THE PROBABLE IMPLICATION OF DECLARING SCHOOLS AS FEE-PAYING AND NO-FEE-PAYING ON THE SECONDARY SCHOOLS FINANCIAL MANAGEMENT IN SOSHANGUVE

by

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Co-supervisor: Professor J.C. Pauw

2015
DECLARATION

Student number: 44426739

I declare that “The probable implication of declaring schools as fee-paying and no-fee-paying on the secondary schools financial management in Soshanguve” is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

________________________
SIGNATURE

(Mr) J. Mohlala

_____________________
DATE
WORDS OF GRATITUDE

I wish to express my sincere gratitude to the following people who have helped me to complete this dissertation:

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May the Good and Merciful God Bless you all!
ABSTRACT

Approved title of thesis: *The probable implication of declaring schools as fee-paying and no-fee-paying on the secondary schools’ financial management in Soshanguve*

The research centres on the degree to which the no-fee-paying policy is influencing the financial management of schools in Soshanguve. The no-fee-paying policy stems from the Education Laws Amendment Act 24 of 2005 according to which the levying of mandatory fees was abolished at public schools that are declared no-fee-paying institutions. The state funded these newly declared no-fee-paying schools in order to create greater access to quality education and to improve the educational resources and equipment in impoverished schools.

According to the findings of this research, there is little or no financial management in the former underprivileged schools in Soshanguve. This lack of proper financial management in these schools appears to be due to the lack of capacity within both the schools and the school governing bodies themselves. In addition, there appears to be a lack of equality and equity between the formerly underprivileged schools and the advantaged schools. In the words of Fiske and Ladd (2004b:248), equality and equity seem to be elusive. Schools in the cities are still advantaged since the parents are paying fees and schools are managing their funds, while parents in the township schools (especially in Soshanguve) have been found to be unsupportive financially. This is probably because communities around the schools are, in the main, poverty stricken.
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<td>CEMS</td>
<td>College of Economic and Management Science</td>
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<td>CRF</td>
<td>Consolidated Revenue Fund</td>
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<td>Child Support Grant</td>
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<td>DANIDA</td>
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<td>LSEN</td>
<td>Learners with Special Educational Needs Schools</td>
</tr>
<tr>
<td>MFG</td>
<td>Minimum Funding Guarantee</td>
</tr>
<tr>
<td>MOESC</td>
<td>Ministry of Education, Sport and Culture</td>
</tr>
<tr>
<td>MOHET</td>
<td>Ministry of Higher Education and Technology</td>
</tr>
<tr>
<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>NATED</td>
<td>National Assembly Training and Education Department</td>
</tr>
<tr>
<td>NEPA</td>
<td>National Education Policy Act 27 of 1996</td>
</tr>
<tr>
<td>OECD</td>
<td>The Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PED</td>
<td>Provincial Educational Department</td>
</tr>
<tr>
<td>RTT</td>
<td>Resource Targeting Table</td>
</tr>
<tr>
<td>SABC</td>
<td>South African Broadcasting Corporation</td>
</tr>
<tr>
<td>SFF</td>
<td>School Funding Formula</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
</tr>
</tbody>
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CHAPTER 1
ORIENTATION TO THE RESEARCH

1.1 INTRODUCTION

The South African parliament, realising the ineffectiveness of the School Fee Exemption Policy, then passed the Education Laws Amendment Act 24 of 2005 to allow the Minister of Education to declare some schools to be no-fee-paying schools. Prior to 1994, nevertheless, the South African education system was characterised by inequalities in provision, resourcing, access and quality. However, since the democratic elections in 1994, redressing the legacy of fiscal inequalities, infrastructure backlogs and unequal outcomes in education has been a priority of the South African government (Department of Education 2003a:4–5) (see Annexures H1 and H2).

The Constitution of the Republic of South Africa, 1996 (hereafter referred to as the Constitution, 1996) through its Bill of Rights, recognises that every person has the right to a basic education, which the state must, in turn, make available and accessible. Public education is the most effective mechanism in terms of which the public good of education may be delivered. The Constitution, 1996, however, also recognises the choice of people not to use public education and, thus, it provides for the establishment of independent schools. While the Constitution, 1996, does not pronounce on the funding of such independent schools, it does not exclude the state from allocation funding to these schools. Section 29(1) of the South African Schools Act 84 of 1996 (SASA, 1996) provides for the subsidisation of these independent schools in terms of the norms and standards for school funding to be determined by the Minister of Education.
A school funding allocation policy for public ordinary primary and secondary schools in South Africa was established through the 1998 publication of the National Norms and Standards for School Funding and was first implemented in 2000 by the Provincial Education Departments (PEDs).

The Education Laws Amendment Act 24 of 2005 amended Section 35 of the SASA, 1996, making provision for some of the schools serving the poorest communities in the country to be declared no-fee-paying schools as from 2006. The parents in such schools are exempted from the payment of compulsory school fees. This implies that no compulsory school fees may be charged in the poorest schools that receive an inadequate school allocation from the government.

This chapter will address, among others, the following: the background to the research will provide a brief history on school funding, no-fee-paying and fee-paying schools. The reasons for conducting the research will also be discussed (motivation for the research). The research problem statement, together with the research question, will be formulated. The research question serves two purposes. It determines where and what kind of research the writer will be looking for and it identifies the specific objectives the research or thesis will address. Therefore, the research objectives are also tabulated to give direction in terms of what it aims to achieve. Certain key concepts will be defined in order to avoid any ambiguities. The research design, which explains how the research will be conducted, is discussed. The chapter also explains the scientific methods used in the research. In conclusion, a preliminary literature review is conducted in brief while the sequence of the chapters is also provided.
The background to the research includes a historical synopsis of no-fee-paying and fee-paying schools as well as funding in general. The background to the research is discussed below.

1.2 BACKGROUND TO THE RESEARCH

The SASA, 1996, came into effect on 1 January 1997. The principal objective of the SASA, 1996, is “to provide for a uniform system for the institution, governance and funding of schools”. In terms of the Act schools implement learning programmes from Grade 0 (better known as Grade ‘R’ – reception) through to Grade 12.

In the case of public schools, SASA, 1996, also imposes responsibilities on the state with respect to the funding thereof. Section 34(1) of SASA, 1996 states:

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 redress of the past inequalities in education provision.

SASA, 1996 has brought about many significant changes in the area of financial management and accounting practices in South African schools. Subsequent to the promulgation of SASA in 1996, the authority for the financial management of schools has devolved from the central government to the PEDs. The aim of this devolution was, and still is, to provide schools, through the PEDs, with greater control over the financial resources available to them. The African National Congress led government believed that the introduction of the devolution of financial powers to schools would enable the schools to make maximum use of their financial resources when planning for the educational outcomes they should achieve.
According to Dr Trevor Coombe, in *The Sunday Independent* 22 June 1997 and as quoted by Sidiropoulos, Jeffery, Mackay, Forgey, Chipps, and Corrigan (1998:175), “[i]n October 1997 the Department of Education published the Draft National Norms and Standards for School Funding in terms of the SASA, 1996, for discussion”. Coombe (ibid) also stated that the aim of the Draft National Norms and Standards for School Funding in terms of the SASA, 1996, was to “encourage private funds into the system and save money consumed by the state bureaucrats by transferring financial management to schools with the necessary capacity”. The above-mentioned Draft National Norms and Standards for School Funding in terms of SASA, 1996, provided that the schools in every province were to be graded according to their needs and the state of the school in general.

The school funding norms adopted a pro-poor position regarding the grading of public schools with the funding of poor schools being seven times as much as that of the less poor schools in regard to expenditure on non-personnel and non-capital items (Department of Education (DoE), 2003b:15). The measurement of poverty is, therefore, based on the poverty of the community surrounding the school and also on conditions at the school. It was intended that these criteria would change with the release of the “Action Plan for Improving Access to Free and Quality Basic Education for All” which was released by the government after Cabinet approval in June 2003.

In addition, this “Action Plan for Improving Access to Free and Quality Basic Education for All” also ensured that the Department of Basic Education, formerly known as the Department of Education, had a role to play in setting national norms and standards for school funding. In terms of Section 8(4) of the National Education Policy Act 27 of 1996 (hereafter referred as NEPA, 1996), these norms are cascaded down to the PEDs. In addition, the Department of
Basic Education is also responsible for monitoring the implementation of the norms and standards by the PEDs, in terms of Section 8 of the NEPA, 1996. The Department of Basic Education is required to undertake a monitoring and evaluation role in a responsible and reasonable manner [NEPA, 1996, s 8(4)]. The national and provincial spheres of government have concurrent legislative competence in accordance with Schedule 4 of the Constitution, 1996. Hence, Parliament and the provincial legislatures of the Republic of South Africa, at both the national and the provincial levels, have the power to make laws for the country in accordance with Sections 43(a) and 44 of the Constitution, 1996. In short, the central government formulates national policies as guidelines. The role of the provincial governments is, through its PEDs, to formulate its own policies which, in most cases, are in line with the guidelines of the central government. In terms of both the Constitution of South Africa and the government budgeting procedure, the Ministry of Education does not decide on the amounts to be allocated annually to the PEDs. The responsibility to fund the PEDs lies with or is the responsibility of the provincial governments and legislatures (Matthew Goniwe School of Leadership and Governance 2010:104). Thus, the districts and schools are funded by the PEDs. (School funding is discussed in detail in Chapters 2, 3 and 4 of this research.)

From 2000 it was the responsibility of the PEDs to allocate more funds to 60 percent of the previously underprivileged schools and was to spend less on 40 percent of the former privileged schools. This means that 40 percent of the previously privileged schools were not allocated more funds. According to the government (DoE, 2003a:15), “the policy has been a key tool in the move towards the adequate funding of all poor schools”. *The introduction of National Norms and Standards for School Funding in terms of SASA*, meant that proper funding for the former privileged schools would be addressed afterwards or differently as compared to previously (cf. Ch. 4 § 4.3). The *National Norms and Standards for School
**Funding in terms of SASA (NNSSF)**, aimed at providing funds for 70 percent of the running costs (payment of electricity, water and telephones) to these formerly underprivileged schools while allocating 30 percent only to the formerly advantaged (privileged) schools (Sidiropoulos, Jeffery, Mackay, Forgey, Chipps, and Corrigan, 1998:175). Thus, the former “Model C” or privileged schools were to supplement their funding themselves. These funding norms became national policy on 1 April 1999 (OECD, 2008:103) and were applied in all provinces from 1 January 2000 (ibid) and were aimed at achieving equity in the distribution of resources. However, the question remains as to whether all the stakeholders were ready to implement such changes.

The above changes in education, especially the promulgation of SASA, 1996, empowered a school governing body (SGB of a public ordinary school) provided they applied to the HoD:

- (a) “to maintain and improve the school’s property, and buildings and grounds occupied by the school, including school hostels, if applicable;
- (b) to determine the extra-mural curriculum of the school and the choice of subject options in terms of provincial curriculum policy;
- (c) to purchase textbooks, educational materials or equipment for the school;
- (d) to pay for services to the school; or
- (e) other functions consistent with this Act and any applicable provincial law” (SASA, 1996, Section 21).

Thus, SASA, 1996, had implications on the way in which the financial matters of schools could be handled by the SGBs. The SGBs are responsible for the money they collect from parents/guardians and/or monies allocated (general funding) by the government. These changes in financial management which were brought by the promulgation of the SASA,
1996, posed a challenge to the old system of government in terms of which financial matters were centralised and controlled by either the government or the principal of the school as indicated in the “Action plan for improving access to free and quality basic education for all”:

The political system was structured around racialised subsystems, each with its own legislative and administrative mechanisms and procedures. Within these, little delegation of authority was permitted and decision-making remained highly centralised. The national education authorities (or their agencies at the provincial level in the former White education system), retained responsibility for key school governance functions, such as the determination of a school’s medium of instruction, the admission of learners and the appointment of educators (DoE, 2003b:9).

The old (apartheid) system of government and school management, prior to 1996, bred laxity as far as financial management and accountability were concerned. In the majority of township schools the principal managed and governed the school on his/her own while other stakeholders took little or no part in the running of the school. The district office, which housed the director of education for a particular demarcated area, among other things, purchased textbooks, maintained buildings and paid for services on behalf of the schools (OECD, 2008:88–89).

The devolution of financial responsibility to principals, as chief financial officers, and SGBs, provided they applied to the HoD, has had implications on the management of financial matters. Most principals are still accustomed to the old system of management where school finances were controlled by the principal and the parents did not have a say although some of these principals, including their SGBs, often lack even basic financial or accounting management skills (Mestry, 2004:133). In addition, from 2006, 60 percent of schools in the township areas were classified as no-fee-paying schools while, on the other hand, 40 percent of the schools in the affluent suburban areas were ‘fee’ paying schools. Before the classification of schools into either no-fee-paying schools or fee-paying schools, all schools
in South Africa collected school fees from the parents. It is essential that parents know how their monies were used. Schools funds are, indeed, public monies and the management of these funds is subject to the requirements of SASA, 1996 (SASA, 1996, Ch. 4, § 42(a–b)). Schools, therefore, are publicly accountable for their budgets and financial planning and for the apportionment and use of the funds allocated to them.

The democratically elected South African government attempted to alleviate the congestion of tasks performed by the district offices by devolving financial responsibility to the schools, thus leaving the district offices free to concentrate their efforts on other urgent matters such as the implementation of the new curriculum (outcomes-based education, better known as Curriculum 2005). In addition, the classification of schools into no-fee-paying and fee-paying schools represented an attempt by the democratically elected government to redistribute resources to the previously underprivileged communities, thus closing the gap in financial resources between the ‘not-poor’ and the ‘poor’ schools.

It may be argued, on the basis of the background to the research as outlined above, that it is essential that a scientific research of the new funding model (wherein schools are classified into quintiles i.e quintile 1 to 3 as also classified as no-fee-paying schools and quintile 4 to 5 as fee-paying schools) be undertaken. The motivation for the research is discussed in the next section.
1.3 MOTIVATION FOR THE RESEARCH

The researcher was motivated to undertake this research by the discussion that is presented below. The funding strategy of the Department of Education is inspired by the need for free and quality education for all (DoE, 2003(a):4–5). This strategy purports that:

- public funding of schools, in particular where learners are underprivileged, must be sufficient to cover the cost of all the basic endeavours necessary for a good education;
- teaching and learning must be able to supply all learners with significant information and expertise that will empower them to play a meaningful role in the economic, political and cultural life of the country; and
- no learners, especially those of mandatory school-going age, have to encounter any financial, material or other obstacles to attending school (DoE, 2003a:08).

The public funding of schools in the form of grants is not an arbitrary issue, on the contrary, is ring-fenced to procure learner and teacher study material (LTSM), to maintain the infrastructure and to pay for services, including municipal services, rendered at the school. The concept, ring-fenced, will be discussed later in Ch. 2 § 2.7 and Chapter 3 § 3.3). It is the responsibility of the SGB (as an accounting body) (cf. Ch. 4 § 4.11) to ensure that the school fund is spent as stipulated in Section 37 of SASA, 1996. However, the needs of schools often far surpass the maintenance of the infrastructure, the purchasing of LTSM and the payment of municipal service and, thus, it is necessary to supplement these funds in order to cover those costs that are not covered by government grant. Accordingly, the researcher felt obliged or motivated to undertake this research in order to find out how fee-paying and no-fee-paying schools differ in their management of financial resources, particularly in view of the fact that the latter relies on government grants. The research was also motivated by issues that the
researcher had come across in his time as a principal of two of the secondary schools (appointed as the principal of a school and also deployed as a turn-around strategist in another secondary school) in Soshanguve. The researcher experienced, on a daily basis, the dissonance in the theory about no-fee-paying schools and what actually happened on the ground. It is, in fact, this dissonance that motivated the researcher to undertake this research.

The research problem is discussed in the subdivision below.

1.4 STATEMENT OF THE RESEARCH PROBLEM

Section 36 of SASA, 1996 imposes a responsibility on all public SGBs to improve the quality of the education offered by raising the funds for additional resources to supplement those which the state provides from public funds. Thus, all parents, particularly those who are middle-income earners or with good incomes (Ch. 4, § 4.6), are encouraged to increase their own direct financial and other contributions to the quality of their children's education in public schools.

In view of the emphasis on redress and equity, it would appear that the funding provisions of SASA, 1996 have, thus far, been to the advantage of the public schools utilised by middle-income earners and wealthy parents. The apartheid administration endowed high-quality facilities, equipment and resources on the preferred White affluent and wealthy parents (Norms and Standards for School Funding, 1998:7). Vigorous and positive fund-raising by City schools parent bodies, including business sponsorships and school fee income, enabled these schools to increase their facilities, equipment and learning resources, and expand the range of cultural and sporting activities offered. According to the Norms and Standards for
School Funding (1998:7), since 1995, when such schools were required to downsize their staffing component, several of the White schools have been able to recruit additional staff members on the basis of governing body contracts (SGB paid educators), paid from the school fund as contributed by the parents.

Poor people, especially in the Black townships and rural areas, have contributed part of their incomes over many decades to the building, maintenance and improvement of schools, by means of school fees and other contributions, including physical labour (RSA, 2006:13). However, despite various school building programmes, all too many schools in the poor, urban, working-class communities are still suffering the legacy of large classes, deplorable physical conditions and a lack of learning resources. Up until today the educators and learners in poor schools are expected to achieve the same levels of learning and teaching as their compatriots in the non-poor schools (RSA, 2006:13).

South Africa’s past system of apartheid has played a major role in the current disparities in the personal income of parents. The democratically elected government declared many schools no-fee-paying schools as a means of redressing the injustices and inequalities of the past. Schools were run with the meagre contributions from the parents living in the poor Black townships. In many cases these meagre contributions of the parents were able to cover only items such as transport costs paid to claimants (especially the SGB members, teachers and students for attendance at meetings), workshops (as organised for SGB members), teachers and learner developmental training and repairs to broken windows, by the SGB, at the schools. However, although the funds contributed by the poor parents in the Black townships were so meagre, they were able to keep the schools running (Hofmeyr, 2000:19).
The problem statement was articulated above and, thus, a research question is now formulated.

1.5 RESEARCH QUESTION

In an attempt to evaluate and measure the implications (both positive and negative) of declaring and ranking schools as either no-fee-paying or fee-paying schools, the following research question was identified:

*Are the schools in Soshanguve which have been declared no-fee-paying schools capable of effective and efficient financial management?*

1.5.1 Research sub-questions

In order to address the research question more effectively the following sub-questions were identified:

a. Are the no-fee-paying schools adequately funded by the government?

b. Does the classification of schools as no-fee-paying paying schools affect the financial or general duties of the SGB as promulgated in SASA, 1996?

c. Is there efficient financial management in poor schools? Do all stakeholders possess the capacity to manage the funds from government efficiently?

d. Does the classification of schools as no-fee-paying paying have any influence on the school financial management?

e. Are there any financial advantages for the ‘poor’ (formerly underprivileged) schools in Soshanguve as a result of being declared no-fee-paying paying schools?
f. Is the new classification into no-fee-paying paying schools bringing about equality between the previously privileged and underprivileged schools?

1.6 RESEARCH AIM AND OBJECTIVES

The general aim of this research is to explore the policies of education funding with regard to the implications of the ranking of schools into fee-paying and no-fee-paying paying schools for the financial management of schools. In an attempt to realise the general aim of the research, the following research objectives were formulated:

a. to explain the importance of school financial management in schools;
b. to analyse the successes (if any) and problems encountered (implications) as a result of the introduction of financial management systems and the ranking of secondary schools as no-fee-paying paying schools in Soshanguve from 2006 to 2013
c. to compare the financial management structures of the former privileged schools with those of the former underprivileged schools

d. to analyse the financial challenges, if any, experienced by Soshanguve schools that either do not charge school fees or are unsuccessful in collecting such school funds
e. to analyse whether it is advisable for the Department of Basic Education or government to continue with the ranking of schools into no-fee-paying or fee-paying schools.

1.7 SCOPE OF THE RESEARCH

It would be impossible to discuss education funding without setting timelines or establishing epochs. Epochs are important in that they provide a limitation as well as a guideline regarding
what should be researched within a specific time frame. The aim of this research, as discussed above (cf. § 1.6), is to explore the policies of education funding with regard to the implications of the ranking of schools into no-fee-paying and fee-paying schools. The research will cover the period between 1998, when no-fee-paying schools were first introduced, to 2013 in an attempt to ascertain whether there has been an improvement in education funding and school financial management. However, it would be unwise to discuss education funding in the 21st century without discussing its history. Accordingly, the research will also discuss the period from 1948, when the National Party government came into power, the introduction of Bantu Education in 1953 until 1993, the last year in which the apartheid government was in power. The democratically elected government by all South Africans came into power in 1994. The discussion of the epoch from 1994 to 2013 will include the new funding models implemented in South Africa.

In order to realise the above-mentioned objectives, schools in Soshanguve outside of Pretoria were chosen as the focal point of the research. However, it is essential to bear in mind that South Africa is a huge country with many different schools with unique management and governance. Although the focus area is Soshanguve, schools in the neighbouring suburban areas of Wonderboom and Gezina, in Tshwane North District, will also feature in the research. The research will compare how suburban areas cope as fee-paying schools with the way the no-fee-paying paying schools in Soshanguve cope. For educational purposes, Soshanguve has been demarcated into two districts, namely, Tshwane North and Tshwane West. Tshwane North includes schools in Soshanguve, Wonderboom, Gezina and the former North West (schools in Hammanskraal). Tshwane West includes schools from Soshanguve as well as schools from Akasia, Mabopane and Ga-Rankuwa areas (also former North West
areas). However, the research will concentrate only on schools under the ambit of the Tshwane North District.

In order to avoid confusion and ambiguity certain key concepts are defined below.

1.8 DEFINITION OF KEY CONCEPTS

Key concepts that will feature in this research are explained briefly in the sections below.

1.8.1 Budget

A school budget is a financial plan for managing money and sets out the school’s expected income and expenditure [Matthew Goniwe School of Leadership and Governance (MGSLG), 2010:16]. According to the National Treasury (2000:7) “financial planning (budget) is a cycle that runs from policy formulation, to the determination of priorities in the short and long run, to planning the delivery of services and reflecting these plans in financial allocations (the budget), and to the monitoring of results”.

1.8.2 Cash flow

Cash flow refers to the movement of cash into and/or out of the coffers of an institution, including a school), a project or a financial product. It is usually measured over a specific limited period of time (Campher, 1999:67).
1.8.3 Centralisation and decentralisation

Centralisation: In Political Science and Public Administration, centralisation refers to the concentration of a government's power, both geographically and politically, into a centralised government (Prasad, 2011:10).

Decentralisation: in fields of Political Science and Public Administration decentralisation, refers to the process of redistributing or dispersing functions, powers, people or things away from a central location (central government) or authority (Prasad, 2011:4). Decentralisation is discussed in detail in Chapters 2 and 3.

1.8.4 Control

Financial control in the school context is an important activity to help the school ensure that it is meeting its financial objectives. Financial control is therefore, the management of a school’s income and expenditure in relation to the budgeted amounts (The Free Dictionary: online, accessed on 14 of January 2012). Financial control will, therefore, address questions such as: Are the finances being used efficiently and effectively? Are the school finances secure? (Knight, 1993:149–151). The SGB control (as exercised in planning, performance evaluation, and coordination) of financial activities are aimed at achieving desired returns on their income and expenditure. Financial control, therefore, includes financial reports utilised to monitor, measure, and manage their financial resources. The primary financial controls schools use are their balance sheets, income and expenditure statements, and its cash flow statements.
1.8.5 Donation(s)

According to the *Oxford Interactive Encyclopaedia* (2013:online, accessed on 15 of November 2013), a donation is a gift which is presented by physical or legal persons, typically for generous and sympathetic purposes and/or to benefit a cause. A donation may take various forms, including cash offerings, services and new or used goods including clothing, toys, food and vehicles. As discussed in Chapters 5 and 6, in high schools in Soshanguve donations are sometimes ‘camouflaged’ school fees as these schools are not permitted to charge school fees.

1.8.6 Equity and equality

The aim of equity in the South African education system may be defined in two ways. Firstly, the aim of equity has been to bring about more justifiable learner-educator ratios within the provinces and based on an impartial post-provisioning model. Secondly, equity effort is focused on the *National Norms and Standards for School Funding of 1998* with its goal of reallocating recurrent non-personnel expenditure to the neediest schools, especially the former underprivileged schools.

*Equality* means and includes the full and equal enjoyment of rights and freedoms by all. In terms of education this includes guaranteeing learners the right to full and equal enjoyment of the basic right to education. In order to bring about equality among its citizens the government is empowered by the Bill of Rights to divert resources from the richer to the poorer areas while timetables may be established for the phased extension of legislation and minimum standards from area to area [Bill of Rights, s 9(2)].
1.8.7 Financial statements

Financial statements represent a formal record of the financial activities of an entity. These are written reports that quantify the financial strength, performance and liquidity of a school. Financial Statements reveal the financial results of business proceedings and transactions on the entity. Financial statements include the following documents, namely, a balance sheet, an income statement, a cash flow statement, any other statements that may be prescribed, and any notes to these statements (Accounting Simplified.com: online accessed on the 4 March 2014).

1.8.8 Financial year (school)

The financial year of a school extends from 1 January to 31 December of the same year (SASA, 1996, S 44).

1.8.9 Financial year of the Gauteng Department of Education (GDE) and the Provincial Education Department (PED)

Financial year of the GDE and PED extends from 01 April to 31 March of the following year. However, this financial year affects the allocation of grants to schools whose financial year starts on 1 January of each year (cf. § 1.8.8).

1.8.10 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure refers to expenditure which was futile and which could have been avoided had reasonable care been exercised (PFMA, as amended by Public Finance Management Act 29 of 1999, Chapter 1:5).
1.8.11 Irregular expenditure

Irregular expenditure refers to expenditure, other than unauthorised expenditure, which is incurred in contravention of or which is not in accordance with a requirement of any applicable legislation (PFMA, ibid:6).

1.8.12 No-fee-paying schools

No-fee-paying schools are schools in which all parents are exempted from paying school fees. That is, these schools have no right to charge school fees. The criteria to determine the no-fee-paying schools are based on the economic level of the community around the school (Setoaba, 2011:28). Schools declared no-fee-paying range from quintile 1 to 3 with quintile 4 and 5 schools declared fee-paying schools (ibid) (quintiles are defined in p.21). Section 21 and Non-Section 21 (cf. §§ 1.8.13) may be declared no-fee-paying or fee-paying schools.

1.8.13 Non-Section 21 and Section 21 schools

A non-section 21 school is a school whose financial allocation is administered by the government. Procurement of LTSM, for example, is done by the government through the district offices. They also have their lights and water accounts paid directly by government. When something is broken at the school, for example, the Provincial Education Department (PED) sends someone from the public works department to do the repairs (Mestry in Maringe and Prew, 2014:114). The Non-Section 21 schools do not manage their school allocations from the government. The PEDs manage the finances of the Non-Section 21 schools and thus order and pay suppliers and service providers for what the schools require. Even though the finances of these schools are administered by the PEDs, they may be declared no-fee-paying or fee-paying (cf. § 1.8.12 and Ch. 4 § 4.2.1.2).
Section 21 of the SASA, 1996, stipulates for the SGBs to apply to the HoD to be allocated certain functions i.e. Section 21 functions of the SASA, 1996, can only be allocated to the SGBs by the HoD. Three of these functions that relate to the utilisation of the resources allocated to schools are: maintaining and improving the school’s property, the buildings and grounds occupied by the school; purchasing textbooks, educational materials or equipment for the school and paying for services to the school (cf. Ch. 4 § 4.2.1.2). The function can be allocated in part or in full (Mestry in Maringe and Prew, 2014:114). Where a school has been allocated these functions in full, a PED transfers to the school’s bank account its full RTT allocation (Marishane, 2003:77).

### 1.8.14 Public money

According to the Sharman Report public money may be defined as follows:

(a) “all money received by a public body, from whatever source, is public money;

(b) all money received from a public body by a non-public body is public money; and

(c) additionally, public accountability may exist for private money where that money is either raised under statutory authority or where the body in question is a local public spending body” (Sharman, 2001:15).

### 1.8.15 School fee(s)

School fees refers to the compulsory monetary contributions made by the parents, including guardians, of learners as agreed upon during the annual general meeting (AGM) of the SGB and in which the adoption of the budget is the main issue discussed (SASA, 1996, Section 38(2)). School fees may also be defined as any form of contribution of a monetary nature made or paid by a person or body in relation to the attendance at or participation by a learner in any programme of a public school (MGSLG, 2010:128–129).
1.8.16 School financial management

According to Bisschoff (2000:14), school financial management entails the budgeting, spending, controlling and recording, auditing and reporting of the financial activities and events affecting a school and its programmes. It is specifically concerned with determining the accounting records to be maintained, how these records will be handled and the processes and procedures, methods and forms to be used. It is also concerned with recording, classifying and summarising the financial activities or events (preparation of financial statements) of the school concerned. School financial management also involves analysing and interpreting recorded data and preparing reports and statements which reflect conditions as at a given date, the results of operations for a specific period and the evaluation of the financial status and financial results in terms of the objectives which have been established.

1.8.17 School funding

A school is funded through public revenue and school fees in the fee-paying schools. Thus, school funds or school funding refers to the funds granted by the government and collected from the parents/guardians respectively (MGSLG, 2010:128–129).

1.8.18 School quintile system

A school quintile system may be defined as a statistical division in terms of which a population, in this case schools, is divided into five classes. The classes are grouped according to the level of wealth (with poverty stricken areas being classed as either quintile 1 or quintile 2) of the community in which the school is situated. Quintile one is the poorest quintile, quintile two is the second poorest quintile. Each national quintile encompasses one-fifth of the learners enrolled in public ordinary schools (CREATE, 2009:1–4).
1.8.19 **Unauthorised expenditure**

According to the PFMA (Chapter 1:8), an unauthorised expenditure means:

- overspending of a vote or a main division within a vote (in case of a school the budget);
- expenditure not in accordance with the purpose of a vote (budget) or, in the case of a main division, not in accordance with the purpose of the main division.

The research design and research methodology used in the research will now be explained.

1.9 **RESEARCH DESIGN AND METHODOLOGY**

Although the research design and research methods used for the purposes of this research are discussed in Chapter 5, it was deemed appropriate to introduce them in this chapter in which the researcher mapped out the strategic approaches and procedures that the research followed. Accordingly, the following paragraphs briefly introduce the research design used in the research and also the data collection techniques.

1.9.1 **Research design**

The research design refers to the strategy used to integrate the various components of a research project in a cohesive and coherent way. This research used a combination of the quantitative research design and the qualitative research design to collect comprehensive and valuable data (Borland, 2001:1). For both the quantitative and qualitative phase of the research, one of the four district offices was conveniently sampled (McMillan and Schumacher, 1997:397). In order to increase the sample size, 16 public ordinary secondary schools in the selected district were included in the research. Below follows the discussion on the quantitative phase.
1.9.1.1 Quantitative phase (descriptive)

The research question, namely, ‘Are the schools in Soshanguve which have been declared no-fee-paying schools capable of effective and efficient financial management’? (cf. § 1.5) may be regarded as descriptive in nature as it sought to investigate how the new classification into no-fee-paying and fee-paying schools affects school financial management in the previously underprivileged schools. Quantitative data on the internal efficiency of the schools in the sample was collected using, inter alia, various school documents such as SGB meeting minutes and financial statements. The researcher decided that the appropriate research design for this phase of research would be a descriptive survey which allows for the collection of quantifiable data from a sample. The researcher described the existing phenomenon, (school financial management) by using statistical data to describe the trends in school financial management and without manipulating or controlling the subject (no-fee-paying and fee paying school financial management) (McMillan and Schumacher 2001:175). The data was then presented using numbers and percentages. For the qualitative phase of the research, the same 16 public ordinary secondary schools were conveniently selected on the basis of their accessibility to the researcher.

In order to meet the objectives set in a cohesive and coherent way, the research used a combination of research designs, namely, emergent research (development of processes and the use of relevant resources), empirical research (sampling and data collection procedures) and literature based methodology. Emergent research and empirical research are explained below.
1.9.1.2 Emergent research: Consultation of relevant sources

In discussing a topic of this nature it was deemed appropriate for the researcher to consult a diversity of sources. In addition to the primary sources which were consulted, the researcher also examined existing literature, in a form of secondary and tertiary sources, on school financial management. This literature review helped to guide the researcher on what has already been surveyed. The importance of these sources is explained below.

1.9.1.2.1 The importance of primary sources

According to Leibensperger (2005:1–2), primary sources refer to original material. Thus, primary sources include diaries, interviews (legal proceedings, personal, telephone, e-mail records), letters, original documents (a birth certificate or a trial transcript), patents, survey research (such as market surveys, public opinion polls), photographs as well as minutes of proceedings of meetings, conferences and symposia. Important financial statements from the past are available at the Department of Education as well as its various schools.

1.9.1.2.2 The importance of secondary sources

Primary sources alone would have been sufficient for the purposes of this research. Although secondary sources are often unreliable, they do provide a “broader picture of the events of the past as contained in primary sources” (Neuman, 2006:432). Secondary sources often contain descriptions and analyses of primary sources. Accordingly, the accounts, descriptions and interpretations of research subjects found in secondary sources are at least one step removed from what may be found in primary sources about the same subject.
While primary sources do not provide a completely objective view of reality, secondary sources inevitably add an extra layer of opinion and interpretation to the views and ideas found in primary sources. The reporter (narrator) is, in most cases, prone to include his/her own sentiments in secondary sources and may even be judgemental (Zemliansky, 2008:np). “Writers make choices about what to include and what to omit. As researchers, we need to understand that and not to rely on either primary or secondary sources blindly” (ibid).

Secondary sources may, therefore, be defined as sources that contain second hand, secondary or unoriginal information. Secondary sources are accounts which are written after the fact but with the benefit of hindsight. Secondary sources are not evidence but, rather, they are commentary on and discussion of evidence. Examples of secondary sources include: scholarly sources, books, biographies, commentaries, dissertations, indexes, abstracts, bibliographies (used to locate primary and secondary sources), journal articles, and monographs to mention but a few (Leibensperger, 2005:1–2).

1.9.1.2.3 The importance of tertiary sources

Tertiary sources are also important because these are documents that consist of information which is a refinement and compilation of the information contained in the primary and secondary sources. Examples of tertiary sources include are almanacs, encyclopaedias and factual books (Ithaca Community Library, online, accessed on the 20 March 2012).
1.9.1.3 **Empirical research**

The nature of the research problem was such that qualitative research was also deemed to be appropriate for the purposes of the research. Accordingly the next section will explain how the empirical research (qualitative), sampling and collection of data were used in the research.

1.9.1.3.1 **Qualitative research**

Qualitative methods are intended to discover both the human factor and the cause and effect nuances. Thus, qualitative research is best suited to accommodating factors that cannot be translated into number-based results. The results of qualitative research are influenced by the interaction between the researcher and the subject (Saunders, Pate, Felton, Dowda, Weinrich, Ward, Parsons and Baranowski, 1997:79). In this research the researcher was faced with condensing the raw material which had been collected from schools and the district office into categories and themes. In other words, the research used both qualitative content analysis and deductive qualitative research. The qualitative methods and processes used by the researcher are discussed below.

1.9.1.3.1.1 **Qualitative content analysis (inductive) and deductive qualitative research**

Qualitative content analysis involves a process which is designed to condense raw data into categories or themes based on valid extrapolation and understanding. According to Zhang and Wildemuth (2013:2), this process uses inductive reasoning in terms of which themes and categories emerge from the data as a result of the researcher’s careful examination and constant comparisons. The data inducted from various sources is examined and constantly
compared. In this research school documents, in the form of financial statements and budgets, were gathered, examined and compared with each other with the data gathered from the eight Soshanguve schools in the sample being examined and compared with the data collected or gathered from the eight City schools in the sample. According to Paton (in Zhang and Wildemuth, 2013:2), it is not necessary for qualitative content analysis to exclude deductive reasoning and, thus, all the data which was analysed, examined and compared produced outcomes. The research methodology just described was, therefore, used in this research to answer a question or to test the main research question, namely, *Are the schools in Soshanguve which have been declared no-fee-paying schools capable of effective and efficient financial management?*

The results of this research were based on actual evidence as opposed to research findings which are based only on theory or assumption and, as such, they may be replicated in follow-up studies. Empirical research includes the following: sampling and selection of participants, semi-structured interviews and data analysis. Reliability and validity as well as ethical matters were also addressed in the research (cf. § 1.9.1.3.4).

### 1.9.1.3.2 Sampling and selection of sources (target group)

The researcher employed non-probability and purposive methods as part of the sampling procedure. A non-probability method or sampling does not involve random selection actually, non-probability sampling is a subjective process in which the probability of selection of each population unit is unknown (Parasuraman, Grewal and Krishnan 2004:360). A core characteristic of non-probability sampling techniques is that samples are selected based on the subjective judgement of the researcher (Saunders, Lewis and Thornhill, 2009:233). This
is because a researcher has had a specific group in mind. For the purposes of this research sources such as budgets and financial reports (audited) were collected from both a sample of schools and the Tshwane North district office, coded and analysed (see Ch. 5). SASA, 1996 Section 38, compels schools, under the auspices of their SGBs, to draw up budgets and present such budgets to parents during the AGMs each year. The budgets in all the City schools were readily available.

Budgets are important as they provide a focus of what is envisaged fiscally for the following financial year. In addition, the audited financial reports or statements presented to the SGBs in their regular meetings and to the parents during the AGM were also deemed to be important. After being adopted these financial reports are handed over to the district offices before the 30th of June of each year (6 months after the end of the school financial year) (SASA, 1996, Section 47(5)). The district offices are the custodians of both the budgets and the financial reports of schools. Budgets and audited financial reports were also requested from the district office (Tshwane North). The researcher sampled 16 schools which were required to submit or present their budgets as well as their financial reports (audited statements).

The sources or budget and financial reports of these schools were treated confidentially. Monetary issues are extremely sensitive and, thus, confidentiality is vital. Pseudonyms (the schools in Soshanguve were named Schools A to H while Schools AA to HH denoted the City schools) were used to protect the sampled schools. McMillan and Schumacher (1997:533) are of the opinion that researchers have a responsibility to protect the participants’ confidentiality from other persons who may constitute the general reading public. Thus, it
was the researcher’s responsibility to ensure that anonymity and confidentiality were maintained in respect of the information gathered.

The district office under enquiry includes the 8 sampled high or senior secondary schools in Soshanguve as well as the 8 sampled high or secondary schools in the “City” (schools around Pretoria but demarcated under the Tshwane North). Not all schools in Pretoria fall under the abovementioned district because some ‘City schools’ fall under the Tshwane South and Tshwane West Districts.

1.9.1.3 Data analysis (document analysis)

Data, from documents such as SGB FinCom minutes (cf. Annexures D 1 and D 2 as examples of FinCom minutes from schools), was collected and analysed to determine its relevance. The data collected from the chosen or sampled participants was broken down into manageable themes, patterns, trends and relationships in order to make sense of it (Mouton, 2000:108). Subquestions and sub-sub-questions were used extensively to develop facts from collected documents (see Ch. 6). The documented data (e.g. financial statements and budgets) were scrutinised using the abovementioned sub and sub-sub-questions (cf. Ch. 6 §§ 6.2.1.3 and 6.2.1.4), i.e. In order to easily identify samples or schools, schools from Soshanguve were labelled A to H and schools AA too HH for City schools) (see p.28, par 3) so that the origin of data could easily be identified.

In the modern world there is an abundance of data that is routinely collected by governments, businesses, schools and other institutions. Some of the information gathered in the research and which is stored in electronic databases was accessed through the district office and the
internet. This data was also analysed. Many research projects also store their raw data in electronic form in computer archives to enable others to analyse this data. Included in the data available for secondary analysis were the funding records of the Department of Basic Education and the PEDs.

Grants to schools (in certificate form) are allocated by the PEDs and are transferred passed to the schools through the district offices. The district offices, as the custodians of these important documents, granted the researcher access to the certificates of the school allocations. After delivering the grant certificates to the schools the district offices retain duplicates of such grant or allocation certificates. The grant certificates pertaining to the selected or sampled schools were requested from the district office (Tshwane North). These sources were deemed to be extremely important and it is for this reason that they were selected and used. These sources were also treated with the confidentiality they merited.

The PEDs always publish their annual reports and accessible to all. These annual reports report on how the budgets and allocations to schools were handled. The PEDs’ annual reports were also regarded as important sources and were, therefore, consulted.

Other important sources included the government gazettes which publish the classification or categorisation of schools into quintiles on an annual basis. Schools are compelled to apply each year for their categorisation. The applications are handled by the office of the Minister of Basic Education. As already stated the new categorisations are then published in the government newspaper (Gazette) before September of each year.
1.9.1.3.4 Reliability and validity

In order to guard against the claims of deformation and misrepresentation which have been levelled against the case research method (the researcher is the determining factor behind the findings and analysis), validity and reliability issues were taken into consideration throughout the research. Chapter 5 contains a comprehensive description of all the actions undertaken during the research, including details of every data gathering process, in order to avoid any misconception and/or the misrepresentation of information.

In order to ensure consistency, the qualitative method (inductive and deductive approaches) was used while the data analysed was double-checked so as to avoid any uncertainty. The data was first scrutinised by the researcher and then sent to College of Economic and Management Sciences (CEMS) for further scrutiny before the data was widely applied to findings.

1.9.1.3.5 Ethical considerations

Permission to undertake the research was obtained from the relevant authorities, namely, the staff and programme coordinators working with both forms of education (no-fee-paying and fee-paying schools) before the research was conducted. This was deemed necessary as the researcher was sometimes working with controversial and sensitive issues such as school financial documents and the minutes of financial committees.
A preliminary literature review was conducted to establish whether relevant research had been undertaken on the issue of educational funding or school funding. A number of research documents and other relevant materials on educational funding were found.

1.10 LITERATURE REVIEW

The literature review, discussed in Chapter 2, attempts to produce a critical analysis of the relevant literature available. A research of this nature would be incomplete if it did not take cognisance of other people’s dissertations, peer reviewed journals, reports, books as well as other sources of interest. The literature review provided the theoretical background in which key conceptual issues were addressed in order to gain an insight into contemporary issues in school financial management in South Africa.

1.11 SEQUENCE OF THE CHAPTERS IN THE RESEARCH

In order to ensure a comprehensive structure the research was divided into chapters that followed a logical sequence.

Chapter One serves as an introductory chapter. Thus, it contains the introduction to the whole thesis and addressed the background to the research. It also discussed the research question, research problem statement and research objectives. In addition, the chapter also contained definitions of key concepts, descriptions of the research design and research method as well as the sequence of the research in terms of the chapters comprising the dissertation.
Chapter Two considers a literature review. The researcher undertook this review in order to unearth relevant available research and non-research literature on the topic under investigation by means of a summary and critical analysis of existing literature. The aim of the literature review was both to bring the reader up-to-date with the current literature on the research topic and to form the basis for the attainment of another goal, namely, the justification for future research in this area. Thus, the literature review presents the theoretical background to the research on school funding and cites arguments on school funding in the literature. Thus, this chapter integrates what is being studied in this research and what has already been researched (Mouton, 2002:119).

Chapter Three focuses on the Conceptualisation of Commonwealth Education Funding Models and contains an in-depth research of education funding in selected members of the commonwealth education funding models, namely, the United Kingdom (UK), Zimbabwe and South Africa (a comparative research). The aim of this exercise was to compare what members and former members of the Commonwealth were doing as far as education funding was concerned and as critically investigated by other researchers.

Chapter Four focuses on education funding in South Africa post 1999 and on the role of the SGBs in school financial management. The chapter conducted an investigation into South Africa’s school funding models and also explained the general background to school funding as well as the new funding model(s). As stated earlier, all public schools in South Africa are ranked or categorised into fee-paying and no-fee-paying paying schools. This categorisation or ranking is determined according to the level of hardship or neediness of the community within which the school is situated with no-fee-paying being the most deprived and fee-paying being the least deprived.
Chapter Five discusses the methodology that was employed in the research as well as the collection of the requisite data.

Chapter Six focuses on the presentation, analysis and interpretation of the research findings. The data that was collected from the sampled schools is examined and analysed. The data was gathered and analysed using qualitative and quantitative methods, as mentioned above. The results of the analyses are discussed and the data is interpreted. In addition, the chapter highlights some of the challenges associated with the no-fee-paying school system. On the basis of the analysis the research also attempts to demonstrate whether the government’s aim of making schools equal (redressing the past educationally) is being realised.

Chapter Seven concludes the research by focusing on a summary of the findings and its results. Recommendations are also presented as derived from the research findings and topics for further research are suggested.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

Any discussion on genuine educational equity reform in South Africa almost inevitably starts with 1994 and the first democratically elected government that came to power on 27 April 1994. Much of the South African literature, especially from the mid-1990s, on school finance equity focused on policy review, small-scale empirical analysis or summative analysis. However, this literature review did not investigate the issue of school financial management in any depth. Since the late 1990s there has been increasing concern on the part of social scientists, economists and social policy analysts to assess how the post-apartheid government’s commitment to equitable resource allocation in education is progressing.

The discussion below considers the following aspects highlighted in the literature: A synopsis of the literature on the history of funding in South Africa (from 1948 to 1993), literature on the theory of decentralisation of education funding and literature on current funding policies. The literature review attempts to conduct a critical analysis of the available literature. The majority of the available sources concentrate on the theoretical nature of the school financial management but fail to adequately address the changes that have taken place in schools in South Africa since 1994.

The literature review also comments briefly on the broader literature on education funding. This brief commentary then takes us to the literature that deals more specifically with equity and education funding in secondary schools. The literature review starts with reviewing the literature on the history of education funding.
2.2 LITERATURE ON THE HISTORICAL BACKGROUND OF THE FUNDING OF EDUCATION IN SOUTH AFRICA

It is important to start with the history of the funding of education in South Africa. Although this history is merely a synopsis, it is of the utmost importance to establish the background to what has been the practice as far as funding of education is concerned. There is a vast amount of literature on the history of education funding in South Africa and some of this literature will be consulted.

Of importance is the work of Pells (1954:25–34) entitled *300 Years the History of Education in South Africa*. This is an extension of his first work which was entitled *The Story of Education in South Africa* (1938). The work of Pells covers the history of education in South Africa from its inception in the 17th century until the second half of the 20th century. He chronologically describes the way in which education was run up until 1954 and covers the various administrations from the Dutch East India Company (DEIC) to the inception of the Nationalist government in 1948. Pells was able to show how the different racial groupings’ education was funded. Although this source covers all the administrations of all the racial groupings and colonies alike, Pells also dedicated a chapter (XIII) to the education of Blacks (natives/bantu), thus enabling the reader to establish how education for the Blacks was administered before the promulgation of the Bantu Education Act 47 of 1953. Unfortunately Pells’ work did not include the aftermath of the passing of the Bantu Education Act 47 of 1953 and the implications it had on the education of the Black people in South Africa.

This literature review would be incomplete if it failed to mention the thesis of Leonie (1965:110–161), namely, “The Development of Bantu Education in South Africa: 1652 to 1954”. Leonie examined the development and nature of the Bantu Education systems in
South Africa. He traced the growth of secondary education from 1652 to 1954 and the
development, especially the creation and promulgation of the Bantu Education Act 47 of
1953, of the multiracial society as it related to education. This source is also old but was
deemed appropriate for historical purposes.

Of interest also is the work by Behr entitled *Education in South Africa: Origins, issues and
trends – 1652 to 1988*. This work covers the historical background of funding in South
African education. Behr was able to cover the roots of the South African education system as
its funding that was based on race. Behr’s work concentrated on important commissions that
shaped the South Africa education system up until 1988. The history of the institution,
administration and financing of education in South Africa up until 1988 is discussed in full.
In short it may be said that Behr was able to highlight most of the issues, aspects and
problems of the South African educational system as presented against the historical
developments of the time. Political, philosophical, social and economic issues contributed
primarily to the unique system of education which was structured on the basis of racial and
ethnic groupings (Behr, 1988:59–84).

*Beyond apartheid: The question of education for liberation* and written by Mboya (1993: 1–
75), is an exceptional and brilliant work from just before the dawn of the new democracy.
The book addresses the breakdown of the education system for Blacks in South Africa. In this
work Mboya explores, probes and uncovers the true character of the Bantu education system.
Mboya courageously examined the challenges facing the education system and was able to
give the reader an opportunity to positively judge the system of Bantu education as a critical
instrument in the apparatus of racial domination. Mboya pragmatically established the
straightforward reality that the then educational system had reflected and legalised the social reality out of which it had been created (Mboya, 1993:1–10).

In Chapter 4, Mboya (1993:58–75) advocates that schools should be under the control of the community. This, in turn, reveals that he was also one of the ‘prophets’ who believed in the creation of democratically elected school governing bodies (SGB) for all schools in South Africa and not just for the ‘Model C’ schools of the time. SGBs in South Africa were established after the promulgation of the South African Schools Act 84 of 1996. Unfortunately, this book was written before the dawn of the new era of inclusive democracy in South Africa and, thus, it failed to address current issues in education.

Like Mboya’s work, *The right to learn* by Christie (1991:11–41) also appeared before the dawn of the new social order of 1994 (democracy). It was intended as an instrument for debate about education in South Africa and attempted to examine important issues in education in South Africa. However, Christie (1991:7) wrote that the book was not intended to be a ‘blue print for the new education system’ in South Africa. In view of the fact that this book was produced in consultation with people who took part in discussions and interviews conducted by the author it may be regarded as a reliable good source of information in that it is able to enlighten the reader about how people felt about the education system of the time. However, also like Mboya, this material or source does not address current trends in education funding as it appeared in 1991 (second edition).

*Separate and equal education: South Africa’s education at the crossroads* by Mncwabe (1990) is also a relevant source. It provides a background to the way in which education was administered under apartheid and also emphasises the need for change, highlighting that the
education offered to all races should be equal. Mncwabe critically addressed the reforms that were advocated in the White paper on the provision of education in the Republic of South Africa, 1983. He was able to show how the apartheid regime was able to reject the De Lange Report of 1981 by clinging to its segregation beliefs.

According to Mncwabe (1990:46), De Lange had recommended that there should be a single ministry of education. Unfortunately, in the White Paper of November 1983, the National Party government specifically reaffirmed that each racial group should have its own schools and education. For the sake of history this source is useful and very important. Like the other sources mentioned above it also falls short in addressing present developments in education as South Africa was transformed into a democratic order in 1994, with a single ministry of education.

A discussion on some of the literature available which addresses the general funding of school education in South Africa follows.

2.3 LITERATURE REVIEW OF SCHOOL EDUCATION FUNDING IN SOUTH AFRICA

According to Veriava and Coomans (2005:60), one of the key features of apartheid education was the gross disparity in the funding of public schools. Under the previous Nationalist Party government, the financing of public education occurred primarily on the basis of race, with Black learners receiving the least funding of all the race groups (cf. Ch. 3). De Vos (2001:263) points out that the majority of the South African population was deprived of political freedom and dispossessed of opportunities to find their economic and social place in life.
Since 1994 the African National Congress (1994) government has promulgated a range of laws and policies to ensure that, in terms of public funding, the disparity in educational funding is redressed and that, ultimately, the right of all learners to basic education is realised. Several writers have addressed the issue of the general funding of education. Of interest are works by Veriava and Coomans (2005:60), Wildeman (2000a:31-32), Studies in Poverty and Inequality Institute (2009:2:50), Fiske and Ladd (2003: 4-32; 2005:1-18), Motala and Pampalis (2005:5-56). The funding of education in South Africa is enshrined in, and regulated by, the SASA, 1996.

### 2.3.1 Norms and standards for non-personnel spending

According to Fiske and Ladd (2004:116), while the equity notion of equality in education provided the groundwork for most of the latest resource policies in education, an important development was the *National Norms and Standards for School Funding Policy of 1998*. This policy was introduced in 1998 and subsequently implemented on 1 January 2000, giving effect to the funding provisions for public schools as stipulated in the South African Schools Act 84 of 1996. According to Wildeman (2000a:31-32), the *Norms and Standards for School Funding Policy of 1998* was aimed at redistributing the recurrent non-personnel resources to the neediest learners in each province. In other words, the policy was aimed at bridging the gap between the formerly underprivileged schools and the ‘Model C’ or City schools. Most of the schools from the underprivileged areas, especially the townships, were more financially destitute than the former ‘Model C’ schools or City schools and, thus, the *Norms and Standards for School Funding Policy of 1998* was intended to give the poorer schools more of the non-personnel funds than the wealthier schools in order to promote greater equality in terms of educational prospects. Non-personnel spending covers items such as
services, maintenance as well as learner and teaching materials (DoE, 2006b:27). In order to ensure that funds were available for such purposes, the national government was impelled to work within the constraints of the new semi-federal system. This, in turn, implied that any redistribution of funds to schools had to be done within provinces and not across the country as a whole.

The policies of the Department of Education, for example, the Norms and Standards for School Funding, recognise the inequalities inherited in 1994 and they represent a commitment on the part of the Department to redress imbalances through a prejudiced allocation of resources so as to benefit schools in the underprivileged quintiles, the provision of free education in the no-fee-paying schools and the food nutrition scheme which was introduced in partnership with the Department of Social Development. The government of South Africa, through the Department of Basic Education, has a particular policy bias towards underprivileged schools especially with regard to resource allocation. The latter is particularly indicative of the Department of Education’s pro-poor development policies. Nevertheless, and as highlighted by the Studies in Poverty and Inequality Institute (2009:5), persistent challenges with regard to the non-delivery of the Department of Education’s policy promises is making a mockery of the Department’s Constitutional responsibility to move forward and ensure that the realisation of the right of all learners to education (ibid).

It is worth noting that the Studies in Poverty and Inequality Institute (2009:13–50) has reviewed some of the major policies which sought to ease and eradicate poverty. Its report presents a budget and benefit occurrence analysis which focuses on the figures (in statistical form) behind the policies. The Institute selected the following five departments as the subject
of the poverty audit review, namely, the National and Provincial Departments of education, Health, Housing, Social Development and Transport (ibid).

The conclusion drawn by the Institute was that the majority of the national policies of the Departments that had been selected, including the Department of Basic Education, reflect a pro-poor course although this was not the case in practice. According to the research (Studies in Poverty and Inequality Institute, 2009:2), “this is evident in references to the respective socio-economic rights, the acknowledgement of the need to redress past imbalances of the past and to create an equal society, the need for equitable distribution of resources, and the unification of systems of delivery in each department in order to alleviate poverty through the alignment of policy objectives with budgeting and institutional arrangements”.

Nevertheless, according to the Studies in Poverty and Inequality Institute (ibid), “outside the general rhetoric, the policies do not provide for satisfactory implementation. They are often silent on how the goals and outcomes are to be achieved in an understandable manner and the purported responsibilities of lead departments tasked with their respective responsibilities do not sufficiently provide a coherent roadmap for policy implementation. Ordinarily, each branch and sphere within each department comes with specific duties and powers for the fulfilment of its constitutional and legislative mandate”. This research is extremely important as it has managed to diagnose the challenges faced by South Africa in redressing the inequalities of the past. However, the research fails to discuss how school financial management has been affected by this failure to redress the imbalances.

The financing of public schools is also, to a great extent, reliant on school fees and, thus, it may be said that the funding of education is two pronged. In other words, as discussed above,
the funding of education in South Africa is undertaken by the government through the allocation of grants as well as parents through school fees, especially in fee-paying schools (Marishane, 2003:72–75). The exact amount of fees charged in a school is determined by parents and there is, therefore, a growing concern that the public funding system is reinforcing the existing inequality between former Black and White schools, for example, in Soshangueve schools (parents do not pay fees) and the City schools (parents supplement the grant from the government by paying fees) (Roithmayr, 2002:382). Roithmayr (ibid) emphasises that the well-to-do schools are at an advantage as they charge excessive fees. According to Roithmayr (ibid), both the high school fees charged, the well prepared and achievable budgets, allow the City schools to function more efficiently than the underprivileged schools which are not able to charge comparable amounts or, in the case of no-fee-paying schools, no school fees at all.

