impacts, risks to individual student borrowers, or creation of opportunities for those with the lowest incomes (Mundy & Menashy, 2014).

Furthermore, individual IFC investments pay limited attention to poverty issues in their design and their performance outcomes measures (Mundy & Menashy, 2014). Thus, most IFC investment projects generate satisfactory economic returns, but do not provide evidence of identifiable opportunities for the poor.

2.10 RESEARCH QUESTIONS

Financial issues, and issues relating to capacity of SGBs to handle finances that have been discussed above, these are items of which the SGB should be aware. Therefore the literature has assisted in defining the problem and providing conceptual clarity. The following research questions have been considered as key research questions:

- 1) What is the level of control of school finances applied by the SGB in the rural areas of Mafikeng schools?
- 2) What are the specific causes of poor financial management and what role can the SGB play in the Mafikeng area?
- 3) What role could the DBE play to improve financial control exercised by SGB in the Mafikeng area?.

2.11 CONCLUSION

This chapter provided the theoretical base and issues relevant to this research. The aim of the study is to determine the effect of the school finance programme in the Mafikeng area.

The next chapter focuses on the research methodology and design used to execute the research and it outlines the research methodology used to collect the data that is used to answer the research questions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter outlines the research methodology used to collect and analyse the data that was used to answer the research questions. The previous chapter provided the theoretical base and issues that are linked to this research.

The research questions formulated are:

- 1) What is the level of control of school finances applied by the SGB in the rural areas of Mafikeng schools?
- 2) What are the specific causes of poor financial management and what role can the SGB play in the Mafikeng area?
- 3) What role could the DBE play to improve financial control exercised by SGB in the Mafikeng area?

The aim of the study is to determine the effect of the school finance programme in the Mafikeng area. To validate this, it is essential to collect information from targeted population using correct methodology and analyse the responses. This chapter defines the research methodology used in this study, the data collection method chosen, types of questions that can be asked and development of the questionnaire the survey population and sample size determination; data handling and conclusions.

3.2 RESEARCH TYPES

The term research type was used here to identify the general research approach. While authorities in the field seem to differ as to how the types of research are classified, the following approaches, which are most often used in educational research, represent some of the options available to the researcher (Glutthorn, Abdalla & Boyett, 2005).

3.2.1 Qualitative and Quantitative

Qualitative and quantitative methods have come to be associated particularly with one or other of these research approaches; both find a place in most fields of study. The study of literature, for example, could be seen as largely qualitative. Quantity, however, is an amount that can be counted or measured (Preece, 1994). A research perspective, as used here, is a general view and use of research approaches and methods. (Glutthorn et al., 2005).

According to Glutthorn et al. (2005) quantitative perspective derives from a positivist epistemology, which holds that there is an objective reality that can be expressed numerically. As a consequence the quantitative perspective emphasizes studies that are experimental in nature, emphasizes measurement, and search for relationships.

This study has used the quantitative research approach as the objective is to calculate frequency of particular responses and then draw inferences from that data. By definition quantitative research is the explanation of phenomena by collecting numerical data that are analysed using mathematically based methods, in particular statistics (Aliaga & Gunderson, 2000). The analysis of the data will also assist in measuring what respondents themselves say without any further interpretation of their responses. It's was useful to send out questionnaires as the researcher preferred the respondents to self-administer the questionnaires to remove the temptation of imposing on the respondent.

3.2.2 Research Method used in this mini-dissertation

Qualitative research can be accused of being unscientific, unrepresentative, open to bias and, even to manipulation and conscious or unconscious. The researcher aimed to achieve the ideal of seeing the response from the point of view of the subject. The researcher would need to lose any external frame of reference and to understand no more than the subject; this seems neither possible nor desirable (Preece, 2004). This study was approached with a quantitative research approach as the study aimed at gathering statistical information on the experiences of SGB members in their roles of financial management of school finances and further examining the effect of the SGB on the school finances programme in the Mafikeng area. According to Preece (2004) quantitative approaches are valued for research question answers, for their logical rigor, for universal argument, or generalisation, and for their apparent objectivity.

3.2.3 Primary and Secondary Data

White (2003) argues that information is classified into primary data and secondary data. A distinction is commonly made between primary and secondary sources of data in research. This distinction is much more than just a classification of information sources, but represents different types of information and arguments (Preece, 2004). Information which is new and original at its date of publication is termed primary material. It is always up-to-date, detailed and accurate. Consequently, fewer people want to use it as it is expensive to buy and sometimes difficult to trace. Primary sources provide details of previous research (White, 2003). According to Preece, (2004) the essence of a primary source of data is that it involves the researcher in direct experience and observation of the real world, in so far as that term has meaning.

Thus possible distortions, deliberate or inadvertent, by other observers are avoided. In this sense, the emphasis on the use of primary sources is clearly in the empirical tradition. A primary source is the original report (Glatthorn et al., 2005).

Similar data has been gathered by other researchers on similar issues, e.g. Ndou N (2012) Masters in Education "Challenges facing School Governing Bodies in the implementation of finance policies in the Vhembe District", University of South Africa. However this study has preferred using primary data it offers more control on how the information is collected and provided the researcher with opportunity to focus of specific issues more important to this study.

Secondary material contains information which has been published before. An example of a secondary source is a textbook. The author used a number of different sources in this study. Secondary material is, therefore, less specialised and not so up-to-date. As more people want to use it, it is usually less expensive and easier to secondary material gives general background and theory (White, 2003). Secondary sources, on the other hand are those where the information has already been sifted and structured by someone else, albeit for quite legitimate reasons. Though such information is likely to be true, it may not be the whole truth. Books and other writings prepared for publication are the most obvious examples here (Preece, 2004). A secondary source is also an article that refers to the primary source (Glatthorn et al., 2005).

3.3 DATA COLLECTION METHOD

There are several types of research methods that can be used to collect primary data. Interviewees are probably one of the data gathering methods in qualitative research (Leedy & Ormrod, 2005). It can be described as the meeting of two persons to exchange information and ideas through questions and responses, resulting in communication and joint construction of meaning about a particular topic (Esterberg, 2002).

A survey is a way of describing and explaining some aspect of a population. Surveys are used, for example, in market research, opinion surveys and attitude surveys. Surveys are carried out by either interviews or questionnaires, or both (White, 2003).

3.3.1 Questionnaire

Questionnaires were used as a data collection tool in this research project. According to Preece (2004) questionnaires can be distributed in public or semi-public places such as in a street, beauty salons or workplace, or privately in respondents' homes. Questionnaires may be presented to the respondents either directly by a surveyor or indirectly by post or by hand delivery and the respondents will be randomly expected.

Since questionnaires are suitable for collecting large amounts of information from many people within a short time frame, they were used in this research project. It was important to obtain objective results during the data analysis phase and questionnaires are useful when pursuing that objective. The results of the questionnaires were also easily quantifiable, making them suitable for statistical analysis.

The questionnaire were self-administered, that is were filled in by the respondents, as they could read and write. White (2003) argues that questionnaires generate data in a systematic and ordered fashion.

In order to help maximise the number of responses to the questionnaire, the number of questions are limited. The questionnaire consisted of 4 sections. The first section of the questionnaire was aimed at gathering demographic data on the respondents including age, gender, qualifications and looking at the frequency of the responses.

The last three sections had questions on the level of decisions that are normally made by the SGB in terms of handling school finances, while the other sections focused on specific questions with regards to the impact of SGB on the school finance programme. Requirements set by the SGB and challenges experienced by SGB in the Mafikeng area. Responses were made on 5-point scales scored so that a high score was indicative of greater uncertainty or complexity. To ensure that respondents shared common notion of information quality, a definition were given in the questionnaire. The content of Table 3.1 refers to the outline of the questionnaire.

Table 3.1: Questionnaire Outline

Questionnaire construction programme - Refer to Appendix B	
Questionnaire - Refer to Appendix C	
Part 1- Questions 1-9	Gathers biographical data on the respondents including age, gender, and qualifications.
Part 2- Questions 10-15	Focuses on the understanding of the school finance management in the Mafikeng area by the SGB.
Part 2- Questions 16-19	Focuses on the importance of school finance management in the Mafikeng area as set by SGB.
Part 2- Questions 20-25	Focuses on the challenges of the school finance management in the Mafikeng area experienced by the SGB.

Appendix B is the list of questions that were asked in the survey, the types of responses that would be adequate for answering the questions, as well as an indication of the kind of data this is and how it can be measured. Appendix C is the actual questionnaire template that was handed out in the survey.

3.3.2 Sampling Method

There are two basic ways of choosing samples according to White (2003): random (probability) sampling and non-random (non-probability) sampling. Random sampling works best with very accurate and up-to-date sampling frame and is the preferred method if you intend to carry out any form of statistical analysis. With random sampling every sampling unit or member of the population has an equal chance of being selected (White, 2003). White (2003) states that there are often situations where it is impossible to determine accurately the sampling frame. Also because of the nature of the research and dissertation, one does not need to make detailed statistical analyses. In such instances one can use what are termed non-random sampling techniques. With some qualitative research you need to sample with definite purpose, and the approach therefore is subjective.

The participants will have to meet simple criteria to be included in the sample. The population (N) of the SGB finance administrations in the Mafikeng area is roughly 3500 and the researcher desired to take a sample size (N) of 400. This list was distributed from the DBE. Therefore a maximum of 400 completed questionnaires was required for meaningful conclusions to be drawn from the data gathered from the survey. The list of the population was obtained and every person was given a number. Numbers were then randomly generated with Excel and were used to select a sample of 400. This number also complies with the table of Krejcie and Morgan (1970), therefore the sample is representative of the population.

3.3.3 Types of variables

A variable is some measure of a phenomenon which both varies and whose variation can be measured, or at least recorded in some way, even if only in terms of its presence or absence (Preece, 2004).

According to Preece (2004) an independent variable is a condition which, ideally, can be varied directly by an experimenter and, again loosely, may be thought of as a possible cause of some effect. A dependent variable is a condition which can only, if at all, be changed indirectly by the experimenter by way of the independent variable; the dependent variable may be thought of as an effect, or at least as a possible effect. Both were used and it will be clear in Chapter 4.

3.3.4 Data Analysis Approach

Firstly, statistical analysis is virtually never a one-shot affair. Data may be analysed and re-analysed many times before the researchers are satisfied. A technique that initially seemed perfectly reasonable will later seem inappropriate because of the number of cases or distribution presented by the completed sample. Secondly, interesting questions often arise after initial analyses are completed. If a hypothesis is not supported, one may search for control variables that might help explain the lack of support.

The benefit of including this statement is that it forces one to think through how one will treat the data from one's dissertation at the time the proposal is generated, rather than after the data are collected (Rudestam, Kjell, Newton & Rae, 2001). Rudestam & Newton (2001) argue that this section is difficult for a number of reasons, beyond the fact that students may not be prepared to apply statistics to their own research.

The data has been analysed using the Pearson's correlation in order to find a correlation between at least two continuous variables. The value for such a correlation lies between 0.00 (no correlation) and 1.00 (perfect correlation).

3.4 CONCLUSION

This chapter reviewed methods that have been used in this research project in gathering and analysing the data collected through questionnaires. The chapter provided information on instrumentation, research type, population, sampling method, and data gathering methods from a theoretical perspective and how the research will be conducted and what steps will be taken to ensure the validity of the data. The next chapter will present the study findings that would be used in answering the research questions formulated in 3.1 of this chapter.

