

**SHARED PERCEPTIONS AND ASSESSMENT OF FINANCIAL MANAGEMENT CONDUCT IN  
RURAL SCHOOLS OF SOUTH AFRICA: THE CASE OF MPUMALANGA PROVINCE**

by

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submitted in accordance with the requirements for the degree of

**DOCTOR OF EDUCATION**

in the subject

**EDUCATION MANAGEMENT**

at the

UNIVERSITY OF SOUTH AFRICA

SUPERVISOR: PROF RJ BOTHA

November 2019

## Ethics Approval Certificate



### UNISA COLLEGE OF EDUCATION ETHICS REVIEW COMMITTEE

Date: 2018/05/16

Ref: 2018/05/16/06463096/21/MC

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**Shared perceptions and assessment of financial management conduct in rural schools of South Africa: The case of Mpumalanga province**

**Qualification:** DEd in Educational Leadership and Management

Thank you for the application for research ethics clearance by the UNISA College of Education Ethics Review Committee for the above mentioned research. Ethics approval is granted for the period 2018/05/16 to 2023/05/16.

*The **low risk** application was reviewed by the Ethics Review Committee on 2018/05/16 in compliance with the UNISA Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.*

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UNISA College of Education Ethics Review Committee.

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5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.
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7. No field work activities may continue after the expiry date **2023/05/16**. Submission of a completed research ethics progress report will constitute an application for renewal of Ethics Research Committee approval.

*Note:*

*The reference number **2018/05/16/06463096/21/MC** should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.*

Kind regards,



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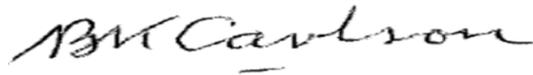
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TO WHOM IT MAY CONCERN

I hereby confirm that I have proofread and edited the following thesis using the Windows 'Tracking' system to reflect my comments and suggested corrections for the student to action:

*Shared perceptions and assessment of financial management conduct in rural schools of South Africa: The case of Mpumalanga Province* by Simon Diatleng Sebidi, a thesis submitted in fulfilment of the requirements for the degree of Doctor of Education in the Faculty of Education Management and Leadership at the University of South Africa.



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**Disclaimer:** Although I have made comments and suggested corrections, the responsibility for the quality of the final document lies with the student in the first instance and not with myself as the editor. In this instance, significant corrections still need to be made by the students, so my recommendation is that a second edit be undertaken.

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## **ABSTRACT**

This study is on shared perceptions and assessment of financial management conduct in rural schools of South Africa: the case of Mpumalanga Province. The objective of this investigation was to understand and reveal the financial management conduct of school governing bodies in rural schools of South Africa, particularly in Mpumalanga Province.

This study adopted a qualitative research approach in gathering and analysing the data. For data collection, face-to-face semi-structured interviews, focus group interviews, a literature review and document analysis were used. Many scholars who investigated school financial management argue about the manner in which school governing bodies manage school finances. In this study research conducted claimed that school governing bodies in rural schools cannot execute their Section 21 functions due to lack of proficiency and knowledge to exercise their new powers effectively, including management of finances, because of high rates of adult illiteracy where parents may not be able to play a meaningful role in school governance irrespective of the training they have received. This has contributed to the lack of improvement in the education of learners in schools.

However, in this study research findings have pointed out that there is immense improvement of literacy level of school governing bodies in rural areas. This is due to the fact that most of the members who are involved in current membership of SGBs are current teachers, former teachers and people who are exposed to management of finances in their work places and are able to read and write.

The findings of this study have significance for researchers countrywide, particularly those interested in the school financial management legislation and policy implementation, and the challenges and improvements in the institutional environments. Therefore, this study has the potential to motivate these researchers to undertake further research in this field of discipline.

This study recommends that school governing bodies should be adequately trained and motivated, and that schools' financial legislation should include a minimum literacy level as a membership requirement in order to improve the financial management conduct.

### **KEY TERMS:**

Capacity building; Financial management; Financial mismanagement; Financial responsibility; Legislation and policy frameworks; Literacy level; School governing bodies; Section 21 functions.

## ABSTRAK

Hierdie studie is op gedeelde persepsies en beoordeling van finansiële bestuur behartig in landelike skole van Suid-Afrika: die geval van Mpumalanga Provinsie. Die doelstelling van hierdie ondersoek was om te verstaan en onthul die finansiële bestuur gedragskode van die skool beheerliggame in landelike skole van Suid-Afrika, veral in die Mpumalanga Provinsie.

Hierdie studie aangeneem 'n kwalitatiewe navorsing benadering in versamel en ontleding van die data. Vir dataversameling, aangesig tot semi gestruktureerde onderhoude, fokus-groep onderhoude, 'n literatuur oorsig en dokument analise gebruik is.

Baie geleerdes wat ondersoek finansiële skoolbestuur argumenteer iewers sterf wyse waarop skool beheerliggame bestuur skool finansies. In hierdie studie onderneem geëis dat skool beheerliggame in landelike skole uitvoer kan hul Artikel 21 funksioneer as gevolg van gebrek aan vaardigheid en kennis om hul nuwe bevoegdhede doeltreffend uitoefen, insluitend bestuur van finansies, as gevolg van hoë koerse van volwasse ongeletterdheid waar ouers mag nie in staat wees om te speel 'n betekenisvolle rol in die skool beheer ongeag die opleiding hulle ontvang het. Dit het bygedra om die gebrek aan verbetering in die onderwys van leerders in skole.

Egter, in hierdie studie navorsingsbevindings het uitgewys dat daar is geweldige verbetering van geletterdheid vlak van skool beheerliggame in landelike gebiede. Dit is as gevolg van die feit dat die meeste van die lede wat betrokke is by huidige lidmaatskap van SBL is huidige onderwysers, voormalige onderwysers en mense wat blootgestel word aan bestuur van finansies in hul werksplekke en is in staat om te lees en skryf.

Die bevindinge van hierdie studie het betekenis vir navorsers landwyd, veral diegene wat belangstel in die skool finansiële bestuur wetgewing en implementering van die beleid, en die uitdagings en verbeterings in die institusionele omgewings. Dus, hierdie studie het die potensiaal om te motiveer hierdie navorsers te onderneem verdere navorsing in hierdie veld van dissipline.

Hierdie studie beveel aan dat skool beheerliggame moet behoorlik opgelei en gemotiveer en wat skole se finansiële wetgewing moet insluit 'n minimum geletterdheid vlak as 'n lidmaatskap vereiste ten einde die finansiële bestuur gedrag verbeter.

### **Sleutelwoorde:**

Artikel 21 funksies; Finansiële bestuur; Finansiële wanbestuur; Geletterdheid vlak; Finansiële verantwoordelikheid; Kapasiteitbou; Skool beheerliggame; Wetgewing en beleid raamwerke.

## **ABOSETERAKE**

Patlisiso e, e ka ga kabelano ya mmono le tlathhobo ya maitsholo a tsamaiso ya madi mo dikolong tsa metseselegae tsa Afrika Borwa mo Porofinsing ya Mpumalanga. Maikaelelo a patlisiso e, e ne e le go tshologanya le go senola maitsholo a makgotla a tsamaiso ya dikolo tsa metseselegae tsa Afrika Borwa, bogolo mo Porofinsing ya Mpumalanga.

Patlisiso e, e dirisitse mokgwa wa kwalitetifi go kokoanya le go phetlha dintlha. Go dirisitwse le mokgwa wa go buisana le motho a le mongwe, puisano le lekoko la batho, tsekatsheko ya dikwalwa le phetlholo ya dikwalo. Mo patlisisong e, dipatlisiso tse di dirilweng di senola gore makgotla a tsamaiso ya dikolo kwa dikolong tsa metseselegae ga ba na bokgoni jwa tsamaiso e e lolameng ya madi ka ntlha ya tlhokego ya boitseanape le kitso, mme se se tlhola tsamaiso e e sokameng ya madi.

Le fa go ntse jalo, dipatlisiso di senotse tlhabologo mo seelong sa borutegi jwa makgotla a tsamaiso ya dikolo a mo malatsing gompiano. Tlhabologo e, e tlholwa ke gore maloko a mantsi a makgotla a tsamaiso ya dikolo ke barutabana ba ba sa ntseng ba diragatsa 'tiro tsa bona tsa barutabana, barutabana ba ba tlogetseng tiro, fa maloko a mangwe e le a dirang 'tiro tsa botsamaiso jwa madi kwa ditheong tsa bona tse di farologaneng mme e bile ba itse go kwala le go buisa.