In the “Constitutionality of school fees in public education”, Roithmayr (2002:npn) critically analyses whether the practice of charging school fees for public education is violating the South African Constitution of 1996. The paper explores whether public school fees are unconstitutional in principle and also whether they are unconstitutional in terms of the way in which they were currently being implemented. Roithmayr’s work is important as it provides the constitutional background to the reasons why the government should discourage the payment of school fees as levied on the poor. However, like Veriava and Coomans (2005:60), De Vos (2001:258-276), Wildeman (2000a: 32-32 and 2000b:5-10), Studies in Poverty and Inequality Institute (2009), Fiske and Ladd (2003:3-32: and 2005:1-18), and Motala and Pampalis (2005: 5-56), Roithmayr (2002:npn) fails to address the probable implications of no fees on school financial management. This indicates a gap in the existing literature. This research will address this gap.
The writers cited in the previous paragraph have deliberated on the funding of education in South Africa although the majority of them have failed to address how state funding alone, without the payment of school fees in the formerly underprivileged schools, has implications on school financial management. A discussion of the literature on the decentralisation of education funding in South Africa follows below.

2.4 LITERATURE ON THE DECENTRALISATION OF EDUCATION FUNDING IN SOUTH AFRICA

Several public schools in South Africa control their own budgets. Some of these schools, such as the former ‘Model C’ schools (cf. Ch. 3 § 3.4.3.4), have managed their own finances since 1991 while other schools in the previously underprivileged areas have experienced significant problems with financial management. Caldwell and Spinks (in Bush and Gamage:2001:39) suggest that a self-managing school is a school in which there has been significant decentralisation to the school level of authority as regarding making decisions related to the allocation of resources. Before discussing the challenges experienced by the formerly underprivileged schools it is relevant to review existing literature that deals with decentralisation.

Several writers have discussed decentralisation as a concept and within the context of the funding of education. In particular, Karstanje (1999:29) defined decentralisation as an undertaking aimed at increasing efficiency and effectiveness by decreasing the distance between the parts of an establishment and shifting the risks to a lower level. Foskett and Lumby (2003:132–138) caution that decentralisation should not be viewed as a single, unitary phenomenon as models of education funding range from centralised to decentralised systems. The degree of responsibility for, and discretion in, decision-making, as transferred
by the central authorities in every case, is context bound and varies according to local needs and traditions (Bush, 1999:1).

In the educational context decentralisation is often known as School Based Management (SBM) and it has been identified as one of the ‘megatrends’ of the last two decades – 1990s to 2000s (Foskett and Lumby, 2003:133 in Theodorou, 2007:online, accessed 12 March 2011). Abu-Duhou, 1999:25 in Theodorou (2007:online, accessed 12 March 2011), defines educational decentralisation as “a repositioning of power from higher (the centre) to lower (the school) authorities in relation to curriculum, budget and resource allocation, staff and students, and in some instances assessment”, while Bullock and Thomas, also in Theodorou (ibid), “add ‘access’ to the above areas of decisions which can be repositioned”.

While there are contradictory views in the literature as to the reasons for the shift to SBM, in general this movement may be underpinned by the following three categories of motives:

a) Political motives: throughout most of the world there is a groundswell of enthusiasm for increased participation in the public decision-making by groups that have or claim to have been excluded earlier;

b) Funding motives: central governments either do not want to or cannot provide the finance required to meet demand for schooling; and

c) Efficiency motives: prompted by an argument that greater local decision-making will reduce the cost of producing a unit of output (adapted by Theodorou in McGinn and Welsh, 1999:29, 2007:online, accessed 12 March 2011).

The section below explains the term financial delegation and then goes on to discuss financial delegation as part of the wide-ranging change towards decentralisation.
2.4.1 Financial delegation

Abu-Duhou (1999:25 in Theodorou 2007:online, accessed on 12 March 2011), defines financial delegation as a wide-ranging change towards decentralisation which includes the relocation of administrative responsibility for specifically defined roles, such as finances, which tend to be only indirectly controlled by the central government. In the education context the rationale behind financial delegation is that decision-making near the point of delivery of service will closely reflect the needs and priorities of the learners and the school community, thus making the school more effective and efficient (Newcombe, McCormick and Sharpe, 1997:94).

According to Newcombe et al. (1997:94) comprehensive financial delegation touches on all four of the mutually dependent key management stages, namely, resource acquisition, resource allocation, resource application and evaluation, with the major responsibility for relevant decisions being passed over to the school. Evaluation becomes an important part of the process, especially for the central authority, which must know the results being produced by the autonomous management of finance. This is, indeed, the case in South Africa where SGBs are required by law to account to the PEDs on the use of funds allocated by the government (cf. Ch. 4 § 4.11.1.1). Both the curriculum and the learning outputs which schools must provide are often standardised so as to make it possible to judge for the efficiency and effectiveness of individual schools more easily.

In his paper, Theodorou (2007:online, accessed on 12 March 2011) (also cited above) entitled the ‘Cypriot primary school headteachers’ perceptions about the delegation of school finance’, he deliberates on decentralisation through the delegation of financial decisions. He presents the English school management model as a reference point of extensive delegation in terms of which there has been sufficient reform to take place and to be evaluated in the
literature. The implications of delegation on schools and, in particular, on the school principals, is given more emphasis by the government (SASA, 1996 Section 16A) as principals hold important posts and are perhaps the most affected by delegation.

According to Theodorou (2007:online, accessed on 12 March 2011), in 2003 Cyprus was on the verge of decentralising its education management arrangement. However, as far as financial decentralisation was concerned there had not been adequate evidence to support and document any reform initiative. He reports that the research on financial decentralisation investigated the views of 7 primary school head teachers on the delegation of finance in their schools. Thus, his research, through the use of semi-structured interviews, attempted to ascertain the interviewees’ perceptions of both the weak and the strong points of the current system; which decisions they believed should/should not be further delegated and whether they would be willing to accept the changes which usually accompany financial delegation and, finally, what they thought about highly delegated management schemes. Several important findings emerged from the headteachers’ views with the most important being a unanimously proposed model of school financial management which, it was believed, would benefit the schools if implemented. On the whole the research offers an original view into financial decentralisation in Cyprus and aims to contribute to a general discussion on decentralisation and school management. Although the subject of the research is Cyprus and not South Africa, the research may, nevertheless, be regarded as relevant to the South African context because South Africa has embarked on the decentralisation of the education system, especially school governance (financial management, in particular) and, in addition, the process is still in its embryonic stage, having started inclusively in 1996. It was, therefore, imperative to consult such a source.
Of interest, to the subject of the decentralisation of financial control to schools, is the already quoted work by Marishane (2003:30-45) – a thesis entitled “Decentralisation of financial control: An empowerment strategy for school based management”. This thesis focuses on the decentralisation of financial control as a strategy to develop school-based management (SBM) and improve performance. Marishane’s (ibid) thesis examines the role of the state in decentralisation by exploring the current South African education policy on this aspect of educational transformation and as expressed through the Norms and Standards for School Funding Policy of 1998 (DoE, 1998(a)). The Norms and Standards for School Funding Policy, which was first introduced in 1996 and came into effect in 1998, was designed, inter alia, as a reply to the burden which had resulted from educational transformation and the restructuring initiatives.

According to Marishane (2003:76), a universal feature in the execution of the norms and standards policy was the decentralisation of the decision-making authority over the management of resources to the schools. This included the devolution of the state-allocated budgets from the PEDs (the delegation of financial management responsibilities to school-based financial management structures) through the district offices as a primary education service delivery system for the state. In South Africa, the PEDs are tasked with the responsibility of allocating funds to schools. In order to assist both the district offices and the schools in carrying out their responsibilities Marishane presents a model for school-based financial management. Marishane also addresses the following topics:

- school management and organisation
- education finance
- education planning
- education and state
• SBM and
decentralisation of schools (Marishane, 2003:30–287).

All these topics, as mentioned by Marishane and other writers, are relevant to this research and are expounded upon.

2.5 BROADER LITERATURE ON THE FUNDING OF EDUCATION

In the South African context the processes of equity have been initiated and promoted by resource redeployment based on financing formulae and reimbursement arrangements. Critics have attempted to measure both inequity and the progress towards equity. Most past work focused on rates-of-return research and racially differentiated spending inequalities (Moll, 1991:1–10).

The strengthening and expansion of data compilation and the establishment of the new education management information systems at both the provincial and the national levels created the opportunity for significantly enhanced data analysis and research, particularly in the late 1990s (Crouch, 2005:25–38). In South Africa, research and policy analysis has focused extensively on monitoring the progress of the state in meeting its commitments to education resourcing and improving education outcomes.

In their various research works, Van der Berg (2002:140–164), Crouch (2005:25–38) and Case and Deaton (1999:1047–1084) have illustrated that South Africa’s long-term project of sustaining economic growth and prosperity has cast an unfavourable light on the country’s racial policies prior to 1994. They have also suggested that the key challenges to
development in South Africa since 1994 are structural inequalities, financial inefficiencies and declining outputs (academic results) in schooling.

These writers focused on various factors, including the input variables which may contribute to the achievement of equity and equal education. As will be discussed in Chapters 3 and 4 of this thesis, the overarching aim of policy and legislation in the educational context has been to effect equality and equity in education through the redistribution of resources at the school level. The following questions then arise: How has this occurred and what have been its implications on school financial management, especially in township schools? In the late 1990s and early 2000s a small but significant body of empirical work focused on education quality. While the majority of this work linked inputs to outcomes, explaining which inputs are important is appropriate to this research. The works of Crouch (2005:25–38), Crouch and Mabogoane (1998:1–14), Crouch and Vinjevold (2006:1–16) and Van der Berg (2001; 2006) are particularly significant in this regard, especially because they all provide information about the important variables that impacts on inequality. These include socio-economic variables. An important observation by Moll (1991:1–10) and which has significance for the current policy debates is the relationship between the earnings of Black workers and education quality. Moll (1991:1–10) noted that the rate of return for improving educator quality was higher than the rates of return to schooling of a constant quality. This information is extremely important. It should, however, be noted that South Africa has made significant progress in balancing the earnings of all different racial groups and most employees are no longer paid according to the colour of their skin (race). However, although affirmative action has taken place, salaries are determined by the nature of the work for which the individual was employed. But because most White people are more educated than Blacks, they still earn higher than their Black counterparts thus creating inequality, as far as salaries are concerned.
Van der Berg (2002:140–164) addressed the relationship between education inputs and outcomes while Case and Deaton (1999:1047–1084), in a seminal research, emphasised context and concluded that the higher learner:educator ratios in underprivileged areas affect education attainment (Fedderke, De Kadt and Luis, 2000:158; Crouch, 2005:25–38), class size (Case and Deaton, 1999:1047–84; Fleisch, 2002:46), school size (Perry, 2002:3–8), educator quality and school type (Crouch and Vinjevold, 2006:1). All these studies established a broader set of variables and relationships by which to understand school finance equity and have also contributed enormously to the research.

The next section discusses existing literature on the current equity funding of education in South Africa.

2.6 LITERATURE ON EDUCATION FUNDING EQUITY: DETAILED DELIBERATIONS

This section specifically addresses the issue of understanding the application of equity in the context of public schooling through an analysis of school-level expenditure. This issue is extremely relevant to the focus of this research.

2.6.1 Literature on education funding relevant to the research

According to Karlsson, McPhersson and Pampalis (in Motala and Pampalis, 2005:157–163), equity is a difficult issue, especially at the level of the accessibility of resources, the arrangement and governance interaction in education, the imbalances in respect of the notions of equity, equality and redress, and the challenges of delicate post-apartheid circumstances as regards to achieve fiscal stabilisation and achieve the aims and objectives by the government
in social expenditure. The *Review of the Financing, Resourcing and Costs of Education in Public Schools* (DoE, 2003b:14–18) acknowledges much of the above, in particular, the lack of systemic progress in achieving equity and the ongoing inequality in the public education system. It is against this background that the analysis below reviews the literature on education financing that is particularly relevant to this research.


The above-mentioned writers disaggregate various inputs such as personnel and non-personnel expenditure, educator qualifications and learner:educator ratios in order to come to a better understanding of the effects of each. Of particular interest are their observations on inter-provincial equity and its relationship to intra-provincial equity. They also comment, more generally, on the spending of basic education and add to the increasing debate on education adequacy and inadequacy. In addressing inter-provincial equity, Wildeman (in Pendlebury, Lake and Smith, 2008/2009:34) and Motala (in Chisholm et al., 2003:121–125) comment that, while important steps have been completed in terms of legislative frameworks
and learner:educator ratio equity, problems in providing equitable funding for basic education across the provinces persist. The limitations in failing to provide equitable funding include the way in which the provincial authorities are funded – Parliament, through the National Treasury, provides a lump sum to each province although the actual distribution of funds to various functions is a provincial responsibility (South Africa Year Book, 2011/2012:150).

Indirect costs such as learner transport and uniforms, have further underprivileged poor communities. Despite important changes to the Equitable Shares Formula – the revenue that is raised nationally and divided equally through the use of a formula to enable each sphere of government to perform the functions allocated to it (RSA National Treasury, 2005a:148) – Patel and Kleinman (in Bulletin of the World Health Organization, 2003:612) argue that poor learners are the victims of regional disparities. “The social consequences of poor education are obvious: lack of education represents a diminished opportunity for persons to access resources to improve their situation (ibid)” In elaborating on this theme, Chisholm (in Daniel, Southall and Lutchman (eds.), 2005:210-212) remarked that, while the application of the school funding norms has been relatively successful within the provinces, the actual allocation between schools and between provinces has been a very different story. Historical disparities in school funding based on race and region have persisted and, as will be seen in Chapter 6 of this thesis, still persist. As a response to these criticisms a national poverty ranking mechanism has been put in place in terms of which funds are dispersed to provinces through a national poverty targeting framework (ibid).

This, in turn, should mean greater redress for the poorer provinces than has been the case (DoE, 2003a and 2004). While the research located the problem of equity at the intra-provincial level, Wildeman (in Kraak and Press, 2008:161–183) and Fiske and Ladd
(2004:15–17) and Reshovsky (2006:22–45) argue convincingly that it is at the inter-provincial level that disparities need to be addressed. In addition, analysing the extent to which funds within the public school system are being allocated in accordance with the principles of equity, and the relationship between school funding and socio-economic status are also considered by the government of South Africa.

Dieltiens (2005:5–6) and Motala and Pampalis (2005:37–62) noted that schools in the high socio-economic quintiles (as determined by the school funding norms) were better off financially in a variety of ways as compared to schools in the low quintiles. The status quo is due to the higher personnel costs, special curriculum post provisioning, the concentration of more experienced, qualified and expensive educators in these schools, as well as higher incomes through private contributions.

Learner:classroom ratios demonstrate the same pattern discussed in the previous paragraph, namely, that learning conditions in schools in the lower socio-economic quintiles are less favourable as compared to those in the higher socio-economic quintiles. This point is reinforced by Yamauchi (2005:213–233) who noted that learner:educator ratios which are unfavourable to poor children persist in the post-apartheid education system because of the presence of private funding in the higher socio-economic quintiles.

The writers, Dieltiens (2005:5–6), Motala and Pampalis (2005:37-62) and Yamauchi (2005:213-233) conclude that the data motivates an even more aggressive framework for achieving equity and redress in the educational system. Some recommend further shifts of non-personnel expenditure into schools while others suggest that schools in the lower socio-economic ranks should be progressively better resourced, including as regards personnel.
Van der Berg (2001:309–325) argued that socio-economic disparities are continuing and that, to a degree, resource transfer by government to the school only partially explains these inequalities. This view is supported by Vally (2005:151-168) who vividly describes the importance of the indirect costs of education, for example, transport and uniforms, and which create extra burdens for underprivileged families. It should, however, be noted that other writers have also addressed the above mentioned costs as direct costs. Murnane (2001:2–3) and McEwan (1999:759) describe direct education costs, from society’s perspective, as costs that include the significance of the educators’ time (as measured in earnings rewarded) and the value of the physical resources (learner and teacher research material, rental value of buildings and equipment) used in the education process. They go on to describe direct costs, from the individual’s perspective, as those costs that includes the fees families actually pay, plus other out-of-pocket expenses for books, transportation and school uniforms.

Crouch (2005:25–38) notes that, in South Africa, resources and poverty play a role in school achievement but that efficiency as regards resource utilisation also matters. In a detailed research of pro-poor spending shifts in the public schooling system, Gustafsson and Patel (2006:65-77), using a consolidated data set from a range of administrative systems, demonstrated that overall public spending in the schooling system was close to being equitable although it marginally favoured the rich. They also observed that certain economic categories display a pro-poor distribution, whereas others demonstrate a pro-rich distribution. These differences were shown to be the result of specific political and labour relations dynamics. They noted the continuing implications of socio-economic inequality on education inequality – an aspect that will also be addressed in this research.
In addressing the association between race and educational equity, Van der Berg (2001:309-325) notes that the fiscal resource shifts in education have increased education spending, primarily as regards Black schools. He found that the shift in fiscal incidence (overall taxation and spending by the government) in schools was the most dominant resource shift in the overall education budget from 1991 to 1997. Van der Berg (ibid) considers that excessive financial expenses in respect of schooling render education less acceptable to the underprivileged, which are much cost sensitive (‘demand is price elastic’ i.e. the more the education demand the more education provision gets expensive). Excessive financial expenses has mainly taken the form of more educators and higher salaries for educators in the historically Black schools than was previously the case, as well as improved learner:educator ratios. However, in view of the fact that qualified and experienced educators are scarce in the poorer schools, fiscal inequalities, according to Van der Berg (2001:309-325), continue to exist within Black schools.

In the research of 2009 Van der Berg (2009:24) showed that fiscal redistribution had intensified in the period after 2000 and that specifically the increase in spending on education had, by 2006, contributed to a highly redistributive fiscal position. He had also pointed out that, regardless of the increase in education spending, significant inequity and inequality have persisted. He maintains that this has been caused by the massive degree of inequality in pre-transfer of schools income and which remains the biggest challenge to the perceived equity of outcomes. Van der Berg (2008:2) furthermore assumes that private resources have supplemented the resources of the affluent schools (former ‘Model C’ schools) and points out that the City schools still outperform the townships schools academically (see Annexure J as attached). Van der Berg, (2002:1), had earlier commented, in 2002, that:

Despite massive resource shifts to Black schools, overall matriculation results actually deteriorated in the post-apartheid period. Thus, the school system contributes little to
supporting the upward mobility of poor children in the labour market. The persistence of former racial inequalities is reflected in extremely poor pass rates in mainly Black schools (the majority of schools), but with high standard deviations.

As regards the discussion on equity and inequality, Van der Berg (ibid) makes a distinction between discrimination and inequality in terms of financial resource allocation, namely, that while the aim of many of the policies was to remove discrimination, inequalities still persist. Of immediate relevance to this research, he also attempted to establish the possible variables that are useful in the research of resource allocation at the school level. He identified these as race, schooling level, school size, demographic location, and fees as a proxy for socio-economic background.

Fiske and Ladd (2004:1–35, 2003:57–58) raised similar issues, although they used a slightly different starting point. They used three separate concepts, namely, fiscal equity, distributional equity, and adequacy and redress, to evaluate the progress South Africa has made towards a more equitable system. Using both the Western Cape and the Eastern Cape as case studies, and in line with Gustafsson and Patel (2006:65–77), they note that significant progress has been made towards a fairer distribution of public funds between the various provinces, and also towards a more equitable allocation of state-paid educators. They argue, however, that a distributional approach to fiscal equity should be interpreted only as an initial step towards the development of an equitable funding system for education. True equity requires that significantly more attention be paid to the concepts of equity and redress, although, they caution, this will be costly.

The application of an adequacy concept to equity would have forced policy makers to establish the cost of a basic quality education. The reality is that, while educational adequacy (compulsory, free and equal expenditure on education) is typically required for a small
number of learners at-risk in other developed countries, in South Africa, a developing country, it is needed for the majority of learners.

Fiske and Ladd (2003:1–35) concur with Patel (2006:1-15), Porteus, Patel, Fleisch and Ruth (2001:1-13), Van der Berg (2002:1), Fedderke et al. (2000:257–81), and Motala and Perry (1998:25–28) that, if educational adequacy is to be realised, it is essential that redress and backlogs are taken into account. The concept of adequacy is receiving increasing attention while the contributions of Jansen and Amsterdam (2006: vii–xvi), Amsterdam (2006:25–34) and Patel (2006:1–15) provide further interrogations of the concept of adequacy and its relevance in the South African context. Van der Berg (2006:49–63), while noting the improved equity in the distribution of fiscal resources, suggests that equality continues to be elusive, particularly when education quality is considered. This, in turn, implied that the majority of teachers at the Black township schools, were underpaid. In the main, these teachers were underpaid because they were under-qualified and they lacked the educational expertise required (Fiske and Ladd, 2002:113). Nevertheless, according to statistics there has been an improvement in reducing the number of under-qualified teachers in South Africa to 2.5 percent (eNCA, 6 September 2013: online, accessed on the 24 February 2013).

Amsterdam (2006:25–34) identifies three challenges as regards the implementation of adequacy in South Africa, namely, clarifying the definition of adequacy, the availability of state resources to achieve adequacy, and linking resource inputs to outputs, in particular, defining a uniform set of output measures for all primary and secondary schools. Crouch (2005:25–38) and Gustafsson and Patel (2006:65–77), in different studies and using national data, noted that, in terms of achieving equal education, the shifts in improved equity in intra-provincial education have been dramatic, particularly in relation to more favourable
learner:educator ratios and educator redistribution. However, Crouch (2005:25–34) also noted that the South African system started from a significantly high level of inequality and that the Gini co-efficient (which is a measure of the statistical distribution intended to represent the income dissemination of a nation’s residents and absolute poverty (Bosch, Rossouw, Claassens and Du Plessis, 2010:1–2)) has worsened.

There has been much discussion on inequality in the public schooling system, including in government, for example, the Review on the financing and resourcing of public schools (DoE, 2003b:13–15) and the Plan of Action for improving access to free and quality basic education for all (DoE, 2003a:1–29). A detailed and critical discussion of inequality in the public schooling system is contained in Chapter 3 of this thesis. However, it should be noted that the emphasis which the Plan of Action for improving access to free and quality basic education for all, as the plan promotes cross-subsidisation of poor learners by the parents of rich learners through the exemption mechanism, is a clear indication that government is committed to spending more on poor schools than on rich schools in its quest for free and basic education for all.

Whether these, i.e. to let the rich to fund education for its children and the poor to be funded by the government are opposite or opposing “pulls and pushes” in the South African education system, it is an aspect that will be considered in the discussion of the findings of this research. Whether redistribution is taking place and whether government spending is pro-poor, that is, to the advantage of the deprived, will also be considered. Lemon (2004:55–72) conducted a small-scale qualitative research in the Eastern Cape and argued that, since 1994, national policies have been rich in the political symbolism of equity and redress but that, in practice, they have been characterised by an acceptance of commodification (turning
education into a profitable commodity) and choice (the rich being able to take their children to the ‘best’ schools) as well as limited implementation of change on the ground. Following on the work of Fiske and Ladd (2003:1–35), Lemon (2004:55–72) proposed that class, rather than race, had become the main determinant of educational opportunity. In other words, for the poor majority, the system offers neither equality of opportunity nor significant redress. The debate on equality of opportunity has brought with it a discussion of private inputs into public education. Lemon (2004:55-72) suggests that equality of opportunity is possible in the present circumstances only if the practice of charging school fees were to be abolished. However, Gustafsson and Patel (2006:65–77) highlight the complexity of such a measure and argues that eliminating fees would reduce total spending and also cause an exodus of learners to the independent schooling sector.

Gustafsson and Patel (2006:65–77) also raised the question as to whether the current level of education funding, which promotes inequality in the public schooling system, is “ideologically acceptable”. In his research of rural education Van der Berg (2001:309-325) provided evidence of intra-race inequality in public schooling and which relates primarily to the presence of social resources in homes and how these translate into an effective and enabling environment for quality learning. There is a rich debate on the role of private inputs into public schooling (Fiske and Ladd, 2004:101-129; Fleisch and Woolman, 2004:111-123). The debate is whether it is right for the government to shift the funding of education to the affluent communities (parents) or the private sector. According to Pampalis (2004:4) there are those who believe that this system, in which parents and the private sector help in funding schools, would eventually change but Roithmayr (in Pampalis, 2004:4) pessimistically, is said to say that that the government will never opt for a system of funding education without the help of parents or the private sector since the system of school fees has locked inequalities
into the structure of the system because the costs of changing it substantially are unacceptable to the government.

A recurring theme is the work of Patel (2006:1-15), Wildeman (2008:1-71), Fiske and Ladd (2004:101-129) and Van der Berg, and Burger (2003:1-20) is that of the role of poverty in hindering the realisation of successful equitable education. Both Wildeman (2008:1-71) and Fiske and Ladd (2004:101-129) point to the recommendations of the Financial and Fiscal Commission (FFC) (2004:8) on this issue, equitable education. The FFC recommended that the total provincial allocation divided between the provinces be done using a provincial grants formula (FFC, 2004:8). Wildeman (2008:1-71) and Fiske and Ladd (2004:101-129) argue that the implementation of the FFC recommendations would trigger a reduction in inequities between provinces by addressing poverty and low urbanisation levels, thus enabling the provinces to pass these new allocations on to the educational sector. Motala (2006:62) points out that the FFC suggested that the formula should take into account the basic cost of education, the poverty index of communities around schools, whether learners are urban or rural, the age of learners (over-age learners would count against a province), and the special educational requirements of learners.

According to Motala (2006:62), the FFC proposals are particularly relevant as they target funds to the underprivileged and needy and are also poverty-based. They also accord primary and secondary learners equal weight in the allocation of funds and address the provision of education as a constitutional right. South Africa has improved the public funds allocated to the funding of primary and secondary education but the growth of per capita learner spending has been relatively small. Between 2013 and 2014 the rate of growth in education spending, in real (i.e. inflation adjusted) terms, was averaged at 6.6 percent and 6.5 percent respectively

The discussion below focuses on literature on the various proposals made in current research and which relate to the more equitable allocation of public funds.

### 2.6.2 Literature on proposals for the more equitable allocation of funds

Reshovsky (2006:22-45) suggests that the Equitable Shares Formula be reviewed in order to give underprivileged families supplementary weight, and that the funding of no-fee-paying schools for low-income families be transferred from public funds. Lemon (2004:55–72) proposes decentralising responsibility to the schools with increased financial allocations as a way forward. Both Crouch (2005: 25–38) and Gustafsson and Patel (2006:65–77) show how funding equity has improved with near equality being attained through a greater level of spending on Black learners than was previously the case. The investigation into the convergence and equalisation of state per capita expenditure, and whether education inequity has been reduced, is studied in this thesis. However, it should be borne in mind that this research attempted to demonstrate that no-fee-paying schools have probable implications on the financial management of schools, especially township schools.

“Balancing Public and Private Resources for Basic Education: School Fees in Post-Apartheid South Africa”, a paper written by Fiske and Ladd (2003:1–35) and which was originally prepared for Education and social change in South Africa: The challenge of policy, an assignment of the Human Sciences Research Council South Africa, is also an important source. This research comprises a portion of a broader analytical assignment which was
sanctioned by the South African government in an effort to make the education system in South Africa more open and accessible. Fiske and Ladd (2003:1–35) highlighted the shortcomings of education policy makers in South Africa since 1994 in their search for a suitable balance between the reliance on public and private funds.

Regardless of the mounting international demands and the pressure for both underdeveloped and developing countries to make available free basic education and the Constitution, 1996, affirming the right of individuals to basic education, South Africa has chosen to encourage primary and secondary SGBs to supplement public funding with revenue from school fees and/or other sources (SASA, 1996, Section 36).

The paper by Fiske and Ladd (2003:1–35), “Balancing public and private resources for basic education: school fees in post-apartheid South Africa”, highlighted how the mixed funding arrangement is a result of political concessions which were made during the transition period of 1990 to 1994, “fiscal constraints, and political economy concerns such as the desire to maintain support for public education among middle class South Africans” (Fiske and Ladd, 2003:3). The paper illustrates and analyses the consequences of this mixed funding arrangement for student access to education, enrolment patterns in schools, disparities in publicly funded resources in schools, and disparities in the total of the public and private resources available to schools. The paper found that the policy of school fees has been successful in retaining middle class families in the public school system (exorbitant fees are sometimes charged as a barrier to the present learners of different races in the same institution) but that this had also done little to improve the quality of the education available to underprivileged learners. Fiske and Ladd (2003:1-35) concludes with a suggestion that the fee policy be revised. However, the paper did not touch on ‘no-fee-paying schools’. In
addition, the paper also failed to acknowledge the problems and challenges arising as a result of ineffective and inefficient financial management structures in the formerly underprivileged schools.

Fiske, a writer and consultant on education, and Ladd, a professor in public policy studies and economics (Fiske and Ladd, 2005:1–25), advise that an increased inter-provincial reallocation of funds is important. They also argue that South Africa’s overall economic growth will influence the opportunities for additional investments in education. It is essential that such additional investments in education be used to redress the racial inequities of apartheid by incorporating a strong reallocation component. In addition, they also suggest that there should also be detailed equity controls in education policy and legislation; a post provisioning model, school funding norms and the implementation of new learner:educator ratios.

The most relevant document on no-fee-paying paying schools is that of Giese, Zide, Koch and Hall, (2009:3-22) entitled A research on the implementation and implications of the no-fee-paying and school fee exemption policies. This research reviews the implementation of both the Amended national norms and standards for school funding of 2006 (DoE, 2008:83) (referred to as ANNSSF) and the 2006 Revised Exemption of Parents from the Payment of School Fees Regulations (referred to as the Regulations), and explores the implications of these policies on schools. The research highlighted the fact that the ANNSSF has resulted in several positive developments for schools, parents and learners in the targeted communities. Giese et al. (2009:3-22), however, also point to numerous implementation challenges and also to the detrimental effect of current policy on schools that remain reliant on school fees. According to them, the current situation in these schools is unsustainable.
The literature on no-fee-paying and fee-paying schools has been discussed in this chapter. A more detailed explanation of the working of the policy is contained in Chapters 3 and 4 of this thesis. The wide-ranging literature highlighted illustrates the complexity of both the funding of educational transformation and the attempt to achieve the policy outcome of equity. This complexity also relates to the government attempting to address equity through the introduction of policies such as the policy on no-fee-paying schools as well as to the translation of macro-economic frameworks into viable inter- and intra-provincial finance equity mechanisms, the readiness of the implementation context to receive these reforms, the lack of clear agreement about the meaning of equity (pro-poor, equality, adequacy), the contestation over limited resources by different social sectors, the incorrect classification of schools into quintiles and the slow progress in enabling the socio-economic environment to provide a context for these reforms.

The establishment of quasi-markets in education (Woolman and Fleisch, 2006:1-24) and the exercise of school choice through the presence of private funding have also led to debates about whether this differentiation has led to greater inequalities in public schooling. While the subject of this thesis is on quasi-markets, the concept of quasi-markets does have both relevance and resonance when it suggests that a central question is not whether equity has been achieved in terms of resource allocation, but whether there were sufficient resources at the outset. Would this not, in turn, call for the augmentation of funds by the parents (who can afford) of the no-fee-paying schools so as to ensure that there are enough resources?

This research would be lacking if sources such as the South Africa: Survey, from 1994:402-487 to 2012:414-514 and published by the South African Institute of Race Relations, were consulted. This source records only facts and not misleading ideas. The recording of facts is
without any criticism or judgement and, thus, this source is essential for the purposes of analytic work (The Pretoria News quoted in South African Survey 1996/1997). This source may be regarded as an “invaluable update on all aspects of the country’s development” (ibid). The Survey provides an overview of the statistics and trends available regarding South Africa. The South Africa: Survey comprises nine chapters that cover demographics, the economy, employment and incomes, business and labour, education, health and welfare, living conditions, communications, crime and security, politics and government.

The South African Education Policy: Review (Chisholm et al., 2003) is a valuable sequential record of the South African education policy and it a source of the guiding principles, disputes, and viewpoints as well as progress in education strategy between 1993 and 2000. Policy transformation and its bearing on policy execution are mapped out over an extensive variety of disciplines, including economics and management.

Much of the valuable work on education funding in South Africa e.g. Patel (2006:1–15) and Wildeman (2008:1-71) in various Quarterly Reviews for IDASA, deals with an aggregate picture and provides macro observations on ‘system change’. Some of these publications are written in the form of policy briefs, monitoring studies and other observations that are not based on exhaustive and constant research. Other work, for example, Porteus et al. (2001:1-13) is limited in that it measures the implications of one variable, namely, socio-economic status, it is less than explicit about its methodological approach and it also fails to demonstrate how no-fee-paying schools implications on school financial management. The contribution of educational economists, such as Fedderke, De Kadt and Luis (2000: 257–281) and Bhorat (2004:31-56), has focused primarily on the human capital approach and its
linkages to economic growth. Thus, while useful, such works do not contribute directly to questions about no-fee-paying schools and the implications on school financial management.

While the contribution of the detailed hypothetical and theoretical policy reviews by De Clercq (1998:50-67), Christie (1999:98, 2006:22-45) and Kallaway (2002:40-41) must not be underestimated, they provide little information about educational events on the ground. For example, they fail to mention how school financial management is taking place. Their research moves away from reviews of the secondary literature, and uses a specific methodological approach, disaggregating personnel and non-personnel expenditure, and reviewing the contribution of each component in order to generate knowledge that will uncover the implications of equity reforms at the school level. More recent research, for example, Reshovsky (2006:22-45) and Yamauchi (2005), is helpful in providing an overview of trends on educational funding although it does focus on the less important literature on education, especially with regard to no-fee-paying schools and school financial management.

The studies of Lemon (2004:55-72) and Vally (2003:151-168), and which have already been cited, are important in providing a comprehensive picture of the implications of education financing policies. However, these studies are small-scale in nature and it is, therefore, difficult to make knowledgeable judgments based on their findings. The literature presented in this research will contribute and extend the body of knowledge as regards the international literature on school financial management and in which models of school finance management and education funding at the school level are surveyed. At the core of this research is the question as to whether the no-fee-paying classification of schools has implications on school financial management. Broadly speaking, there is some agreement about how equalisation of funding has taken place and the factors which account for the
inability to affect redress. The focus in the literature, although not extensive, continues to be on educator qualifications and experience and on historical backlogs. However, what is missing from the discussion is clarification of the probable implication(s) of declaring schools as no-fee-paying and fee-paying on school financial management.

2.7 LITERATURE REVIEW ON THE CURRENT SCHOOL FINANCIAL MANAGEMENT: THE EXISTING STATE OF AFFAIRS

Since 1996 various public schools in South Africa have had control over their own budgets. Some of these schools, such as the former ‘Model C’ schools, have managed their own finances for several years while most schools in the previously underprivileged areas have experienced tremendous difficulty with financial management. Of interest is the work of Caldwell and Spinks, entitled The Self-Managing School (1988) (in Bush and Gamage, 2001:39). They suggest that a self-managing school is a school in terms of which there has been significant decentralisation to the school level of authority to make decisions related to the allocation of resources.

Schools require significant amounts of money for their operations. These funds cover developmental costs as well as recurrent costs that the schools incur to keep themselves operational. In some public schools it is the responsibility of the state and parents to cover such costs. The SASA, 1996, makes provision for public school governing bodies to become increasingly more responsible for managing aspects of recurrent expenditure. A SGB may forward an application to the Head of Department of Education to be awarded a self-managing status (usually referred to as a Section 21 status) as regards the school’s finances (cf. Ch. 4 § 4.2.1.3). Such self-managing status gives schools full control over their finances although the utilisation of funds must be for the purposes that are directly linked to education.
All schools that are awarded Section 21 status carry out their own procurement and generally manage their own finances. Such schools receive a yearly, lump sum per-learner transfer, ring-fenced for the functions, including the procurement of LTSM, as well as payment for maintenance, services and day-to-day activities, for which the schools are responsible. These schools may be classified as no-fee-paying (situated primarily in the townships) and fee-paying (situated primarily in suburban areas) schools. No-fee-paying schools do not charge school fees whereas fee-paying schools do charge school fees. All the monies accumulated by both categories of schools, namely, no fee and fee paying, have to be accounted for and, thus, there must be school financial management (SASA, 1996, Section 43). Although the schools are allocated funds for LTSM, maintenance of infrastructure and the payment of services, it remains the responsibility of the PED to pay teachers employed by the government. In fee-paying schools SGBs pay for teachers they have employed as the governing body. These teachers occupy what is termed SGB posts.

Ntseto (2009:96-105), Xaba and Ngubane (2010: 139-157) and Motala and Pampalis (2005:5-56) are totally correct when they declare that, for schools to account properly and adequately for the utilisation of public funds and to distribute and utilise the limited resources efficiently, it is essential that proper financial management systems, which focus on outputs and responsibilities, be established. This is to ensure that a school financial management system promotes both transparency and the effective management of revenue and expenditure.

According to Flynn (2008:276), the decentralisation of financial controls to schools is designed to devolve decision-making to where it may be done the most effectively. However, this is possible only on condition that the schools possess the capacity to make such
decisions. The view of Flynn (2008:276) is supported by Swartz (2009:7), who contends that school financial management may be one of the most taxing of the tasks performed by the SGBs and principals because, for many SGBs and principals, especially in the townships, this is an area in which they have little or no training or expertise. This view is also endorsed by Clarke (2008:278) who argues that, in most cases, it is possible that the head of the school and the elected members of the SGB may be equally ill equipped for such a task.

As mentioned above, school financial management is one of the most important responsibilities entrusted to school principals and SGBs ever since the promulgation of the SASA, 1996. Swartz (2009:7), like Clarke (2008:278) and Flynn (2008:276), has not covered school financial management in sufficient detail although he has provided a theoretical framework for an investigation into the accountability and responsibility for the management of the finances of public schools. Flynn (2008:276) focused on public sector management while Clarke (2008:278) and Bush and Heystek (2006: 63-76) highlighted that the school governing body, with the principal as a member, have comprehensive financial responsibilities, including school-level budgeting, managing the devolved funding from the provincial departments, setting school fees (which is subject to parental agreement as per the requirements of SASA, 1996 cf. Section 38(1)–(3)), and raising additional funds to augment the school budget. A large-scale survey conducted on principals in Gauteng province by Mestry (2004:126) and Bischoff and Sayed (1999:313) consistently demonstrated anxiety on the part of the principals as regards carrying out this function and their need for additional training to enable them to do so effectively. Mestry (2004:126), Bischoff and Sayed (1999:313) have done remarkable work in bringing to light the ineffectiveness and inefficiency of the school financial management at township schools., Unfortunately,
however, these researchers have not discussed the relationship of the no-fee-paying policy on school financial management and also its implications.

Tikly and Mabogoane (1997:160) examined the implications of reform on the former ‘Model Cs’ schools and highlighted some of the financial implications of this process:

- the transfer of costs to parents and communities
- the link between learner enrolments and the allocation of real resources, notably teachers
- the decentralisation of financial management to school level
- the trend for wealthier schools to hire additional teachers whose salaries are paid through the setting of higher fees by the school governing body (SGB).

However, Tikly and Mabogoane (1997:159–178) failed to examine the implications of reform and its financial management implications for Black schools, especially township schools such as those in Soshanguve.

_Effective Education Management Series (Module 5): Managing School Finances_ by Campher, Du Preez, Grobler, Loock and Shaba, (2003:3-51) is a well-documented source on school financial management. This well-documented compilation enables even a layman to understand aspects of school financial management. It is also a crucial work of reference for trainers, educational establishments, discussion groups, civic institutions, parents (school fund payers), researchers or any individual interested in school governance (finances) in South Africa, especially in the former underprivileged schools. The resource is important because it stimulates a greater understanding of the importance of school financial management. The Effective Education Management Series addresses basic issues unique to
the financial management of South African schools and colleges. “A school should function like a business (Drake and Roe, 1994:4–6), thus it is imperative for the school manager to gain the necessary skills to run a school as a successful and solvent company” (Campher et al., 2002:nnp). However, although the source is significant in terms of the school environment as it provides guidelines on basic financial management, it fails to address the issue of Section 21 schools which are funded by the government.

As a principal of a school from 2007 to 2014 (at which point this research was commenced), the researcher noted that several workshops on school financial management by various education district offices have been held for the benefit of the SGBs. Nevertheless, in most cases, the educational authorities have never bothered to establish whether the trained school governing body members (who attended the workshops) actually understood what school financial management entails. The educational authorities often become aware of this only in cases of serious financial maladministration. In most predominantly illiterate and unemployed society such as Soshanguve it is often difficult for SGB members to understand the logic behind school financial management. It is, thus, clear that there is still a need for intensive training in school financial management.

Although the PFMA has very little bearing on the financing or funding of schools, Wildeman and Jogo (2012:1-48) (in The implementation of the Public Finance Management Act (PFMA), 1999) are of the opinion that the PFMA, which was first applied in April 2000, was until the end of 2012, subject to a sequence of adjustments reflecting policy and legislative changes. The PFMA annulled the then Exchequer Act 66 of 1975 and that previously administered public financial management in South Africa. According to Wildeman and Jogo (ibid), under the exchequer structure, public financial management had highlighted
expenditure control rather than the management of funds in the interests of service delivery improvement. Accordingly, the focus on inputs (the amount of money a department intends to spend) made it difficult to measure the efficiency and effectiveness of public expenditure. In addition, the lack of non-financial information on service delivery outputs hampered the ability of public-service managers, executives and legislators to make informed decisions on the effective and efficient use of public money (Nkoana and Bokoda in Wildeman and Jogo, 2012:1-48). Fundamentally, the PFMA is regarded as a structural legislation and this, in turn, means that the genuine details of implementation are worked out in a series of regulations and directives produced by the National Treasury. Hence, the PFMA and its implementation processes perfectly complement the philosophical view that implementation is not the opposite of policy making and that, by itself, the PFMA contributes substantially to formal policy making.

Although legislation prevents the use of school fees to discriminate between learners, it would appear that the learner profiles of certain schools indicate that school fees are, in fact, being used to limit learner access. This issue will be discussed in Chapters 3 and 4. A synopsis of the literature review on the funding of international education follows.

2.8 LITERATURE ON INTERNATIONAL EDUCATION FUNDING: A SYNOPSIS

The literature review in this section addresses existing literature on international school financial management and education funding. Although there are many writers who have investigated the issue of financial management and education funding a selected few only will be discussed.
In *Financial management for schools*, Knight (1993:6–8) provides a comprehensive overview of financial management in schools of England. He has been able to produce a sound theoretical groundwork as regards the research of school financial management. Nevertheless, although he provides reliable information and direction as based on his experience as a former educator (principal), the source focuses on England and, thus, it does not address the South African education situation in which school financial management is still in its developing stages.

Of interest is the work by Drake and Roe (1994:53), entitled *School business management*. The writers compiled the principles, processes and practices which must be followed by ‘school business managers’ to mention but a few. The text is based on the point of view that school principals (or ‘school business managers’ as they are referred to in the book) occupy an educational leadership position and their most important role is to make important educational decisions. Like Knight, Drake and Roe (ibid) fail to address South Africa’s implementation of school financial management. In addition, they failed to discuss the role of governing bodies in school financial management and, instead, they concentrated on the theoretical education ideology based on the United States models of education (Drake and Roe, 1994:53).

In their book, which is entitled *Effective school management: Management in education*, Everard and Morris (1996:212–220) highlight the importance of the management of resources in England. Although they devoted a chapter to education funding in England, the chapter does not address all the elements relevant to school financial management in South Africa. In fact, they merely laid down a synopsis of the subject under discussion. In essence this work concentrates on school management as a whole and not on school financial
management only. This source fails to emphasise the role of the governing body as far as resource management is concerned although the source did scrutinise several factors that have an implications on resource management. This resource is extremely valuable and the majority of its theoretical imperatives may be applied in the South Africa context.

In Decentralization and school improvement: Can we fulfill the promise?, Hannaway and Carnoy (1993:1-240) discuss the technical aspects of school decentralisation and its improvement in the United States of America. The researcher was able to borrow from these writers’ material in the chapter ‘Fiscal decentralization and accountability’, as the chapter addressed the important role of the decentralisation of resources and also provided a comparison between four countries, including the United States of America.

Also significant is a book by Thomas and Martin (1996:1-188), namely, Managing resources for school improvement: Creating a cost-effective school. This source addresses how schools may learn to take sound decisions on financial matters. Thomas and Martin investigate the issue of financial decision-making and its link to fruitful learning in the United Kingdom. In the light of the auditing requirement which demands an assessment of cost efficiency the book interprets evidence which was collected from schools using a model which identified the attributes of the cost-effective school. Although this source is foreign to South Africa and has its shortfalls, as was mentioned earlier, these countries, UK and USA, explored school financial management long before South Africa decentralised financial management to its public ordinary schools and, thus, their best practices may be beneficial to the South African schools financial management system.
Kudakwashe and Bukaliya’s (2011:313-325) *Education for All: Issues and challenges – The case for Zimbabwe* was able to establish the advantages and challenges of the Education for All (EFA) Policy in Zimbabwe. Kudawakwashe and Bukaliya concluded that, to a great extent, EFA policy achieved most of the objectives for the purpose of which it was introduced into the Zimbabwean education system. Notably the results of the research show that the policy of EFA has significantly developed the masses in several ways, including the channelling of school leavers into industry and commerce, helping to break the cycle of poverty by creating a new generation that is literate, numerate and capable of being self-employed, laying a foundation for skills training and further education and providing pupils with literacy and numeracy, life skills, and a basic general knowledge of health, nutrition, and societal development. The source was deemed to be relevant to this research although the period covered by the research does not include the problems in the economy which were experienced by Zimbabwe after the 1990s.

Also of relevance is the article by Kanyongo (2005:65-74), entitled, ‘Zimbabwe’s public education system reforms: Successes and challenges’. The purpose of the article was to investigate Zimbabwe’s public education system. Firstly, the article presents a brief overview of pre-independence education in Zimbabwe. Secondly, it discusses some of the educational developments that took place in the Zimbabwe education system following independence. Thirdly, it looks at the current structure of Zimbabwe’s education system and, fourthly, it discusses some of the successes and challenges faced by the education system within the context of the prevailing social, political and economic environment.

In his book entitled *The collapse: Zimbabwe in the wake of the 2000–2003 Land Reforms*, Richardson (2004: 1-165) analyses and relates how the land reforms have, unintentionally,
reversed the gains in education in Zimbabwe. Richardson chronologically related how the education system had improved until its downfall which occurred as a result of the political problems that engulfed Zimbabwe. However, like much other international literature, this source fails to discuss the implications of political problems on school financial management.

There are other sources that will be referred to later in this research. However, it should be emphasised that this research will focus primarily either on South African sources or on sources that address education funding and school financial management in South Africa.

2.9 CONCLUSION

Although literature prior to 1994 addressed the issues of school financial management and education funding in South Africa, the majority of this literature failed to discuss the implications of no-fee-paying policies on school financial management instead they discussed education funding. In locating this thesis within the context of current South African literature on education financing, the following observation is relevant, namely, that the building up of a reliable and broad body of knowledge on school financial management, no-fee-paying schools and equity has only recently begun to take place.

This research builds on what has already been studied in South Africa and aims to contribute to the rich discourse on education equity and to the probable implications of no-fee-paying schools on school financial management. This research differs from the current South African research on school financial management and education funding because it addresses the divide, as noted by Jansen and Amsterdam (2006: vii-xvi), between the theoretical and the technical. On the theoretical level the research makes a detailed exploration of the no-fee-
paying construct and its implications on school financial management while, from a technical point of view the research uses a qualitative research approach. The aim of the research is to generate knowledge that would be of relevance to social theory and educational change.

Although current research has addressed the hierarchy in the racial distribution of expenditure, new alignments, particularly in relation to deracialising the middle class (The Mail and Guardian, 2010:online, accessed on 20 April 2012) and increased internal differentiation within specific race groups, have not been taken into account. The implications of the no-fee-paying policy on school financial management and equity also merit a great deal of attention. Finally, from a policy perspective, whether or not there is equalisation, there is a need to ascertain how the policy of no-fee-paying has implications on school financial management.
CHAPTER 3
EDUCATION FUNDING MODELS – UNITED KINGDOM (UK), ZIMBABWE AND SOUTH AFRICA: A COMPARATIVE ANALYSIS

3.1 INTRODUCTION

There are various education funding models world-wide. It is important to analyse and understand what writers say about the way in which other countries fund their education systems. Information from other countries may be valuable in informing the planning of the future direction and development of the school funding system in South Africa. It is, therefore, appropriate to discuss and compare the education funding models of other countries as well as South Africa in order to ascertain the strengths and weaknesses of these models.

This chapter discusses how political and economic factors have influenced the evolution of the process of education funding. Three countries, namely, the UK, Zimbabwe (former colony of the UK and neighbour of South Africa), and South Africa will be discussed in this chapter with models of education funding used in these countries. This analysis will then enable the researcher, in the subsequent chapters, Chapter 6 and 7, to adequately formulate appropriate answers to the research questions posed in Chapter 1. It was also regarded as important to briefly discuss the relationship between education, society, politics, and the economy.

3.2 THE RELATIONSHIP BETWEEN EDUCATION, SOCIETY, POLITICS AND THE ECONOMY: A BRIEF ANALYSIS

Education is a phenomenon which comprises the activities that people carry out in order to mould and socialise their children into responsible adults. The vision and mission statements of
numerous educational institutions reflect this aim. According to Rosen (1992:541), education is a significant foundation of public mobility and also an important basic right. The quality of education may be measured only by the degree to which children, and later adults, display acceptable behaviour and uphold standards of behaviour that are socially and morally acceptable. Thus, it is incumbent on the government of a country to ensure that schools receive adequate state funding.

As will be shown in this chapter, education systems may be used to disseminate the political programme of the ruling party. According to Bogdanor (1976:3), education may be regarded as political in that human beings are entitled to legitimately disagree about the proper aims of educational policy although such differences of opinion are not determined by an appeal to experts for they reflect a divergence of values and not of procedures. Thus, in most circumstances education may be used for party political propaganda and in order to bring about national stability. In other words, ‘quality education’ is dependent on the ideology of the government of the day as it is the principal sponsor of such education (Rosen, 1992:541).

Education is one of a number of different services competing for scarce public resources. The allocation of resources, to both education and other services, and within the education service itself, requires that priorities be determined. The allocation of resources, in turn, necessarily involves politics. This involves parties (in parliament) agreeing, compromising or succumbing to pressure, for the allocation to take place (Ramaswamy, 2015:53). For example, there are debates in parliament after the Minister of Finance has delivered a budget. Ultimately a budget is adopted either through a majority vote or consensus. It is as a result of the education service, unlike, for example, the armed services, has no single aim but, rather, a multiplicity of
conflicting aims. The allocation to different services then, leads to the emergence of central problems as to how education should be administered.

There is a critical connection between education and economy. From an economic point of view, there are two positions to be considered with regard to education systems. In the first instance, education is important in that it produces the capable human supply which is required for both the market and industry (Fasih, 2008:17). The contribution that education may make to the economy in this regard is directly proportional to the quality of the education provided. For example, countries that are economically viable, like Germany, produce a competent workforce through their highly subsidised education system (BBC News, 2012:online, accessed on 27 April 2016). Education in Germany is relatively free except when one decides to study for a post graduate degree that is not deemed not be “consecutive” – i.e. following directly on from a related bachelor's degree gained in Germany (Top Universities, 2015:online, accessed 27 April 2016). A second consideration is cost. Economists and investors are extremely interested in knowing what the return on the investment made in education is with both economists and investors logically have an interest in the extent to which money is invested in educational structures (ibid).

Having stated the relationship between education, society, politics and the economy it is now necessary to conceptualise centralisation and decentralisation. Centralisation and decentralisation occupy a central position in educational reform in general and in school financial management in particular.
3.3 CONCEPTUALISATION OF CENTRALISATION AND DECENTRALISATION OF EDUCATION

Centralised education may best be described as a system in which there is a considerable degree of uniformity in policies, salaries and wages, and procedures regardless of local and regional differences in educational needs and input prices (Winkler, 1993:114). In the centralised states of the world, for example the UK, the central government collects all revenue and makes all expenditure decisions. Within this framework the education ministry determines the budget across budget categories and across schools, communities and/or regions within the country. Communities or regions which are in need of new schools, teachers, additional grade-level or course offerings and/or extra educational resources must solicit such resources from the education ministries (Winkler, 1993:114). The central government manages the entire process of providing resources to schools.

In contrast, decentralisation (cf. Ch. 2 § 2.4.1) involves the reassignment of the decision-making authority closer to the local people or beneficiaries (Wohlstetter and Mohrman, 1996:2). This definition is endorsed by Welsh and McGinn (1998:3) who state that decentralisation in education is “about shifts in the location of those who govern, about transfers of authority from those in one location or level vis-à-vis educational institutions, to those in another level”. Decentralisation is, therefore, a theory that has been defined and interpreted in various ways (Litvack, Ahmad and Bird, 1998:1-32; Lauglo and MacLean, 1985: 1-27; Manor, Patrinos and Ariasingam, 1998:1-47; Rondinelli, McCullough and Johnson, 1989: 57–87; Sayed, 1997: 345–365; Weiler, 1990:433-448; McGinn and Welsh, 1999:15-91). There are also confusing differences in its implementation, with decentralisation and centralisation often occurring simultaneously. Within the education context, decentralisation and centralisation are often not implemented as an independent sectoral
policy but are, instead, embedded in broader state reforms. Furthermore, decentralisation is often implemented haphazardly while decision-makers do not always control the pace or commencement of the process. Decentralisation may take different forms, including devolution, deconcentration and delegation (Berkhout, 2005:315). For the purpose of this research these forms of decentralisation are explained below.

According to Rondinelli et al. (1989:74), devolution implies a shift in responsibility away from the central government to local governments. Thus, local government is accorded autonomy and independence and, therefore, local government is clearly perceived as a separate level over which the central authority exercises little or no direct control. In other words, devolution involves the transfer of powers from the central to lower levels of government (Chapman, Boyd, and Reynolds, 1996:19). In the main, educational responsibilities are shifted to general purpose governments, that is, political subdivisions of the state and whose authority is general and not limited to one function or a combination of related functions only at the regional or local levels (Steytler, 2005:5–6). Examples of the decentralisation of basic education to local (district) level governments are found in India and Pakistan. In India and Pakistan all three tiers of government, namely, local, regional and central government, play an important role in both education and in other spheres of government (Wijayaratna, 2004:144–167). In rare cases, additional responsibilities are given to single-purpose governments such as the local school district in the USA. When education responsibilities are transferred to general purpose governments, the elected governing bodies of such governments must make the decisions about the amount of money to be spent on education as opposed to other local services.
Devolution entails the transfer of authority to a unit that is empowered to act independently or to make decisions without first asking permission for the decisions within a pre-specified scope. According to Fiske (1996:10), through devolution the central government creates units that are outside of its control and which have the status and power to secure the resources required to perform their functions, for example, local government. Permanent authority over financial, administrative or pedagogical matters is transferred and may not be revoked at the whim of the central authority.

In South Africa the Department of Basic Education, on the basis of *Norms and standards for School Funding Policy of 1998*, claim to have devolved power to some of the SGBs. However, the circulars that define this empowerment are sent to the schools with red tape outlining bureaucracy i.e. funding from government is for predetermined purposes (ring-fenced) and there may be no deviations unless the SGBs apply to the provincial authorities for approval or permission for such deviations.

Berkhout (2005:315) describes a further related concept which is linked to decentralisation, namely, delegation. According to Dafflon (in Dafflon and Madiès eds., 2011:8), delegation refers to the temporary transfer of authority. As such it involves the transfer of the decision-making authority to lower hierarchical units but the authority may be withdrawn at the discretion of the delegating unit (ibid). This definition may help to explain the perceived push-pull decentralisation/centralisation scenario experienced by educationists when performing certain tasks in schools. In South Africa, as will be discussed in Chapter 4, delegation may be compared to the approval for schools to be accorded Section 21 status as per the SASA, 1996. Financial powers are delegated to the school governing bodies on an ad hoc basis and pending compliance because, according to Section 22(1) of the SASA, 1996,
“the Head of Department may, on reasonable grounds, withdraw a function of a governing body”.

