Challenges Facing Principals In Managing School Finances

NORTH WEST UNIVERSITY
A33641200162737C

By

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A mini-dissertation submitted in part fulfillment of the requirements for the Degree of Masters in Education in the Department of Educational Planning and Administration in the Faculty of Education at the North West University (Mafikeng Campus)

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November 2005

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SIGNATURE : .....

NNYANE REBECCA KEBADILWE (MRS.)

ACKNOWLEDGEMENTS

I would like to express my gratitude to the following persons without whose assistance the research would not have been possible.

- To my supervisors, Mr E.T Matshidiso, Dr M.C Teu, Prof.M.W Legotlo for their expert advice, motivation and support, without them I cannot imagine how I could have succeeded.
- To God Almighty, for giving the power and the strength to complete my research.
- To my mother, Elizabeth Mametse who has instilled in me the value of education.
- To Mr. Namate , Mrs. Matshidiso and Mr..Monau for their continued support, inspiration and encouragement throughout my research.
- Dr. Molefe, his helpful assistance on statistical analysis.
- Ms. M. Nage for editing.
- Nnuku, Kitso, Tebogo and Suzy for assisting me in typing the final layout of the typed manuscript.
- Tsholofelo, Ontlametse, Kegomoditswe and Thapelo for the preparation of the graphs, tables and interpretation of the questionnairs.
- My friends, my colleagues and my neighbours for their continued support and encouragement throughout my period of study.
- All respondents who honestly and reliably responded to the questionnaires.
- To my husband, Kopano who contributed whole-heartedly to my success, and to my two dearest sons,Tlotlo and Odirile for their understanding, support and encouragement.

ABSTRACT

The purpose of this study was to determine the challenges facing the principals in managing the school finances. The research was conducted around Bojanala West Region of the North West Province.

From the total of 369 schools in Bojanala West Region, a simple random sampling of (N=75) schools was done. From each sampled school four (4) of the following were requested to participate in the study, the principal and or the deputy principal, 1 HOD, 2 educators.

The education system in South Africa has changed drastically, whereby financial management has been vested upon the shoulders of the SGB's. However SASA provides the guidelines for the SGB's and the principals on their roles and responsibilities in managing finances of schools. The department of education provides training for the SGB's and the principals in relation to school finance management. Little knowledge of the contents of SASA or misinterpretation by the school finance committee may lead the school to be a victim of mismanagement or misappropriation of funds in the form of theft or fraud.

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CHAPTER ONE

ORIENTATION

1.1 INTRODUCTION

The State is not capable of bearing the entire burden of financing education on its own, therefore the community / parents duty to have a direct financial contribution to the financing of education (Van der Westhuizen, 1997: 402). Looking at the economical status of the country, there is a strong retrenchment, privatisation, closing down of some factories where the parents work. The parents who are expected or should have a direct contribution find themselves at home and unemployed. Rothmans (1996:329) states that the provisions for quality education need both the contribution of the parents and the State. It is therefore the responsibility of parents and the State to ensure quality education by financing it.

The following paragraph outlines the statement of the problem, aims of the study, and the research methodology.

1.2 THE STATEMENT OF THE PROBLEM

The incapability of the State to contribute in funding education and the high level of unemployment leaves the principals at the margin. Lack of finances in education undermines the quality of education. The South African School/s Act No 84 of 1996 (SASA) establishes the right of education for all. Despite funding, schools are expected to perform their primary functions, which are the effective delivery of quality education.

The SASA imposes all the financial managing responsibilities of public schools on School Governing Bodies (SGB). In section 5 of SASA states that no learner may be refused admission at a public school on the ground that his /her parents are unable to pay or has not paid the school fees. The SASA further states that if parents are not working or earn ten times less than the annual school fees per learner, that parent should be exempted from paying school fees.

For any school to operate effectively it must have funds. Schools heavily depend on funds from other sources than from the State, for an example from parents' donations, and from non-governmental organisations, and companies.

Kruger (2000:231) states the following as the most vital sources of income for the school:

- Businesses: Some businesses contribute to a school's fund by means of donations as well as by financing some aspect of school operation such as books for the library,
- Interested bodies: Certain groups having an interest in education such as community organisations and trade unions also contribute towards a school's fund, and
- Other sources: Sources such as private individuals, churches, religious groups may also donate money to the school fund.

According to Kruger (2000:231) the sensible use of schools available funds to the benefit and in the interests of the pupils, brings about a positive attitude towards the school among the parents and the community in general. Funds serve as the vehicle to drive the school, this means that if no funds are available it is not possible to operate and manage any particular school effectively.

According to Bisschoff (2000) the effectiveness of school finance depends on the school policy and the school financial policy. These two policies work hand in hand or sometimes financial policy form part of the school policy. The school policy sets out the mission of the school in operational terms while the financial policy sets out the mission of the school in monetary terms. The school policy also serves as a guidance to the effective use of the school finances (Bisschoff, 2000:77). It is therefore strongly recommended and very important for every school to formulate its own policy on financial matters that is kept within the parameters of the school's policy (Kruger, 2000:107).

Department of Education (2001:39) states that the parents' contribution towards school's funds is necessary due to the inability of the government to meet basic school finances. Besides paying school fees parents may still wish to contribute money for buying resources such as computers. Parents may also wish to pay for

educational tours that suit the education of their children (Department of Education, 2001: 39).

The provision of the state funds to public school from revenue should be on equitable basis so as to redress the past injustices and inequalities in education. This will help to establish the education that is reasonable, measurable and available.

The following questions guided this study:

- What are the roles of the principal in managing the school finance ?
- What is the importance of the SGB in management of finances ?
- Is there a need to establish the school finance committee ?

1.3 AIMS OF THE STUDY

- To determine from the literature the nature and scope of school finances.
- To determine empirically the challenges or problems facing principals in managing school finances.

1.4 RESEARCH METHODOLOGY

1.4.1 Review of literature

A thorough literature study of primary and secondary sources was conducted with the aim of gathering more information on how principals manage school finances.

1.4.2 Empirical study

A questionnaire was developed and pre- tested. It was further administered to primary and secondary schools. The aim of the questionnaire was to determine challenges or problems faced by principals in managing school finances .

1.4.3 Population and sampling

From the total of 369 schools in Bojanala West Region a simple random of sample of 75 schools was done. From each sampled school the following were requested to

participate in the study, the principal and or the deputy principal, 1HOD, and 2 educators.

1.4.4 Data analysis

A simple statistical analysis of frequency and percentage, mean and standard deviations were used.

1.5 DEFINITION OF CONCEPTS

- School fees

  According to Badernhorst (1995: 104) school fees is the amount that parents have to pay to the school annually on behalf of their children. It is the money paid by parents to a school for educational purposes (Bischoff, 2000:155).

- School financial management

  It is a specific and fundamental way of preparing and equipping school managers with financial skills and competences (Bischoff, 2000:155).

- School financial policy

A statement concerning the manner in which money will be generated and spent at a specific school (Bischoff, 2000:155)

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Schools are expected to keep performing their primary function namely to deliver effective teaching and learning. The whole responsibility is left upon the shoulders of school managers. A school cannot continue to fulfill its mission if it fails to preserve and enhance its financial base. Schools should adjust their expectations; planning and assumptions to the current climate in which schools are competing for quality education. For the school to obtain or to have quality education there should be financial resources.

This study will focus on the challenges of finances at school level; namely the financial organisation; how to develop a school financial policy; the role of the principal in managing school finances; norms and standards for school funding; and the sources of income at schools.

2.2. DEFINITION OF FINANCIAL SCHOOL MANAGEMENT

According to Bischoff (2000:8) financial school management is the fundamental way of preparing and equipping school principals with financial skills and competencies. These competencies will enable the school managers to be responsible and accountable for funds that have been received for specific school objectives. The financial school management also equips school managers with managerial skills and competencies. The managerial skills enable the school managers to make a contribution towards the improvement of the overall productivity of the school (Bisschoff; 2000:8). Financial school management is a broad field of study that touches many disciplines as part of the system. For one to apply financial school management one should have a clear understanding of the school context economics and accounting (Campher; 1999:10).

Rothmans (1996: 33) states that financial school management cannot be viewed in isolation; divorced from other aspects influencing education; every aspect of

education is dependent on the availability of funds. According to Niemann (1995: 210), financial school management refers to the aspects of the principals' task that include sources of income, school budget and financial administration. These tasks cannot be separated from other school activities since the tasks interact.

In this study financial school management refer to the way in which school managers are equipped with information regarding the way of handling school finances. Financial school management further equips school managers with management skills such as planning and budgeting. Financial school management gives a guide on how to control the school money with the aim of providing quality education to the learners.

2.3. NATURE AND SCOPE OF SCHOOL FINANCIAL MANAGEMENT

The South African Schools Act No. 84 of 1996 (SASA) makes provision for two types of schools in South African education system, namely public and independent schools. With reference to the funding of public schools, Section 34 (1) of SASA states that the State must fund public schools from public revenue on equitable basis in order to ensure the proper exercise of the rights of learners to education; and to address the redress of past inequalities in education provision. Although the State has legislated its intention of funding public schools from public revenue, it is however bound by financial constraints. Due to financial constraints and limits of National and Provincial budget in education, problems arise for the State to provide all the financial aid for the schools. Section 36 of SASA states that a School Governing Body (SGB) of a public school should take all reasonable measures within its means to supplement the resources supplied by the State in order to improve the quality of education at schools. SASA further states that the SGB must obtain additional funds from the community and public monies should be managed effectively and efficiently.

2.3.1. THE SCHOOL FINANCIAL COMPONENTS

For a proper and effective usage of funds in a school there should be financial organization. Organization here refers to administration techniques in the context of the school to implement the objectives of the school finance (Van der Westhuizen 1997: 378). For the school to operate effectively funds are to be efficiently managed, and the financial organization of the school should be well organized. The school

financial structure consists of two components namely; administrative component and accounting component (Van der Westhuizen 1997: 378).

2.3.1.1 Administrative component

Van der Westhuizen (1997: 378) refers the administrative component as the binding factors in effecting an organizational structure to carry out its financial planning. Therefore; this component should be consciously organized. Duties of administrative component according to Bisschoff (2000: 92) are:

- To gather financial information:
  The administrative component should gather information on finance; try to have all the necessary information.
- Storing and keeping financial information:
  The administration components are to store and keep all the necessary financial documents safely and be able to produce the information when required.
- Avail financial information:
  Every stakeholder should have access to the states of the school finance. It should be available when needed.

Horngren & Suden, (1987:79) further say that the all the relevant financial documentation should serve as an audit trail and prove that a specific transaction occurred. An important function of an administrator is the filing and retrieving of information, as well as quick and reliable access to the information. All records be it in paper format or electronic, should be filled accurately to ensure easy retrieval. Filing system should be used to safeguard documents from possible damage and to easily access information to any person, not only to the developer of the system.

(Harrison, (1996: 78), Bostock (1993:104) state the following as the characteristics of a good filing system:

- It should be fast and simple to handle;
- The equipment should be compact and not take up too much office space;
- The system should be expandable;
- Cabinets should be placed comfortably in the office and the information therein should be easily accessible;

- The most suitable classification system should be in place, making provision for size, volume and nature of information;
- Only relevant documentation should be kept in the cabinets and files that are no longer in use should be transferred to another cabinet; and
- It should be able to keep documents safely and confidentially.

Methods used often in filing system according to Harrison 1996, 81:

- Alphabetical, where each division is named and arranged in a strictly alphabetical order,
- Numerical, which involves the numbering of all correspondences and information. The information is then arranged in numerical order,
- A combination of alphabetical and numerical where the alphabetical system incorporates reference numbers, and
- Chronological, where information is arranged according to dates.

2.3.1.2 Accounting component

The financial organization structure of the school is heavily dependent on and closely linked to the accounting component .Bisschoff (2000:92). Accounting as an inherent part of the structure of the school finance can be described as the administrative medium, by which full and systematic reports on financial matters are given expression (Van der Westhuizen, 1997: 379). Accounting component focuses on all financial activities and no project can be organized effectively without integrating accounting procedures.

Van der Westhuizen (1997: 379) maintains that the accounting component programmed is an integrated part of the rest of the school programme and in this respect the accounting component should have the following goals:

- The setting up of effective security mechanism for public monies by allocating duties and introducing control techniques,
- The creation of a pattern of expenditure in relation to the budget, and
- The provision of an intelligence pool for preparing future budgets and long-term financial planning.

For the accounting tasks to be executed effectively, a proper accounting system should be in place. The size, locality and activities of the school, the standards of living of the community and the accounting capabilities of the person running the accounting system, are few of the many factors to be considered when choosing accounting system for a particular school.

2.3.2 THE SCHOOL FINANCIAL COMMITTEE

Every school should have a financial committee to ensure the smooth running of the school. This committee should be democratically elected to ensure legitimacy; and include members with financial or accounting background (Bisschoff; 2000:92). According to Badenhorst (1995:104) the financial committee should consist of the following members:

- The chairperson of the SGB:
  The chairperson of the SGB should ensure that the school fund is administered correctly.

- The principal:
  As an ex- officio should be able to manage day to day financial matters of the school.

- The treasurer:
  Prepares and submits financial reports on a monthly basis to the financial committee concerning the various incomes and expenditure of the school fund. S/he should also give regular financial report to the parents depending on the financial policy of the school (Badenhorst; 1995; 104).

- Two parents who are not SGB members:
  Parents ensure proper or effective running of the school and also come up with ideas in the handling and management of finances. They also liaise with parents.