Ditshenolo tsa patlisiso e, di botlhokwa go babatlisisise naga ka bophara, bogolo babatlisisise ba ba nang le kgatlhego mo dipatlisisong tsa tsamaiso le tiriso ya madi mo dikolong, dikgwetlho le tlhabololo ya tiriso ya madi mo ditheong tse di farologaneng tsa thuto. Ka patlisiso e, babatlisisise ba ka kgatlhegela go dira dipatlisiso tse dingwe tsa mothale o mo letlhakoreng le la borutegi.

Patlisiso e, e tshitshinya gore makgotla a tsamaiso ya dikolo a tshwanetse go katisiwa, ba rotloediwe le gore melao ya tsamaiso ya madi ya makgotla a dikolo e akaretse molawana wa tlhokego ya borutegi jo bo rileng fa go tlhophiwa maloko.

### **Mafoko a botlhokwa:**

Maikarabelo a tiriso ya madi; Makgotla a tsamaiso ya sekolo; Mesola ya karolo ya 21 ya kabelo ya madi; Seelo sa borutegi; Tlhabololo ya kitso; Tsamaiso ya madi; Molao le dipholisi.

## DECLARATION

Name: Mr Simon Diatleng Sebidi

Student number: 6463096

Degree: DEd in Education Management

Exact wording of the title of the thesis as appearing on the electronic copy submitted for examination:

**Shared perceptions and assessment of financial management conduct in rural schools of South Africa: the case of Mpumalanga Province**

I declare that the above thesis 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.

I further declare that I submitted the thesis to originality checking software and that it falls within the accepted requirements for originality.

I further declare that I have not previously submitted this work, or part of it, for examination at Unisa for another qualification or at any other higher education institution.

SIGNATURE:



DATE: 30 April 2019

## **DEDICATION**

This work is dedicated to my mother, Mmalekoba, my deceased father, Stephen, my deceased grandmother, Boshadi Elizabeth Motladi, my wife Cynthia, my sons Busang, Oagile, Odirile Lesedi and my daughter, Atlegang.

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Above all, I thank the Almighty who gave me strength, health and wisdom to pull through the challenges and the obstacles I was confronted with during the expedition to craft this document.

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## ABBREVIATIONS

ABSA	:	Amalgamated Banks of South Africa
ACE	:	Advanced Certificate in Education
ANC	:	African National Congress
B.Ed. (Hons)	:	Bachelor of Education Honours
BA	:	Bachelor of Arts
CBP	:	Community Based Program
CMO	:	Circuit Management Official
CWA	:	Certificate of Written Assurance
DBE	:	Department of Basic Education
DoE	:	Department of Education
DEd	:	Doctor of Education
DFO	:	District Finance Officer
DSGBC	:	District School Governing Body Coordinator
ECD	:	Early Childhood Diploma
EDUCOP	:	Education with Community Participation
EECD	:	Environmental Education and Community Development
EFT	:	Electronic Funds Transfer
EMIS	:	Education Management Information Systems
ERC	:	Ethics Review Committee
ERS	:	Education Renewal Strategy
FDE	:	Further Diploma in Education
FET	:	Further Education and Training
FINCOM	:	Finance Committee
FIU	:	Finance Investigation Unit
FMD	:	Financial Management Diploma
FRGFS	:	Financial Reporting Guideline for Schools
GDP	:	Gross Domestic Product
GET	:	General Education and Training
HED	:	Higher Education Diploma
HOD	:	Head of Department
IAD	:	Internal Audit Diploma
LTSM	:	Learner and Teacher Support Material

MDE	:	Mpumalanga Department of Education
MEC	:	Member of Executive Council
MEd	:	Master of Education
MoNE	:	Minister of National Education
MFC	:	Member of Finance Committee
MsFC	:	Members of the Finance Committee
MsFCs	:	Members of the Finance Committees
MTEF	:	Medium Term Expenditure Framework
MTF	:	Medium Term Framework
NGO	:	Non-Governmental Organisation
NSSSF	:	National Norms and Standards for School Funding
NSC	:	National Senior Certificate
PAAA	:	Public Accountants and Auditors Act
PDE	:	Provincial Department of Education
PDM	:	Post Graduate Diploma in Management
PFMA	:	Public Finance Management Act
PMDP	:	Principals Management Development Programme
PTD	:	Primary Teachers Diploma
PTSA	:	Parent-Teacher Student Association
RCL	:	Representative Council for Learners
SASA	:	South African Schools Act
SBM	:	School Based Management
SDC	:	School Development Committee
SFF	:	Schools Finance Framework
SGB	:	School Governing Body
SMC	:	School Management Committees
SMI	:	School Management Initiative
SMT	:	School Management Team
STD	:	Secondary Teachers Diploma
TDCEMG	:	Teacher Development Coordinator for Education Management and Governance
UDE	:	University Diploma in Education
WPET	:	White Paper on Education and Training
WSD	:	Whole School Development

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## CHAPTER ONE

### ORIENTATION TO THE STUDY

#### 1.1 INTRODUCTION

Governments throughout the world are responsible for financing education. This programme of financing education has been on the centre stage for many countries throughout the world for years in order to enhance the overall quality of education that represents the best hope for a fair society and a productive economy (Thompson, Wood & Honeyman, 1994:62; King, 2003:176; Kelly, 2004:610). According to the Constitution of South Africa (RSA, 1996a: s29), everyone has the right to a basic education, including adult basic education, because the government realised that the machinery for economic growth and stability relies on education.

Based on this assertion, policy makers are increasingly considering reforms in education by improving its effectiveness through allocation of funds to different education institutions (Kobakhidze, 2010:73; Engin-Demir & Taneri, 2011:92; Litheko, 2012:2). According to the South African Schools Act (RSA, 1996b: s39), allocated funds are not always enough; hence government is increasingly calling for education institutions such as schools, through their governance structures, to find alternative mechanisms to augment their income. Augmentation of school income can either be through school funds raised by parents, sponsorships, sale of old school equipment or other forms of fundraising (Yamauchi, 2011:148).

Quality of education in South Africa relates to the function of school inputs which in context are determined by the government subsidy and the local resources available (Yamauchi, 2011:147). In 2010, the Minister of Finance in South Africa in a budget speech announced that education would remain the country's largest item of spending and number one priority aiming at improving the quality of education when tabling R165 billion to be spent for education during the financial year 2010/2011 (Gordon, 2010:16). In the 2013/2014 financial year South Africa spent R227 billion, 19.7 per cent of total government expenditure, on education, which was equivalent to 6.5 per cent of Gross National Product (GDP).

Spending on education was projected to decline to an average of 6.2 per cent of Gross Domestic Product (GDP) over the 2014 medium-term expenditure frameworks (MTEF) period, and 19.1 per cent of total government expenditure over the same period. According to the National Treasury Budget and

Review 2010/11-2016/2017, these ratios indicated that South Africa's spending on education compared favourably with other developing and middle-income countries (National Treasury, National and Provincial Data Base, RSA, 2015:34). Spending on basic education in 2018 would be over R240 billion or 17.5 per cent of the consolidated budget (Gordon, 2017:14). Allocation for school building would increase at 12.5 per cent a year. Spending on learning and teaching support materials would also increase by 9.5 per cent over the next three years. In South Africa, education constituted the largest single component of provincial spending, averaging 42 per cent from 2010/11 to 2013/14. Provincial expenditure on education by province from 2010/11 to 2016/17 increased by R38.1 billion from R138.3 billion in 2010/11 to R176.4 billion in 2013/14 which is an annual increase of 8.5 per cent. The budget for provincial education was expected to grow by R26.2 billion from 2013/14 to 2016/17 at an average of 4.7 per cent, largely due to government commitment to creating the right working environment for quality teaching to improve learner performance.

Primary and secondary school education, administered by the provinces, received the largest share of the total education budget, which is 57.7 per cent in 2013/14. However, this share was expected to decline in the first two years of the 2014 medium-term expenditure frameworks (MTEF) as a higher proportion of funds was allocated to higher education and training (National Treasury, National and Provincial Data Base, RSA, 2015:34). Refer to Tables 1.1 and 1.2 below as drawn from the National Treasury, National and Provincial Data Base RSA, (2015:38).