Another form of decentralisation is deconcentration. According to Hanson (1998:12), the majority of governments tend to choose the simplest form of decentralisation, namely, deconcentration. Deconcentration involves the transfer of certain tasks and work, but not authority, to other units in an institution (Hanson, 1998:12; Naidoo, 2002:22; Lauglo and McLean, 1985:1-27). In cases in which governments implement deconcentration, the distribution of power may be problematic. Rondinelli et al. (1989:7b) suggest that, in its weakest form, deconcentration merely involves the shifting of workloads from the centre to lower levels, as is the case in South Africa. Central governments give local government responsibilities but retain the decision-making power. Thus, deconcentration does not result in empowerment but it is, instead, a move either to ease work pressure or to reduce budget constraints.

Although Rondinelli et al. (1989:76) suggest that deconcentration is often the first step in the process that leads to increased decentralisation at a later date, according to Litvack et al. (1998:28), this may not necessarily bring about an improvement in educational standards. Litvack et al. (ibid) and Hanson (1998:14) contend that deconcentration does not employ any transfer of power to the lower levels of government but, instead, it involves the allocation of responsibilities for certain services from the centre to branch offices. McGinn and Welsh (1999:18) suggest that deconcentration involves the delegation of authority for the implementation of rules but not for the making of such rules. According to Rondinelli (1981:133–145), the more extensive forms of deconcentration include creating field offices for national agencies. In South Africa the South African National Road Agency Limited
(SANRAL) and the establishment of local or provincial administrative units, for example, the Gauteng Shared Service Centre (GSSC), serve as examples of such more extensive forms of deconcentration.

In order to gain a deeper understanding of how the above-mentioned concepts are implemented the UK, Zimbabwe and South Africa, education funding models are discussed below.

3.4 EDUCATION FUNDING IN SELECTED COMMONWEALTH COUNTRIES: THE UNITED KINGDOM, ZIMBABWE AND SOUTH AFRICA

This section of the thesis focuses on the funding of education in the United Kingdom (UK), Zimbabwe and South Africa. The three countries are members of the Commonwealth of Nations headed by the UK, even though Zimbabwe’s membership is still under suspension. Firstly, the funding of education in the UK will be discussed.

3.4.1 Funding of education in the United Kingdom

The history of the funding of education in the UK would take several volumes but it is worth mentioning that the majority of the changes in education funding have taken place from 1868. These changes are still taking place today. It should also be mentioned that, in 1945, just before the end of the Second World War, the UK government passed the Education Act, 1944 which gave the Local Education Authority (LEA) more power than had previously been the case. The LEA was expected to fund both primary and secondary schools. In addition, funding had to be sufficient for all the pupils and the LEA had to ensure that there was also adequate equipment for all learners (Gillard, 2011:online. accessed on 20 June 2012).
Several more acts have been passed in order to improve the education in the UK. Some of the improvements, especially the funding of education, are discussed below.

3.4.1.1 Education funding in the United Kingdom: From Local Education Authority (LEA) to Local Financial Management (LFM)

As explained below, prior to the introduction of the Local Management of Schools (LMS), (decentralisation) school funding was, from 1904 to 1988, centralised and under the direct control of the LEA. The funding was based on both perceived needs (the LEA guessed and assumed the needs of the schools) and historical budgets (Anderson, Case and Lam, 2001:13). The LEAs controlled almost all matters related to the buildings, the staffing complement and the resources for schools (Downes, 2000:3). Downes (2000:3) also highlights that all repairs and decorations, for example, were dictated by the LEAs. The LEAs were also responsible for hiring teachers through their Education Officers. In addition, the LEAs also dictated what the schools could or could not buy.

Decentralisation (as defined above), especially the handling of money, began to emerge in UK schools in the 1970s. Some of the LEAs gave schools increased financial responsibility. In practice this amounted to a greater freedom to transfer money across a limited range of budget headings. However, this signalled the start of the Local Financial Management (LFM) with schools being given a sense of financial autonomy. The decentralisation of resources gave schools wider scope of management (Downes, 2000:6).

In 1988 the Education Act was passed with the aim of empowering schools to make decisions about their own finances (Downes, 2000:6; Thomas and Martin, 1996:12–13). The Education Act of 1988, which was passed during the last years of Margaret Thatcher’s reign as a prime
minister with neo-liberal views, extended financial independence to all the schools in the UK (Anderson et al., 2001:13). As explained earlier the decentralisation of power and financial control came to be known as the LMS. According to Downes (2000:6), “the government saw LMS as more than just financial freedom; it was the greater management freedom which they found attractive”. McAlister and Conolly (1990:34) state this more simply as follows, “…the principle underlying LMS is that the responsibility for the management of the resources should, as far as possible, be delegated to those who use them, in this case the schools. Delegated systems of management, including finance, are based on the claim that, if decisions about resources allocation are taken as close as possible to the operational part of the process, better quality decisions would emerge”.

The LMS meant that public schools had to become competitive because their funds were dependent on leaner enrolments with schools having to meet the quotas of the LMS in order to receive funding (Morris, 1990:34). Parents were also empowered to send their children to the schools to which they wished to send them. Approximately 670 of the underperforming schools in the UK were threatened with closure for failing to attract a sufficient number of learners (ibid:6–7). The Education Reform Act, 1988 rendered the LEAs powerless as far the allocation of resources and the management of schools were concerned. The financial resources of the schools were now controlled by the governing bodies and the head teachers who received training in school financial management. The only way that the schools had to account to the government was through their publication of examination results (Thomas and Martin, 1996:12).

As a result of the LEAs had been disempowered, the grant maintained schools were established. They are discussed below (Feintuck, 1994:83).
3.4.1.2 The creation of grant maintained schools (GMS)

School principals moved out of the control of the LEAs into the government funded grant maintained schools (GMS) (Downes, 2000:7). Personal animosities between the head teachers or principals and the LEA officials were one of the reasons why schools often wished to opt out of the LEAs. Seventy percent of the schools, especially in the Conservative Party constituencies, opted to receive the grant maintained fund (GMF). GMS received more funds than the LEA schools as there were no intermediaries such as the LEAs to hold funds back (ibid:7) and, thus, the GMS benefited more than the schools that remained under the control of the LEAs. One of the changes brought about by the funding of GMS was that the GMS were granted access to funds intended to develop teachers and for capital works. The development and capital work funds had previously been controlled directly by the Department of Education (ibid:8).

The GMS were more empowered than they had been under the LEAs. They owned land and were directly responsible for the employment of staff. They had control over all their funding and they were responsible for the provision of all services for the learners. In addition, they paid their teachers and provided the resources for curriculum delivery (Halpin, Power and Fitz, 1997:62).

The United Kingdom politics, with its ever changing power base, was responsible for the ever changing school funding system. After the election of the Labour Party into office in 1997 the GMS funding system was changed and, as discussed below, there was a movement towards ‘fair funding’.
3.4.1.3 The move towards ‘fair funding’ in the United Kingdom

As stated above (cf. § 3.4.1.2), the Labour Party won the elections in the UK in 1997 and became the new government (Downes, 2000:8). After realising that much had been gained from the Conservative Party’s GMS model, the Labour Party expanded the model to all schools and constituencies. The new concept of fair funding was introduced. This represented an attempt by the Labour Party government to complement the GMS model by establishing a single system of funding which was aimed at closing the gap between the funding levels of the LEA (Anderson et al., 2001:14).

The Labour Party government decided that the two tier system of education in the UK was unnecessary. The Conservative Party had ensured that the GMS were adequately funded while the LEA schools, mostly in the Labour Party constituencies, were underfunded. The Labour Party wanted to get rid of such imbalances. In addition, there was also the question of accountability. The LEAs did not account either to the schools or the central government for their use of resources. Accordingly, the Labour government advocated clear accountability on the part of both the LEAs and the schools (Anderson et al., 2001:14–15). Schools were also compelled to raise their standards of education. In addition, the Labour Party also encouraged schools to manage themselves and to be transparent in their use of funds. As in South Africa, all stakeholders are compelled by law to be involved in all the financial matters of the schools (SASA, 1996, Ch. 4).

It is important to note that the Fair Funding model included the following four stages:
a. Stage 1 consisted of the decision taken by the LEA on how much was to be spent for schools in a particular year. According to Anderson et al. (2001:15), the first stage was known as the Local Schools Budget (LSB).

b. Stage 2. The Labour Party re-empowered the LEAs to hold back funding from schools in order to provide centrally for the following ring-fenced LEA responsibilities:
   - Strategic management
   - Access
   - School improvement
   - Special education needs
   - Grants supported expenditure

c. Stage 3 involved the allocation of what was known as the Individual Schools Budget (ISB) out of what remained from the ring-fenced retained budgets. ISB typically constitutes 85 to 90 percent of an authority’s schools budget and is distributed to schools in the form of delegated budget shares in accordance with the local funding formula.

d. Stage 4. Each LEA was compelled to produce an annual statement showing how much was to be retained for ring-fenced projects, the budget for each school, the formula used to calculate such budgets shares and a detailed calculation for each school. These statements were known as the Budgets and Outturn Statements and were subject to audit. For the purpose of transparency each school maintained by the LEA was, as required by law, to receive such statements (Anderson et al., 2001:15–16).

Schools were authorised to use their budgets on the following:
   - Minor maintenance of school buildings and infrastructure;
   - the supply of free school meals and any function that the school deemed necessary for learners;
human Resource Management, including employing and paying the salaries of members of staff;

- resource the library and school museum;
- pay staff claims; and
- insure the school (Anderson et al., 2001:16).

Fair funding was based on formula funding as in South Africa where school allocations (per learner) are distributed on a 'pro-poor basis' through a system of poverty quintiles (Levačić and Downes, 2004:50). Formulae were used to enable the LEA to distribute funds evenly to schools. Schools were categorised according to their areas and needs. The formulae used for schools in urban areas differed from the formulae used for the schools in the rural areas as the schools in the rural and urban areas had different needs.

Fair funding became an important model of funding education in the UK. Despite the fact that it may be said that the model was successful, as compared to the two-tier system previously implemented, on 16 October 2009, schools in Devon, one of the counties in the UK, launched a campaign calling on the UK Government to give education in their county a fair deal. The citizens of Devon felt that their county was one of the worst funded education authorities in the country standing at 148th out of 151 councils of the UK. According to the press release (Devon County Council News Service, 2009:1), the top funded council in the country was the City of London which received £7 603 for every learner. While the national average funding for each school learner was £4 217 in Devon the average funding was £3 842. Although the Fair Funding Model was an attempt at closing the gap between the haves and haves not, it was clear from the complaints raised by the citizens of Devon, that, in fact, not every school in the UK was funded equally or according to its needs. In South Africa
different PEDs had not funded their schools in the same way and this has been a matter of concern with schools being incorrectly ranked into the wrong quintiles. Today, as a way of avoiding unequal funding, schools are ranked as either no-fee-paying (Quintiles 1 to 3) or fee paying (Quintiles 4 to 5). In the UK there are grants available for which schools may apply in order to supplement their income from the government (Sibieta, Chowdry, and Muriel, 2008:27). One such grant is the Dedicated Schools Grant. This will be briefly discussed below.

3.4.1.4 The introduction of the Dedicated Schools Grant (DSG)

The Dedicated Schools Grant (DSG) was introduced in the UK in 2006 and 2007 (Sibieta, et al., 2008:27). The DSG became the primary source of funds for schools’ ‘recurrent expenditure’, i.e. spending on teacher salaries, support staff (assistant teachers) salaries and other non-salary based items such as books and equipment. In the South African context the DSG may be compared to the conditional grant allocated to the Provincial Education Departments for Dinaledi school teachers (teachers recruited to improve the teaching of mathematics and science since 2005) (The Dinaledi Schools Project Report, 2009:03) and which are aimed at improving mathematics and science (National Treasury, 2011:306). The DSG was ‘ring-fenced’, meaning that local authorities were compelled to spend the grant on learner provision as part of their Schools Budget (see Stage 4 of the current funding model below, cf. § 3.4.1.6.1). Neither the LEA nor schools were permitted to spend the DSG funds either on their own administrative costs or on the provision of services not related to education (Sibieta et al., 2008:27).
The amount which each local authority receives as a DSG per learner is calculated as a basic increase of the amount it received the previous year, plus extra elements distributed on the basis of ‘ministerial priorities’ (Manchester City Council Schools Forum, 2009:3; Fölscher and Cole, 2006:9) This is the so-called ‘spend-plus’ method which started in 2006–07 and it was based on local authority spending on schools in 2005–06. In other words, it was closely related to the formula which was being used in 2005-06 for the Schools Formula Spending Shares (ibid) (the previous main grant to local authorities for school spending). These allocations were calculated on the basis of a basic amount per learner with top-ups for area costs and for deprivation. The outcome was that each local authority implemented a different level of DSG per learner. Another important feature of the DSG is that it is decided on a multi-year basis i.e. it may range from two to three years (Manchester City Council Schools Forum, 2009:3; Fölscher and Cole, 2006:9). At the start of the Comprehensive Spending Review (CSR) funding cycle, (this budget is set within the context of the spending review cycle, which tends to happen every two or three years) local authorities and schools receive information on their DSG allocations for all three years and based on estimates of learner projections. These estimates are then adjusted as actual learner numbers become known during the funding cycle (Sibieta et al., 2008:20).

Although local authorities were not expected to supplement the DSG in any way they were free to do so if there was local consultation and backing for such additional expenditure on schools. In addition, local authorities were responsible for funding from the general grant arrangements i.e. outside of the DSG for strategic and supporting educational services (Manchester City Council Schools Forum, 2009:3).
3.4.1.5 The determination of the amount value in the DSG funding

The DSG is calculated by the central government and is based on the number of learners receiving education within the County Council area. Indicative learner numbers and per learner funding rates are issued late in November/early December to provide an indicative DSG. Learner numbers for the final allocation of the DSG are as at the January Pupil Level Annual School Census (PLASC) date. The final confirmation of the DSG is received in May from the Department for Children, Schools and Families (DCSF), that is, approximately three months after the County Council has set its budget (Manchester City Council Schools Forum, 2009:3).

Any savings made by schools through, for example, procurement deals/practices are deposited in delegated budgets. Any savings to the ISB through amalgamations/closures would usually be retained for redistribution to schools. However, in Cheshire, in the 2006/2007 financial year the Schools Forum agreed to use these savings of up to £2.5m to support prudential borrowing for Transforming Learning Communities (TLC). An in-year deficit on the DSG, that is the shortfall which is not met by a local authority contribution, is top-sliced from the following year’s DSG while an in-year surplus is carried forward to the following year or the year after, or a combination of both (ibid).

Schools are not permitted to use the DSG directly to support extended school activities except in cases in which an educational benefit to the learners of the school may be discerned. Appropriate charges should be levied and, if necessary, schools may use School Standards Grant to support such activities. Each school’s budget is subject to a Minimum Funding
Guarantee (MFG), the level of which is set by the National Department for Children, Schools and Families (DCSF).

The MFG ensures that, subject to certain exemptions, a school's budget is guaranteed to increase by a set percentage when calculated on a per learner basis. The percentage varies each year but is designed to cover the average cost pressures on schools. If the normal operation of the local funding formula does not deliver a budget which meets the MFG, then the school’s budget will be topped up to the level of the MFG. The Schools Forum may agree on variations to the operation of the MFG for individual schools where not to do so would produce an unfair or anomalous result. The cost of the MFG must be met from within the DSG (Sibieta et al., 2008:28).

3.4.1.6 Funding allocation to schools in the United Kingdom – from 2005 to 2010

The general process in terms of which funds are allocated to schools in the UK during this period effectively comprised six stages (The Education Formula Funding Team, 2005:3). These six stages should not be confused with the four stages mentioned above (cf. § 3.4.1.3). The four stages were endorsed by the Labour Party as a way of empowering the LEA whereas the six stages explain how money is transferred from the UK central government until it reaches the schools. The first four stages involve decisions taken by central government about how to allocate funds to local authorities (local authorities do have some influence in the fourth stage). The final two stages involve the choices made by local authorities in allocating funding to schools. Central government takes account of the amount which should be spent on schools and grants to local authorities at the same time as it is
setting the overall level of education spending. This is particularly the case in the spending review cycle which is supposed to work as a bottom-up process.

3.4.1.6.1 Funding from central government to local education authorities in the United Kingdom: Stages 1 to 4

Unlike the old system of education funding in the UK (cf. § 3.4.13) the current funding of schools from the central government to the local education authorities comprises the first four stages (1 to 4) of the process while the funding of schools from the local education authorities comprises the last two stages (5 to 6). These stages are discussed below:

Stage 1: Set the overall spending on education in the United Kingdom

As in South Africa (as decided by Parliament) the process starts with the government’s verdict on the total amount to be spent on education in the UK. Also as in South Africa, which sets its budget cycle for approximately three years only (Budget Review, 2011:3), the budget in the UK is set within the context of the spending review cycle, which tends to happen every two or three years. For example, Spending Review 2004 set the level of overall education spending in the UK for 2005–06 and 2006–07 and formulated an indicative plan for 2007–08 (The Education Formula Funding Team, 2005:3). More recently, Comprehensive Spending Review 2007 set the overall level of education spending in the UK for 2008–09, 2009–10 and 2010–11 (ibid).

Stage 2: Divide the education budget between schools and other functions

Having set the total education budget, the government must then divide the funds between expenditure on schools and other functions such as universities and further education. The Department for Education and Skills has been divided into two separate departments, namely,
the Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUSA). Thus, the splitting of the education budget into schools and other functions in 2005 loosely corresponded to splitting the education spending between departments as compared to when there was no split in the Department for Education and Skills (The Education Formula Funding Team, 2005:3).

**Stage 3: Set the level of grants to local authorities**

The funds allocated for costs on schools are not simply transferred to the local education authorities for them to spend as they see fit and, instead, the funds are ring-fenced. The DCSF divides the funds into numerous grants, each allocated according to different criteria and subject to different rules regarding what they may be spent on. The rules are meant to significantly limit the freedom exercised by the local education authority over their Schools Budget. Indeed, an increasing fraction of education funds are allocated directly from the DCSF to schools, with the local education authority acting as no more than a ‘passage’, transferring the money into the schools’ bank accounts (Sibieta et al., 2008:20–25). In South Africa it is the role of the district office to act as a ‘passage’ although the money or allocation to schools is deposited from the PED’s head offices (Mestry, 2004:132).

**Stage 4: Set the level of the ‘Schools Budget’**

The fourth stage involves the LEA setting the Schools Budget Costs. Schools Budget Costs must be at least as large as the DSG allocation, thus ensuring that the DSG is essentially ring-fenced. However, local authorities are free to add to this amount, if they so wish, from local council tax revenues and other grants that are not ring-fenced and, thus, they do have a degree of control over the level of the Schools Budget (Sibieta et al., 2008:20–25). Funds are then
distributed to schools from the LEA. The LEA transfer of funds to schools is discussed below.

3.4.1.6.2 Local authorities’ allocation of funds to schools: Stages 5 and 6

After the funding has been sent to a LEA, the LEA devolves or cascades the funding to the schools. The devolution of funds to schools comprises two more stages. These stages are discussed below:

Stage 5: Deduct money from the Schools Budget for central services

Most of the funds in the Schools Budget go directly to schools. However, the LEAs hold back part of the Schools Budget for the ‘central services’ which are provided to the learners, such as the high-cost Special Educational Needs (SEN) provision and the Learner Referral Units. The remainder of the Schools Budget (i.e. anything not held back for central services) goes into the Individual Schools Budget (ISB). In 2006–07 the majority of local authorities spent approximately 12 percent of their Schools Budgets on central services although some local authorities spent substantially more (over 20 percent of their Schools Budget) and some substantially less (less than 5 percent of their Schools Budget) (Sibieta et al., 2008:20–25).

Stage 6: Distribute individual Schools Budgets and direct payments

The individual Schools Budgets are allocated by the local education authorities using a local ‘fair funding formula’ (cf. § 3.4.1.3) which is devised by the local education authority itself. However, it is subject to numerous constraints. The funding of schools according to a fair funding formula is intended to ensure that, within a specific local education authority, schools with the same characteristics and the same numbers of learners receive the same amount of
funding (Sibieta et al., 2008:20–25). In South Africa the schools in the former
underprivileged areas have all been declared no-fee-paying schools and, thus, they are
allocated a large portion of the PED allocation, thus ensuring equitable funding (per learner
allocation). For example, 100 learners in school A may not receive the same allocation as
school B with 100 learners.

In contrast to many other countries, it may be concluded that the funding of education in the
UK is always in a state of flux with the transfer of power or government from one party to
another affecting the standing policy on the funding of education.

3.4.1.7 Strengths and weaknesses of education funding in the United Kingdom

Tomlinson (2001:06 and 46), highlights that the UK school funding system has undergone a
series of reforms since 1988. The aim of these reforms has been to raise standards, increase
school productivity and improve equity-of-learning opportunities. These reforms include, but
are not limited to, school-based management (SBM), a more rigorous curriculum,
comprehensive national literacy and numeracy initiatives, annual publication of examination
results by school, enrolment-based budgets, and the identification of beacon and failing
schools, the latter of which may be closed down after three years of weak performances.

One of the strengths of the funding of education in the UK is that the government does not
support in a ‘feeder school type’ of arrangement. According to Bradley and Taylor (2003:6),
the government encourages parents to take their children to schools which they deem
academically fit. Bradley and Taylor (ibid:6) maintain that such parental choice was expected
to result in an increase in funding efficiency as parents would be able to send their children to
appropriate schools. This has, in turn, led to schools competing for learners as funding is directly related to age-weighted pupil numbers. It was also expected that the successful schools would thrive and grow while the unsuccessful schools would decline, and perhaps even close unless they improved their performance and became more attractive to their potential customers. In addition, allowing schools to determine their own allocation of learner-led funding between school inputs has resulted in greater output efficiency. Bradley and Taylor (ibid:6) are of the opinion that efficiency and educational outcomes were expected to improve as a result of fundamental changes on both the demand and the supply side of the ‘education market’.

Sibieta et al. (2008:8) note that the successive UK governments have built on a series of reforms which have led to decentralisation. Schools were encouraged to opt out of local education authority control by becoming grant maintained with their funding coming directly from the Department for Education and Employment (changed to the Department for Education on 12 May 2010). Control over financial resources has been devolved from the local education authority to the schools through the Local Management of Schools initiative.

The regulation of the system was assured by the introduction of a national curriculum and the adoption of an inspection system, the latter being undertaken by the Office for Standards in Education (OFSTED). One of the strengths, in essence, of education funding in the UK is that the bureaucratic and centralised model of educational finance, which relied heavily on the LEA, has been replaced by a more decentralised approach in terms of which parents have greater control over their choice of schools, while schools in turn have more power over budgets, staffing and resource allocation (BBC, nd:np).
According to the UK’s Department for Education (BBC News, 26 January 2012) the reason why the government publishes *School Performance Tables* annually is to help parents to make knowledgeable decisions in choosing suitable schools for their children. In addition this publication also helps to improve the information flow between competing schools. The publication contains information about each school’s examination performance over a four-year period, present truancy rate and total enrolment. According to the BBC News (26 January 2012), “The tables show how well schools do on the government’s main measure of school performance – how many pupils get five good GCSEs (A to C) including maths and English – and on a range of other data”. However, the potentially important implications on the socio-economic segregation of pupils and, hence, on the issue of equality of educational opportunity was largely ignored although Educational Action Zones have been created where additional resources are directed at the worst performing schools.

One of the weaknesses of an education market is ‘cream skimming’. Winkler (2008:21) states that “…it is a well-known fact that pupils from middle-income families are more likely to perform well at school and will consequently be attracted to schools with a ‘good’ exam performance. It is also believed that such schools ‘cream skim’ (choose and admit the best) the market”. The result of this practice may be a greater concentration of pupils with the best chance of success in the ‘best’ schools (Bradley and Taylor, 2003:7). Obviously the reverse will happen to those schools with a ‘poor’ examination performance and, consequently, the operation of the quasi-market may lead to a more socially segregated school system than may otherwise have been the case (Allen and Burges, 2010:2–3).

A discussion on education funding in Zimbabwe follows below. In common with South Africa Zimbabwe was once a colony of the UK. Both countries received their independence
and freedom from the UK with Zimbabwe gaining its freedom from the then Rhodesian administration of Smith in 1980. After some political and economic problems the country was suspended from the Commonwealth of Nations on 22 March 2002 and voluntarily withdrew from its membership on 7 December 2003 (De Bruin, 2004:9). It is significant to note that Zimbabwe is a neighbour of South Africa and, thus, it is important to research education funding in Zimbabwe. Zimbabwe is fourteen years older than the democratic South Africa and, therefore, South Africa may learn from and may borrow good education funding practices, if any, from Zimbabwe.

3.4.2 Funding of education in Zimbabwe

At its independence in 1980 the newly elected Zimbabwean majority government inherited a legacy of inequality from both the colonial era as well as from Smith’s Rhodesian regime (Zvobgo, 1986:30). The society was racially polarised with this racial polarisation being the basis of almost all social relations. Whites constituted only 3.5 percent of the population of 7,500,000. They controlled the economic and political structures and enjoyed the high rewards that flowed from this control while Blacks, who constituted the majority of the population, had little control and received the lowest rewards. According to Madambi (cited in Kaulemu, 2008:102), “Africans were considered inferior to Whites in literally every sense”. According to Kumbula (1979:139), Whites had argued that there were fewer Blacks as compared to Whites in the schools because the Blacks were not interested in an academic education while they were genetically incapable of handling an academic education.

In 1978 a coalition government was formed. This coalition government included in the cabinet the leaders of the various internal Black political parties (Riddell, 1980:43).
Compromises were sought and attempts were made to bring about reforms in land distribution, job opportunities, voting rights and education – the areas in which Blacks had been the most underprivileged. The main implications on the educational system was through the passing of the new Education Act 8 of 1979. At an administrative level, the Act provided for the integration of the Whites and Black divisions of education and for the gradual racial integration of the schools.

3.4.2.1 Reclassification of schools into ‘Groups’ A to C following the passing of the Education Act of 1979

Jansen (1990:4) notes that the Education Act 8 of 1979 was merely part of a broader attempt at school integration. Government schools were reclassified into Group A schools (the former schools in the White division) and Group B and Group C schools (the former schools in the African division and found primarily in townships). These schools had differential fee-paying structures: Group A schools were high-fee paying schools and were zoned where Whites only could live. Group B schools were low-fee paying schools while Group C schools were no-fee-paying schools (Zvobgo, 1986:60–68).

According to Riddell (1980:46), in order to limit Black enrolment in Group A schools, strict zoning regulations or laws were enforced that limited enrolment to those learners whose parents owned or leased accommodation in the area in question. The majority of Black people were restricted in terms of acquiring or leasing property/land in the ‘White areas’ of Rhodesia. The new Act and its structure reflected a consistently elitist approach to racial integration in schools with White sensitivities continuing to dominate policy. As Chikombah (cited by Dorsey 1989:44) notes: "One can only conclude that the classification of schools into these groups and the zoning of Group A schools were determined more by political
considerations which were discriminatory and ethnocentric in nature rather than by educational considerations”.

Blacks in Zimbabwe who lived and worked in the Group A zones were not allowed to send their children to these schools if they did not either own or lease accommodation. This classification automatically and effectively prevented the children of domestic workers from attending Group A schools (Dorsey, 1989:44). As the Zimbabwean civil war neared its end, Group A schools were increasingly underutilised as a result of the White migration, mainly to South Africa, while the Group B schools continued to be congested, particularly in the urban areas to which there had been an enormous influx of refugees from the war-torn rural areas (Dorsey, 1989:44).

The Education Act 8 of 1979 also created a fourth group of schools, called community schools, and fundamentally provided for the purchase of government schools by a community of persons. These schools would then be administered by an elected board of governors. These boards were not permitted to discriminate in the enrolment of learners on the grounds of race or colour alone provided that, in determining those children who may be enrolled as learners, the board would have regard for the religious or cultural identity of the school (Riddell, 1980:48).

According to Dorsey (1989:44), during 1979 it was evident that Blacks were against community schools as these schools were seen to be promoting segregation. It is estimated that one-third of the primary and secondary schools of the former European Division of Education elected to become community schools. The schools were sold by the government to the communities for a nominal sum, thus ensuring, at minimal cost, the existence of a
further mechanism for the effective cultural control of these essentially elitist schools by their largely White constituencies (Dorsey, 1989:44).

Although Group A schools were now open to Blacks, they were, nevertheless, open only to those Blacks who could afford to purchase or lease property in the former White areas (Riddell, 1980:46). The Group A schools were underutilised and this, in turn, created an economic burden on the government as the government had to maintain them. According to Zvogbo (1986:60), the Group A schools continued to enjoy “considerable government support in terms of financial allocation and manpower”. As in Zimbabwe, in 1990 the De Klerk government in South Africa also introduced Model Schools, ranked from A to D. These models are discussed in full in section 3.4.3.4 below.

3.4.2.2 Educational development and reform in Zimbabwe after independence

When the first Black majority government, led by the Zimbabwe African National Union Patriotic Front (ZANU-PF) party, came to power in 1980, it faced a number of formidable tasks with regard to education (UNESCO International Bureau of Education, 2001:4). At the dawn of the new era in 1980 the new democratically elected government of Zimbabwe inherited an educational system that was racially prejudiced and disproportionate in both governance and funding as well as the quality of the education it provided to Blacks and Whites (ibid).
3.4.2.2.1 Zimbabwe’s choice of the path to follow: Socialism

According to UNESCO (2001:4), the Zimbabwean government had to follow a ‘socialist’ path in order to redress the wrongs of the past. The government saw scientific socialism as the foundation of the country’s progress and development (Jansen, 1990:6). The principle of “Growth with Equity” was adopted as a driving force to enable the government to redress the inequities and imbalances in terms of access to basic needs/rights such as education and health facilities and services and which it had inherited from Ian Smith’s government (UNESCO, 2001:4).

The newly elected Zimbabwean government’s first priority was the rebuilding and reopening of schools that had been closed during the war of liberation. This included nearly one-third of the primary and secondary schools in the rural areas. A significant numbers of learners and teachers had been displaced (Dorsey, 1989:45; Cowden, Chikombah, Chivore, Maravanyika, and Sibanda, 1999:37). The government played a major role in the provision of services as well as in the redistribution of scarce resources.

3.4.2.3 The expansion of the educational system

The second priority of the government was to expand the educational system at all levels, but primarily at the secondary school level. According to Dorsey (ibid:45), this second priority was aimed at redressing the tremendous disproportions and disparities that had been inherited from the colonial era. The party manifesto of 1980, which stated that ZANU (PF) would provide free primary and secondary education to children of all races if voted into power, promoted a wide-ranging and all-encompassing educational system that included the
establishment of free, compulsory primary and secondary schools, the expansion of university education, and the establishment of the Zimbabwe Institute of Technology (Zvobgo, 1986:60). Pre-schools also received funding as the government saw pre-schools as an important means of providing children with an important foundation to formal schooling (Zvobgo, 1986:33).

The expansion of the educational system had negative implications on education as a whole. A discussion on the effects of the education expansion and admission explosion follows below.

3.4.2.3.1 The effects of the education expansion and admission explosion in Zimbabwe

Government policy on educational expansion was based on the premise that education was a fundamental human right as well as the foundation of economic growth and the development of a socialist society (Auret, 1991:19). The citizens of Zimbabwe, in supporting and pressing the government for educational expansion, also saw education as the key to jobs in the modern economic sector and, therefore, upward mobility from poverty to a better standard of living. “Education is the bridge to better life” (ibid:21). Although other countries in Africa had experienced a rapid expansion of their educational systems at independence, not one had attempted to establish universal access to primary and secondary education to the same degree or as rapidly as Zimbabwe (ibid:17–18). According to the Canadian High Commissioner (Speech by Canadian High Commissioner to St George’s College, Harare, on 22 March 1985 in Auret, 1991:17–18), “for the first time in Africa a whole country will be educated and succeeding generations will build higher standards of education on this broad base”.

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Auret (1991:19) highlights that, in September 1980, the Zimbabwean government declared free primary schooling for all with the result that enrolments escalated from 819586 at independence to 2263947 seven years later. This increase was also caused by learners who were returning home from camps in neighbouring countries (Cowden et al., 1999:37). Although secondary education was not free (Zvobgo, 1986:60), an even greater secondary school enrolment explosion occurred with an increase from 66215 in 1979 to 537427 in 1986. The percentage of Grade 7 school-goers entering Form 1 (Grade 8) rose from 20 percent in 1979 to 78 percent in 1986. Projected enrolment figures suggested that, by 2012, there would be 89.5 percent of learners in primary and secondary schools. These projected figures were based on the assumption that wastage rates would decrease, that there would be a 100 percent transition to secondary school with 4 years of secondary education for all and that there would be an annual rate of increase of 4 percent.

In order to accommodate the increased enrolment, both primary and secondary schools were rapidly built with the help of donors (Cowden, et al., 1999:38). The number of primary schools nearly doubled from 2401 in 1979 to 4291 in 1986 while the number of secondary schools increased from 177 to 1276 during the same period (ibid:46). The established schools were required to increase their enrolments while the government Group B schools instituted double sessions. The majority of the new secondary schools were built in the rural areas as day schools under the management of district councils (Dorsey, 1989:46). In view of the time it took to build a school, many of these new schools began as shift schools attached to existing primary schools until their own buildings were either built or finished (ibid:46).

In addition to these problems, there were difficulties in providing adequate support services and equipment, particularly in the science and technical subjects. However, despite all these
problems, the expansion of secondary education into the remotest areas of Zimbabwe was seen as a remarkable achievement and would not have been possible without the enthusiasm of local communities and their cooperation with the Ministry of Education and district councils. In addition to paying building fees, the local people also contributed their labour to the actual building process.

3.4.2.4 Problems in financing the educational expansion and the funding of education in Zimbabwe: Reliance on donor funds

The financing of the new educational policy, which was aimed at a more equitable distribution of educational opportunities in Zimbabwe, involved a massive increase in public expenditure on education. Immediately following independence, the government of Zimbabwe could not afford to reconstruct and develop the new country of Zimbabwe. Accordingly, the government organised a Conference on Reconstruction and Development (ZIMCORD) in March 1981. The purpose of ZIMCORD was to enable Zimbabwe to solicit international agencies and government aid to assist in the reconstruction of its infrastructure which had been destroyed during the protracted war of liberation. A serious reconstruction programme was essential but Zimbabwe could not afford to undertake such a programme without assistance. In particular, the Zimbabwean government targeted the reconstruction of the country’s infrastructure, including schools, clinics and dip-tanks in the rural areas. At ZIMCORD Zimbabwe produced a list of those areas in respect of which the country needed urgent international aid. Foreign countries friendly to the new government of Zimbabwe resolved to assist in rebuilding Zimbabwe. It may, thus, be said that the new education system in Zimbabwe, and which emphasised free primary education and respect of basic human rights, was funded by foreign countries (Cowden et al., 1999:38).
Foreign countries, especially through their agencies such as the United States Agency for International Development (USAID), the Swedish International Development Cooperation Agency (SIDA), and the Danish International Development Agency (DANIDA) helped in the rebuilding of the Zimbabwean education system (Cowden et al., 1999:38). The government of Australia also helped Zimbabwe by sending teachers to work in the expanded secondary school system (ibid:38). Germany, through the German Foundation for International Development (DSE), provided teachers for vocational development (ibid).

By helping to reduce the high rate of illiteracy in the country, this programme meant that Zimbabwean education changed in the 1990s. By the end of the 1980s it became evident that the government’s socialist path, known as ‘Growth with Equity’ – the principle adopted by the Zimbabwean government to redress the inherited inequities and imbalances as regards access to basic needs such as education and health facilities and services – and which had been adopted in 1980 (UNESCO, 2003:5), was no longer practicable, it was difficult to implement in the changing world and it was also placing a heavy economic burden on the government.

The Zimbabwean government was no longer able to afford to finance the promises made in the election manifesto of 1980. The government’s problems were also compounded by the fall of communism (especially in Eastern Europe) in the late 1980s and which, in turn, forced many governments to move towards capitalism (Kanyongo, 2005:71). The government was compelled to implement the strategies prescribed by the International Monetary Fund (IMF) and the World Bank’s Economic Structural Adjustment Programme (ESAP) (Darnolf and Laakso, 2003:148). The ESAP helped in the privatisation of the economy but, as an
unfortunate consequence, many people lost their jobs as local industrial companies had to close down as they could not compete with foreign companies (Kanyongo, 2005:71).

The introduction of the ESAP also forced the Zimbabwean government to cut spending on the social services sectors including education (Kanyongo, 2005:71). Poverty increased as unemployment rose. The high rate of unemployment meant that it was difficult for many parents to afford school fees for their children (ibid:71). According to Kanyongo (ibid), the collective implications of the measures resulting from the cuts in subsidies to education and health on the well-being of ordinary families was overwhelming, particularly in respect of the education of children and the care of the sick.

In order to assist the underprivileged, the government introduced the Social Development Fund (SDF). This fund was intended to help in the paying of the school fees and examination fees of orphaned children and children whose parents were physically disabled. SDF was supposed to also help those children who were highly intelligent but whose parents were too poor to afford education for their children. It was the task of the school principals to identify eligible candidates and to apply for assistance on their behalf (Darnolf and Laakso, 2003:148). Unfortunately, the fund was insufficient and, in most cases, because of government bureaucracy, it took a long time for the funds to be paid out to schools which had applied (ibid).

In 1991, the Zimbabwean government amended the Education Act of 1987 (No. 5/1987) to bring it in line with the new socio-economic environment which had come about as a result of the introduction of ESAP. In the same year, 1991, the Zimbabwean government introduced school fees at the urban primary school level. This was seen as a turnaround on the principle
of free and compulsory primary education which had been enacted into law by the Education Act of 1987. Rural primary education continued to be exempt from paying fees even after the amendment of the Education Act of 1987 (Darnolf and Laakso, 2003:149).

However, despite the fact that rural schools were exempted from paying school fees, the government could not afford to place them on the same level of those schools which were paying fees i.e. schools that paid fees were far more advanced than those who did not. This, in turn, resulted in a further widening of the gap in the quality of education offered to the rich and the poor (Kanyongo, 2005:71). The parents of learners in the rural areas were still responsible for paying levies to maintain the infrastructure, school facilities and sports in general although rural primary education was supposed to be free. Inflation in Zimbabwe began to rise and teachers’ salaries were reduced. The schools were caught between the reduced funding and the increased costs of supplies (Darnolf and Laakso, 2003:150). According to Kanyongo (2005:71), “one headmaster of an urban primary school points out that at least half of the school’s more than 1000 learners cannot afford fees, while a government directive says learners must not be sent home for failing to pay fees”.

The situation was exacerbated by the drying up of donor support. Darnfold and Laakso (2003:150) noted that it was rare not to see negative headlines about education in Zimbabwe in the newspapers. For example, one headline read, ‘Nyanga school loses learners due to high fees’ (The Parade, June 1992:41 cited in Darnfold and Laakso, 2003:149). The challenges facing the Zimbabwean education system were echoed in the Zimbabwean financial newspaper which noted:

The difficulty plaguing the local education system is fed by under-funding from the State budget; high inflation which topped 525.8 percent continues to eat into grants provided by the State to schools. Low morale within the teaching profession has led to staff exodus from the teaching profession (The Financial Gazette, 2003:1).
The social-economic situation in Zimbabwe resulted in many Zimbabwean teachers leaving the teaching profession. The majority of them found employment in neighbouring countries such as South Africa while others were forced to go to the UK and USA to continue with their teaching. The loss of teachers in Zimbabwe reversed the gains attained between 1981 and 1991 of providing the system with trained teachers.

3.4.2.5 Decentralisation of education in Zimbabwe

The UNESCO International Bureau of Education (2010/11:npn) highlights that formal education in Zimbabwe is divided into four levels: Pre-school (a compulsory level now referred to as Zero (0) grade), primary, secondary and higher education. There are two Ministries of Education in Zimbabwe, namely, the Ministry of Education, Sport and Culture (MOESC) and the Ministry of Higher Education and Technology (MOHET).

The MOESC is responsible for primary and secondary education, non-formal education, sport and culture while it is the responsibility of the MOHET to monitor all higher education institutions and also the tertiary education in technical colleges. In addition, the MOHET is also responsible for all civil servants, including their remuneration through the Public Service Commission (Rembe, 2006:235).

MOESC is run centrally from the Ministry’s Head Office, with personnel affairs extending to the Public Service Commission in the Ministry of Labour, Public Service and Social Welfare. MOESC includes the Minister and Deputy Minister of Education, the Permanent Secretary and five directors, each in charge of a division housed at the Head Office of the Ministry. These five divisions include Human Resources Development, Finance, Schools, including
Adult Education, Education Development and Sports and Culture. Each division is headed by a deputy director, supported by an education officer or education officers.

According to Masuku (2010:54), the majority of functions which were originally decentralised from the head office have been centralised again e.g. the recruitment of teachers is carried out by the head office of education in Zimbabwe. Unlike Zimbabwe, the recruitment and recommendation of teachers in South Africa is performed by the SGB, post 1994 [SASA, 1996, Section 20(1)(i)]. The Head of Department in South Africa is responsible for the employment of both educators and educational personnel. In Zimbabwe, even where the tasks are devolved to the provincial education directors and district education officers, these officials do not possess decision-making powers (Masuku, 2010:54). Instead, in Zimbabwe, decisions are centralised at the head office under the Permanent Secretary of Education. Unlike in South Africa where the government, through the PEDs, deposits some grants into the schools’ bank accounts (SASA, 1996, Section 21) the parents and the SGBs in Zimbabwe are entrusted with the responsibility of running the schools without financial support from the government although the parents have no power to make decisions regarding the generation of revenue. The majority of the functions decentralised to the schools receive no financial support and, unfortunately, schools are not permitted to make any administrative decisions. In South Africa, Section 36(a) of SASA, 1996 gives the SGBs the power and authority to supplement the grants from the government. In addition, schools in South Africa are allocated financial grants to fund decentralised functions such as the purchase of LTSM.
3.4.2.6 Financial implications of decentralisation in Zimbabwe

According to Masuku (2010:60–61), it was claimed that the Zimbabwean government had only opted to adopt decentralisation as a way easing the escalating pressure to meet budgetary demands of education. According to Masuku (ibid), the Zimbabwean government upheld the rumour that, while it was correct that the budget was failing to stabilise education funding, that it was incumbent on the parents to collaborate with the government and accept the cost burden of education. The aim of decentralisation was also to empower the local administrative levels and encourage parents to show a greater interest in their children’s education than had previously been the case.

Initially parents were also duty bound to join the government in funding learning. Masuku (2010:60–61) is of the opinion that deconcentration burdened the principal with numerous responsibilities although these responsibilities came with little or no decision-making power. As a way of meeting maintenance costs and providing for basic education, the Ministry of Education in Zimbabwe consigned all school funding (besides school fees levies were imposed on parents) to the parents except for the remuneration of teachers. This responsibility remained with central government. Nevertheless, despite the additional funding responsibilities which were passed on to the parents they were given very little decision making power. The parents who could not afford to pay for school fees or for the education of their children were the most affected.

The following section deals with the strengths and weaknesses of education funding in Zimbabwe.
3.4.2.7 Strengths and weaknesses of education funding in Zimbabwe

Although the Zimbabwean government was able to reduce the illiteracy rate between 1981 and 1991, the funding of education in Zimbabwe has remained a major dilemma and a serious challenge. As stated in section 3.4.2.4, both ESAP and ZIMPREST advocated the reduction of government expenditure. Education was significantly affected by such policies, ESAP and ZIMPREST. The problem of funding in the educational sector was exacerbated by the fact that the bulk of funds channelled to the sector were used for salaries (94 percent), leaving 6 percent only for financing development projects. Education has been extremely expensive with a total annual budget of an average of Z$12 billion per year in 2001. The financial constraints have resulted in a scarcity of staff and training materials and this, in turn, had compromised the quality of the education provided (The Herald, 2010:online, accessed 24 May 2013).

The First Standards Foundation (2009:13) highlights that, on 28 September 2008, the Zimbabwe Teachers’ Association warned that the “education system is on the verge of collapse because of a critical shortage of teachers, teaching and learning materials, poor remuneration and low morale”. According to Kwenda (2008:np), teachers were being paid 70 trillion Zimbabwe dollars a month, which amounted to US$3 only on the street market where the people usually exchanged their currency. US$3 was enough to buy approximately three loaves of bread or pay for a single taxi ride.

One of the weaknesses in the funding of education in Zimbabwe was that the country had relied on donor funds which had soon either dried up or which had been withdrawn. The education system and the public sector as a whole collapsed. Thus, donor support was clearly
not the solution to the educational funding problem in Zimbabwe. The donors had become wary, especially during the late 1980s as a result of problems in the country’s economy (Nkabinde, 1997:177). In addition, Namibia gained its independence from South Africa on 21 March 1990 and financial contributions were rerouted from Zimbabwe. According to Cowden et al. (1999:39), “the independence of Namibia led to a gradual reduction of the activities of the international agencies in Zimbabwe as most agencies felt that their services were more required in the newly independent state of Namibia than in Zimbabwe. The activities of the international agencies have therefore declined in Zimbabwe”.

Funding problems were also exacerbated by the attacks on the farmers by the so-called war veterans. In an effort to cling to power, Mugabe encouraged such attacks and invasions by the so-called war veterans on the White farmers. In 2001, the United States imposed economic sanctions on Zimbabwe. The European Union, on which Zimbabwe had once relied for funding, followed suit and also imposed economic sanctions on Zimbabwe. This then exacerbated the economic situation. According to the Financial Standards Foundation (2009:13), a UNICEF report remarked that:

Public financing of education declined significantly over the last decade, leaving most schools with no funds to purchase basic teaching materials such as text books and stationery…It is not uncommon for 10 pupils to share a text book and, despite the government’s move to drastically slash school fees in February 2009, deepening poverty has meant that even the reduced cost of attending government schools in some areas had put education beyond the reach of thousands of children … Almost 50 percent of children graduating from primary school were not proceeding to secondary school.

The 1980 election manifesto on education, as propagated by ZANU-PF, and which had undertaken to make education accessible to all, has been dropped and education in Zimbabwe is no longer free or compulsory. In addition, the First Standards Foundation (2009:13) noted that teachers perceived to be supporters of the opposition party (Movement for Democratic
Change or MDC) have been harassed and dismissed while some teachers have left of their own volition to look for other opportunities abroad.

It is vital that the funding of education in Zimbabwe improves. The sections below discuss the funding of education in South Africa from 1948 to 1994.

3.4.3 A brief history of school funding in South Africa: 1948 to 1994

This section discusses the funding of education in South Africa under the Nationalist government from 1948 to 1994. In 1948, the National Party (NP) won the national election on a platform of racism and segregation under the slogan of ‘apartheid’. Apartheid built upon earlier laws but made segregation more rigid while enforcing it more aggressively than had previously been the case. All government action and responses were based on the policy of apartheid with South Africa being divided along racial lines. There had always been an education funding system in place in South Africa but the Nationalist Party government ensured that there were statutes enacted in this regard.

As stated above the National Party came into power in 1948. The next section discusses education funding under the government of the National Party from 1948 to 1994.

3.4.3.1 Education administration in South Africa under the National Party from 1948 to 1994

In line with the policy of apartheid, that is, separate institutions for the various racial groups, the National Party government established different educational sub-structures to cater for the four racial groups, namely, Blacks, Coloureds, Indians and Whites. Separate development, in
which each race was to develop alone in education, was initiated in 1953 subsequent to the promulgation of the Bantu Education Act 47 of 1953. This Act was inspired primarily by the need of the government to bring the education of Blacks under state control (Naicker, 1996:51).

The National Party designed an inferior form of education for Blacks and termed it Bantu Education. According to Lubisi (2008:5)

“... the master plan of unequal education provision as plotted by the Eiselen Commission of 1948 found its statutory expression in the Bantu Education Act of 1953. It is through this open expression of statutory racism that, at one stage, the ratio of White: Black education expenditure stood at 14:1. It is solely because of apartheid education that we today experience huge infrastructure backlogs and concomitant unequal class sizes, and unequal education quality, among schools that find themselves in opposite loci of the apartheid-inherited spatial geography”.

The government of the day wanted to control and dictate the type of education Blacks were to receive. The government’s mission was also to ensure that the education provided by the missionaries and which, according to the apartheid machinery and proponents of apartheid, was said to be “dangerous and feeding liberal ideas to untrained minds” (Dubow, 2000:17), was done away with. Prior to the promulgation of the Bantu Education Act 47 of 1953, education for Blacks had been provided mainly by the missionaries and provincial administrations (Kallaway, 2002:40). In 1949 the Eiselen Commission was appointed to look into the education of Black people. The commission recommended that the government take control of the education of Blacks. Kallaway (2002:40) highlights that the Eiselen Report pointed out:

What is taught and learnt in Bantu schools is never applied in practice, because the economic incentives that should operate when the children leave school are either of such a nature as to undo the work of the schools. The reform of these economic conditions cannot be the function of an education department, but the success of the work of the school is dependent upon the existence of social and economic opportunities for absorbing the products of the school and the fully literate, the fairly intelligent White man seems to take much of the wonders of his age in his stride.
Pegasus is no longer a myth. But for the Bantu the earth still seems to trail many clouds of glory – a glory seen but not comprehended.

The Eiselen Commission resulted in the passing of the Bantu Education Act 47 of 1953 (Kallaway, 2002:41). All Black education came under the control of the ruling National Party with a well-regulated technical education system (Blacks were supposed to use their hands), as opposed to an academic system, being imposed on the Black majority. The education provided was not only separate but it was also unequal, with the government being heavily biased in favour of the White students (Behr, 1988:84). In addition, different socio-economic backgrounds and varied population growth rates resulted in gross differences as regards the supply of teachers, learner-teacher ratios and class sizes.

From the 1950s until 1994 White schools had the lowest average learner-teacher ratios of 1:20 while the Black schools were characterised by large classes with high learner-teacher ratios of 1:70 (Hofmeyr and Hall, 1995:36). The ratios were evidently higher in the Black rural schools where teaching took place primarily in multi-grade classes and in church buildings and community built schools. Thus, throughout the entire country, the learner: teacher ratios showed racial and spatial disparities (Von Donk and Pieterse, in Pieterse and Meintjies, 2004:39). The double shift and platoon systems were widely used in both rural and urban areas and continue to be used in some of the rural African schools.

A discussion on the funding models for the Bantu (Blacks), Coloured, Indian and White education systems from 1953 to 1993 follows below.
3.4.3.2 The funding of the Bantu (Black), Coloured, Indian and White education systems from 1953 to 1993: A comparative analysis

The Eiselen Commission overtly recommended that less should be spent on teacher education for Blacks as compared to that spent for Whites. Under apartheid, a significant number of children enrolled in schools, especially in primary schools i.e. children of all races were accorded education. Bantu Education severely compromised the quality of education provided to Black children while the apartheid regime consistently under-resourced Black schools (Lubisi, 2008:5–6). The Bantu Education Act 47 of 1953 broadened the gaps in the educational prospects of the different racial groups. Two of the architects of Bantu education were Dr W M Eiselen (who chaired the commission which recommended Bantu Education) and Dr H F Verwoerd who was the then Minister of Native Affairs (Yeboah, 2005:18–19). The concept of racial ‘purity’, in particular, provided the rationalisation for ensuring that the education designed for Black people was inferior to that designed for Whites and other racial groups.

Dr Verwoerd, the then Minister of Native Affairs, insisted that Black Africans "should be educated for their opportunities in life," and that there was no place for them "above the level of certain forms of labour" (Fiske and Ladd, 2004:1). The government also tightened its control on religious high schools by eliminating almost all financial aid to these schools, forcing many churches either to sell their schools to the government or close them (Sparks, in Fiske and Ladd, 2004:1).

According to Behr et al. (1971: 84), the Bantu Education Act 47 of 1953 also transferred the control of Black education from the provinces (Natal, Cape, Transvaal and Orange Free State) to the Department of Bantu Affairs. The funding of Bantu Education was based on the
recommendations of the Eiselen Commission to the effect that “the Bantu should play a direct part in finding a certain proportion of the funds” and that, over a period of ten years (1949–1959), the total sum available for Bantu Education should be increased from R9.8 million to R20.5 million but fixed at the amount to be reserved from general revenue for Bantu Education, namely, R13 million. The remainder of the funds would come from an allocation of four-fifths of the General Tax on Bantu adults (ibid).

Compared to the funding for White education, the funding for Bantu education was extremely low (Vos and Brits, 1990:57) In 1955, in terms of the Exchequer and Audit Act 7 of 1955, a separate Bantu Education Account was set up (Behr et al., 1971:84). As mentioned above, an amount of R13 million was paid from the General Revenue Account into this account as well as the general poll tax collected under the provisions of the Native Taxation and Development Act 41 of 1925 and amounting to R4 million (Hartshorne, 1992:37). Thus, a total of R17 million was allocated to Bantu or Black education. This amount was fixed for the following seventeen years – from 1955 to 1972. The South African Institute of Race Relations (SAIRR, 1996:12) calculated the buying power of this sum against the retail price index and concluded that R13 million in 1963 would have paid for the equivalent of R10.8 million in 1965. The Minister of Native Affairs, in pegging the funding for Bantu Education, stated:

I think it is a wise thing to do in the interests of the country and its finances, but also because Bantu education can only be guided along sound lines when we build up this principle that, while the European is prepared to make heavy contributions to native education, the native community will have to shoulder their share of the responsibility for this development in future (Minister of Native Affairs, House of Assembly Debates, in UNESCO, 1967:35).

In order to meet the increasing costs of Bantu Education, the Native Taxation and Development Act 41 of 1925 was amended in 1958 to the effect that the basic general tax for
which African men only were liable could be raised from R2 to R 3.50 per annum (ibid). From 1959 to 1960 this basic figure was increased according to the proportion of the taxable incomes of individual taxpayers while, in 1960, African women, who had not before been liable for the general tax, became liable for this tax if their income exceeded R360 per annum.

According to UNESCO (1967:36), the Government Notice No. 251 of 22 February 1957, as amended by Regulations 217 and 218 of 21 February 1964, cited the regulations pertaining to school funds in the ‘Bantu’ community schools. The funds to aid or supplement Bantu education were to come from fêtes, concerts, and other fundraising projects. In addition, there was to be a 'voluntary' contribution from pupils ranging from 10 cents in lower primary to R6 for students in vocational or technical schools or classes. School boards were also required to raise part of the money for the capital costs of high and post-primary schools. In addition, when schools are erected in the new Black urban townships, the costs of the lower primary schools could be included in the loans for housing schemes while Section 36 of the Native Laws Amendment Act 36 of 1957 empowered the Minister of Native Affairs to take into consideration the costs of providing educational services when deciding upon rentals in African townships or hostels (ibid).

The increase in the total income available for Bantu education between 1955–56 and 1963–64 was primarily the result of an increase in Bantu taxation and also the greater percentage of the African general tax, namely, four-fifths until 1961 and five-fifths after 1961 and which was allocated to Black education although the R13 million from the General Revenue Account remained and did not change (Behr et al., 1971:84).
According to Behr et al. (1971:84), between 1954 and 1963, the funding for Black education increased by up to 36 percent while the school enrolment of Black learners increased by 91 percent. Per-capita government spending on Black education dropped to one-tenth of the spending on White education in the 1970s. The per-capita expenditure on education in South Africa and which demonstrates the disparities in the funding of the education of the then recognised four population groups (Blacks, Coloureds, Indians and Whites) is depicted in Tables 3.1 and 3.2 below.