- One elected educator:
  S/he represents the educators and helps the committee with the needs in teaching and learning and also helps the committee to prioritize the needs of the school.

The responsibilities of officials associated with finances according to Public Finance Management Act: 1999 (PFMA).

- An official in public entity:

- must ensure that the system of financial management and internal control is effectively carried out within the area of responsibility of that official;
- is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
- (must take effective and appropriate steps to prevent ,within that official's area of responsibility, any irregular expenditure, fruitless and wasteful expenditure and any under collection of revenue due;
- must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 56; and
- is responsible for the management, including the safeguarding, of the assets and management of the liabilities within that official's area of responsibility.

2.3.3 THE ROLE OF THE SCHOOL GOVERNING BODY (SGB) IN SCHOOL FINANCIAL MANAGEMENT

Prior to 1994 the South African education system was organized along racial lines and the practice of parent involvement in decision making at school level was ignored or not entertained (Hyslop,1989: 48). In most schools serving the white community, statutory parent bodies were established which had a wide range of decision making powers. In schools attended by black learners, only a few members of parent bodies could be elected by parents, the majority were government appointees. The lack of accountability of these bodies to the communities it is supposed to serve, allowed these bodies to trample over grass-roots opinion (Hyslop,1989:48).

Following the 1994 democratic elections, a non racial education system based on the principle of equity was instituted. In order to accommodate this, the rights of parents to be involved in school governance were acknowledged in the SASA. In accordance with SASA the professional management of public schools is to be undertaken by the school management team while governance is vested in school governing bodies.

Subject to the SASA the membership of SGB should comprise of elected members, the principal as ex officio member and co-opted members. Elected members should comprise parents of learners in the school, educators and learners in the eighth grade or higher in secondary school. In all cases the number of parents must be in the majority.

According to Van Dyk (2002:58) the SGB comprises of three distinctive groups namely, elected members, co-opted members and the school principal as ex officio member . Elected members are parents of learners enrolled at the school, educators employed by the school, learners enrolled at the school, administrative staff for example secretaries, cleaners and gardeners. Co-opted members are individuals from the school community (needn't be a parent of the school. The owner of the school property (if the school is a private property)

According to the SASA all financial responsibilities are vested upon the SGB. For the SGB to manage school finances, it must be able to:

- Draw up a development plan,
- Draw a budget plan,
- Keep balance sheets and income statements,
- Record all school financial transactions, and
- Safe-guard all financial records including auditors' reports.

2.3.3.1 DRAWING UP OF A FINANCIAL POLICY

It is the responsibility of the SGB to control the administration of the school funds. The SGB should develop the finance policy using the following guidelines (Department of Education; 2000: 83):

- Establishment of the school fund

  The school fund is the fund to which all payments to the school are made. For example school fees, donations and also interest received from the bank. The SGB should keep in mind that according SASA only one school fund per school is permitted.

- Establishment of a bank account

  According to SASA the SGB will open a current account with any established bank in the name of the school. All payments to the school are made into this account. The SGB should elect two signatories for this account to make payments.

- The use of the school fund

  The policy should state clearly the use of school which re-emphases the mission statement of the school. According to SASA school fund may be used for:

  Educational purposes:

  - to perform the functions of the school;
  - for the development of the school, and
  - to assist with teaching, training and development of learners.

2.3.3.2 DRAWING UP A DEVELOPMENTAL PLAN

Planning is when you decide what you are going to do, planning entails questions like what? who will do what?, why that should be done and at how much will it cost.

A school developmental plan is a record of what the school wants to achieve (Department of Education;1999:4). Developmental planning helps to unfold the challenges confronting the school; how to improve the school facilities; how to improve the school academic and educational performances (Department of Education; 1999:4).

It is the duty of the SGB to draw a developmental plan; however the school stakeholders should give the SGB a mandate to draw up a development plan. When drawing up a development plan, the SGB should be within the framework of the school policy (Department of Education (1999, 4).

- The planning process

The SGB should decide on which steps they are going to follow when drawing up the development plan to avoid going astray. Here are some steps according Department of Education (1999, 6) that one might follow as guidance:

Step 1: Mission and vision statement

The SGB should be clear of what their aims are, when and how they are going to achieve these aims. The aims of the school should be measurable and realistic; there should be long and short term aims. For example if the SGB wants to paint and renovate the school, responding to one of the clauses in the mission statements of the school which says, to provide learners with a healthy environment. The time frame and human resource should be clearly indicated. For example the project of painting and renovating will be for eight months, four people will be hired to do the work, SGB will raise funds to pay hired people.

Step 2: External and internal analysis

It is important that the SGB looks at the school internal strengths and weaknesses as well as the opportunities and threats in its environment (Department of Education, 1999: 7).

- The strengths

  Resources may be referred to as, the quality of educators the school has, the type of parents the school has, and whether the parents are supportive of the

education of their children. Does the school have dedicated learners who are always eager to do their work? Financial resources mean the money that the school has, how the school spends money and what the income of the school is. The SGB should look at all available resources the school has, for example human resources, financial resources, technical and informational resources.

- Weaknesses

  The SGB should know the weakness of the school they are serving, those that might hamper the progress of the school. For example educators who are not dedicated in their work, high rate of unemployment within the community where the school is situated, crime and poverty around the school also the dilapidated fence and buildings (Department of Education, 1999: 8).

- Opportunities

  The SGB should be able to identify business places around the school that the school could benefit from, for example industries, hotels and mines.

- Threats

  There are some issues that the SGB may face but would not be in a position to do anything about, for example: Retrenchment of educators which is mostly due to low learner enrollment, illnesses, for example H.I.V and Aids, and high death rate of learners.

After analyzing the external and internal factors, the SGB should now list the needs and decide on which ones are important and need urgent attention. That is referred to as prioritizing. The SGB should know whether funds are available to cater for any particular project.

Step 3: Resource allocation

Once the SGB has prioritized the needs of the school in accordance with the priority list .The SGB has to look into the availability of resources to be allocated. Resources include money, people and equipment. Based on resource analysis, the SGB would know what resources the school requires. The priority list should be then be linked

with resources the school has identified. The SGB should know when, what and the cost of an activity. For example:

Table 2.1: Resource Allocation

Time	Activity	Resource
JAN	Cleaning the school surrounding	Parents
FEB – APRIL	1. Painting the school 2. Parents meeting	R1800 Educator / parents
MAY – AUG	Tiling the classrooms	R4 950
SEPT	1. Tree planting day 2. parent meeting	Learners/educators Educators/ parents
OCT	Water awareness, business day	Learners/educators
NOV	Farewell function	R800
DEC	Cleaning the classrooms and surroundings Parents meeting	Parents Educators/parents

Department of Education(1999: 8).

Step 4: Implementation of action

One of the most crucial aspects of success is regular monitoring of activities. The SGB should ensure that all activities are monitored regularly and promote effective running the school. Regular monitoring of the activities includes regular meetings and deadline setting. Monitoring does not mean policing but guiding and advising when things are going wrong or too slow.

Step 5: Review and report back on activities undertaken

The SGB should give feedback to the school regularly on plans and activities. This is the way of involving the school and to ensure proper communication within the school. Feed back and review will enable the SGB to count on the support of the school during SGB activities for example, fun day.

2.3.3.3 RECORDS KEPT BY FINANCE COMMITTEE

The school finance committee should have documents for recording school finances, for example:

- **Cash book**

Cash book is a book into which information is entered on a daily basis, giving details of money received, such as donations, school fees and fundraising. It also shows the record of money spent on daily basis. It states the date; the cash received or spent, a full description of what was bought and the actual cost of the items bought, detail of payment voucher and cheque numbers (Department of Education, 1999: 9).

Table 2.2: Cash book

Income

BALANCE BROUGHT FORWARD				
Date	**Receipt No**	**What for**	**From who**	**Amount**
23.05.04	12364	School fees	Reinz Olgar	R45. 00

Expenditure

BALANCE BROUGHT FORWARD				**1739.40**
Date	**Requisition No**	**Cheque No**	**Amount**	**Band statement**
28.05.04	35/2004	825	R70	R1739.40

Department of Education (1999: 9)

This book has to be balanced daily so that cash received that day must be balanced against cash spent on the same day. That way, you are immediately aware of the day's collections and spending. This you can then compare against the budget and see whether you are overspending or not (Department of Education, 1999: 9).

The bookkeeper uses the last column on the cash book to acknowledge [a tick can be used] so that one knows that the right amount was paid out by the bank. Also tick the bank statement to make sure one covers all the entries. If there are any discrepancies with the bank account one will pick that up and make necessary corrections.

In conclusion a Cash Book, where the daily income and expenditure is recorded, forms one of the primary sources of evidence that the auditor examines. It states the date; the cash received or spent, a full description of what was bought and the actual cost of the items bought, detail of the payment voucher and the cheque numbers (Department of Education, 1999: 9).

- **Cheque requisition form**

  Before one can spend any money one needs to know why the money has to be spent and for what purpose. The person who needs the money has to fill in a cheque requisition form (Department of Education, 1999: 9).The cheque requisition is the document that is kept by the treasurer to provide a proof of the money paid out. The requisition form, the cheque and the bank statements are kept and used to reconcile the cashbook.

For example:

Table 2.3: Requisition Form

CHEQUE REQUISITION FORM
NO.....
Please issue a cheque of the amount of .....
Sub- total.....
VAT.....
Payable to.....
Account name..... Account code.....
Cheque number..... Date issued.....
Authorized signature.....

(Department of Education,1999:9)

Once one has collected school fees, one has to use it for the activities that have been budgeted for. For example if one has budgeted for grass seeds, the money designated should not be used for any other purpose. The SGB should refer to its financial policy in this regard (Department of education, 1999:9).

- **The Receipt Book**

  The receipt book is the book kept by the treasurer at the school to issue receipts to parents or any person who makes payments to the school. Receipts should be issued in triplicate, one is given to the payer, one is kept by the school and the other one remains in the receipt book for auditing purposes

For example:

Table 2.4 Receipt Book

SCHOOL..... **Receipt no.**

Standard .....**Date** .....

Received from.....

The sum of :

(in words) .....

Total		School fund		Sport Fund		Pre-school Fund		Exam Fee		Book Fund		Other / Specify	

Name of school..... Signature of teacher / treasure.....

(Department of Education,1999:7)

2.3.3.4 Audits

Financial accountability is one of the major responsibilities of the SGB. The Department of Education also issues financial regulations whereby audited accounts of a given financial period must be submitted to facilitate decision on e.g. allocation of grants and giving out of loans.

The main objectives of auditing are:

- To enable the auditor to form an opinion on the accuracy of the financial statement prepared by the school for a given period.

- Auditing also helps the head improve the school accountability system. The secondary objective of auditing is to detect or prevent loss.
- Auditing therefore enhances the SGB skills in financial management and evaluates their performance.

The auditor officially examines and verifies the books of accounts and writes a final report which gives a true and fair view of the financial status of the school. Once the books of accounts have been examined and verified, the findings reflect the fact that financial transactions were made and recorded according to accepted principles and practices. This is then made available for everyone in other words the books are open for the public to examine.

The SGB is responsible for engaging an auditor through the terms of a formal contract which is binding to both parties. The contract with the auditor states clearly the task expected, the terms of payment and date when the report must be completed and submitted to the SGB. The auditor should not have any vested interest in the school and the contract should be between him/her and the SGB, but not with the school principal.

After signing the contract the SGB must submit to the auditor all accounts records and books to facilitate his/ her work. This includes the receipt books, requisition form, bank statements and the cash book. In addition the SGB should include all relevant evidence to enable the auditor to draw conclusion on the state of the school accounts. The SGB should also be ready to give oral evidence and to allow any inspection of assets which the auditor may consider necessary. SGB's are required to submit the audited financial statements to H.O.D within six months after the end of financial year (Department of education; 1999:12).

2.3.3.5 FUNDRAISING

The SGB of the school should team up to give learners a better education in the better environment with better facilities. To ensure this the SGB should play an active role in fundraising. Fundraising is a series of activities which schools employ to get funding, these include activities such as organizing special events, writing a proposal to a donor asking for a financial assistance. The possible funding sources

may be parents, community, government project allocation, education funding trust, companies and mines.

Schools need to fundraise in order to do their work and accomplish their goals. There are two types of fundraising namely the grass-root and donor fundraising

Grass-root fundraising

It is the way of raising money from the community and the target group around the school (Department of Education 1999: 39).The SGB should set goals on how to raise fund considering the aims and the plans of the school. The SGB should figure out how they are going to work out regarding time and resources.

- **Guidelines for fundraising (Department of Education 1999 :39) :**

  The following are the guidelines one should consider when fundraising at school.

  - Raise money for specific projects, for example renovating the school premises,
  - Budget time and resources before hand,
  - Use people's creativity,
  - Build on past successful events,
  - Keep on a proper administration system,
  - Stay in line with your image,
  - Maintain high ethical standards, be honest and accountable about the funds that you raise, and
  - Do not try risky ventures that require big investments.

- **Grassroot fundraising ideas**

The SGB should consult educators and parents before fundraising, the SGB may select from the following ideas on which they can be of benefit:

- Trips: organize educational and interesting trips for example zoological gardens,
- Raffle: consider holding a raffle in conjunction with other events for example beauty contests, and

- Concerts, invite local choirs as many as you can to perform at school at a reasonable price.

■ **Donor fundraising**

Any person or organization that gives money to the school is seen as a donor. A donor does not give money for nothing and usually donors are not the members of the organization to which they give money (Department of Education, 1999:39).