**Table 1.1: Provincial Expenditure on Education by Provinces, 2010/11-2016-2017 Including National Nutrition (National Treasury Provincial Database)**

R Million	2010/11 Outcome	2011/12	2012/13	2013/14 Outcome	2014/15 Medium –Term Estimates	2015/16	2016/17
EASTERN CAPE	22 577	25 174	26 221	27 451	27 935	29 756	29 675
FREE STATE	8 461	9 715	10 503	10 917	11 259	12 125	11 896
GAUTENG	22 251	26 120	28 317	30 362	32 845	36 361	37 444
KWAZULU-NATAL	28 747	33 799	35 588	37 560	39 447	42 573	42 882
LIMPOPO	20 202	21 161	21 924	23 388	24 966	25 950	26 349
MPUMALANGA	11 598	13 024	14 356	14 933	16 103	17 469	17 929
NORTHERN CAPE	3 419	4 078	4 234	4 559	4 744	5 043	4943
NORTH WEST	9 102	10 148	10 736	11 756	12 423	13 511	13 516
WESTERN CAPE	11 956	13 361	14 288	15 502	16 425	17 677	18 019
<b>TOTAL</b>	<b>138 313</b>	<b>156 581</b>	<b>166 166</b>	<b>176 427</b>	<b>186 147</b>	<b>200 105</b>	<b>202 651</b>

**Table 1.2: Percentage Growth Annual Averages for Provinces, Including National Nutrition Program (National Treasury Provincial Database)**

Percentage growth (average annual)	2010/11-2013/14	2013/14-2016/17
EASTERN CAPE	6.7%	2.6%
FREE STATE	8.9%	2.9%
GAUTENG	10.9%	7.2%
KWAZULU-NATAL	9.3%	4.5%
LIMPOPO	5.0%	4.1%
MPUMALANGA	8.8%	6.3%
NORTHERN CAPE	10.1%	2.7%
NORTH WEST	8.9%	4.8%
WESTERN CAPE	9.0%	5.1%
<b>TOTAL</b>	<b>8.5%</b>	<b>4.7%</b>

In South Africa, a certain amount of the total budget of funds allocated by central government to education was decentralised to the provincial departments. Provincial departments shared and distributed funds to schools. These funds are allocated to schools through the requirements of the Norms and Standards for School Funding policy (Government Gazette RSA, 2014. No 37230). This endeavour suggested that redress of past inequalities had become a matter of national concern. Redressing past school funding inequalities became the best way for the government to improve the quality and equity in education within the framework of better competence in the systematic provision of services (van Rooyen et al., 2013:12). Therefore, provinces had to form their own tiers of administration structures and were given the autonomy to run their own education affairs (Sehoole, 2005:101). Therefore, management of finances allocated to schools became the responsibility of school governing bodies to administer following the guidelines of financial management as espoused by the South African Schools Act (RSA, 1996b: s21).

Massive research was conducted in the area of school governing bodies in rural schools, and enormous pronouncement of poor financial management conduct was levelled against these structures (Bush & Heystek, 2003:136; Heystek, 2004:310; Heystek & Nyambi, 2007:231; Maluleka, 2008:2; Heystek, 2011:460; Smit & Oosthuizen, 2011:66; Thenga, 2012:4). The school governing bodies inability to manage school finances, as proclaimed by previous research, has resulted in a wastage of resources and low quality and weak education practices in schools (Hallack & Poisson, 2007:5). The former Minister of Education, Kader Asmal, also echoed the same sentiment that financial management was a serious problem underlying school governance in South African schools which resulted in a less than perfect process for determining budgets for proper utilization of funds. Some of the school governing bodies ended up abandoning their responsibilities and relying on the principals or teachers for leadership and guidance in decision-making (Fullan & Watson, 1999:21; Heystek, 2004:308; Heystek & Nyambi, 2007:230; Choonara, 2008:2).

In terms of school governing bodies and execution of Section 21 functions, research indicated that governing bodies in rural schools lacked proficiency and knowledge to exercise their new powers effectively because of high rates of adult illiteracy where parents are not able to play a meaningful role in school governance irrespective of the training they were taken through (Heystek & Nyambi, 2007:231; Heystek, 2010:10). Considering the enormous responsibilities of school governing bodies awarded Section 21 status, the provincial heads of departments have the obligation to ensure that schools have the capacity to manage their own finances (Heystek & Nyambi, 2007:228). Based on this assumption, the objective of this research expedition is therefore, to understand and reveal the shared

perceptions and assessment of financial management conduct of the school governing bodies in rural schools in Mpumalanga Province.

Inquiries into the functions and responsibilities of the school governing bodies of South Africa and other countries of the world was extensively conducted but were only limited to the challenges with regard to school governing bodies responsibilities. **There is inadequate information from research** with regard to research about the improvements and achievements of the school governing bodies with regard to their financial management conduct. There is no structure in any organisation that can continue to exist without improvements and achievements. Therefore, this study is worth conducting in order to bring to light the shared perceptions and assessment of financial management conduct of school governing bodies in rural schools in Mpumalanga Province because school governing bodies can never continue to exist and become functional without improvements and achievements.

The base for the challenges facing South African school governing bodies predominantly in rural areas is capacity (Hargreaves, 2010:23; Xaba, 2011:201). Research with regard to school governing bodies in Mpumalanga Department of Education (MDE), which is the educational department in one of the provinces in South Africa, revealed that the school governing bodies are incompetent in the areas of their governance responsibilities, including management of finances (Heystek & Nyambi, 2007:231; Xaba, 2011:205).

The blame of school governing bodies incompetency was anchored on illiteracy level; inability to interpret policies with regard to the roles and responsibilities; misappropriation of school funds, lack skills with regards to management of school funds; lack of confidence to deal with the challenges in education and to enter into partnerships with other stakeholders; lack of ability to institute monitoring procedures for all the aspects of the functioning of the school, including the grandparents who are not the biological parents of learners serving in the school governing body (Heystek, 2004:310; Hallack & Poisson, 2007:29; Heystek, 2007:227; Maluleka, 2008:2; Xaba, 2011:201).

Yet the school governing bodies' financial management improvements and achievements regarding their financial management conduct had not been tested further. Consequently, the illiteracy level of parents in the above mentioned asserted areas, should not be used as an excuse to limit school governing bodies involvement in the school governance because there are numerous examples where parents have limited literacy, but are playing a positive role in school governance and contributed to the improvement of education (Heystek, 2011:458).

The functionality and the financial management conduct of the school governing bodies is worth to be unveiled, given the political context and the history of the education system in South Africa in the pre- and post-apartheid eras, and the problems that clouded the education system. It is worth recollecting that in any situation where new legislation and policies are introduced for implementation, there would always be challenges, flaws and uncertainties with regard to implementation strategies deployed. This is a vivid indication that skills and competencies in structures don't develop overnight but mature with time. These experiences would become evident in the school governing bodies in the rural schools in Mpumalanga Province.

Having worked with the school governing body in a school as a principal and attended workshops and meetings with the school governing bodies of different schools in different circuits of Mpumalanga Department of Education, it was realised that there were positive elements with regard to the ways in which the school governing bodies have improved their management of school finances. Therefore, this study argues that the school governing bodies in rural schools of Mpumalanga Province have reached a stage where they can manage finances in schools according to the financial management legislation and policy prescripts. In any organisation, development cannot be realised unless there are skilled minds behind it to strategize for the proper use of the financial resources available. Where there is no proper management and utilisation of finances, there can never be any sort of development.

Based on the above assertion, it is worth researching the shared perceptions and assessment of financial management conduct of school governing bodies in South Africa, particularly in rural schools in Mpumalanga Province. This study would, therefore, extend the scope of existing studies by revealing the shared perceptions and assessment of financial management conduct of the school governing bodies in Mpumalanga Province.

## **1.2 BACKGROUND TO THE STUDY**

In South Africa governing bodies were established on the basis of Section, 16 sub-section (1) & (2) of the South African Schools Act. Based on the South African context, the new democratic system came up with the increasing decentralisation of fiscal, administrative, political changes and democratic principles as espoused in the South African Constitution (Adams & Waghid, 2005:25). Governance and administrative responsibilities had to be devolved to lower levels of government, local institutions, and communities (Lewis & Naidoo, 2004:100; Mestry, 2013:1; Radzi, Faizal, Ghani & Siraj, 2015:1680).