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<th>Table 3.1: Per-capita expenditure on education in South Africa (selected years from 1953 to 1983)</th>
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<th>Table 3.2: Per-capita expenditure on education in South Africa in ratio form (selected years from 1953 to 1983)</th>
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The government’s low funding of Bantu education drew widespread protest and criticism from both the Black communities and religious quarters. Calls were made for education of an equal quality and standing for all. These pleas implied equal education funding for all learners of the Republic of South Africa, irrespective of race, gender or creed (Vos and Brits, 1990:57). However, the protests and the pleas fell on deaf ears as the status quo regarding
funding Bantu education was maintained. According to Mncwabe (1990:5), Black education funding demonstrated a ‘gross neglect of Black education’ by the apartheid government.

The funding of education in South Africa directly affected all aspects of formal schooling; the training of Black teachers and their conditions of service, the supervision, inspection and in-service education of teachers, the building and supply of classrooms and the provision of teaching and learning resources or material. Hicks (1982:i) stressed that apartheid imposed an oppressive system of control on both education and progress.

Before 1961 and in order to enforce the principles of segregation, Coloured and Indian education funding was made through the Consolidated Revenue Fund. After South Africa was declared a Republic in 31 May 1961 and as promulgated in the Republic of South Africa Constitution Act 32 of 1961, Coloured and Indian education continued to be financed partly from the Consolidated Revenue Fund and partly from provincial taxation (Republic of South Africa Constitution Act 32 of 1961, s 98)). This was the situation until 1984. In 1966 the funding of Coloured education amounted to R23 640 500, R501 000 of which was granted to the University of the Western Cape and R2 000 to Fort Hare for Coloured students who were still attending classes there (UNESCO, 1967:38–39). However, in the budget speech of 21 February 1963, the Minister of Coloured Affairs stated that Coloured people would, to an increasing extent, be required to make a direct contribution to their education and to the costs connected with such education. School fees for Coloured learners which ranged from R10 to R20 were charged to the parents (ibid).

Funds for Indian education were also provided by the state. According to Behr (1984:277–278), the Indian Education Act 61 of 1965 and the Indian Education Amendment Act 39 of
1979 recognised the central rule that the funding of Indian education was a liability of the state. The money for Indian education was provided by the state treasury through the Consolidated Revenue Fund by means of funds voted by Parliament for the purpose of Indian education (ibid). However, Indian parents also had to contribute to their children’s education. Between 1960 and 1966 the Indian community contributed over R2 million to building their own schools. The Indian teachers had contributed 3 to 6 percent of their basic salaries for a two year period (UNESCO, 1967:39).

White primary and secondary education were funded partly through provincial taxation, raised in terms of the Financial Relations Consolidated and Amendment Act 38 of 1945, and partly by means of a subsidy from the Central Government (see Table 3.3 below). The provincial revenue was raised through horse racing and betting; motor vehicle licence fees; public entertainment levies; and dog, angling, games and business licenses. The general subsidy from the Central Government amounted to approximately 50 per cent of the total provincial expenditure, to which was added a special subsidy for three provinces, namely, the Cape, Natal and the Orange Free State (UNESCO, 1967:39). Before 1994 Whites were not required by the provincial governments to pay any school fees (Motala and Pampalis, 2005:8). It must, however, be noted that White education was better funded than that of the other racial groups in South Africa prior to 1994.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cape</th>
<th>Natal</th>
<th>Transvaal</th>
<th>Orange Free State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>41 968</td>
<td>13 651</td>
<td>33 919</td>
<td>8 835</td>
</tr>
<tr>
<td>1961</td>
<td>43 903</td>
<td>14 403</td>
<td>37 031</td>
<td>9 227</td>
</tr>
<tr>
<td>1962</td>
<td>45 127</td>
<td>14 893</td>
<td>40 004</td>
<td>9 650</td>
</tr>
<tr>
<td>1963</td>
<td>46 248</td>
<td>15 509</td>
<td>42 482</td>
<td>10 174</td>
</tr>
<tr>
<td>1964</td>
<td>51 246</td>
<td>18 163</td>
<td>46 910</td>
<td>11 197</td>
</tr>
<tr>
<td>1965</td>
<td>35 451</td>
<td>18 732</td>
<td>48 180</td>
<td>11 781</td>
</tr>
</tbody>
</table>

Source: Adapted from *State of South Africa Year Book (1966:96)* (see also Tables 3.1 and 3.2 above)
The next section contains an analysis of school funding in general in South Africa in the late 1980s (after the promulgation of the National Policy for General Affairs Act 76 of 1984) and early 90s.

### 3.4.3.3 General education funding policies in South Africa in the late 1980s and early 1990s

The National Policy for General Affairs Act 76 of 1984 brought about some improvements in Black education although it maintained the overall separation called for in the Bantu education system (Chesler, 1993:372). When the government implemented the 1984 legislation, new violence flared up in response to the limited constitutional reforms that continued to exclude Blacks. The government eventually began to indicate its awareness that apartheid was being threatened by the Black protests. According to Bellissimo (2005:A–2/2), by 1986 President P W Botha (1984–89) had begun trying to convince South Africans that the concept of apartheid was "outdated" while behind-the-scenes negotiations had started between government officials and the imprisoned ANC leader, Nelson Mandela. The gap between government spending on education for the various racial groups slowly began to narrow while the penalties for transgressing apartheid rules in education began to ease. According to Naidoo (2005:22), the governance of the education system in the period preceding the establishment of South Africa’s first democratic government in 1994 was characterised by an unusual combination of both centralisation and decentralisation. The system consisted of 19 separate departments of education:

- the Department of National Education (DNE), which was responsible for setting policy and monitoring norms and standards;
- the Department of Education and Training (DET), which was responsible for the education of Africans outside the homelands;
• one for each of the four so-called independent homelands (also known as the TBVC states);

• one for each of the six non-independent homelands (or self-governing territories); and

• one each for the houses of the tri-cameral parliament, namely, the House of Assembly (for Whites), the House of Representatives (for Coloureds), and the House of Delegates (for Indians).

The structure of the state funding of education was highly centralised in that the central government was the main source of funding for all the categories of education provided by the state. The actual execution of the educational programmes was decentralised (see the diagram below on p.130) and rested with provincial/regional departments except for Coloureds and Indians.
Figure 3.1 Distribution of funds from the State Revenue Fund to education - 1990

Figure 1: Source: Adapted from Van Schalkwyk (1993:212)
Until 1988, the Minister of Education in the House of Assembly had headed four separate provincial departments, as extended by the provisions of the Union of South Africa, South Africa Act, 1909 (passed by the UK government) which had given power over education (excluding higher education) to the provinces. The Education Affairs Act 70 of 1988 officially relegated the provincial departments to the status of regional departments under the single White Ministry of Education although, in practice, the provincial departments continued to be administered independently of one another, although in accordance with the overall policies formulated by the Minister of Education in the House of Assembly (Buckland and Hofmeyr, 1993:11–19). Despite the plethora of different state education departments, the key elements of the education system were centralised. Most notably, there was central control over finance.

The Cabinet of the South African government made the decisions about educational expenditure for the country as a whole and also determined the grants for the Transkei, Bophuthatswana, Venda and Ciskei (TBVC) states (ANC, 1994:36–37). Once the total amount to be allocated to education in the country (excluding the TBVC states) had been decided, the Ministers of the Department of National Education (DNE), the Department of Education and Training and the three tri-cameral departments i.e. the Department of Education and Culture (House of Assembly), the Department of Education and Culture (House of Representatives) and Department of Education and Culture (House of Delegates) jointly determined the amounts to be allocated to their own departments and the self-governing territories (which were excluded from this process). The allocations were always influenced by the pre-existing (and very unequal) patterns of expenditure – see Tables 3.4 and 3.5 below (Behr, 1988:82–85).
The various departments prepared their own budgets and submitted them to their respective legislative authorities. In the TBVC states, after consulting the central government, some local revenue, as directed by the central government, could be added to the central government grant before the budget was prepared and approved by the relevant legislature (Buckland and Hofmeyr, 1993:14–16). Policies in areas such as curricula, examinations, teacher training and employment, and school institutions and construction, were centralised within each department and in accordance with the norms and standards set by the Minister of National Education. Apart from the decentralisation to the racial and homeland departments (the former TBVC states), there was also some degree of deconcentration to the seven regional offices under the auspices of the Department of Education and Training (Buckland and Hofmeyr, 1993:17). However, aside from this, there were no local or district governance structures with any significant level of power or any accountability to a local constituency and neither was there any real decision-making power at the school level. Such structures, local or district, at least until the early nineties, were merely advisory while their activities centred on fundraising (Buckland and Hofmeyr, 1993:17).
According to the ANC (1994:36–37), in the 1980s and early 1990s the education financing system under the apartheid government had been characterised by the following:

- The central State Revenue Fund constituted the core of the funds for public expenditure at all levels of government (see Figure 3.1 on p.130);
- The distribution of funds intended for departments took place on the basis that internal negotiations and funding formulae would be taken into consideration. This distribution of funds reflected the discriminatory patterns of spending during the apartheid era (see tables 3.1 and 3.2).
- Education funding in the former TBVC states was decided by the authorities of the TBVC states using their own revenue but also supplemented by the allocation of grants and loans from the South African government through the Development Bank of Southern Africa.
- Private and independent schools were partially subsidised by private donors, such as churches or missions, and parent contributions.
- Special schools, today known as Learners with Special Educational Needs Schools (LSEN) and which had boards of governors, also enjoyed state financial support for capital and running costs subject to the approved budget.

The disparity in the amount spent on the Black learner, on the one hand, and the White learner, on the other hand, started to diminish in the second half of the 1980s. For example: in the 1980/81 financial years education funding for Whites was 5.8 times more to that of Blacks as compared to 4.7 times as much in the 1987/1988 financial years (Chesler, 1993:372).
3.4.3.4 Education funding of the independent schools from the 1980s until 1993 and the creation of ‘Model C’ schools in South Africa

Although the private or independent school sector grew in number and variety during the eighties and early nineties, it remained small in relation to the school system as a whole. In 1992 private or independent schools comprised only 2 percent of all the schools in South Africa and only 1 percent of the total number of learners. In the period from 1948 until the mid-eighties, the National Party government was not generally supportive of the private or independent school sector, despite offering some subsidies to these institutions. Throughout the late eighties and early nineties, the independent schools also played an important role in leading the move to racially integrated schooling, sometimes in defiance of the apartheid government (Pampallis, 1991:172–174; Buckland and Hofmeyr, 1993:18; DoE, 1995:18). In line with the spirit of reform, in the late 1980s and early 1990s, the apartheid government had become more tolerant of this sector (Pampalis, 1991:172–174).

Another segment of the non-state institutions and ‘decentralised’ education activity which started to make important implications during the 1980s and 1990s was the educational non-government organisations (NGOs). Usually small and generally anti-apartheid in orientation, the NGOs developed as a response to the crisis in Black education, especially after the 1976 student uprisings. The NGOs tried to provide services that the disintegrating state school system was failing to deliver. They were funded primarily by foreign funding agencies and the local private sector. In areas such as the in-service training of educators, it was estimated that NGOs reached as many teachers as did the state system (Buckland and Hofmeyr, 1993:18).
In its last days of power the apartheid government took a momentous step towards decentralising the White education system. After the government’s unbanning of the liberation movements in 1990, pressure began to mount for the desegregation of the White state schools – approximately 7 percent of the total number of schools in South Africa (RSA, 1995a:8). In 1990, the Minister responsible for White education, Piet Clase, announced that White state schools would be allowed to change their status from the beginning of 1991 if a large majority of the parents voted to do so. The following three new school models were made available:

- Choosing ‘Model A’ would result in the privatisation of the school. This, in turn, meant that these schools would become private or independent schools with a minimal or small state subsidy. The contribution from the government to such schools was intended to cover teachers’ salaries and the running costs of the school (Chisholm et al., 2003:23). The majority of the schools preferred the other models with a mere fraction of the schools choosing the ‘Model A’ school system.

- A ‘Model B’ school would remain a state school but was entitled to admit Black students up to a maximum of 50 percent of its total enrolment. In addition, the number of Black pupils could not exceed that of White pupils. The parents were given powers to decide on admission policies. The government subsidy, which was more than that of the above-mentioned ‘Model A’ schools, was intended to cover teachers’ salaries and the running costs of the school (Chisholm et al., 2003:23). The government funding of these schools was 100 percent (it covered teachers’ salaries, running costs of the school as well as LTSM) with parents not being obliged to pay any fees.

- A ‘Model C’ school would receive a state subsidy but would have to raise the balance of its budget through fees and donations. The government was responsible for the payment of the permanently employed teachers while the school governing body was
responsible for the payment of the so-called school governing body (SGB) teachers. These SGB teachers acted as supplementary teachers. Thus, the school governing body was responsible for all the school running costs while the fees contributed by or collected from the parents were used to pay for the municipal services such as electricity, renovations (maintenance) and the purchase of school equipment (Chisholm et al., 2003:23). ‘Model C’ schools were given the power to decide on the school fees to be paid and their enrolment or admission requirements although White pupils had to be in the majority with Blacks in the minority. If the school offered a subject that was not in the National Assembly Training and Education Department (NATED) curriculum, such as French, the parents were obliged to pay for the teacher of that particular subject. In essence, ‘Model C’ schools were created for the affluent South African society in which Whites were in the majority. Black learners who, in the main, came from poor families were excluded from these schools (ibid).

From the beginning of 1992, a fourth choice was added, namely, Model D schools (Nkabinde, 1997:13). The new Model D schools were under the White Department of Education and Culture. Under this model schools were allowed to enrol an unlimited number of Black students. This option was introduced primarily because of the rapid decline in the enrolment of White students at a small number of the state schools (especially English medium schools), thus rendering these schools financially non-viable (Chisholm et al., 2003:23). The reality was that the White population in general was dwindling and that the influx of Blacks into urban areas was an undeniable fact. Accordingly, the White schools could no longer maintain the Whites only status and remain economically unviable (Human Awareness Programme, 1990:7).
By early 1992 the majority of the White state schools from 1983 had chosen to retain their old status and were, thus, referred to as ‘status quo’ schools. These schools chose ‘Model B’. That is, 692 voted to become ‘Model B’ schools, while only 1 opted for Model A’, 51 for ‘Model C’ and 6 for ‘Model D’. The following year, however, the government announced that all the formerly White schools (except the Model D schools) would become ‘Model C’ schools unless the parents voted by a two-thirds majority either to retain the status quo or to become ‘Model B’ schools and also that subsidies to all the school models would be cut (Chisholm et al., 2003:23). As a result, from April 1992, 96 percent of the former White state schools became ‘Model C’ schools, thus enabling them to raise additional funds from the parents to make up for the decrease in state funding (Chisholm et al., 2003:7). The restriction on the admission of Black students to 50 percent of the total enrolment remained in place until after the first democratic election in 1994. The parents’ body in each former ‘Model C’ school elected a governing body. The state gave title or ownership of the fixed property and the equipment of the school to the schools, to be administered by the governing bodies.

The schools became juristic persons with the right to enter into contracts and to sue and be sued. ‘Model C’ schools gained a high degree of autonomy, including the right to charge compulsory school fees and to determine their own admissions policy (Chisholm et al., 2003:23). In 2014 this was in line with the SASA, 1996 as Section 15 of SASA, 1996 declares schools to be juristic persons. ‘Model C’ schools and their structure may be regarded as both the foundation and the cornerstone of the South African Schools Act 84 of 1996, especially the sections that deal with school governance. The reasons for this change in the status of the White schools appear to have been two-fold. Firstly, the state was increasingly unable to provide the same level of financial support to White schools as previously, mainly as a consequence of the slow economic growth of the 1980s and early 1990s. The main
reason for this deterioration was the economic sanctions which several countries imposed on South Africa as a result of its racist administration. Secondly, the political pressure exerted on the government by the changing political ambience ultimately forced the government to move to greater equality in spending on education for Blacks (Fiske and Ladd, 2004:2). The National Party government realised that White communities would be forced to contribute substantially if the status of a school had to change. In 1992 a referendum was conducted in which White South Africans were required to indicate whether they were satisfied with the reforms the State President of South Africa was instituting. The exact referendum question that led to the end of apartheid was “Do you support continuation of the reform process which the State President began on February 2, 1990, and which is aimed at a new constitution through negotiations” (The New York Times, 16 March 1992). Seventy-two percent of the White electorate voted in favour of reforms (Karlsson, McPherson, and Pampalis, 1998:8).

According to Karlsson, et al. (1998:8), the status quo of the schools for Whites was to be maintained. Pillay (1992:40) and Karlsson et al. (1998:9) argued that the apartheid government had undertaken a unilateral restructuring, that is, without consulting the White electorate, and that it had adopted the mechanism of school fees, in part to transfer the control of schools to the local White communities and out of the hands of the soon-to-be-elected democratic government, which was certain to be a Black majority. Thus, at the time that the new democratic government took over the reins of power in 1994, most of the historically White schools were ‘Model C’ schools and were charging school fees. Predictably the practice of charging fees was disproportionately excluding Black learners (Kallaway et al., 1997:89) whose parents were too poor to afford the significantly higher fees charged by the ‘Model C’ schools.
According to the Education White Paper 2 (DoE, 1996:42):

… the practical effect is that the introduction of the ‘Model C’ system ensured a perpetuation of substantial advantages and privileges to the community whose children were served by these schools. The provision of state aid to a semi-privatised school system served to entrench existing privileges and retain the best schools, the best facilities and the most highly qualified teaching staff in the interest of those who had historically been most advantaged by the policy and practice of racial preference in this country.

In 1994, after the general elections, a Government of National Unity was formed in South Africa. From 1994 education in the country was funded differently as compared to the way in which it had previously been funded. This is discussed below.

3.5 EDUCATION FUNDING UNDER THE GOVERNMENT OF NATIONAL UNITY: 1994 TO 1999

In 1994 all South Africans of voting age, went to the polls to elect a new democratic government. The electorate gave an overwhelming mandate to the new democratic government to dismantle the previous apartheid policies, including the education policies (Motala and Pampallis, 2005:10–11). South Africa’s first democratically-elected government took power under the ANC.

After the general elections of 1994 the education system still comprised 15 disparate education departments, which served the different racial groups as well as the population of the former “homelands” or “Bantustans” (The Poverty and Inequality Report, 1997:96). The per capita expenditure per learner in the former apartheid education systems had been extremely disparate and unequal. The highest per capita per learner had been spent on the learners in the former White education system and the lowest in the former homeland states. The learner: educator ratios ranged from 1:18 in the advantaged schools to 1:70 in the poor rural areas and in the township schools (Patel, 2004:2). In addition, there were also different
policies regarding the admission to schools and, thus, access to schools was not equal across the system. Table 3.6 illustrates the disparities across racial and regional lines.

<table>
<thead>
<tr>
<th>Former Department</th>
<th>Rand per learner</th>
</tr>
</thead>
<tbody>
<tr>
<td>House of Assembly (Whites)</td>
<td>5 403</td>
</tr>
<tr>
<td>House of Delegates (Indians)</td>
<td>4 687</td>
</tr>
<tr>
<td>House of Representatives (Mixed race)</td>
<td>3 687</td>
</tr>
<tr>
<td>QwaQwa (Africans – Bantustan)</td>
<td>2 241</td>
</tr>
<tr>
<td>Department of Education and Training (Africans in “White” South Africa)</td>
<td>2 184</td>
</tr>
<tr>
<td>Ciskei (Africans – Bantustan)</td>
<td>2 056</td>
</tr>
<tr>
<td>Venda (Africans – Bantustan)</td>
<td>1 792</td>
</tr>
<tr>
<td>Gazankulu (Africans – Bantustan)</td>
<td>1 699</td>
</tr>
<tr>
<td>KwaNdebele (Africans – Bantustan)</td>
<td>1 595</td>
</tr>
<tr>
<td>Bophuthatswana (Africans – Bantustan)</td>
<td>1 580</td>
</tr>
<tr>
<td>Lebowa (Africans – Bantustan)</td>
<td>1 549</td>
</tr>
<tr>
<td>KaNgwane (Africans – Bantustan)</td>
<td>1 480</td>
</tr>
<tr>
<td>KwaZulu (Africans – Bantustan)</td>
<td>1 459</td>
</tr>
<tr>
<td>Transkei (Africans – Bantustan)</td>
<td>1 053</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>2 222</strong></td>
</tr>
</tbody>
</table>

*Source: Patel as adapted from the Department of Education (DoE), Provisional 1994 C/S data, DoE 1994/5 budget estimates, 2004, p.2*

The inequitable distribution of teacher resources in terms of learner to educator (L/E) ratios and the minimum requirements as regards qualifications and which differed in the multiplicity of systems further exacerbated and widened the disparities in the funding of education.

The racist model that had governed apartheid education was forced to give way to a model that bridged the disparities in the funding of education. A discussion on the attempts made by the new government to bridge the gaps in the funding of education follows below.
3.5.1 An attempt to bridge the education funding inequality gap in South Africa

Before explaining the post 1994 educational dilemma, this research first takes the reader to the time before 1994. The then President, F.W. de Klerk, had established the Education Coordination Service to manage education during the political transition of the 1990s, to eliminate the bureaucratic duplications caused by apartheid education (Byrnes, 1996:npn).

Byrnes (1996:npn) highlights that, in August 1993, De Klerk gathered leading education specialists in the National Education and Training Forum to formulate a policy for restructuring education. Anticipating rising education costs, the government of De Klerk had earmarked 23.5 percent of the national budget in the fiscal year 1993–94 for education. The government established new education offices and gave them specific responsibilities within the reorganisation plan. When the new school year commenced in January 1995, all government run primary and secondary schools were officially integrated. The first stage of the transformation in education began with almost no violence.

The new Government of National Unity (GNU), a power sharing government which had been formed after the general elections of 1994 by the ANC, NP and Inkatha Freedom Party (IFP), had to deal with the problem of underprivileged schools. Kamper (2008:2) defines underprivileged schools as basically poor schools which are characterised by, among others, school environments that are typified by unkempt premises, rundown buildings, damaged and inadequate furniture, poor waste management facilities, substandard toilets and sanitation facilities and physical dangerous areas. These features were all too common in many of the historically underprivileged schools and, thus, the challenge lay in addressing them. The period 1994–1997 (just after the election of Nelson Mandela as President of South Africa)
may, consequently, be regarded as a time of great expectations on the part of many South African citizens (Fiske and Ladd, 2004:1).

However, the reality was that apathy and economic constraints were limiting the degree of change that was possible (Christie, 2008:134–136). According to Fataar and Meerkotter (2000:2), if the government were to meet these challenges, the Government of National Unity would have devise ground-breaking and resourceful approaches to overall educational delivery and, specifically, obtain the resources needed in the underprivileged schools. There was also a great deal of uncertainty about redressing educational funding at the political level. While there was talk of reconstruction and equality, the politicians were drawn to growth and development. Growth and development implied that there would have to be economic expansion before additional resources could be committed to education. Indeed, for three years, the education budgetary increase was below the inflation rate (Fataar and Meerkotter, 2000:2).

According to Fiske and Ladd (2004:102), the first task of the Government of National Unity was to guarantee that all the provinces had access to comparable amounts of financial support for education. Other provincial educational departments were to downsize their teacher salary allocations which were still racially based in 1993/1994 with Whites earning more than any other racial group. It must be remembered that, educationally, Whites had benefited from the apartheid system and, thus, on the whole they were better educated than their fellow countrymen). In addition, it was hoped that downsizing the teacher salary allocations would help to promote nationally uniform learner: educator ratios. However, as a result of its producing almost no additional resources for education and also working within the
constraints of a unitary-federal system meant that it was impossible for government to accomplish all these tasks simultaneously (ibid).

According to the ANC Education Policy (1994:29–41), the only way in which it would be possible for poor schools to receive an increase in funds would be through an internal budget reprioritisation; that is, taking from the rich schools to give to the poorer schools. However, in view of the fact that the details of the new policies still had to be worked out it was difficult to implement these new policies. For example, although education in South Africa was compulsory for all children between the ages of seven and fifteen years, there had not been enough time or resources to provide adequate schools and teachers for the entire school-age population. The schools received government assistance for their teachers' salaries only but they had to charge fees for equipment and supplies. However, those pupils who could not pay school fees could not be expelled from school (Christie, 2008:140).

In 1995 there was a total of 20 780 primary and secondary schools in South Africa. Of these, 20 303 were government schools and 477 were private (ANC Education Policy, 1994:29–41). In addition, there were 226 specialised schools for gifted pupils or for learners with special needs. More than 11 million pupils were enrolled with approximately 6.95 million enrolled in primary schools and 4.12 million in secondary schools (ibid). There was a total of 344 083 teachers at the public ordinary primary and secondary schools, of whom 226 900 were Black. Male teachers were paid substantially more than women with women's salaries averaging 83 percent of men's salaries for the same job and equal qualifications (ibid).

The Government of National Unity that came to power into 1994 faced major challenges in reversing the injustices of the past across a range of services. This was especially true in the sphere of education. Somehow the state had to convert the separate and highly unequal race-
based education systems into a single system of public education that provided equal educational opportunities to all South Africans (ibid). Reform not only had to address the damage caused by the apartheid planners’ value systems but also actively counter such effects by ensuring that resources and investments led to the realisation of the non-racial vision of what South African public schools could be (ibid).

Raising standards to those of the level of the House of Assembly (HoA) (see Table 3.6 above) system which catered for the White group would have meant doubling the education budget. Although the economy was starting to decline, South Africa was already spending a large portion of its resources on education. The redistribution of resources within the system and ensuring that these resources were more evenly distributed was, thus, the only viable solution. Learner-educator ratios throughout the system had to be equalised, teachers re-oriented (received equal pay for equal work) and the non-personnel budget distributed through a policy that would ensure a credible public school sector and yet distribute the available non-personnel resources to schools on the basis of need and poverty. However, competing pressures for resources in the new South Africa prevented a complete financial overhaul of the education system, and led the government to adopt a fees-based policy. This was despite the declared aspirations and promises of the ANC during the final years of the apartheid period that all children would have access to free basic education.

In 1995 Professor S.M.E Bengu, the Minister of Education in the new Government of National Unity, established the Hunter Committee whose terms of reference were to review the organisation, governance and funding of schools. The Hunter Committee produced a report known as the Hunter Report and which recommended the following to the Minister of Education:
...a national framework of school organisation and ownership, and norms and standards on school governance, which in the view of the Committee are likely to command the widest possible public support, accord with the requirements of the Constitution, improve the effectiveness of schools, and be financially sustainable from public funds (RSA, 1995b:viii).

This brief was derived from the White Paper entitled *Education and training in a democratic South Africa: First steps to develop a new system* (RSA, 1995a:npn). According to this paper:

> The basis of financial allocation to different categories of state and state-aided schools must be equitable and transparent, aimed at eliminating historical disparities based on race and region and ensuring an acceptable quality of education. In particular, an equitable staff provision scale or scales must be phased in at state and state-aided schools as rapidly as possible, in full consultation with the representative organisations of the teaching profession. The question of eligibility of independent schools for state subsidies must be determined using clear and equitable criteria based on public interest, and the observances of constitutional guarantees.

*Education and training in a democratic South Africa: First steps to develop a new system* (1995:npn) recommended that a partnership funding approach (the state and parents) be used in order to realise four key principles, namely, attaining equity, redressing imbalances, advancing quality and improving efficiency. This partnership was entered into between the state, which was to provide a minimal level of funding, and parents, who were expected to supplement the state funding. Schools were to be given additional powers to perform those functions normally undertaken by the state. This partnership approach was, thus, based on the following principles adopted which the state had adopted, namely:

- To maintain a credible public school system;
- To equalise internal resource allocation;
- To provide mechanisms for parents to supplement the resources of the state if they required a higher level of resourcing; and
- To ensure that no child was denied education on the basis of the inability of the parents to pay school fees (DoE, 2003a:24–26).
The reason for this apparent reversal in policy was that the new government had been advised that, in the absence of school fees, the budget for education would have to be doubled in order to equalise funding at the level enjoyed by the historically White schools. In addition, there was a concern that, without parent fees, middle-class and wealthy families move from the public school system to private schools and that the overall levels of funding for public education would drop correspondingly and another divided educational system would be created (Fiske and Ladd, 2005:11).

The decision that the funding of public education would necessitate school fees was still a controversial issue in 2014 (ibid). On the one hand, current global demands are guiding countries to eliminate school fees at the primary level while various local lobby groups argue that fees discourage school attendance among the poor, thereby maintaining the existing inequities in education funding (ibid). On the other hand, it would appear that government is standing firm in its belief that school fees are an important way in which to supplement the limited amount of public resources available for education. Hence, government was encouraging middle-class, and particularly White, parents to continue to send their children to (and advocating) public schools (Fiske and Ladd, 2005:11).

However, the GNU consistently recognised that fees should never constitute a barrier to education. The GNU came to an end after the inauguration of Thabo Mbeki as the new president of South Africa in 1999 (Matisonn, 2010:23). Education funding post 1999 is discussed in the next chapter.
3.6 CONCLUSION

Chapter Three dealt with comparative analysis of education funding in three countries; the United Kingdom, Zimbabwe and South Africa. The UK school funding system has undergone a series of reforms since its inception in the 1600. The aim of these reforms was to raise standards, increase school productivity and improve equity-of-learning opportunities. These reforms have included, but were not limited to, school-based management (SBM), a more rigorous curriculum, comprehensive national literacy and numeracy initiatives, the annual publication of examination results by schools, enrolment-based budgets, and the identification of beacon and failing schools. As shall be discussed in Chapter 4 South Africa has learnt a lot from the UK education funding system.

Although the Zimbabwean government was able to reduce illiteracy between 1981 and 1991 the funding of education in Zimbabwe has remained a serious problem. As stated above, both ESAP and ZIMPREST advocated the reduction of government expenditure. Education was significantly affected by these policies. The discussion above also highlighted that the problems of funding in this sector were exacerbated by the fact that the bulk of the funds channelled to education were used for salaries (94 percent), leaving just 6 percent for the financing of development projects. The discussion showed that the Zimbabwe education system, especially the funding thereof, is in disarray.

In South Africa in 1953 the National Party government introduced Bantu education. The resultant government's neglect of Black schools impacted severely on these schools. Huge disparities in the funding for White and Black schools and student-teacher ratios adversely affected the quality of education provided to Black learners. The Bantu Education Account of
1955 made matters worse by mandating that African education be funded by the general poll tax collected from Africans rather than from the General Revenue Account used to finance White education. Even after the separate account was abolished in 1972, the education of African children remained grossly under-resourced with Black education receiving one-tenth of the money afforded to White education and student-teacher ratios of 56:1.

The next chapter discusses policies relating to education funding post 1999 in South Africa.
CHAPTER 4
POLICIES RELATING TO EDUCATION FUNDING IN SOUTH AFRICA
POST 1999 AND THE ROLE OF THE SCHOOL GOVERNING BODIES IN SCHOOL FINANCIAL MANAGEMENT

4.1 INTRODUCTION

The purpose of this chapter is to discuss the policies relating to education funding model(s) in South Africa post the Government of National Unity (post 1999). Policies and regulations pertaining to the role of the SGBs in school financial management are also discussed. The chapter starts by discussing education funding post 1999 and concentrating on the sources of funds. Policies such as the South African Schools Act 84 of 1996 (SASA, 1996) and the National Norms and Standards for School Funding as well as the processes followed in respect of education funding are also discussed. The amendment to the National Norms and Standards for School Funding (the categorisation of schools into no-fee-paying and fee-paying) as well as the amendment to the regulation of the exemption of parents from paying school fees also receive attention. A summarised comparative analysis highlights the funding of the independent schools. The chapter concludes with a discussion of the financial management function of SGBs as promulgated in the SASA, 1996.

As has been discussed in Chapter 2, the funding of education poses a problem to most governments throughout the world. The World Bank, in Chapter 36 of its Agenda 21 (World Bank, 2002:151), highlights education as an influential tool in poverty reduction, inequality reduction and the laying of a foundation for sustained economic development. In its policy research, the World Bank (1998:56) also recognised that secondary education, especially in Africa, is often unnecessarily unaffordable. Accordingly, the World Bank proposed greater cost-sharing and the raising of user fees as solutions to problems in the provision of the
secondary education. In sub-Saharan Africa government budgets for educational materials and equipment have, in some cases, declined to zero.

In South Africa the government supports the World Bank’s proposals for greater cost sharing at the secondary level and the raising of fees, especially in schools classified as Quintiles 4 and 5, in its efforts to meet the high demand for secondary education (Chisholm in Daniel, Southall and Lutchman, 2005:210).

4.2 EDUCATION FUNDING IN SOUTH AFRICA POST 1999

Education funding in South Africa is dictated by both the SASA, 1996 and the National Norms and Standards for School Funding as amended every year to meet the needs of education. The SASA, 1996 and the National Norms and Standards for School Funding are discussed below. This follows the discussion on the source(s) of education funding.

4.2.1 Sources of funds

The National Revenue Fund is the main source of funds for public expenditure at all levels (Estimates of National Expenditure, 2011:297). School operating costs are funded partly by government subsidy (funds from the state) and partly by income-related school fees (funds from parents), which are obligatory for all parents in fee-paying schools who are able to afford them, plus other income. Schools are ranked ‘no-fee-paying’ and ‘fee-paying’ schools (Hall and Giese, in South African Child Gauge, 2008/2009:36). Poor parents do not pay fees and no child is refused admission to any public school. The same system applies in the compulsory General Education and Training Band (GET) and in the post-compulsory phases
of the Further Education and Training Band (FET), with a reduced per capita subsidy in the post-compulsory phase.

### 4.2.1.1 State funding

The provision of funds to schools is the responsibility of the Provincial Education Departments (PEDs), however, approximately 10 percent of the education fund is derived from the central government’s education budget in the form of conditional grants e.g. National School Nutrition Programme Conditional Grant, HIV and AIDS (Life Skills Education) Conditional Grant, Technical Secondary School Recapitalisation Grant and the Education Infrastructure Conditional Grant to Provinces (DoE, 2011:49–50, Estimates of National Expenditure, 2011:297). This 10 percent, as approximated, is controlled by the PED.

The SASA, 1996 imposes an important responsibility on the state with respect to the funding of public schools with the basic principles of the state funding of public schools deriving from the constitutional guarantee of equality and recognition of the right to redress. The SASA, 1996 (Section 34) provides that:

> … 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.

Whilst the state is responsible for the funding of schools, the SGB, subject to Section 20(1) of SASA, 1996, must:-

- “promote the best interest of the school and strive to ensure its development through the provision of quality education for all learners;
- adopt a constitution;
- develop a mission statement for the school;
- adopt a code of conduct for learners;
support the principal, educators and other staff of the school in the performance of their professional functions;

determine times of the school day consistent with any applicable conditions of employment of staff at the school;

administer and control the school’s property, and buildings and grounds occupied by the school including hostels, if applicable;

encourage parents, learners, educators and other staff members at the school to render voluntary services to the school;

recommend to the Head of Department the appointment of educators at the school, subject to the Educators Employment Act 138 of 1994;

recommend to the Head of Department the appointment of non-educator staff at the school, subject to the Public Service Act 103 of 1994;

at the request of the Head of Department, allow the reasonable use, under fair conditions, of facilities of the school for educational programmes not conducted by the school;

discharge all other functions imposed upon the governing body by or under this Act;

and

discharge other functions consistent with this Act as determined by the Minister by notice in the Government Gazette, or by the Member of the Executive Council by notice in the Provincial Gazette” [SASA, 1996 Section 20(1)].

Thus, the SGB may allow the reasonable use of the school facilities by churches, community structures or institutions and other groups of interest. The SGB may also determine the charging of fees or tariff for the use of school property [SASA, 1996, Section 21(e)] (cf. Ch. 4 § 4.2.1.3). The term ‘Non-Section 21’, is used to describe those schools that have not
applied for Section 21 status or have not applied successfully for Section 21 status. Non-Section 21 schools are discussed below.

4.2.1.2 Non-Section 21 schools

Schools that do not qualify for Section 21 status receive only an allocation in terms of the Resource Targeting List – a list of all the schools in a province with the schools ranked according to the poverty of the school community, from the poorest to the least poor (GDE Circular 56 of 2006:5). This allocation is a ‘paper’ allocation. Schools classified as Non-Section 21 do not receive an allocation in cash. As a requirement Non-Section 21 schools are required to present their needs (in budget form) to the district offices of the Provincial Education Departments. Purchases are made directly by the districts against the budgeted items. Thus, through their district offices, the provincial departments administer the budget allocations of Non-Section 21 schools (Hansraj, 2007:5).

According to Hansraj (2007:5), the disadvantages of the Non-Section 21 status is that the schools are unable to negotiate better prices or discounts and, even if service providers or suppliers are inefficient with regards to delivery or executing orders timeously, schools are not able to engage other service providers. It is, however, to the benefit of Non-Section 21 schools that the Provincial Education Department is obliged to pay for all the services rendered as well as any shortfalls between the allocated amounts and, further, that the shortfall amounts used by these schools are bound to be paid by the Provincial Education Department.
4.2.1.3 Section 21 schools

In an effort to empower schools within the framework of decentralised control, a new form of school, similar to the British Grant Maintained Schools (GMSs) (as discussed in Chapter 3 § 3.4.1.2), was introduced in South Africa in 1996. These schools were termed Section 21 schools. According to the Department of Education (DoE) (2002b:17), Section 21 schools are virtually self-managing or self-reliant schools.

Section 21 schools are based on the provisions of Section 21 of the SASA, 1996 and the National Norms and Standards for School Funding as provided for by the Act (Marishane, 2003:77). The SGB of a school applies to the Provincial Education Department (PED) to be granted Section 21 status. Section 21 status is allocated only to schools which have the capacity to handle public fund accounts (Marishane, 2003:77). In other words, for a school to be declared a Section 21 school, the school governing body must have the capacity to handle funds effectively [SASA, 1996, Section 21(2)].

After the application for Section 21 status has been approved by the PED, the following functions are then conferred on the school:

- Maintenance and improvement of the school’s property, buildings, grounds and hostels (if applicable);
- extra-curricular activities and the choice of subject options in terms of the provincial curriculum policy;
- purchasing of textbooks, educational materials and equipment for the school;
- paying for services to the school; and
other functions consistent with SASA, 1996 or applicable provincial legislature (DoE, 2002b:17).

It should be borne in mind, however, that teachers employed by the government are paid by the state whereas teachers employed through SGB posts are paid by the SGB.

The policies and processes applicable to education funding are embedded in the SASA, 1996 as well as the Bill of Rights which contains principles, as found in the Constitution of the Republic of South Africa of 1996. The policies and processes pertaining to education funding in South Africa are discussed below.

4.3 GENERAL POLICIES AND PROCESSES ON EDUCATION FUNDING IN SOUTH AFRICA

The Bill of Rights, Section 29, in the Constitution of the Republic of South Africa of 1996, establishes the right to education in the following terms:

“Everyone has the right:
  a) to a basic education, including adult basic education; and
  b) to further education, which the state, through reasonable measures, must make progressively available and accessible”.

The SASA, 1996 and National Norms and Standards for School Funding of 1998 (NNSSF) form the basis of school funding in South Africa with the former providing the foundation for the most essential elements of the education system. SASA, 1996 emphasises the goals of equity and redress and establishes key points in respect of rights to education, school governance and school funding. Education is compulsory for all children between the ages of seven and 15. In addition, according to this legislation, and as already mentioned, the
government funding of schools must be on an equitable basis. Section 34 of SASA, 1996 states that:

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.

Thus, SASA, 1996 ensures that the state provides each school with the information required to draw up budgets according to the prescriptions established by the Member of the Executive Council (MEC) responsible for education in a province. An MEC is the provincial equivalent of a national cabinet minister. In addition, SASA, 1996 authorises a school to levy a compulsory school fee if the majority of parents present during the AGM vote on the budget accordingly (Fiske and Ladd, in Chisholm, 2004:60). These funds must be managed through a school fund and under the directives established by the HoD. School funds must be used for educational purposes and the fund must be independently audited. The school is obliged to submit audited financial reports each year to the PED in a prescribed format (GDE Circular 56, 2006:10).

Funds are allocated to schools in accordance with national norms and standards established by the Minister of Education (RSA, 1998a). SASA, 1996 also provides that a school may exempt parents from paying the compulsory school fees if they are not able to do so. Regulations are in place that set out the procedures for exemption based on the gross income of the household in relation to the school fee, thus allowing for either full partial or no exemption (RSA, 1998b).

In October 1998 NNSSF was published as policy and became effective on 1 January 2000 (RSA, 1998a). This policy provides for the progressive distribution of the funds available for non-personnel and non-capital expenditure according to certain categories of expenditure to
the poor according to a resource targeting table (Fiske and Ladd, 2004:116). This resource targeting table comprises an index with each item weighing 50 percent for the poverty of the community and the other 50 percent for the conditions prevailing at the school. According to the DoE (2003a:14–15), the school funding norms adopted a pro-poor position with regard to public schools. From 2000 the funding provided to poor schools was seven times more than that provided to less poor schools as far as expenditure on non-personnel and non-capital items were concerned. The measurement of poverty is based on the poverty of the community around the school and conditions at the school. It was intended that these criteria would change with the release of the “Action Plan for Improving Access to Free and Quality Basic Education for All” released by government after Cabinet had approved it in June 2003. The new proposed criteria, in the “Action Plan for Improving Access to Free and Quality Basic Education for All”, in full, were intended to take into account the poverty of the community around the school. The school funding norms were first implemented in 2000, creating a national system for providing non-personnel non-capital (NPNC) school allocations. The school funding norms system was aimed at allocating 60 percent of the education budget to those schools with 40 percent or more of poor learners. It was believed that the policy would constitute a key tool in the move towards the adequate funding of all poor schools (DoE, 2003a:14–15).

The NNSSF created a national system for providing NPNC school allocations. In terms of this system 60 percent of the education budget should go to the schools with 40 percent or more of the poor learners within a school. This, in turn, means that, if 60 percent of learners in a school are able to afford the payment of fees and 40 percent are unable to afford, the system allocates 60 percent of the state education budget to such schools. The NPNC category includes consumable items such as exercise books, pens and electricity, as well as items that are at least partially capital items in the sense that they last more than one year, for
example, textbooks, furniture and equipment such as photocopiers. The poverty index of the community surrounding a school is compiled using data from the census while the poverty index pertaining to conditions at the school is made of the “school register of needs” and other education departmental data bases (RSA, 1998a).

The NNSSF (s 39(1)) outlines the way in which the government should fund public schools and further distinguishes the financial responsibilities of the state from those of the parents or SGBs. Specifically, the National Norms and Standards for School Funding of 1998:

- legislates the progressive funding of schools; this means that schools are divided into national quintiles (cf. Ch.1 § 1.8.19) and are funded based on the relative wealth of the surrounding community;
- establishes no-fee-paying schools where communities in the bottom two income quintiles receive a higher resource allocation from the provincial government and are prohibited from charging fees;
- dictates the process for setting fees in which a school principal, department heads, SGB and parents collaboratively design and present a budget to the Provincial Education Department;
- provides a school fee exemption for households that are unable to afford school fees and requires that schools inform parents of their right to apply for either full or partial exemption, based on household income; and
- obligates (legally) that all parents pay school fees where possible [RSA, 1998a s 38(1)].

All SGBs are, by law, obliged to supplement their government grants in order to improve education quality [SASA, 1996, Section 36(1)]. As mentioned above, and according to
SASA, 1996, schools are divided into two classifications, namely, Non-Section 21 and Section 21. The financial affairs of a Non-Section 21 school is managed directly by the Provincial Education Department (PED) until the school’s SGB successfully applies for Section 21 status and is regarded as capable of carrying out its financial management responsibilities. If a school is awarded Section 21 status, funds are deposited directly into the school’s bank account which the SGB then manages. The financial management responsibilities include maintaining and improving school grounds, purchasing textbooks and learning materials, and paying for school services. Schools and SGBs are not allowed to discriminate unfairly against learners who wish to be admitted to such schools. In particular, schools are not permitted to turn away learners on the grounds that they are unable to pay school fees [RSA 1996a, s 36(1)]. Parents are required by law to disclose the income bracket within which their income falls if they are to be exempted from paying fees. School fees are, in fact, payable on an income-related sliding scale, with those at the lower end paying nothing. A provincial department's contribution to the operating costs of a school would be in inverse relation to the assessed fee income of the parents. The school fee scale is set by the governing body of each school in relation to the assessed income of the parents and subject to an upper limit fixed by the PED.

According to Section 39(1) of SASA, 1996,

… 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 Annual General Meeting (AGM).

Schools with special circumstances may apply for a higher fee limit. Funding policies are also drawn up by the Department of Basic Education as well as the PEDs. These funding policies are analysed below.
4.3.1 General funding policies post 1994: National Department of Education and Provincial Education Departments

The division of authority between the national and provincial governments is reflected in the way in which that education and other functions are funded. The main portion of the income in the provincial budgets – on average over 95 percent – comes in the form of transfers from the national government (National Democratic Institute for International Affairs, 2002:2). These transfers take two main forms:

- By far the largest proportion of the transfers from the national to the provincial government takes the form of the province’s ‘equitable share’ of nationally collected revenues [RSA, 1996a, Section 214(1)(b)]. Once received, the equitable share grants (or ‘bloc grants’) may be allocated by the provinces in whichever way they wish. Besides providing conditional funds the National Minister of Education (or anyone else in the national government) does not, therefore, have any control over the amount allocated to the provincial departments of education as these allocations are made by the provincial legislatures.

- As mentioned above (cf. Ch.4 § 4.2.1.1) some of the provincial revenue – 10 percent, as approximated, in 2010/2011 – comes in the form of conditional grants transferred from the central government. These grants are allocated to the provinces for specific purposes and may be used for those purposes only, for example, academic hospital services and the National School Nutrition Programme (DoE, 2008c:3).

On average, each province spends one-third of its annual budget on education (Wildeman, 2005:14). According to the National Budget Speech (2013:25–26), between 2013 and 2014,
education constituted the largest category of government spending. At the time of this research (2014) education funding was standing at R105.5 billion. Of this, R16 billion only went to the direct budget of the National Department of Education with most of that R16 billion (R13.3 billion) going to the universities. Total education expenditure, after a modest growth from 1995 (R31.1 billion) to 2002 (R59.6 billion), grew rapidly to R105.5 billion in 2014. Nevertheless, despite this growth, real expenditure on education declined as a share of total government expenditure from 19.2 percent in 1996 to 18 percent in 2007. This, however, reflects a period of fairly high economic growth and revenue collection as well as the competing needs of other social services such as health, social welfare and housing. Provincial expenditure for the financial years 2007/2008 is presented in Table 4.1.

| Table 4.1: Provincial education expenditure 2006/2007 (in R millions) |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Eastern Cape    | 10 308           | 10 654           | 11 523           | 12 873           | 16 616           | 17 681           |
| Free State      | 4 087            | 4 400            | 4 916            | 5 346            | 6 331            | 7 013            |
| Gauteng         | 9 539            | 9 835            | 10 406           | 11 623           | 15 967           | 17 131           |
| KwaZulu-Natal   | 12 022           | 13 033           | 15 030           | 16 234           | 20 385           | 22 533           |
| Limpopo         | 8 264            | 9 610            | 10 362           | 11 367           | 13 638           | 15 022           |
| Mpumalanga      | 4 529            | 4 871            | 5 780            | 6 273            | 8 601            | 9 373            |
| Northern Cape   | 1 305            | 1 397            | 1 563            | 1 643            | 2 535            | 2 771            |
| North West      | 4 896            | 5 179            | 5 951            | 6 686            | 5 936            | 6 462            |
| Western Cape    | 5 305            | 5 691            | 6 449            | 6 920            | 8 497            | 9 341            |
| Total           | 60 255           | 64 670           | 71 980           | 78 965           | 98 506           | 107 327          |

Source: Adapted from DoE, 2008. The Development of Education: National Report of South Africa, p.4
4.3.2 Problems encountered in the implementation of the National Norms and Standards for School Funding and the Exemption of Parents from the Payment of School Fees policies

Between 2000 and 2003 major lessons were learnt with respect to the pro-poor school allocation. Education specialists viewed the pro-poor targeting mechanisms as inadequate (DoE, 2003a:15). Concerns included the fact that actual spending on non-personnel expenditure constituted 8 to 10 percent only of the provincial education budgets. This, in turn, meant that a very small portion only of the basic education allocation from the government was being targeted at redress. The DoE (2003a:24) also noted that, as a result of meagre allocation to education, all schools were forced to find ways of supplementing state funding by charging fees.

In addition, the balance of state expenditure on schools continued to be directed towards the payment of personnel and, since the previously privileged schools typically had broader and more personnel-intensive curricula, personnel funding was tilted in favour of these schools (ibid). The schools located in the middle of the resource targeting table, the so-called ‘middle schools’, became neglected and impoverished. Provincial disparities in poverty levels were also not taken into account and, as a result, the poor schools in a province such as the Eastern Cape ended up with less financial support as compared to the better off schools in the Western Cape (DoE, 2006b: s 93). Schools, especially in the townships, also lacked effective management training and sound financial accounting systems. Schools required a sound understanding of how best to use the allocation in the interests of school improvement and the support of the curriculum.

There were also challenges as well as problems related to the school funding norms with the problems of funding and resourcing continuing unabated. According to the DoE (2003a:14–
success as regards the execution of the NNSSF policy had varied across provinces, partly as a result of the fact that the provinces had experienced various budgetary challenges as regards funding the school allocations, and also because of the varying capacity of the provinces to translate funding into physical resources. In 2002 the school allocations, excluding salaries, to the poorest provincial quintile of learners varied from approximately R60 for the North West and Limpopo to approximately R450 for the Northern Cape and Gauteng (DoE, 2003a:14–15). In 2014, the school allocation excluding salaries, to the poorest provincial quintile varied from approximately for all the provinces were equal for quintile 1 to 3 at R 1059, quintile 4 at R530 and quintile 5 at R183 (RSA, 2014:4).

Spending functions were transferred to approximately 22 percent of the schools in the country in terms of Section 21 of the SASA, 1996 on the basis of an evaluation of their management capacity. These schools were henceforth known as ‘Section 21 schools’ (ibid). The school allocations of these schools were transferred directly into their bank accounts. As mentioned earlier, the school allocations of Non-Section-21 were held in trust by the PEDs which were responsible for procuring non-personnel goods on behalf of these schools (DoE, 2003a:19). However, this arrangement proved to be problematic as the administration involved is cumbersome while the PEDs have limited administrative capacity. The result has been that many Non-Section 21 schools received goods late, or not at all, during the financial year.

The NPNC category covers clearly consumable items. The following items are examples of aspects that the school allocation may cover:

- LTSM, which includes textbooks and educational equipment;
• Non-LTSM equipment such as photocopier machines, telephone sets, hardware tools, furniture other than learner desks and chairs (supplied by the PEDs);
• Consumable items of an educational nature such as stationery for learners;
• Consumable items of a non-educational nature such as cleaning materials, fuel, food and lubricants;
• Services relating to repairs and maintenance; and
• Other services, including workshop fees, television licences, postage, rental of equipment, audit fees, bank charges and legal services (DoE, 2003a:15).

According to the DoE (2006b:27), in essence, the school allocation is primarily and exclusively intended for the promotion of efficient and quality education in public schools. There has been some degree of confusion over precisely what the school allocations should purchase and this has, in turn, led to an under-provisioning of certain inputs, notably equipment. The important distinction between the NPNC items required for the regular running of a school, and those required either where schools have been expanded or where there are historical backlogs, has not been made clear in expenditure plans, as this has aggravated the problem of inadequate funding (Bloch, 2002:13).

It became clear that certain policy improvements were needed. In particular, inter-provincial equity emerged as a key policy concern. Recognising this, the National Department of Education introduced a series of amendments to sections of both the SASA, 1996 and the NNSSF. In addition, it also proposed a complete revision of the Exemption of Parents from the Payment of School Fees Regulations and called for public comment (Motala et al., 2007:30). This issue is discussed below.
4.3.2.1 Investigation of the financing, resourcing and costs of education in public schools by the Department of Education (DoE)

In 2003 the DoE (2003a:54–55) investigated the financing, resourcing and costs of education in public schools. The results of this investigation confirmed that, inter alia,

- some public schools had not implemented the fee exemption policy;
- fees constituted a burden for many poor parents and learners; and
- some public schools had resorted to illegal measures against learners whose parents could not afford to pay school fees.

Subsequent to this investigation, the Minister of Education (Pandor, 2005:5), in respect to school fees, pronounced that:

…the second door of learning often closes in the face of parents, who cannot pay school fees or the associated costs of schooling; their children are victimised in school principals' offices, in the classrooms; and during leisure time. Poor parents’ property is seized; school governing bodies refuse to assist parents who are entitled to a fee exemption.

Not all households in South Africa are able to afford to pay school fees and, thus, the government of the day decided to declare schools as either no-fee-paying or fee paying schools. The government also initiated processes to exempt families who could not afford to pay school fees from paying such fees. These measures, in a form of a policy, are analysed below.

4.4 THE 2006 AMENDED NATIONAL NORMS AND STANDARDS FOR SCHOOL FUNDING (ANNSSF) AND THE 2006 REVISED EXEMPTION OF PARENTS FROM THE PAYMENT OF SCHOOL FEES REGULATIONS

In order to address the problem of inadequate funding, the government revised the Exemption of Parents from the Payment of School Fees and also amended the National Norms and
Standards for School Funding. It is important to note that post-apartheid South Africa had inherited a legacy of public ordinary schools that demanded school fees. The consequences of apartheid included poor facilities, a scarcity of human capacity, a lack of policies on school fees, constrained equal educational opportunity and adequacy (Fiske and Ladd, 2004:95). According to Roithmayr (2003:382), school fees jeopardise the right to education, particularly for the poorest families who are not able to afford to pay. Tomasevski (2003:79) asserts that school fees epitomise poverty-based exclusion from education.

The exclusion of poor learners constituted discrimination against them and violated their constitutional right to basic education. In contrast, the ANC’s Reconstruction and Development Programme (1994:online), the 1955 Freedom Charter (ANC, 2007:3) and Section 9(1)(a) of the South African Constitution (RSA, 1996) express the universality of the right to basic education. *The Education White Paper 1*, (DoE, 1995:19) states that:

> It should be a goal of education and training policy to enable a democratic, free, equal, just and peaceful society to take root and prosper in our land, on the basis that all South Africans without exception share the same inalienable rights, equal citizenship, and common national destiny and that all forms of bias (especially racial, ethnic, and gender) are dehumanising.

The ANC government responded to these pressures by amending the SASA, 1996 of 1996 and reviewing the NNSSF to include a School Fee Exemption Policy that became operational in 1998 and which exempted poor parents from paying mandatory school fees. The School Fee Exemption Policy was introduced so that school fees could be formally waived for learners from poor families. The Exemption of Parents from the Payment of School Fees Regulations of 1998 set out a mandatory minimum means test for the granting of exemptions (Hall and Monson, 2006:45). However, the fee exemption policy was ineffective as a result of the inability of the SGBs to manage and administer the School Fee Exemption Policy.
Thus, the policy has not assisted the South African government to provide basic education to learners from poor families.

The *Exemption of Parents from the Payment of School Fees Regulations of 1998* was replaced by the *Exemption of Parents from the Payment of School Fees Regulations 2006* and the *Amended National Norms and Standards for School Funding 2006* (ANNSSF). These norms and standards were based on the original norms and standards published in 1998 (DoE, 1998b:5-49). They included the amendments introduced in 2003 (Notice 20 of 2003) and also the amendments made in 2006 following the publication of proposals for public comment (Notice 1357 of 2004). The policy governing school fee exemption is discussed below.

4.4.1 Policy governing school fee exemptions as amended in 2006

The ANNSSF and the *Exemption of Parents from the Payment of School Fees Regulations of 2006* play an important role in defining the provisions for school fee exemptions. These norms and standards stipulate the basic principles governing school fee exemptions while the regulations provide details on the exemptions calculations and how the exemptions policy should be implemented.