2.3.4 THE ROLE OF THE PRINCIPAL IN FINANCIAL SCHOOL MANAGEMENT

Kruger (2000:33) states that the principal is the key figure at the school. S/he has to demonstrate his/her roles as the key figure. Here are some roles according to Kruger (2000:33) that the principal has to play as a financial manager.

■ The principal as school finance controller

According to Kruger (2000:33) control in financial sense has to do with all the measures that relate to the planning and organization of financial records. The principal must ensure that each person who performs financial functions does the right thing. Kruger (2000:33) further states that in order to be successful in financial control the principal must have financial knowledge and skills. S/he must at least be knowledgeable about:

- Procedure for regular reporting;
- Regular balancing of books;
- Regular and punctual maintenance of all records, documentation and books, and
- Regular stocktaking and prescribed audit inspection.

■ The principal as a school finance monitor.

Kruger (2000:34) states that monitoring the budget is a continuous process that goes on throughout the year. Monitoring involves keeping a check on the difference between the planned financial status at a given time and the actual financial status at that time. According to Kruger (2000:34) monitoring involves the following:

- Checking expenditure against the budget allocations;
- Checking if resources are mobilized effectively;
- Evaluating and re-organizing if and where necessary.
- Controlling and checking expenditure by means of monthly; quarterly and annual statements.

As the manager of the school; the principal must ensure that the necessary control measures are taken as prescribed. It is also important to take corrective measures where deviation occurs. (Kruger; 2000: 34).

- The principal as a school finance reporter

The principal should ensure that parents and other stakeholders get financial report on monthly or quarterly basis (Kruger; 2000:34). The regular financial report will create trust between the school and the parents.

- The principal as a collaborative and decision maker in school finance.

According to SASA all the financial responsibility are vested upon the hands of the SGB. The principal as the member of the SGB cannot make decision on his/her own. According to SASA the principal has to consult with all stakeholders in relation to the finances of the school. Therefore this Act encourages collaborative and participative decision making. If the principal is not accustomed to such forms of decision making she/ he should now change the manner of management to suit the present changing circumstances (Knight ;1993: 46).

- The need of in-service principles to encourage responsibility and accountability in school finance.

Levacic (1995:4) stresses that the prime responsibility for financial management will in most cases rest with the principal. The principal is seen as the key figure in the school. S/he will always remain accountable for misuse of funds (Knight; 1993:120). To show his/her accountability it is vital that in-service training programme is given to all the principals (Levacic; 1995:5).

Levacic (1995:5) further stresses that as we advance from a system where principals were not required to manage considerable amounts of finance and budgets; to the system of managing considerable amounts of finance, it is clear that the principals

are in need of in-service training in school financial management. In-service training is vital as it serves as guidance and helps to avoid pointing a finger of negligence to the principal. Bauer (1992: 99) echoed this view when mentioning that the rapid

changing role of the principal needs rapid in-service. Without necessary and regular training any new system is threatened with failure. Even in conditions and circumstances in which change is welcomed, initial enthusiasm can quickly turn to frustration and anger if training is not properly done or totally not done.

2.3.5 ALLOCATION OF FUNDS TO SCHOOLS BY THE STATE

In the 1998/1999 fiscal year, education was allocated a budget of R43.7 billion. This amount included R6 billion for university and technikons and R37.7 billion for college and school education. In October 1998, Parliament approved an extra allocation of R200 million for textbooks to provincial education departments. The money was allocated to the provinces according to the education component of the equitable shares formula, which take into consideration the size of the school-age population and the number of pupils enrolled. In the same month, the Minister of Education announced new National Norms and Standards for School Funding in terms of the SASA. These norms became national policy on 1st April 1999 and are still applying uniformly in all the provinces. It is aimed at achieving equity in the distribution of the resources.

The norms entail provincial education departments directing 60 per cent of the non-personnel and non-capital resources towards the poorest 40 per cent of schools in the province. The schools will then be divided into five quintiles categories, based on needs. The poorest 20 per cent will receive 35 per cent of resources, while the richest 20 per cent of schools will receive 5 per cent of the resources available to provincial education departments, for an example:

Table 2.5: Allocation

QUINTILES	%	ALLOCATED AMOUNT	NO.OF LEARNERS
Quintile 1	35%	R86,O99,151	251,840
Quintile 2	25%	R61,499,393	272,352
Quintile 3	20%	R49,199,515	278,007
Quintile 4	15%	R36,899,636	285,356
Quintile 5	5%	R12,299,879	306,162

Department of Education (2000 / 1: 34)

The above resource target list summarizes the amount paid to schools per quintile and the number of learners that benefit in Gauteng Province 2000/1 financial year.

The Department has set out certain categories according to which eligible independent schools will be subsidized (Department of Education 2001):

- If the school is registered at the Provincial Education Department (PED),
- If the school has made an application to the PED,
- If the school has been operating for one full year,
- If it is not operated for profit,
- If it agrees to unannounced inspection visits by officials of PED and
- If it has not been established in direct competition with nearby uncrowded public school of equivalent quality.

An independent secondary school may be considered for subsidy if

- Its Grade 12 pass rate was 50 per cent or more of full-time candidates writing the examination in the prior year, and
- The repetition rate in Grade 11 and 12 is not more than 20 per cent.

Funding of schools by the State

The schools are divided into two categories, that is schools in section 20 and schools in section 21 lists.

■ Section 20 schools

In case of section 20 schools the State allocation is not paid over to the school's banking account. The department determines an amount for resource allocation whereby the department controls the school's expenditure. This type of budget is referred as paper budget. The school via the department has to spend the allocated amount only as follows:

- Learner support material, education material, equipment and the curriculum needs is 60%,
- Maintenance of and repairs to buildings is 12%, and
- Payment of services (municipal) is 28% .

Schools may acquire the goods and services only from authorized suppliers selected by the Provincial Department of Education. The principal is required to fill in the necessary requisition form and submit it to the department who will then pay the supplier (SASA).

Mestry (2002:130) states the following as the disadvantages for section 20 schools :

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

According to Mestry (2002:131) the advantage of being in section 20 schools is that when the cost of the service provided is far more than the amount allocated by the state, the state has to pay for those services. For example if the school is allocated R80 000, it means R48 000 (60%) must be spent on learning materials, R9 600 (12%) must be spent on repairs and maintenance. This means that the school has only R22 400(28%) to pay for the services rendered. If the water and electricity account amounts to R60 000 per annum, the department of education is obliged to pay the balance of R37 600 to the service provider.

■ Section 21 schools

The approach and procedures for allocating section 21 functions differs between the provinces, each province has different criteria, different conditions, and different systems for implementing the section 21 policy (SASA).

The HOD will allocate the section 21 only if the school has the proven capacity. This is determined by ensuring that the school has managed its own funds efficiently and also that it is complying with all the regulations as stipulated in the Schools Act, for example, submitting audited financial statements of the school within the six months of the following year. When the school is allocated the section 21 functions, the provincial department will deposit the school's resources allocation directly into the school's banking account (Mestry, 2002:131).

The schools are required to spend the allocation the same way as in section 20, namely 60% on learning materials, 28% on services and 12% on repairs and maintenance.

Mestry (2002:131) states the following as the advantages for applying section 21 functions: -The SGB may select its own suppliers in respect of purchasing learning support materials,

- In the event of the being unable to spend all the state's allocation in time, the SGB may still process orders for services to be rendered or learning support materials to be purchased because the money allocated by the provincial department is still in the school's bank account, and
- The powers of the department to manage the finances of the school are thus devolved to schools that applied for the allocated functions.

The disadvantage of the section 21 schools is that the school is obligated to pay for any service over its budget.

2.3.6 Responsibility of S.G.B. for managing recurrent allocations.

Recurrent allocation refers to those areas at school that need to be funded repeatedly that is, hostel fees, improvement and repairs and some school equipments.

The SASA makes provision for SGB to become progressively more responsible for managing aspects of recurrent expenditure. SASA further states that the SGB may in writing apply to the Head of Department (HOD) to allocate any of the following functions.

- Maintain and improve schools property, buildings and grounds;
- Determine the extra – mural curriculum and the choice of subject options in terms of provincial curriculum policy;
- Purchase textbooks, educational materials and or equipment for the school, and
- Pay for services to the school.

The HOD must approve the SGB application for allocated functions conditionally or unconditionally unless the SGB does not have sufficient capacity to undertake the functions effectively (SASA). Department of Education,(1999: 48) States that the P.E.D must develop a Section "21" list of schools that have been allocated such functions. Section 21 list refer to schools whose SGB's are capable of utilizing funds accordingly and are able to upgrade the school. They are given lump sum to that effect. Schools not yet on Section 21 list refer to those schools that are given paper budget. The Section 21 list schools are expected to grow as more schools acquire the requisite capacity. The school may be removed from the list if the SGB is no longer capable to undertake the additional functions. Department of Education (1999: 48) says the schools on Section 21 list will receive a lump sum per-learner transfer for the payments for which they have responsibility in accordance with the Resource Target Table. This section 21 list schools may deal directly with suppliers and contractors for the relevant budget items. Schools that use their funds inappropriately will be charged with misconduct.

Schools not yet on Section 21 list are not granted approval to procure their own goods and services, they are only allowed to procure their goods and services according to existing departmental arrangements that is, to inform the department about their needs through application. However the P.E.D. will exercise

administrative controls to ensure that the cost per learner is maintained; also the budgeted allocation for each applicable item is used effectively. Schools not yet on Section 21 list should work harder and improve their capacity to join the section 21 list (SASA).

2.3.7 APPROPRIATION OF SCHOOL FUNDS.

Kruger (2000:32) states that a budget becomes an important guide when spending school fund. The principal together with the chairperson of the SGB must be informed when spending any amount from the school fund. There are regulations governing the spending of school fund. According to SASA all purchases from the school fund may only be for:

- Educational purposes of the school; and
- Any other educational purposes as agreed between the SGB and the department.

On the other hand Yssel et al (1995:213) states that the following as the major functions of the school fund:

- The purchase of sports equipment including sports wear for team members,
- The payment of affiliation fees for membership of sports union,
- Subsidising educational outings or tour including cost, refreshment, entrance fee for pupils and accompanying educators,
- Subsidising holiday camps for pupils and accompanying educators including transport, hire of sites, rooms or tents,
- The rental, purchase or repair of educational aids including type writer and duplicating machines,
- General school expenditure including electricity water supply, cleaning and sanitary equipments, and
- Official telephone expenditure of the school.

2.3.8 THE SOURCES OF INCOME AT SCHOOLS

In South Africa it is the responsibility of the State to fund education. According to SASA it is the duty of the SGB to supplement the fund provided by the State and other sources of income of schools.

Kruger (2000:21) states the following as sources of income:

- **The State**

The state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of past inequalities in educational provision (SASA). SASA imposes important responsibilities on the State with respect to the funding of public schools.

In terms of SASA there are norms and standards for school funding. Norms and standards deal with the procedures to be adopted by provincial education department (P.E.D) in determining the resources allocation to schools. Norms and standards deal with (SASA) :

- The public funding of schools;
- The exemption of parents who are unable to pay school fees; and
- Public subsidies to independent schools.

The norms and standards deal only with the school level expenditure. However allocations are expected to be consistent with equity and efficiency principles underlying the public school funding norms and standards. There is also funding policy relating to learners with special educational needs. (SASA).

- **Parents**

All public schools SGB's are obliged to support their schools financially as best as they can (Kruger, 2000: 21). The SGB must take reasonable measures within its means to supplement the resources provided by the State in order to improve the quality of education (SASA). Even if the SGB's are obliged to raise supplementary resources SGB's are not required to charge school fees. School fees are a matter of school parents.

The SGB must present at the parents general meeting the needs of the school; give the parents all the necessary information about the school income, that which comes from the State and other resources. Parents based on the information will decide on what additional revenue the school need for educational purposes and how that revenue is to be raised including whether or not fees are to be charged (SASA).

When taking decision of payment, the amount of fees to be charged should be considered and agreed.

When agreeing on how much to pay; parents should consider the financial status of their community for example, is it a poor or rich community. Another parent body may decide to set a small fee so that no parents need to be exempted. The ability of parents to pay school fees will vary considerably
(Department of Education: 1999: 37).

If it is decided at a parental meeting to charge annual school fees, the following criteria for exemption must be observed (Department of Education: 1999; 51):

- Full exemption

  If the combined annual gross income of the parents is less than 10 times the annual fees per learner, the parent qualifies for full exemption. A person who has the responsibility of a parent for a learner placed in a foster home, foster care or a place of safety qualifies for full exemption.

- Partial exemption

  If the combined annual gross income of the parents is less than 30 times but more than 10 times the annual school fees per learners, the parent qualifies for partial exemption.

- No exemption

  If the combined annual gross income of the parents is more than 30 times the annual school fees per learner, the parent does not qualify for exemption.

- Conditional exemption

  The criteria for making a conditional exemption must be related to special circumstances affecting a parent's ability to pay the fee, or to the need to acquire relevant information about the parents' circumstances.

- Other consideration

  SGB may make possibilities for parents to pay by installment.

- **Interest groups and community groups**

According to Kruger (2000:22) the interest groups and community groups differ from community to community. In some rural areas the community plays a major role in financing the school. Kruger (2000:22) states that some business enterprises contribute by donating money or buying some facilities or equipments for schools. Large number of organizations such as trade unions, service organization and even international organizations may contribute to specific projects or activities at schools. Berkhout (1992:6) states that organizations in school play a significant role in informal and special education.

- **Funding Bodies**

There are a number of schools that are funded by religious or charitable organizations (Kruger 2000:23). The funders of schools in most instances have specific aims in mind, such as to have a literate community in future and to produce marketable learners in the community.