CHAPTER 4

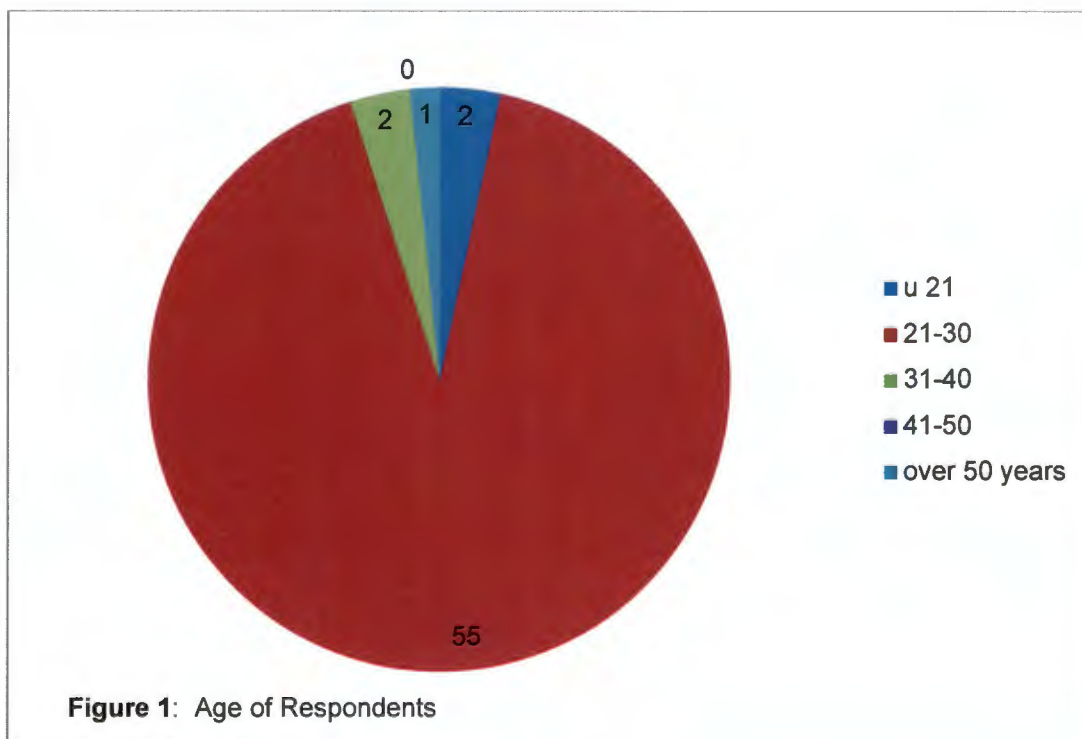
DATA DISCUSSION

4.1 INTRODUCTION

This chapter discusses the research findings and provides analyses and interpretations of data. In the survey, specific questions were asked and the analysis of the responses was done based on application of Pearson correlation coefficient and p-value. The Pearson correlation coefficient method correlates all listed variables with each other (taking two at a time) and indicate which of the resulting relationships are statistical significant. The p-value provides a bit more information on the position of the result in the significant region (Diamantopoulos & Schlegelmilch, 2004).

The description of the data starts with the demographics of the respondents. The next section reflects the findings of the target population's perceptions regarding the impact of work quality on managerial decisions.

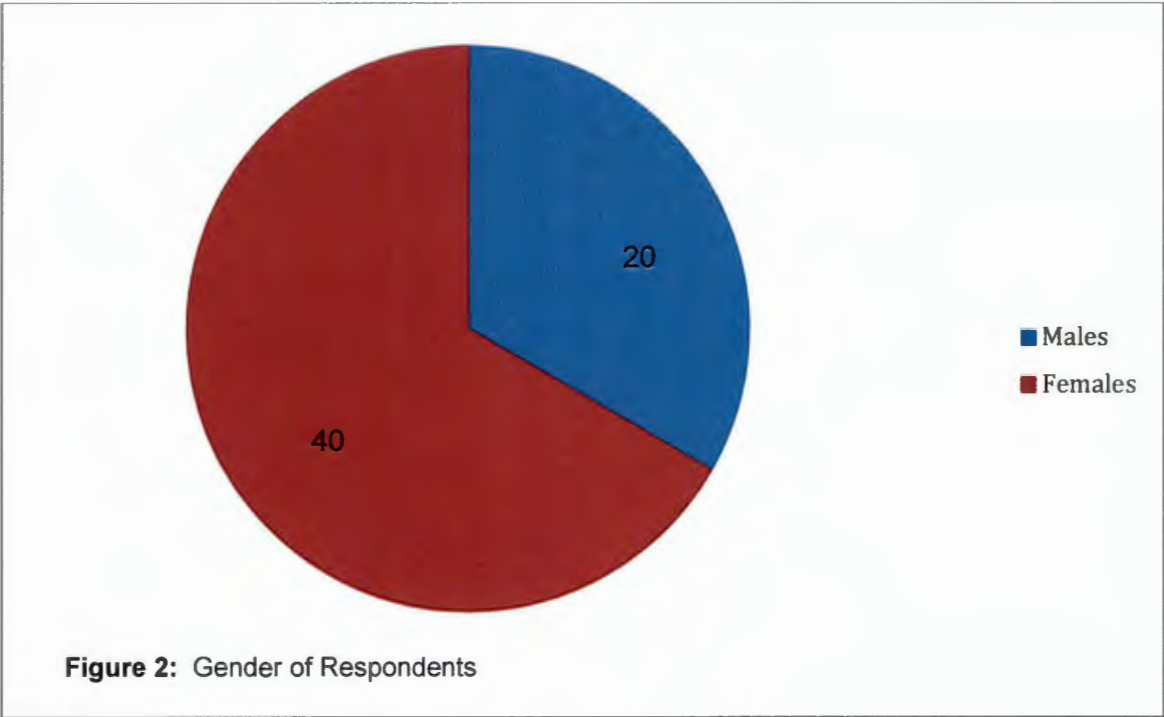
4.2 DEMOGRAPHICS



From the 60 respondents, 3% of the respondents was aged under 21 years, 92% were aged between 21 and 30 years; 3% were aged between 31 and 40 years; none of the respondents were aged between 41 and 50 years; and 2% were aged above 50. The majority of respondents

were aged between 31 and 40 years, an average age group within the workers class that may have acquired sufficient work experience to understand the role of finances and its importance in management.

However given the youthful population of the SGB, it could very well be that it is populated by youth that are unemployed. This phenomenon is typical in rural areas, as is the case with this research project. Unemployment in Mafikeng, according to Statistics South Africa is currently at over 47% (Statistics South Africa, 2014). The official definition for youth in South Africa is “persons aged 15–34 years and adults are aged 35–64 years” (Stats SA 2014).



Appendix A consists of the breakdown of questions on demographics. This information with interpretation in appendix D describes the respondents. Out of a total sample of 60 respondents, 66% were female. As no preference was given to sex, the sample breakdown is considered as representative of the demographics of the research population. These percentages reflect that the SGB respondents are predominantly female. This may be due to the fact that finance role is regarded as lower role and given the Black Economic Empowerment (BEE) background that supported mainly female SGB, this could be the reason of high representation of female SGB. This is in agreement with MacIntosh and Doherty (2010). However it is worth noting that rural women typically do not hold finance degrees as the distribution of such skills tends to be found more in the cities. Rural areas are also predominantly traditional in nature with cultural norms and values taking centre stage at many community-level committees. This makes women's real involvement and participation really difficult. Therefore one has to question whether the high number of women in the SGB really

does translate to meaningful contribution in the SGBs. Deem, Brehony and Heath (1995) as quoted in Mncube (2009) agree that power relations are central to any understanding of the practices and processes of school governance (Mncube, 2009:94). Power relations are ‘an ineradicable feature of the fragile character of the SGBs as organization’ (Deem, Brehony & Heath, 1995:133).

Issues of literacy and rural women should also be noted here. Modisaotsile (2012) acknowledges that SGBs are facing challenges. They continue to be under-represented in terms of race and gender, and so fail those SGB members who are not literate (Modisaotsile, 2012: 3–4). She mentions that one of the key challenges is that there are many SGB members who lack the necessary financial knowledge and skills, and are placed under tremendous pressure because they are unable to develop practical solutions to practical problems (Modisaotsile, 2012:3–4). This problem is greater in rural areas where there are more illiterate or semi-literate parents (Heystek, 1999).

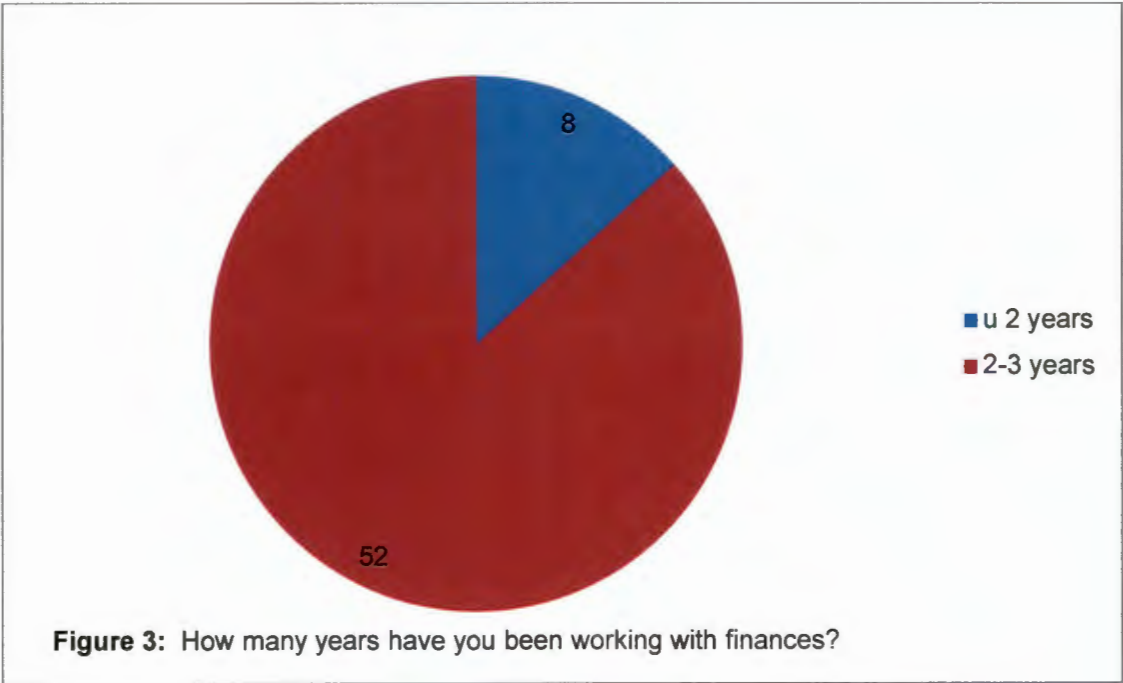


Figure 3 shows that 13% of the respondents have less than 2 years experience; 87% have experience that is between 2 and 3 years in this role. This indicates that the majority of respondents fall into the category of more than 2 years of experience. There are not any employees that have more than 3 years’ experience with finances. This could be attributed to the lack of adequately qualified respondents to fill these positions as the SGB is experiencing problems in attracting suitably qualified candidates in terms of experience. This is in agreement with Karsl and Iskender (2009).

No experience may imply that SGB may have limited understanding of the impact of financial quality. Therefore, respondents may not provide a true reflection of impact of financial decisions.

All the respondents are black (100% of the respondents). It does not reflect fully the present race component of SA. As no preference was given to race the sample breakdown is considered as being a fair representation of the members involved in a financial role of the SGBs in the area. This is in agreement with (Kim, Kim, Kim, Kim & Choo, 2011).

However scholars have noted that race does play a significant role in the South African context. In research done by Mncube (2007), he notes that some principles in his study say black African parents are reluctant to participate in SGBs and where they are represented they are not so keen to participate as expected of them. When he questioned the chair of governors about the reasons for the reluctance of black parents to take part in the SGB, he was told that some black parents would put their trust in white parents, as some parents will sometimes vote for a white parent even if the name of a black parent was put forward (Mncube, 2007). The lack of participation by parents has been associated with the lack of training, which agrees with findings by Carrim and Tshoane (2000).

In addition, literacy level contributes to their lack of participation (Mncube, 2007). Coupled with literacy level, is parents' lack of experience in school governance issues, since they have not been exposed to this as often as white parents (Mncube, 2007). As some black parents were not sure of their responsibilities, they lacked confidence as a result (Mncube, 2007).

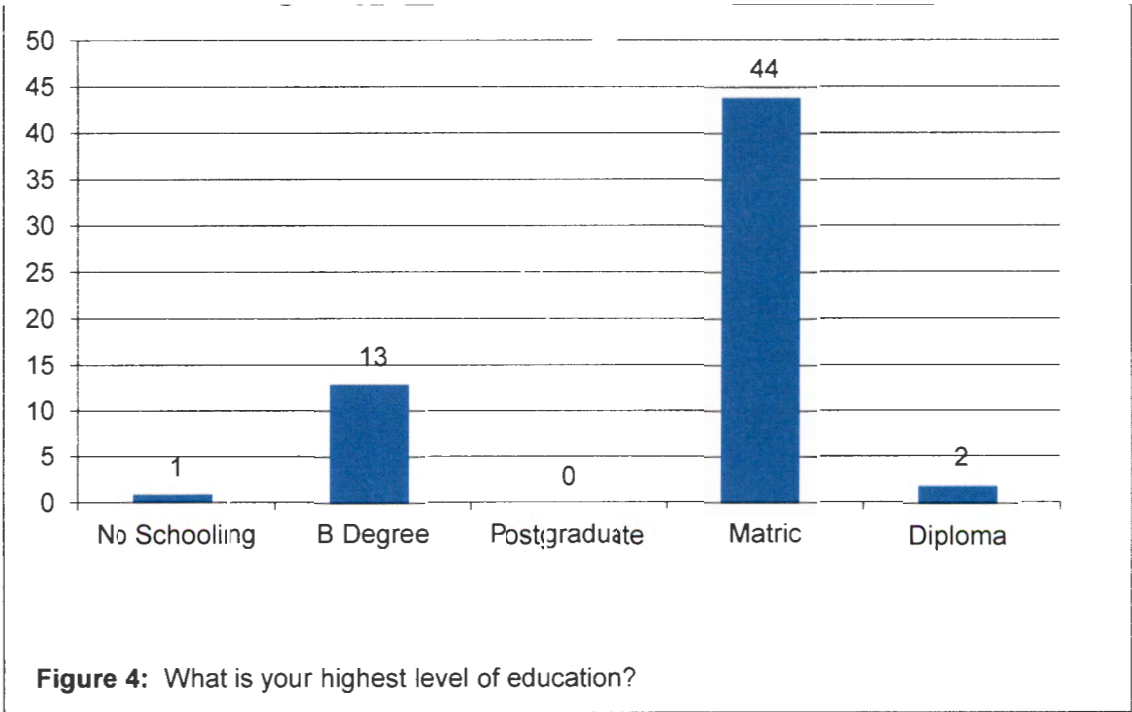


Figure 4 illustrates that 2% of the respondents did not finish their schooling, 73% of the respondents have completed matric; 3% of the respondents have a diploma qualification, 22% have a Bachelors degree qualification; but no respondents have postgraduate qualifications. This indicates that the majority of respondents that occupy financial roles are not highly educated and its impacts on financial decisions. This is in agreement with Demirtas (2010). Data depicted in Appendix D shows the various correlations. However it must be noted that level of education alone may not be the best indicator of success in executing duties in an SGB.