The ANNSSF and the *Exemption of Parents from the Payment of School Fees Regulations 2006* provide for several types of exemptions, namely,

- automatic exemptions
- partial exemptions (anything from 10 to 90 percent)
- total exemptions (100 percent)
- “other exemptions” – as determined necessary by the SGB of a school.
4.4.1.1 Automatic exemption

The ANNSF identifies instances in which a caregiver/parent is automatically exempted from paying fees in respect of his/her child. This applies to:

(1) “a person who has the responsibility of a parent in respect of a child placed in:
   (i) a foster home;
   (ii) a youth care centre;
   (iii) a place of safety; or
   (iv) an orphanage.

(2) a person who is a kinship caregiver of an orphan or of a child who:
   (i) has been abandoned by his/her parents; and
   (ii) is without any visible means of support.

(3) a person who receives a social grant (e.g. Child Support Grant (CSG) on behalf of a child; or

(4) a child who heads a household or who is part of a child headed household”.

As mentioned above, according to Section 39(1) of SASA, 1996, the parents of a school must establish, by majority vote at an AGM of the SGB, the amount of school fees and the criteria for particular fee exemptions. Total and partial exemptions are discussed below.

4.4.1.2 Total and partial exemption of school fees in fee-paying school

Where there is no automatic exemption, parents may, nevertheless, be fully or partially exempted from the payment of school fees. According to the Education Policy on School Fee Policy (DoE, 2006a:45) the law allows two categories of exemptions, namely:
• Where the breadwinner’s annual salary is less than ten times the amount of the school fee. For example, if a parent earns R800 per month or R9600 per annum and the school fee is R1200 per month or R12 000 per annum (a 10-month year), the parent will automatically be fully or partially exempted from the payment of school fee as R12 000 is more than the parent’s annual income; and

• Where the combined income of the mother and father is less than 30 times the annual school fee. For example, if the joint income of the mother and father is R1500 per month and the annual school fee is R800 per annum: 12 x R1500 = R18 000 per annum and 30 x the school fee per annum (R800) = R24 000. Because the parents’ joint income (per month) is 30 times less than the annual school fee, the parents qualify for partial school fee exemption for one or all siblings together (Studies in Poverty and Inequality Institute (SPII), 2009:18).

Furthermore, the Exemption of Parents from the Payment of School Fees Regulations 2006 (RSA, 2006:8–9) states that it must not be possible that, for two sets of parents within the same school and with the same income, one set of parents is fully exempted from school fees while the other is not. In other words, there must be consistency in the application of the school fee exemption.

The Exemption of Parents from the Payment of School Fees Regulations 2006 places other additional duties on individual schools in order to protect the interests of parents who are not able to afford to pay school fees. These include the requirement that schools inform all parents of their right to apply for an exemption and that the SGBs actively investigate whether a parent qualifies for an exemption before resorting to legal action in the case of a parent in arrears.
Partial exemptions are available for those parents whose income is more than ten times but less than thirty times the annual school fees. Eligibility for full and partial school fee exemptions is, therefore, determined on the basis of the parental income in relation to the fees allocated for the payment in that particular year (DoE, 2006b:44–45). The Exemption of Parents from the Payment of School Fees Regulations 2006 has adapted a formula for calculating exemptions. In particular, the new formula takes into account the number of school-going children supported by a caregiver or parent, and provides explicit guidelines for assessing the amount of partial exemptions. In terms of the new funding norms, certain categories of children are automatically exempted from paying fees. According to the OECD (2008:158), the issue of school fee exemption has not been without problems with the majority of the SGBs, in the past, especially in township schools, failing to exempt parents who could either not or only partially pay school fees.

As mentioned above, most of the SGBs did not publicise the parents’ right to request either a discount or an exemption from paying school fees or else they failed to provide assistance to those parents who experienced difficulty in completing the complex application and appeal procedures and processes. In addition, many parents were unaware of the automatic school fee exemptions that existed for certain learners, such as orphans or those receiving a CSG. The government, thus, had no choice but to introduce a no-fee-paying policy – See the discussion below.

### 4.4.2 The no-fee-paying policy

As mentioned in opening statement, (cf. Ch. 1 § 1.1), the South African legislature, realising the ineffectiveness of the School Fee Exemption Policy, then passed the Education Laws
Amendment Act 24 in 2005 to allow the Minister of Education to declare some schools to be no-fee-paying schools, especially those serving poverty-stricken communities (Harrison, 2006:173). The Minister of Education [Department of Education (DoE)] at the time) and currently Department of Basic Education (DBE) determines a school as a no-fee-paying school by publishing the name of the school in the Government Gazette. Currently all schools ranked in quintiles 1, 2 and 3 are ranked as no fee schools (Hall and Giese, 2009:37). The no-fee-paying schools are not allowed to charge mandatory school fees (Harrison, 2006:173; RSA, 2006:42), thus ensuring that basic education is available and accessible to poor learners. According to Nsapato (2005:2), in financial terms, the no-fee-paying schools reduces the schooling costs, such as the purchase of textbooks and stationery.

The introduction of the concept of no-fee-paying schools emerged in response to the injunction of the 51st ANC Conference held in Stellenbosch in December 2002. The Department of Education then produced a document entitled Report on the Resourcing, Funding and Costs of Education in March 2003. This, in turn, led to the adoption by the Cabinet of the Plan of Action: Towards Free Basic Education in June 2003 (Lubisi, 2008:10).

On 01 December 2006 the National Minister of Education declared 12 856 public ordinary schools, with 5 001 874 learners, to be no-fee-paying schools (RSA, 2006:4; Macfarlane, 2007:1). South Africa embarked on the implementation of the national No-fee-paying School Policy (NFSP) on 1 January 2007. Since then, the South African government has declared no-fee-paying schools in December of each year. As mentioned earlier the objectives of declaring schools no-fee-paying school include the following:

- to improve funding for schools
- to make it easier for parents to apply for exemptions
to create the possibility of targeted interventions that enhance the quality of the resources available for both education and extracurricular activities.

In effect, the Education Laws Amendment Act 24 of 2005 abolished the levying of mandatory fees on the poorest 40 percent of public schools. The SGBs of these schools may only levy mandatory fees in accordance with Section 39(11) of SASA, 1996 when a no-fee-paying school receives less than the “no-fee-paying threshold (boundary or the level of funding per learner (Education Laws Amendment Act 2005, Ch. 1; Mestry and Bischoff, 2009:32)” (see Table 4.2 below) from the PEDs. These SGBs are, however, encouraged to raise additional funds by “requesting parents and local businesses to make voluntary contributions to the school” (Western Cape Department of Education, 2006:3).

| Table 4.2: National “no fee thresholds” for the period 2007 to 2011 (subsidy per learner) |
|-----------------------------------------------|---|---|---|---|---|
| No-fee-paying thresholds | 2007 | 2008 | 2009 | 2010 | 2011 |
| R554 | R581 | R605 | R641 | R687 |

Source: Adapted from RSA, 2006 p.31.

The “no-fee-paying thresholds”, as listed above, were originally drafted according to the “best practice” examples informing adequate funding levels in respect of the school allocations. The “best practice” examples were apparently, drawn from poor primary schools in Gauteng that were, nevertheless, considered to be doing well despite their limited resources (Wildeman, 2008:53). The effects of these funding “thresholds” (primary school-based) on the management of the finances and support for the educational programmes of “no fee” secondary schools will be discussed in Chapters 5, 6 and 7 of this thesis.
Previous research studies have concluded that secondary education is more expensive than primary education, particularly in Africa, (World Bank, 1998:56). The policy research conducted by the World Bank concluded that the amount that was spent on each secondary school learner in Africa during 1983 could have been used to educate four additional primary school learners (ibid:56). The South African Human Rights Commission (2008:100) reported that, during the 1999/2000 financial year, most of the Provincial Education Departments in South Africa, with the exception of that of Gauteng, had indicated that the budgetary allocation for secondary schools was inadequate.

The no-fee-paying schools policy was implemented nationally from 2007. A discussion on the implementation of this policy follows below.

4.4.2.1 Implementation of the no-fee-paying policy

The no-fee-paying schools policy was first implemented in certain provinces during 2006 and then nationally in 2007. The national list of no-fee-paying schools for 2007 was gazetted on 1 December 2006. The PEDs did not all follow the same strategy in the implementation of the no-fee-paying policy: for example, the Western Cape Education Department implemented the no-fee-paying schools policy in stages due to limited funds in the 2006/2007 financial year (Western Cape Department of Education, 2006:1). The first stage of implementation, in the Western Cape and elsewhere in the country, focused on the poorest primary schools. The no-fee-paying schools were allocated the norms and standards funding of R527 per learner for the 2006/2007 financial year. The benchmark of R527 includes the norms and standards funding already allocated to the no-fee-paying schools. It is worth noting that, in line with the provisions of the SASA (1996, Sections 36, 42 and 43), and like any other public ordinary
school, the no-fee-paying schools do have to prepare budgets as well as keep records of the funds received and spent.

The province of KwaZulu-Natal also implemented the no-fee-paying policy during the 2006/2007 financial year. This province allocated a state subsidy of R565 per learner for the 2006/2007 financial year. The allocation of R565 was higher than the national minimum benchmark (standard) of R527 for the year 2006. The R565 per learner allocation comprised two forms of allocations, namely, the basic allocation which covered various items such as the portion that replaced school fees and the LTSM allocation which included money for textbooks and stationery. The disbursement of the allocations to schools differed according to whether the no-fee-paying school had a Section 20 or a Section 21 status, as categorised. The no-fee-paying schools were required to submit audited annual financial statements to the Head of Department of the PED. The KwaZulu-Natal Provincial Education Department stressed that “there is no further separate allocation provided as a no-fee-paying allocation over and above the School Funding Norms allocation” (KwaZulu-Natal Department of Education, 2006:1–2).

The provinces discussed above both provide examples of the no-fee-paying school policy implementation process. In addition, the SGBs of no-fee-paying schools must manage their school finances in accordance with the provisions of the SASA, 1996. The national benchmarks for no-fee-paying schools consist of various expenditure items for educational purposes. These items include LTSM and a portion which replaces the mandatory school fees. The school fees portion is, however, not specified in the overall school allocation. Since schools in Soshanguve have been declared no-fee-paying schools there is no way they can charge school fees.
According to a report published in *The Citizen* (4 October 2006:12), there was no difference in the views of the then Minister of Education, Naledi Pandor on the no-fee-paying policy and those of the KwaZulu-Natal and Western Cape PEDs. The Minister of Education was convinced that the new policy would improve both the resource base and the operations of no-fee-paying schools:

The fact is that poor schools generally charge very low school fees (often less than R100 per annum) and seldom have had the resources to appoint additional teachers in governing body posts. They will now be able to consider this possibility since the schools will receive in excess of R500 per pupil per annum (ibid).

Pandor was clearly implying that the financial school allocations were adequate to enable the no-fee-paying schools to perform those tasks which had previously not been possible due to financial constraints. Nevertheless, Pandor’s view was contradicted by the views of some of the no-fee-paying schools teachers and principals who regarded the school allocations as insufficient (Swartz, 2010:45). The only plausible explanation for these two opposing views may lie in the actual translation of the monetary allocations into school resources through effective financial management. Wildeman (2008:60) points out that, while no-fee-paying schools were only officially introduced in 2007, their net implications on the then present and future funding of public schools has been considerable as they attract the best government funding. The research by Wildeman (ibid) attributes the financial problems of no-fee-paying schools to, among others, the following factors:

- the per learner funding differences across provinces;
- a lack of adjustments to the provincial equitable shares;
- the non-existence of a national conditional grant for no-fee-paying schools; and
- the movement of learners between no-fee-paying and fee-paying schools.
Wildeman (2008:60) concedes that no-fee-paying schools do encounter financial difficulties as a result of the uneven inter-provincial expenditure on education. The next section discusses how schools become eligible to be declared as no-fee-paying schools.

### 4.4.2.2 Schools eligible to be declared no-fee-paying schools

According to Fiske and Ladd (2003:5), the engineers of the democratic South Africa understood that a reorganised state education structure would be as significant to the building of a new and democratic social order in South Africa as its predecessor had been to sustaining apartheid. Accordingly, the constitutional assurance of a fundamental education for all was, vital to the new South African democracy. This was subsequently defined as nine years of compulsory (Grades 1–9) education and also the deracialisation and unification of the education system.

As discussed above, in terms of the ANSSF, schools have been classified under national quintiles. These national quintiles range from 1 to 5. According to the GDE (Circular, 56, 2006:3), all schools in the national quintiles 1, 2 and, recently, 3 were eligible to be declared no-fee-paying schools and are listed in the Government Gazette every financial year. This situation has, however, since changed and schools are now classified as either fee-paying and no-fee-paying schools. According to the Sowetan (29 April 2011), “the department has so far labelled schools in quintiles 1 to 3 as no-fee-paying schools, while quintiles 4 to 5 remain fee-paying schools”. Thus, most of the schools (ranging from quintile 1 to 3) in townships have been declared no-fee-paying while most of the schools in the suburban areas are fee-paying.
According to Hall and Monson (2006:46), in terms of the policy, *The Report on the Review of the Financing, Resourcing and Costs of Education in Public Schools of 2003*, the National Department of Education allocates each school a poverty position which is derived from national data on income levels, dependency ratios and literacy rates in the surrounding community. In other words, the no-fee-paying schools policy uses a spatial means of targeting and in terms of which school rankings are determined in relation to the level of poverty in the surrounding area. This assumes that all poor learners live in poor areas and they come from the area surrounding the school in question. However, for many reasons, ranging from logistical necessity to choices about the quality of education, some poor children go to school in wards that are not rated amongst the poorest. These children will, therefore, be attending fee-paying schools. This, then, is where the exemption policy comes into play. The no-fee-paying schools policy abolishes school fees in the poorest 40 percent of schools nationally for learners from Grade R to Grade 9. As mentioned previously, schools that do not charge fees are allocated a larger amount of funding per learner to make up for the fees that would have been charged. Thus, the children in high income schools do not benefit from the no-fee-paying policy (Hall and Monson, 2006:45).

It was, thus necessary for the Ministry of Education, to draw up procedures for the distribution or allocation of funds. The criteria used in the allocation of funds from PEDs to local districts and, lastly, to schools are discussed below.

### 4.5 PROCEDURES FOR THE ALLOCATION OF FUNDS

In terms of Section 34(2) of SASA, 1996, each September schools are supposed to receive the following information in writing from their PEDs or local districts:
• The ranking or classification of schools into a quintile is based on the level of poverty prevalent in the community surrounding the school and based on Statistics South Africa (StatsSA) census data.

• The target amount per learner for that quintile/ or ranking for the next academic year.

• The total school allocation for the coming year for that school (GDE Circular 56/2006:3).

• The Minister in publishes in the Government Gazette and on the DBE’s website the list of all schools in the province and the entire resource targeting list for the province, including the quintile in which each school is located. This list must include, as a minimum: schools’ EMIS (registration) number, names of schools, the poverty score of each school and the national quintile in which each school is situated (GDE Circular 56, 2006:3).

In other words, schools are re-ranked on an annual basis. According to the GDE (Circular 56, 2006:3), schools that are dissatisfied with their ranking should send their representation of dissatisfactions to the HoD of the PED within 60 days of receipt of their allocation, and the matter must be addressed by the PED within six months of receipt of such representation. If not satisfied with the decision of the Head of Department, the applicant has the right to appeal to the MEC within 30 days of date of receipt of such rejection.

In terms of the SASA, 1996 Section 42 schools are expected to keep detailed accounts of what they spend their money on while they must account to school communities and their various PED(s) on an annual basis. After the allocation of funds has been distributed to the local education districts, the districts have to allocate the funds to the schools under their jurisdictions. The school allocation is explained below.
4.5.1 The school allocation (excluding teacher’s remuneration)

This section focusses on the allocation of the funds to public ordinary schools, excluding salaries or remunerations the staff at the school. School allocation is defined as an amount allocated by government, through PEDs, to each public ordinary school in the country on an annual basis in order to finance non-personnel non-capital expenditure items. In general, the school allocations are intended to cover non-personnel recurrent items, small capital items required by the school as well as normal repairs and maintenance to all the physical infrastructure of the school. Thus, the purpose of the school allocations is to promote efficient and quality education in public ordinary schools (Sayed, 2009:15–16).

The school allocations may also cover non-LTSM equipment, including furniture other than learners’ desks and chairs, photocopier machines, telephone sets, fax machines, intercom systems, equipment for connectivity within the school and to the Internet, hardware tools, cleaning equipment, first aid kits, overalls for cleaners and ground staff, sporting equipment and electrical accessories (DoE, 2006b:15). In addition, the school allocations may cover consumable items of an educational nature, including stationery for learners, as well as consumable items of a non-educational nature, including stationery for office use, paper, cleaning materials, petrol, lubricants, and food. Services relating to repairs and maintenance, including building repair work, equipment repairs and maintenance and light bulbs may also be covered by school allocations (DoE, 2006b:26–27).

Other services that may be covered by the school allocations include workshop fees, TV licences, Internet service providers, school membership of educational associations, postage, telephone calls, electricity, water, rates and taxes, rental of equipment, audit fees, bank
charges, legal services, advertising, security services, public or scholar transport, vehicle hire, insurance and copying services (ibid).

The way in which the resource target list is compiled is discussed next.

4.5.2 The resource targeting list

According to the ANNSSF (DoE, 2006b:31), the resource targeting list is a list of all the public ordinary schools in the province, ranked from the poorest to the least poor. The principle that is followed is that, ideally, communities are best served by the schools closest to them. It is, thus, for this reason that the preferential public funding of schools in poorer communities is regarded as a government priority (DoE, 2006b:31).

As mentioned above, the poverty index is derived from census data or other appropriate data as provided by Statistics South Africa (StatsSA) (DoE, 2006b:33). According to Patel (2004:6), the poverty index is informed by access to water, electricity, sanitation, the level of illiteracy of parents and the number of school going children. Thus, these factors are used to indicate the socio-economic status of a community. The main source of data for this section of the index is the National School Register of Needs data and the Annual School Survey (ibid).

Public ordinary schools are then grouped into quintiles (5 groups of 20 percent each) or deciles (10 groups or 10 percent each). The non-personnel funds, excluding funds for new buildings or additions and emergency capital repairs, which are different from the school allocation to all schools of the province are then divided into the following categories:
- Maintenance and repairs to buildings;
- Easily separable recurrent costs (supplies and other services such as utilities);
- Other recurrent and small capital equipment costs – (equipment and media collections); and
- Other recurrent and small capital costs (school books and stationery). In the case of numbers 1 to 3 above, the funds are distributed through the resource targeting (see Table 4.3 below).

### Table 4.3: Resource targeting

<table>
<thead>
<tr>
<th>Quintile classification</th>
<th>Number of learners</th>
<th>Poverty level</th>
<th>Percentage of resources</th>
<th>Ratio of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20 %</td>
<td>Poorest</td>
<td>35%</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>20%</td>
<td>Next least poor</td>
<td>25%</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>Next least poor</td>
<td>20%</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
<td>Next least poor</td>
<td>15%</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>20%</td>
<td>Least Poorest</td>
<td>5%</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Adapted from Hall and Giese in *South African Child Gauge 2008/2009* p. 3

The funds for schools with the ability to perform the functions listed in Section 21 of the SASA, 1996 are transferred into the schools’ banking accounts. These schools are permitted to procure goods and services within the general procurement guidelines of the specific education department and not the National Treasury. As stated above, the funds of schools that have not been allocated a Section 21 function or status are managed by the PEDs, through the district offices, on schools behalf.

According to ANNSSF (DoE, 2006b:29), the principles governing the determination of the school poverty score include the following:

- The score should be based on the relative poverty of the community surrounding the school and which, in turn, should depend on individual or household advantage or disadvantage with regard to income, wealth and/or level of education.
• As stated above the score should be based on data from the National Census conducted by Statistics South Africa (StatsSA), or any equivalent data set that may be used as a source (DoE, 2006b:33).

According to the GDE (Circular 56, 2006:2), the PED’s priority is to provide quality schools to communities that are geographically accessible to learners. Linked to this main concern is the imperative to ensure that preferential funding in the poorer communities translates into effective interventions and the optimal combination of inputs that assist in combating historical disadvantages. A school may apply to the GDE for a deviation in the methodology utilised in determining its score, where such a school believes that it warrants special consideration. The GDE and PEDs make use of the resource targeting list, the table of targets for school allocations and the national poverty distribution to establish the allocations for schools. These determinants of the national progressive school allocations are explored below.

4.5.3 The determination of nationally progressive school allocations

The GDE (Circular 16, 2010:5) states that, in order to establish the allocation for each school, the GDE uses the resource targeting list, the table of targets for the school allocations (‘targets table’) and the national poverty distribution table (‘poverty table’). According to the GDE (Circular 16, 2010:5), the ‘table of targets for the school allocation’ or ‘targets table’ determines the target per learner amounts for the school allocation. Column A indicates the percentages that underlie the pro-poor funding approach. For example, the first national quintile (or one-fifth) of learners should receive 30 percent of the funding which is, in turn, six times more than the 5 percent of funding which should go to the least poor quintile.
Column B (Circular 56, 2010:5) indicates the target per learner school allocation amount in rand (R) for each of the years 2010, 2011 and 2012. Column B furthermore specifies the average per learner target value for the country as a whole. The no-fee-paying threshold amount appearing in Column B indicates the per learner amount that the government considers minimally adequate for each year. The no-fee-paying for 2010 threshold was set at R784 while the inflationary increments for 2011 and 2012 were calculated as R826 and R865 respectively. Thus (as mentioned earlier), quintiles 1, 2 and 3 are ranked as no-fee-paying schools and are allocated the same funds.

According to the GDE (Circular 16/2010:5), Column C specifies the maximum percentage of learners in each national quintile that may be funded to the no fee threshold level. Column C also contains a suggestion of the possibility of sufficient resourcing without school fees as well as the percentage of learners which may be excused from the payment of school fees, given the existence of such fees. According to ANNSSF (DoE, 2003b:34), in 2010 in national quintile 5, if school fees were used to finance the needs of 78 percent of learners, then 22 percent of learners could be financed through the state’s school grants. In other words, 22 percent of learners could be fully exempted from the payment of school fees. The school would then charge school fees to the remaining 78 percent of students if it so wished.
In order to calculate the target school allocation for each individual school for the following year, the GDE multiplies the relevant per learner target from the targets table by the enrolment of the school for the current year. The no-fee-paying affordability for 2010/2011 in respect of per capita allocation and based on the Norms and Standards is presented in Table 4.5 below:

In order to calculate the target school allocation for each individual school for the following year, the GDE multiplies the relevant per learner target from the targets table by the enrolment of the school for the current year. The no-fee-paying affordability for 2010/2011 in respect of per capita allocation and based on the Norms and Standards is presented in Table 4.5 below:

| Table 4.4: The national targets table for the school allocation 2007 – 2009 |
|-----------------------------------|----------|----------|----------|----------|----------|----------|----------|
|                                   | 2010     | 2011     | 2012     |
|                                   | A        | B        | C        | A        | B        | C        | B        | C        |
| NQ1                                | 30.0     | R855     | 100%     | R901     | 100%     | R943     | 100%     |
| NQ2                                | 27.5     | R784     | 100%     | R826     | 100%     | R865     | 100%     |
| NQ3                                | 22.5     | R641     | 100%     | R675     | 100%     | R707     | 100%     |
| NQ4                                | 15.0     | R428     | 67%      | R451     | 67%      | R492     | 67%      |
| NQ5                                | 5.0      | R147     | 22%      | R155     | 22%      | R162     | 22%      |
| Overall                            | 100.0    | R57      | 89%      | R602     | 89%      | R630     | 89%      |
| No-fee-paying threshold            |          | R 784    |          | R 826    |          | R 865    |          |

Source: Adapted from DoE, 2010, p.5

| Table 4.5: The no-fee-paying affordability for 2010/2011 in respect of per capita allocation |
|-----------------------------------------------|-----------------|-----------------|-----------------|
| Ranking | Percentage of learners per national quintile | Adequacy allocation |
| Q1      | 10.46                                       | R855             |
| Q2      | 11.44                                       | R855             |
| Q3      | 27.37                                       | R855             |
| Q4      | 27.17                                       | R513             |
| Q5      | 23.56                                       | R176             |

Source: Adapted from GDE Circular 16/2010, p.6
Funds allocated to schools are public funds and, thus, they have to be accounted for. The government, through the SASA, 1996, has stipulated how the SGBs should account for funds used. The school allocation and accountability are discussed below.

4.5.4 The school allocation and accountability

In terms of the SASA, 1996, specifically the ANNSSF (DoE 2006b:10), the provisional school allocations for the coming year are communicated to schools by 30 September of each year by the PEDs. This communication includes information on the national quintile in which individual schools find themselves, the national per learner target amount applicable to that national quintile, the rationale for the national targets published by the Minister of Education, the national no-fee-paying threshold and the calculations which were performed by the PED to arrive at the school allocation amount for each school.

According to GDE Circular 56 (2006:8–9), the PED and schools have to account for their use of the school allocation. Reports produced by schools should also explain how the expenditure of the school allocation promotes the School Development Plan (SDP), quality education and learner performance. The PED also has to generate the analyses and plans on how the school allocations may promote education delivery, including school efficiency and learner performance. Furthermore, these analyses must indicate the effect of the school allocation on general socio-economic change, including Black empowerment among the manufacturers and providers of school material. These analyses must be widely distributed in order to foster public deliberations and contributions (GDE Circular 56/2006:9).

In addition, it is incumbent on the PED has to ensure that every school in the province is provided with a set of policy implementation manuals and tools relating to the school
allocation. The transfer of resources will differ between Section 21 and Non-Section 21 schools respectively. The transfer of resources to Section 21 schools is discussed below.

4.5.5 Resource transfer procedures where SASA, 1996 Section 21 functions have been allocated

According to GDE Circular 56 (2006:9), schools are supposed to adhere to stringent financial management and reporting systems that are trustworthy, effective and efficient. Transfers to schools are regarded as being efficiently utilised only if they are used for the purpose for which they are intended. In other words, the grant from the government is ring-fenced. This, in turn, implies that the schools that receive such funds must disclose to all stakeholders its plans showing where the funds come from, what they were intended for, what they will be used for as well as when and how they will be used. In addition, the schools must also disclose when and how the funds were, in fact, used, and who benefited from such utilisation. Schools are informed prior to the transfer of funds how much they are allocated for that particular year. The first estimates of the RTT are sent to schools in October of each year and it is then followed by the final RTT allocation in February. In May (the first 50 percent of the allocation) and November (the second 50 percent of the allocation) the allocation into the school’s bank account. The SGBs that have been allocated the relevant SASA, 1996’s Section 21 functions and receive the school allocations as a monetary transfer into the school bank accounts must administer this money in accordance with the SASA, 1996. It must be reemphasised that such public schools may carry out their own procurement in accordance with standard procurement procedures, namely, the financial directions issued in terms of Section 37 of the SASA, 1996 and paragraph 103 of the ANNSSF (GDE Circular 56, 2006:9). Schools must retain relevant documents as evidence of correct dealing with suppliers and contractors as well as records of how the materials and services were used.
They must produce such documents or records at the request of officials from the GDE and for audit purposes (GDE Circular 56, 2006:9).

One of the functions of the SGB of these schools is to charge fees, especially in the fee-paying schools. The discussion below focuses on the role of the parents in the funding of education.

4.6 FUNDS FROM PARENTS, SCHOOL FEES IN SOUTH AFRICA

According to Raab and Terway (2010:1), and as stated earlier, in 1994, during the transition from apartheid to democracy, policy-makers accepted that the reform of the education system was critical to the issues of equity and reorganisation. This reform was also important given the apartheid education system’s position in constructing and upholding disparities in opportunity. Raab and Terway (2010:10) furthermore state that the democratically elected government under the ANC continues to face the challenge of transforming South Africa’s education system into a system that does not discriminate. In addition, the government prioritises funding for the previously underprivileged schools. As mentioned before in order to achieve this transformation the Constitutional Assembly has enshrined in the Constitution, 1996, the right of all South African citizens to basic education.

Scholars such as Fiske and Ladd (2004:6) and Spreen and Vally (2006:352–356) agree that the enactment of South Africa’s Constitution exemplifies the role of education in the quest for societal equality and redress and obliges the government to provide education for all citizens, regardless of the prevailing financial or political climate. Nevertheless, the guiding principles that led to the right to basic education were formulated in the midst of challenging national interests and rival international notions including the neo-liberal focus on cost-
recovery versus the more recent focus of Education for All (EFA) and also the focus on educational rights and universal access through school fee abolition. According to Raab and Terway (2010:2), while schools in South Africa are encouraged to charge user fees, policymakers have tried to mitigate the negative effects of such a policy. Policy makers have addressed the need for equity and redress within the education system. However, neo-liberalists such as Crouch and Vinjevold (2006:1–15) and Murphy, Bertoncino, and Wang (2002:4), to mention but a few, have concluded that expanding the access to education will not reduce inequality and poverty if the quality of the education provided is poor.

Giese et al. (2009:22) argue that the restructuring of education should address the damage caused by the apartheid architects’ value systems but also respond to such effects by ensuring that resources and investments bring about a different vision of what South African public schools should be. Unfortunately, the competing pressures for funds in the new South Africa prevented a complete financial restructuring of the education system and the government was forced to adopt a fees-based policy – this despite the declared aspirations and promises of the ANC during the final years of the apartheid period that all children should have access to a free basic education.

According to Fiske and Ladd (2003:7), once the ANC and its allies had assumed power, the realisation soon dawned that there were inadequate public funds available to equalise public funding at anywhere near the level required to provide the quality of education to all students that had previously been available to White students.

According to Giese et al. (2009:22), the main reason for the noticeable ‘U-turn’ in the no-fee-payings policy was that, the ANC and its allies, upon assuming office, in government were
advised that, without fees, the budget for education would have to be doubled in order to equalise the funding at the level which had been enjoyed by the historically White schools. Moreover, there was concern that, without parent fees, middle-class and wealthy families would move from the public school system to private schools, that the overall levels of funding for public education would drop correspondingly and that another divided educational system would be created (ibid). The government was of the opinion that parents, who take their kids to former ‘Model C’ schools, would be sceptical about educational standards as money would be required to uplift and maintain the standard of education. In addition, some of these parents, whose kids attend schools in former ‘Model C’ schools, wanted to use their money and status to exclude the poor learners and, especially, Black learners (Redpath, 2005:5).

The decision of the government to allow school fees to play a role in the funding of public education was contentious and, according to Giese et al. (2009:22), “continues to be so”. Firstly, current global trends dictate that countries abolish school fees at the primary level while various local interest groups also argue that school fees discourage school attendance among the poor, thereby perpetuating the existing inequities in education funding. Secondly, the government remains steadfast in its belief that school fees are an important way in which to supplement the limited amount of public capital offered for education and also that school fees will, hopefully, encourage middle-class, and particularly White, parents to continue sending their children to and support the public schools (ibid). Karlsson et al. (2001:151), also argue that agreeing that Whites should preserve the autonomy and quality of the former ‘Model C’ schools, the ANC and its allies were able "to silently permit their own class interests to be taken care of without confronting (or clashing with) their own, largely poor, constituencies." Nevertheless, the current South African government consistently
acknowledges that fees must never constitute a barrier to education and, hence, the no-fee-paying schools.

A discussion on the funding of schools through donations and fundraising, the funding of school hostels, the payment of personnel through PEDs and capital costs allocation follows below.

4.7 DONOR FUNDING AND FUNDRAISING

All schools have the right to raise additional funds through voluntary contributions or other means (SASA, 1996, Section 36). Donations are sourced from private companies and individuals who are interested in the school concerned. Numerous companies, in particular, adopt schools and contribute towards their funds. The form of the donations differs from donor to donor with some even donating cars, minibuses or buses.

Through their governing bodies, schools are compelled by law to increase or supplement the funds granted by the government in order to improve the quality of education provided to learners (Motimele, 2005:12). Schools fundraise in different ways, for example, selling of goods to learners, raffles and renting out school properties. The money collected from fundraising forms part of the school income and is added to the school fees (in fee-paying schools) to supplement the grants from the government.

Some of the learners who live 120km or more away from schools receive funding for accommodation (hostels) from the government. Accordingly, the discussion below focuses on, amongst others, hostel funding as legislated for by the ANNSSF.
4.8 OTHER EDUCATIONAL FUNDING FUNCTIONS UNDERTAKEN BY PEDS

The education activities undertaken by PEDs also include the funding of hostels, educational personnel funding (both office based and school based) and capital costs. These allocations are discussed below.

4.8.1 Funding of school hostels

According to ANNSSF (DoE, 2006b:40), the government is under no obligation to fund the running costs of hostels but it may subsidise eligible learners based on the running costs of a hostel. Learners who qualify for subsidies must be poor and live more than 120km away from the school. In addition, there must be no school available closer to the learner’s home.

Education requires personnel. Education personnel are based in offices as well as at schools. In view of the fact that they are employees of the government these personnel members have to be remunerated. Education personnel funding is discussed below.

4.8.2 Education personnel funding (both office based and schools)

According to Wilson (2004:10), personnel posts are distributed on the basis of the available funding in all the provinces. Initially, personnel costs constituted an average of 90 percent of the provincial education budgets. The Ministry set as a goal that the ratio of personnel funding to non-personnel funding should be 85:15 by 2005. The MEC for education in the province determines the number of educator posts to be established within the constraints of the available budget. Eighty five percent of this funding is used for educator personnel while the balance is used for administrative and support personnel. The learners in a school are
weighted according to their phase or subjects and posts are allocated to schools relative to the weighted learners at a school. Five percent of the posts are removed before distribution of funds and are allocated to schools in accordance with the resource-targeting table of poverty of the school community (Wilson, 2004:10).

The growth of the population and the movement of people from one place to another, especially to urban areas, require the government to also budget for capital costs or backlogs. Capital costs are, therefore, budgeted for. These costs are briefly discussed below.

4.8.3 Capital cost allocations

According to ANNSSF (DoE, 2006b:21), new classroom allocations and other construction allocations are distributed on the basis of need, thus prioritising the poorest communities. Classroom and other construction allocations are catered for by the PEDs. According to OECD (2008:106), as a result of population growth and the high number of refugees and asylum seekers entering South Africa from neighbouring countries between 2002/03 and 2005/06, education infrastructure spending increased from ZAR 1 billion to ZAR 2.5 billion. By 2008/09, capital spending was expected to reach ZAR 4 billion. However, the positive increase in the real infrastructure budgets and spending has been counterbalanced by continuing inequalities and the slow progress in wiping out backlogs. OECD (2008:108) is of the opinion that the majority of the backlogs in the provision of adequate funding have been exacerbated by natural disasters, the migration of the population to urban centres and unpredictable movements of students between schools and residential areas. Although capital costs in education grew rapidly, the PEDs under spent on the infrastructure budgets (ibid).
Independent schools also fall under the SASA, 1996. As in the case of public schools the government is also responsible for funding these schools. The funding of the independent schools is discussed next.

4.9 THE FUNDING OF INDEPENDENT SCHOOLS IN SOUTH AFRICA: A COMPARATIVE SYNOPSIS

The Constitution of the Republic of South Africa of 1996 allows any individual to operate an educational institution, including a school, provided that he/she does not violate the unfair discrimination clauses contained in the Constitution and also that he/she does not provide a service that conflicts with that provided at a public institution [SASA, 1996, Section 29(3)]. Such institutions must be registered.

According to Patel (2004:2), the funding of independent schools, formerly known as private schools, during apartheid were race-based. It was extremely difficult to operate an independent school especially if the owners of the school were Black. Between 1981 and 1994 subsidies to private schools amounted to approximately 50 percent of the public per capita expenditure, i.e. independent schools were subsidised at 50 percent less as compared to the subsidies of ordinary public schools. The difference was raised either through donor funds and/or high school fees. The mechanism for subsidies introduced in 1998, through the NNSSF, set conditions of eligibility such as: (1) the non-profit status of the school; (2) the provision of quality education (as measured by the senior certificate results); (3) the management efficiency of the school and (4) whether the school was in competition with a public school (Patel, 2004:2).

From 2004, if a school qualifies for a subsidy, the fee level of the school is taken as a proxy of socio-economic conditions of the parents. Thus, the higher the school fees the lower the
percentage subsidy. The subsidy is based on a percentage of the per capita – per learner expenditure in a public school. The subsidy percentage levels range from 0 percent to 60 percent.

<table>
<thead>
<tr>
<th>Table 4.6: Allocation table for independent school subsidies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fee Level</strong></td>
</tr>
<tr>
<td>1. Up to 0.5 times [A]</td>
</tr>
<tr>
<td>2. Higher than 0.5 and up to 1.0 times [A]</td>
</tr>
<tr>
<td>3. Higher than 1.0 and up to 1.5 times [A]</td>
</tr>
<tr>
<td>4. Higher than 1.5 and up to 2.5 times [A]</td>
</tr>
<tr>
<td>5. Higher than 2.5 times [A]</td>
</tr>
</tbody>
</table>

[A] = the separate provincial average estimate per learner in the primary and secondary phases of ordinary public schools respectively in the fiscal year following the date stated in paragraph 150(d) of RSA 2003.

B = the separate provincial average estimate per learner in the primary and secondary phases of ordinary public schools respectively in the Provincial Education Department’s prescribed fiscal year

Source: Adapted from Patel, 2004 p.6

ANNSSF provided criteria for the allocation of education funds to independent schools. The criteria for the allocation of funds to independent schools are explored below.

4.9.1 Criteria used for the allocation of funds to independent ordinary schools

According to DoE (2006b:48), PEDs may use the following criteria, in addition to any other relevant information submitted by the school, to judge whether a school falls into a certain category:

a. schools in the first (highest subsidy level, see table 4.6 above) category would typically be located in either townships, deep rural areas, or informal settlements and serving the residents in these areas;

b. schools in the second category would typically be in inner-City or transitional suburban areas, catering largely for township and informal sector clientele or the urban lower-middle class;
c. schools in the third and fourth categories would be middle- and upper-middle class schools with good facilities and with a local clientele; and
d. schools in the fifth category would be well established schools with excellent facilities and a national or regional clientele and very low learner–educator ratios (DoE, 2006b:48).

Although this research is based on the funding of public schools it is important to provide an indication of how the independent schools are funded as the majority of these schools are also dependent on government funding. As regards subsidies to the independent schools in South Africa the government has laid down a series of requirements. These requirements are discussed below.

4.9.2 Requirements for independent ordinary schools to qualify for subsidies

Approximately 2.5 percent of the school learners in South Africa attend independent schools. Patel (2004:6) argues that, because of the tremendous unfairness and log jam in the provision of public education and the demands for public education budget allocations, it is essential that the national policy on public subsidies to independent schools are based on clear social principles. Subsidy allocations must, therefore, be based on whether the independent schools in question are well managed, provide good quality education, serve the poor communities and individuals and are not operated for profit.

The ANNSSF (DoE, 2006b:49–50) also stipulates stringent requirements other than fee levels and which the independent schools must meet in order to qualify for subsidies. Independent schools that qualify for subsidies may also be considered for funding if the schools:

- are registered with the PED
• have made an application to the PED in the prescribed manner
• have been operational for one full year
• are registered non-profit institutions in terms of the requirements for non-profit institutions, and
• are managed successfully according to a management checklist determined by the PED.

This checklist will determine, among other things, whether the school is able to manage its finances responsibly and whether the school keeps proper admission and attendance registers, records of fee payments and other financial records. In addition, the school must meet the following requirements:
• agree to unannounced inspection visits by officials of the PED
• has not been established in direct competition with a nearby less crowded public school of equivalent quality
• its final Grade 12 pass rate is 50 percent or more of all the full-time candidates who wrote the Grade 12 examination in the preceding year (only applicable to the secondary phase of the school)
• not more than 20 percent of the Grade 11 learners are repeaters who took Grade 11 in the same school during the preceding year (only applicable to the secondary phase of the school)
• not more than 20 percent of the Grade 12 learners are repeaters who took Grade 12 in the same school during the preceding year (only applicable to the secondary phase of the school)
• does not engage in practices that are calculated to artificially increase the school’s Grade 12 pass rate (only applicable to the secondary phase of the school) (DoE, 2006b:50).
Section 43(5) of SASA, 1996 compels the SGBs to send their books for auditing. Public funds, as mentioned earlier, have to be accounted for. The auditing of the financial statements of public ordinary schools is discussed below.

4.10 AUDITED FINANCIAL STATEMENTS OF PUBLIC ORDINARY SCHOOLS

In compliance with the SASA, 1996 [RSA, 1996: Section 43(5)], a copy of the Audited Financial Statements for the period 1 January to 31 December of each financial year must be submitted to the Head of Department of the PED by 30 June of the following financial year. Failure to meet this compliance requirement may result in subsequent transfer payments to the school being withheld. In addition, for the purpose of ongoing monitoring in respect of financial management, schools are required to maintain monthly cash flow projections and actual expenditure statements.

4.11 THE MANAGEMENT OF SCHOOL FINANCES AS A SCHOOL GOVERNING BODY FUNCTION

All public ordinary schools should have in place a SGB. In terms of SASA, 1996 (RSA, 1996: s.23), the SGB must include the school principal, elected representatives (parents, educators, other staff members, and learners in grade 8 or above) and optional co-opted members who do not have the right to vote (for example, members of the community, or the owner of the school property). As mentioned above (cf. Ch.4 §§4.2.1.2 and 4.2.1.3), according to SASA, 1996 (RSA, 1996: §§ 20 and 21), the SGBs in South Africa are responsible for maintaining and improving the school property, buildings and grounds, deciding on the extramural curriculum and the choice of subject options according to the provincial curriculum policy, buying textbooks, educational material and/or equipment for the school and paying for services to the school. These functions are not possible without the management of school funds. The following section explains the roles of all the stakeholders as regards school financial management.
4.11.1 The role of all stakeholders in school financial management

The SASA, 1996 provides that the governance of a public school is vested in the school’s governing body, which stands in a position of trust towards the school. SASA, 1996 also stipulates that the school principal, under the authority of the Head of Department of the PED, must undertake the professional management of a public school. Figure 4.1 illustrates where a school governing body fits into the provincial school governance structure.

Figure 4.1: SGBs Position in School Governance

Source: Adapted from DoE (1997:15)

According to Section 37 (School Funds and Assets of Public Schools) of SASA, 1996, the responsibilities of the school governing body in respect of the monies and assets of the school include the following:

Section 37(1): The governing body of a public school must establish a school fund and administer it in accordance with directions issued by the Head of Department.
Section 37(2): All money received by a public school, including school fees and voluntary contributions, must be paid into the school fund.

Section 37(3): The governing body of a public school must open and maintain a banking account.

Section 37(4): Money or other goods donated or bequeathed to or received in trust by a public school must be applied in accordance with the conditions of such donation, bequest or trust.

Section 37(5): All assets acquired by a public school on or after the commencement of this Act are the property of the school.

Section 37(6): The school fund, all proceeds thereof and any other assets of the public school must be used for educational purposes only.

Clarke (2008:280) argues that the financial responsibilities of a school governing body are perhaps its most important responsibilities. In terms of the SASA, 1996 the governing body of a public ordinary school has the following statutory functions:

- preparation of the annual budget
- presentation of the budget to the general parent body for approval
- determination and charging of school fees (fee-paying school only)
- considerations of applications for the exemption of parents who are unable to pay school fees (fee-paying school only)
- legal enforcement of the payment of school fees (fee-paying school only)
- establishment of a school fund account
- maintaining records of funds received and paid (including asset and liability management)
- preparation of the annual financial statements (timeously)
- appointment of an auditor to audit the records and financial statements of the school
submission of the audited annual financial statements to the PED.

SASA, 1996, therefore, makes it quite clear that the SGB, and not the principal, of a public school has the ultimate responsibility for the school’s financial management. The principal, as a member of the SGB, shares that responsibility and is responsible for ensuring that financial management is implemented (Clarke, 2008:281). According to Mestry (2004:129), the head of the school or school principal must work in collaboration with the school governing body in the management of finances. Although the SGB is accountable to the parents for the school funds, the principal may play a supportive role in ensuring that the school's finances are managed efficiently. The school finances are usually delegated to one of the sub-committees of the SGB, namely, the Financial Committee (FinCom). The role of the FinCom is discussed below.

4.11.1.1 The role of the sub-committee on school finance (Financial committee) in Gauteng schools

This sub-committee on school finance usually consists of three people, namely, the chairperson of the SGB, the treasurer of the SGB and the principal of the school (Swartz, 2009:15). As mentioned above, the Finance Committee (FinCom) is a subcommittee of the school governing body. According to Bisschoff and Mestry (2003 in Mestry, 2004: 131), Clarke (2007:53) the duties of the FinCom include the following:

- draw up the school’s annual budget with the help of the principal
- ensure that the annual budget supports the school strategic plan
- present the recommended budget to the SGB for approval and adoption
- regularly monitor and report to the SGB on progress against the budget
• ensure there is an adequate internal control system to promote operational efficiency and to minimise financial risk
• ensure that the school has an appropriate investment policy and that this policy is approved by the SGB annually
• monitor the status of investments
• assist in the completion of the Summary of Financial Commitments which is required by PEDs annually
• make recommendations to the SGB as regards fund-raising activities and liaise with the school groups concerned with these activities
• where required, assist in the completion of school tenders e.g. cleaning contracts, waste removal contracts, SGB building contracts
• review the annual audited financial statement and the auditor’s report and assist with follow-up where appropriate, and
• assist the principal in ensuring that the school operates in line with a balanced budget and that all liabilities and financial commitments are brought to account in the relevant year.

It is clear from the duties listed above that the FinCom of the school plays a pivotal role in managing the school finances. Makhubela (2010:57) states that, where members of the SGB have no or little knowledge of finances and related procedures, they should enlist the services of an expert with sound financial knowledge from the parent community (they may co-opt such a parent to serve on the committee). According to the SASA, 1996 [RSA, 1996: Section 29(3)], if such a person is not available, the committee may decide to co-opt someone with the necessary knowledge and expertise from outside the parent community.
Mestry (2004:138) is also of a view that, where schools (e.g. in townships or formerly underprivileged areas) experience problems in co-opting somebody to serve on the SGB and finding members with the necessary knowledge and skills to assist in managing the funds of the school, the Department of Education should provide the necessary support and training to the SGBs of these schools. It is essential for the FinCom conduct frequent meetings to discuss financial matters. The members of the FinCom should be committed to carrying out their financial responsibilities. The decisions on financial matters taken by the FinCom must always be ratified by the SGB as this body is accountable for the school funds even if most of the financial functions may have been delegated to the FinCom (ibid).

4.11.1.2 The role of the PED in school financial management

The role of PED in school financial management is stipulated in the SASA, 1996. According to Section 12(1) of SASA, 1996, the Member of the Executive Council (MEC) of the Provincial Legislature must provide public schools responsible for the education of learners with funds appropriated for this purpose by the provincial legislature. Accordingly, the financial management of schools is an important concern of the PODs. Principals and officials of the education department must render all the necessary assistance to governing bodies in the performance of their functions. Furthermore, Section 19 of SASA, 1996 prescribes that the PEDs should provide introductory training for newly elected governing body members to enable them to perform their functions. In addition, these governing bodies should also be provided with ongoing training to promote the effective performance of their functions or to enable them to assume additional functions. Van Wyk (2004:54) has criticised the training offered to school governing bodies by the School Districts or PEDs as ineffective. In most instances the department officials selected to train the SGBs are not
experts in financial school management. Some school districts employ the services of consultants, who do not necessarily possess a sound knowledge of school finances, to train the SGBs (see also The Sunday Times of 26 February 2012:4).

4.11.1.3 The role of parents and the community in the SGB and school financial management after 1996

Section 40(1–3) of SASA, 1996 stipulates a partnership funding approach to address the disparities inherited by the apartheid system. Such a partnership approach would help South Africa to meet the following four objectives, namely, equity, advancing quality, redressing imbalances, and improving efficiency. The partnership in this case is between the state, the parents of the schoolchildren and the SGBs. The rationale for transferring part of the responsibility of funding to parents and SGBs was that the national government could not fund schools sufficiently to support the level of educational quality which had been enjoyed by many privileged education systems during apartheid. Partnership funding allowed parents to supplement funding with school fees as they saw necessary while the government would ensure that no child was denied compulsory schooling because his/her parents could not afford to pay school fees (Motala and Pampalis, 2005:46-48 and Dieltiens and Meny-Gibert, in Journal of Education, 2012:121-141).

The community’s relationship with the school is not based only on financial considerations. Parents are involved in the school because the school helps their children to develop more fully and more quickly than would be the case at home while the school, in turn, is dependent on the support of parents (Barnard 1984, in Niemann, 1995:385). In view of the fact that parents are the natural and primary educators of their children and because the state is unable to carry the financial load of education alone, parents are morally obliged to contribute
towards the education of their children. In addition, the financial support given by parents provides them with more say in education than would otherwise be the case (ibid).

According to Hoberg (1993:45), active parent involvement is essential in running a successful school. Certainly the ideal is that the parent community would actively participate in and be drawn into school activities not only in terms of auxiliary services, but also in the areas of planning and financing. Some of the roles for parents include that of customer of educational services. In addition, parents are assuming these roles in school governance as they are empowered to participate in decision-making bodies. Having been the principal of a junior secondary school and currently the principal of a high school, from the point of view of experience, the researcher feels bound to point out that it would appear that the parents at no-fee-paying schools, especially in the townships have embraced a role of privilege and entitlement. Instead of helping their schools to develop they are rely heavily on the school to develop them. It is clear that they do not regard themselves as customers but rather as the beneficiaries of other people’s taxes.

While the business community is part of the community as a whole the members of the business community also often participate in financing schools because they are interested in the skilled manpower provided by the schools. From a financial point of view it is important for the school to maintain good relationships with the community. The SGB and school principal may also make use of various strategies to improve the relationships between the school and the community. These strategies may include group decision-making, sincerity, respect and empathy (Niemann, 1995:386). In view of the fact that the financial management of schools is a relatively new concept in the majority of South African schools, it is vital that
training programmes and guidance are provided for school principals and prospective principals (Mestry, 2004:126–132).

4.11.1.4 The role of learners in school financial management after 1996

According to SASA, 1996 (RSA, 1996: Section 23), the learners in secondary schools are, by law, allowed to participate in the SGB although they do not play a significant role in the FinCom. Students do not, in normal cases, pay any school fund or taxes and, thus, they are not qualified to discuss financial matters in the FinCom. They, like the other members of the SGB who do not form part of the executive of the SGB and/or FinCom, ‘rubber-stamp’ or ratify the financial decisions taken by the SGB executive and FinCom at a general meeting of the SGB (DoE, 2003c:129).

4.12 CONCLUSION

This chapter discussed and documented the model adopted by the South African government for the funding of education after 1999 when Thabo Mbeki was the president of the country under the ANC led government. The changes in school funding that have taken place since 1999 were explored. It was learnt that both the government and the parents of learners play an important role as far as the funding of education is concerned.

The chapter also discussed the importance of the National Norms and Standards for School Funding in 1998 and its Amended National Norms and Standards for School Funding of 2006. These documents, as discussed, set out how schools should be funded in terms of the SASA, 1996. The latter policy, the ANNSF, introduced the policy on no-fee-paying schools. The documents, NNSSF and ANNSSF, also dealt with the procedures to be adopted by PEDs
in determining resource allocation to their schools. Examination policy from the payment of school fees in the former ‘Model C’ was also discussed. The chapter also discussed how independent schools are funded. The requirements and the criteria followed in the funding of independent schools was discussed briefly as the research is based on the funding of public ordinary schools.

Of more importance and relevant to this research was the discussion of the role of the SGB and other stakeholders in education funding. The chapter also explained the importance of the SGBs in school financial management particularly its role in the preparation of the school budget and the collection of school funds.

The next chapter, Chapter 5, discusses the methodology that was used to collect the data required for the purposes of this research.
5.1 INTRODUCTION

Chapter 2 contained the literature review of documents pertaining to the research problem, thus providing a theoretical framework for the research. Chapter 3 presented the background to the research while Chapter 4 discussed the detailed policies used in the education funding model used in South Africa. This Chapter contains detailed descriptions of the qualitative and quantitative research designs and the methodologies adopted in the research, including details of the procedures employed by the researcher to answer the research questions as they pertained to the problem statement (cf. Ch. 1 §1.4). The role and position of the researcher, the data analysis procedures, trustworthiness and ethical considerations are also described.

This chapter discusses the research design selected for the purposes of this research. The aim of the research was to analyse the probable implications of the classification of schools into no-fee-paying and fee-paying on the financial management of schools.

5.2 RESEARCH QUESTION

The main research question formulated in Chapter 1 (cf. §1.5) was: Are the schools in Soshanguve which have been declared no-fee-paying schools capable of effective and efficient financial management?

The main research question was divided into the following six research sub-questions:

a. Are the no-fee-paying schools adequately funded by the government?
b. Does the classification of schools as no-fee-paying paying schools affect the financial or general duties of the SGB as promulgated in SASA, 1996?

c. Is there efficient financial management in poor schools? Do all the stakeholders possess the capacity to manage the funds from the government efficiently?

d. Does the classification of schools into no-fee-paying paying have any influence on school financial management?

e. Are there any financial advantages for the ‘poor’ (formerly underprivileged), schools in Soshanguve as a result of being declared no-fee-paying paying schools? and

f. Is the new classification into no-fee-paying schools bringing about proper school financial management in the previously underprivileged schools?

The objectives for the research were also tabulated in Chapter 1. Below follows the discussion on the research design.

5.3 RESEARCH DESIGN

A research design indicates the general plan of the research. A research design, therefore, is the structure that demonstrates which entities and individuals will be researched as well as when, where and in what circumstances they will be studied (McMillan and Schumacher 1997:162). Mouton (2001:55) refers to a research design as a plan or blueprint of how the researcher proposes to conduct research. Kumar (2005:84) asserts that a research design is a procedural plan that is adopted to answer research questions validly, objectively, accurately and economically. The research design corresponds with the research problem which links the collected empirical data to the research’s initial questions and leads to the research’s conclusions (Jones, Wahba and Van der Heijden, 2007:212).
Thus, a research design represents a means of structuring a research project in order to address a defined set of questions (Williams, 2007:65–70). The aim of a research design is, therefore, to find a way in which to answer the research question(s). Through logical means, the researcher collects or gathers information and data about actions and interactions, reflects on their meaning, reaches and evaluates conclusions and, eventually, puts forward an interpretation (Marshall and Rossman, 1995:15).

This research was based on both the qualitative and quantitative approaches. It was deemed necessary for the researcher to use this two-pronged approach as the quantitative phase would yield the numerical data required to address the research question while much of the empirical analysis was based observation and on school-level data obtained from the district office and schools i.e. audited financial statements of schools and informal interviews with the principals of the schools.

5.3.1 Quantitative phase (evaluative)

Research sub-questions a. to e. are descriptive and sought to help, quantitatively, in answering the research question as set above. Research sub-question (f), ‘Is the new classification into no-fee-paying schools bringing about proper school financial management to the previously underprivileged schools (cf. Ch. 1 §1.5.1)?’ may be regarded as evaluative in nature as it sought to evaluate how the new classification into no-fee-paying and fee-paying schools has probable implications on proper school financial management in the previously underprivileged schools. The appropriate design for this phase of research was, thus, the evaluative survey which allowed for the collection of quantifiable data from a
sample. The researcher described the existing phenomenon by using observable trends in school financial management, but without manipulating or controlling the subject.