- **Internal Income**

SASA imposes a responsibility on public school to the SGB's to do their outmost in improving the quality of education in schools. The State contribution meets only basic needs of the school, it is therefore the duty of the SGB to supplement the State funds. This can be done through fundraising. Joubert and Prinsloo (1999:54) state that when doing fundraising the SGB and educators have to plan all fundraisings campaigns together and discuss the legal implications that could result from school fundraising events, for example raising funds through concerts during the night may bring consequences such as breaking of windows and rape. Should SGB expect the educators to carry out certain responsibility during some events, the exact obligations of each party should be clearly spelt and agreed upon before the event commences. According to Kruger (2000:23) fundraising could be done through concerts, sales for example; cake sales, drinks, sweets and community to hire school hall at a very low price and also allow the community to hire school chairs at a reasonable price.

2.3.9 VIEWS OF SASA ON FINANCIAL SCHOOL MANAGEMENT

A stakeholder at school should understand that the SASA is a legal framework for the financial management of schools. The stakeholders should be able to demonstrate sufficient knowledge and understanding of the Act (SASA) to manage the financial matters of schools effectively (Bisschoff; 2000:124). According to SASA the following sections are important for the school financial management:

Section 12 (1)

The member of the Executive Council (of the Provincial legislature) must provide public schools for the education of learners out of funds appropriated for this purpose by the Provincial legislature.

Section 20 (2)

The governing body may allow the reasonable use of the facilities of the school for community social and school fundraising purposes. Subject to such reasonable and equitable conditions as governing body may determine which may include the changing of fee or tariff which accrues to the school.

Section 21 (1)

Subject to allocated functions of governing bodies, he governing body may apply to the Head of Department in writing to be allocated any of the following functions.

- To maintain and improve the school's property, building and grounds occupied by the school, including school's hostel if applicable.
- To determine the extra – curriculum of the school and the choice of the subject options in terms of provincial curriculum policy.
- To purchase textbooks, educational materials and the equipment for the school.
- To pay for services to the school.
- To provide ABET classes.

Section 34 (1)

The state must on annual basis, provide sufficient information to public schools regarding the funding to enable public schools to prepare their budget for next or following year. This will help the principal and the financial committee to do estimates correctly.

Section 37 (1)

The governing body of a public school must establish a school fund and administer it in accordance with direction by the Head of Department, namely:

- All monies received by a public school including school fees and voluntary contributions must be paid into the school fund.
- The governing body of a public school must open and maintain a banking account.
- Money or other goods donated or bequeathed to or receive in a trust by a public school must be applied in accordance with the conditions of such donations, bequest or trust.
- All assts are acquired by a public school on or after the commencement of the Act are the properties of the school.

Section 38 (1)

A governing body of a public school must prepare a budget each year according to guidelines determined by the member of the executive council; which shows the estimated income and expenditure of the school for the following year. Before budgets are approved by the governing body, the budget must be presented to a general meeting of parents convened on or at least 30 days notice; for consideration and approval by a majority of parents present and voting.

Section 39 (1)

Subject to school fees at a public school fees, may be determined and charged at a public school only if a resolution to do so has been adopted by a majority of parents attending the meeting.

A resolution must provide for:

- Amount of fees to be charged and
- Equitable criteria and procedures for the total, partial or conditional exemption of parents who are unable to pay school fees.

Section 40 (1)

A parent is liable to pay the school fees determined in terms of section 39 unless or to the extent that s/he has been exempted from payment in terms of this Act.

Section 41

The governing body of a public school may through process of law enforce the payment of school fees by parents who were unable to pay in terms of section 40.

Section 42

The governing body of a public school must:

- Keep records of funds received and spent by the public school and of its assets, liability and financial transactions; and
- As soon as practicable but not later than three months after end of each financial year; draw up annual financial statement in accordance with the guidelines determined by the member of the Executive Council.

Section 43

The governing body of a public school must appoint a person registered as an accountant and/or auditor in terms of the Public Accounts and Auditors Act 1991 (No 80 of 1991). To audit the records and financial statements referred to in section 42.

If the audit referred to at the above statement is not reasonably practicable; the governing body of public school must appoint a person to examine and report on the records and financial statements ensure that the person is :

- Qualified to perform the duties of an accounting officer in terms of section 60 of the close corporation Act 1984, or
- Approved by the member of Executive Council for this purpose.

The governing body must submit to the Head of Department within six months after the end of each year a copy of the records and the financial statements available for inspection.

Section 44

The financial year of a public school commences on the first day of January and ends on the last day of December of each year.

2.3.10 BUDGET FUNCTIONS, PURPOSES, PLANNING, CONTROL, APPROACHES, USAGE AND CYCLE.

Budget can be defined in different ways. According to Bisschoff (2000: 69) budget is a planning instrument and a statement in financial terms of the school priorities. (Department of Education, 2001:10) Since budgeting is a process of preparing a statement of the anticipated income and the proposed expenditure,
Van der Westhuizen(1997:376) states that a budget is a refinement or precise process of the educational program in financial terms.

Since there is a financial committee at the school whereby the principal is an ex officio member ; there should be a policy of the budget within the financial policy. The budget reflects upon the financial situation in the school (Department of Education, 2001; 10). To run school finance effectively the budget should be drawn.

Budget aims and objectives

There is a particular connection between determining aims and drawing up the budget. The budget continues to build on the aims of the school but also determines the usage of the finances and, in reality determines whether funds can be executed (Van der Westhuizen, 1997: 376). A budget is drawn up in the short and long term. To carry out short term aims, a short term budget should be drawn. In conjunction with the budget for short term aims, long term projections could be built on to budget for long term. Short and long term budgets cannot be regarded as separate entities but, in reality, form an integral unit (Van Dyk, 2002:35). Budget aims is about determining the school priorities and checking availability of funds. Budget always reflects the school's priorities according to which aims are classified.

2.3.10.1. Budget Planning

According to Bisschoff (2000:69) when making a budget plan one should have the following in mind:

- **Identify project** or activities you wish to accomplish in budget period.
- **Goals**: what are the goals of the school?,
- **Detailed objectives**; - these should include the aims and character of the school, curriculum development and priorities, extra curricular activities and performance targets,
- **Plan for all activities**: - identify the actions to be carried out, their aims, the resources required, equipment, materials and premises, and
- **Match the plans** to the sums of money likely to be available. Match your estimates with the possible learner enrollment.

Having considered these steps or stages carefully as the principal, one should go through all of them carefully. Then the principal should match each activity with the justified expenditure hence it might be difficult (Bisschoff 2000:69). Changes related to the fluctuation of learner enrollment and the curriculum amongst others will often be at a margin.

2.3.10.2 Functions of budgeting

(Department of Education; 2001:11) states the following as the major functions of budgeting.

- Co-ordinate activities and communicate plans within the school.
- It provides an operational cost – time framework for the implementation of the schools program.
- It can serve as an instrument to design and to show which particular people are responsible for specific program. When a budget is approved by the authorities the delegation of functions is automatically approved.
- Budget can be an instrument for controlling and evaluating performances. It affects a simple guide to assessing the rate of expenditure in any given activity.

2.3.10.3 Purpose of budgeting.

A budget is a planning instrument or a document of the estimated revenue and cost of the school for a specific future period. The budget shows how the school intends generating funds as well as the manner of spending the funds of the school Bisschoff (2000: 67). It is very important that the financial manager of the school realizes that although the state provides funds for the school, it is absolutely essential for the smooth running of the school that a budget should be drawn. The SGB should generate funds to supplement the state funds. The school fees payable by the learners should not be seen as the only supplement.
According to Bisschoff (2000: 67) a budget can be used for a range of purposes

- Assisting systematic planning,
- Quantifying objectives identifying priorities,
- Co-ordination of activities and communicating plans within the organization,
- Motivating and increasing the accountability of middle management,
- Authorizing activities and expenditure and
- Evaluating performance.

It obvious that without a budget an institution would hardly be able to function, implementing a budget makes a finacial management task easier. The effective management of a school finances not only saves thousands of rands, but also affords peace of mind in that the principal, the staff and the parent can rest assured that the schools money matters are on a healthy footing.

2.3.10.4 How to use the school budget effectively.

Budgets are estimates of income and expenditure that may be possible if the school financial situation becomes more reliable. The forecast of financial committee in budget should be revised during the course of the year. However when revising any decision to change the budget, one should follow the same procedures and restrictions so that the main budget policy may not lose its meaning and intentions (FMIS; 1995: 8).

When the school receives delivery of goods or services ordered, the account should be promptly settled. The amount of the supplier invoice should be compared with the

amount on the order. It is good to ensure that school funds are handled in accordance with the rules (FMIS; 1995: 8).

At schools there should be documents for recording expense and income and is done by making a note on the relevant document. FMIS (1995: 8) states the following as some financial documents that might be used at school:

- A log or journal: this list in chronological order the payments made per day.
- A statement of expenditure; this allows you to see to what extent school funds for various headings have been used.
- A balance sheet: this allows you to check that there are no discrepancies between the various voters and to know the status of the school financial account.

An effective usage of budgetary system is characterized by the following advantages, according to Lambrechts (1990:152):

- All those involved are obliged to think, plan, and act economically. In-service training strategies are implemented to help staff members become more accountable and to do self monitoring,
- The different needs and requirements of the different departments over a period of time can be compared or evaluated at a glance,
- In submitting budget amounts staff are compelled to ascertain the exact costs of desired products and services, rather than make vague estimations,
- Fixed budget enable managers to identify certain trends, expectation and projections from previous budgets. This enables the school to eliminate possible mistakes, negotiate better prices for services or to do better long term planning, and
- Outstanding financial practices or the lavish use of funds which could have better spent, are identified and the necessary adjustments made in time.

2.3.10.5 Controlling school budget

After the school budget has been approved then the budget should be controlled. Controlling school budget requires the proper understanding of financial status of the school, and its priorities for expenditure. Controlling budget means controlling the votes, that is ensuring votes are not overspent and money received is put under the appropriate vote headings. Before the school agrees to any expenditure, vote should be checked to ensure that there is enough money to cater for the expenditure. If there is no money one should either abandon the expenditure or seek permission from appropriate authorities to re – allocate funds on the vote
(Lambrechts; 1990: 152).

2.3.10.6 Types of budget

Lambrechts states the following as the two main types of budget

- The operating budget

  The operating budget is for the items that are used and consumed on a frequent basis for an example, buying cleaning materials, electricity, water, stationary and telephone bills. The operating budget provides also salaries of educators employed by the SGB, maintenance person or contractor to do a particular job (Department of Education: 1999; 30). The largest part of the overall budget is spent on operating budget.

- The capital budget

  The capital budget is the money provided for buying things that will be used for years, for an example, classroom furniture, library reference material, play ground equipment, photocopier machine, renovating classes and trophies. These items are usually expensive therefore they should be maintained and looked after (Department of Education:1999 ; 30). Once the item is bought, it becomes the asset of the school. The bought item should be entered into the school asset register.

For the budget to be an effective tool it has to be monitored regularly. Each month the income and the expenditure should be recorded. The budget cannot be prepared overnight, it takes several months, it is therefore important to prepare next year's

budget in August/ September. After the budget has been prepared the SGB has to present the prepared budget to the parents at the parent's general meeting and it must be approved by the majority of the parents present at the meeting through a vote (Department of Education: 1999; 30).

2.3.10.7 Approaches to budget

Three types of budget approaches according to Lambrechts (1990 : 161) are as follows:

- Zero based budgeting

This is when the budget is drawn up without taking historical information into account, all forecasts are made from scratch. The point of departure is a fundamental re-evaluation of objects, methods and sources. Zero based budgeting is of special value to relatively large enterprises. As a result of the larger set up, it is more likely that historical trends are continued and that they increase annually (Lambrechts, 1990: 161). Zero based budget is most effective in labour intensive industries as it provides top management with the opportunity to identify quickly the key areas in the enterprise, therefore allows managers to bring in new ideas or changes.

- Pragmatic budgeting

This approach is currently used by most institution since it is very straight forward and easy. Pragmatic budget approach uses the budget of the current budget period as a starting point. The current budget is then updated for any changes anticipated in the school activities, fees and prices (Lambrechts,1990:161). With pragmatic approach although relatively simple, the projection is usually close to the expected income from school fees, donations and fundraising projects.