The concept of decentralisation emerged essentially to promote the local governance of schools, decentralised decision-making, decentralisation of funds, greater participation of parents in decision-making and financial support for schools (Bloch et al., 2001:32; Lewis & Naidoo, 2004:100; Heystek, 2011:456; Smit & Oosthuizen, 2011:60; Androniceanu & Ristea, 2014:38). It is important to note that decentralisation involves a range of competing interests and actors (Batchelor, Smith & Fleming, 2014:4). Decentralisation of decision-making is closely related to the neoliberal approach for the fact that neo-liberalism underscores decentralisation of decision-making. Neo-liberal discourse condemns the social democratic approach and embraces the liberal democracy where the market and the individual take more responsibility for their own destination (Heystek, 2011:456).

Decision-making decentralisation embraced by the neo-liberal approach does not pronounce that school communities should function as separate entities independent from government in terms of utilising the resources, but that their powers are delegated with the belief that the local levels know best what to do with the funds and other resources allocated from the national or provincial departments. Therefore, in terms of neo-liberalism, power plays an important role in decision-making (Heystek, 2011:456; Heystek, 2013:51).

This assertion is supported by Caldwell (2004:629) that for decentralisation to be effectively realised, the locus and mode of decision-making in four domains should be considered. The 'locus' refers to the level on which decisions are made by national state, provincial, regional, municipal, local or school. The 'mode' refers to the ways in which decisions are made: full autonomy at the level concerned, consultation with other bodies at that level, or independently but within a framework set by higher authority. The four domains are: organisation of instruction, personal management, planning and structures, and resources.

Decentralisation refers to the transfer of powers and responsibilities from national to the sub-national level of governance (Batchelor, Smith & Fleming, 2014:4). More accurately, decentralisation as an umbrella term has to be understood and discussed with relevance to its types. There are commonly four terms that are associated with decentralisation, which are delegation, deconcentration, devolution and deregulation. (Batchelor, Smith & Fleming, 2014:4). Delegation is the transfer of responsibility of government duties such as service delivery from a national to provincial and local departments with the ultimate responsibility resting on central government. Deconcentration is the expanding of administrative authority from national to regional, usually involving the expansion of public officials and national departments.

Devolution is the transfer of power from national to sub-national autonomous structures, often with limited direction from and accountability to central government. Deregulation, which is sometimes called privatisation, is the transfer of powers to the private sector, though it is sometimes pointed out that deregulation is not actually a type of decentralisation, but its absence as powers no longer held by government at all (Karlsen, 1991:1; Bray, 1999:208; Leung, 2004:1; Batchelor, Smith & Fleming, 2014:4). In South Africa, the common observable types of decentralisation in education are delegation, devolution and deconcentration. These three types of decentralisation will interchangeably be used in the discussions on decentralisation.

Decentralisation in South African schools was spanned on the basis of political and international trends of school self-management (Bush & Heystek, 2003:127). Both political and international trends can find expression in the self-management decision-making in which community members are involved (Heystek, 2003:128; Heystek, 2007:127; Androniceanu & Ristea, 2014:38). According to Crouch & Winkler, (2008:16).

The South African rationale behind school self-management was politically and financially motivated rather than an ideal to provide and improve the quality of education for all with much less emphasis on management, because political reform in education goes beyond participative decision-making but also forms part of social, political and cultural process of restructuring or transformation (Joubert & Bray, 2007:22). Various activities such as restructuring, service delivery, downsizing, and outsourcing are increasingly part of organisational realities.

Transformation redefines reality by reframing attitudes, beliefs, habits and cultural values in organisations (Kuepers, 2010:23). It radically alters the ways individuals and groups in organisational life-worlds and systems are functioning. To transform modifies how members of the organisation perceive phenomena, relate them to themselves and others, interpret meaning, communicate and act, and self-organise the emergences of further change process (Kuepers, 2010:23).

The main objective of transformation in an organisation is to strive for positive effects and improvements, aiming to enhance product, service or work-life quality, to develop innovation and to generate higher rates of added value (Volasnky & Friedman, 2003:19-22; Kuepers, 2010:23). The drive towards self-management of schools in Europe, United States of America and Australia is viewed as a financially motivated approach to school management which compares well with South African rationale.

The Education Reform Act of 1998 in England confidently establishes the principles of decentralised decision-making and self-management in schools with an emphasis on the financial implications for schools. These implications include that schools become more responsible for providing for their own financial needs with more administration for school managers (Goertz & Odden, 1999:5; Heystek, 2011:456). School self-management was an option introduced in former white schools in 1990 and its first expression may be perceived as politically motivated because it was only the white schools which gained self-managing status (Heystek, 2011:457).

However, self-management in terms of schools has come to mean different things in different countries. It has no “essential meaning” but needs to be understood within a particular time frame and particular politics. The key assumption is that it is based on the consistent and significant delegation of authority to the school level to make decisions within a broader framework of government guidelines and policies.

### **1.3 RESEARCH PROBLEM AND RESEARCH QUESTIONS**

Mpumalanga is one of the nine provinces in South Africa where schools in its Department of Education are benefiting from the Section 21 status funding arrangement. The base for Mpumalanga Department Education to decentralise services and resources to schools was anchored on Chapter 2, Section (a) of the Mpumalanga Schools Education Act of 1995 with an aim of bringing decision-making closer to the people. This Provincial Department of Education, as part of its decentralization mission, had to delegate financial and administrative powers to the districts and equally the districts delegated these responsibilities to circuits and schools (Sebidi & Sehoole, 2010:221).

The Mpumalanga Department of Education continued to urge school governing bodies to execute their responsibilities with regard to the management and control of finances under Section 21 schools' statuses without an in-depth establishment with regard to their readiness and competence to exercise such responsibilities. In the interim, support for these school governing bodies concerning policy and financial management was given in the form of workshops that were organised for three to four days for their induction all over the province (Heystek & Nyambi, 2007:233).

Evidently, these bestowed responsibilities on the school governing bodies became a puzzle. Despite the legislation which was put in place to guide the responsibilities of school governing bodies, and the workshops organised in different districts/circuits with regard to the school governance, research on school governance has increasingly continued to label these governance structures incompetent and

uncertain with regards to the planning; management; monitoring; controlling and co-ordination of the funds in schools (Maluleka, 2008:2; Xaba, 2011:202).

Nonetheless, the government continued to put its trust for management of finances and other resources in the custody of school governing bodies (South African Schools Act, 1996b: s37). Therefore, this study set out to investigate the shared perceptions and assessment of financial management conduct of school governing bodies in rural schools of South Africa, particularly in Mpumalanga Province.

This study posed the following main research question:

**How is the financial management conduct of school governing bodies in rural schools in Mpumalanga Province?**

The following sub-questions formed a base when addressing the main research question:

- What is the current literacy level of school governing bodies in rural schools in Mpumalanga Province?
- What are the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga Province?
- What is the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities?
- How has the financial management conduct of school governing bodies in Mpumalanga Province improved?

#### **1.4 AIMS AND OBJECTIVES OF THE STUDY**

The objective of this investigation was to understand and reveal the shared perceptions and assessment of financial management conduct of school governing bodies in rural schools of South Africa, particularly in Mpumalanga Province.

The study aimed at:

- Determining the current illiteracy level of the school governing bodies in rural schools in Mpumalanga Province.

- Establishing financial management improvements and achievements of the school governing bodies in rural schools in Mpumalanga Province.
- Determining the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities.
- **Determining the extent to which the school governing bodies in Mpumalanga Province have improved their financial management conduct.**

## **1.5 RESEARCH METHODOLOGY**

Methodology refers to the range of approaches used in educational research to gather data to be used as a basis for inference and interpretation, for explanation and prediction (Sebidi, 2008:43). The judgement to choose an approach should always be informed by the larger philosophical assumptions the researcher brings to the study and the nature of the research problem being addressed (Creswell, 2014:56). **“ The principal aim of the methodology is to assist the researcher to gather data that would contribute in the generation of theory on the researched topic.**

### **1.5.1 Research design**

Research design refers to the plan and structure of the investigation used to obtain evidence in order to answer the research question(s). It describes the procedures for conducting the study, including when, from whom and under what conditions the data would be obtained. Research design therefore indicates how the research is set up: what would happen to the participants and what techniques of data collection are used (Sebidi, 2008:43). Based on the above assertion, data for this study was collected by both a literature study and pragmatic investigation. The pragmatic investigation is discussed under the following sub-headings.