5.3.1.1 Sampling

Chapter 1 (cf. Ch. 1 § 1.9.1.3.2) has already described the process of sampling, its tenets and variations (purposive, convenience, criterion, etc.) as a principle of quantitative data gathering. The focus in this section is on how sampling was utilised to maximise the efficiency of the data gathering or collection process and for what purposes. Sampling refers to the process of selecting a number of individuals to participate in a research in such a way that they represent the larger group from which they were selected. Thus, a sample comprises individuals, items or events selected from a larger group which is referred to as a population. The purpose of sampling is to gain information about the population by using representatives of the population (Mugo, 2002:1). For the purposes of this research sampling was deemed to be appropriate for the following reasons:

- It was aimed at gaining a better understanding of the problem at hand from the participants’ perspective;
- The research question as well as its sub-questions, posed as aspects of the research problem (cf. Ch. 1 §§ 1.5 and 1.6), had been formulated in an attempt to investigate how schools manage their finances: formerly privileged and underprivileged schools;
- The selection of schools was also influenced by their defining characteristics. Both the schools and the district office were viewed as the custodians of the data required for the research and as encompassing the knowledge and experiences important to the research (Maree, 2010:17; Cohen, Manion, and Morrison, 2011:101).
The research focused on secondary schools only as it was felt by the researcher that they offered a representative size (Cohen et al., 2010:101). The process of sampling was restricted not only to the selection of the participants (cf. Ch. 1 §1.9.1.3.2) but also involved the sampling of the settings, incidents, events and activities which constituted part of the data collection process (Maree, 2010:79). The next sections describe the selection of both the research site and the participants for this research.

5.3.1.1.1 Site selection

As indicated in Chapter 1 (cf. Ch. 1 §1.9.1.3.2), 16 secondary schools from the Tshwane North Educational District were selected for the purposes of the research. Various reasons were mentioned (cf. Ch. 5 § 5.3.1.1) for choosing/selecting the schools which were investigated. In addition, the researcher had been a resident of Soshanguve Township prior to the research and he worked at one of the secondary schools in Soshanguve. The researcher was also familiar with suburban areas of Pretoria, especially the northern areas of Pretoria. The issue of school financial management and education funding is reported on a daily basis in various newspapers such as The Sowetan, and the electronic media. For example, “the personal budget for a better future - key areas likely to change” was reported on 5 of March 2016 on Sowetan (5 March 2016: online, accessed on 22 April 2016) covered education funding. Nevertheless, the improvement of school financial management remains a challenge.

It was this ongoing challenge that triggered the researcher’s interest in establishing important factors playing a role in school financial management. Soshanguve is vibrant in its socio-cultural mix. Like Ga-Rankuwa, a township north-west of Pretoria, Soshanguve, further north of Pretoria, was founded in the 1970s as a boundary township to supply Rosslyn, a boundary
industrial area north-west of Pretoria, with cheap labour. The township was developed under the apartheid laws that separated Blacks from Whites. As in all other townships the education in Soshanguve was underfunded (Christie, 1985:98). This was, thus, one of the reasons why the researcher selected this township in his quest to discover whether any change had taken place as far as education funding and school financial management are concerned.

The researcher sought permission to conduct the research from both the GDE and the Tshwane North district office, (cf. Annexures A and B). The researcher’s selection of the 16 schools to participate in the research took place in the district offices under the supervision of the Educational District Director. The Tshwane North district consists of 56 public ordinary secondary schools. In view of the fact that Tshwane North district is vast, and a reasonable sample was needed (cf. Ch. 1 §1.9.1.3.2), the researcher needed to sample 16 schools only of the 56 public secondary schools. The researcher used a purposive sampling method in terms of which the researcher selected 16 secondary schools from the Soshanguve cluster and City schools. The schools fell under the ambit of Tshwane North district. It is worth noting that secondary schools in the Hammanskraal area which also fall under the ambit of the Tshwane North district were purposefully omitted from the sample as they are, like Soshanguve secondary schools declared no-fee-paying schools, as to avoid duplication of findings.

In the researcher’s opinion the main advantage of selecting schools from the same area or District was that the empirical data used for the purposes of the research would be provided by participants from more or less the same socio-economic and cultural background. Once again, as this was a case research, it was hoped that the data collected from the sample would be sufficient to shed some light on the phenomenon being studied and, thus, help in the resolution of the problems being encountered and the formulation of recommendations to
assist SGBs, in both City and Soshanguve schools, in monitoring and controlling their finances effectively and in line with the requirements contained in Section 42 of SASA, 1996.

5.3.1.1.2 Selection of schools

The schools/participants selected for the data collection process were all secondary schools – the reason for this was discussed in the section above. For purposes of consistency, in particular, each school was subjected to the same questions of review (see Ch. 6). The schools from Soshanguve were labelled from A to H while the City schools were labelled from AA to HH (cf. Ch. 1 §1.9.1.3.2). It must be borne in mind that the schools from the townships were from Quintiles 1 to 3 and were no-fee-paying schools while the City schools were from Quintiles 4 and 5 and were fee-paying schools. Accordingly, the categorisations of these schools are, therefore, no-fee-paying or fee-paying. In other words, the secondary schools from Soshanguve (quintile 1 to 3, as sampled for this research) were treated as no-fee-paying schools while the City schools were treated as fee-paying schools.

5.3.1.2 Data gathering or collection

The data collection instrument used during this stage of the research was documentary analysis. Documentary analysis involves the researcher retrieving relevant documents and obtaining information for the purposes of analysis (Leedy, 1997:191). This process lasted a month only as the documents were readily available at the schools in the sample and at the Tshwane North district office.
Singh and Nath (2010:52) highlight that quantitative, descriptive research uses quantitative methods to describe, record, analyse and interpret conditions. It was revealed in Chapter 4 that school financial management is measured using numerical indicators such as the number of declared no-fee-paying or fee-paying schools within a district (Hoy, Bayne-Jardine and Wood, 2000:13). Thus, the researcher conducted a documentary analysis after collecting the data required to determine whether the schools were capable of sound financial management. According to Catane (2000:37), when documentary analysis is used in descriptive survey research, the analysis is concerned with the explanation of a specific phenomenon at a particular time. The sources of data that may be used include records and reports. The following documents were analysed in order to extract the data required for the research:

- FinCom minutes;
- audited financial statements;
- grant allocation certificates; and
- school budgets.

It was felt that the use of a documentary analysis instead of a questionnaire to collect the data required would enhance accuracy as facts were being sought. According to Kahn and Cannell (1957:157), questionnaire items requiring facts may lead to errors because of memory lapses and/or the respondents either understating or overstating certain facts. Oppenheim (1996:38) emphasises that descriptive research requires a high degree of precision. The researcher was of the opinion that it would not be fair to expect someone else to spend much of their time extracting the data he required and, thus, he requested the documents from the schools and the Tshwane North District office and extracted the data himself.
5.3.1.3 Data analysis

With the help of Centre for Economic Management Sciences (CEMS) (cf. Ch. 1 §1.9.1.3.4) the data from the 16 schools was aggregated and presented using descriptive statistics, namely arithmetic means and percentages, and then presented in the form of bar graphs. The trends, since the classification of schools as no-fee-paying and fee-paying in 2006/13, from the data collected, observed in the new classification into no-fee-paying and fee-paying schools and whether this new classification was bringing about proper school financial management in respect of the previously underprivileged schools were analysed in order to answer the research questions (cf. Ch. 1 §1.5).

5.3.1.4 Measures taken to ensure reliability and validity

According to Nitko (1996:36–37), validity refers to the degree to which a data collection instrument measures what it intends to measure, while reliability refers to the consistency of the results of measurements. Therefore, it is critical that research findings are both reliable and valid. The important types of validity which were considered in this research included face validity, content validity and external validity.

Face validity refers to the extent to which a construct appears to measure what it is supposed to measure. Thus, face validity is, in fact, a matter of judgement (McMillan and Schumacher, 1997:236). With the help of his supervisor the researcher scrutinised the measured instruments and deemed them to have measured the targeted constructs (see Annexures K1 and K2).
Content validity deals with the representativeness of the items in a data collection instrument (see Annexures K1 and K2). In order to improve both the content validity and the face validity of the research the researcher read a wide range of literature on the funding of education and school financial management and the construction of data collection instruments. The data collection instruments were given to an expert (Mr Masenge at CEMS) to judge them and to help to refine them (cf. Ch. 1 §1.9.1.3.4).

External validity seeks to establish the extent to which the results of research may be generalised to the research population. In order to enhance external validity it is necessary to be explicit rather than implicit about the population which is to be generalised (McMillan and Schumacher 1997:162). The population for this research was specified in sections 1.9.1.2.2 and 5.3.1.1.1. Judd, Smit and Kidder (1991:35) argue that “To enhance generalisation, we want to select that sample so that it is as similar as possible to the population as a whole.” This was done by choosing 16 schools characterised by a complete township and City background or profile.

It is critical that research findings are reliable. Reliability may be achieved by ensuring that the data collection instruments yield consistent information (Tuckman, 1994:180–182; Nitko, 1996:62–63). This research focused on a detailed description of the indicators of sound school financial management as there was a need to maintain a high degree of precision (Oppenheim, 1996:38). In order to ensure the accuracy of the numerical data collected, the researcher conducted the documentary analysis to extract the data from school records. It is imperative to note that the social world is always in the state of flux but if another researcher were to use the same instrument on the same data, the researcher may come to the same conclusion. The documentary analysis was used to generate more precise data than the use of
questionnaires. As mentioned above, questionnaires are often susceptible to inaccuracies arising from errors of memory on the part of the respondents (Kahn and Cannell, 1957:157). In order to cross check for possible errors of entry, multiple records (audited financial statements, budgets and grant certificates) were analysed for each school. The data collection schedule was pilot tested in the same eight schools from Soshanguve and the City to ascertain whether the researcher was capturing the desired information. Oppenheim (1996:47) recommends that “Sometimes we can borrow or adapt questionnaires from other researchers, but we need to check if they will work with our own population.”

5.3.2 Qualitative phase

The data required to address research sub-questions a. to e. (cf. Ch. 6 § 6.2.1.4 and 6.2.1.5) was collected using a qualitative approach. This allowed the researcher to obtain documentary information on the quality of education funding and school financial management in secondary schools in Soshanguve and the City and under the auspices of the Tshwane North District. Meadows (2003:398) maintains that, with the emphasis on the views and experiences of the participants, qualitative research helps to understand social phenomena in a natural setting. Documentary analysis of data was used and is discussed in the section on segmenting.

5.3.2.1 Purposive sampling

For this phase of the research the same 16 schools, as mentioned above (cf. 5.3.1.1.2) were purposively selected. This was guided by the views of McMillan and Schumacher (1997:169) who maintain that a convenience sample is a group of subjects selected on the basis of either
accessibility or expediency. The choice of the 16 schools from Soshanguve and the City was based on the fact that these schools were the closest to the researcher’s place of residence and work. In order to ensure information-rich participants, the Deputy Director for Finance and the district financial officer were selected for informal interviews (Parton in McMillan and Schumacher, 1997:397; Marshall, 1998:60). In view of the fact that the researcher intended to use the district office and the schools in order to collect data from the schools’ SGBs, principals and District Officials, the sample of 16 schools was deemed sufficient for the research. Permission was granted by the head office and Tshwane North District to pursue the research in such schools (see Annexures B and C).

Marshall (1998:60) argues that one form of purposive sampling is strategic informant sampling which involves “… selecting the people whom you think can give you the most information”. The research used this strategy of purposeful sampling as it was felt that school managers (including senior teachers) would possess a significant amount of information on the implications of the classification into no-fee-paying and fee-paying on school financial management.

5.3.2.2 Data gathering

In order to meet the set objectives stated in Chapter 1 of the research, a combination of research methods were used to gather the requisite data. Section 5.3.1 above explained how data was gathered or collected using a quantitative method. This section discusses data was gathered using a qualitative method.
a. **Selected schools and the District office**

For the qualitative phase of the research data was collected from the District office (Tshwane North District office) and the school principals (including deputy principals in the absence of the principal) of the 16 selected schools using letters and telephonic requests (to conduct research and need for documentations). The school district officials, especially the Director and Deputy Director for Finance, were consulted as it was felt that this would be less time consuming than numerous requests made to schools and also it would facilitate the collection of a large amount of data from numerous respondents (especially schools) simultaneously (Daymon and Holloway 2002:187). This method was, therefore, regarded as efficient. In addition, this method also enhanced the quality and richness of the data collected as the focused members (schools) were stimulated by the perceptions and ideas of others within the social environment in which they were all found (Daymon and Holloway 2002:186; McMillan and Schumacher, 1997:453). In order to ensure that sufficient data was collected the same 16 schools were used.

b. **The researcher as data gathering or collection instrument**

As recommended by Daymon and Holloway (2002:90), in the qualitative phase of the research the researcher acted as a data-gathering instrument. This recommendation is further reinforced by Borland (20001:6) who states that “The researchers who conduct qualitative research must recognise that they are the primary instruments for the research design, data collection…” In view of the fact that the researcher was the principal of one of the schools sampled and in order to prevent the data interpretations from being influenced by the researcher’s perceptions, the researcher used original documents from the district office as
well as the schools. The researcher was also aware of the difference between the views of the respondents and the researcher’s views, thus, he made every effort to avoid projecting his views onto the respondents. The issues in the financial documents on which the researcher focused had been derived from the broad literature review on the funding of education and school financial management that had been conducted prior to data collection (Chapter 2) and not from the researcher’s own perceptions. The researcher had also read relevant literature on how to collect qualitative data, especially as regards the use of documentary sources.

5.3.2.3 Data analysis

For the purposes of this research the process of analysing the data from documents was guided by the notion that data must be considered from various angles in order “to identify keys in the text that will help us to understand and interpret the raw data” (Maree, 2010:101). Using the comparative method (comparing no-fee-paying with fee-paying schools), the data was organised according to similarities (commonalities: all no-fee-paying or all fee paying schools) and differences with the theme being coded and the evidence verified, interpreted and described. The main objective of this process was to make sense of the data which had been collected (Patton, 2002:432) as well as to transform the data into reliable research findings (De Vos, Strydom, Fouché, and Delport, 2009:333).

a. Segmenting

The researcher read through the transcribed data comprehensively in order to obtain an overall view, thus enabling him to segment the data into logical themes (Daymon and Holloway, 2002:234). This also enabled the researcher to identify those data segments that
were critical in addressing the specific research questions. The data from the sampled schools was segmented into six segments in line with the number of questions posed. These segments were then grouped together.

b. **The use of questions, sub-questions and sub-sub-questions on the analysis of documentary**

The researcher read through the documents provided by the schools and the district office in order to ascertain trends that emerged from 2006/2007 to 2013/2014. In order to perform a constant comparison analysis of the text either in printed form (e.g., set of printed documents on a topic identified from the standard bibliographic databases) or digital form (e.g., set of electronic articles), the researcher first read through either the entire set of information or a subset of the information one unit (e.g., work; section of work) at a time. Next, the researcher divided the information into smaller, meaningful segments through the use of sub-questions and sub-sub-questions (cf. Ch. 6 §§ 6.2.1.3. and 6.2.1.4). The reviewer labelled each segment under a relevant group, for example, City or Soshanguve schools. The reviewer then systematically compared each new segment of data.

The numbered points were then grouped into main themes. Six main themes, as emanating from sub-questions, emerged from the observation and scrutiny of the documents.

c. **Linking the categories**

The categories, same as themes immediately above, were compared to reveal emerging patterns of relationships (McMillan and Schumacher 1997:502). The relationships that were
analysed included cause-effect, association and rationale for the relationships (Johnson and Christensen, 2000:437).

5.3.2.4 Reliability and validity

Although reliability and validity were discussed in the preceding sections (cf. Ch. 5 § 5.3.1.4), when discussing the qualitative method these tend to take on a slightly different meaning. Reliability refers to the stability or consistency of an instrument when the instrument is used repeatedly. It also refers to the researcher’s ability to be transparent, consistent and dependable in his/her research activities so that the research bias is minimised (Kgomo, 2006:102). According to Mcmillan and Schumacher (2010:104), validity refers to the degree to which scientific explanations of phenomena match reality (cf. Ch. 1 § 1.9.2.4). This research took in to account the views of Daymon and Holloway (2002:93) as they argue that the criteria for evaluating reliability and validity are credibility, transferability, dependability and confirmability. These criteria are discussed below.

a. Credibility

Credibility is an alternative to or substitute for internal validity (alternative explanations of results) in which the objective is to demonstrate that the investigation has been performed in such a way that the research participants have been properly identified and described. It is also the assurance that the researcher’s conclusions stem from the data which was gathered or collected (Durrheim and Wassenaar, 2002 in Maree, 2010:299). Rule and John (2011:107) add that the strength of a qualitative research that aims to explore a problem or to describe a setting, a process, a social group or a pattern of interaction is its validity. For the purposes of
this research parameters were described in-depth (cf. Ch. 1 § 1.7) to set a definite boundary around the research. Thus, the schools in the research were requested to submit their school profiles (biographical details) in advance whilst their identities remained confidential to the general public.

The schools in the sample were described in full in terms of being in the township, Soshanguve (formerly underprivileged), and in the City (formerly advantaged schools or ‘Model C’s). The credibility of the research was also ensured by checking for discrepancies in both the data analysis and data interpretation. For example, certain schools’ documents, such as the school minutes of the FinComs, were not available for scrutiny. In the interest of the credibility of the research the researcher did not hesitate to present negative or inconsistent findings, especially as regards the challenges experienced in the Soshanguve secondary schools during the collection of the requisite data (Maree, 2010:299).

b. Transferability

Lincoln and Guba (1985), in De Vos et al. (2005:346), refer to transferability as an alternative to external validity (usually concerned with a single case) or generalisability, in which the burden of demonstrating the applicability of one set of findings to another context rests more with the reader who would make the transfer than with the original researcher. According to Lincoln and Guba (1985), in De Vos et al. (2005:346), it is incumbent on the researcher to refer back to the theoretical framework to show how the data collection and data analysis were guided by theoretical concepts and models. In this research the collection of the data and the data analysis were guided by the education funding models and concepts from the
literature review. Transferability was also ensured by a detailed description of the participants as well as their context.

c. **Dependability**

According to Lincoln and Guba (1985) in De Vos et al. (2005:346), dependability may be regarded as a substitute for reliability and refers to the degree to which the reader may be convinced that the findings did, indeed, occur as the researcher claimed (Durrheim and Wassenaar 2002, in Maree 2010:299). The positivists’ notions of reliability assume an unchanging universe in which inquiry may be replicated or duplicated. This notion is, however, in direct contrast to the qualitative/interpretive assumption that the social world is always constructed and, thus, difficult to replicate.

Dependability is ensured by member checking and the discussion of the identified themes with the participants to make sure that these themes are correct and may be trusted. The researcher also crystallised the data and the research findings with the intention of searching for common themes on which he could depend. In this research, the researcher ensured dependability by going back to the participants, the school principals as well as the Deputy Director (GDE, Tshwane North) with the identified themes to verify whether they agreed with what had been recorded. Discussions were also held with the participants to identify any discrepancies in the themes.

d. **Confirmability**

Confirmability is the degree to which the research findings may be confirmed or corroborated by others (Heron, 2009:105). De Vos et al. (2005:347), quote Lincoln and Guba (1985) in
stressing the need to ascertain whether the findings of a research may be confirmed by another. According to Rule and John (2011:107), conformability is a way of addressing concerns about the researcher’s influence on and biases about the research. In this research, the researcher, although a principal and exposed to financial matters every day of his work life, tried to alleviate any bias and influence by being truthful and considerate and also by ensuring that the principles of research ethics were upheld. In addition, the researcher also strived to continuously reflect on the direction and meaning of the research process.

The ethical measures as undertaken in this research are discussed below.

5.3.2.5 Ethical measures

Ethics is generally supposed to be most concerned about notions of right and wrong conduct. Thus, ethics is essentially the theory of right or wrong (Wodak, 2007:57). This is endorsed by Ferreira (2008:1) who adds that “ethics concerns itself with what is good or right in human interaction”. While gathering or collecting research data it is very important that firm ethical measures or standards are upheld at all times (Office of Research Integrity, 2011:4-17). This, in turn, ensures that the rights and welfare of the subjects and/or respondents are protected at all times. As discussed below this research took substantial ethical precautions.

a. Approval for conducting the research

Public Schools in Gauteng are under the auspices of the Gauteng Department of Education (GDE) (cf. Ch. 1 §1.9.1.3.2). Thus, in view of the fact that the research was to be conducted in Gauteng and, specifically, in the Tshwane North district, the researcher requested the
permission from the GDE to conduct the research. The researcher was requested to complete the form, RESEARCH REQUEST FORM: REQUEST TO CONDUCT RESEARCH IN INSTITUTIONS AND/OR OFFICES OF THE GAUTENG DEPARTMENT OF EDUCATION (see Annexure A), by the office of the Head of Department (HoD). The data collection process was embarked upon only after the approval to conduct the research in the schools had been granted by the GDE.

b. Informed consent

Grady (2010:40–44) claims that subject(s) have the choice either to participate, or not to participate, in any research. Furthermore she states that participation should be based on whether a potential participant, who is capable of making decisions, is provided with information about an intended research in an amount and manner sufficient to promote a thorough understanding of the intention, risks, benefits, alternatives and requirements of the research. Given the information, a subject then voluntarily decides whether or not he/she wants to participate (ibid). It is, therefore, incumbent on the researcher to obtain the informed consent of the participants before they participate in a research (ibid). Informed consent was sought from the GDE after the researcher had provided the GDE with a detailed explanation of the proposed research and the implications of participation. The researcher also met both the Director and the Deputy Director for Finance of the Tshwane North district office (a GDE component) in their offices.

The purpose of the research was explained in detail to these two officials. Despite the fact that the HoD (GDE) had already granted the researcher permission to conduct the research it was imperative that the researcher also talk to the abovementioned officials and obtain their
consent. The Director would then inform and instruct the schools to cooperate while the Deputy Director would grant the researcher permission to use the financial sources under her direct control, for example, budgets and the audited financial statements collected from or as submitted by schools.

c. **Confidentiality and anonymity**

School finances are confidential in nature and, thus, precautionary measures should always be followed in their handling. Accordingly the researcher ensured the anonymity of the schools in the sample. They were, thus, given pseudonyms – A to H for the Soshanguve secondary schools and AA to HH for the City schools. The pseudonyms were intended to protect the reputations of the schools in the face of whatever results may emerge from the research. According to Zoltan and Taguchi (2010:79), the basic ethical principle is that no harm should come to the participants as a result of their participation in research.

d. **Honesty and accountability**

It is important that the researcher is honest and accountable in dealing with the respondents or subjects. The researcher undertook to keep the data which had been collected safe and to use it exclusively for the purpose of the research.

e. **Access to results**

It is incumbent on the researcher to provide the research results to the subjects under scrutiny. The conditions under which the participants or other parties may have access to personal
information gathered during a research or to the analysis of the results must be clearly explained to the research participants. McMillan and Schumacher (2001:194) insist that the subjects must be provided with research results. In the interests of cost effectiveness the results (a copy) of the research was provided to the HoD of the GDE. All the schools in the sample were under the auspices of the GDE and it was, thus, deemed appropriate to provide the HoD with a copy of the research.

5.4 CONCLUSION

This chapter identified and discussed the research design and the data collection methodology used in the research. The quantitative research design was identified as suitable for the purposes of the research and, thus, it was also explained. Reasons were provided for the choice of methodology used. The quantitative data collection methods (Maree, 2010:90), were highlighted and the statistical data and graphical analysis used explained. The qualitative research design was also identified as appropriate for the purposes of the research and, consequently, it was also described. Reasons were also provided for the choice of this research design. The chapter also explained the qualitative data collection strategies (Maree, 2010:90), namely, observations and a review of school documentation.

Chapter 5 was devoted to a description of the methods used in the research. The chapter also touched on the role and position of the researcher within the context of the research process. Issues of subjectivity and objectivity, particularly during the analysis and description processes, were clarified, as were the ethical considerations. The data analysis procedures, trustworthiness and ethical considerations were also discussed. The next chapter, Chapter 6 discusses the presentation, analysis and interpretation of the research findings.
CHAPTER 6
PRESENTATION, ANALYSIS AND INTERPRETATION OF RESEARCH FINDINGS

6.1 INTRODUCTION

The research design and research methodology were discussed in Chapters 1 and 5. In this chapter, Chapter 6, the data that was collected from the schools and the district office are analysed and the findings interpreted. The data collected was in a form of budgets, Final Allocation Certificates, audited financial statements and reminder letters from the PED (GDE) Head Office about the submission of audited financial statements to mention but a few. The data collected enabled the researcher to answer the research question that was posed in Chapter 1: Are the schools in Soshanguve which have been declared no-fee-paying schools capable of effective and efficient financial management?

As mentioned in the previous chapters, the Constitution, 1996 clearly states in Section 29(1) that everyone has the right to a basic education, including adult basic education, and to further education, which the state, through reasonable measures, must make progressively available and accessible. This fundamental right to basic education is further elaborated upon in the Constitution, 1996 Section 9(2), which commits the state to the achievement of equality, and in subsections 9(3), (4) and (5), which commit the state to non-discrimination. These clauses are particularly important as regards affording protection to all learners, including those who are disabled and those who have special learning needs.

The government’s obligation is to provide basic education to all learners and its commitment to the central principles of the Constitution, 1996 are guided by the recognition that it was essential that a new, unified education and training system be based on equity, on redressing
past imbalances and on a progressive improvement in the quality of education and training. In order to redress the past the government had to equalise per learner spending throughout the system. Accordingly, the government introduced no-fee-payings schools for the formerly underprivileged schools, situated mainly in the township and rural areas, and fee-paying schools, mainly former ‘Model C’ schools, as a way of equalising per learner spending.

The aim of this research was to ascertain the implications on school financial management after the declaration of schools as no-fee-paying and fee-paying schools. In order to do this the researcher sampled 16 secondary schools in the Tshwane North District—8 secondary schools in Soshanguve and 8 City schools. This chapter discusses the observations that were made as well the data and facts that were collected or gathered by the researcher. In the next section the data that was collected is presented, analysed and interpreted.

6.2 PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

This section discusses the presentation and analysis of the data and then the interpretation of the results.

6.2.1 Presentation

This section presents and expounds upon the data that was collected between 2010 and 2015. Firstly, the section explains the distribution of the responses. Secondly, the research question, sub-questions and sub-sub-questions are tabulated.
6.2.1.1 Distribution of respondents within the Tshwane North District

As already discussed in Chapters 1 and 5 the research used purposeful sampling. A total of 16 secondary schools were sampled i.e. 8 from Soshanguve and 8 City secondary schools in Pretoria. These schools were all within the ambit of Tshwane North District. In addition, they are all public ordinary schools under the auspices of the Gauteng Department of Education.

6.2.1.2 The research question

As stated in Chapter 1, (cf. Ch. § 1.5), the main research question was as follows: Are the schools in Soshanguve which have been declared no-fee-paying schools capable of effective and efficient financial management?

6.2.1.3 The research sub-questions

The research sub-questions were also tabulated in Chapter 1. These research sub-questions were arranged in order to address the research question more effectively. The sub-questions identified are as follows:

a. Are the no-fee-paying schools adequately funded by the government?

b. Does the classification of schools as no-fee-paying paying schools affect the financial or general duties of the SGB as promulgated in SASA, 1996?

c. Is there efficient financial management in poor schools? Do all stakeholders possess the capacity to manage the funds from government efficiently?

d. Does the classification of schools into no-fee-paying paying have any implications on the school financial management?
e. Are there any financial advantages for the ‘poor’ (formerly underprivileged) schools in Soshanguve as a result of being declared no-fee-paying paying schools? and

f. Is the new classification into no-fee-paying paying schools bringing about equality between the previously privileged and underprivileged schools?

In order to ensure the validity of the sub-questions, these sub-questions were further divided into the following sub-sub-questions:

**6.2.1.4 Research sub-sub-questions**

a. **Are the no-fee-paying schools adequately funded by the government?**
   
   aa. Are the schools able to meet their envisaged needs from the government funds?
   
   ab. Is there any variation between the budget and expenditure as planned?
   
   ac. Is there any misappropriation of funds?
   
   ad. Are the ring-fenced funds (grant from government) adequate for the purchase of LTSM and the payment of maintenance and services?

b. **Does the classification of schools as no-fee-paying paying schools affect the financial or general duties of the SGB as promulgated in SASA, 1996?**

   ba. Are the financial committees functional in the no-fee-paying schools?
   
   bb. Do the SGBs supplement (adequately) the grant from the government?
   
   bc. Are adequate funds raised by other means, especially fundraising?
   
   bd. Do the SGBs encourage parents to support the schools financially?
   
   be. Do the SGBs request donations (in the form of money) from the parents?
bf. Do the majority of parents donate financially to the no-fee-paying schools as decided at the AGM (see financial statements as Annexures E1 and E2)?

c. **Is there efficient financial management in poor schools? Do all stakeholders possess the capacity to manage the funds from the government efficiently?**

   ca. Do the finance committees (FinComs) hold meetings?

   cb. Are the members of the SGB *au fait* with financial management?

   cc. Are audited financial statements submitted when required by the parents as well as the district offices?

   cd. Do the school financial systems comply with the requirements of school financial management?

   
d. **Do the classification of schools into no-fee-paying paying have implications on school financial management?**

   da. Do schools know precisely when they are to receive their grants?

   db. Do the SGBs understand the formulae used to allocate funds to their schools?

   dc. Do the schools start a new financial year with a positive bank balance?

   dd. Are schools able to meet their needs before the grants are deposited into the school accounts?

   de. Do schools adhere to the allocation as determined by the PED?
e. Are there any financial advantages for the ‘poor’ (formerly underprivileged) schools in Soshanguve as a result of being declared no-fee-paying schools?

ea. Are schools in Soshanguve able to effect sufficient improvements (procurement of enough LTSM, maintenance of infrastructure and payment of services) based on the grant and donations from the government and parents respectively?

f. Is the new classification of no-fee-paying schools bringing about equality between the previously privileged and underprivileged schools?

In order to respond to the above questions fee-paying (City) and no-fee-paying paying (Soshanguve) schools were investigated. Every school was asked the same questions and they were then grouped in accordance with their responses to the questions.

6.2.1.5 Responses to the questions

a. Are the no-fee-paying schools adequately funded by the government?

The aim of this question was to find out whether the no-fee-paying schools, as compared to the fee-paying schools, were adequately funded by the government. This question was based on the premise that the State has a duty to fund public schools on an equitable basis. In order to ensure adequate responses to the question, question (a) was divided into the following sub-questions.
aa. Are the schools able to meet their envisaged needs from the government funding?

The format of the responses and how they were obtained were included in the previous chapter, Chapter 5. It was noted from the responses (attached as Annexure K 1) that seven schools of the eight (87.5 percent) schools in Soshanguve were not able to meet their envisaged needs with only one being able to meet its envisaged needs to a degree extent. All eight City schools (100 percent) were able to meet their envisaged needs.

ab. Is there any variation between the budget and expenditure as planned?

A deviation from the planned budget (cost) refers to the difference in costs between the planned baseline against the actual budget. It emerged from the scrutiny of the documents from the district office and schools that only one school out of the eight schools (12.5 percent) in Soshanguve was able to keep to its budget and, hence, deviations. Therefore, the seven remaining schools (87.5 percent) were all deviating to some extent from their budget. Not one of the eight City schools (100 percent) had deviated from their budgets.

ac. Is there any misappropriation of funds?

According to the Doyle (2012:58), in criminal law, misappropriation of funds refers to the intentional, illegal use of the funds of a company or institution for one's own use or other unauthorised purpose, particularly by a public official, a trustee of a trust, an executor or administrator of a dead person's estate or by any person with a responsibility to care for and protect another's assets (a fiduciary duty). This research could not prove
any misappropriation of funds. However, it was clear from the audited reports that seven of the eight schools (87.5 percent) in Soshanguve had a negative variance. A negative variance means that the actual revenues were less than the budgeted revenues, thus the variance (or difference) is negative. The opposite was true for the City schools as all these schools had a positive variance to some extent. This, in turn, means that the actual expenses were less than the budgeted amount of expenses, thus the variances were positive.

ad. Are the ring-fenced funds (grant from government) adequate for purchase of LTSM and the payment of maintenance and services?

The Soshanguve schools in the sample (8) all relied on the government grant. This grant is divided into the following four sections, namely, Section A (50 percent) is for learner and teacher research material(s) (LTSM); Section B (12 percent) is used for infrastructure and maintenance; Section C (38 percent) is used to pay for services and Section D (is allocated as an auxiliary fund within the RTT) is used as a day-to-day allowance.

It emerged that six (75 percent) Soshanguve secondary schools in the sample were unable to adequately fund the purchase of LTSM. The schools in the City also experienced the same shortage of LTSM as the funds allocated were not sufficient. However, unlike the schools in Soshanguve, the City schools often encouraged their parents to supplement their children’s learner materials (see list of stationery attached as Annexure I2). This, in turn, meant that there were no shortages of LTSM in the City schools. The supply of LTSM in the Soshanguve secondary schools was clearly inadequate as learners had to share textbooks. Only two Soshanguve schools were able to
purchase LTSM for all learners. This finding is supported by the Department of Basic Education which stated that “the resource challenges in the system will be addressed, especially with regard to the provision of at least one textbook per child per subject. In 2013 we will focus on basic education LTSM procurement which sets out key milestones and timelines for provincial procurement processes” (DBE, 2013:5).

Section B, which is for the maintenance of the infrastructure, also proved to be inadequate as the eight secondary schools (100 percent) in Soshanguve all showed a negative variance in this regard. The infrastructure of the City schools (100 percent) was intact as the fees paid by the parents of the learners were used for this purpose (see Annexures H1 and H2). The aim of the DBE is to eradicate inappropriate school infrastructure and make provision for water, sanitation and electricity at all schools. According to the Annual Performance Plan 2013–2014 (DBE, 2013:69), the eradication and replacement of 395 mud schools and providing 1275 schools with water, 868 schools with sanitation and 878 schools with electricity remain their highest priority. The infrastructure and maintenance funds, as allocated by the PED, are only sufficient to address the purchase of cleaning materials and light machinery. As observed by the researcher in his capacity as a principal, the funds are depleted as soon as they are deposited into the school bank accounts.

Section C addresses the payment of services. The services paid from these funds include, but are not limited to, the payment of municipal services, photocopying, the maintenance of the photocopier machines and telephones as the school may deem fit. These funds are, however, also inadequate and are usually depleted as soon as they have been deposited in the school bank accounts. In the Soshanguve schools (8) it was found that the PED,
through the District, had had to assist the schools by paying for their municipal bills and photocopying machines (personal communication with Ms Appel on the 13 May 2013). It emerged that the comprehensive secondary school with a technical section (Soshanguve sample) was funded in the same way as the other seven secondary schools, despite its technical section. There was a high demand in this technical section for learner material for welding, motor mechanic, electrical and civil subjects (see Annexure II). However, the school was not able to adequately deliver the relevant curriculum to the learners as a result of the lack and/or shortage of the relevant LTSM. Consequently, this school often had to be assisted by the district office because of its failure to pay for the electricity and other services as consumed during the practical sessions. The researcher was the principal of this comprehensive secondary school.

It was found that the City schools collected sufficient school fees to adequately supplement their allocations from the PED. Accordingly, these schools were never threatened by having their electricity cut or their machines repossessed (personal communication with Ms Appel on 13 May 2013).

Section D (R35000 from 2009 to 2013) comprised the fund allocated by the PED to address the day-to-day activities of schools. It should, however, be mentioned that the City schools were not allocated Section D (R35000) of the government grant (see Annexure F2).

It was found that, in the eight Soshanguve schools in the sample, these funds were soon depleted as they were used for petty cash, transport claims, first aid and other functions which the schools deemed fit. This finding was corroborated by Mr Matlejoane the
Principal of the Phafogang Secondary School in Soweto, on 21 January 2014, as interviewed by the SABC, who stated that “The serious challenge to our school was funding. The school is a no-fee-paying paying school and we received R35 000 for day to day expenditure, whereas the school needed R120 000 for its day to day budget. Parents couldn't support the school financially because of the notion of no fee school. Part of the school financial burden was carried by educators. Educators would, most of the time, pay for their own transportation when going for workshop and meetings. It was very difficult especially for educators who had cars. They would always bail the school out by transporting learners and educators who are without cars” (SABC News, 21 January 2014). Thus, the 8 Soshanguve schools were unable to address their day-to-day needs as the funds allocated were insufficient. This was, however, not in the case in the City schools (8) as these schools experienced few problems in funding their day-to-day activities. In their budgets there was a separate provision for the day-to-day activities and they did not have to rely on the government grant (Information obtained from audited school financial statements examples are attached as Annexures F 1 and F 2).

b. **Does the classification of schools as no-fee-paying schools affect the financial or general duties of the SGB as promulgated in SASA, 1996?**

As stated in Chapter 4 (cf. § 4.2.1.1), according to SASA, 1996, Sections 20(1)(e) and 36(1), it is incumbent on the SGB to support the principal, teachers and other staff in the school in the performance of their professional functions and to supplement the resources supplied by the state to improve the quality of the education provided by the school. In this regard parents may be asked to pay school fees. Such funds are administered by the SGB.
According to SASA, 1996, Section 37(1), the SGB must establish a school fund while it is also responsible for supplementing the state funds to improve the quality of education. However, the SGB may not take out any loans without government approval. The money in the school fund may be used for school and educational purposes only and it may not be redirected into any form of trust fund. The governing body must maintain proper financial records of the school's activities and submit an audit report (conducted by an independent and registered accountant and auditor) on a yearly basis. The governing body must also prepare a budget for the inspection and approval of the parents every year.

The sub-sub-questions are discussed below:

**ba. Are the financial committees (FinComs) functional in no-fee-paying schools?**

Section 30 of the South African Schools Act 84 of 1996 provides that SGBs may establish sub-committees such as a finance committee (FinCom). A FinCom is established to handle school finances on a day-to-day basis. The members of this committee should also include individuals with some financial or accounting background. In seven of the eight secondary schools in Soshanguve, and in line with the report of the GDE Quality Assurance Directorate (26–27 January 2015:6), the FinComs were not functional as cited by the author. In only one of the secondary schools in Soshanguve was the FinCom functioning to some extent. One of the reasons for this apparent lack/minimum of functioning may be ascribed to a lack of meetings as was demonstrated by the lack of FinCom’s minutes. There was no evidence found in the minutes of the SGBs and the GDE Quality Assurance Directorate Reports that these committees were functional in the majority of the Soshanguve schools. According to the
Quality Assurance Directorate (GDE Quality Assurance Directorate, 26–27 January 2015:6; 28 July–1 August 2014:23; 27–31 May 2013), most of the schools in Soshanguve were unable either to produce any minutes or prove that meetings were, indeed, conducted by the FinComs. In some of the Soshanguve schools, although, in theory, the FinComs had been established as a sub-committee of the SGBs, they were dysfunctional. Thus, the analysis of the finance documents of the GDE Quality Assurance Directorate revealed that, in the main, the SGB were not executing their financial functions in accordance with their legal mandate (ibid).

**bb. Do the SGBs supplement (adequately) the grant from the government?**

Although it would appear that the SGBs in the no-fee-paying schools do attempt to supplement the grant from the government, it was clear from the research undertaken and the data gathered that the answer to the question above was a no. Parents do not pay school fees if the schools have been declared no-fee-paying. According to SASA, 1996, Section 36, it is incumbent on the SGBs of all public ordinary schools to supplement the government funding (see b. above) by charging school fees and by conducting other reasonable forms of fund-raising. The right not to charge school fees is limited only to the schools that have been declared no-fee-paying schools. From his experience as the principal of two secondary schools which had been declared no-fee-paying schools, the researcher was aware that such schools were unable to supplement their funds. This is as a result of an understanding that schools which are declared no-fee-paying should not charge any fees. However, the SGBs do not supplement the government funds received nor do they encourage parents to do so (cf. § bc.).
bc. Are adequate funds raised by other means, especially fundraising?

Fundraising clearly plays an important role in the City schools. The eight schools in the sample (100 percent) all raised funds through fundraising. They used various methods to raise such funds. These eight schools, as sampled, have been “adopted” by different companies such as Toyota and Spar. It was clear from the research and from the researcher’s own observations from his experience as principal of two no-fee-paying schools, that the township schools, especially the Soshanguve schools, raised funds only through the learners coming to school in their own clothes on certain days. The learners, through their parents, were requested to contribute between R2 and R5. However, not all the learners could afford to contribute. These contributions were, thus, insufficient and could not cover most of the schools’ needs. Thus, such fundraising efforts failed to supplement the grants allocated by the government (Personal communication with principals of Soshanguve schools, 12 to 14 September 2013).

bd. Do the SGBs encourage parents to support the schools financially?

The City secondary schools in the sample were all classified as fee-paying school and, therefore, the parents were automatically bound to pay such school fees unless exempted (cf. Ch. 4 §4.4.1.2) or exonerated from paying these fees by the SGBs. It was clear that the parents of the eight City secondary schools (100 percent) supported their schools financially and were encouraged to do so by the SGBs. The audited financial statements (donations by parents were appalling, see Annexure E 1 as an example) demonstrated the opposite is practised in the Soshanguve schools with the
parents of seven of the schools (87.5 percent) not encouraged to supplement the government grant. The FinCom minutes demonstrated that the issue of payments or supplementing school funds were not being adequately addressed (see attached Annexure D1 as an example). Since the classification of schools as no-fee-paying schools, SGBs, in the seven sampled Soshanguve schools, are reluctant to encourage parents to support their schools financially. For example and from experience of the researcher, during the AGM the SGBs would request the parents to donate a certain amount the following year but there was no follow up action to ascertain whether parents had complied with the request. It would appear that, at the meetings of the SGBs, the issue of parent contributions were not regarded as crucial and that, instead, passing reference was made to them with no clear direction or way forward on the issue. It was clear, from the minutes of SGB meetings, that the SGBs in 7 of the Soshanguve schools in the sample did not encourage parents to help the schools financially (Annexure D1). Only one sentence spoke of finance from minutes of the FinCoM. This finding was also borne out by the researcher’s experience having been a principal at two secondary schools.

be. Do SGBs request donations (in the form of money) from the parents?

As discussed above it was found that the SGBs of the City schools in the sample did request donations from the parents but that the majority of parents did not comply with these requests. As mentioned above in the Soshanguve schools the SGBs requested the parents to make financial donations but there was no follow up action to ascertain compliance with such requests. A few parents only complied, especially during their children’s first year as learners at the institutions in question. In other words when a
learner started school at a certain institution the learner’s parents would make a contribution in the form of a donation but that, after that, the parents did not contribute at all. This finding was also confirmed by the researcher’s experience as a principal in two of the secondary schools in the sample.

c. Is there efficient financial management in the Soshanguve secondary schools? Do all stakeholders possess the capacity to manage the funds from the government efficiently?

This sub-question attempts to address the question of efficiency in school financial management and whether all stakeholders, within the SGB, possess the capacity to manage funds from the government. The sub-sub-questions follow below.

ca. Do the finance committees (FinComs) hold meetings, are they effective and do they adhere to the school financial policies?

It was clear from the SGB minutes of the eight City schools (100 percent) that their FinComs did hold meetings, and that they were both functional and very effective (cf. ba.). These schools possess policies of finance and the district office ratified these financial policies. However, it was not possible to say the same about seven of the Soshanguve schools in the sample as it was obvious from the research undertaken and the requests to schools to hand over the FinComs minutes and financial policies, that these schools were not complying with SASA, 1996 Section 42, on record keeping. Either the minutes and financial policies were missing from the SGB files or they had not been ratified. Accordingly, it was not possible for the researcher to conclude, with any certainty, whether the FinComs were meeting, whether school financial policies existed and, if so, whether they
were effective. In fact, it was found that it was during executive meetings of the SGBs that financial matters were discussed and decisions taken (see example of the SGB executive meeting minutes as attached Annexure D1).

cb. Are the members of the SGB *au fait* with financial management (cf. § ba.)?

Davidoff and Lazarus (1997:118–120) point out that financial delegation should take into account the importance of equipping members of the school community with the necessary skills in order to enable them to analyse budgets and financial statements and manage finances. It emerged from the audited financial statements reports scrutinised at the district office and the FinCom minutes that the members of the FinComs of the eight City secondary schools (100 percent) were *au fait* with financial management and that they used proper accounting principles, procedures and systems in compiling their books. In the eight Soshanguve schools, in the sample, were in previously underprivileged areas (townships) and the majority of the SGB members were both illiterate and unemployed. Most of the SGB members in seven of the schools (87.5 percent), relied on the principal as well as the school financial officer (a clerk, with no financial background) to handle school financial management (Annexure E1: minutes of the SGB). In one of the schools, the SGB had co-opted the members of staff (teachers) who taught accounting to help with the bookkeeping (personal communications with principals of Soshanguve schools; from the 12 to 14 March 2013). Thus, this research found that, in all 8 of the Soshanguve secondary schools in the sample, the members of the SGBs were not *au fait* with accounting principles, practices,
systems and procedures and, thus, they were clearly not au fait with school financial management.

cc. Are audited financial statements submitted when required by parents as well as the district offices?

In terms of Section 43(5) of SASA, 1996, in order to provide the Gauteng Department of Education (GDE) with the information necessary to evaluate a school’s financial responsibility, schools are required to submit their financial information to the Department by the 30 of June every year. A school must provide this financial information in the form of an audited financial statement as part of a combined submission that also includes the school’s compliance audit.

According to the minutes of the FinComs of the City schools and the checklists supplied by the schools and the district office, respectively, audited financial statements were submitted when required by parents as well as the district office. However, the district office Tshwane North clearly experienced problems in obtaining audited financial statements from the Soshanguve schools. One of the main reasons was that the school financial records in seven of the Soshanguve schools were in disarray and could, therefore, not be submitted timeously to the auditors. Another possible reason was that the financial books were often collected for auditing by the district office after a school was alleged to have misappropriated funds (Personal communication with Mr Mashimbye on 15 of March 2013). These books were taken to undergo forensic investigation after complaints had been received by the Head Office and rerouted to the district
office. These complaints had come from parents, teachers or disgruntled members of the SGB.

The Head Office also sends out letters to remind schools of the required submissions. However, it was found that the majority of Soshanguve schools (7) in the sample did not comply in time or adhere to the due dates while some even failed to submit (see a reminder letter as attached for 2014 financial year, Annexure J). Three schools only were able to submit their audited financial statements after the cut-off date of 30 June of each year. The grants (government allocation) to five of the schools had been suspended due to their failure to submit audited financial statements.

cd. Do the school financial systems comply with the requirements of school financial management?

A school’s financial management system (including the school’s accounting system) must provide effective control over and accountability for all funds received. As stated above, the fact that seven of the Soshanguve schools in the sample had failed to submit their audited financial statements is a strong indication that their financial management systems were not in order or were in disarray. In addition, in view of the fact that all the SGB members, including the principals, were not au fait (cf. § cb.) with accounting procedure, processes and systems, these schools were clearly not meeting the requirements of the school financial management i.e. they did not have a proper school’s accounting system in place and, thus, in all likelihood they were failing to provide effective control over and accountability for all funds received. These seven schools (87.5 percent)
were not keeping accounting/bookkeeping documents, such as a ledger or journal to record their cash flow, reconciliations and other accounting practices. They had cash requisition forms only.

d. Do the classification of schools into no-fee-paying paying and fee-paying have any negative implications on school financial management?

In the case of the 8 City schools the answer to the question above was a resounding no. In most cases the 8 City schools attract learners whose parents are affluent and literate and who are skilled in financial management matters. This, in turn, means there are usually few discrepancies as far as the financial management of these schools is concerned. However, the opposite is true of the Soshanguve schools. The Soshanguve schools rely on the grant from the government and, hence they would not have to practise financial management. The resource allocation from the PED is extremely specific as regards the use of the funds allocated. As mentioned earlier (cf. § ab.) the resource allocation as per the Resource Target Table (RTT) and SASA, 1996 Section 21 allocates funds and these funds are ring-fenced as follows: Day-to-day activities (additional to the grant), LTSM – 50 percent of the allocation, services – 38 percent of the allocation and maintenance – 12 percent of the allocation.

In view of the fact that these funds have been specified and ring-fenced to focus on certain Section 21 functions (all eight schools are Section 21 schools), the schools need only account to the district offices via the submission of receipts and sale invoices. There is, thus, absolutely no need for the schools to practise school financial management as the expenditure has already been predetermined and prescribed. It is, therefore, no wonder that the schools in Soshanguve were not practising financial management. It has already been established that
the SGB members in these schools were incompetent in respect of school financial management.

da. Do the schools know precisely when they are to receive their grants?

Schools receive their certificates for their Final Resource Allocation from the PED by mid-March of every year. They then have to sign and return these certificates for the attention of the Director: Financial Reporting, Funding and Subsidies at the GDE’s Head Office as soon as possible (see Final Resource Allocation 2014/2015 as attached as Annexures F1 and F2). The schools then receive 50 percent of the allocation by May and the other half by November of each year. An example of the Final Resource allocation is attached as Annexure F1 and F2. Schools which have not submitted their audited financial statements do not receive their allocations until they have done so (cf. § cc.).

All eight of the City schools in the sample know precisely when to expect their allocation or grant from the state. However, it emerged from a conversation held with the Deputy Director for Finance at the Tshwane North district office that she was usually inundated with telephone calls from the SGBs as well as school principals from Soshanguve as well as Temba (another township under the ambit of the Tshwane North district office) about the date on which they would receive their grants (personal communication with Ms W. Appel on 13 of May 2013). Thus, this conversation (informal interview) confirmed that, in the main, the schools in the townships, 7 in number and as sampled, did not know when they would receive their allocations from the state.
db. Do the SGBs understand the formulae used to allocate funds to their schools?

Part B of the Final Resource allocation, as attached (Annexure F1 and F2), explains how the allocation is calculated (Fee Status and Calculation of Resource Allocation). The calculation takes into account the status of the schools, per capita allocation (based on the previous year’s allocation) and adequacy amount (based on National School Funding Norms) and it is calculated against the total number of learners within the school (cf. Ch. 4 § 4.5.3). The total allocation calculation is also explained in full on the certificate. It should not be concluded, however, that all the SGB members understand these calculations as stated above, the majority members of the SGBs, in 7 schools, in the townships lack knowledge on financial matters due to high levels of illiteracy (StatsSA, 2012:34-39). However, in the City schools, in 8 sampled schools, whose finances are managed by experts, the SGB members at these schools do know and understand the formulae used for the allocation of funds to their schools by the state (personal communications with principals of City schools on 20 March 2013).

dc. Do the schools start a new financial year with a positive bank balance?

The audited financial statements, collected from the district office, revealed that the majority (7) of the Soshanguve schools in the sample had depleted their budgets by the end of the financial year. The frequent telephone calls to the Deputy Director about the need for the district office to deposit money (grant from the state) into their school banking accounts bore testimony to this fact. For example, one of the schools had incurred a deficit of R162 100 at the end of the
2012 financial year (Annexure E1). The research revealed that seven of the Soshanguve schools in the sample encountered financial problems at the beginning of each academic year.

**dd. Are schools able to meet their needs before the grants are deposited into schools accounts?**

School grants or allocations are deposited into the school banks accounts in May and November of each year. If one likened the schools were cars, we would be saying that, before the deposit of the allocation in May, the majority of Soshanguve schools, seven in number (87.5 percent), would be running on either reserve or empty. In other words, their funds have already been depleted (cf. § dc.).

**de. Do schools adhere to the allocation as determined by the PED?**

The research found that seven of the Soshanguve schools in the sample were not able to adhere to the allocation as determined by the PED through the RTT allocation certificate. Since the funds were not adequate for these schools, in respect of needs such as claims for transport, sports and culture, to mention but a few, deviations took place in order to address the afore-mentioned needs above (cf. § ab.). All the audited financial statements of the Soshanguve schools in the sample and that were examined were not able to indicate whether the audit reports on the schools’ finances were either unqualified or qualified (see Annexure E1). The auditors merely indicated that, as requested by the schools in question, they had examined the documents of the schools but they were silent on
whether the books were good (unqualified report) or not (qualified report). This was a result of the fact that, when the auditing takes place, the auditors are not supplied with the RTT certificates or with the schools’ budgets. In addition, all, eight sampled Soshanguve schools, the audited financial statements from the Soshanguve schools which were scrutinised had not been audited by auditors but by accountants who were not auditors. According to SASA, 1996, Section 43(1), the governing body of a public school must appoint a person registered as an accountant and auditor in terms of the Public Accountants and Auditors Act 80 of 1991 (Act No. 80 of 1991) to audit the records and financial statements of the school.

e. Are there any financial advantages for the ‘poor’ (formerly underprivileged) schools in Soshanguve for being declared no-fee-paying paying schools?

Based on the literature, the African National Congress’s Reconstruction and Development Programme (RDP) (ANC Policy Document: RDP, 1994:np), National Development Programme (NDP) (ANC 53rd National Conference Resolutions, 2012:68–79), the 1955 Freedom Charter (ANC 2007:3) and Section 9(1)(a) of the Constitution of South Africa (RSA 1996:14) all articulate the universality of the right to basic education. These documents have exerted a national pressure on the South African government to introduce educational laws to transform the schooling system in such a way so as to benefit all the learners in the country. The exclusion of poor learners had discriminated against them and violated their constitutional rights to basic education.

The South African government responded to these pressures by amending the SASA, 1996 and reviewing the Norms and Standard School Funding. The result was the introduction of a School Fee Exemption Policy that came into effect in 1998 and which exempted poor parents from paying
mandatory school fees. Thus, the *School Fee Exemption Policy* was introduced so that school fees could be formally waived for learners from poor families (Hall and Monson 2006:45).

Unfortunately, the inability of SGBs to manage and administer the *School Fee Exemption Policy* has meant that the fee exemption policy has been ineffective in relieving poor parents of the burden of paying school fees (Hall and Monson 2006:46). In other words, the policy has not assisted the South African government in providing basic education to learners from poor families.

From the literature point of view it can be summed-up that realising the ineffectiveness of the School Fee Exemption Policy, the South African government then passed the Education Laws Amendment Act 24 in 2005 to allow the Minister of Education to declare some schools as no-fee-paying schools, especially those serving poverty-stricken communities (Harrison, 2006:173). The fact that these no-fee-paying schools were not permitted to charge mandatory school fees (Harrison, 2006: 173; RSA 2006:42) meant that basic education became available and accessible to the poor learners. “In financial terms, abolition of school fees minimises the schooling costs and brings about easy access to primary schooling” (Nsapato, 2005:2). On 1 December 2006, the then national Minister of Education declared 12,856 public ordinary schools, catering for a total of 5,001,874 learners, to be no-fee-paying schools (Macfarlane 2007:1). The implementation of the national no-fee-paying school policy (NFSP) began on 1 January 2007. Since that date, the South African government had been declaring schools as no-fee-paying schools in December of each year.
ea. Are schools in Soshanguve able to effect sufficient improvements (the procurement of LTSM, maintenance of infrastructure and the payment of services) based on the grant and donations from the government and parents respectively?

The answer to this question is both yes and no. On the one hand, the research found that all the secondary schools in Soshanguve in the sample were able to procure LTSM in time and also, to a certain extent, to maintain their schools within a short space of time and without waiting for the process and procedures of procurement at the district office. On the other hand, the research also found that seven Soshanguve secondary schools in the sample were financially poorer than the City schools in the sample. According to the Deputy Director for Finance at the Tshwane North district office, since the start of the school year in January, their escalating financial difficulties had affected the payment of claims to staff members, the repair of school property, the payment for affiliation to sport bodies, the procurement of equipment, the general maintenance of facilities as well as the payment for security services. The district office had to assist some schools to pay for municipal services (Personal communication with Ms Appel on 13 May 2013).

f. Is the new classification of no-fee-paying schools bringing about equality between the previously privileged school and underprivileged schools?

According to the Organisation for Economic Co-operation and Development (OECD) (2008:1), a reasonable and inclusive system that makes the advantages of education available to all is one of the most vigorous devices to making a nation more equitable than may otherwise have been the case. Although education has expanded significantly in the second half of the 20th century hopes that this would automatically bring about a fairer society have
been only partly realised. The answer to f. was, therefore, a no, at 87.5 percent respondents from Soshanguve schools. In the words of Fiske and Ladd (2004) *equality and equity* still remain *elusive*. In fact, according to (Fiske and Ladd, 2004:X), “the country has been less successful in promoting equity, defined either as equal educational opportunity for students of all races or as educational adequacy. Thus educational equity has, to date, been elusive”. It is a fact that the schools in Soshanguve are still backward and lack important resources such as proper playgrounds and computers.