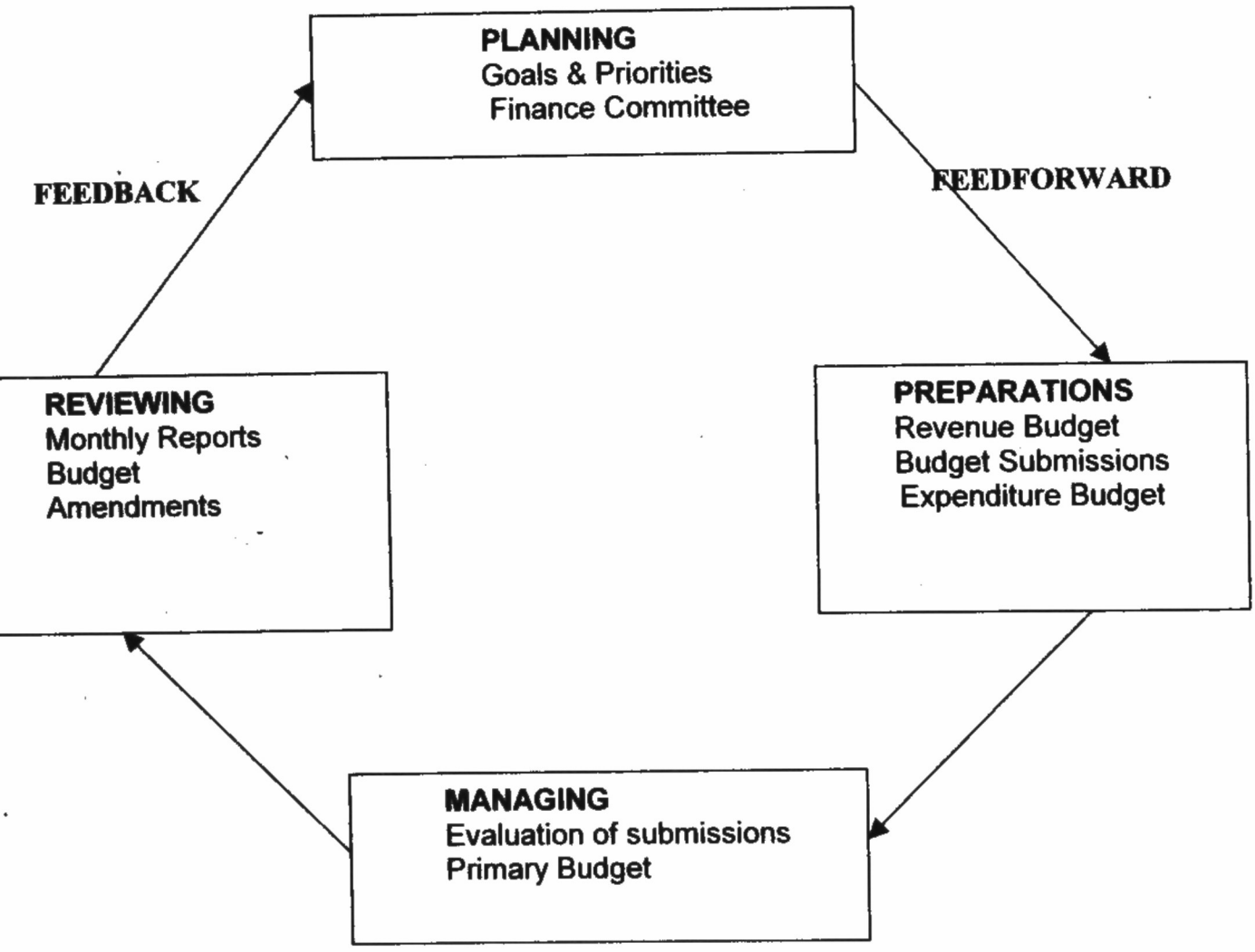
- Limited plan budgeting

This approach also uses the current budget as a foundation. Limited plan approach starts from the overall school plan and should provide better planning. This approach further highlights improvements and desirable changes. When choosing this approach, a keen sense of priorities is important to prevent resources being divided from worthy areas to more glamorous areas (Bisschofff, 2000: 68).

2.3.10.8 Budget cycle

The school budget should be the quantitative expression of the school plan and a basis for comparison with actual results (FMIS, 1995: 7). To attain full value from a budget, the school must ensure that it is used and is relied upon. This can be achieved by the establishment of a budgetary cycle encompassing the four major functions namely; planning, preparation, managing and reviewing (FMIS, 1995: 7). These functions are defined in terms of feed-forward and feedback. Planning, preparation and managing a feed-forward control as they seek to anticipate future developments. Feedback seeks to respond to the past events and variance analysis as part of reviewing process is a form of feedback control. To be effective the budget cycle must be progressive and all functions interlinked. The following diagram highlights the interaction between feed-forward and feedback controls by illustrating the budget in a cyclical pattern (FMIS; 1995: 7).

Table 2.6. Budget cycle



(FMIS, 1995:7)

Implementing a budget

- Implementation problems

Various problems may be encountered in implementing a budget. The finance committee should note all the implementation problems that they have experienced. Van Dyk (2002: 33) states the following implementation problems that occur most commonly in many schools :

- the budget as submitted is deviated from,
- allocation of funds that favours, that is, other committees are allocated less and others allocated more,
- the budget is not modified to suit the specific internal needs,
- not all those concerned are involved in drawing up of budget,
- friction and conflict among staff members,
- some projects are approved and others are disapproved, and
- external factors, such as , change in interest rates.

- Obstacles to successful budgets according to Melville (1997 : 42)

Melville (1997:142) says when implementing a budget there are some obstacles that one may come across. The following are the implementation budget obstacles that Melville (1997: 142) states:

- Conflict as a result of conflicting interests. This usually occurs when priorities differ, for an example one teacher might think something is very important whilst other may see it as totally unimportant,
- Excessive expectations of subordinates. The management team may set virtually impossible expectation, this not only makes it impossible to stick to the budget but also demotivates staff members. Staff members should be involved in setting the objectives, which will better motivate them to achieve the objectives,
- Over emphasizing the control function of budget. Too much emphasis on the control aspects could cause managers to feel threatened, and

- No room for own discretion. It is sometimes necessary to deviate from a set budget in order to reach educational goals. The financial committee should be able use their own discretion in such circumstances.

- Successful implementation of budget

The following conditions serve as guidelines for successful implementation of a budget according to Van Dyk (2002: 34) :

- The duties and responsibilities of the various departments or committees should be clearly spelled out, especially with regard to financial aspects,

- The cooperation of all the parties concerned should be obtained in the construction phase of the budget, since everybody will then accept co-ownership,
- Managers should encourage and motivate staff to strictly adhere to the approved budget allowing even one exception can lead to negativity among the rest of the (staff),

- Any decent budget must be backed up by a thorough and water tight accounting system-even if a specific person with appropriate qualifications has to be appointed to do this job. The ultimate success of the total budget will depend on the accuracy of this support system,

- The budget should contain as much financial detail as possible-especially in cases where expensive projects are envisaged, and

- A building project on the school grounds, for example, should have its own separate and detailed budget managed and administered by a committee appointed for purpose.

With regard to successful budgeting it should be mentioned that the attitude towards budgeting should be correct. With the right attitude, all those involved in implementing the budget will understand that a budget represents absolute limits which must be achieved to the benefit of the institution. The budgeting philosophy should be aimed at cultivating positive attitudes towards financial planning and

control. A budgeting theory focusing on results only, will accept certain human reactions as natural.

2.3.11 SCHOOL FUNDING IN OTHER COUNTRIES

- **MALAYSIA**

All educational programmes except pre-school education, teacher education and management training were given fresh injections of funds in Malaysia around 1995 (Steyn & Wolhuter; 2002). During 1991 – 1995 higher educational institution was allocated RM 3139.3 million hence during 1996-2000 this was supposed to be slashed to RM 2826.5 million. The reduction of money in higher education institutions was done with the hope that it will provide higher educational institutions with a greater autonomy and flexibility to manage their own finances. The Malaysian government decided to boost public spending on tertiary institution by almost 85% to RM 5226.7 million (Steyn & Wolhuter 2002:306).

Most public universities have managed to generate new sources of revenue however the ability of higher educational institutions to increase their income was constrained by public resistance against the increase of fees for university students (Steyn & Wolhuter; 2002:306). On average subsidised fees paid by students cover only 20 % of actual cost. The high increase of student's enrolment in first degree courses made the government to ask parents to pay full fees (Steyn & Wolhuter; 2002:306).

- **KOREA**

In Korea financing education is taken as a factor, which determines the quality of education, educational conditions and commitment to educational reform. (Steyn & Wolhuter; 2002:322). Financing is done on three levels namely central government, local government and private educational financing; hence grants from the government are the major source of financing education (Steyn & Wolhuter; 2002:322). The major source of financing education by the government is tax revenue, which covers the expenditure of the ministry of Education.

■ COTE D'VOIRE

The share of national budget devoted to education rose from 22% to 45.8%. The recurrent education expenditure is 89.5% of total education expenditure (Steyn & Wolhuter; 2002:129)

95% of recurrent expenditure on education goes to salaries of teachers and less than 1% to material such as textbooks, less than US$ 0.15 per pupil per annum. 46% of the government's educational expenditure is allocated to primary education, 28% to secondary, 13.7% to tertiary education and 11.5% to vocational and technical education (Steyn & Wolhuter; 2002:129). This means that educational funds are earmarked for primary education. The main aim of funding in education is to help in addressing problems such as inefficiency, language curriculum and debate on assessment.

■ BRAZIL

According to Steyn & Wolhuter (2002:247) education in Brazil constitutes one of the few public enterprises, which is funded by linked resourses. The states and municipal government channels not less than 25% of their total resources collected through taxes into basic education. The education funding responsibilities falls upon the municipalities. The state pays funds directly to the municipal education secretariats. The education secretariats with the school statistics, pays those schools in accordance to capability of the community (Steyn & Wolhuter; 2002: 248).

■ SWAZILAND

School fees is determined by and justified by the head teacher and committee of each school, the school fees suggestion is then presented for approval to parents in consultation with the Regional Education Officer. The Ministry of Education funds different levels of education according to priority and needs, again the Ministry of Education assists needy pupils with bursaries for basic education. There are cost sharing between the Ministry of Education and beneficiaries (Steyn & Wolhuter; 2002: 253). The following are the educational institutions in Swaziland :

- Universal basic education , the school entry is six years and the Ministry of Education provides ten year universal basic education to all school going age,
- High school education, the Ministry of Education provide a two year programme to pupils who shall have successfully completed their nine year basic education and have the socio economic need,
- Special Education, the Ministry of Education support the integration and inclusion of children with special learning needs financially,
- Teacher education,
- Tertiary Education,
- Education guidance and counselling, and
- Vocational Education and Training (Steyn & Wolhuter; 2002: 253).

2.4 MODELS OF SCHOOL FINANCES

There are a number of different decision methods for deciding allocations, some based on centralised approach, others based on delegation. Each method should be evaluated in terms of the school's objectives. The appropriate model for the school to adopt, depend on the particular individual school; context, size, its organisational culture, management philosophy and style. Sutton (1996: 6) states the following as the three models of school finances:

▪ CENTRALISED MODEL

In a centralised model, decisions are made by a single body. Such models can operate through one head- teacher acting as the all powerful autocrat or through varying degrees of collective decision making by the said committee from the staff. Those committees could be made up of governors, the senior management teams, curriculum leaders, an elected groups of staff making up staff finance committee, and or even all staff members in case of small schools(Sutton; 1996: 6).

However narrow or wide the consultation, schools could consider carefully which decision-makers need to possess, assimilate and evaluate all the relevant information in order to make effective decisions on how to use resources to meet the school's objectives. The decision making hub at the centre of the organisation needs to pool all the information gleaned from the peripheries and communicate its vision back, so that all the sub units are integrated and can co-ordinate their activities to pull

in the same directions to meet the school's aims Sutton(1996:6). The wider the consultation, the greater the need for thorough preparation and dissemination of financial data, this will ensure the effective use and allocation of the resources for the competing demands of the competing committees. The centralised model where teachers are involved on committees to participate in financial decision making may motivate the staff.

Centralised model's advantage is that the whole school priorities are better understood and dealt with, all decisions can be made within the school's global aims and objectives. Consequently it encourages whole school's consistency and pursuit of sectional interest is avoided. It is also possible to make decisions much more quicker when fewer people are involved in the process (Sutton;1996:6). Centralised model is more appropriate to an autocratic style.

- **DECENTRALISED MODEL**

In a decentralised model, the decisions are made by individual teachers acting as budget holders. When capitation (amount per learner for stationary and materials) marked the limit of financial delegation to schools, then the head teachers should put in place a formula for the allocation of that money to different committees. If a formula is used, the process of allocating resources is very much simpler, quicker, more open and perceived to be objective and fair (Sutton;1996: 7).

There are many advantages to this model, that is, it is transparent and can be seen to be fair, changes in need caused by increase or decrease in numbers of pupils are easily accommodated, and it mirrors the system of delegating finances to schools. Another advantage is that the financial decision making encounters less stress and burden on an overstretched senior management team, which should enable its members to carry out their functions more effectively and efficiently (Sutton; 1996:7). However, decentralised model has its shortfalls. It does not deal adequately with the developmental needs, having no lump sum element it fails to recognise that there may well be a fixed cost element to curriculum delivery. The school could in effect have lost control of finances if there is no requirement to evaluate, no accountability or expectation related to the school objectives. Even if the resources are allocated with recommendations, there is a danger that such recommendations are ignored (Sutton 1996; 7).

- **HYBRID MODEL**

The hybrid model uses both central and the decentralised models, hence it delegates the maintenance of the financial expenditures according to a formula, but it retains the resources for the developmental purposes centrally.

The hybrid model is not mutually exclusive and most of the schools will undoubtedly mix and match to suit their own organisational structures, managerial styles, educational objectives and developmental needs (Sutton;1996: 8).

2.5 RESEARCH FINDINGS

There are some researchers who have already researched this topic, here follows their views on their findings:

- Mestry conducted his research around Nelspruit in Mpumalanga province, the area has 36 schools, 23 schools were selected for the study. The population ranges from 64 to 78, population was educators, Hod's, parents and principals. From the focused interviews that were conducted the major findings were the following:

  - There is a perception amongst many parents, educators and principals that the principal is the accounting officer of the school. S/He is thus accountable to the Department of Education for the school finances. Some indicated that the finance committee is accountable while others rightly pointed out that SGB was responsible for the management of the school finances.
  - In some schools the principal and the SGB did not work collaboratively with each other in managing school's finances.
  - The SGB are not effectively trained to manage the school's finances efficiently. Some of the principals objected to the cascading model of training and found the contents of the workshop to too theoretical. There are some trainers who do not have a sound financial background.
  - Department of Education has no mechanism in place to support the schools on financial issues and problems.