#### **1.5.1.1 Research paradigm of the study**

The epistemological claim for this study reflects the interpretive theoretical paradigm. The interpretive framework analyse human activities and institutions such as schools as social construct because individuals or groups are interacting with their social worlds and construct their own reality (Neuman, 2006:87; Mabovula, 2010:5). Interpretive framework, study documents and reports with statistical information considering them as cultural objects or media that communicate social meaning. Documents are seen as belonging to the range of other cultural objects such as monuments; diaries; films; photographs and paintings (Neuman, 2014:372).

The interpretive paradigm was the relevant research paradigm for the investigation on financial management conduct by the school governing bodies and their achievements because this would allow the researcher to interpret school governing bodies financial management conduct in their lived situation. The interpretive theorists attempt to discover the meaning of an event by placing it within a specific social context with an assumption that our knowledge is the product of the actor's social interactions (Cohen, Manion & Morrison, 2003:26). Knowledge can be constructed through language, consciousness, shared meaning, documents and other artefacts (Mashele, 2009:55). The researcher's objective was to understand and reveal the shared perceptions and assessment of financial management conduct of school governing bodies in Mpumalanga Province. Through the interpretive approach, the researcher was able to interpret and understand both the inner and the outer worlds of those whom he was studying through socially constructed reality.

#### **1.5.1.2 Research approach**

With reference to the research focus and paradigm, qualitative research approach was preferred because it enabled the researcher to illuminate and better understand in depth the rich lives of human beings and the world in which they live (Mestry & Khumalo, 2012:100; da Costa, Hall & Spear, 2016:663). Qualitative research is a holistic approach that involves discovery that is described as an effective unfolding model that occurs in a natural setting that enables the researcher to develop a level of detail from high involvement in the actual experiences (Williams, 2007:67). Using this research design, rich data on the shared perceptions and assessment of school governing bodies in rural schools regarding their financial management conduct was collected (da Costa, Hall & Spear, 2016:664). This was the model the researcher used to discharge the burden of proof on the logical organization that allowed the researcher to feel that whatever he had done in this research had allowed him to reach valid conclusions (Miler & Brewer, 2003:262).

Qualitative research seeks to excavate meaning rather than the quantitative research approach that contributes to theory development by proceeding inductively. Meaning is not achieved by looking at particular features of many instances of a phenomenon, but rather by looking at all aspects of the same phenomenon to see the interrelationships of the people involved and establish how they come together to form a whole. The interactions do not necessarily attempt to predict what may happen in future, but to understand the nature of that setting, what people's lives are like, what is going on for them, what their meaning are, what the world looks like in that setting, and to be able to communicate their experiences faithfully to others who are interested in that setting (Sebidi, 2008:44; Gall, Gall & Borg, 2011:447).

Through qualitative research the researcher aimed to understand how and why school governing bodies attach meaning to their financial management conduct. Interaction with the participants in their setting helped the researcher to answer the main research question because the qualitative research approach enabled the researcher to observe the behaviour of school governing bodies and share the lives they live, their conversation, what stimulates, fascinates and anguishes them. An approach therefore refers to the techniques and procedures used by a researcher in the process of data gathering which aims at assisting to understand in the broadest possible terms, not the product of scientific enquiry, but the process itself (Cohen, Manion & Morrison, 2003:44-45; da Costa, Hall & Spear, 2016:663). The data collection techniques that the researcher used included face-to-face semi-structured interviews, focus group interviews, document analysis and review of literature.

### **1.5.1.3 Research strategy design**

The choice of case study for the investigation on shared perceptions and assessment of financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province was relevant as it allowed the researcher to undertake an in-depth study of the phenomenon in its real life context by addressing the “how “or “why” questions concerning the phenomenon of interest (Yazan, 2015:138). Qualitative researchers scrutinise a “case” or a “phenomenon” as emerging natural social life with the aim of presenting authentic interpretations that are sensitive to a definite social-historical context (Neuman, 2000:122). ‘Case study’ is a general term for the exploration of an individual, group or phenomenon, a comprehensive description of an individual case and its analysis, the characterisation of the case and the events as well as the description of the discovery process of research itself (Starman, 2013:31).

Using a case study, therefore, afforded the researcher an opportunity to answer the research question by understanding and revealing the shared perceptions and assessment of financial management conduct of school governing bodies in rural schools of South Africa, particularly in Mpumalanga Province because the researcher was integrally involved in the case. The case study as adopted for this qualitative enquiry helped the researcher to reflect from the angle of the participants involved in the phenomenon within a specific context (Gall, Gall & Borg, 2011:447; Yazan, 2015:138).

### **1.5.2 Population and sampling**

This study used purposive sampling which is referred to as judgmental sampling (Chiromo, 2009:18). This is a kind of sampling used for distinct situations. It is used for exploratory research or fieldwork.

Purposive sampling was appropriate to use when selecting and investigating unique cases (Neuman, 2006:222). In purposive sampling the researcher chooses the cases to be included in the sample based on the judgment of their typicality and in this way a sample that is satisfactory to specific needs would be constituted (Chiromo, 2009:18). Selection of participants for this study was guided by the principle of “current involvement” (Chabalala, 2005:46). Current involvement implies that the participant(s) are involved in what they are going to be asked about when the study is undertaken.

The population for the investigation of this study constituted the rural schools of Marapyane circuit in Nkangala District of Mpumalanga Department of Education. Marapyane circuit has a total number of 28 schools. Of the 28 schools, seven are secondary schools, twenty are primary schools and one is a special school. From the 28 schools in Marapyane circuit, the study population consisted of five selected schools.

From the five selected schools, two were primary schools and three were secondary schools. Both secondary and primary schools were selected on the basis of the remoteness of their locality. Members of the finance committee from each school were purposefully sampled based on the fact that they are the financial management engine of the school and were five in number. The research in the Nkangala Education District was informed by the fact that approximately 95% of schools are situated in rural areas where the illiteracy level of community members is assumed to be very high.

The sample of this research project consisted of 25 members of finance committees from the selected schools, one circuit manager for Marapyane circuit, a district finance officer and a district school governing bodies co-ordinator of the Nkangala District Office. Therefore, the total sampled participants for the entire investigation was 28.

### **1.5.3 Instrumentation and data collection techniques**

This section would outline data collection techniques that were used and procedures that were followed when collecting data.

#### **1.5.3.1 Face-to-face semi-structured interviews**

Interview is a short term, secondary social interaction between two strangers with the explicit purpose of one person obtaining information from the other and the researcher in this research executed the interviews without an adjunct. Interaction occurs in the form of a structured conversation in which the interviewer asks pre-arranged questions and the respondent gives answers which the interviewer

records (Neuman, 2014:150). Pre-arranged questions with explicit interview protocol were used to help the researcher during data collection with participants (Vandestoep & Johnston, 2009:225; Yin, 2011:131). Participants were given an opportunity to ask clarity seeking questions as an endeavour to encourage them to provide rich data. This process, according to Wood & Kruger (2000:72), is a conversational encounter which is called the “ventionist approach”.

The face-to-face semi-structured interview approach helped the researcher to generate the interpretive context in such a way that a relation between the interviewees’ accounts, practices and variations in a functional context became flawless (Sebidi, 2008:49). Based on the above assertion, the researcher was able to understand and reveal the shared perceptions and assessment financial management conduct of school governing bodies in rural schools in Mpumalanga Province, since all the participants targeted by this data collection technique were participants within the education fraternity. The face-to-face semi-structured interviews were conducted with the circuit manager, finance officer dealing directly with schools at the District Office and the co-ordinator of school governing bodies. Responses from the individual interviews of these participants provided complementary data to the responses that were obtained through focus group interviews, document analysis and literature review (Sebidi, 2008:45).

Interviews were important for the participants to express their thoughts in their own words, clarify questions that participants may not have understood and allowed the researcher to make further prompts to generate valuable data (Gall, Gall & Borg, 2007:228). Much as interviews have highest response rate and allow the researcher to observe the surroundings and to use non-verbal communication and visual aids, particular questions were exhaustively probed during the interview proceedings to confirm understanding pertaining to the responses made by the participants (Vandestoep & Johnston, 2009:225; Neuman, 2014:347). Responses from the participants were tape-recorded throughout the interview process. The tape-recorded responses were also transcribed. As a back-up, information collected was also noted in the researcher’s journal.