The responses to this question are very interesting when compared to the responses in Figures 7, 9, and 10. Therefore it's critical that they are read in conjunction with one another.

This question was not specific about finance education in particular. It must be noted that financial skills and knowledge about legislation and policies are high priorities in South Africa because the most important functions of the SGB revolve around finances and policies. The high rate of illiteracy or semi- illiteracy of parent members of SGBs creates a problem for the implementation of school-based management.

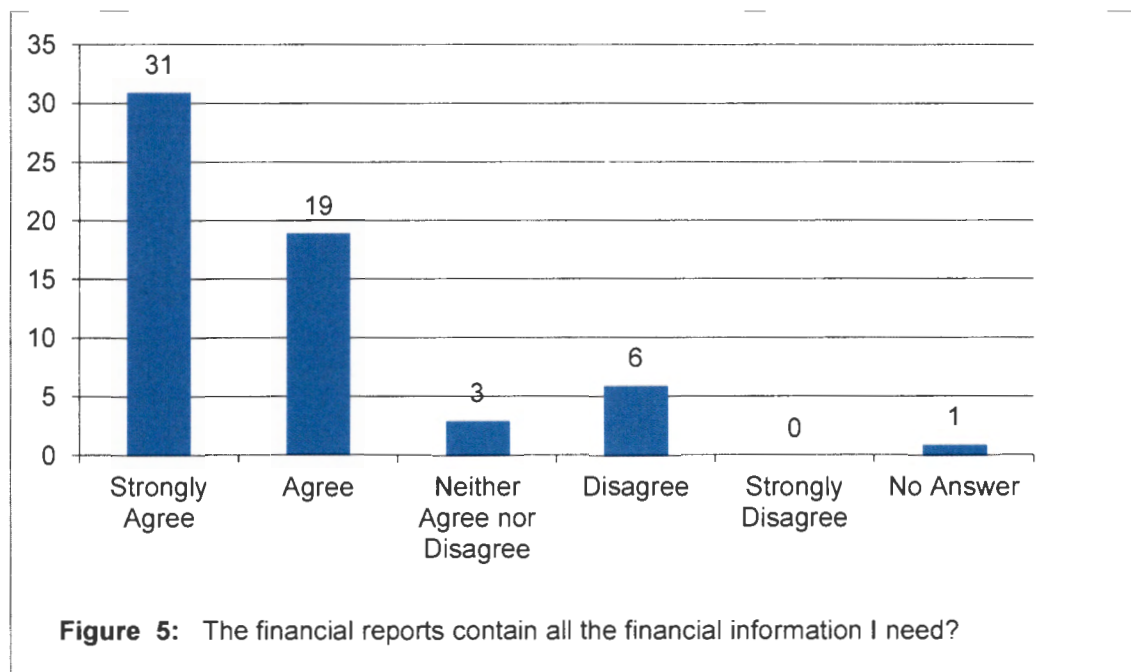


Figure 5 shows that 53% of the respondents strongly agree that the financial reports contain all the information that they need, 32% of the respondents agree that the financial reports contain all the information that they need, 5% of the respondents neither agree nor disagree that the financial reports contain all the information that they need, 10% respondents disagree that the financial reports contain all the information that they need, zero respondent strongly disagree that the financial reports contain all the information that they need and one respondent did not

want to disclose this information. This means that the SGB needs to pay attention to this aspect by engaging the remaining 15% and establishing what kind of information they require.

However there is an interesting contradictory picture created by responses reflected in Figure 6, where respondents indicate that they need to consult other reports before making informed decisions. Responses shown in Figure 9 also contradict the answers, again showing that respondents need to go elsewhere to get a clearer picture of what is happening with school finances.

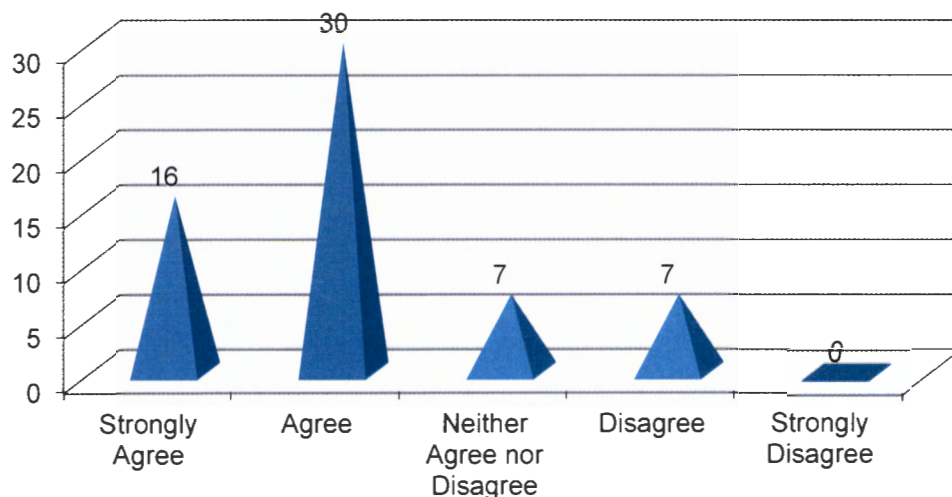


Figure 6: I have to consider other reports to make an informed decision?

The figure above (Figure 6) shows that 26% of the respondents strongly agree that they had to consider other reports to make an informed decision, 50% of the respondents agree that they had to consider other reports to make an informed decision, 12% of the respondents neither agree nor disagree that they had to consider other reports to make an informed decision, 12% of the respondents disagree that they had to consider other reports to make an informed decision and no respondents strongly disagreed that they have to consider other reports to make an informed decision. Management needs to pay attention to the respondents who strongly agree and agree as they are a very high percentage. It is worth probing why they have responded in the manner that they have, as this is a critical question in the overall aim of this research. This is important to ensure that all staff is on the same level and financial control will improve as suggested by Wu (2010).

The high number of respondents (76%) that need to consult other reports to make informed decisions simply shows dissatisfaction with the reports with which they are originally provided.

It must be noted that these reports that they receive from the school should assist in executing the following duties (RSA 2012):

- The Finance Committee must ensure that the school draws up an income and expenditure budget before November each year.
- The Finance Committee must consult with the rest of the SGB during the budgeting process.
- The SGB must be consulted when establishing what school fees should be paid by the parents.
- 30 day's notice is given for the budget meeting.
- School fees and the exemption policies are adopted through voting at the budget meeting.
- Minutes of the budget meeting are recorded and filed.
- The school financial books to be submitted for auditing the latest by end of January the following year.
- The school has to have a single current account at the bank, which is used to manage its school funds.
- The SGB satisfies itself that all expenditure is in accordance with the approved budget.
- Cheques may only be signed when a cheque requisition has been completed and signed by all the relevant officials.
- All cheques are signed by at least two signatories.
- All monies received are receipted.
- Stock registers are maintained.
- The SGB administers the school fund.
- A finance committee consisting of the SGB chairperson, treasurer and principal is set up and functional.
- A treasurer is the chairperson of the Finance Committee.
- A finance officer has been delegated this duty in writing (normally an educator in the school).
- The finance officer keeps records of funds received and spent and of the assets, liabilities and financial transactions of the school.

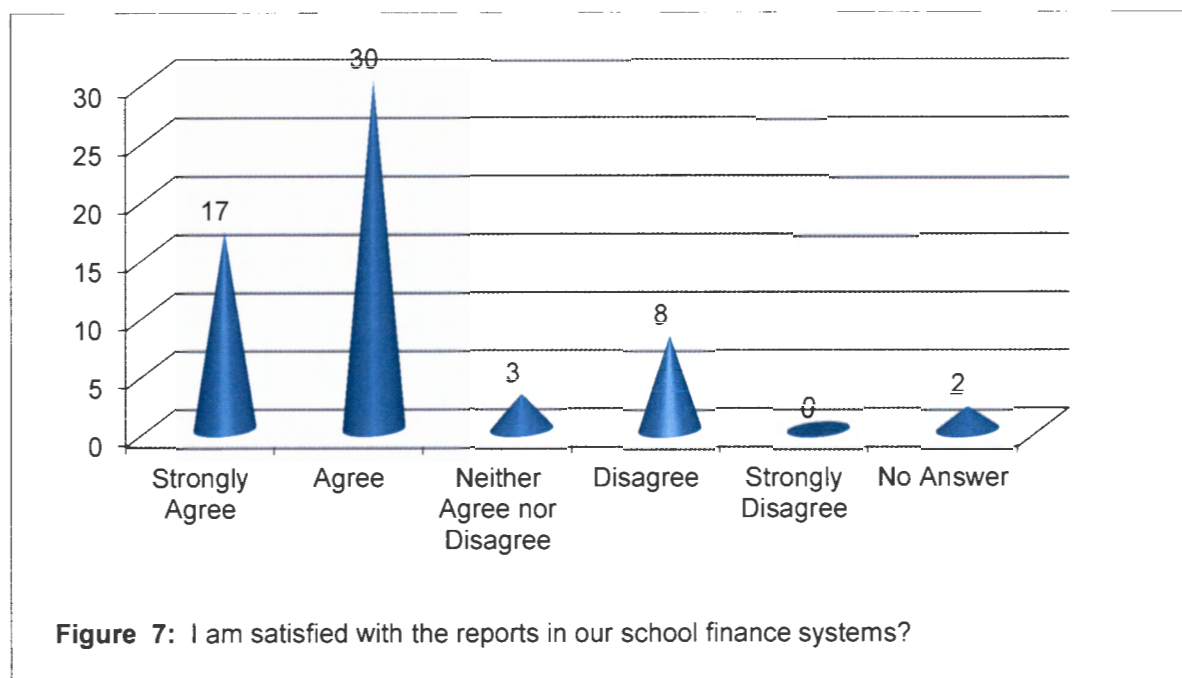


Figure 7 shows that 28% of the respondents strongly agree that they are satisfied with the reports in our school finance systems, 50% of respondents agree that they are satisfied with the reports in our school finance systems, 5% of the respondents neither agree nor disagree that they are satisfied with the reports in our school finance systems, 13% of the respondents disagree that they are satisfied with the reports in our school finance systems, zero respondents strongly disagree that they are satisfied with the reports in our school finance systems and 4% of the respondents did not want to answer the question. This analysis reveals that most respondents operate at a higher level of satisfaction than normal. This reflects the importance of satisfaction for the majority of respondents that occupy a role in financial management in the organisation, be them members of the SGB or the school administrators themselves in order to understand the impact of job satisfaction on the responsibility of management of school finances. This is in agreement with Wu and Norman (2006).