Phakoa (2001:13) conducted a research in Phuthaditjhaba, a township in the Qwa-Qwa of the Free State province of South Africa. The area boasts 18 public secondary schools, out of which 5 were selected for the study. The learner population in the selected schools ranges from 600 to 1 000. The learners however, are the representatives of black population. Interviews were conducted.

The major findings were as follows:

- The learners were restricted in the involvement in financial decision making in their schools;
- Learner need to be in grade eight (8) to be able to be a SGB;
- Learners were not consulted when the Act was formulated, their views were not included, therefore the SASA fails to reflect their needs and interest; the language used in the Act is beyond their comprehension;
- The participants argue that they have no right to vote when financial decisions were made, they therefore become powerless members of the SGB.

2.6 SUMMARY

From the above information one finds out that there are some issues which might pose as challenges principals are facing in managing school finances. These are :

- Untrained SGB members in financial management.
- Unskilled SGB members
- Non – training of financial management to the SGB, financial committee nor the principal
- Irregular information received by the school from appropriate authorities with regard to finance.
- Exemption of parents from paying school fees drops the(financial) estimates of the school and at some point this left the school without finances.
- Handling and/or usage of school finances that the government offers the school in section 20 and 21
- Controlling of fundraising
- How to delegate members who are knowledgeable in finance matters
- How to plan and control the budget
- Poor parents' attendance during meetings where they should advise on school fees.

This might be the most serious challenges that makes it impossible for the principal to manage and maintain the school finances.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter 3 outlines the method of study in which the rationale behind the methodology employed is explained, how the research was conducted and what steps were taken to ensure the validity of the study. A questionnaire has been used to collect data from subjects in order to determine problems encountered by principals in managing school finances in primary and secondary schools in Bojanala West Region.

3.2 INSTRUMENTATION

A questionnaire has been used as a research tool to collect data from the respondents.

3.2.1 A questionnaire

According to Legotlo (1996: 28) a questionnaire is a device that enables subjects to answer questions and it is the only means of communication between the researcher and respondents. It is one way in which the respondents use to answer questions. A questionnaire is described by Mc Millan & Schumacher (1993:134) as the mostly widely used technique for obtaining information from respondents.

A questionnaire according to Mabeba (1985; 70) is regarded as a list of questions based on one subject to tap on the responses of the research subject.

Questions in the questionnaire above are derived from the literature review following each other in a logical sense. A questionnaire may either be open; enabling for free responses, or it may be closed, furnished with alternative responses from which the respondents may select the appropriate ones.

A questionnaire as a research tool has both the advantages and the disadvantages.

3.2.1.1 Advantages questionnaire

De Vos (2002: 243) refers to the following as advantages of a questionnaire :

- Low unit costs ; travelling and subsistence costs are minimal.
- Homogenous stimuli : since questions are identical, stimuli provided are identical.
- Anonymity : the names of respondents are not disclosed or given.
- Speed : information from respondents could be obtained within a given time frame.

Mabeba (1985:170), Legotlo (1996: 196) and Tuckman (1994:225) identified the following advantages of a questionnaire:

- It reaches more people: a questionnaire reaches more people who would otherwise be difficult to contact. It thus enables the researcher to obtain a broader spectrum of views,
- Standard instructions are given to all respondents: uniform instructions are given to the respondents thereby reducing personal variables of the researcher to a minimum; and
- Respondents are asked the same questions: it is easier to elicit a response on controversial issues through a questionnaire than through an interview.

3.2.1.2 Disadvantages questionnaire

The researcher will personal make regular follow ups to enhance the respondents to complete the questionnaire. The researcher will explain the importance of a completed questionnaire.

Several criticisms have been levelled against the use of questionnaires. These criticisms are, however, not related to their use as such but rather, to their misuse. In this respect, Gay (1981:159) remarks that too many careless and incompetently constructed questionnaires have unfortunately been administered and distributed.
Tuckman (1994:226) and Legotlo (1996:30) cited the following disadvantages of a questionnaire :

- It is difficult to analyse and quantify: despite having the advantage of giving the respondent an opportunity to reveal their views, they are difficult to analyse and quantify;

- It limits the kind of answers that can be obtained: personal sensitivity and revealing information are difficult to obtain through a questionnaire;

- Sometimes the respondents do not complete a questionnaire: some respondents have the tendency to omit some important points in the questionnaire or to emphasize aspects which are of no importance to the researcher

- The respondents are provided with a very limited opportunity to air their view : respondents are forced to choose from a number of pre-selected answers to questions or alternatives that do not necessarily reflect their views ; and

- Ambiguity : sometimes the questions in a questionnaire do not convey the same meaning to all respondents.

Although a questionnaire is a simple and convenient tool for collecting data, and because of the advantages and disadvantages, it therefore, must be considered thoroughly before a decision could be taken as to the method of investigation the researcher wishes to take.

3.2.1.3 Questionnaire construction

Construction of a questionnaire is a task that requires researchers to be very careful not to antagonise the respondents, if a questionnaire is poorly constructed it can elicit a very negative responses from respondents. The researcher structures the questions with the aim of collecting specific data on a variety of topics. No answers are wrong or right to these questions. A well design questionnaire boosts the reliability and validity.

Mc Millan &Schumacher (1993: 240) suggest the following guidelines for writing effective questions or statements:

- Make items clear, an item achieves clarity when all respondents interpret it same way;
- Avoid double-barrel question, a question should be limited to a single idea or concepts;
- Questions should be relevant, unimportant questions lead to unfruitful results;
- Simple items are best, it is necessary to write items that are simple, easy to understand and easy to respond; and
- Avoid negative items, negative stated items should be avoided because they are easy to misinterpret.

3.2.1.4 Format and the content of the questionnaire

The questionnaire consist of three sections, that section A , B and C. The aim of questions in section A was based on the biographical data of the respondents involved in the survey.

Section B (Questions 6.1 – 9.10) the purpose of these questions was to gather information on how the school finances are administered. Using the Likert's method, the respondents were asked to select on a four-point scale their opinions about the school finance management as follows:

4 = Strongly Agree
3 = Agree
2 = Disagree
1 = Strongly Disagree

Section C, this section consists of open ended questions which the respondents could freely express in their own words. Respondents were given a chance to answer in detail, enough space was provided for respondents to comment and motivate their answers.

3.2.1.5 PRE-TESTING THE QUESTIONNAIRE

The questionnaire was given to 15 principals and deputy principals to test the validity of the questionnaire, all the principals responded to all the questions.

3.3 FOLLOW- UP

Follow- ups were made by the researcher by making calls and visit the schools of all those who did not return the questionnaires. The completed questionnaires were collected.

3.4 DATA COLLECTION

A questionnaire was the sole instrument used of data collection. A letter was written to the Department of Education requesting permission to collect data from the educators in Bojanala West Region in the North West Province.

3.5 POPULATION AND SAMPLING

A population is a group of persons or subjects while a sampling consists of individuals selected from a population (Schumacher & McMillan, 1993: 159).According to Mc Millan &Schumacher (1993: 161), sampling is considered random when every member of the population has an equal chance of being chosen to be in the sample. In Bojanala West Region of North West Province there are 369 schools. Out of 369 schools, 75 schools were randomly selected. In each sampled school 4 members that is, 2 educators, 1 Hod, 1 deputy principal and or the principal were requested to participate in the study.

Table 3.1: DISTRIBUTION OF THE SAMPLE POPULATION

	SAMPLE POPULATION	%
Site managers	65	22
Deputy principal	10	3
H.O.D	75	25
Educators	150	50
TOTALS	300	100

3.6 RESPONSE

Questionnaires were delivered to 75 randomly sampled schools in Bojanala West Region of the North West Province to be completed by respondents in each school.

Table 3.2 shows the response rate.

Table 3.2: RESPONSE RATE

	N	RESPONSE	%
Site managers	65	45	17
Deputy principal	10	5	2
H.O.D	75	72	27
Educators	150	144	54
Totals	300	266	100

From Table 3.2 it was clear that of the total sample population 89% of the usable questionnaires were returned. This response rate indicates that the questionnaires have been delivered and collected by the researcher.

3.7 DATA ANALYSIS

A computer aided statistical analysis was employed. The SPSS programme was used to analyse the empirical data. The first step in the analysis was to compute frequencies, percentage, means and standard deviations.

3.8 SUMMARY

A questionnaire was used as the main instrument in the collection of data. With the help of the statistical consultant from the University of North West, statistical analysis was employed.

CHAPTER 4

4. DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

This chapter reports the result of the empirical investigation conducted to determine problems facing the principals in managing school finances at school level, that is in secondary and primary schools. The qualitative and quantitative data collected through are summarized and discussed in this chapter.

4.2 REVIEW OF THE SUBJECTS

Of the total number of subjects, which was 300, 266 (89%) respondents returned questionnaires fully completed.

4.3 BIOGRAPHICAL AND DERMOGRAPHICAL DATA OF THE RESPONDENTS.

Table 4.1 shows both the biographical and demographical characteristics of the respondents. The information helps one to know who the principals, deputy principals, HOD's and educators are. The information on all the respondents is provided to highlight similarities and differences amongst them. A brief summary of the data is provided in Table 4.1

4.3.1 AGE OF THE RESPONDENTS

The respondents reported their age by selecting one of the six groups in the questionnaire. Table 4.1 shows that 2% (6) of the respondents are below the age 30, 11% (30) are between the age of 30 and 34, 11% (28) respondents are between the age of 35 and 39, 32% (85) respondents are between the ages of 40 and 44, 36% (97) are between 45 and 49 years old, and 8% (20) are 50 and above.

In the above figure the majority of educators are between ages 40 and 49, while 29 and below are very few. This shows that majority of educators have insight concerning school finances.

Table 4.1 Description of the biographical and demographical aspects of the respondents:

1. AGE OF RESPONDENTS	FREQUENCY	PERCENTAGES
1.1 29 and below	6	11
1.2 30 - 34	30	2
1.3 35 - 39	28	3
1.4 40 - 44	85	32
1.5 45 - 49	97	44
1.6 50 and above.	20	8
Total	**266**	**100**
2. GENDER	**FREQ**	**%**
2.1 Male.	92	35
2.2 Female.	174	65
Total	**266**	**100**
3. ACADEMIC QUALIFICATIONS	**FREQ**	**%**
3.1 Matric.	3	1
3.2 Professional certificate or diploma.	99	37
3.3 BA Ed, BSC Ed, etc.	96	36
3.4 BEd , or Hons. degree.	64	24
3.5 Masters degree.	4	2
3.6 Others.	-	-
Total	**266**	**100**
4. POSITION AT SCHOOL	**FREQ**	**%**
4.1 Site Manager	45	17
4.2 Deputy principal	5	2
4.3 H.O.D	72	27
4.4 Educator	144	54
Total	**266**	**100**
5. NUMBER OF YEARS IN TEACHING	**FREQ**	**%**
5.1 5 years and below	5	2
5.2 6 - 10 years	42	16
5.3 11 - 15 years	92	35
5.4 16 - 20 years	97	36
5.5 21 and above	30	11
Total	**266**	**100**

4.3.2 GENDER OF THE RESPONDENTS

Out of the total number of respondents 35% (92) are male and 65% (174) are female as reflected in Table 4.1. This indicates that there are more female educators than male, employment equity Act was not followed as the ratio of males and females is not equal.

4.3.3 QUALIFICATIONS OF THE RESPONDENTS

Table 4.1 shows that out of a total number of the respondents 1% (3) have only matriculation certificates, 37% (99) have professional certificate, 36% (96) have BA's, BSC ed certificates, 24% (64) has B.A Ed or Hons degree, and 2% (4) has master's degree. The above figures indicate that most of educators have the relevant qualifications

4.3.4 POSITIONS HELD BY THE RESPONDENTS

Table 4.1 shows that out of the total number of the respondents, 17% (45) are principals, 2% (5) are the deputy principals, 27% (72) are the HOD's and 54% (144) are the educators.

4.3.5 TEACHING EXPERIENCE OF THE RESPONDENTS

The respondents were asked to state their years of experience in the teaching structure. Table 4.1 shows that 2% (5) has less than 5 years of experience , 16% (42) are between 6 and 10 years of experience, 35% (92) are between 11 and 15 years of experience, 36% (97) are between 16 and 20 years of experience, and 11% (30) has 21 and above teaching experience. This shows that majority of educators have the required experience in teaching, this implies that educators around Bojanala West Region have knowledge in the usage of school finances.

4.4 THE SCHOOL FINANCE MANAGEMENT

The purpose of this study was to determine empirically the challenges facing the principals in managing school finances in Bojanala West Region in the North West Province. The variables considered in the study were perceptions on views contributing to the effective school finance management. Respondents were asked to rate their views about the management of finances at schools, using the following (4) four point scale, the scale was as follows:

4 = (SA) Strongly Agree;
3 = (A) Agree;
2 = (D) Disagree; and
1 = (SD) Strongly Disagree.

4.4.1 THE SCHOOL FINANCE COMMITTEE

Item 6.1 The school has the finance committee

Table 4.2. shows that 95% of the respondents strongly agreed that the school have established the finance committees at schools. This suggests that most of the schools have school finance committees. It is therefore important to help guide those schools that do not have the school finance committees to establish one, so that at all the schools should have finance committees.