### **1.5.3.2 Focus group interviews**

This technique of data collection was specifically used when gathering data from the finance committees in schools. Each focus group was comprised of five members of the finance committee from each sampled rural school in Marapyane circuit. The interviews were conducted at their respective schools. The objective of group interviewing is to help the researcher to get the shared perceptions and assessment about the specific phenomenon under study (Mills, 2011:82; Fusch & Ness, 2015:1410),

which is the financial management conduct by school governing bodies in rural schools in Mpumalanga Province. The focus group interview also helped the researcher to get the views of individual committee member participants about the school governing body's financial management conduct.

The researcher was also able to learn about how members of the finance committees agree and disagree on certain aspects and issues of their financial management conduct. With regard to focus group interviewing, participants feel comfortable to communicate among themselves as a group rather than individually and collaborate with the researcher freely and thus enabling a great deal of data to be gathered in a short space of time (Fusch & Ness, 2015:1410).

By the nature of a focus group interview, where the interview is organised in a semi-structured fashion, discussions proceed freely without any formalities, participation becomes active and the collection process becomes more informative and supportive (Leedy & Ormrod, 2005:146; Nicholas, 2005:61). All these processes of interviewing using a focus group were considered for data collection for the study on the shared perceptions and assessment of financial management conduct of the school governing bodies in Mpumalanga Province. A focus group consists of a small number of participants. The focus group interviews validated researcher's choice of finance committee members of school governing bodies. The focus groups helped the researcher to collect data from the finance committee members of school governing bodies who previously have had some common experience or presumably share some common views.

When collecting data from a focus group, the researcher served as a moderator because moderators always try to induce all the members of a group to express their opinions but with minimum communication (Yin, 2011:141). Researcher's objective in organising focus group interviews with the finance committee members of the school governing bodies was based on the assertion that participants would readily express themselves when they are part of the group rather than when they are the target of a single interview with the researcher (Yin, 2011:142).

The researcher used these small groups because the finance committees in schools comprising at most of only 5 or 6 members. The group consisted of the principal as ex-officio, one teacher component, school administrator and two parent components and a learner component. For primary and secondary schools selected for this study, the learner component was excluded because there are age limitations with regard to certain activities. The researcher used five groups of participants from five selected

schools. These groups were able to reveal, through interaction and in their own words, their perceptions and assessment of financial management conduct in their different schools.

Participants' responses built on the views expressed by others in the collective synergistic approach that produced a range of opinions and ideas, thus generating insightful information. The interactive nature of focus group interviews assisted the researcher to explore the research topic, thus generating clear information on the perceptions and assessment financial management conduct of the school governing bodies in rural schools in Mpumalanga Province.

The direct open interaction among participants and between the moderator and the participants allowed a variety of responses, clarifications, probing and connection between the points made, and deeper levels of meaning. Conversational analysis among the group members was done following the assumption that language can be used as a tool for social action, because people change things and situations within institutions through the power of language (Sebidi, 2008:49).

Following the conversation which was in the form of language, the researcher was able to detect the literacy level of school governing bodies through the rationality or irrationality of the answers they provided. Responses from the participants were tape-recorded throughout the interview process. Tape-recorded responses were also transcribed. As a back-up, information collected was noted in the researcher's journal.

### **1.5.3.3 Document analysis**

Document analysis is a method of documentary analysis or interpretation that forms the basis of temporarily updated shared understanding of actions and events among participants. Interpreting documents depends on what the researcher wants to report on because researchers looking at the same document may see different things, follow different rules and use it for different purposes (Neuman, 2014:372). With this method, linkages were assembled between events and their physical and social background using a variegated array of presumptions and inferential procedures (Wetherell, Taylor & Yates, 2001:51). Document analysis represents an analysis of numerous relevant documents (Bertram & Christiansen, 2014:97).

The researcher therefore gathered relevant documents that provided useful information to answer the research question from the school governing bodies of the selected schools. To access documents, participants were informed prior to the interviews that specific documents would be required from them

for examination related to the topic under research. Documents collected from the participants were analysed after the interview process and compared with data collected from the interviews.

Document analysis was categorized in terms of levels of information (Sebidi, 2008:54), e.g. financial management legislation and schools' financial reports from the district, financial reports for schools and the circuit, and financial management documents from schools. Documents for analysis included records of past events that may happen to have been printed, such as financial management records, financial receipts, finance committees' official minutes, school finance policies, school financial journals, historical records and legal records if there were any available. These documents provided the researcher with explanations of the past financial management conduct of the school governing bodies.

Documents helped the researcher to understand the central phenomenon and also to reveal the management and procedures encompassing the financial management in rural schools (Creswell, 2014:245). The main objective of document analysis was to explain the status of a particular phenomenon over a period of time. Therefore, document analysis helped the researcher to establish the financial management conduct of school governing bodies, whether there were improvements and achievements in their conduct (Kahn & Best, 2006:257).

#### **1.5.3.4 Literature review**

The literature review is an investigation that involves reading what other people have written about one's own area of research interest, gathering information to support or contest an argument (Bell, 1993:32; de Vos, 2002:650). With the literature reviewed, the researcher demonstrated familiarity with a body of knowledge and established credibility in order to show a path of prior research and how the current project is linked to it (Neuman, 2014:126). The researcher was able to intergrade and summarise what is known in an area of study, learn from others and stimulate new ideas (Flick, 2006:59; Neuman, 2014:126). The literature that was reviewed included the national and international research work on school financial management conduct of school governing bodies. The review of literature provided the researcher with an extensive scope of reference on the topic under research. Through the review of national and international literature, the researcher was able to compare the existing information with the data collected through the interviews with the sampled population and write a hypothesis that indicates what the prediction of the study is. Through the review of literature, the researcher was also able to critique the status of knowledge on a carefully defined educational topic,

therefore, enabling the researcher to define and limit the research problem by placing the study in a historical and associational perspective (Neuman, 2014:126).

#### **1.5.4 Data analysis**

Data analysis is regarded as a logical study of the whole by unravelling the whole into its parts for the purpose of clear understanding (Bertram & Christiansen, 2014:115). Units of data analysis can vary a great deal. It can be a word, a phrase, a theme or a plot (Neuman, 2014:373). The process of qualitative data analysis requires preparation of the data for analysis, moving deeper into understanding it, and making an interpretation of the larger meaning (Leech & Onwuegbuzie, 2007:560; Flick, 2014:370). Qualitative data is in the form of text, written words, or symbols describing or presenting people, actions, and events in social life (Neuman, 2006:456). It contains some inherent “richness and holism, with strong potential for revealing complexity” and can also be used to elicit in-depth user perspective (Kendal, 2008:134; Creswell, 2014:129). Data collected through the qualitative research in this study followed the track of analysis spiral (Leedy & Ormrod, 2005:150) style of data analysis as follows: -

##### **1.5.4.1 Organising data**

Considering the study on the perceptions and assessment of financial management conduct of the school governing bodies in rural schools of South Africa, particularly in rural schools in Mpumalanga Province, and with reference to Leedy & Ormrod (2005:150) on data organising, the process of data organization involved the transcription of the data, arranging it in terms of levels of participation in the interviews, establishing and breaking down larger units of data into smaller ones and also indicating how these units were similar or different from each other. Data that was organised in this way was gathered through tape recorded face-to-face semi-structured and focus group interviews.

The researcher identified themes from the coding process and interpret them within the context of my views, past studies and the existing theoretical frameworks (Creswell, 2014:281). Coding is sorting and categorizing data to identify patterns and it is done by underlining and marking up sections of data (Hardy & Bryman, 2004:615). The objective of coding was to make analysis straightforward by sifting relevant material from large bodies of recordings and transcripts. This process allowed the researcher to move towards describing and explaining data for theory generation (Cohen, Manion & Morrison, 2003:148).

#### **1.5.4.2 *Perusing the data***

Data perusal for this study involved listening to and reading of data to make overall sense of what the data revealed. The entire set of data that was recorded during the interviews and the documents that were collected during the fieldwork that pertained to how finances in the individual schools were managed were perused. This was done several times to get a sense of what it contained which denotes that analysis was open-ended, circular and interactive. It involved going over the data again and again, whether listening to recordings or reading transcripts or documents, noting features of interest, but not settling on them (Wetherell, Taylor & Yates, 2001:38). During the process of data perusal, the researcher organised it according to the categories of participants. The researcher wrote down the notes and arranged them in the margins to suggest possible categories or interpretations.