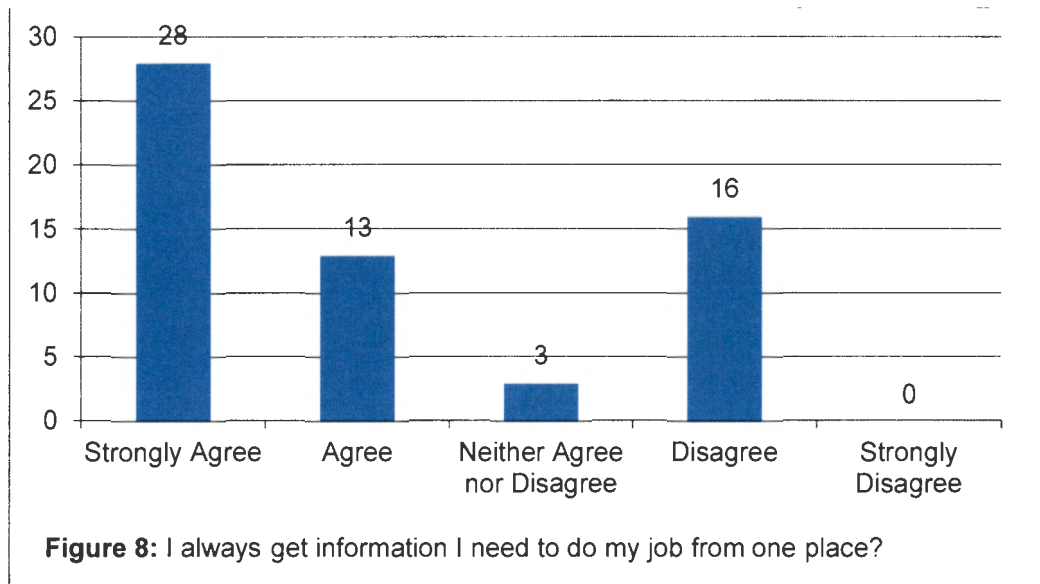


Figure 8 shows that 46% of the respondents strongly agree that they always get information they need to do their job from one place, 22% of the respondents agree that they always get information they need to do their job from one place, 5% of the respondents neither agree nor disagree that they always get information they need to do their job from one place, 27% of the respondents disagree that they always get information they need to do their job from one place and zero respondents strongly disagree that they always get information they need to do their job from one place.

The schools need to pay attention to these areas to ensure that they have more people that get enough information. Information in most cases would be retrieved from the school finance office, the chair of the SGB and the school principal. These people are in key positions to provide the necessary information for the functioning of the SGB and therefore attention to their roles and abilities should be probed. This implies that employees should be equally qualified to apply financial control. Respondents need to have acquired the required level of education to ensure proper financial control. The role of financial control is critical for educational management. This is in agreement with Shagholi, Zabihi, Atefi, and Moayed (2011).

The type of information that finance officers should keep include:

- documentation reflecting the name of the person to whom payment is to be made, the amount to be paid and the nature of the goods supplied or services rendered;
- vouchers in a safe for audit purposes;
- all payments and supporting vouchers that should be ready for reporting at the next Finance Committee meeting, i.e. before the SGB's meeting;
- a cash-flow statement prepared on a monthly basis;
- monthly bank reconciliations;

- a filing and recordkeeping system (Ndou 2012).

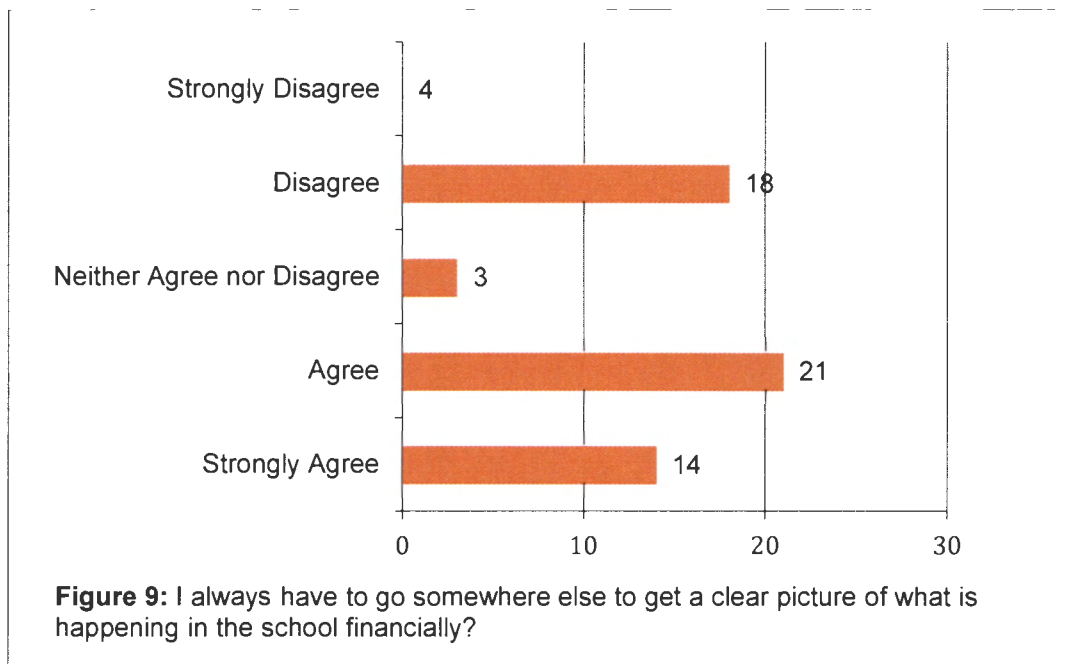


Figure 9 shows that 23% of the respondents strongly agree that they always have to go somewhere else to get a clear picture of what is happening in the school financially, 35% of the respondents agree that they always have to go somewhere else to get a clear picture of what is happening in the school financially, 5% of the respondents neither agree nor disagree that they always have to go somewhere else to get a clear picture of what is happening in the school financially, 30% of the respondents disagree that they always have to go somewhere else to get a clear picture of what is happening in the school financially and 7% of the respondents strongly disagree that they always have to go somewhere else to get a clear picture of what is happening.

It seems that there is a need to consult other sources of information in order to have a better understanding of finances. This confirms the responses depicted in Figure 7. Perhaps issues of trust where finances are concerned need to be investigated. Most of the respondents claim that there is no clear or open communication between people in terms of finances. This is in agreement with the findings of Lu and Chang (2007).

The financial statements that have to be drawn up, interpreted and prepared for the SGB can be a complicated set of documents. They require a level of skill and education for their interpretation. The resources that SGBs have (material and human) to assist in understanding these financial statements should themselves be scrutinised for adequacy. The diagram below shows the kind of information that is required for an SGB member.



Diagram 3: Aspects of Financial Statement (RSA 2013:16)

The statements on finances should ideally be presented in five parts (RSA 2013):

- 1) A statement of the financial position or income statement.
- 2) A statement of financial performance, or balance sheet.
- 3) A cash flow statement.
- 4) An audit report.
- 5) Notes comprising a summary of significant accounting policies and other explanatory notes.

The financial statements can also include:

- Asset verification certificate.
- Bank reconciliation.
- Statement of investments.
- Statement of outstanding debt.
- Copy of bank statement.
- Certificate of sound financial management.
- Declaration of other accounts.
- Certificate of verification of computerised receipting (RSA, 2013).

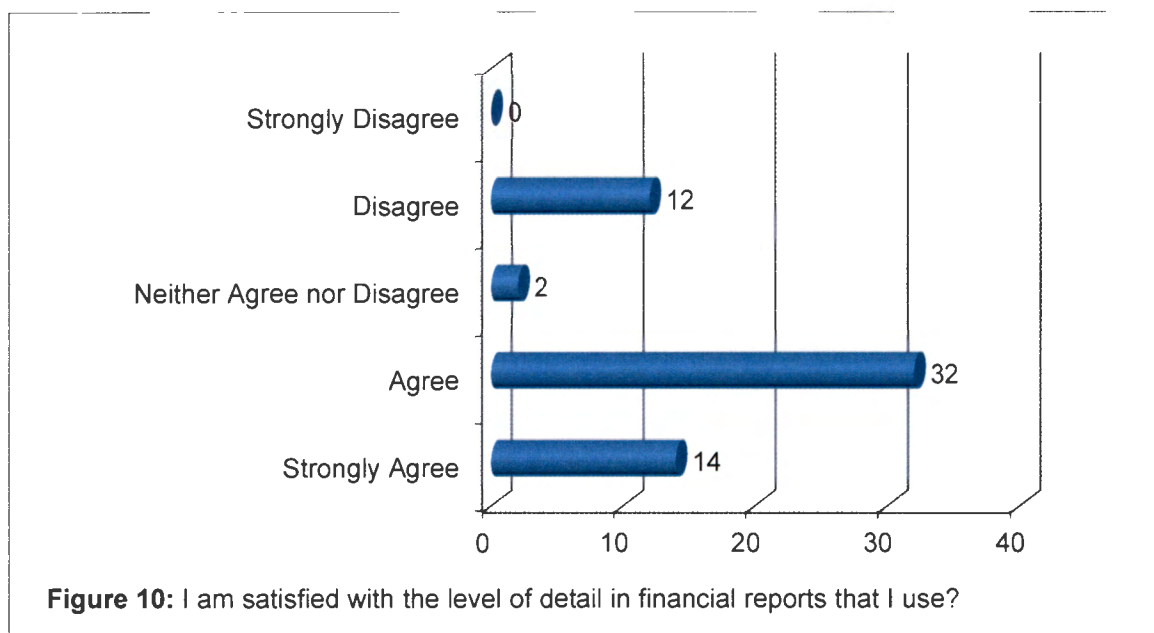


Figure 10 shows that 23% of the respondents strongly agree that they are satisfied with the level of detailing financial reports that they use, 53% of the respondents agree that they are satisfied with the level of detail in financial reports that they use, 4% of the respondents neither agree nor disagree that they are satisfied with the level of detail in financial reports that they use, 20% of the respondents disagree that they are satisfied with the level of detail in financial reports that they use and there are no respondents who strongly disagree that they are satisfied with the level of detail financial reports that they use.

76 % of the respondents agree that they are satisfied with the level of detail in financial reports that they use. The respondents seem to be satisfied with the financial reports, but they will not be aware if they reflect the full picture.

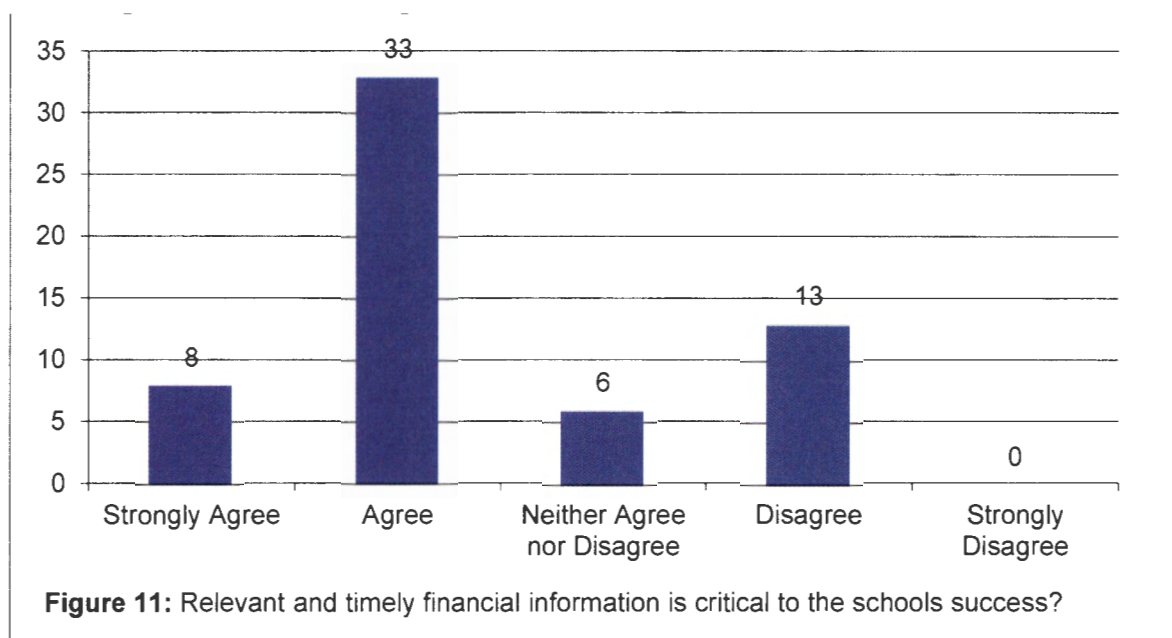


Figure 11 shows that 13% of the respondents strongly agree that relevant and timely financial information is critical to the schools success, 55% of the respondents agree that relevant and timely financial information is critical to the schools success, 10% of the respondents neither agree nor disagree that relevant and timely financial information is critical to the schools success, 22% of the respondents disagree that relevant and timely financial information is critical to the schools success and none of the respondents strongly disagree that relevant and timely financial information is critical to schools success. Most of the respondents think that financial information is critical which should be regarded as high. The idea would be to get the SGB financial administrators who agree to stay.

This may imply that the majority of respondents are talented financial administrators within the SGB. This may also imply that the opportunity to retain talented and skilled financial workers is high as none of these respondents will be retiring anytime soon. However, the challenge may be with the rate at which this age group changes jobs. Knowledge management within financial knowledge space plays a role as the understanding of trends and tools utilised to manage financial quality is important.

However quality of information alone is not sufficient for making good decisions on behalf of the school. A key are to look at in conjunction with the quality of information is the term of office of the SGB members. In terms of the policy, the term of office of governing body representatives is as follows (RSA 2012):

- The term of office of the SGB may not exceed 3 (three) years and dissolves automatically on the election of a new SGB at the end of its 3 (three) year term of office.