Item 6.2 The school finance committee has been democratically elected

Table 4.2 indicates that out of all the respondents 94% of the respondents strongly agreed that the school finance committee was democratically elected. This positive response shows that almost all the finance committees were democratically elected.

Item 6.3 The SGB forms part of the school finance committee

Table 4.2 shows that 96% the respondents strongly agreed that the SGB's form part of the finance committee. The SGB should form part of the finance committee, this statement is supported by the literature (cf 2.3.2 and 2.3.3).

Table 4.2 : Duties of the Financial Committee

6.	The Finance Committee	SA		A		D		SD	
		F	%	F	%	F	%	F	%
6.1	The school has the finance committee	33	12	220	83	8	3	5	2
6.2	The school finance committee has been selected democratically	23	9	225	85	13	5	5	1
6.3	The SGB forms part of the school finance committee	31	12	224	84	9	3	2	1
6.4	The school finance committee keeps financial documents & files safe and secure	55	21	199	75	9	3	3	1
6.5	Finance report is given to the stakeholders and educators annually	15	5	108	41	127	48	161	6

Key SA= Strongly Agree, A = Agree, D = Disagree, SD = Strongly Disagree

Item 6.4 The school finance committee kept the financial documents safe

Table 4.2, indicates that 96% of the respondents strongly agreed that the school finance committee keep the finance documents safe. See (cf 2.3.1) page which states the finance records should be kept and stored safely. This implies that the school finances are always in a safe place.

Item 6.5 Financial reports is given to educators and parents annually

Table 4.2 indicates that 54% of the respondents disagreed that the annual financial report is given to educators and parents. This implies that most of the school finance committees do not give the educators and parents annual reports. According to the literature all the stakeholders should be given the finance report on an annual basis unless stated otherwise in the school policy.

4.4.2 THE CONTRIBUTION OF THE SGB TO FINANCIAL MANAGEMENT

Item 7.1 The SGB's involvement in the smooth running of the school.

Table 4.3 shows that 93% of the respondents agreed that the SGB's are actively involved in the smooth running of the school. This in overall indicates that all the SGB's at schools do participate in the running of the school.

Item 7.2 The involvement of SGB's in the maintenance and improvement of school properties.

The response on this item is reflected on Table 4.3. It shows 63% respondents strongly disagreed that the SGB's are involved in the maintenance of school properties or its improvement. The reflection of the respondents shows that most of the SGB's are not committed and devoted to the improvement and maintenance of school properties. It suggests that SGB's need to be trained on this particular issue in order to address the situation.

Table 4.3 Duties of the SGB

7.	Responses to the duties of the SGB	SA		A		D		SD	
		F	%	F	%	F	%	F	%
7.1	The SGB is involved in the smooth running of the school.	27	10	221	83	13	5	5	2
7.2	The SGB is able to maintain and improve the school properties.	28	11	70	26	85	32	83	31
7.3	The SGB is able to utilize the school funds effectively.	34	13	54	20	153	58	25	9
7.4	The SGB is able to apply exemption strategies effectively.	18	7	129	49	89	33	30	11
7.5	The SGB is able to draw up the development plan according to the vision and mission of the school.	47	18	101	38	73	27	45	17
7.6	The SGB is able to draw up and interpret the school budget.	21	8	70	26	94	35	81	31
7.7	The SGB consult with parent with reference to school fees and other costs.	26	10	196	74	34	13	10	3

Key: SA = Strongly agree, A = agree, D= Disagree, SD = strongly disagree

Item 7.3 The effective utilization of funds by the SGB's.

As indicated on Table 4.3, 67% of the respondents disagreed that the SGB's are not able to utilize school funds effectively This shows that the some of the SGB's are not well equipped on how to utilize school fund effectively. Thus suggest that SGB's to be trained on financial management in order to make sound decisions on finance matters and to utilize the funds effectively and efficiently.

Item 7.4 The ability of the SGB's to apply exemption strategies.

On this item, Table 4.3 shows that 56% of the respondents agreed that SGB's are able to apply exemption strategies. This implies that for empowerment, a workshop and training on exemption strategies should be done for all the SGB's who are incapable of applying exemption strategies. The literature states that the parents should be exempted according to their family status. It is therefore important for all members of the SGB's to familiarise themselves in the exemption strategies.

Item 7.5 The ability of the SGB to draw the development plan in accordance with the vision and mission of the school

As reflected by the respondents on Table 4.3, 56% strongly agreed that SGB's able to draw a development plan according to the school vision and mission, It is indicated that training workshops are of utmost importance to educate SGB's about the school development plan more especially to those SGB's who are struggling to develop the developmental plan.

Item 7.6 The ability by the SGB's in drawing-up and interpreting the school budget.

The response to this item as reflected on Table 4.3, 66% of the respondents strongly disagreed that the SGB's are able to interpret the budget. This implies that the SGB's need workshops and training to develop their skills on finance matters. The workshops will empower them to interpret the budget.

Item 7.7 The consultation by the SGB's with parents on school fees

Table 4.3 shows that 84% of the respondents strongly agreed that the SGB's are able to consult with parents regarding school fees. This implies that most of the parents know and understand the needs and requirements of paying school fees, as a consultative platform is established between the SGB's and the parents.

4.4.3 THE ROLES OF THE PRINCIPAL IN MANAGING SCHOOL FINANCES

Item 8.1 The ability by school principals in monitoring school finances.

Table 4.4 shows 94% of the respondents strongly agreed that the principals are always able to monitor school finances . The principals should be able to monitor the finances of the school as is supported by literature cf (2.3). This reflection reveals that almost all the principals are able to monitor school finances.

Table 4.4 : Duties of the principal

8.	Responses to the duties of the principal	SA		A		D		SD	
		F	%	F	%	F	%	F	%
8.1	The principal is able to manage and monitor school finances efficiently.	23	9	225	85	9	3	9	9
8.2	The principal is able to provide a sound advice.	30	11	225	85	9	3	2	1
8.3	The principal is able to check if the resources are effectively mobilized.	21	8	221	83	16	6	8	3
8.4	The principal is able to consult with other school stakeholders in relation to school financial status.	29	11	165	62	43	16	29	11

Key: SA= Strongly Agree, A = Agree, D = Disagree, SD = Strongly Disagree

Item 8.2 The school principal is able to help and guide the school finance committee.

Table 4.4 reflects that 96% of the respondents agreed that the principals are always eager to assist the finance committee. This implies that almost all principals act as the guides to the finance committees, and principals are keen to impart knowledge in finance matters for the benefit of the school.

Item 8.3 The ability of the principal to check the effective mobilisation of resources

The responses to this subject, reflects that 91% of the respondents agreed that the principal always checks if resources are effectively mobilized. This implies that the is an often monitoring of resources.

Item 8.4 The ability of the principal to consult stakeholders in relation to the financial status of the school

Table 4.4 shows that 73% of the respondents strongly agreed that the principals are able to consult stakeholders. See (cf 2.3.3) page 22 states that for the collaboration and participative decision making on school finances there should be consultation. This suggests that all principals should consult the stakeholders regularly to check their progress on finance matters.

4.4.4 THE ROLES OF STAKEHOLDERS CONCERNING SCHOOL FINANCES

Item 9.1 The principal acts as an ex- officio member at the SGB committee

Table4.5 reflected that 97% of the respondents strongly agreed that the principal is an ex-officio member at the SGB committee.. This implies that almost all the principal around Bojanala West Region act as ex- officio members.

Item 9.2 The SGB plays a major role in fundraising

From Table 4.5 the majority of the respondents thus 93% agreed or strongly agreed that the SGB plays a major role in school fundraising. This implies that the SGB's at school are involved in fundraising, and the SGB's are able to generate funds for the school.

Item 9.3 Finance committee need training in relation to the management of school finances

Table 3.5 reflected that 84% of the respondents agreed or strongly agreed that there is a need for the finance committee to be trained regarding school finance management. This implies that the SGB's need to be empowered in relation to financial management.

Item 9.4 The SGB's need training with reference to school finances.

Table 4.5 shows that 82% of the respondents strongly agreed that there is a need for the SGB's to be trained with regard to school financial matters. It is imperative that to keep oneself updated on school finances, one needs to attend workshops on finance regularly.

Item 9.5 The support of fundraising by parents at schools.

From Table 4.5 it shows that 53% of the respondents disagreed that parents provide the necessary support during the school fundraising activities. This implies that the poor support by parents in school fundraising is mainly due to lack of knowledge or information. They should be provided with information and be made aware that their participation in such school activities is vital.

Item 9.6 The application of the exemption according to the family status

Table 4.5 shows that 65% of the respondents agree that exemption is applied according to family status. The literature (cf 2.3.7) emphasizes that the exemption be applied according to the combined income of both parents.

9.	Responses to the duties of the stakeholders	SA		A		D		SD	
		F	%	F	%	F	%	F	%
9.1	The principal acts as an ex-officio at the SGB committee gatherings / meetings	126	47	132	50	7	2.6	1	0.4
9.2	The SGB plays a major role in fundraising activities	119	45	127	48	13	5	7	2
9.3	The school finance committee needs training with reference to school financial matters	130	49	93	35	12	5	31	11
9.4	The SGB's need training with reference to school financial matters	126	47	94	35	40	15	6	3
9.5	Parents support and participate in fund raising activities of the school	26	10	97	37	95	35	48	18
9.6	Exemptions are applied in accordance with the status of the family	87	33	86	32	76	29	17	6
9.7	The school finance committee prepares and submits financial reports	74	28	166	62	22	8	4	2
9.8	The SGB present the needs of the school to parents at the parents general meeting	34	13	87	33	142	53	3	1
9.9	All other school stake holders do get financial reports annually	16	6	96	36	140	53	14	5
9.10	The school budget is equally spread amongst school committees	12	5	32	12	129	48	93	35

Key: SA= Strongly agree ,A= Agree, D=Disagree, SD= Strongly disagree

Item 9.7 Finance committee in prepares and submits of financial reports.

Table 4.5 shows that 90% of the respondents agreed that the finance committees do prepare and submit financial reports. This shows that almost all school financial committees do prepare and submit financial reports.

Item 9.8 The presentation of the needs of the school to the parents at parents meeting by the SGB.

From Table 4.5 54% of respondents disagreed that the SGB's present the needs of the school to parents during annual general parents meeting. Literature cf (2.3.7) it is stated that the SGB's must present at parents' general meetings the needs of the school. It is therefore imperative for the SGB's to consult with the parent, get their views and ideas in order to enable the smooth running of the school.

Item 9.9 The submission of financial reports annually to stakeholders by the finance committee.

Table 4.5 shows that 58% of the respondents disagreed that the stakeholders get annual financial reports from the finance committee. This implies that the majority of the finance committees do not perform their work accordingly. It suggests that a thorough check –up and monitoring be done to ensure effective management of records.

Item 9.10 The distribution of the school budget equally among the school committees.

Table 4.5 shows that 83% of the respondents strongly disagreed that the budget gets distributed equally among other members of the school committees. According to the literature (cf 2.3.9.6) page 41, unequal distribution of funds among committees leads to divisions among committees and problems among the committees.

4.5 OPEN ENDED QUESTIONS ANALYSIS

This section was based on open ended questions whereby respondents were asked to express their own view on challenges of school finances. Not all the respondents did respond to these questions. The following were identified as the problems encountered by schools in managing school finances:

- Lack of communication between finance committee and the principal

Poor communication between the principal and finance committee brings about conflicts at school, for example the principal would buy anything of her/his choice without consulting the finance committee. At the end the committee just abides by the instructions of the principal, then the school funds are used inappropriately as they deviate from the actual financial plan.

- Lack of financial knowledge by SGB and illiteracy

The act imposes all the school governance and the financial matters to SGB, it becomes a serious challenge when the members are not able to write. It is therefore the duty of the principal to help explain financial matters to parents, because at times they cannot read and have to take decisions on financial matters. This becomes a challenge as the principal has to engage himself/herself in all the activities.

- Burglary

Schools are situated at a high risk area where burglary is experienced, burglary forces the schools to deviate from their plans and budget. The school may lose its funds through burglary encountered - problems. If the school could not reach the budget estimation, projects fail to be accomplished due to lack of funds and this becomes a challenge to the principal.

Paper budget

Schools are categorised under sections 20 & 21. Those under section 21, their budgets are allocated in the form of money in accordance with the need of each school, and schools under 20 have their budget allocated in the form of a written or paper budget also in accordance with the need a school. Schools in section 20 category encounter discrepancies when placing orders according to their written budgets. Normally schools places orders to be within their allocated budgets and when orders are less than that reflected on their allocated budgets or do not receive items ordered because of they being not available, the remaining amount is not carried over and therefore forfeited. This becomes a serious challenge to the principal.

Table 4.6 : Ten high ranked mean and standard deviation of respondents

ITEM NO.	ITEMS	SAMPLE MEAN	STANDARD DEVIATION
9.3	The school finance committee needs training in relation to school financial management	3.58	0.52
9.4	The SGB needs training with reference to school finances	3.57	0.52
9.6	Exemptions are applied in accordance to the status of the family	3.51	0.52
9.1	The principal acts as an ex-offician to the SGB committee	3.49	0.49
9.2	The SGB plays a major role in fundraising activities	3.48	0.53
7.3	The SGB is able to utilize the school funds effectively	3.39	0.46
7.5	The SGB is able to draw up the developmental plan according to the mission and vision of the school	3.31	0.52
9.7	The school finance committee prepares and submits financial reports	3.31	0.45
7.2	The SGB is able to maintain and improve the school properties	3.29	0.42
9.8	SGB presents the needs of the school to parents	3.28	0.46

Item 9.3 The school finance committee needs training in relation to the management of the school finances.