#### **1.5.4.3 *Classifying data***

During this process, the researcher classified the data by clustering it into categories or themes about the studied phenomenon. The researcher also identified the themes, established relationships and linkages between categories and found meaning in the data (Leedy & Ormrod, 2005:150; Cohen et al., 2003:148). Data classification involved data clustering, data categorizing and data patterning and coherent sets to form a domain.

Codes used were then be reviewed to verify how they naturally fell into clusters. Data classification became a cylindrical process for the researcher to understand the phenomenon better and to divulge fresh examples (Hardy & Bryman, 2004:615-616). Coding refers to the counting of frequency of words, phrases or themes in the text (Neuman, 2014:373). Related to this research, the researcher clarified the emerged themes as interpreted and related them as the findings about the financial management conduct of school governing bodies.

#### **1.5.4.4 *Synthesis of data***

Data synthesis involved the making of speculative inferences or propositions, and the offering of hypotheses in order to make summaries for generation of theory (Cohen et al., 2003:148; Leedy & Ormrod, 2005:150; Griffin & Richardson, 2010:2). The qualitative data analysis process started during the data collection process in order to move towards description to explanation and theory generation.

The analysis continued by comparing the responses of different groups of participants simultaneously and over time during the interviews, matching the responses in all the conducted interviews with

participants observed behaviour, analysing their deviant and negative cases and assembling and providing sufficient data that keeps separate data from analysis (Cohen, Manion & Morrison, 2003:147). Relationships among data categories were described and related data from the interviews, document analysis and literature review were combined into an organisational scheme such as diagrams, tables and hierarchies and through this procedure propositions were made for the theory of the enquiry (Leedy & Ormrod 2005:151).

#### **1.5.4.5 Data presentation**

In data presentation, data collection outcomes were presented in the data analysis part of the main study document as soon as the data from interviews was organised, perused, classified and synthesised, and categories of data related to document analysis and the literature study was presented in tables. Data was arranged in terms of a data collection technique that was used, and the categories of participants were interviewed as follows:

Data from face-to-face interviews and data from focus group interviews. With the outcomes of data from face-to-face interview, the researcher selected quotes that were most representative of the findings of the study including the setting and the speaker(s) at the end of the quote. With focus group data outcomes, especially with five focus groups, findings were presented using representative quotes from focus group participants.

### **1.6 TRUSTWORTHINESS AND TRANSFERABILITY**

The study is trustworthy when it is credible, applicable, dependable, and confirmable (Lemmer, 2012:89; Creswell, 2014:283). Transferability has to do with transference of the findings of the study from a specific situation or case to another (de Vos, Strydom, Fouche, & Delport, 2011:420). To ensure trustworthiness in the study, the assumption of the study must be internally and externally consistent and be supported by data which is not contrary to the current knowledge (Hardy & Bryman, 2004:617) and that would help to establish the truthfulness, credibility or believability of findings (Bischoff & Koebe, 2005:157; Neuman, 2006:188; Marshall & Rossman, 2011:40). For this study transferability focused on design-stage considerations and on what the researcher intended to do during the implementation of the study, thereby demonstrating how the study design ensured that the data and its interpretation was strong and reliable (Marshall & Rossman, 2011:41). In order to produce a high-quality data analysis that is trustworthy, reliable, accurate and true, the researcher adopted the trustworthiness strategies such as

triangulation, member checking and audit trail (Hardy & Bryman, 2004:617; Bischoff & Koebe, 2005:157; Creswell, 2014:283; Marshall & Rossman, 2011:40).

### **1.6.1 Triangulation**

The effectiveness of triangulation for this study rests on the premise that the counter balancing strength of another compensates the weaknesses in each single data source or data collection method by observing the object from several different angles (Neuman, 2014:166). In terms of qualitative data analysis, one principle of the trustworthiness of research work is credible when the analytical claims are supported by detailed evidence that the participants in an interaction are familiar with what was claimed.

With regard to this study, data collected through multiple data collection techniques such as face-to-face interviews, focus group interviews, literature review, documentary analysis and evidence that was referred by participants were all considered to complement each other in order to endorse that information is trustworthy with the aim of answering the main research question (Leedy & Ormrod, 2005:99; Creswell, 2014:42). Through the use of triangulation, the credibility of the study was increased by ensuring that only the codes and themes surfaced by data collection tools are interpreted (Gall, Gall & Borg, 2007:474). Data collected through the interviews, document analysis and literature review were compared in order to identify the similarities to highlight explicit points.

### **1.6.2 Member checking**

The accumulation of empirical findings and analytical studies allows new studies to be compared for their conformability. Conformability is the auditing of data or information that can be confirmed by engaging participants in member checks. Information for member checking includes raw data, such as audio tapes, transcriptions, field notes, results of analysis and theoretical notes (Creswell, 2014:283).

This exercise of constructing facts building on the insights of participants was about accountability and its success provided further confirmation of the authenticity of a study (Sebidi, 2008:63). In order to make sure that the authenticity prevailed in this study, after the interpretation and analysis of raw data collected through face-to-face interviews and focus group interviews and document analysis, the researcher shared the results of the data analysis with the participants to establish the flaws that might have occurred during the expedition of the study and effected alterations where there were divergences for the study report to be accurate and complete.

### **1.6.3 Audit trail**

An audit trail is a systematically maintained documentation process of the researcher's continuous critical analysis of all decisions and actions taken during the entire process of the study. It displays the interaction between us and our subject(s) in such a way that the research can be understood not only in terms of what was discovered, but also how it was discovered (de Vos, Strydom, Fouche & Delport, 2011:422). Regarding the audit trail for this study, the researcher made sure that all raw data, including audiotapes, transcription field notes, and results of analysis, theoretical notes, and process notes were made available and stored in a safe place.

The availability of audit trail documents ensured that the external auditor was able to be presented with the information to verify the codes and categories that were determined during the data analysis process and to determine whether the findings of the study were in accordance with the data of study, and other researchers would then be able to judge whether the findings might be applicable to their situation (de Vos, Strydom, Fouche & Delport, 2011:422).

## **1.7 ETHICAL ISSUES TO CONSIDER IN THE STUDY**

After having considered the model of the study and identified the methods of data collection that the researcher was intending to use to collect information that would answer the main research question, the researcher realized that interviews had an ethical element since they are concerned with relational interaction and yield information about the human condition. Ethics are defined as a matter of principled sensitivity to the rights of others. Being ethical refers to the limits and the choices people can make in search of truth. Ethics say that while truth is good respect for human dignity is better, even, in the extreme case, when the respect for human nature leaves one ignorant of human nature (Sebidi, 2008:50).

Educational study gathers data from human beings; it was therefore necessary for the researcher to understand the ethical and legal responsibilities of conducting a study. It thus became the researcher's responsibility to weigh ethical considerations and make the best possible professional judgement. To attain proper judgement, it was essential when conducting a study, to adhere to the ethical principles as discussed below.

### **1.7.1 *Requesting ethical clearance and permission from authorities***

After the approval of the research proposal, the researcher submitted it with an application for ethical clearance to the Ethics Committee of the University of South Africa to seek an ethical clearance certificate to conduct this study. After permission had been granted, the researcher adhered to the guidelines provided in the ethical clearance letter when conducting research.

### **1.7.2 *Gaining access to schools and other district education departments***

Considering guidelines by Creswell (2014:37) the researcher then wrote informed consent letters to the Nkangala Education District requesting authorisation to conduct a research in the district and other district departments. The researcher explained the purpose of the research and outlined the ethical considerations that the investigator would adhere to. The clearance certificate granting the researcher a permission to conduct a research issued by Ethics Committee of the University of South Africa was attached to the letter of request. After being allowed by the district to conduct a study in the data collection area earmarked, the researcher then wrote letters of request to the circuit manager of the circuit earmarked for the study undertaking to access schools to conduct a study, and to the principals and chairpersons of the school governing bodies of the schools identified for research data collection.