### 6.3 ANALYSIS AND INTERPRETATION OF RESULTS

According to Ary, Razavieh and Sorensen (2006:490), data analysis involves reducing and organising the data, synthesising, searching for significant patterns, and discovering what is important. This section deals with the analysis of the data and the interpretation of the results of the research.

#### 6.3.1 The adequacy of the government funding of no-fee-paying schools (cf. § a.)

It would appear from the data collected and analysed that there is a mismatch between the schools’ prioritised needs (budget) and the amount of government allocated funds. This is contrary to what the sixteen schools had envisaged before they applied for Section 21 status. The majority of the problems of the no-fee-paying schools are further exacerbated by the lack of supplementary funds collected either through fundraising or monetary pledges/donations by parents. This, in turn, is evidently rendering the schools ungovernable as it is not possible for the SGBs which rely on the government funding and school finances to function optimally.
6.3.2 The classification of schools as no-fee-paying schools affects the financial or general duties of the School Governing Body as promulgated in SASA, 1996 (cf. § b.)

As mentioned in subsections b. and sub-sub-section ba. above, one way or the other, the classification of schools as no-fee-paying schools affects both financial and the general duties of the SGB. Before the schools were declared no-fee-paying schools the SGBs had control over the money collected from the parents in the form of school fees. However, this is no longer the case because money is allocated to the schools for specific purposes. In other words, the funds (the grant) from the government are ring-fenced and may not be used for activities other than those for which they are intended. It has been said that “money makes the world go round”. However, the world in these schools is not going round as the schools are financially insolvent (cf. § dc.). In view of the fact that the parents in no-fee-paying schools are automatically exempted from paying school fees it is extremely difficult for the SGBs to achieve their strategic goals and objectives as planned.

6.3.3 The efficient practice of school financial management and the capacity of the School Governing Bodies in the no-fee-paying schools to manage the funds from the government

Prior to the declaration of schools as no-fee-paying or fee-paying in 2007, all the schools within the District of Tshwane and across the country were supposed to be accountable for all the monies collected and paid into the school fund. Even before the declaration of schools as no-fee-paying or fee paying schools, there has always been the problem of financial management within township schools around South Africa. It was clear from the data (cf. § c. and cb.) that the schools in Soshanguve did not have sound financial systems in place and that the SGBs had not been effectively trained to manage the school finances efficiently. The
SGB Finance Committees (FinCom) play a vital role in the efficiency and effectiveness of the school finance policy (cf. § ca.). During the collection of the data the researcher did request the schools’ financial policies (telephonically). Although all the schools, including the City schools, had indicated that they had financial policies, when the researcher requested these documents for the documentary evidence, this proved not to be the case. Six schools of the Soshanguve schools did not have financial policies while the financial policies of the other two schools, although available, had not been ratified either by the district office or the SGBs and parents. This is a monitoring problem faced by the GDE. The financial policies of all 8 of the City schools were available and they had all been ratified by the SGBs and the district office.

6.3.4 The classification of schools into no-fee-paying paying has implications on school financial management

It may be concluded from what was discussed above (cf. §§ c. and ce.) that the classification of schools into no-fee-paying has had a negative implications on school financial management. In other words, it got worse after 2007 (cf. Ch. 6 § 6.3.3). In view of the fact that the Soshanguve schools rely on the government grant, aspects of financial management, especially cash flow, budgeting, general expenditure, control (as seen from the lack of FinComs meetings in seven of the Soshanguve schools) and monitoring, appear not to be happening. It may, thus, be concluded in these schools that school financial management does not take place. The budget is drawn up, as in one of the schools in Soshanguve, merely to comply with Section 38 of SASA, 1996 which states that:

(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 financial year.
(2) Before a budget referred to in subsection (1) is approved by the governing body, it must be presented to a general meeting of parents convened on at least 30 days' notice, for consideration and approval by a majority of parents present and voting.

6.3.5 The School Governing Bodies do not have the knowledge of the formulae/criteria used to allocate funds to their schools

As mentioned above (cf. §§ cf. and db.), the research found that the SGBs in the Soshanguve schools lacked knowledge regarding the criteria used to determine the amount of funding the schools had received or would receive. Their knowledge was limited to the number of factors such as number of learners, level of poverty as reflected in the quintile ranking, used to declare them as no-fee-paying or Section 21 schools as stated on the RTT certificate. However, the SGBs knew nothing (cf. § db.) about the formulae used to calculate the allocations to schools (cf. § db.). If the SGBs were conversant with the formulae and criteria used for calculating their allocations this may help them to plan properly.

6.3.6 Late deposit of government grant to schools

Schools are notified at the beginning of each year of the amount that is going to be allocated to their school through the RTT certificates. Unfortunately, however, the schools and their governing bodies do not know precisely when these funds will be deposited into their bank accounts (cf. § da.). The majority of the schools normally receive their allocations during the second half of the year although this is contrary to the policy of the GDE which provides for early allocation. This, in turn, makes financial planning difficult if not impossible. The schools that collect school fees sometimes operate with two budgets, namely, one based on the state allocated funds and the other based on the supplementary contributions from the parents or donors. On the other hand, the schools that do not collect school fees depend
primarily on the PEDs allocations that are received in May and November from the Department of Finance. This money has to be distributed in sequence; from the province to the District and then to schools. However, this often leads to delays in the money being deposited into the school accounts (the researcher has personal experience of this). This then creates difficulties for school financial management because monitoring the budget under such circumstances is both challenging and problematic (ibid).

It would seem that the centralisation of the school budgets is a major factor in the late allocation of funding to schools.

6.3.7 The financial advantages of declaring Soshanguve schools as no-fee-paying

It was clear from the data collected, as presented in sub-sections e. and ea, that there are both financial advantages and disadvantages for schools as no-fee-paying schools. The advantage of being declared a no-fee-paying school is that schools are able to appoint service providers and contractors of their choice. Thus, the SGB is able to discuss discounts, if possible, that may benefit the school, with the above-mentioned service renderers. However, deviations are not permitted as the funds are ring-fenced for specific financial activities within the school.

No-fee-paying schools are sometimes also underprivileged when they are left with unpaid claims for transport, sport affiliation and the erection of suitably resourced libraries and laboratories, to mention but a few. Schools allocations are determined on the basis of the number of learners, thus, the fewer the learners the lower the funding. Unfortunately most affluent parents from Soshanguve send their children to City schools because the resources in
the City schools are better than those in the Soshanguve schools. These parents are willing to pay school fees for their children’s education.

6.3.8 The new classification into no-fee-paying schools brings about equity and equality between the previously privileged and underprivileged schools

As already indicated, in sub-sections f. and sub-sub-section fa. above, the new classification into no-fee-paying schools is failing to bring equity and equality between the fee-paying City schools and the no-fee-paying schools in Soshanguve. Historically, the system of funding was unfair because the main focus was on the White population of South Africa. During the apartheid era parents in Soshanguve schools paid school fees and bought LTSM for their children. This was to the benefit of these schools as they could use the money from school fees to improve the schools. However, the new system of funding is inadequate for the Black population in the formerly underprivileged areas, particularly for Africans in the township schools. The schools in these areas still lack amenities such as athletics tracks, soccer and rugby pitches, halls, libraries and laboratories. As stated by Fiske and Ladd (2004:248) equality and equity are still illusory.

The no-fee-paying schools are financially poor while the no-fee-paying policy is continuing to disadvantage the schools in townships.

6.4 CONCLUSION

This chapter focused on the presentation and analysis of the quantitative and empirical data as gathered. The data revealed that school financial management systems, as represented by the SGBs and FINCOMs, experience challenges in the execution of their duties of managing the
funds allocated by the government under the system of the decentralisation of financial control. It should be generally understood these problems and challenges are indicative of the need for capacity building on the part of the SGBs in respect of school financial management. It may be concluded from the presentation and analysis of data that the categorisation or ranking of most schools in Soshanguve into no-fee-paying have negative implications on school financial management.

In the majority of the no-fee-paying schools budgeting and monitoring do not take place. The research also found that the SGBs were often not aware when their School Allocation Funds (SAFs) would be made available, thus rendering their financial planning null and void. It was also deduced that the Soshanguve schools SGBs lacked the capacity to fundraise or supplement the grant from the government as per the directives of SASA, 1996. Accordingly, the Soshanguve schools tended to rely more on the grant than on funds contributed by the parents or raised by the SGBs.

The final chapter, Chapter 7, focuses on an overview of the research and the research findings. The chapter also contains recommendations for further research and discusses the conclusions drawn.
CHAPTER 7
OVERVIEW OF THE RESEARCH, RESEARCH FINDINGS, RECOMMENDATIONS AND CONCLUSION

7.1 INTRODUCTION

In Chapter 6 the data that had been collected was presented and analysed and the results interpreted. The research examined the implications of the declaration of no-fee-paying schools for the school financial management of secondary schools in Soshanguve from a theoretical (literature review), empirical and personal experience perspective. As discussed in Chapter 6, the data analysis revealed that there were little or no school financial management in seven of the eight secondary schools in Soshanguve (Tshwane North) which formed part of the sample. It was clear that the funding by government and the declaration of the schools in Soshanguve as no-fee-paying had had negative consequences in seven sampled schools as it has, from 2007 to date, exacerbated by the SGB members having challenges on financial management (cf. Ch. 1 §1.2).

The research also revealed that equity (fairness) and equality (parity) remain elusive (Fiske and Ladd, 2004:248) when the funding of the former underprivileged and the privileged schools is compared. The modus operandi has not changed, poor schools have remained poor and rich schools, richer, since the declaration of schools as no-fee-paying and, in fact, it may even have deteriorated with a shortage of text books being commonplace (Chapter 6). The research has shown that the City schools, as sampled, were highly funded (drawing most of their funds from school fees and fundraising) while the Soshanguve schools in the sample were both underfunded and financially mismanaged.
Chapter 7 will begin with a summary of the previous six chapters and, thereafter the research findings will be used to form the basis of recommendations which may assist the DBE and GDE Head Offices, the Tshwane North district office and the school governing bodies to manage their finances efficiently, effectively and economically and assist schools to become self-reliant.

7.2 OVERVIEW OF THE RESEARCH

This section contains an overview of the research from Chapters 1 to 6.

7.2.1 Chapter 1

Chapter 1 dealt with the formulation of the research problem. It also covered the motivation for the research, the research problem, research questions, the qualitative and quantitative methods and the data that was collected and analysed. In addition, Chapter 1 defined the concepts relevant to the research and explained the sequence of the chapters.

7.2.2 Chapter 2

Chapter 2 contained the literature review with both local and international literature on school financial management and funding being reviewed. It emerged from the literature reviewed that several writers have addressed the issue of education funding as well as school financial management but that the implications of the declaration of schools as no-fee-paying schools on the school financial management has not been explored.
Chapter 3 discussed the education funding models in the United Kingdom and Zimbabwe and the history of education funding in South Africa from 1948 to 1994. The funding models were discussed for comparative purposes. South Africa’s history of inequality in the funding of education was highlighted. Chapter 3 also discussed the various school models that were introduced on the eve of the new democratic South Africa to replace the old system of White education in South Africa although anyone can attend ‘Model C’ schools, but school fees is a problem. However, although these models were apartheid orientated, they (especially the ‘Model C’ policy) formed the basis for the creation of the South African Schools Act 84 of 1996 (SASA, 1996), which led to the introduction of school governing bodies (SGBs).

For the first time in South Africa school governors were introduced to the ‘Model C’ schools. These governors were given the power to decide on their schools’ funding as well as the admission of learners and other related governance issues affecting their schools. Chapter 3 also discussed the differences between the concepts of centralisation and decentralisation and explained these concepts and how they differ from each other. Education funding under the Government of National Unity (1994 to 1999) was also discussed.

Chapter 4 introduced the new education funding model used in South Africa from 1999 to 2014. The new education funding model was undertaken after the demise of the Government of National Unity, 1994 to 1999. The chapter also discussed the promulgation of the SASA, 1996 which, for the first time in the new democratic dispensation South Africa, introduced in
the old ‘Model C’ s democratically elected SGBs. The SASA, 1996, promulgated in 1996, formed the cornerstone of all the education legislation passed by the new government. It finally dismantled the apartheid education system by bringing the 14 separate education authorities under one system of administration in which everyone was treated equally. Specifically, it prohibited discrimination, granted all learners right of access to ‘quality’ education, and made schooling compulsory for children aged 7 to 14. A central innovation was the provision for democratic parental participation through the SGBs in all public ordinary schools. From a legal perspective the purpose of the SASA, 1996 was to lay down the rules for the democratic governance of schools. In addition, it outlined school funding norms that prioritised redress and targeted poverty in the funding allocations to the public schooling system. The Act outlined the powers and duties of the various members of the school community with respect to school governance.

7.2.5 Chapter 5

Chapter 5 discussed the research design and methods used to collect the data required for the research. Thus, the chapter discussed quantitative and qualitative methods and how they were used to collect and analyse the data in this research.

7.2.6 Chapter 6

Chapter 6 contained a discussion on the main findings from the empirical investigation, the researcher’s experience and the literature research as analysed in Chapter(s) 2 and 5. This discussion also involved answering the main research question, namely: *Are schools which have been declared as no-fee-paying schools capable of school financial management.* The
conclusion drawn was that, as a result of their being declared no-fee-paying schools, the schools in Soshanguve in the sample were not capable to practising sound financial management.

The next section will discuss on the comprehensive findings of the research, recommendations and conclusions.

7.3 COMPREHENSIVE FINDINGS OF THE RESEARCH

The following include the comprehensive findings of the research as derived from the literature review, the empirical research and personal experience.

7.3.1 Ring-fenced funds cannot meet the needs of the former underprivileged schools [cf. Ch. 6 § 6.2.1.5 (ad)].

It was reported in section 6.2.15 (ad) that, in Soshanguve (8 schools as sampled), the ring-fenced funds are depleted rapidly, before they may be used for the purposes for which they were intended. These include petty cash, transport claims, first aid and other functions the schools may deem fit. Reschovsky (2006:26) highlights that the South African Constitution requires each province to use its equitable share of the budget to provide for basic services, including education and health, and to perform the functions allocated to it. Thus, as discussed in Chapter 4 (cf. §§ 4.3.1 and 4.8), each Provincial Education Department receives an allocation from the provincial legislative government to cater for the personnel costs and non-personnel costs pertaining to education. The allocation includes funds for LTSMs, learner transport, school maintenance and equipment (Reschovsky, 2006: 26–32). However, the grant from the government is inadequate and does not meet the needs of schools in
Soshanguve or the schools in other townships (cf. Ch. 6 § ad.). Sport, culture and other expenses are not catered for. The ring-fenced funds are not sufficient to provide for adequate text books and stationery for both learners and teachers, the maintenance of infrastructure and the payment of services. These are discussed below:

7.3.1.1 Inadequate provision of Learner and Teacher Study Material (LTSM) [cf. Ch. 6 § 6.2.1.5 (ad.)]

As explained in Chapter 2 (§ 2.6) (literature review) and endorsed by Fredriksen (2007:39), the no-fee-paying school allocations should be utilised for purchasing basic learning and teaching support materials and for paying for the maintenance of the infrastructure so as to enhance the quality of the teaching and learning process. Unfortunately, however, the funds provided are not sufficient to purchase enough text books and stationery for the schools [cf. Ch. 6 §6.2.1.5 (ad.)]. In most cases an allocation from the department of education is not sufficient for the school to buy the text books for an ordinary grade let alone the whole department (for example, the department of languages) within the school. As a result learners are forced to share textbooks (cf. Ch. 6 §6.2.1.5 (ad.). In addition, instead of topping up the existing textbooks which have already been acquired, the schools are faced with and challenged by the demands of an ever changing curriculum. While this research was being conducted, the new MEC for Education in Gauteng, Panyaza Lesufi, declared that all the Grade 12 classes in the no-fee-paying schools would be paperless (The Mail and Guardian, 21 July 2015: Online and accessed on 30 July2015). Paperless classrooms make use of information and communications technology (ICT) with interactive screens replacing chalkboards and tablets replacing books for the learners. This, in turn, means that the new budget, R17bn, which is supposed to be used for topping up the textbooks, is being diverted
to fund the tools of teaching and learning required by a paperless environment, for example, the installation of interactive boards in classroom and the provision of tablets for learners and laptops for teachers (ibid).

As discussed in Chapter 6, it is worth noting that the eight City schools in the sample, which are fee-paying schools, are able to provide adequate LTSM to all their learners. The meagre grants allocated to these schools by the government are supplemented by school fees, thus enabling the schools to buy sufficient textbooks and other LTSM (cf. Ch. 6 § 6.2.15). In addition, the parents were also encouraged to supplement the LTSM as provided by the schools (ibid). One of the comprehensive high schools (which also teach technical subjects) in the City has encouraged parents to provide learner material such as drawing boards, sets of mathematical instruments and welding rods, to mention but a few (Annexures II and I2).

7.3.1.2 Inadequate allocation of infrastructure and maintenance funds [cf. Ch. 6 §6.2.1.5 (ad.)]

Like Zimbabwe, after education expansion (cf. Ch. 3 § 3.4.2.3.1), the research has revealed that the LTSM, the allocation for maintenance is also insufficient and, thus, maintenance projects are not adequately provided for in the Soshanguve sampled schools. Schools often spend this allocation on cleaning material, thus failing to carry out minor repairs. For example, old taps are left dripping as a result of the lack of funds to acquire new ones or to replace the rubbers. The district offices as well as the Head Office will attend to the maintenance of infrastructure only in cases in which there has been an incident of severe magnitude such as the destruction of buildings by fire or the school ceiling has collapsed on top of learners or where there has been an intervention by the MEC or the DBE. School grounds are also unattended because of the lack of funds (Government of South Africa, 2015: 268
Budget Vote 2015/16). Like many other schools in the townships and rural areas of South Africa, the laboratories of the eight Soshanguve secondary schools in the sample are in an extremely poor state because the schools lack the funds required for maintenance (Mail and Guardian, 28 September 2012:online, accessed on 25 September 2014 and Saturday Star, 9 August 2014: Online, accessed on 25 September 2014. According to Dlamini (on school laboratories) (The Saturday Star, 9 August 2014:online, , accessed on 25 September 2014), a principal of one of the schools in Soweto, Gauteng, is quoted as saying that; “the equipment is very old. Sometimes we try to go to nearby schools here in Soweto who have better labs and try to share our resources”.

In the eight City schools in the sample the maintenance funds are supplemented by school fees. As a result the sports fields as well as other amenities are taken care of (visits undertaken by the researcher: photographs are attached as Annexures H1 and H2). In addition, there are sufficient funds to employ more ground workers in SGB posts (salaries paid by the SGB and not the government) to take care of the maintenance of the entire school.

7.3.1.3 Insufficient apportionment of services funds [cf. Ch. 6 § 6.2.1.5 (ad.)]

As with the two above-mentioned allocations, namely, the procurement of LTSM and the funding of infrastructure and maintenance, the services funds distributed are also inadequate. For example, the schools’ electricity supply is often cut because of unpaid debts to the municipalities. Photocopying and duplicating machines are expensive both to run and to maintain. As a result, the meagre allocations create a backlog in terms of producing support material for both teachers and their learners. In addition, different schools consume in different ways, especially schools with technical sections or departments [cf. Ch. 6 § 6.2.1.5
Technical secondary and normal secondary schools receive the same funding. Thus, the needs of the technical schools are not taken into consideration (the researcher was a principal of a comprehensive high school which also taught technical subjects).

As mentioned above, the eight City schools depended primarily on school fees and fundraising. These eight secondary schools were able to pay for their services despite being underfunded by the state. Most City technical high schools are extremely well resourced with parents supplementing the funds required to run this institution (see Annexure E2).

7.3.1.4 The day-to-day income (as provided by the government) is not sufficient to meet the day to day needs of schools [cf. Ch. 6 §6.2.1.5 (ad.)]

Meeting the day to day expenses poses a huge challenge. There are always claims to reimburse or pay claimants. The amount of R35 000.00 per annum, which is allocated to the no fee schools – the allocation for day-to-day activities for the past five years, i.e. from 2009 to 2015, is inadequate to meet the needs of the secondary schools concerned. This allocation must pay for transport, workshops for teachers as well as learners (in most cases the RCL), further training, sport and culture, petty cash and other relevant day to day expenses. This, in turn, often results in the school not adhering to the ring-fenced policy with subsequent deviations in the use of the funds.

The City schools are not allocated day-to-day funds from the government (see Annexure F2). However, there are funds budgeted for petty cash purposes only. Transport, sport, culture and teacher development are also budgeted for separately.
7.3.2 FinComs either not meeting or not following the proper procedures [cf. Ch. 6 §6.2.1.5 §§ ba. ca. and cb.]

It was evident from the SGB minutes collected from the eight schools in Soshanguve that the FinComs in seven of the schools did not meet or, in some cases, did not even exist. It was also found through observation that finance policies were often non-existent (the researcher, as a secondary school principal, had been able to request their finance policies from the secondary schools). Thus, these schools were in contravention of Section 30(1)(a) of SASA, 1996, which requires schools to establish committees, especially FinComs. The district officials, especially the cluster leaders, are also to blame for not ensuring that such structures (FinCom) were functional. Section 19(2) of SASA, 1996 states that:

The Head of Department must ensure that principals and other officers of the education department render all necessary assistance to governing bodies in the performance of their functions in terms of this Act.

It emerged from the data presented in Chapter 6 that the eight City schools all had fully constituted FinComs i.e. they were properly constituted and active. These FinComs held meetings and the funds were properly managed (cf. Ch. 6 § 6.2.1.5 §ba.).

7.3.3 Donations from parents [cf. Ch. 6 §6.2.1.5 (b., bb. and bd.)]

As alluded to in Chapter 6, it was clear from the research that seven of the no-fee-paying schools in the sample were highly reliant on government funds. Even if the parents were requested to make donations to enable the school to cope, in the main the parents in the above-mentioned schools did not contribute financially to the schools. It was clear that the parents in these seven Soshanguve schools did not understand the dynamics of no-fee-paying schools such as ring-fenced allocations for LTSM, infrastructure and maintenance, to mention but a few. They were under the misapprehension that education was absolutely free
and, therefore, they saw no need to contribute. In addition, the SGBs (constituted of a majority of parents) also did not encourage parents to make donations (cf. Ch. 6 § 6.2.1.5 §§ bd. and bf.). Both the SGB and the parents, it can be assumed, were suffering from an entitlement mentality and were, thus, of the opinion that everything at school should be free (the researcher’s personal experience having been a principal at two no-fee-paying schools). In the main the parents of learners who registered at the schools for the first time tend to make donations as compared to the rest of the parents from the second year upwards who do not bother to donate (from personal experience). The schools, therefore, are forced to meet other needs such as transport claims as well as the costs of sport and cultural activities and teacher and learner development without the financial assistance of the parents. As mentioned above (cf. Ch. 7 § 7.3.3), the City schools appeared to be proficient at fundraising (a skill that could be borrowed by the SGBs of the eight Soshanguve schools in the sample). In addition to their school fees the City schools also rely on donations for which they apply and fundraising (ibid). Although Zimbabwe had earlier declared schools to be no-fee-paying (cf. Ch. 3 § 3.4.2.6), so to say, it had to change and demanded that parents pay for the education of their children as the budget for education was failing to stabilise. The South African government has to revisit and review the policy of no-fee-paying.

7.3.4 Budgeting either non-existent or procedures not followed (cf. Ch. 6 §6.3.4)

It emerged from the findings discussed in Chapter 6, section 6.3.4 that budgets were drawn merely to comply with section 38 of SASA, 1996 which compels all schools to draw up budgets. The diagram below illustrates what was happening at seven of the eight secondary schools in Soshanguve.
As already discussed and illustrated in the figure above, both the government funding received and the other sources of income are inadequate and no budgeting takes place.

There was clearly inadequate reporting to the government as well as parents and, thus, lack of accountability (cf. Ch. 6 §6.3.6). If the parents who have voted for a budget are unable to support the budget financially, either through ‘donations’ as they term the funds they contribute or through fundraising, the AGM at which the budget was presented and adopted should be regarded as a waste of valuable time and, in fact, should not have taken place.

As discussed in Chapter 6 (§ 6.2.1.5 subsection bd.) the eight City schools all drew up and presented their budgets at the AGMs. It is at these AGMs that the school fees for the following year are discussed and adopted sometimes not without a ‘fight’.
7.3.5 Unauthorised, fruitless and wasteful expenditure (cf. Ch. 6 §6.3.4)

As reported to in Chapter 6 (cf. § 6.3.4), seven of the eight secondary schools in Soshanguve either did not adhere to their budgets or the budgets were non-existent. As a result these schools ended up incurring unauthorised (disregarding ring-fenced funds) and fruitless expenditure (cf. Cha. 6 §§ 6.3.3 and 6.3.4). In view of the fact that the grant from the government is not sufficient to meet the needs of the schools, the ring-fenced allocations are diverted to other needs such as sport and culture, transport, lunch for SGB members and other relevant day-to-day activities. This expenditure constitutes wasteful and fruitless expenditure as these diversions do not meet the prescripts of ring-fenced funds. The Tshwane North district office as well as Head Office are aware of such malpractices but have failed to rectify such practices. Although the district office plays an important role in collecting financial data through the audited financial statements from institutions (schools), it does not have indicators that may be used to assess the implications of state-allocated funding on schools improvement (Personal communication with Ms Appel, 13 May 2013).

It was clear that the City schools were adhering strictly to their budgets because they had accounting systems in place (see Annexure F1). The aim of drawing up budgets is to provide guidelines to the schools regarding the income collected and expenditure incurred.

7.3.6 Accountability [cf. Ch.6 §§6.3.4 and 6.2.1.5 (cc. and de.)]

According to Watt (2004:17-18), accountability refers to the state of being accountable, answerable and in charge of specific actions or decisions. Thus, accountability refers to
providing an account of actions taken and being held accountable for these actions.

According to SASA, 1996 Section 42:

The governing body of a public school must-
(a) keep records of funds received and spent by the public school and of its assets, liabilities and financial transactions; and
(b) as soon as practicable, but not later than three months after the end of each financial year, draw up annual financial statements in accordance with the guidelines determined by the Member of the Executive Council.

Furthermore, the Act (Section 43) states that:
(5) A governing body must submit to the Head of Department, within six months after the end of each financial year, a copy of the annual financial statements, audited or examined in terms of this section.
(6) At the request of an interested person, the governing body must make the records referred to in Section 42, and the audited or examined financial statements referred to in this section, available for inspection.

Unfortunately, seven of the eight secondary schools in Soshanguve were not complying with the prescripts of SASA, 1996 and, in addition, no action was being taken against the SGBs of these schools. Although the office of the Head of Department may threaten to withdraw the Section 21 status of non-compliant schools, stringent action is rarely taken. Unlike the Soshanguve schools in the sample the research found that the City schools were complying in this regard. As discussed in Chapter 6 (6.2.1.5 § db.) the City schools, as a result of the presence of financially capable members in the school body, are able to account for the use of their funds to both the parents and the Head Office or PED.

7.3.7 Capacity building [cf. Ch. 6 §6.2.1.5 (cb.)]

According to the DoE, (2002b:59), “the delivery of public service requires administrative and technical skills that are generally in short supply in many developing countries, including South Africa”. The members of the SGB as well as the members of the financial committee need training in financial management [Chapter 2 § 2.6]. Chapter 6 (§ 6.2.1.5 (c)) revealed
that the members of the SGB in all eight of the Soshanguve schools were not capable as regards school financial management. In addition, the literature review in Chapter 2 (§ 2.6) also highlighted that, in the main, the SGB members in the townships as well as in the rural areas have had little or no training and/or possess little or no expertise as far as school financial management is concerned.

Chapter 6 (6.2.1.5 § cb.) indicated that the City schools often actively recruit learners from affluent families. As a result, their SGBs, especially the FinComs, are often run by experts in financial matters. It is these experts whose services could be used to capacitate and train their counterparts in the other eight schools in Soshanguve if schools are twinned i.e. if schools in Soshanguve are paired, for collaboration, with schools in the City.

7.3.8 Questionable role of the Gauteng Department of Education (GDE) in declaring schools Non-Section 21 and Section 21 schools

It was evident from the data collected from the Soshanguve schools that the financial committees at these schools were either non-existent, were not holding meetings or were not even aware of their duties [cf. Ch. 6 §6.2.1.5 (cb.)]. It has already been stated in Chapter 2 (§ 2.6) that it is the prerogative of the HoD to award Section 21 status to schools if these schools so apply. Clearly, the awarding of Section 21 status to the eight secondary schools in Soshanguve in the sample is questionable and leaves much to be desired. The SGBs were incapable of school financial management, but then how could they manage school funds?

SASA, 1996 Section 21(6) stipulates that:

The Member of the Executive Council may, by notice in the Provincial Gazette, determine that some governing bodies may exercise one or more functions without making an application contemplated in subsection (1), if-
- (a) he or she is satisfied that the governing bodies concerned have the capacity to perform such function effectively; and
- (b) there is a reasonable and equitable basis for doing so.
The question thus arises as to how the MEC gathered relevant information relating to the capacity of these eight secondary school SGBs and conferred Section 21 status on them. The failure to provide training on financial management to these SGBs has resulted in their non-compliance with the school financial management norms and standards.

7.3.9 Inequality and inequity [cf. Ch.6 §§6.2.1.5 (f. and fa.) and 6.3.8]

As reported in Chapter 2 (cf. § 2.6.3), the wide-ranging literature on equality and equity illustrated that the funding of education transformation and the attempt to achieve the policy outcome of equity have been complex in South Africa. Chapter 6 [§ 6.2.1.5 (f. & fa.)] also highlighted that the new system of funding is inadequate as regards the Black population in the formerly underprivileged areas, particularly as regards the Africans in the township schools. Comparatively speaking both inequality and inequity still prevail in respect of education funding in South Africa. It was clear from the data collected (financial statements) that there was a vast difference between the way in which the City schools and the Soshanguve schools were managing their school finances. For example, the Soshanguve schools were operating on an average of R1 million \textit{per annum} whereas the City schools were operating on an average of R10 million per annum (RTT Certificates as attached and examples of the financial statements from the Soshanguve and the City Schools, see Annexures F1 and F2). In other words, the City schools were operated on 10 times the amount on which the Soshanguve schools were operating, despite City schools having hired some of the teachers on SGB posts (cf. Ch. 2 § 2.6). It should, however, be borne in mind that the City schools were extremely proficient at supplementing their income. The City schools, through their SGBs, carried out regular fundraising and were not reliant on the government grant. In addition, the parents of the City schools were compelled by law to pay school fees.
No-fee-paying schools rely wholly or partly on the funds from the government and, thus, there was no visible financial progress at these schools. In the UK 93 percent learners go to "state schools". State schools are non-fee-paying, funded from taxes and most are organised by Local Authorities (LA) and not PEDs as is the case in South Africa. Parents are expected to make sure that their child has a pen, pencil, ruler etc. but the cost of other more specialised equipment, books, examination fees are covered by the school (cf. Ch. 3 § 3.4.1.4 and Woodlands Junior School: Online, accessed on 25 July 2015). In South Africa, unfortunately, the burden to purchase specialised equipment is left to the parents (cf. Ch. 7 § 7.3.1.1 and see Annexure I1 and I2). Like in South Africa, parents in the UK are, however, also expected to pay for their child's school uniform and items of sportswear. Charges may also be made for music lessons and for boarding and lodging on residential trips. Schools may ask for voluntary contributions, in South African township schools this is referred to as donations, for school time activities - but no pupil may be left out of an activity if their parents or guardian cannot or do not contribute. UK is richer than South Africa and has experienced its own education funding trials and tribulations. South Africa, is a new democracy and cannot, therefore, emulate the UK’s education funding presently, but should be able to do it gradually.

7.3.10 Are real financial powers decentralised to the SGBs and/or the schools? [cf. Ch. 2 § 2.6., Ch.3 § 3.3 and Ch. 6 § 6.2.1.5 (db.)]

It has already been indicated in the literature review in Chapter 2 (cf. § 2.6) that the decentralisation of financial controls to schools is designed to devolve decision-making to where it is to be applied with the greatest effectiveness (Flynn, 2008:276).
It may be concluded from both the literature review in Chapters 2 (§ 2.6) and 3 (§ 3.3) and the data presented in Chapter 6 [§ 6.2.1.5 (db.)] that the SGBs of the eight Soshanguve schools in the sample did not enjoy any decision making powers as decentralised from the GDE:

a. The SGBs are not capacitated and neither are they conversant or familiar with the formulae used to determine their allocation are dictated by the PED and, thus, neither the SGBs of the Soshanguve schools nor those of the City schools had any say in the financial allocations of their schools. The decisions regarding the allocation of specific funds to the schools are centralised.

b. In view of the fact that how the grant is ring-fenced (cf. Ch. 1 §1.3, the SGBs may be seen as messengers as they merely act as agents of the government: i.e. they are instructed to use the funds for certain projects only (funds are ring-fenced). They are not allowed to deviate from this ring-fencing unless they apply in writing to the HoD or MEC for approval of such deviation.

It should be borne in mind that this decentralisation of financial power to the SGBs is not empowering and, instead, it is actually a way of shifting responsibility from the procurement sections of the GDE to the SGBs, namely, deconcentration (cf. Ch. 3 §3.3). In the UK school finance is highly decentralised (cf. Ch. 3 § 3.4.1.6). According to Clark (2012:9) the school reforms have resulted in a clear willpower to give power to schools by the reduction of bureaucratic red tape and expanding their management over resources. Like South Africa, strings are attached to the grant from the government in the UK (cf. Ch. 3 § 3.4.1.6.2: stage 6). Unlike South Africa, that has opted deconcentration, in Zimbabwe most powers, especially the funding of schools, that were originally decentralised from the Head Office have been centralised again (cf. Ch. 3 § 3.4.2.5).
7.4 RESPONSE TO THE RESEARCH QUESTION

In Chapter 1 the main research question was formulated as part of the endeavour to evaluate and measure the implications (both positive and negative) of declaring and ranking schools as either no-fee-paying or fee-paying schools. The research question was identified as follows:

*Are the schools in Soshanguve which have been declared no-fee-paying schools capable of effective and efficient financial management?*

It may be concluded from the comprehensive findings, as discussed above, that the ranking of schools as no-fee-paying schools had negative implications on school financial management in Soshanguve sampled schools as compared to the schools where parents are required by law to pay school fees (sampled City schools). Although the SGBs control the finances, it should be mentioned that expenditure on items such as transport, culture, sport and the development of all stakeholders (capacitation) comes from allocated funds. It should also be added that the schools which have been declared no-fee-paying and which, thus, are dictated (predetermined) to by the government as regards how they use the funds from government, should be excused from practising financial management. The funds are ring-fenced and, therefore, the accounting body should be the Head Office and district offices with schools being required only to submit proof of payments to these offices. As already discussed in Chapter 4 (cf. § 4.5.5), these schools are required to file documents safely, provide evidence of accurate transactions with suppliers and contractors and records of how the materials and services were used, and produce such documents or records at the request of officials from the district office or the GDE Head Office and for audit purposes (GDE Circular 56, 2006:9).
It should also be mentioned and borne in mind that the declaration of schools as no-fee-paying has improved the procurement, as deconcentrated, of goods and services within these schools (cf. Ch. 6 § ea.). Although not enough (cf. 7.3.1), the schools declared no-fee-paying are allocated a larger amount of funding as compared to fee-paying schools from the national budget per learner to make up for the fees that would have been charged. In general, nationwide, the no-fee-paying schools or the abolition of school fees for poor children as well as the income support for children (whose parents are unemployed) over the age of 14 years have reduced by up to half the number of teenagers who quit school (Government Programmes and Policies: Online, accessed on 25 July 2015).

7.5 RECOMMENDATIONS

Based on the findings as discussed above the following recommendations are made and discussed below:

a. Adequate financial support by the government (cf. §§ 7.3.1.1 to 7.3.1.4)

b. The implications of curriculum changes have on school allocation (cf. §7.3.1.1)

c. Capacity building (cf.7.3.8)

d. Establishment of functioning FINCOMs (cf. §§7.3.7 and 7.3.2)

e. Co-opting of financial management experts onto SGBs (cf. §7.3.2)

f. The need for effective financial policies (cf. §7.3.2)

g. School financial planning (Budgeting) (cf. §7.3.5)

h. Alignment of the budget with the School Development Plan (SDP) (cf. §7.3.3)

i. Fundraising: the SGBs should supplement the grant from the government (cf. §§7.3.4 and 7.3.5)

j. Accountability (cf. §7.3.7)
k. Development and renovations of schools (cf. §7.3.1.2)

l. Exemption school fee policy and the amendment of the no-fee-paying schools policy
(cf. §§2.6, 4.4.2 and 7.3.9)

These recommendations are discussed below.

7.5.1 Adequate financial support by the government (cf. §7.3.1.1 to 7.3.1.4)

As already discussed the no-fee-paying schools rely primarily on the government grant. It is, thus, essential that the government ensure that the allocation is adequate to meet the majority of the needs as anticipated by the SGBs. In the context of decentralisation, funding involves the ring-fenced allocation of funds to schools to meet the schools’ priorities. The provision of these funds is time-bound. Thus, it is vital that the resources allocated are sufficient to meet the needs of the schools and also that it is possible to use these funds within the period covered by the school calendar or financial year, i.e. from January to December (cf. Ch. 1 §1.8.9).

7.5.2 The implications curriculum changes have on school allocations (cf. §7.3.1.1)

School financial management has implications on the teaching of the curriculum. Anything procured in a school is, essentially, for the running of the school. Since 1994 there have been three curriculum changes in South Africa, namely, Outcome Based Education (OBE), introduced in 1997 and implemented in 1998, the Revised National Curriculum Statement (RNCS) implemented in 2002 and subsequently the National Curriculum Statement, implemented in 2004, and, more recently, the Curriculum Assessment Policy Statement
(CAPS), introduced in 2010 and implemented in 2012. Thus, LTSM have had to be procured for these ever-changing curricula. However, instead of merely topping up the existing LTSM, every five years schools have had to start afresh in procuring the LTSM required for the new curriculum. In addition, the teachers have to undergo “crash course” training with the schools having to pay for the transport required. Serious consideration should, thus, be given to the curriculum of schools. Every curriculum model has its advantages and disadvantages and, thus, the existing model should be improved but not discarded in its entirety. This is not only time wasting but it also has serious negative implications on school financial management.

7.5.3 Capacity building (training) for of School Governing Bodies in financial management (cf. Ch.6 §§6.2.1.5. sub-sub-section cb. and § 7.3.8)

Training is essential capacity building and skills development. In fact, before the government confers Section 21 status on a school capacity building and skills development have to take place. New SGBs are elected into office every three years. The education districts, in South Africa, have a legislative mandate to fulfil their functions in terms of Section 19 of the SASA, 1996, namely, to train newly elected governing bodies and to provide ongoing training for the existing governing bodies.

Chapter 1 (cf. §1.2) and the literature review (cf. Ch. 2 §2.6) highlighted that financial management training is one of the areas of the SGBs that requires special attention. According to Clarke (2008:278), “principals have little or no training or expertise (in financial management) and elected SGB members are equally ill-equipped”. Mestry (2004:126) concurs, stating “principals and SGB members lack the necessary financial knowledge and skills.”
There is no guarantee that the new SGBs, as inaugurated every three years, will be conversant with financial matters, and even with their duties in general. If necessary an audit will take place, suspending a school’s Section 21 status until there is evidence that the SGB has been capacitated. If there is a lack of capacity then training must take place. However, without the support of the district office even trained SGBs will not be able to carry out their duties as required and, they need ongoing support. The support enables SGBs to convert their skills and information gathered into the resources required to enhance the effectiveness of their schools.

After training has taken place effective FinComs must be put in place.

7.5.4 Establishment of functioning Financial Committees (FinComs) (cf. Ch. 4 §§ 4.11.1.1, 4.11.1.2, Ch. 7 §§ 7.3.7 and 7.3.2)

According to section 30(1)(c) of SASA, 1996, the governing body of a public school may establish committees, including a finance committee (FinCom) and allied sub committees. The SASA, 1996 does not, however, specify: (i) the constituents or composition of the FinCom; (ii) its functions and (iii) the frequency of its meetings. The literature reviewed did little to shed light on these issues as the various writers expressed differing views on the constituents, functions and frequency of FinCom meetings.

Nevertheless, in general, the literature review indicated that the FinCom should, as a minimum, comprise: (i) the treasurer; (ii) the chairperson; (iii) the principal; (iv) the finance officer (bursar) and (v) an educator representative. Additional members may be co-opted if the above members lack the required financial expertise.
According to Clarke (2008:53), it is important that FinCom meets on a monthly basis while Mestry (2004:121) suggests that it is extremely important for this committee to hold frequent meetings. Clarke (2008:53) lists the duties of the FinCom as follows: (i) preparation of the school budget for submission to the full SGB; (ii) monitor income, expenditure and cash flow; (iii) financial supervision to ensure that the policies of both the SGB and the PED are adhered to and (iv) check and act on audit reports. On the other hand, Mestry (2004:131) describes the functions of the FinCom as follows: (i) develop and implement a financial policy; (ii) construct a budget and keep control of such budget; (iii) monitor and approve all expenditure and (iv) ensure a proper procurement procedure: all decisions taken on expenditure by the FinCom must be ratified by the SGB.

Based on both the literature review and the research findings on financial controls and the functioning of the FinCom it is recommended that either the NDE or the PED amend the applicable legislation as follows:

- stipulate the minimum composition of a FinCom;
- identify the key constituents of the FinCom;
- gazette the statutory functions of FinComs; and
- Indicate the frequency of the meetings held of the FinCom.

**7.5.5 Co-option of financial management experts onto the School Governing Bodies**

(cf. Ch. 4 §4.11.1.1)

According to section 30 of the SASA, 1996, the SGB may form committees and sub-committees. It is advisable that these committees be established to provide assistance to the SGB. The SGB may delegate various financial functions to committees which have been set
up specifically to manage aspects of the school’s finances. If the SGB or the school itself either does not have or lacks expertise in financial management, the SGB may assign these functions to persons who possess the necessary expertise, specialised knowledge or skills in school finances (Bisschoff and Mestry, 2003:42). According to SASA, 1996, Section 30(1)(b), a governing body may appoint (co-opt) persons who are not members of the governing body to such committees on the grounds of expertise although a member of the governing body must chair each committee. The SGBs must, therefore, co-opt financial management experts onto the School Governing Bodies.

7.5.6 The need for effective financial policies (cf. Ch. 6 § 6.2.1.5 (ca.) and Ch. 7 § 7.3.2)

Clarke (2008:291) points out that one of the main purposes of the school financial policy is to put in place a system of controls (checks and balances) to ensure that the school finances are safeguarded and correctly managed. Blandford (in Mestry, 2006:35) concurs, stating “[t]he formulation of rules and regulations for the handling of money … is necessary”. Based on the literature review in Chapter 3, an example of the rules and regulations for the management of cash could include the following: (i) indicate the person/s responsible for collecting the cash; (ii) all monies received must be receipted; (iii) monies received should be banked daily; (iv) if monies cannot be banked provision must be made for safe storage; (v) proper accounting records (including source documents) must be maintained to record these transactions; and (vi) audit trails should be used to verify and validate each transaction.

In view of the finding that seven of the eight schools in Soshanguve had either inadequate or no financial policies [cf. Ch. 6 § 6.2.15 (ca.)] it is recommended that:
• the district offices or the PEDs draw up a generic school financial policy containing the minimum rules and regulations for the efficient, effective and economic management of school finances;
• SGBs (including all relevant stakeholders) use the above generic instrument to adapt and contextualise (align) it to their schools; and
• the governance unit at the level of the district office must ensure that all public schools are in compliance with financial management.

7.5.7 School financial planning (Budgeting) (cf. Ch. 4 § 4.11.1.2 and Ch. 7 § 7.3.5)

The SGB, as stipulated in the SASA, 1996, Section 37, is responsible for the financial matters of the school. Thus, the SGBs of the schools in the townships, for example, Soshanguve should be trained in budgeting. The following steps are important in budgeting: financial (budget) planning, budget ratification and adoption, budget implementation, cash flow planning, budget monitoring and budget review (evaluating the budget). The diagram on budgeting follows on p. 287.
Fig. 7.2 An illustration of the budgeting process

The Budgeting Process

Budget planning

Budget review or evaluation

Monitoring and control

Execution or implementation

Budget ratification and adoption

Fig. 7.2 is adapted from *Education Management* by Naidu *et al.*, (2008:175)

These steps are discussed below:
7.5.7.1 Financial planning : Budgeting

According to Naidu, Joubert, Mestry, Mosoge and Ngcobo (2008:173), financial planning or budgeting is an essential component of comprehensive financial management. Thus, in the school context planning the budget involves joint decision making by all the stakeholders represented on the school governing body in respect of financial resource allocation, distribution and spending. According to Marishane and Botha (2004:108), budget planning is goal orientated and, thus, it centres on the question: How best can we use the available resources to improve the performance of our learners? The cost allocations must, therefore, consider efficiency, effectiveness and economy while the distribution of the budget should take into account redress and equity.

When this research was undertaken, according to the National Treasury (2013:5), government expenditure had been successfully brought under control by the treasury. Thus, the major challenge now for the PEDs, especially schools, particularly in the townships and rural areas, is to become more efficient and effective in their use of the resources allocated to them. This, in turn, requires a focus on outcomes and outputs. Outcomes are the results the government wants to achieve for communities, for example, reduced number of school drop-outs and out-puts.

7.5.7.2 Approval of the budget

As already mentioned above it is incumbent on the SGB to prepare a budget. This means that the governing body’s budget must be ratified by the parents as they will, eventually, have to bear the burden of funding the budget. It should be mentioned that it often becomes difficult
for the SGBs of no-fee-paying schools to collect funds from parents as they maintain that their schools have been declared no-fee-paying schools. The discussion of the budget in no-fee-paying schools is, thus, purely academic and a lip-service.

7.5.7.3 Implementing the budget

Implementing the budget involves the actual spending of the funds allocated to each programme and/or committee. This also often involves collecting the funds required to fund these programmes and/or committees and how they are spent. This should be followed by proper cash flow management (the total amount of money being transferred into and out of an entity) or monitoring funds. Monitoring of the budget is discussed below.

7.5.7.4 Monitoring the budget

In order to exercise effective control of the resources as devolved to the schools and to assess the implications of the resources on school development and improvement, monitoring and evaluation tools are essential. Thus, monitoring the budget involves the development of control systems or monitoring instruments. This may, in turn, involve the formulation of monitoring instruments such as templates to monitor the budget, cash flow and cheque requisitions. Monitoring may also be referred to as budget variance reporting, that is, on a month by month basis the actual expenditure (and income) is compared with the budgeted expenditure (and income) and any variances identified, investigated and explained in order to avoid over expenditure. It is the duty of the district offices to develop such monitoring and evaluation tools. In addition, this would reinforce internal accountability. The devolution of such tools and measures to schools will enhance their efficient use at school level.
7.5.7.5  Budget review

According to Marishane and Botha (2004:109), reviewing the budget includes a critical inspection of the degree to which the money distributed to the various programmes and committees has helped to achieve the school’s objectives.

7.5.8  Fundraising: the School Governing Bodies should supplement the grant from the government (cf. Ch. 4 § 4.11.1.1 and Ch. 7 §§7.3.4 and 7.3.5)

All schools require sufficient money if they are to survive. Schools have to meet their budgets and develop their programmes for the future, pay for sport, cultural activities and administrative overheads, maintains the buildings in a good state of repair (maintenance), and pay for any new equipment needed. The list is endless. That is, if parents agree to a budget that provides for extra income, they have an obligation to contribute. The bottom line is that, if the money is not raised, the schools will not be able to carry out their work and, if the work is not done, all the pressing needs, such as the payment for educator workshops, will not be met. The tool the school uses to manage its fundraising is its annual budget, as adopted by the parents at the AGM. The budget reflects the amount of money that the school plans to spend and which it has at its disposal. In addition, the budget will also show the amount of money that has already been raised or which has been promised, and the extra financial support required during the year to enable the schools to meet all its planned expenses.

Schools monitor their progress in achieving their targets by keeping a record of the money that has been received or promised, and by discussing the management accounts at regular meetings of the SGBs and School Management Teams (held monthly, or perhaps quarterly). If the income does not come in as planned, the SGBs, through their fundraising committees,
will have to take some sort of action, for example, put more effort into fundraising, cut costs, defer planned projects, or agree to subsidise the likely deficit out of their own reserves.

Schools, through their SGBs, should encourage the parents to help in fundraising projects and warmly welcome all suggestions of ways of fundraising methods. In addition, the SGBs should encourage parents to make monetary donations. The schools should broaden their fundraising bases by bringing in other donors on board and by generating other sources of income. For example, the SGBs could build partnerships with or be adopted by big companies. It is the duty of the SGB to make it possible for their schools to be adopted by these companies.

The letting out of the school classrooms or property to the community members and institutions should also be used as a fundraising strategy. There are mushrooming churches and a variety of institutions in and around Soshanguve. These institutions should be encouraged to rent the schools’ facilities for their various activities.

7.5.9 Reporting and accountability (cf. Ch. 7 §7.3.7)

Clarke (2008:282) highlights that the SGB usually assigns a number of its responsibilities to the principal or bursar (finance officer) although it remains accountable should problems arise. This view is supported by Leo (2003:17) who states that, although the duty of safeguarding the accounting records of a school is usually assigned to the principal and the finance officer; this does not mean that accountability has been assigned or delegated. On the contrary, it merely ensures the precise, steadfast and timely provision of reports.
The SGB should report to parents and the PEDs, through the FinCom, on the financial status of the school. The primary purpose of these reports is to assist managers in discharging their responsibilities. The reports will focus on performance against budget and service delivery improvement programmes and alert managers if and where remedial action is required.

It is incumbent on the FinComs to report monthly to the executive of the SGBs on the finances of the school. In view of the fact that most SGBs (general members) meet quarterly there should be a quarterly report on the school finances. It is also incumbent on the SGBs to report to the GDE about how they have used the funds allocated to them. This is done through the audited financial statement.

7.5.10 Development and renovations of township (Soshanguve) schools

The researcher visited both the schools in Soshanguve and the City schools and found that the infrastructure of all eight of the schools in Soshanguve did not match the standard of the infrastructure of the eight City schools under investigation (see Annexures H1 and H2). The eight City schools all had amenities such as properly laid sport grounds, libraries and swimming pools, to mention but a few. It is, in fact, these facilities in the eight City schools that are attracting learners from the townships, including Soshanguve. Accordingly, thousands of learners are using different modes of transport to leave the townships and populate the City schools. Thus, the money that was intended to be spent on developing the schools in townships is being spent by both the government (subsidies paid to bus/train operators for learner transportation) and parents (payment of monthly bus/train tickets and taxis). The parents of these learners are clearly able to pay the schools fees charged by these City schools.
The Soshanguve schools should be recruiting the children of these more affluent parents as this would help them to develop their schools. It is, thus, essential that the government ensures that the schools in townships are also attractive to learners. Thus, the schools in the townships should be renovated and specialised amenities, such as libraries, computer and laboratories should be built. Sports grounds should also be improved to attract those learners who are interested in sport (see Annexure H1).

7.5.11 Exemption from paying fees and the amendment of no-fee-paying schools (cf. Ch. 4 §4.4.1.2)

Not the all parents in the no-fee-paying schools are unable to pay school fees. All parents should be liable to pay school fees unless exempted from doing so by the SGB. This implies a change in the policy. Comparatively speaking, before school fees were abolished; the schools fees paid in Soshanguve schools were not as high as the school fees paid in the City schools. In fact, the school fees paid in the Soshanguve schools were extremely low as compared to the school fees charged in the City schools. The schools in Soshanguve are unable to achieve some of their envisaged targets because of a lack of funds. The payment of school fees would enable the SGBs to pay for items such as transport and activities such as sport and culture. These fees could also be used to supplement the LTSM and maintenance grant from the government. It is, thus, recommended that all schools be treated the same. The government should continue funding the schools on equitable basis but all parents should be required to supplement these funds. Entitlement, from which most poor South Africans rely on, should be limited to the few individuals who qualify for such benefits or exemptions.
7.6 PROBLEMS ENCOUNTERED DURING THE RESEARCH

A research is a painstaking process and it is, thus, not possible to conduct it without encountering challenges or problems. These challenges or problems are discussed below.

- The research topic was changed after the Minister of Education declared that most of the schools in the townships were no-fee-paying schools as opposed to using the quintiles system for grant allocation.
- The researcher was not able to receive the relevant documents timeously from most of the Soshanguve as well as City schools while some of the schools did not have any requested documents in their files.
- As mentioned in both Chapters 6 and 7, seven of the eight schools in Soshanguve did not possess relevant documents such as the minutes of both their FinCom and SGB meetings. It was also found that these seven schools in Soshanguve did not have FinComs (see Annexure G part of GDE Quality Assurance report, as an example of findings).
- The majority of both the Soshanguve and the City schools refused to provide either their budgets or their financial statements. However, the Tshwane North District was able to help the researcher in this instance, especially with the audited financial statements of schools.

7.7 RECOMMENDATIONS FOR FURTHER RESEARCH

This research focused on the implications of the no-fee-paying policy on or quality of school financial management. The research focused specifically on the implementation of the policy and the subsequent challenges encountered in school financial management. Based on the
findings of the research, it is evident that further research is necessary. The following topics are suggested for further research:

a. An in-depth investigation into the criteria used for declaring schools no-fee-paying and the involvement of school based management structures in such a process;

b. An in-depth investigation into the funding of technical schools in South Africa;

c. An investigation into resourcing, school management and governance development;

and

d. Can the government afford no-fee-paying payment at tertiary institutions, especially universities in South Africa?

7.8 CONCLUSION

This research focused on the probable implications of the classification of no-fee-paying schools on the financial management of schools in Soshanguve. For the purposes of comparison a sample of fee-paying City schools was also investigated. The research results demonstrate that the classification of schools into no-fee-paying has negative implications on school financial management. In order to examine the background to the research problem a literature review was conducted (Chapter 2). Chapters 3 and 4 discussed the background to school funding in South Africa.

Without an increasing amount available for education, South Africa will continue to experience problems in making its education system more equal and equitable as it was previously the case. Most of the increases in funding for the previously underprivileged provinces and schools have been at the expense of those that previously had more funding and support (former ‘Model C’ schools). However, the former ‘Model C’ schools, now
referred to as City schools, were found to be better in many ways as compared to their counterparts in Soshanguve and, presumably, elsewhere in townships throughout the country.

If no action is taken to encourage the schools in the townships to supplement the grant from the government, school financial management will not be possible in the schools in Soshanguve and also in the other townships around South Africa. The classification of schools into no-fee-paying should be reviewed as a matter of urgency. It is a fact that not all the parents who send their children to such schools are ‘poor’ or unable to afford to pay school fees. In addition, efforts should be made to persuade affluent families to enrol their children at township schools as it is these affluent families who will be able to help in the development of these township schools.