(mean = 3.58; sd = 0.52)

The findings indicate that, the schools encounters problems when the finance committee manages the school finances, training the SGB might ease the problem.

Item 9.4 The SGB needs training with reference to school finances

(mean = 3.57, sd = 0.52,)

The above finding shows that the SGB has little information or knowledge in school finance matters. The information that the SGB has on school finances needs to be developed.

Item 9.6 Exemptions are applied in accordance to the family status

(mean = 3.51, sd= 0.52,)

The findings here indicate that the exemption policies are applied at schools, according to the family status. Most of the respondents show that exemptions at schools are applied

Item 9.1 The principal act as an ex-oficio to SGB committee

(mean = 3.49, sd= 0.49)

These findings indicate that the principal and SGB work hand in hand. The principal always presents himself or herself in the SGB gatherings.

Item 9.2. The SGB plays a major role in fundraising activities

(mean = 3.48, sd = 0.53)

These findings indicate that the SGB at schools are actively involved in fundraising matters. The SGB's are capable of generating funds to improve and maintain buildings.

Item 7.3 The SGB is able to utilise the school funds effectively

(mean = 3.39, sd = 0.46)

These findings show that the funds at schools are effectively utilized, according to school financial plan and it is properly monitored.

Item 9.7 The school finance committee prepares and submits financial reports

(mean = 3.31, sd = 0.45)

These findings shows that all the stakeholders get the financial report, since the finance committee is able to prepare and submit the financial report timeously.

Item 7.5 The SGB is able to draw up the developmental plan according to the mission and vision of the school

(mean = 3.31, sd= 0.52)

The findings above show the ability of the SGB in drawing the developmental plan with accordance to the vision and mission of the school. This indicates that the SGB is able to follow and implement their plan.

Since both items 7.5 and 9.7 have the same mean between (3.31), item 9.7 will be more significant because the standard deviation percentage scores (0.45) which is less than those at item 7.5 (0.52). These indicate that item 9.7 standard deviation scores are more closer to the mean scores of 3.31 than those at item 7.5.

Item 7.2 The SGB is able to maintain and improve the school properties

(mean = 3.29, sd = 0.42)

These findings indicate that the SGB at schools are able to maintain the school's properties.

Item 9.8 The SGB present the needs of the school to the parents at the annual parents meetings

(mean = 3.28, sd = 0.46)

These findings indicate that the parents and the SGB work hand in hand. The SGB is able to prioritise the needs of the school according to the school developmental plan.

4.7 SUMMARY

This chapter outlines the findings of empirical investigation conducted to determine the challenges of the school finances at the schools. The results of the analysis on the questions demonstrated that the schools encounter some problems with regard to the management of school finances. Training the school finance committee and the SGB regarding to management of school finances may minimise the challenges.

CHAPTER 5

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

A brief summary of this study is presented in this chapter. Furthermore, a reflection on the major findings of the study is provided including recommendations on challenges of the school financial management.

5.2 SUMMARY

In chapter one, the aims of the study and the rationale for the study are outlined. The management spending and effective usage of school finances was the main concern. The aim of the researcher was to determine how school finances are managed at school level.

Chapter two discussed the nature and scope of the school financial management. From the literature there is evidence that the schools are funded by different bodies. For example the state has categorized schools according to their needs that is, from poor to the poorest. The parents of particular schools pay school fees, companies and donors contribute to the school.

The literature further outlines ways in which one can monitor funds effectively that is, by having a school finance policy, be able to draw, implement and follow the development plan, how to draw and implement the budget.

Chapter three involves the research methodology employed in the study. Chapter three shows the research tools used, population involved, sampling and the statistical techniques.

In chapter four the result of the empirical investigation conducted to determine the challenges of managing the school finances are dealt with. It has been discovered that most of the respondents responded positively on how school finances are managed. This is confirmed by the mean of means on table of categories (cf table 4.6).

5.3 RESEARCH FINDINGS

5.3.1 Findings on aim 1

Regarding aim 1, namely to determine from the literature the nature and scope of school finance management, the following findings were made:

Literature shows that to improve and maintain the school finances effectively the following should be considered,

- Establishing the school financial committee (cf 2.3.2);
- Implementing and drawing up the financial policy (cf 2.3.3.2);
- Drawing up the developmental plan (cf 2.3.3.2);
- Able to identify strengths, weaknesses, opportunities and threats at school (cf2.3.3.2)
- Able to allocate the resources (cf 2.3.3.2);
- The usage of finance records (cf 2.3.2.3);
- Importance of fund raising (cf 2.5.2.4);
- The parents contribution to the school cf (2.3.7);
- The responsibilities of SGB for managing resource (cf 2.3.5);
- Types of free exemptions at schools (cf 2.3.7);
- Functions of budget (cf 2.3.9.2);
- Budget planning (cf 2.3.7.1);
- How to use school budget effectively (cf 2.3.9.4);
- Purpose of budget (cf 2.3.9.3);
- How to control school budget cf (2.3.9.5); and
- Implementation of school budget cf (2.3.9.7)

Literature shows the following as the challenges that the principal's encounters in managing the finances of the school.

- Poor communication between the principal and the finance committee
- Lack of financial planning
- How to develop finance policy
- Lack of financial knowledge by the SGB
- Autocracy

- **Burglary**
- **High death rate and unemployment, and**
- **Government paper budget**

5.3.2 Findings on aim 2

With regard to aim 2, namely to determine empirically what are the challenges faced by the principals in managing school finances.

5.3.2.1 Responses to the duties of the school finance committee

The majority of the respondents have responded positively on this item. According to the sample, all the schools have established a finance committee. The duties of the school finance committee are adhered to by almost all the sampled schools.

The school finance committee should consider the following as of utmost important,

- Documentation cf (2.3.2.3)
- Auditing cf (2.3.2.4)
- Public Finance Management Act (PFMA) cf (2.3.2)

5.3.2.2 Responses to the duties of the SGB

The respondents responded positively on this item, however the respondents show that there is an urgent need for training of the members of the school governing bodies with respect to the financial management, in order to enhance the effective management of the school finances. The training will help the SGB to know their roles which are stated in the South African Schools Act (SASA). The training should guide the SGB on what is expected from them in order to govern the school effectively.

The SGB should consider the following as very important:

- Should know how to maintain and improve the school's properties
- Should be able to draw a developmental plan
- Should be able to draw up finance policy

- Should be able to align themselves with the vision and mission of the school
- Should consult parents with reference to school fees
- Should be able to strategize ways of exempting learners from paying school fees

5.3.2.3 Responses about the duties of the principal

The majority of the respondents reflected that the principals play a major role in guiding and monitoring the smooth running of the school finances.

There is an indication that almost all the respondents agreed that the principals cooperate with school finance committees.

The following are very important:

- The principal must be involved in decision making concerning finances
- The principal must be able to interpret the budget
- The principal must collaborate with the finance committee
- The principal must be able to consult relevant stakeholders concerning school finances

5.3.2.4 Responses about the stakeholders

Most of the respondents responded positively to the contribution of all stakeholders

Empowerment of SGB's and finance committee

Motivation: involved at schools. The following are very important

- The stakeholders must have knowledge of different policies,
- The stakeholders should show interest in the development of the school,
- Stakeholders must have a clear knowledge of acts binding the school, and
- Stakeholders must encourage culture of learning and teaching

5.4 RECOMMENDATIONS AND CONCLUSIONS

From the study the following recommendations was established.

5.4.1 RECOMMENDATION 1

Development of school's finance policy

Motivation

In order for the school to manage its finances effectively and efficiently, a school finance policy must be developed, adopted by all the relevant stakeholders and implemented accordingly. The school finance policy must comply with relevant legislation such as the school Act, and should set directions and give guidance. The school finance policy minimizes or eliminates the mismanagement of school funds.

5.4.2 RECOMMENDATION 2

Empowerment of SGB's , finance committee and stakeholders

Motivation:

Workshops should be conducted for all stakeholders to clarify the importance of managing school finances. The workshops should emphasise the duties assigned to different committees. For example:

- Parents accountable for financing the education of their children
- SGB should govern and the manage school finances
- Principal should guide and monitor the effective use of school finances

The workshops will help committees with the policies and Acts relevant to school finances. The committees will acquire skills, knowledge and techniques relating to the inner-workings of the finances of the school. The workshops should be practice based and continuous.

5.4.3 RECOMMENDATION 3

Enhancement of collaborative work

Motivation

The principal as the head of the school should aim on improving the quality and effectiveness of the SGB, and other stakeholders. This can be possible through teamwork. No one owns the school, it belongs to the stakeholders, and the efficiency and effectiveness of the management of school finances depend solely on collaboration and co-operation of all stakeholders. The principal and the SGB should work together to minimize problems that could be encountered.

5.5 CONCLUSIONS

The study shows that management of the school's finances is one of the most sensitive areas in schools. The focus of the study was based on the roles of the SGB, finance committee, principals and other stakeholders concerning the management of school finances.

The SASA and the workshops pertaining school finances should set the guidelines on policies and Acts that should be followed when managing the school finances. For example, Section 20 of SASA provides the SGB with the power to administer and control the school property, building and resources occupied by the school. The SASA gives meaningful functions to governing bodies in determining the policy and rules which the school is to be organized, managed and controlled.

The study further promotes collaborative work, teamwork and cooperation at schools. Schools should not work as Alice in Wonderland, they should share information amongst the committees for development purposes.

Since the management of school finances is the integral part of effective school management, it is therefore important for all staff members to be trained or in-serviced on the subject. The government should ensure that there are sufficient funds are allocated for schools.

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APPENDIX : A

Questionnaire

Problems facing the principals in managing school finances at school level; that is in secondary and primary schools .The purpose of this questionnaire is to obtain information about school finances management around Bojanala West Region.

The Questionnaire consists of three (3) sections which should be completed. Please answer the questions as frank and accurate as possible.

Please note that there is no right or wrong response to these items in the Questionnaire.

Your co operation in this regard will be highly appreciated.

.....

Section A

Kindly answer the following by making a tick or cross in the spaces provided.

1. Age

1.1	29 and Below	1
1.2	30 -34	2
1.3	35-39	3
1.4	40-44	4
1.5	45-49	5
1.6	50 and Above	6

2. Gender

2.1	Male	1
2.2	Female	2

3. Qualifications

3. Qualifications

3.1	Matric	1
3.2	Professional Certificate	2
3.3	BA.Ed,BSC.Ed,etc	3
3.4	B.Ed or Hons Degree	4
3.5	Masters Degree	5
3.6	Other Specify.....	6

4. Position you hold at school

4.1	Site manager	1
4.2	Deputy Principal	2
4.3	H.O.D	3
4.4	Educator	4

5. Number of years in teaching

5.1	5years and Below	1
5.2	6-10 years	2
5.3	11-15 years	3
5.4	16-20 years	4
5.5	21 and Above	5

Section B

Please indicate your opinion in relation to the given views about the financial management at schools by making a tick or a cross in the appropriate block.

Key: (SA=always A=Agree D=disagree SD=strongly disagree)

5. School Financial Committee

		SA	A	D	SD
6.1	The school has the finance committee.				
6.2	The school finance committee has been elected democratically.				
6.3	The SGB forms part of the school financial committee.				
6.4	The school finance committee kept the financial records safe.				
6.5	Financial report is given to the parents and educators annually.				

6. Role of SGB

		SA	A	D	SD
7.1	The SGB is involved in the smooth running of the school				
7.2	The SGB is able to maintain and improve school properties				
7.3	The SGB is able to utilize funds effectively				
7.4	The SGB is able to apply exemption strategies				
7.5	The SGB is able to draw the development plan according to the vision and mission of the school				
7.6	The SGB is able to draw up and interpret budget				
7.7	The SGB consults parents with reference to school fees				

7. Role of the Principal

		SA	A	D	SD
8.1	The principal is ale to monitor school finances				
8.2	The principal is able to help the finance committee				
8.3	The principal is able to check if the resources are mobilised effectively				
8.4	Principal is able to consult stakeholders in relation to school finance status				

8. School finances and stakeholders

Please indicate your opinion in the given views about the school finances and the stakeholders by making a tick or cross in the appropriate block.

(Key: SA= strongly agree; A=agree; D=disagree; SD=strongly disagree)

		SA	A	D	SD
9.1	The principal acts as an ex-officio at the school				
9.2	The SGB play a major role in fundraising				
9.3	School finance committee need training in relation to financial management				
9.4	The SGB need training in financial matters				
9.5	Parents support fundraising at school				
9.6	Exemption is applied according to the family status				
9.7	The school finance committee prepares and submits financial reports				
9.8	The SGB present the needs of the school to the parents annually				
9.9	The stakeholders get the financial report from the finance committee annually				
9.10	The school budget is spread equally among school committees				

Section C

Which problems do you encounter at your school pertaining school finances.

APPENDIX :B

YUNIBESITI YA BOKONE-BOPHIRIMA
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PLANNING & ADMINISTRATION

TO: DISTRICT MANAGERS
CIRCUIT MANAGERS
PRINCIPALS
TEACHERS

RESEARCH PROJECT: FIELDWORK

The Department of Educational Planning and Administration hereby request you to grant our FDE, B.Ed and M.Ed Postgraduate student(s) permission to conduct research in school(s)/college(s) under your jurisdiction.

TOPIC: **Challenges facing principals in managing school finances**

Student Name : **N.R KEBADILWE**

Thanking you in anticipation

Sincerely

PROF MW LEGOTLO
HEAD: PLANNING AND ADMINISTRATION