- The term of office of the learner component may not exceed 1 (one) year.
- An office-bearer remains in office for a term not exceeding 12 (twelve) months from the date of his or her election and may after the expiry of his or her term of office be re-elected.

Continuity of office bearers is important in matters concerning governance and management of school finances and therefore this aspect should be noted.

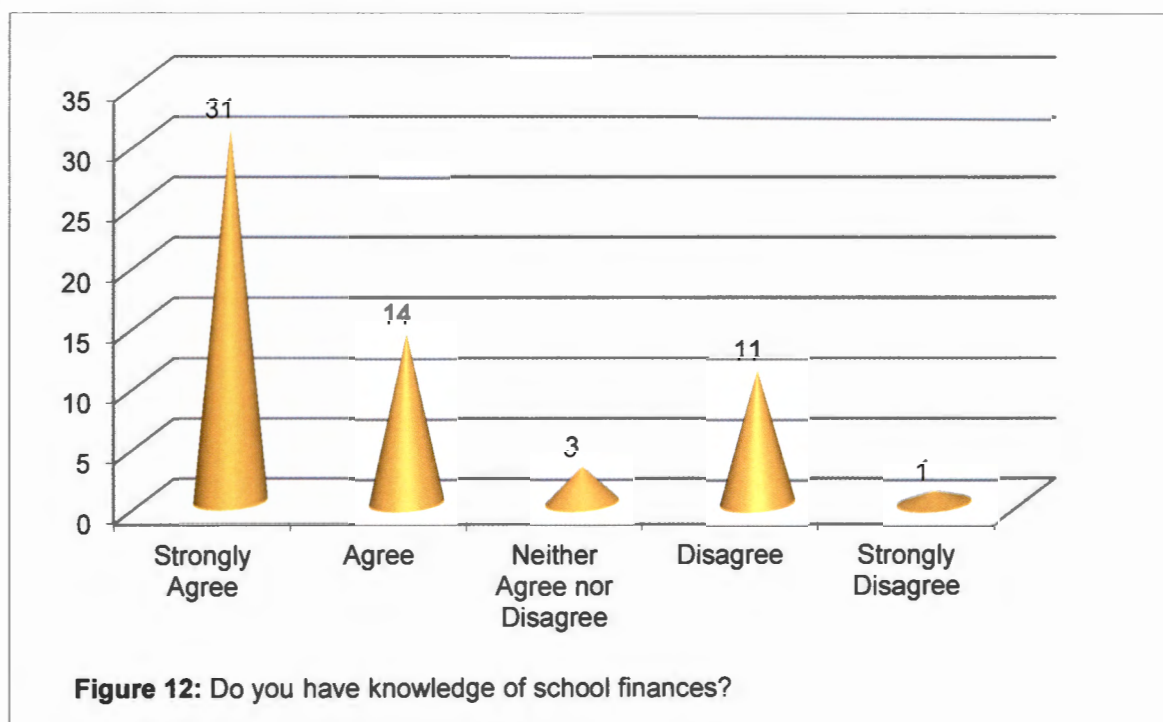


Figure 12 shows that 52% of the respondents strongly agree that they have knowledge of school finances, 23% of the respondents agree that they have knowledge of school finances, 5% of the respondents neither agree nor disagree that they have knowledge of school finances, 18% of the respondents disagree that they have knowledge of school finances and 2% of the respondent strongly disagree that they have knowledge of school finances. Most of the respondents are of the opinion that the schools are not competent enough to control finances as their own, they need outside support.

The difference between perceived satisfactions of respondents with financial control by different genders is not good. Therefore despite this, the participants regarded the financial control as a problem. This is in agreement with Cox (2008).

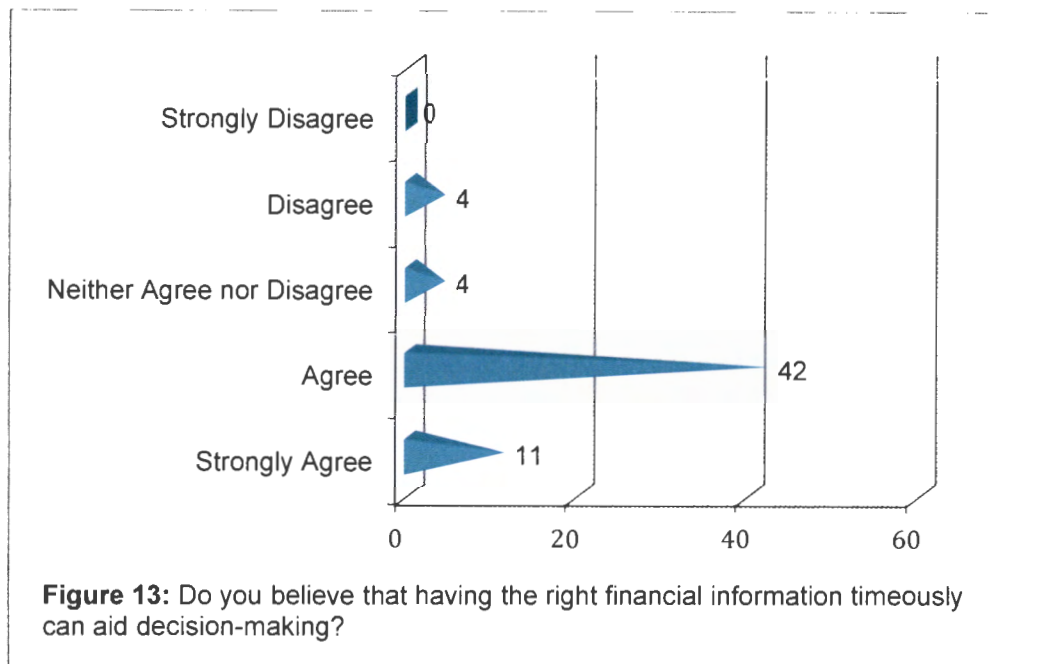


Figure 13 shows that 18% of the respondents strongly agree that having the right financial information timeously can aid with decision-making, 70% of the respondents agree that having the right financial information timeously can aid with decision-making, 6% of the respondents neither agree nor disagree that having the right financial information timeously can aid with decision-making, 6% of the respondents disagree that having the right financial information timeously can aid with decision making and none of the respondents strongly disagree that having the right financial information timeously can aid with decision-making. It seems, according to 88% of the respondents, that SGB's are not ensuring respondents are properly informed for the decisions they are supposed to make.

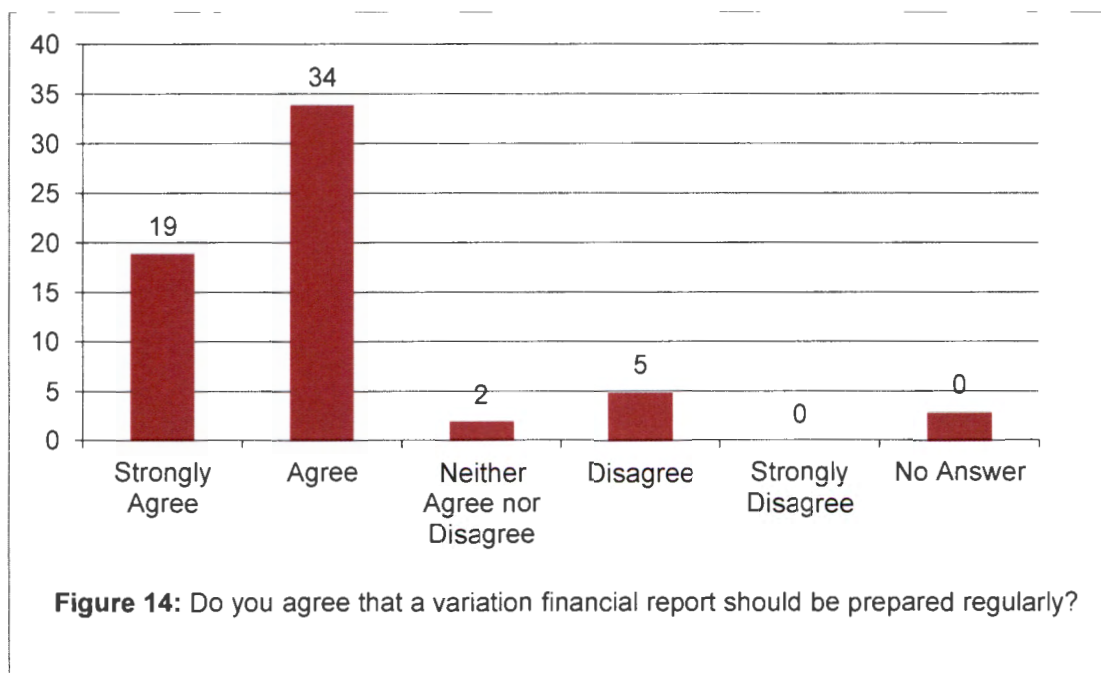


Figure 14 shows that 32% of the respondents strongly agree that a variation financial report should be prepared regularly, 57% of the respondents agree that a variation financial report should be prepared regularly, 3% of the respondents neither agree nor disagree that that a variation financial report should be prepared regularly, 8% disagree that that a variation financial report should be prepared regularly, no respondents strongly disagree that a variation financial report should be prepared regularly and there were no respondents who did not want to answer the question. 89% of respondents regard the monitoring that is being done to be accurate. The SGB needs to ensure that this result should be maintained. This is in agreement with the conclusions of Chang, Shih and Lin (2010).



Figure 15 shows that 35% of the respondents strongly agree that they do financial reports weekly or monthly, 17% of the respondents agree that they do financial reports weekly or monthly, 22% of the respondents neither agree nor disagree that they do financial reports weekly or monthly, 26% of the respondents disagree that they do financial reports weekly or monthly, none of the respondents strongly disagree that they do financial reports weekly or monthly and one respondent did not want to answer the question. The majority of the respondents are not content with the financial tasks being given to them and are of the opinion that it should be better explained by the SGB. The criteria satisfied will be considered to help to form a strong relationship between the respondents that reflect dissatisfaction and the SGB, as proposed by Wu and Norman (2016).

4.3 CORRELATIONS

The correlation between years of working and age shows a value of +0.677 — a positive association. This means that the older a person gets, the more experience they will have with working with finances. The correlation between gender and status shows a value of +0.955 — a high positive association. This means that more females than males will occupy the financial control role in the schools. The correlation of +0.827 — shows a positive association that the team (financial planners) feel that they are sufficiently accountable for them to be controlled. However, it is better to have more control.

The correlation of +0.972 means that the better your qualifications the better your way of handling the financial matters of the school. The correlation of -0.943 shows that involvement and monitoring are diverting away from each other. This is not a good result. This negative association could be interpreted as respondents not being content with the organisation's way of managing change by assigned workers to areas and according to the available resources.

The correlation of +0.639 — shows a positive association between commitment and alignment. This was fairly high.

The correlation of +0.704 shows a positive association between the original business adhering to the project integration and the knowledge of the financial strategy. This shows that most of the workers between the ages of 31–40 years are well-educated and know what the financial strategy entails for project integration. The correlation between the adequate management support and commitment throughout the financial planning and attending seminars or workshops on financial planning shows a correlation of +0.946 – a high positive association. This means that the workers in a managerial position are well-trained, skilled and part of financial implementing financial strategies.

The correlation between attending seminars or workshops on financial planning and the concurrent restructuring and centralisation process at schools finance department had a negative effect on the financial planning implementation and shows a correlation of -0.765 — a negative association. This means that the workers believe that there is a lack of managerial skills throughout phases of the projects and this need to be addressed by the SGB.

The correlation between appropriate planning measures was implemented for financial planning and the financial planning was aligned to the business strategy for the 2011/2012 financial year, that is the financial planning policy was appropriate to the financial office at the SGB level, shows a correlation of +0.935 — a high positive association. This means most of the

respondents who are in a financial position have an understanding of financial planning policies and are able to align appropriate business strategies for the SGB at the school level.

4.4 CONCLUSION

This chapter provided the detailed results of the research using statistical methods. Tables, graphs and statistics have been used to present the results of the survey. Furthermore, the data analysis has also been presented as part of this chapter to understand the various constituent elements of one's data through an inspection of relationships between concepts, constructs or variables as to establish whether there are any patterns or trends that can be identified, isolated or established in the data (Mouton, 2006).

The next chapter presents the recommendations and inferences drawn from the data analysis and the aim is to ensure easy understanding of recommendations in order to add value to existing literature and also identify gap areas where new or further research can still be conducted.

CHAPTER 5

RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

The purpose of this chapter is a summary of the research study that was conducted. This summary reviews the purpose of the study, provides a restatement of the research questions the research methodology used and the study results. The recommendations and conclusions are presented.

5.2 SUMMARY OF THE STUDY

Chapter 1 gave us the background of the research study and the aspects that prompted the researcher to embark on this research. Theoretical and practical objectives of the study are discussed. The objective of the research was to assess financial management at schools in the rural areas of Mafikeng in the North West Province.