As stated above, this research was able to provide evidence that the declaration of schools as no-fee-paying by the government has negative implications on the financial management of the schools. The research proved that, in the majority of the schools in the sample, financial committees, financial policies as well as financial management were non-existent or were not in place. The researcher, unequivocally, recommends the amendment or the scrapping of no-fee-paying school policy as it encourages, in the researcher’s opinion, entitlement and has negative implications on school financial management.
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oxford-interactive-encyclopedia.software.informer.-com/, accessed on 15 November
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ANNEXURES:

ANNEXURE A: RESEARCH REQUEST FORM

<table>
<thead>
<tr>
<th>Details of the Researcher</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surname and Initials:</strong></td>
<td>Mohlala, J.</td>
</tr>
<tr>
<td><strong>First Name(s):</strong></td>
<td>Jonas</td>
</tr>
<tr>
<td><strong>Title (Prof / Dr / Mr / Mrs / Ms):</strong></td>
<td>Mr</td>
</tr>
<tr>
<td><strong>Student Number (if relevant):</strong></td>
<td>44426739</td>
</tr>
<tr>
<td><strong>ID Number:</strong></td>
<td>6605135356087</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private Contact Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home Address</strong></td>
<td>PO Box 94091</td>
</tr>
<tr>
<td>41 Johan Steyn Avenue</td>
<td>Boordfontein</td>
</tr>
<tr>
<td>The Orchards Extension 13</td>
<td>Akasia</td>
</tr>
<tr>
<td>Akasia Extension 13</td>
<td></td>
</tr>
<tr>
<td><strong>Postal Address (if different):</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Postal Code:</strong></td>
<td>0201</td>
</tr>
<tr>
<td><strong>Tel:</strong> (Work) 012 7907284 012 7120156 (Home) 012 5490762</td>
<td></td>
</tr>
<tr>
<td><strong>Cell:</strong></td>
<td>0825526271</td>
</tr>
<tr>
<td><strong>Fax:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>E-mail:</strong></td>
<td><a href="mailto:jomohlala@gmail.com">jomohlala@gmail.com</a></td>
</tr>
</tbody>
</table>
2. PURPOSE & DETAILS OF THE PROPOSED RESEARCH

2.1 Purpose of the Research (Place cross where appropriate)

<table>
<thead>
<tr>
<th>Undergraduate Study - Self</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate Study - Self</td>
<td>X</td>
</tr>
<tr>
<td>Private Company/Agency – Commissioned by Provincial Government or Department</td>
<td></td>
</tr>
<tr>
<td>Private Research by Independent Researcher</td>
<td></td>
</tr>
<tr>
<td>Non-Governmental Organisation</td>
<td></td>
</tr>
<tr>
<td>National Department of Education</td>
<td></td>
</tr>
<tr>
<td>Commissions and Committees</td>
<td></td>
</tr>
<tr>
<td>Independent Research Agencies</td>
<td></td>
</tr>
<tr>
<td>Statutory Research Agencies</td>
<td></td>
</tr>
<tr>
<td>Higher Education Institutions</td>
<td></td>
</tr>
</tbody>
</table>

2.2 Full title of Thesis / Dissertation / Research Project

THE IMPLICATIONS OF ‘NO-FEE-PAYING’ SCHOOLS ON THE SCHOOLS' FINANCIAL MANAGEMENT OF SECONDARY SCHOOLS IN SOSHANGUVE

2.3 Value of the Research to Education (Attach Research Proposal)

IMPROVED FUNDING NORMS AND STANDARDS AND BETTER SCHOOL FINANCIAL MANAGEMENT

2.4 Proposed date of completion of study / project and submission of research findings to GDE

<table>
<thead>
<tr>
<th>Completion date:</th>
<th>DECEMBER 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submission date:</td>
<td>JULY 2013</td>
</tr>
</tbody>
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2.5 Student and Postgraduate Enrolment Particulars (if applicable)

<table>
<thead>
<tr>
<th>Name of institution where enrolled:</th>
<th>UNISA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree / Qualification:</td>
<td>PhD</td>
</tr>
<tr>
<td>Faculty and Discipline / Area of Study:</td>
<td>EMS and PBA</td>
</tr>
<tr>
<td>Name of Supervisor / Promoter:</td>
<td>Prof. G. Ferreira</td>
</tr>
</tbody>
</table>
2.6 Employer (where applicable)

<table>
<thead>
<tr>
<th>Name of Organisation:</th>
<th>M.J. Mgidi Secondary School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position in Organisation:</td>
<td></td>
</tr>
<tr>
<td>Head of Organisation:</td>
<td></td>
</tr>
<tr>
<td>Street Address:</td>
<td>1683 Block X</td>
</tr>
<tr>
<td>Postal Code:</td>
<td>0152</td>
</tr>
<tr>
<td>Telephone Number (Code + Ext):</td>
<td>012 7907284 or 012 7120156</td>
</tr>
<tr>
<td>Fax Number:</td>
<td></td>
</tr>
<tr>
<td>E-mail:</td>
<td><a href="mailto:jomohlala@gmail.com">jomohlala@gmail.com</a></td>
</tr>
</tbody>
</table>

2.7 PERSAL Number (where applicable)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>1</th>
<th>2</th>
<th>2</th>
<th>5</th>
<th>1</th>
<th>3</th>
</tr>
</thead>
</table>

3. PROPOSED RESEARCH METHOD/S

(Please indicate by placing a cross in the appropriate block whether the following modes would be adopted)

3.1 Questionnaire/s (If Yes, supply copies of each to be used)

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

3.2 Interview/s (If Yes, provide copies of each schedule)

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

3.3 Use of official documents

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

If Yes, please specify the document/s:

BUDGETS AND FINANCIAL STATEMENTS OF HIGH OR SECONDARY SCHOOLS
3.4 Workshop(s) / Group Discussions (If Yes, Supply details)

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>x</th>
</tr>
</thead>
</table>

3.5 Standardised Tests (e.g. Psychometric Tests)

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>x</th>
</tr>
</thead>
</table>

If Yes, please specify the test(s) to be used and provide a copy/ies

4. INSTITUTIONS TO BE INVOLVED IN THE RESEARCH

4.1 Type of Institutions (Please indicate by placing a cross alongside all types of institutions to be researched)

<table>
<thead>
<tr>
<th>INSTITUTIONS</th>
<th>Mark with X here</th>
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</thead>
<tbody>
<tr>
<td>Primary Schools</td>
<td></td>
</tr>
<tr>
<td>Secondary Schools</td>
<td></td>
</tr>
<tr>
<td>ABET Centres</td>
<td>x</td>
</tr>
<tr>
<td>ECD Sites</td>
<td></td>
</tr>
<tr>
<td>LSEN Schools</td>
<td></td>
</tr>
<tr>
<td>Further Education &amp; Training Institutions</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
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</table>
4.2 Number of institution/s involved in the study (Kindly place a sum and the total in the spaces provided)

<table>
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<tr>
<th>Type of Institution</th>
<th>Total</th>
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<td>Primary Schools</td>
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<td>Secondary Schools</td>
<td>30</td>
</tr>
<tr>
<td>ABET Centres</td>
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<tr>
<td>ECD Sites</td>
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<td>LSEN Schools</td>
<td></td>
</tr>
<tr>
<td>Further Education &amp; Training Institutions</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
</tr>
</tbody>
</table>

4.3 Name/s of institutions to be researched (Please complete on a separate sheet if space is found to be insufficient)

- Information will be gathered from two district offices
- namely Tshwane North and Tshwane West: Financial
- statements and budgets are readily available but they will be treated in high confidence...names of schools won't be used in the gathering of this important information...
### 4.4 District/s where the study is to be conducted. (Please indicate by placing a cross alongside the relevant district/s)

<table>
<thead>
<tr>
<th>District</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekhuruleni North</td>
<td></td>
</tr>
<tr>
<td>Ekhuruleni South</td>
<td></td>
</tr>
<tr>
<td>Gauteng East</td>
<td></td>
</tr>
<tr>
<td>Gauteng North</td>
<td></td>
</tr>
<tr>
<td>Gauteng West</td>
<td></td>
</tr>
<tr>
<td>Johannesburg Central</td>
<td></td>
</tr>
<tr>
<td>Johannesburg East</td>
<td></td>
</tr>
<tr>
<td>Johannesburg North</td>
<td></td>
</tr>
<tr>
<td>Johannesburg South</td>
<td></td>
</tr>
<tr>
<td>Johannesburg West</td>
<td></td>
</tr>
<tr>
<td>Sedibeng East</td>
<td></td>
</tr>
<tr>
<td>Sedibeng West</td>
<td></td>
</tr>
<tr>
<td>Tshwane North</td>
<td>X</td>
</tr>
<tr>
<td>Tshwane South</td>
<td>X</td>
</tr>
<tr>
<td>Tshwane West</td>
<td></td>
</tr>
</tbody>
</table>

If Head Office/s (Please indicate Directorate/s)

If fail to gather more info, the Financial section will be consulted.
NOTE:
If you have not as yet identified your sample/s, a list of the names and addresses of all the institutions and districts under the jurisdiction of the GDE is available from the department at a small fee.

4.5 Number of learners to be involved per school (Please indicate the number by gender)

<table>
<thead>
<tr>
<th>Grade</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>B</td>
<td>G</td>
<td>B</td>
<td>G</td>
<td>B</td>
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</tr>
<tr>
<td>Number</td>
<td></td>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>Grade</th>
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<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
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<tbody>
<tr>
<td>Gender</td>
<td>B</td>
<td>G</td>
<td>B</td>
<td>G</td>
<td>B</td>
<td>G</td>
</tr>
<tr>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.6 Number of educators/officials involved in the study (Please indicate the number in the relevant column)

<table>
<thead>
<tr>
<th>Type of staff</th>
<th>Educators</th>
<th>HODs</th>
<th>Deputy Principals</th>
<th>Principal</th>
<th>Lecturers</th>
<th>Office Based Officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.7 Are the participants to be involved in groups or individually?

<table>
<thead>
<tr>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groups</td>
</tr>
<tr>
<td>Individually</td>
</tr>
</tbody>
</table>

4.8 Average period of time each participant will be involved in the test or other research activities (Please indicate time in minutes)
4.9  Time of day that you propose to conduct your research.

<table>
<thead>
<tr>
<th>School Hours</th>
<th>During Break</th>
<th>After School Hours</th>
</tr>
</thead>
</table>

4.10  School term/s during which the research would be undertaken

<table>
<thead>
<tr>
<th>First Term</th>
<th>Second Term</th>
<th>Third Term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

**CONDITIONS FOR CONDUCTING RESEARCH IN GDE**

Permission may be granted to proceed with the above study subject to the conditions listed below being met and may be withdrawn should any of these conditions be flouted:

1. The District/Head Office Senior Manager/s concerned must be presented with a copy of this letter that would indicate that the said researcher/s has/have been granted permission from the Gauteng Department of Education to conduct the research study.

2. The District/Head Office Senior Manager/s must be approached separately, and in writing, for permission to involve District/Head Office Officials in the project.

3. A copy of this letter must be forwarded to the school principal and the chairperson of the School Governing Body (SGB) that would indicate that the researcher/s have been granted permission from the Gauteng Department of Education to conduct the research study.

4. A letter / document that outlines the purpose of the research and the anticipated outcomes of such research must be made available to the principals, SGBs and District/Head Office Senior Managers of the schools and districts/offices concerned, respectively.

5. The Researcher will make every effort obtain the goodwill and co-operation of all the GDE officials, principals, and chairpersons of the SGBs, teachers and learners involved. Persons who offer their co-operation will not receive additional remuneration from the Department while those that opt not to participate will not be penalised in any way.
# DECLARATION BY SUPERVISOR / PROMOTER / LECTURER

*I declare that: (Name of Researcher)*

J. Mohlala

1. *is enrolled at the institution / employed by the organisation to which the undersigned is attached.*

2. *The questionnaires / structured interviews / tests meet the criteria of:*
   - Educational Accountability
   - Proper Research Design
   - Sensitivity towards Participants
   - Correct Content and Terminology
   - Acceptable Grammar
   - Absence of Non-essential / Superfluous items

## Details

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surname</td>
<td>Ferreira</td>
</tr>
<tr>
<td>First Name(s)</td>
<td>Gera</td>
</tr>
<tr>
<td>Institution / Organisation</td>
<td>UNISA</td>
</tr>
<tr>
<td>Faculty / Department (where relevant)</td>
<td>Public Administration</td>
</tr>
<tr>
<td>Telephone</td>
<td>012 429 6618</td>
</tr>
<tr>
<td>Fax</td>
<td>012 429 6075</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:Ferregm@unisa.ac.za">Ferregm@unisa.ac.za</a></td>
</tr>
<tr>
<td>Signature</td>
<td>[Signature]</td>
</tr>
<tr>
<td>Date</td>
<td>24/12/2012</td>
</tr>
</tbody>
</table>

N.B. This form (and all other relevant documentation where available) may be completed and forwarded electronically to Diane.Buntting@gauteng.gov.za. The last 2 pages of this document must however contain the original signatures of both the researcher and his/her supervisor or promoter. These pages may be faxed to (086 594 1751) or hand delivered (in sealed envelope) to Diane Buntting, Room 509, 111 Commissioner Street, Johannesburg. All enquiries pertaining to the status of research requests can be directed to Diane Buntting on tel. no. 011 843 6503.
ANNEXURE B: GAUTENG DEPARTMENT OF EDUCATION APPROVAL LETTER

GDE RESEARCH APPROVAL LETTER

<table>
<thead>
<tr>
<th>Date:</th>
<th>6 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Validity of Research Approval:</td>
<td>6 March 2013 to 20 September 2013</td>
</tr>
<tr>
<td>Name of Researcher:</td>
<td>Mohlala J.</td>
</tr>
<tr>
<td>Address of Researcher:</td>
<td>P.O. Box 84091</td>
</tr>
<tr>
<td></td>
<td>Boodfontein</td>
</tr>
<tr>
<td></td>
<td>Akasia</td>
</tr>
<tr>
<td></td>
<td>0201</td>
</tr>
<tr>
<td>Telephone Number:</td>
<td>012 790 7284 / 082 552 6271</td>
</tr>
<tr>
<td>Email address:</td>
<td><a href="mailto:Jomohlala@gmail.com">Jomohlala@gmail.com</a></td>
</tr>
<tr>
<td>Research Topic:</td>
<td>The implications of 'no-fee-paying' schools on the schools financial management of secondary schools in Soshanguwe</td>
</tr>
<tr>
<td>Number and type of schools:</td>
<td>THIRTY Secondary Schools</td>
</tr>
<tr>
<td>Districts/HO:</td>
<td>TSHWANE NORTH and TSHWANE SOUTH District Offices</td>
</tr>
</tbody>
</table>

Re: Approval in Respect of Request to Conduct Research

This letter serves to indicate that approval is hereby granted to the above-mentioned researcher to proceed with research in respect of the study indicated above. The onus rests with the researcher to negotiate appropriate and relevant time schedules with the school/s and/or offices involved to conduct the research. A separate copy of this letter must be presented to both the School (both Principal and SGB) and the District/Head Office Senior Manager confirming that permission has been granted for the research to be conducted.

The following conditions apply to GDE research. The researcher may proceed with the above study subject to the conditions listed below being met. Approval may be withdrawn should any of the conditions listed below be flouted:

| Making education a societal priority |

Office of the Director: Knowledge Management and Research
9th Floor, 111 Commissioner Street, Johannesburg, 2001
P.O. Box 7710, Johannesburg, 2000 Tel: (011) 305 3500
Email: David Mehlobo@gauteng.gov.za
Website: www.education.gpg.gov.za

[Signature] 2013 / 03 / 07
1. The District/Head Office Senior Manager's concerned must be presented with a copy of this letter first, and that it would indicate that the said researchers have been granted permission from the Gauteng Department of Education to conduct the research study.
2. The District/Head Office Senior Manager's must be approached separately, and in writing, for permission to involve District/Head Office Officials in the project.
3. A copy of this letter must be forwarded to the school principal and the chairperson of the School Governing Body (SGB) that will indicate that the researchers have been granted permission from the Gauteng Department of Education to conduct the research study.
4. A letter/document that outlines the purpose of the research and the anticipated outcomes of such research must be made available to the principals, SGBs, and District/Head Office Senior Managers of the schools and districts/offices concerned, respectively.
5. The Researcher will make every effort obtain the goodwill and cooperation of all the GDE officials, principals, and chairpersons of the SGBs, teachers, and learners involved. Persons who offer their cooperation will not receive additional remuneration from the Department while those that opt not to participate will not be penalized in any way.
6. Research may only be conducted after school hours so that the normal school programme is not interrupted. The Principal (if at a school) and/or Director (if at a district/head office) must be consulted about an appropriate time when the researchers may carry out their research at the sites that they manage.
7. Research may only commence from the second week of February and must be concluded before the beginning of the last quarter of the academic year. If incomplete, an amended Research Approval letter may be requested to conduct research in the following year.
8. Items 6 and 7 will not apply to any research effort being undertaken on behalf of the GDE. Such research will have been commissioned and be paid for by the Gauteng Department of Education.
9. It is the researcher's responsibility to obtain written parental consent of all learners that are expected to participate in the study.
10. The researcher is responsible for supplying and utilizing his/her own research resources, such as stationery, photocopies, transport, faxes, and telephones and should not depend on the goodwill of the institutions and/or the offices visited for supplying such resources.
11. The names of the GDE officials, schools, principals, parents, and teachers and learners that participate in the study may not appear in the research report without the written consent of each of these individuals and/or organisations.
12. On completion of the study, the researcher/s must supply the Director: Knowledge Management & Research with one Hard Cover bound and one electronic copy of the research.
13. The researcher may be expected to provide short presentations on the purpose, findings, and recommendations of his/her research to both GDE officials and the schools concerned.
14. Should the researcher have been involved with research at a school and/or a district/head office level, the Director concerned must also be supplied with a brief summary of the purpose, findings, and recommendations of the research study.

The Gauteng Department of Education wishes you well in this important undertaking and looks forward to examining the findings of your research study.

Kind regards

Dr David Makhado
Director: Knowledge Management and Research

DATE: 2013/03/07

Making education a societal priority

Office of the Director: Knowledge Management and Research

6th Floor, 111 Commissioner Street, Johannesburg, 2001
P.O. Box 7710, Johannesburg, 2000 Tel (011) 355 0505
Email: David_Makhado@gauteng.gov.za
Website: www.education.gpg.gov.za
DISTRICT MEMO No.137 OF 2013

TO
THE PRINCIPALS OF SOSHANGUVE SECONDARY SCHOOLS

FROM
SHIRLEY M OLOBI
DISTRICT DIRECTOR

DATE
22 MARCH 2013

SUBJECT
APPROVAL TO CONDUCT RESEARCH

District Tshwane North gives Mohlala J. permission to do research at Soshanguve Secondary Schools.

The research topic is "The implications of 'no-fee-paying-paying' schools on the schools financial management of secondary schools in Soshanguve".

Please grant him permission to do research after contact time so that the normal programme is not interrupted. The principal must be consulted about an appropriate time when the research may be conducted.

The researcher is responsible for supplying and utilizing his own research resources.

No names may appear in the research report.

Kindly assist him by giving the necessary cooperation.

Regards

Ms~ S. MOLOBI
DISTRICTDIRECTOR
FINANCE MEETING

DATE: 18/06/2011
VENUE: LIBRARY

MEMBERS PRESENT:
- MRS. (CO-OPTED MEMBER FINANCE SGB)
- MR. (S.G.B. CHAIRPERSON)
- MRS. (PS STAFF FINANCE MEMBER)
- MRS. (PARENT SGB FINANCE TREASURY)
- MRS. (PARENT SGB)
- MR. (SECRETARY FINANCE)
- MR. (TEACHER COMPONENT SGB)
- MRS. (PS STAFF BOOKKEEPER)

AGENDA

1. Opening and prayer
2. Welcome: Chairperson Mr. Maganza
3. Sci-bono projects
4. Feeding
5. Non-payment of fees by parents
6. Closure

1. OPENING PRAYER

MRS. Malope

2. WELCOME

Chairperson Mr. Maganza

3. SCI-BONO PROJECTS

The department is providing extra classes for the learners as follows: Our grades 10 and 11 attended Maths and Physical Science and Accounting at Boepathuse during holidays and our graders learners attended at our school. All subjects except the following subjects: Vernacular and Afrikaans and consumer studies. The Lethalang SGB is responsible for remunerating the consumer educator as Sci-bono does not cater for the said mam. Sci-bono does not cater for Business Studies and Economics during Saturdays, they are only offered during holidays, the SGB should take over, for the educators offering Business Studies and Economics.

4. FEEDING

The department is providing food and fruits for the learners. So the SGB employed two ladies to cook for learners during the week. The SGB should review the payment for the cooking employees.

5. NON-PAYMENT OF FEES BY PARENTS

- It is suggested that parents be reminded of paying their children’s school fees.

6. CLOSURE

The meeting was adjourned by prayer from Mrs. Hlatshwayo.

PRINCIPAL

CO-OPTED FINANCE MEMBER
ANNEXURE D2: MINUTES OF THE FINCOM (FEE-PAYING EXAMPLE)

NOTULIE: FINANSIELE VERGADERING
GEHOU OP MAANDAG 16 FEBRUARIE 2015 OM 18:00
IN DIE HOOF SE KANTOOR

1. VERWELKOMING: Mens C het almal teenwoordig welkom en Mar. V open die vergadering met gebed.

2. PRESENTIE:

3. VERSKONINGS:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>HEBBESKRIWING</th>
<th>VERSKONING</th>
<th>RESULTAAT</th>
<th>VERANTEWOORDELIK</th>
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</thead>
<tbody>
<tr>
<td>4.</td>
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<tr>
<td>5.</td>
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</tr>
<tr>
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<tr>
<td>5.12</td>
<td>5.12</td>
<td>5.12</td>
<td>5.12</td>
<td>5.12</td>
</tr>
</tbody>
</table>

6. Goodkeuring van Notules:

7. Sake voortzetting uit Notules:

7.1 Handboeke/WIF: EV Laat een gaan. AD wil eers ‘n vergadering met die komitee. Via Africa se e-boeke word 24/02/15 afgelaai. AD laat van tablettie is ‘n groot probleem. Pearson se e-boeke is ook nog nie afgelaai nie.


AD: Die Spaanse se insamelings is dit nie ‘n bessende borg nie? EV: Nee, die bemarker het hierdie vir die skool.

Noue Sake:

5.1 Oudtûre Jaarante 2014:

| Ma van der Schel
| Procesmedewerker |
| Cecilia Deet Management |

| 3.2 |
| Makelaar: |
| Manon Vergel |
| Kommer live verkoop vanaf 31-3 |

| 3.4 |
| Nieuwe Ida van der Schel |

| 3.5 |
| IT gelede kontaktes |

---

**EV**

Dit is regaal van diens en so maatskaplike. Daar moet "n geskiedenis afstap na die departement toe gaan. Staan af op die HF vergadering gedelegeer en onderlyk aan word. EV & PW moet ondersoek by EEPANS funksioneer die stand in sonderende beperking.

---

**EV**

Iets betrekking met cine. Seld "n afspraak maak met nie hoe nie se gese in sonderende same met EV, PW & ATP.

---

**EV**

Douglas (Dirk) van Boxtel. 
Sekondiereal na 1 maand 
I sien "n probleem so skade al te ver ing in die seuns onderhandel word? 

---

**EV**

Hoewel die stand bekend is die onbekende. Sekondiereal met diens gedelegeer gese afstap in sonderende beperking word. Hoewel in die same die seuns, bekend is die onbekende. Daar is spraag om in die 4 daadwerke waaropghaal word.

---

**EV**

Van die Houtskool. X gebal vanaf 3 jaar van balk gebruik. 
Iemand goeie M. Ons wat goed. JW. Hulle wil aanhef. Vier se 

een gedelegeer. EV. Moet nóg nóg nóg nóg nóg met Ida praat. AA. Bene peer vol die nuwe "n seuns.

---

**EV**

Adelberts 45 vyvingsings deegstut. Verblyf onthou die besluit van 
R 600.000 wat betaalbaar is. EV. Werklike maak vanaf die gesondheid 

betrokke. M. Evens met "n seuns van die seuns. By die laag dit moet dan hulle 
skoolgeld betaal word, maar dit dalk hulle al vanaf die jaar manged af 

bewerksteek. So het dit hulle vol die nuwe "n seuns.

---

**EV**

Hulle moet bewerksteek van die seuns. Hulle is deel van die seuns. 

---

**EV**

Van die seuns vol die nuwe "n seuns.

---

**EV**

Van die seuns van die seuns. X. Kan te spoedig betaal toe 
van R 2500.00. Die dink die seuns. By die seuns. Dit is nie 
het gebruik kan word. Kan ook die hul maak van die seuns. Word 
gedelegeer.

---

**EV**

Sakeliers voorop [10-12-2014] gegaan. Vir 2014 so skoolgeld, voor 

---

**EV**

Kerelisse van die seuns. By die seuns. Sakeliers voorop. Sakeliers voorop.

---

**EV**

2013 so skoolgeld is nie-standaard (R 297.00). Wel van die seuns. Vir 2014 so 


---

**EV**

In die seuns van die seuns. By die seuns. By die seuns. Sakeliers voorop. Sakeliers voorop.

---

**EV**


---

**EV**

Hat volle rekening gehad in 2013, nie 

aanneem gedaan in 2014 nie, teroor van nie aanneem gedaan in 2015, 

EV. Pa maak die kinders groot, want nie waar dier ma is nie, 

lina gaan voet met 2014

---

**EV**

Drie kinders se ouers het kontrakke geteken vir IT klas, die kinders 

wil die klas staan. Wat moet betaal word? Ten volle, gedelegeer 

of glad nie?

---

**IT**

Dit is "n buitevakt. Daar is "n buitevakt aangemaak en klaas te geraak. 

---

**EV**

Moet ten volle betaal, staan op die kontrak.

---

**EV**

Daar is "n tekort aan stiltaansies, daar was solds "n ma wat baie eie
| 5.8 | Aankoop van Shutka-\nsen | Kwotasie beloop ± R 8000.00 vir 10\nknies. Aankoop van Termine of Calhsan. |
| 5.9 | Vehlyf / Hoof/Adjunkt-
hoof - Hanrunweek | \nIvR: Mar, uit shutkaasies vir begroting aankoop, daarin ± R 3000.00.\nbeskikbaar. Word goedkeur. |
| 5.10 | Licensie P Hayek: | \nIvR: Het kwotasie gekry vir R 3000.00 vir die vehlyf (parkeer ingeshal)!\nsyndicaat die Hanrun-week. Week goedkeur om deposito te betaal. |
| 5.11 | SvRoomburg - Operasie | \nIvR: In die verlede het die skool al personeel gehelp met die koste om\nhulle bestuurders/uitvoerers te gegee. P Hayek het nie 'n laaste nie.\nKostes ± R 3000.00. Word nie goedkeur nie. |
| 5.12 | Som van uitgawes | \nIvR: In die verlede, het die skool operasies en gaan ± ses weke afge-\nwees. Wil nie weet of by help van hulle af kan kry as daarin. Hoër opskik by die\nFinansiële Kantoors. Dag-te-dag basis náas. |

9 | Datum volgende\nvergadering | 11 Mei 2015 |
10 | Algemene | \nIvR: Nominasievorms is beskikbaar vir die Beheerlegers by Admin. |

Die vergadering verdaag om 20h00.

---

MC VOORSMITTER

AVG SEKRETARISSIE

Genoemde Persone op \ndag van
REPORT ON THE INCOME STATEMENTS OF SECONDARY SCHOOL

We have compiled the income statement and examined the accounting records of Secondary School for the year ended 31 December 2013.

SCOPE
The work was limited to the financial year ended 31 December 2013 and related to submitted documentation and explanations.
The records were checked for completeness and those relating to the same expenditure compared for accuracy and relevance.
No physical verification was made of the fixed and movable assets of the school.

FINDINGS

PAYMENTS
Payments are supported by cheque requisitions attached to supplier invoices and paid cheques. For cash claims the cheque requisition is attached to claim forms and summarized into the cheque requisition.

RECEIPTS
Incoming money is deposited largely into the bank as learners donations. Vendors and churches deposit directly into the bank as well. For fund raising events the money is collected and banked. Receipts are written as acknowledgement for money banked.

RECOMMENDATIONS
Small suppliers who do not have supplier documentation when claiming payment should sign claim forms. Their claim forms should be attached a copy of their identity document as evidence of their person.
Banking should be on a bound deposit book and not loose sheet bank deposit slips to keep the documents intact.

REMARKS
The basic system is sound and must be adhered to consistently.
The report is a reflection of the documents considered.

For Spectra Management

R MOSALO
Manager

Date: 07 July 2014
### Secondary School

**Income Statement for the Year Ended 31 December 2013**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
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<tbody>
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<td>Learners donations</td>
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<td>30078</td>
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<td>Donations External parties</td>
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<td>Grant - GOE</td>
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<tr>
<td>Grant -Sci Bono</td>
<td>3</td>
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<td>Fund raising</td>
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<td>49586</td>
<td>41302</td>
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<tr>
<td>Recoveries</td>
<td>14</td>
<td>5462</td>
<td></td>
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<tr>
<td><strong>DEDUCT EXPENDITURE</strong></td>
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<td>1196303</td>
<td>986364</td>
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<td><strong>Administration</strong></td>
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<td>123908</td>
<td>99980</td>
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<td>Accounting services</td>
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<td>5300</td>
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<td>Bank charges</td>
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<td>Catering</td>
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<td>Honorarium</td>
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<td><strong>Maintenance</strong></td>
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<td>Cleaning</td>
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<td>Equipment</td>
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<td>Buildings</td>
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<td>Grounds</td>
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<td>LTSM - text books</td>
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<td><strong>Support services</strong></td>
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<td><strong>SURPLUS FOR THE YEAR</strong></td>
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<td>ACCUMULATED FUNDS AT 31/12/2013</td>
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<td>-27907</td>
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ANNEXURE E2: FINANCIAL STATEMENT (FEE-PAYING EXAMPLE)

<table>
<thead>
<tr>
<th>Begrotings Rekening</th>
<th>Nota</th>
<th>Mar-15</th>
<th>Apr-15</th>
<th>Jaar tot datum</th>
<th>Totaal Jaar 2015</th>
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<td></td>
<td></td>
<td>Begroot</td>
<td>Werklik</td>
<td>% afwyk van begroot</td>
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<td>Begroot</td>
<td>Werklik</td>
<td></td>
<td>Begroot</td>
</tr>
<tr>
<td>Finansiële Maaif Verslag</td>
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<td></td>
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<tr>
<td>Finansiële Maandel Verslag</td>
<td>1</td>
<td>885.579</td>
<td>1.515.408</td>
<td>71%</td>
<td>885.579</td>
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<tr>
<td>Skoolgeld</td>
<td>2</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Minus Kortings</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Minus Vrystellings verleen</td>
<td>NA</td>
<td>(744.302)</td>
<td>NA</td>
<td>(20.882)</td>
<td>NA</td>
</tr>
<tr>
<td>Minus: Siekte skulde en Inwoord Koste</td>
<td>NA</td>
<td>(3.675)</td>
<td>NA</td>
<td>(65.000)</td>
<td>NA</td>
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<tr>
<td>Plus: Skeid skulde verhael</td>
<td>NA</td>
<td>(7.989)</td>
<td>NA</td>
<td>(28.247)</td>
<td>NA</td>
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<td>Staatssubside</td>
<td>4</td>
<td>NA</td>
<td>NA</td>
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<td>NA</td>
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<td>Bylsete ontvang</td>
<td>5</td>
<td>9.996</td>
<td>6.042</td>
<td>-40%</td>
<td>9.996</td>
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<td>Rente ontvang</td>
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<td>3.165</td>
<td>5.926</td>
<td>87%</td>
<td>3.165</td>
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<td>Spesiale Projekte ontvang</td>
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<td>47.999</td>
<td>21.652</td>
<td>-55%</td>
<td>2.489</td>
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<td>Engelse toer</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Verhuur van Bates</td>
<td>9</td>
<td>3.998</td>
<td>4.385</td>
<td>87%</td>
<td>3.998</td>
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<tr>
<td>Bemarking Inkomste</td>
<td>10</td>
<td>167</td>
<td>1.500</td>
<td>40%</td>
<td>167</td>
</tr>
<tr>
<td>Donasies</td>
<td>11</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Balkies Verkoop</td>
<td>12</td>
<td>20</td>
<td>NA</td>
<td>NA</td>
<td>20</td>
</tr>
<tr>
<td>Handboek Inkomste</td>
<td>13</td>
<td>16</td>
<td>NA</td>
<td>NA</td>
<td>16</td>
</tr>
<tr>
<td>Helgeld ontvang</td>
<td>14</td>
<td>4.287</td>
<td>NA</td>
<td>NA</td>
<td>3.947</td>
</tr>
<tr>
<td>Totale Inkomste</td>
<td>15</td>
<td>950.904</td>
<td>814.888</td>
<td>14%</td>
<td>905.404</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Begroot</td>
<td>Werklik</td>
<td>% van begroot</td>
<td>Begroot</td>
</tr>
</tbody>
</table>
### Begroting 2015 en Werklik 2015 (Kumulatief)

#### 30 April 2015 Werklik (kumulatief)

<table>
<thead>
<tr>
<th>Maand</th>
<th>Begroting</th>
<th>Werklik</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3476</td>
<td>3476</td>
</tr>
<tr>
<td>2</td>
<td>3477</td>
<td>3477</td>
</tr>
<tr>
<td>3</td>
<td>3478</td>
<td>3478</td>
</tr>
<tr>
<td>4</td>
<td>3479</td>
<td>3479</td>
</tr>
<tr>
<td>5</td>
<td>3480</td>
<td>3480</td>
</tr>
<tr>
<td>6</td>
<td>3481</td>
<td>3481</td>
</tr>
<tr>
<td>7</td>
<td>3482</td>
<td>3482</td>
</tr>
<tr>
<td>8</td>
<td>3483</td>
<td>3483</td>
</tr>
<tr>
<td>9</td>
<td>3484</td>
<td>3484</td>
</tr>
<tr>
<td>10</td>
<td>3485</td>
<td>3485</td>
</tr>
<tr>
<td>11</td>
<td>3486</td>
<td>3486</td>
</tr>
<tr>
<td>12</td>
<td>3487</td>
<td>3487</td>
</tr>
</tbody>
</table>

### Werklike Inkomste 2015 vs Begroting (kumulatief) in R M

<table>
<thead>
<tr>
<th>Maand</th>
<th>Begroting</th>
<th>Werklik</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1234</td>
<td>1234</td>
</tr>
<tr>
<td>2</td>
<td>1235</td>
<td>1235</td>
</tr>
<tr>
<td>3</td>
<td>1236</td>
<td>1236</td>
</tr>
<tr>
<td>4</td>
<td>1237</td>
<td>1237</td>
</tr>
<tr>
<td>5</td>
<td>1238</td>
<td>1238</td>
</tr>
<tr>
<td>6</td>
<td>1239</td>
<td>1239</td>
</tr>
<tr>
<td>7</td>
<td>1240</td>
<td>1240</td>
</tr>
<tr>
<td>8</td>
<td>1241</td>
<td>1241</td>
</tr>
<tr>
<td>9</td>
<td>1242</td>
<td>1242</td>
</tr>
<tr>
<td>10</td>
<td>1243</td>
<td>1243</td>
</tr>
<tr>
<td>11</td>
<td>1244</td>
<td>1244</td>
</tr>
<tr>
<td>12</td>
<td>1245</td>
<td>1245</td>
</tr>
</tbody>
</table>

### Werklike Uitgawes 2015 vs Begroting (kumulatief) in R M

<table>
<thead>
<tr>
<th>Maand</th>
<th>Begroting</th>
<th>Werklik</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1234</td>
<td>1234</td>
</tr>
<tr>
<td>2</td>
<td>1235</td>
<td>1235</td>
</tr>
<tr>
<td>3</td>
<td>1236</td>
<td>1236</td>
</tr>
<tr>
<td>4</td>
<td>1237</td>
<td>1237</td>
</tr>
<tr>
<td>5</td>
<td>1238</td>
<td>1238</td>
</tr>
<tr>
<td>6</td>
<td>1239</td>
<td>1239</td>
</tr>
<tr>
<td>7</td>
<td>1240</td>
<td>1240</td>
</tr>
<tr>
<td>8</td>
<td>1241</td>
<td>1241</td>
</tr>
<tr>
<td>9</td>
<td>1242</td>
<td>1242</td>
</tr>
<tr>
<td>10</td>
<td>1243</td>
<td>1243</td>
</tr>
<tr>
<td>11</td>
<td>1244</td>
<td>1244</td>
</tr>
<tr>
<td>12</td>
<td>1245</td>
<td>1245</td>
</tr>
</tbody>
</table>

### Nota

<table>
<thead>
<tr>
<th>Nota</th>
<th>Beskrywing</th>
<th>Bedrag</th>
<th>Opmerking</th>
<th>Rand afwyking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Skoolgeld</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Vyrostelling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Slegte skuld</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Staatsubsidie</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Bylesse</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-7</td>
<td>Spesiale</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>projekte</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Donasies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Handboek</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>inkomste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UITGAWES</td>
<td>KODE</td>
<td>REKENINGE WAT OORSPANDEER IS TEEN JAARBEGROTING</td>
<td>RAND AFWYKIN</td>
</tr>
<tr>
<td>8</td>
<td>Nie - Tegnie</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Tegnie</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Administrasie</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Geboue,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Terrein,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Istandhouding</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**ANNEXURE F1: RESOURCE TARGETING TABLE CERTIFICATE (NO-FEE-PAYING EXAMPLE)**

---

**GAUTENG PROVINCE**

**EDUCATION**

**REPUBLIC OF SOUTH AFRICA**

---

**ANNEXURE A: FINAL RESOURCE ALLOCATION 2014/15**

**PART A: DEMOGRAPHIC INFORMATION**

<table>
<thead>
<tr>
<th>District</th>
<th>Tshwane North</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Type</td>
<td>Secondary</td>
</tr>
<tr>
<td>Grade Levels</td>
<td>7</td>
</tr>
</tbody>
</table>

---

**PART B: ‘FEE’ STATUS AND CALCULATION OF RESOURCE ALLOCATION**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Allocation for the School</td>
<td>R 1,304,688</td>
</tr>
<tr>
<td>Total Allocation for Grade 7 learners (excluding prep/oral)</td>
<td>R 1,232</td>
</tr>
<tr>
<td>Total Allocation for Grade 1-12 learners</td>
<td>R 1,010</td>
</tr>
<tr>
<td>Total Allocation for Grade 1-12 learners excluding prep/oral</td>
<td>R 1,059</td>
</tr>
</tbody>
</table>

---

**PART C: RESOURCE ALLOCATION AS PER RTT, AND SASA SECTION 21 FUNCTIONS ALLOCATED**

<table>
<thead>
<tr>
<th>Function</th>
<th>Amount</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35,000</td>
<td>634,844</td>
<td>423,418</td>
</tr>
<tr>
<td></td>
<td>35,000</td>
<td>634,844</td>
<td>152,663</td>
</tr>
</tbody>
</table>

---

**PART D: ADDITIONAL INFORMATION**

1. Upon receipt of this certificate, all details are to be verified and a copy, signed by the Chairperson of the SGB, to be submitted to the office of the Director, Financial Reporting, Funding and Subsidies at Head Office, 4th floor, Room 409, 111 Commissioner Street, Johannesburg.
2. Parents of learners at No Fee schools are exempted from the compulsory payment of school fees.

---

Head of Department: [Signature]

Date: 19 March 2014
# ANNEXURE F2: RESOURCE TARGETING TABLE CERTIFICATE (FEE-PAYING EXAMPLE)

## ANNEXURE A: INDICATIVE RESOURCE ALLOCATION 2014/15

### PART A: DEMOGRAPHIC INFORMATION

<table>
<thead>
<tr>
<th>District</th>
<th>TSHWANE NORTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMS number</td>
<td></td>
</tr>
<tr>
<td>School Name</td>
<td></td>
</tr>
<tr>
<td>Physical 1: Location</td>
<td>XXXXXXXX</td>
</tr>
<tr>
<td>Physical 2: Zone/Extension</td>
<td>XXXXXXXX</td>
</tr>
<tr>
<td>Physical 3: Township/Suburb</td>
<td>TSHWANE</td>
</tr>
<tr>
<td>Physical 4: City</td>
<td>CITY OF TSHWANE METRO PART 1</td>
</tr>
</tbody>
</table>

### PART B: ‘FEE’ STATUS AND CALCULATION OF RESOURCE ALLOCATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 per capita allocation (based on previous year’s allocation to schools)</td>
<td>R 514</td>
</tr>
<tr>
<td>2014 adequacy amount (based on national school funding norms)</td>
<td>R 530</td>
</tr>
<tr>
<td>Total number of learners in the school (excluding grades Pre-Grade R, Grade R and Other)</td>
<td>1,063</td>
</tr>
<tr>
<td>Total Allocation for 2014</td>
<td>R 563,390</td>
</tr>
</tbody>
</table>

The total allocation is calculated as follows:

- If the 2014 National Quintile Adequacy Amount is greater than the 2013 Per Capita Allocation, then the 2014 National Quintile Adequacy Amount is taken and multiplied by Grade 1-12 learners in 2014. If, however, the 2014 National Quintile Adequacy Amount is less than the 2013 Per Capita Allocation, then the 2013 Per Capita Allocation is taken and multiplied by Grade 1-12 learners in 2014.

### PART C: RESOURCE ALLOCATION AS PER RTT, AND SASA SECTION 21 FUNCTIONS ALLOCATED

<table>
<thead>
<tr>
<th>SASA Section 21 function</th>
<th>Day-to-day allowance</th>
<th>LTSM (50%)</th>
<th>Services (38%)</th>
<th>Maintenance (12%)</th>
<th>Total Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total function allocated to school</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>563,390</td>
<td></td>
</tr>
</tbody>
</table>

Amount to be transferred: 281,693
Amount to be managed by district: 214,088
Total allocated per split: 563,390

Deviation in the utilisation of these ringfenced amounts can only be done with the written authorisation of the District Director.

### PART D: ADDITIONAL INFORMATION

Upon receipt of this certificate, all details are to be verified and a copy, signed by the Chairperson of the SGB, to be submitted to the office of the Director, School Financial Management and Governance at Head Office, 4th floor, Room 409, 111 Commissioner Street, Johannesburg. Parents of learners at no fee schools are exempted from the compulsory payment of school fees.

**Date:**

13 September 2013

**Head of Department**
ANNEXURE G: REPORT FROM QUALITY ASSURANCE (EXAMPLE)

350


ANNEXURE H1: SPORT GROUND (NO-FEE-PAYING EXAMPLE)
ANNEXURE H2: SPORT GROUND (FEE-PAYING EXAMPLE)
ANNEXURE II: LIST OF TECHNICAL EQUIPMENTS BOUGHT BY PARENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>DASH - Precision Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basiese Tekeninstrument pakket vir 2015 Graad 8-leerders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x Passerstel met spaarpjes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>1 x 0,5mm passtuk vir grootpasser</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x 0,5mm pentel tekenpotlood 0,5mm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x C1,5mm H-loodjes (buusie van 12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x staedtler skaalinitiaai (plaat)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x uitveerplaatje</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x uitveer (Hi-Polymer)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x HSE 60° Tekendriehoek met sirkelstensal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x Helix 45°tekendriehoek</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x Helix 10cm gradeboog</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x pennesakkie</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Al die items hierbo is ingesluit in die pakket en word verpak in die pennesakkie*</td>
<td></td>
<td>R425,00</td>
</tr>
<tr>
<td>1 x A3 Hebel Solid Tekenbord met T-Hak</td>
<td>1</td>
<td>R400,00</td>
</tr>
<tr>
<td>1 x Tekenbordsak - swart</td>
<td></td>
<td>R175,00</td>
</tr>
<tr>
<td>TOTAAL: R1000,00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Bestellings kan geplaas word tussen 01/09/2015 - 30/11/2015
* Verkieslik eenmalige betaling, met bestelling.

* Daar kan gereel word vir betaling in 3 paaiemente:
  (Om dit vir die ouers meer bekostigbaar te maak)

- R400,00 @ 30/09/2015
- R300,00 @ 31/10/2015
- R300,00 @ 31/11/2015
ANNEXURE I2: LIST OF EGD STATIONERY AND LIST FOR TECHNICAL EQUIPMENT AS SUPPLIED BY PARENTS AT A HIGH SCHOOL OFFERING TECHNICAL SUBJECTS

September 2015
Geagte Ouers/Voogdes

IGO-WERKBOEKE (2016)

Die IGO-werkboeke vir volgende jaar (2016) is reeds bestel. Die betaalings van die werkboek vervang die fonds wat u jaarliks betaal het.

Die pryse is soos volg:
- Gr 10 : R175
- Gr 11 : R185
- Gr 12 : R185

Aangesien u kind aangedui het dat hy/haar volgende jaar met IGO, doen ek 'n beroep op u om die bedrag vanaf 9 Desember 2015 in te betaal weens die feit dat die leerders die werkboeke al die eerste week van die nuwe skooljaar gaan gebruik. Indien 'n leder nie die bedrag betaal nie, sal hy/haar nie die boek volgende jaar ontvang nie.

Indien u enige navrae het, kontraer gerus mnr E van der Walt by die skool, 012 542-1178.

Danksie vir u samewerking.

Vriendelike groete

Dear Parents/Guardians

EGD WORK BOOKS (2016)

The EGD workbooks for next year (2016) have been ordered. The payment of the workbook replaces the fund which you paid annually.

The prices are as follows:
- Gr 10 : R175
- Gr 11 : R185
- Gr 12 : R185

As your child has indicated that he/she will be continuing with EGD as a subject, I appeal to you to pay the amount before/on 9 December 2015 due to the fact that the learners will use the workbooks the first week of the new school year. If a learner does not pay, he/she will not receive the book next year (2016).

Should you have any enquiries, kindly contact Mr E van der Walt at the school, 012 542-1178.

Thank you for your co-operation.

Yours faithfully

---

**Drawing equipment/instruments:**

- Masking tape
- Chalk pencil 0.3 or 0.5
- Chalk pencil leads H or 2H
- Eraser (soft and white) / Pen
- 30°-60° Set Square (NB: NOT a MATH SET’S SET SQUARE)
- 45° Set Square (NB: NOT a MATH SET’S SET SQUARE)
- Drawing compass with an adjustment wheel
- Divider
- 360°/180° Small protractor
- Dust cloth
- Calculator (same as maths)
- A3 lever arch file for workbook (optional)

**Optional additional drawing equipment/instruments** for Gr11:
- Circle stencil (flexible)
- French curves or flexi 30cm curve/ruler

It is nice to have your own (for homework):
- A3 Drawing board with T-square
- A3 Drawing bag hard shell with a spine for workbook
ANNEXURE J: LETTER TO REMIND SCHOOLS TO SUBMIT AUDITED FINANCIAL STATEMENTS

GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

TO:
THE PRINCIPAL
SCHOOL GOVERNING BODY
ADAM MASEBE SECONDARY SCHOOL :700910011

FROM:
TEBOHO MAYEZA
DIRECTOR: SCHOOL FINANCIAL MANAGEMENT & GOVERNANCE

CC:
DISTRICT DIRECTOR: SHIRLEY MOLOBI
TSHWANE NORTH

CC:
CHIEF DIRECTOR DISTRICTS
ZANELE MTHEMBU

SUBJECT:
REMINDER TO SUBMIT AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2014

Section 53(5) of the South African Schools Act (SASA) states that a governing body must submit to the Head of Department, within six months after the end of each financial year, a copy of the annual financial statements, audited or examined in terms of this section.

Please accept this as a reminder that Annual Financial Statement for the year ending 31 December 2014 must be submitted to the District Offices not later than 30 June 2015.

The Department will not process transfers for the year 2016/2017 to the school unless these documents have been submitted.

Your non-submission will affect your section 21 status for the year 2015/16 to the school.

Yours sincerely

[Signature]

Teboho Mayeza
DIRECTOR: SCHOOL FINANCIAL MANAGEMENT & GOVERNANCE
<table>
<thead>
<tr>
<th>Sub-(Sub)-Questions</th>
<th>SCHOOLS AS LABELLED</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>a. Are the no-fee-paying schools adequately funded by the government?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>aa. Are the schools able to meet their envisaged needs from the government funds?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ab. Is there any variation between the budget and expenditure as planned?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ac. Is there any misappropriation of funds?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ad. Are the ring-fenced funds (grant from government) adequate for the purchase of LTSM and the payment of maintenance and services?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>b. Does the classification of schools as no-fee-paying paying schools affect the financial or general duties of the SGB as promulgated in SASA, 1996?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>ba. Are the financial committees functional in the no-fee-paying schools?</td>
<td>√</td>
<td>√</td>
</tr>
</tbody>
</table>

Comments: 7/8 of sampled Soshanguve schools are inadequately funded.

Comments: 7/8 of the SGB duties are affected as they do not have functional FinComs, supplementary funds unavailable etc.
<table>
<thead>
<tr>
<th>bb.</th>
<th>Do the SGBs supplement (adequately) the grant from the government?</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>1</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>bc.</td>
<td>Are adequate funds raised by other means, especially fundraising?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>bd.</td>
<td>Do the SGBs encourage parents to support the schools financially?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>be.</td>
<td>Do the SGBs request donations (in the form of money) from the parents?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>bf.</td>
<td>Do the majority of parents donate financially to the no-fee-paying schools as decided at the AGM (see financial statements E1 and E2)?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

**c.** Is there efficient financial management in poor schools? Do all stakeholders possess the capacity to manage the funds from the government efficiently?

- Comments: 7/8 as sampled schools are inefficient as far as financial management is concerned and they do not comply with requirements of school financial management. Members of the SGB in all 8 schools were not au fait with the school financial management and did not possess any capacity to manage funds.

<table>
<thead>
<tr>
<th>ca.</th>
<th>Do the finance committees (FinComs) hold meetings?</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>1</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>cb.</td>
<td>Are the members of the SGB au fait with financial management?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>cc.</td>
<td>Are the school financial systems in order i.e. do they comply with the</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>requirements of school financial management?</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>1</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cd. Are audited financial statements submitted when required by the parents as well as the district offices?</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>1</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Does the classification of schools into no-fee-paying paying implications on school financial management?</td>
<td>The SGB of 7/8 of the schools sampled rely on government funds but do not know when it is to be deposited into schools bank accounts, the formulae is unknown, does not end the financial year with a positive bank balance, do not meet their schools needs etc.</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>da. Do schools know precisely when they are to receive their grants?</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>1</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>db. Do the SGBs understand the formulae used to allocate funds to their schools?</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>1</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>dc. Do the schools start a new financial year with a positive bank balance?</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>1</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>dd. Are schools able to meet their needs before the grants are deposited into the school accounts?</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>1</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>de. Do schools adhere to the allocation as determined by the PED?</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>1</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Are there any financial Comments: 7/8 of the sampled schools cannot effect sufficient improvements yet they are able to procure and pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Advantages for the ‘poor’ (formerly underprivileged) schools in Soshanguve as a result of being declared no-fee-paying paying schools? for services in time especially after they have received the allocation.

| ea. | Are schools in Soshanguve able to effect sufficient improvements (procurement of enough LTSM, maintenance of infrastructure and payment of services) based on the grant and donations from the government and parents respectively? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 1 | 7 |

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**ANNEXURE K2: RESEARCH INSTRUMENT- CITY SCHOOLS: FEE-PAYING**

<table>
<thead>
<tr>
<th>Sub-(Sub)-Questions</th>
<th>SCHOOL AS LABELLED</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AA</td>
<td>BB</td>
</tr>
<tr>
<td>a. Are the fee-paying schools adequately funded by the government?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>aa. Are the schools able to meet their envisaged needs from the government funds?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ab. Is there any variation between the budget and expenditure as planned?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ac. Is there any misappropriation of funds?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ad. Are the ring-fenced funds (grant from government) adequate for the purchase of LTSM and the payment of maintenance and services?</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>b. Does the classification of</td>
<td>Comments: 8/8 of the SGB duties are not affected as they have functional FinComs, supplementary funds are available as raised by the SGB etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>schools as fee-paying schools affect the financial or general duties of the SGB as promulgated in SASA, 1996?</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>ba.</td>
<td>Are the financial committees functional in the no-fee-paying schools?</td>
<td></td>
</tr>
<tr>
<td>bb.</td>
<td>Do the SGBs supplement (adequately) the grant from the government?</td>
<td></td>
</tr>
<tr>
<td>bc.</td>
<td>Are adequate funds raised by other means, especially fundraising?</td>
<td></td>
</tr>
<tr>
<td>bd.</td>
<td>Do the SGBs encourage parents to support the schools financially?</td>
<td></td>
</tr>
<tr>
<td>be.</td>
<td>Do the SGBs request donations (in the form of money) from the parents?</td>
<td></td>
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<tr>
<td>bf.</td>
<td>Do the majority of parents donate financially to the no-fee-paying schools as</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Is there efficient financial management in City schools? Do all stakeholders possess the capacity to manage the funds from the government efficiently?</td>
<td>Comments: 8/8 as sampled schools are efficient as far as financial management is concerned and they do comply with the requirements of school financial management. Members of the SGB in general are au fait with the school financial management and do possess capacity to manage funds.</td>
<td></td>
</tr>
<tr>
<td>ca. Do the finance committees (FinComs) hold meetings?</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 8 0</td>
<td></td>
</tr>
<tr>
<td>cb. Are the members of the SGB au fait with financial management?</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 8 0</td>
<td></td>
</tr>
<tr>
<td>cc. Are the school financial systems in order i.e. do they comply with the requirements of school financial management?</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 8 0</td>
<td></td>
</tr>
<tr>
<td>cd. Are audited financial statements submitted</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 8 0</td>
<td></td>
</tr>
</tbody>
</table>
when required by the parents as well as the district offices?

<table>
<thead>
<tr>
<th>d.</th>
<th>Does the classification of schools into fee-paying have implications on school financial management?</th>
<th>The SGB of 8/8 of the schools sampled rely on mostly school fees, fundraising and to a little extend on government grant. They are on top school financial management and do know when school fees as well as the grant are to be deposited into schools bank accounts, the formulae known, they end the financial year with a positive bank balance, they do meet their schools needs etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>da.</td>
<td>Do schools know precisely when they are to receive their grants?</td>
<td>√</td>
</tr>
<tr>
<td>db.</td>
<td>Do the SGBs understand the formulae used to allocate funds to their schools?</td>
<td>√</td>
</tr>
<tr>
<td>dc.</td>
<td>Do the schools start a new financial year with a positive bank balance?</td>
<td>√</td>
</tr>
<tr>
<td>dd.</td>
<td>Are schools able to meet their needs before the grants are deposited into the school accounts?</td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Question</td>
<td>Yes (%)</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>de.</td>
<td>Do schools adhere to the allocation as determined by the PED?</td>
<td>8</td>
</tr>
<tr>
<td>e.</td>
<td>Are there any financial advantages for the ‘rich’ (formerly privileged) schools in the City as a result of being declared fee-paying schools?</td>
<td>8</td>
</tr>
<tr>
<td>ea.</td>
<td>Are schools in the City able to effect sufficient improvements (procurement of enough LTSM, maintenance of infrastructure and payment of services) based on the grant and donations from the government and parents respectively?</td>
<td>8</td>
</tr>
</tbody>
</table>
Jonas Mohlala was born at Lady Selborne, Pretoria. He grew up in Atteridgeville. He is the only son of Meshack Shadrack and Gladys Mohlala. Tertiary education was acquired at Vista University, now the University of Pretoria, where he studied for a Secondary Education Diploma, Baccalaureus Artium, Baccalaureus Artium Honoris (History), Baccalaureus Artium Honoris (Public Administration) and Magister Artium (Public Administration) in which a dissertation titled, Local government in transition with specific reference to the City of Tshwane, was compiled. He taught for the first time at Khutšo Combined School in 1992. Thereafter, he was moved to Lethabong High School where he taught English and History. This is remarkable, in that, at Lethabong he was recruited by the late Mr M.J. Mgidi (Principal) as Head of the Department (HoD) for Social Sciences, in 1996. He was subsequently promoted to a post of the Deputy Principal within a short space of time. In 2005 he left education for a banking sector as a manager of one of ABSA bank branches. He excelled in customer service and won hearts and minds of the bank clients. He was awarded the best branch manager for the month of April, 2006. In 2007 he was recruited back to education after the death of Mr M.J. Mgidi. He assumed a Principal role until 2012 when he was requested to turn around an ailing high school as a Caretaker Principal. The school’s performance for Grade 12 moved from 45% that was obtained in 2011 to 94% obtained in 2012. He assumed the leadership of school he had turned around in 2015. After bringing hope to the school he was appointed as an Inspector in 2015. He is currently in charge and support of 16 Tshwane North schools, School Management Teams, School Governing Bodies and Representative Council of Leaners.