Key concepts like financial management, SGBs, good corporate governance, financial literacy, etc are introduced as the focus of the study. The objectives of the study are defined with the three research questions on which the study is based. The problem statement provides the broader contextual issues within which the research questions are placed.

As this is a policy research project, the DBE is viewed as the custodian body of the policy being researched. Furthermore, the role of the SGB is considered as a vehicle for implementing the policy of the DBE.

The literature reviewed in Chapter 2 addresses aspects of school finances, budgets and school finance policies. The review compares the work of some international and local scholars who have contributed to the body knowledge on school finances. The chapter also describes the legislative framework and policies applicable to the schools in the North West Province, more specifically the Mafikeng area. The existing literature served as a starting point for the collection of relevant ideas to provide clarity to formulate the research questions.

Key concepts introduced in Chapter 1 are defined in this chapter. Figure 1 is a very important visual representation of the concepts used in the study.

The South African Schools Act (SASA), Act 84 of 1996 is deliberately discussed at length in this chapter. This research project evaluates the ability of the policy to be applied in the Mafikeng area. The reviewed literature further evaluates aspects of this legislation.

As with many research projects an international context is introduced in this chapter for the purpose of comparison to the local situation. This provides an understanding of the manner in which similar practices are carried out in other countries as well as the nature of the problem in another country. Many lessons can be learnt from an international context.

There is an attempt to discuss politics of centralisation and decentralisation of school finance management that is made in this chapter. This is important as this policy research project looks at the impact of the policy decision to decentralise the management of school finances by forming SGBs. Decentralisation and its impact are further discussed within the issues of Section 21 and non-Section 21 schools. The literature covers all these aspects.

A key for the problem stated in the research project is to look at the ability of SGBs to manage the school finances. This is discussed at length in this project. More concepts, like risk management, budgeting, finance equalisation, etc., are introduced and discussed in the literature and add value to the discussion for this study.

Chapter 3 discussed the research design and methodology. The chapter reviewed methods that have been used to measure school finance management and the role of SGBs in the rural areas of Mafikeng. Information is provided on instrumentation, research type, population, sampling method, and data gathering methods from a theoretical perspective, the way in which the research will be conducted and what steps will be taken to ensure the validity of the data. The researcher elaborates on the advantages of the use of the research methods employed in gathering and analysing the kind of data needed to analyse the responses to the specific research questions used in this study.

This research design focuses on the methodology used to define the research problem and questions, gathering of the information that will help answer the research questions and the analyses and reporting the results. A decision was made to conduct a quantitative research project, where statistics were generated and used as raw data to answer the three key questions of the research project. For purposes of this study a questionnaire was deemed sufficient as the data collection tool, and its advantages are discussed in Chapter 3. The questionnaire is divided into four parts according to the purpose of the formulated question:

Part 1- Questions 1-9	Biographical data on the respondents including age, gender, and qualifications.
Part 2- Questions 10-15	Understanding of the school finance management in the Mafikeng area by the SGB.
Part 2- Questions 16-19	The importance of school finance management in the Mafikeng area as set by SGB.
Part 2- Questions 20-25	The challenges of school finance management experienced by the SGB in the rural areas of Mafikeng.

The sample of four hundred is deemed sufficient for the purpose of this research study and an explanation is provided for this within the chapter. The reason for choosing the non-probability sampling method is discussed, with its advantages for this research project. Later on in the chapter, more details of the research population are given.

As with any research project, there are certain variables that were being investigated and observed in this project; and these are discussed. Lastly the data analyses process and methodology is discussed.

The focus of Chapter 4 is data presentation and analysis. The chapter provides the detailed results of the research using statistical methods. Tables, graphs and statistics have been used to present the results of the survey. Data analysis has also been presented as part of this chapter to understand the various constituent elements of one's data through an inspection of relationships between concepts, constructs or variables, as to establish whether there are any patterns or trends that can be identified, isolated or established in the data. Various correlations were drawn using recognised methodologies. There were also interesting contradictions that were noted.

A discussion of the data is carried out throughout the chapter. This is an attempt to quickly make note of interesting issues that the data is raising in relation to the research questions. This allows the key questions to be answered quickly. Furthermore, visual representation of the statistics gathered through the questionnaire allow for easier interrogation of the data.

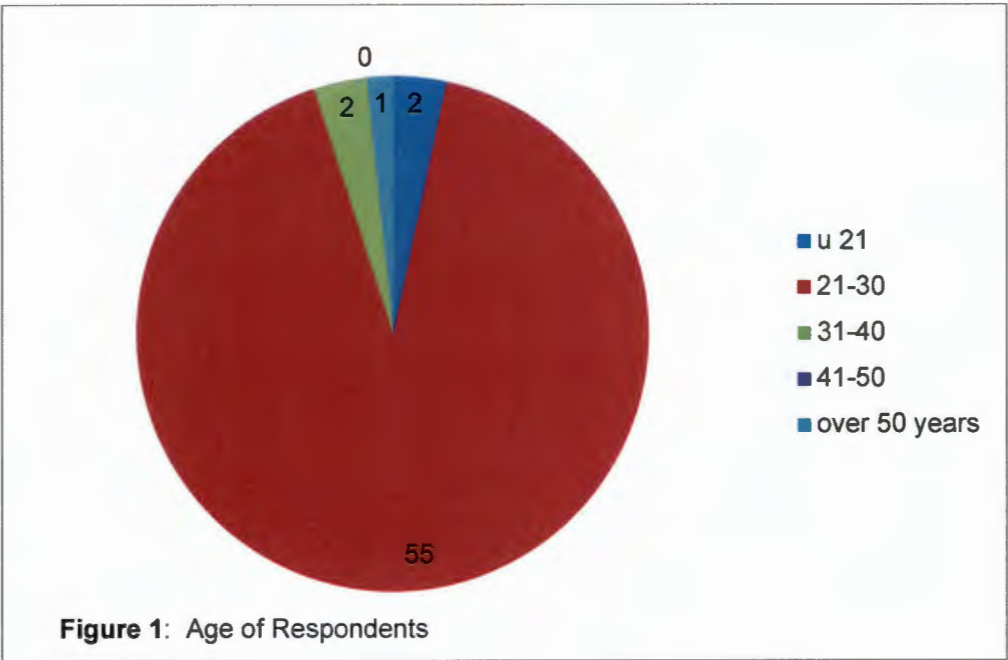
In the final chapter, Chapter 5, the findings to the research questions posed in Chapter 1 are summarised, and the conclusions and recommendations are presented based on the results presented in Chapter 4. These revolved around the level of control of school finances applied by the SGB, specific causes of poor financial management performance and the role the SGB and DBE can play.

5.3 RESPONSE TO THE RESEARCH QUESTIONS

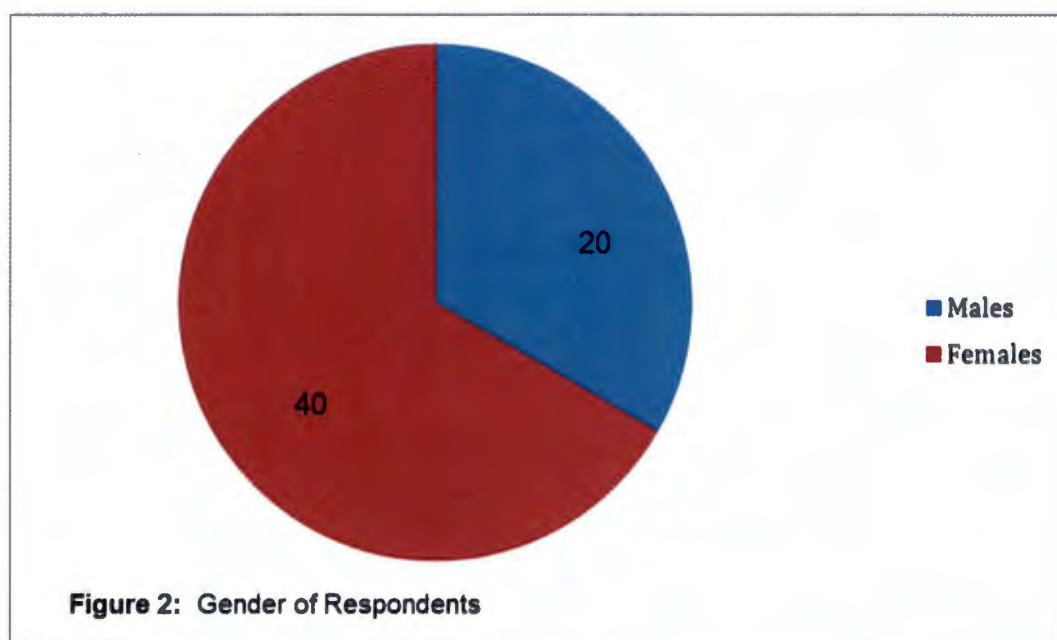
This chapter reflects on findings of the research derived through analysis and interpretation of statistical data as discussed in the previous chapters and recommendations that promote system-wide teacher satisfaction to improve their quality, retention and student achievement.

The first part of the data collection process involved collecting demographic data. This is useful in identifying the population of respondents of the study. It is important to note the age and gender of the respondents as literature has drawn attention to these variables.

Figure one below shows that from the 60 respondents, 3% respondents was aged under 21 years, 92% were aged between 21 and 30 years; 3% were aged between 31 and 40 years; none of the respondents were aged between 41 and 50 years; and 2% were aged above 50. The majority of respondents were aged between 31 and 40 years. The age of the respondents 21-30 years is typically youthful with 95% less than 30 years of age; and not usually found in employment in South Africa.



Looking at a gender breakdown of the respondents, the data shows that out of a total sample of 60 respondents, 40 were female. As no preference was given to sex, the sample breakdown is considered as representative of the demographics of the research population. These figures reflect that the SGB respondents are dominantly female. This may be due to the fact that finance role is regarded as lower role and given the BEE policy context that supported mainly female SGB, this could be the reason of high representation of female SGB. See Figure 2:



5.3.1 What is the level of control of school finances applied by SGB in the rural areas of Mafikeng schools?

Most of the respondents are not satisfied with information they had received to execute their duties as SGB members. The DBE needs to give attention to this aspect to ensure that the SGB members receive the required information. All candidates need to have acquired the required level of education to ensure job satisfaction and optimal execution of duties. This also means that education cannot be used as a differentiating factor between male and females.

The perception of most of the respondents is that there is no transparency; hence the issue has been raised about trusting the information given to them. Given that the level of education of the SGB members is relatively high, it can be assumed that interpretation of the material (reports) that the respondents receive from the schools is not a major problem. However, there could be gaps in the information causing them not to trust the only source of information they can use to do their work. This is in agreement with Lu et al. (2007). Respondents indicated that they need to use other reports and other sources of information in order to do their work properly.

There needs to be a formalised flow of communication that ensures that adequate information is provided to all SGB members. Trust can only be created by allowing these sentiments of mistrust to be aired in a safe environment and then taken up formally by the relevant accountable people. The DBE should monitor this process of information dissemination as one of their keys to measure the successful role of SGBs.

The place where the financial records are kept is critical in ensuring good governance in schools and in the functions of the SGB. The people that compile the financial records should be made accountable to the SGB as and when needed.

5.3.2 What are the specific causes of poor finance management and what role can the SGB play in the Mafikeng area?

The lack of adequate and trustworthy information to execute duties was identified as a major cause for poor finance management. The reasons for the lack of information were not established clearly by the research questions. The causes may be numerous, but it remains an aspect that should be addressed.

The various legislation and policies that govern public finances and school finances in South Africa should be clearly understood by the SGBs. Furthermore, the implications of poor management of school finances for their particular schools and education development in general should also be well understood by all members.

All schools should have well-developed internal financial control systems, clearly understood and monitored by, the SGB and adhered to at all times.

5.3.3 What role could the DBE play to improve financial control exercised by SGB in the Mafikeng area?

Communication, cooperation and commitment are essential skills. Organisational Commitment (OC) is a vital component in any effective organisation and is important in achieving human resource capabilities (Chang, 2006). Teacher commitment has been identified as a key aspect of a school's capacity for reform (Cohen, 2007) and renewal through insights and it determines the quality of teaching and school improvements. This study suggests the application of the components of OC for developing healthy culture in schools to achieve educational goals. The same OC can be inculcated in the SGB. The provincial DBE should prioritise this and include it in their programmes of engagement with SGBs in Mafikeng.

Perhaps communicating to the circuit managers their need to be involved is a good strategy in getting the local and provincial DBE in Mafikeng to pay more attention to the problem. Moreover, committing more resources to achieving OC may be a strategic decision in developing SGBs. However, without a formalisation of these relationships between the SGB and local DBE representatives most of the good efforts towards the goal of increasing OC will fall away in time. It is important that formalised communication takes place.

Formalised training of the SGBs in key issues, as per the need of each SGB, could be arranged by the DBE. It's clear that the area of Mafikeng has its own dynamics and therefore needs tailored interventions. Training could cover a variety of themes, including communication, accountability of members, principles of sound financial management, information dissemination and decision-making, etc. The DBE could further support on-the-job training of SGBs.

5.4 FUTURE RESEARCH

This study contributes to various opportunities for further research, notably:

5.5.1 The role of the school circuit managers in supporting SGBs.

The respondents indicated a lack of support for them in the SGB was an important area of concern. Typically circuit managers are the support structure that is made available to schools and have to create enabling environments for education to take place. This involves the optimal functioning of the SGB. Therefore a clearer understanding of the role these circuit managers play as far as SGBs are concerned is useful.

5.5.2 The role of school finance administration in supporting SGBs.

SGBs function as far as financial management and oversight is concerned requires a fair amount of support from school finance administrators and managers. The respondents indicated a lack of knowledge about how these people should support them, and perhaps a policy issue on the role of the administrators and managers has been unearthed here. Some research on the role of finance administrators and their capacity to fulfil this role can therefore assist.

5.5.3 Opportunities for further training and development of SGBs in Mafikeng.

Capacity development of SGB members was raised as a key area of concern by the respondents. However it is important to have a clearer understanding of the kind of skills that SGBs need. Research on what kinds of skills are required by SGBs is therefore important.

5.5.4 Impact of inadequate and untrustworthy information in the execution of SGB duties.

Part of the problematizing of the capacity issues of SGBs drew the conclusion that information the SGBs received from various sources was deemed untrustworthy. This had an impact on their execution of their duties. However the impact of this information on their day to day work

was not interrogated in this research, but remains a critical part of coming to a better understanding of how SGBs fair in the environment they are working in.

5.5.5 Rural SGBs and their ability to advocate for better support from the local and provincial DBE.

This research project focused on experiences of SGBs in rural communities. The capacity of these SGBs to engage their local government and provincial government and request assistance or support therefore became an area of concern. Issues of knowledge, skills and relevant competencies to advocate for better support to the schools and the SGB itself are important to interrogate further.

5.5 CONCLUSION

Information requirements were a major issue for the respondents and it was clear that most were not satisfied with information they had received to execute their duties as SGB members. Related to the issue of lack of information was the perception that there was no transparency as far as information was concerned. Given that the level of education of the SGB members surveyed is relatively high, it can be assumed that interpretation of the material (reports) that the respondents receive from the schools is not a major problem. However, there could be gaps in the information causing them not to trust the only source of information they can use to do their work. This is in agreement with Lu et al. (2007). Respondents indicated that they need to use other reports and other sources of information in order to do their work properly. Furthermore the place where the financial records are kept is critical in ensuring good governance in schools and in the functions of the SGB.

There was a further problem regard the ability of the SGB members to execute their duties. The lack of adequate and trustworthy information to execute duties was identified as a major cause for poor finance management. More support from DBE will be instrumental in assisting with this issue. In particular, the DBE could further assist with communication, cooperation and commitment skills development for SGBs. The provincial DBE should prioritise this and include it in their programmes of engagement with SGBs in Mafikeng.

Formalised training of the SGBs in key issues, as per the need of each SGB, could be arranged by the DBE. It's clear that the area of Mafikeng has its own dynamics and therefore needs tailored interventions. Training could cover a variety of themes, including communication, accountability of members, principles of sound financial management, information dissemination and decision-making, etc. The DBE could further support on-the-job training of SGBs.

The specific research questions asked in this study have provided opportunity to investigate more about the unknown inner workings of SGBs. This allows for further aspects for interesting research to be identified and pursued. Numerous research questions can be derived from this research project. This study has noted that issues regarding (a) the role of the school circuit managers in supporting SGBs, (b) the role of school finance administration in supporting SGBs, (c) opportunities for further training and development of SGBs in Mafikeng, (d) impact of inadequate and untrustworthy information in the execution of SGB duties and (e) rural SGBs and their ability to advocate for better support from the local and provincial DBE will assist in creating a better understanding of the ability of Mafikeng SGBs to perform their roles optimally. This kind of research is policy relevant and will assist the DBE in monitoring its SGB programme, and improve education management in Mafikeng.

The framing of the research questions has been greatly assisted by the literature that has been reviewed, and in particular the policy governing roles and responsibilities of SGBs. The literature on international practices and experiences of SGBs has also assisted. The attempt to examine the capacity of SGBs and schools to manage school finances has been successful. This is a very important aspect of education management.

Lastly various recommendations for improvement have been noted in the study, in particular recommendations for greater involvement of the local and provincial DBE.

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APPENDIX A: MATRIX

ARTICLES	Defi niti on	Com petit ion	Local Spen ding and	Scho ol Spen ding and Scho ol Finan ces Equal izatio n	Strate gic Intera ction and Schoo l Financ es	Rev enu e Anal ysis and Scho ol Finan ces	Poli cy Plan and Scho ol Finan ces	Ris k and Scho ol Finan ces
Competitive Foods Sales Are Associated with a Negative Effect on School Finances 1	Y	Y	Y	Y	Y	Y	Y	Y
The effect of state education finance reform on total local resources 2					Y			
Competition in the public school sector: Evidence on strategic interaction among US school districts 3		Y			Y	Y	Y	Y
Inequality and school funding in the rural United States, 1890 4	Y	Y	Y	Y				
Estimating the effects of school finance reform: a framework for a federalist system 5	Y	Y	Y	Y	Y	Y	Y	Y
School finance reform and voluntary fiscal federalism 6	Y			Y	Y	Y	Y	Y
School Reform and Restructuring: Self Managing School 7	Y	Y	Y			Y	Y	Y
School Finance: An Overview 8	Y	Y	Y		Y	Y	Y	Y
School Finance Reform 9			Y			Y	Y	
Suburbanization, demographic change and the consequences for school finance 10		Y			Y	Y	Y	Y
Suburbanization, demographic change and the consequences for school finance 11	Y	Y	Y	Y	Y	Y		
School Finance and School Choice in the Netherlands 12	Y	Y	Y	Y	Y		Y	Y
Measuring equity of educational outcomes in the presence of inefficiency 13	Y	Y	Y	Y		Y	Y	Y
Low cost private schools for the poor: What public policy is appropriate? 14	Y		Y		Y	Y	Y	
The valuation of risk transfer in UK school public private partnership contracts 15	Y	Y				Y	Y	Y
Geo-education of Islamic finance in the global space 16	Y		Y		Y	Y		Y
Chinese Higher Education Finance: Changes over Time and Perspectives to the Future 17	Y	Y	Y		Y	Y	Y	Y
Recent research in project finance a commented bibliography 18		Y	Y			Y	Y	
Affective Education and School Choice: The Spanish Case 19		Y	Y	Y	Y	Y	Y	Y
Relative Private School Effectiveness in the Netherlands: A Re-examination of PISA 2006 and 2009 data 20		Y		Y	Y	Y	Y	Y
An integrated assessment of the effects of Title 1 on school behaviour, resources and student achievement 21		Y	Y	Y			Y	Y
Finance, management and costs of public, private schools 22		Y	Y	Y	Y	Y	Y	Y
Formula funding and decentralised		Y	Y	Y		Y	Y	Y

management of schools 23								
Growth and poverty in a globalising world 24			Y	Y	Y	Y	Y	
Growth, international inequalities and poverty in a globalising world 25		Y	Y	Y				
Small homes, public schools and property tax 26		Y	Y	Y				
The capitalisation effects of school fees on undeveloped land values 27	Y	Y	Y	Y				
For the public good 28	Y	Y	Y	Y	Y	Y		
Educational finance to support high learning standards 29	Y		Y	Y	Y	Y	Y	
Interstate variation in the use of fees to fund K-12 public education 30		Y		Y		Y		
Federal contributions to high-income school districts 31	Y	Y		Y		Y	Y	
From districts to schools 32	Y	Y		Y				Y
Effects of decentralisation on school resources 33	Y			Y	Y			Y
Education inputs, performance and school finance reform in Michigan 34	Y	Y	Y					Y
The homeover values: Book review 35	Y	Y	Y	Y			Y	
Some economic guidelines for design of character school district 36		Y	Y	Y		Y	Y	
Education finance reform and investment in human capital 37				Y		Y	Y	
School finance reform and private school enrolment 38	Y			Y		Y		
Is intra-jurisdictional resource allocation equitable? 39				Y	Y	Y		
New schools , teachers, students : evaluating effectiveness 40	Y	Y	Y	Y	Y	Y	Y	Y

APPENDIX B: DEVELOPMENT MATRIX QUESTIONNAIRE

Questionnaire Section	Research Questions	Question Nr.	Development Matrix				
			Survey Question/ Statements	Response Options	Data Type	Appropriate Data Measure	Appropriate Statistical Test
Section 1	Demographi c Questions	1.1	Please tick your age group in the appropriate block:	41-50, 51-60, 60+	Discrete	Ordinal	Basic descriptive statistics, single group t test, the z proportions test the X ² test. (Use demographic data to characterise your respondents).
			How old are you?	Male - Female	Dichotomous	Nominal	
		1.2			Discrete	Ordinal	
			What is your gender?	1-2, 3-4, 5-6, 7- 8, 9-10, 10+			
		1.3			Dichotomous	Nominal	
			How many years have you been working?	Managerial – Non-Managerial	Dichotomous	Ordinal	
		1.5		Black, White, Asian, Coloured and A member of another ethnic group	Dichotomous	Nominal	
	Are static ERP reports sufficient for the business?	2.1	What is your highest level of education?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree-	Continuum (= Cline)	Scalar (Likert Scale)	Any member of the X ² family or correlation tests, e.g., Phi co-efficient, the contingency
			Ethnic Group?	No schooling, B degree, Postgraduate, Grade 12/Matric and Diploma			
			Level of education?				

Section 2		2.2	The reports contain all the information I need?	Strongly Disagree Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree	Continuum	Scalar (Likert Scale)	coefficient and Cramer's V, the lambda co-efficient or the un-certainty coefficient (U) or the Pearson significance test.
		2.3	I am satisfied with the reports in our school finances systems?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree	Continuum	Scalar (Likert Scale)	
		2.4	I am satisfied with the reports in our school finances systems?		Continuum	Scalar (Likert Scale)	
		2.5	I have to consider other reports to make an informed decision?		Continuum	Scalar (Likert Scale)	
				Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree			
Section 3	Is there a need for relevant and timely information ?	3.1	I always get information I need to do my job from one place?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree	Continuum	Nominal	Any member of the X ² family or correlation tests Basic descriptive statistics, single group t test, the z proportions test the X ² test.
					Continuum	Nominal	
		3.2	Do you often need to drill down the data that is presented in the reports?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree-	Continuum	Nominal	

		3.3	I am satisfied with the level of detail in reports that I use?	Strongly Disagree Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree		Nominal	
		3.4	Relevant and timely information is critical to the schools success?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree			
		4.1	Do you have knowledge of school finances?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree	Dichotomous	Ordinal	
		4.2	Do you believe that having the right information timeously can aid decision making?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree	Continuum	Scalar (Likert Scale)	Any member of the X^2 Any member of the X^2 family or correlation tests, e.g., Phi co-efficient, the contingency coefficient and Cramer's V, the lambda co-efficient or the un-certainty coefficient (U) or the Pearson significance test.
		4.3	Do you believe that all schools should do this?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree	Continuum	Scalar (Likert Scale)	
		4.4	Do you agree that a variation report should be prepared regularly?	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree	Continuum	Scalar (Likert Scale)	(Continuous data reveal attributes of whatever one studies, allow one to determine general trends and establish significant correlations = co-relation trends between two attributes)
		4.5	How many times - once, 2-4, 6, do you	Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree			
Section 4	Can the implementation of financial reports assist the school?						

			this AND plus report should be done monthly, never?	Disagree Strongly Agree - Agree- Neither Agree nor Disagree- Disagree- Strongly Disagree			
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APPENDIX C: QUESTIONNAIRE

FOR OFFICE USE ONLY: Respondent Code: _____

“ An empirical investigation into the impact of financial literacy of school governing bodies on decision-making in Mafikeng”

Graduate School: North-West University

Researcher: Setumo Liale

Supervisor: Prof S Lubbe

Note to the respondent:

- The researcher needs your help to understand the financial controls applied by the SGB in managing school finances, the role of Department of Basic Education (DBE) in supporting the implementation of financials controls in schools through SGB and financial management of schools in Mafikeng.
- Although we would like you to help us, you do not have to take part in this survey.
- If you do not want to take part, just hand in the blank questionnaire at the end of the survey session.
- What you say in this questionnaire will remain private and confidential.

The questionnaire as three parts:

Part 1 asks permission to use your responses for academic research.

Part 2 asks general personal particulars like your age, gender etc.

Part 3 to 5 asks questions about job satisfaction and primary school educators.

How to complete the questionnaire:

1. Please answer the questions as truthfully as you can. Also, please be sure to read and follow the directions for each part. If you do not follow the directions, it will make it harder for us to do our project.
2. We are only asking you about things that you and your fellow colleagues should feel comfortable telling us about. If you don't feel comfortable answering a question, you can indicate that you do not want to answer it. For those questions that you do answer, your responses will be kept confidential.
3. You can mark each response by making a tick or a cross, or encircling each appropriate response with a PEN (not a pencil), or by filling in the required words or numbers.

Thank you very much for filling in this questionnaire.

Part 1: Permission to use my responses for academic research

I hereby give permission that my responses may be used for research purposes provided that my identity is not revealed in the published records of the research.

Initials and surname _____

Postal address: _____

Postal code: _____

Contact numbers: Home: _____ Cell: _____

No	PART 2: GENERAL PERSONAL PARTICULARS <i>Please tell us a little about yourself</i> <i>Please mark only ONE option per question below.</i>		No.	PART 3: Are static ERP reports sufficient for the business? <i>Please tell us a little about yourself</i> <i>Please mark only ONE option per question below</i>	
1.	How old are you? ☐ under 21 years ☐ 21-30 years	☐ 31-40 years ☐ 40-50 years ☐ Over 50 years	7.	The reports contain all the information I need? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree	
2.	What is your gender? ☐ Male	☐ Female	8.	I am satisfied with the reports in our school finances systems? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree	
3.	How many years have you been working? ☐ under 2 years ☐ 2- 3years ☐ 3-4 years	☐ 5-6 years ☐ 7-8 years ☐ Over 9 years	9.	I have to consider other reports to make an informed decision? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree	
4.	What is your status at work? ☐ Non-Managerial	☐ Managerial	No.	PART 4: Is there a need for relevant and timely information? <i>Please tell us a little about yourself</i> <i>Please mark only ONE option per question below</i>	
5.	Your ethnic group? ☐ Black ☐ White ☐ Asian	☐ Coloured ☐ A member of another ethnic group	10.	I always get information I need to do my job from one place? ☐ Strongly agree ☐ Agree	☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree
6.	What is your highest level of education? ☐ No schooling ☐ B Degree	☐ B Degree ☐ Postgraduate ☐ Grade 12/Matric ☐ Diploma	11.	Do you often need to drill down the data that is presented in the reports? ☐ Strongly agree ☐ Agree	☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree

					Strongly disagree
12.	I am satisfied with the level of detail in reports that I use? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree		15.	Do you believe that having the right information timeously can aid decision making? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree	
13.	Relevant and timely information is critical to the schools success ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree		16.	Do you believe that all schools should do this? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree	
No.	PART 5: Can the implementation of financial reports assist the school? <i>Please tell us a little about yourself</i> <i>Please mark only ONE option per question below</i>		17	Do you agree that a variation report should be prepared regularly? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree	
14.	Do you have knowledge of school finances? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree		18	How many times - once, 2-4, 6, do you this AND plus report should be done monthly, never? ☐ Strongly agree ☐ Agree ☐ Neither Agree nor Disagree ☐ Disagree ☐ Strongly disagree	
				THANK YOU FOR YOUR TIME---THE END	

APPENDIX D: CORRELATIONS

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Correlations.....

		Age	Gender	Years	Status	Ethnic	Education	Q1	Q2	Q3	Q4
Age	Pearson Correlation	1	.153	.020	^a	^a	-.087	.197	-.015	.265 [*]	-.098
	Sig. (2-tailed)		.244	.877	.	.	.510	.132	.907	.041	.455
	N	60	60	60	60	60	60	60	60	60	60
Gender	Pearson Correlation	.153	1	-.045	^a	^a	-.447 ^{**}	.319 [*]	.201	.244	-.104
	Sig. (2-tailed)	.244		.735	.	.	.000	.013	.123	.060	.428
	N	60	60	60	60	60	60	60	60	60	60
Years	Pearson Correlation	.020	-.045	1	^a	^a	-.109	.184	.018	.132	-.225
	Sig. (2-tailed)	.877	.735		.	.	.407	.159	.892	.316	.084
	N	60	60	60	60	60	60	60	60	60	60
Status	Pearson Correlation	^a	^a	^a	^a	^a	^a	^a	^a	^a	^a
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.
	N	60	60	60	60	60	60	60	60	60	60
Ethnic	Pearson Correlation	^a	^a	^a	^a	^a	^a	^a	^a	^a	^a
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.
	N	60	60	60	60	60	60	60	60	60	60
Education	Pearson Correlation	-.087	-.447 ^{**}	-.109	^a	^a	1	-.459 ^{**}	.024	-.143	.155
	Sig. (2-tailed)	.510	.000	.407	.	.		.000	.854	.274	.237
	N	60	60	60	60	60	60	60	60	60	60
Q1	Pearson Correlation	.197	.319 [*]	.184	^a	^a	-.459 ^{**}	1	-.066	.335 ^{**}	-.457 ^{**}
	Sig. (2-tailed)	.132	.013	.159	.	.	.000		.614	.009	.000
	N	60	60	60	60	60	60	60	60	60	60

Q2	Pearson Correlation	-.015	.201	.018	. ^a	. ^a	.024	-.066	1	.080	-.061
	Sig. (2-tailed)	.907	.123	.892	.	.	.854	.614		.543	.644
	N	60	60	60	60	60	60	60	60	60	60
Q3	Pearson Correlation	.265 [*]	.244	.132	. ^a	. ^a	-.143	.335 ^{**}	.080	1	-.272 [*]
	Sig. (2-tailed)	.041	.060	.316	.	.	.274	.009	.543		.035
	N	60	60	60	60	60	60	60	60	60	60
Q4	Pearson Correlation	-.098	-.104	-.225	. ^a	. ^a	.155	-.457 ^{**}	-.061	-.272 [*]	1
	Sig. (2-tailed)	.455	.428	.084	.	.	.237	.000	.644	.035	
	N	60	60	60	60	60	60	60	60	60	60
Q5	Pearson Correlation	-.238	.216	-.137	. ^a	. ^a	-.114	-.158	.288 [*]	-.246	-.055
	Sig. (2-tailed)	.067	.097	.295	.	.	.385	.227	.026	.058	.675
	N	60	60	60	60	60	60	60	60	60	60
Q6	Pearson Correlation	-.021	.070	-.212	. ^a	. ^a	.106	-.197	.112	-.197	.019
	Sig. (2-tailed)	.872	.596	.104	.	.	.422	.131	.393	.131	.888
	N	60	60	60	60	60	60	60	60	60	60
Q7	Pearson Correlation	-.156	-.474 ^{**}	-.052	. ^a	. ^a	.246	-.412 ^{**}	.029	-.243	.108
	Sig. (2-tailed)	.234	.000	.693	.	.	.058	.001	.824	.061	.413
	N	60	60	60	60	60	60	60	60	60	60
Q8	Pearson Correlation	-.220	-.149	-.269 [*]	. ^a	. ^a	-.069	-.065	-.047	-.066	.102
	Sig. (2-tailed)	.091	.257	.037	.	.	.602	.624	.723	.619	.438
	N	60	60	60	60	60	60	60	60	60	60
Q9	Pearson Correlation	.148	.033	-.142	. ^a	. ^a	.139	-.264 [*]	.076	-.103	.147

Q10	Sig. (2-tailed)	.260	.804	.279	.	.	.288	.041	.564	.433	.264
	N	60	60	60	60	60	60	60	60	60	60
	Pearson Correlation	-.007	-.145	-.142	. ^a	. ^a	.085	-.149	.122	-.175	.209
Q11	Sig. (2-tailed)	.955	.269	.278	.	.	.520	.257	.351	.181	.110
	N	60	60	60	60	60	60	60	60	60	60
	Pearson Correlation	-.126	-.107	-.160	. ^a	. ^a	.232	.014	.131	-.156	.070
Q12	Sig. (2-tailed)	.338	.417	.222	.	.	.075	.913	.319	.235	.596
	N	60	60	60	60	60	60	60	60	60	60
	Pearson Correlation	.120	.081	.080	. ^a	. ^a	-.226	.273 [*]	-.060	.239	-.086
Q12	Sig. (2-tailed)	.362	.538	.546	.	.	.083	.035	.650	.066	.514
	N	60	60	60	60	60	60	60	60	60	60

Correlations

		Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Age	Pearson Correlation	-.238	-.021	-.156	-.220 ^a	.148 ^a	-.007	-.126	.120
	Sig. (2-tailed)	.067	.872	.234	.091	.260	.955	.338	.362
	N	60	60	60	60	60	60	60	60
Gender	Pearson Correlation	.216	.070	-.474	-.149 ^a	.033 ^a	-.145 ^{**}	-.107 [*]	.081
	Sig. (2-tailed)	.097	.596	.000	.257	.804	.269	.417	.538
	N	60	60	60	60	60	60	60	60
Years	Pearson Correlation	-.137	-.212	-.052	-.269 ^a	-.142 ^a	-.142	-.160	.080
	Sig. (2-tailed)	.295	.104	.693	.037	.279	.278	.222	.546
	N	60	60	60	60	60	60	60	60
Status	Pearson Correlation	. ^a	. ^a	. ^a	. ^a	. ^a	. ^a	. ^a	. ^a
	Sig. (2-tailed)	.	.	.	.	.	.	.	.
	N	60	60	60	60	60	60	60	60
Ethnic	Pearson Correlation	. ^a	. ^a	. ^a	. ^a	. ^a	. ^a	. ^a	. ^a
	Sig. (2-tailed)	.	.	.	.	.	.	.	.
	N	60	60	60	60	60	60	60	60
Education	Pearson Correlation	-.114	.106 ^{**}	.246	-.069 ^a	.139 ^a	.085	.232 ^{**}	-.226
	Sig. (2-tailed)	.385	.422	.058	.602	.288	.520	.075	.083
	N	60	60	60	60	60	60	60	60
Q1	Pearson Correlation	-.158	-.197 [*]	-.412	-.065 ^a	-.264 ^a	-.149 ^{**}	.014	.273
	Sig. (2-tailed)	.227	.131	.001	.624	.041	.257	.913	.035

Q2	N	60	60	60	60	60	60	60	60
	Pearson Correlation	.288	.112	.029	-.047 ^a	.076 ^a	.122	.131	-.060
	Sig. (2-tailed)	.026	.393	.824	.723	.564	.351	.319	.650
Q3	N	60	60	60	60	60	60	60	60
	Pearson Correlation	-.246 [*]	-.197	-.243	-.066 ^a	-.103 ^a	-.175	-.156 ^{**}	.239
	Sig. (2-tailed)	.058	.131	.061	.619	.433	.181	.235	.066
Q4	N	60	60	60	60	60	60	60	60
	Pearson Correlation	-.055	.019	.108	.102 ^a	.147 ^a	.209	.070 ^{**}	-.086
	Sig. (2-tailed)	.675	.888	.413	.438	.264	.110	.596	.514
Q5	N	60	60	60	60	60	60	60	60
	Pearson Correlation	1	.545	.076	.278 ^a	.274 ^a	.201	.076	-.040 [*]
	Sig. (2-tailed)		.000	.563	.031	.034	.124	.564	.760
Q6	N	60	60	60	60	60	60	60	60
	Pearson Correlation	.545	1	.020	.194 ^a	.224 ^a	-.040	.149	-.171
	Sig. (2-tailed)	.000		.877	.137	.085	.759	.256	.192
Q7	N	60	60	60	60	60	60	60	60
	Pearson Correlation	.076	.020 ^{**}	1	.325 ^a	.277 ^a	.113	-.170 ^{**}	-.173
	Sig. (2-tailed)	.563	.877		.011	.032	.391	.195	.185
Q8	N	60	60	60	60	60	60	60	60
	Pearson Correlation	.278	.194	.325 [*]	1 ^a	.257 ^a	.062	-.071	.008
	Sig. (2-tailed)	.031	.137	.011		.047	.638	.589	.954
	N	60	60	60	60	60	60	60	60

Q9	Pearson Correlation	.274	.224	.277	.257 ^a	1 ^a	.062	-.021 [*]	-.081
	Sig. (2-tailed)	.034	.085	.032	.047		.639	.875	.540
	N	60	60	60	60	60	60	60	60
Q10	Pearson Correlation	.201	-.040	.113	.062 ^a	.062 ^a	1	.082	.065
	Sig. (2-tailed)	.124	.759	.391	.638	.639		.536	.620
	N	60	60	60	60	60	60	60	60
Q11	Pearson Correlation	.076	.149	-.170	-.071 ^a	-.021 ^a	.082	1	-.102
	Sig. (2-tailed)	.564	.256	.195	.589	.875	.536		.437
	N	60	60	60	60	60	60	60	60
Q12	Pearson Correlation	-.040	-.171	-.173	.008 ^a	-.081 ^a	.065	-.102 [*]	1
	Sig. (2-tailed)	.760	.192	.185	.954	.540	.620	.437	
	N	60	60	60	60	60	60	60	60