### **1.7.3 *Getting informed consent from participants***

To adhere to the code of research ethics from the University of South Africa, the researcher wrote letters of informed consent to all the participants and explained how the researcher was intending to conduct a study, who were the intended participants, when the study would be conducted as well as the time the participants would spend with the researcher. See appendix F-I on page 347-361 on the appendices section. These letters also included the set of ethical principles as identified and in accordance with the standard set (Miller & Brewer, 2003:95-98; Neuman, 2006:129-230; Creswell, 2014:37). The researcher then assured them in writing that the information they provided would remain anonymous, confidential and none of the information they provided would link them to the study either verbally or through writing. Language issue was addressed in the letters in that it is understandable that some of the participants might not understand English which was the language used in this study. Assurance of interpreting the interview material in their mother tongue was given. Primarily, an ethical concern is privacy and confidentiality of using information that someone else gathers (Creswell, 2012:148).

#### **1.7.4 Ensuring anonymity and confidentiality of participants**

Confidentiality is a crucial issue because participants who are being interviewed often have information that few others do and are very sensitive about being identified as having provided specific information (Neuman, 2014:348). In terms of this study confidentiality is viewed as a continuation of privacy which refers to the agreements between persons that information of a person taking part in the study might not be divulged (de Vos et al., 2012:119).

To adhere to the research ethical standard of protecting the participants' rights to confidentiality, the researcher used different letters of the alphabet to ensure anonymity of the geographical site and the information provided. The participants were informed that the researcher would not disclose personal information concerning all the participants unless written consent from the participant was granted. To ensure confidentiality the letters of informed consent encapsulated that the purpose of the data collection was for academic reasons only, with full assurance that no part of the information assembled would be disclosed to parties outside this academic enquiry.

#### **1.7.5 The right to withdraw from the interviews at any stage**

The researcher guaranteed the participants' right to withdraw from the interviews and the freedom to react if they considered them offensive, intrusive, misleading, biased, misguided, irritating, inconsiderate or impertinent. Making use of the letters of informed consent implies that the participants have the right to choose whether to participate in this study project or not. Through letters of informed consent full disclosure was made to the participants regarding the risk associated with the study (Vannderstoep & Johnston, 2009:14). It was also important to divulge to the participants how their responses would be recorded and get consent if the interview was to be recorded (Sebidi, 2008:51).

Consent from the participants was obtained by asking them to sign a form that indicated their understanding of the study and giving their consent to participate. See appendix J-M on page 367-370 on the appendices section. According to Vannderstoep & Johnston (2009:16) it is important to brief the respondents about the nature of the study because this would help to clear the air about the rationale of the study and that the participants would be able to hear, in the researcher's own words, why is he conducting the study.

Prior to the interview the researcher endeavoured to make participants feel at ease by establishing an appropriate atmosphere, such that they felt secure to interact freely (Sebidi, 2008:51). The cell phones

for both the interviewer and the interviewees were switched off to avoid interference with participants while on the platform and adequate time was provided for interviewees to respond to the interview questions.

#### **1.7.6 *Participants' benefits from the study***

For the purpose of this study, the researcher made sure that he provided a full explanation to the participants that the objective of this study was to generate knowledge since they were partners in the education segment, but they would not be compensated after having provided the information. According to Vandestoep (2009:14-15) there is a tendency of the researchers using financial reimbursement or incentives in order to stimulate participants.

### **1.8 CONTRIBUTION OF THE STUDY TOWARDS THEORY AND PRACTICE**

Research study is a process of steps used to collect and analyse data to increase our understanding of a topic or an issue (Creswell, 2012:3). Its purpose is to contribute to the knowledge base and deepen the understanding within the academic discipline (McKee, 2004:3). It is for the above purpose that, within the academic discipline, this enquiry might interest members of colleges and universities because it is accurate that members of the colleges and universities value research. Though it is the case, in other educational settings such as schools, there are personnel such as principals, school governing bodies, adult teachers and administrators that read and use research.

McKee (2004:3) proclaims that research which has legitimacy within the academic environment contributes to the knowledge base. Research which has values within the practitioner environment contributes to service innovation and service development and informs policy. The above assertion concurs well with Creswell (2012:3-6) and the rationale of this study because, conducting the current study was important in that, would add to the existing knowledge pool, improves practice and informs policy debates (Creswell, 2012:3-6).

#### **1.8.1 Research informs policy debates**

Research provides information to policy makers when they research and debate educational policy issues (Creswell, 2012:6). This study on the perceptions and assessment of financial management conduct of the school governing bodies would yield information that might influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy.

This research would also help them to provide in their discussions the current debates and stances taken by other public officials about the researched issue. Information obtained from this enquiry would be transferrable to the education government employees and employees in different education administration levels dealing with schools and school governing bodies that would enable them to draw up the policies to influence positive financial management conduct in schools.

### **1.8.2 *Research modifies theory***

Research is a process of steps used to collect and analyse data to increase our understanding of a topic or an issue. Research strengthens the knowledge base and deepens the understanding and changes of the new approaches to problems and contributes in the innovations and service development in government institutions.

### **1.8.3 *Research contributes to new knowledge***

The objective of this investigation was to understand and reveal the financial management conduct of the school governing bodies in rural schools in Mpumalanga Province. Additionally, knowledge new provided by this research would help to add to the literature about practices that work for the school financial managers and school governing bodies and even advance better conduct that school governing bodies might try in their school financial management. Possible solutions to issues around the challenges of existing financial management conduct might emerge from this enquiry.

### **1.8.4 *Research improves practice***

Among others, the aim of this study was also to propose the strategies to improve financial management conduct among school governing bodies in rural schools in Mpumalanga Province. Through this research undertaking, the researcher aimed to enrich the knowledge base and develop a profound understanding regarding the financial management conduct of the school governing bodies in rural schools of South Africa particularly in Mpumalanga Province. The results from this study might influence other education managers and practitioners such as circuit managers, school principals, teachers, school governing bodies, associations of school governing bodies, faculty members at the universities responsible for financial management, and national and provincial education departments on their different levels of educational practice with regard to the school financial management and evaluate approaches that are anticipated to work for individuals in educational settings. This would be

done through presentation of research findings in academic research conferences and research journal articles generated from this research for publication.

### **1.8.5 *Research contributes to future research***

Research informs researchers about the findings of contemporary researchers' conduct in a field or discipline. The findings of this research would attract other researchers' attention and motivate them to undertake further research in this field or discipline.

## **1.9 PLANNING OF THE STUDY**

This study on shared perceptions and assessment of financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province is arranged sequentially in six chapters according to the following plan:

### **CHAPTER ONE**

#### **ORIENTATION OF THE STUDY**

This chapter introduces, locates and provides the context of the study for understanding funding of education in South Africa and other countries of the world. It provides an overview of the need and reasons for funding education and outlines how the funding transforms the education system and the economies of governments and it thus provides justification for this study. This chapter also focuses on the discussions on the statement of the research problem, the aims and objectives of the study, research design and methodology, research paradigm that this research pursued, research approach and tools for data collection, categories of participants for interviews, data analysis procedures, trustworthiness, ethical considerations and a summary regarding the assumptions of the inquiry.

### **CHAPTER TWO**

#### **SCHOOL GOVERNANCE AND DECENTRALISATION: A THEORETICAL FRAMEWORK**

Chapter two, which concentrates on the relevant hypothetical backgrounds, unfolds philosophies that have been adopted to guide the adoption of decentralisation in the South African education system which led to school self-management/school base-management and the establishment of school governing bodies nationally and internationally. This chapter contextualises the study and evaluates the preceding research work on how the school governing bodies in South Africa came into existence.

Existing knowledge in the pool of school governance is utilised to conceptualise the perceptions and assessment on the financial management conduct of school governing bodies in democratic South Africa. Priorities for empirical investigation and summary of the chapter are also provided.

## **CHAPTER THREE**

### **FINANCIAL MANAGEMENT IN SOUTH AFRICAN SCHOOLS**

This chapter discusses aspects of financial management conduct of the school governing bodies in South Africa. It explains the financial management roles of school governing bodies with reference to allocated functions of Section 21 schools and their financial management roles as espoused by the South African Schools Act. All the procedures for good financial management conduct such as financial budget, financial organisation, financial leadership, financial responsibility and financial reporting will be discussed in this chapter. Financial mismanagement, which is an unwarranted utilisation of funds that has led to the collapse of many educational functions in schools, are unpacked in this chapter. A summary of the contents of this chapter is provided.

## **CHAPTER FOUR**

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter explores the design and the methodology used to collect investigative data throughout the expedition of the research undertaking. It addresses the issues around the modus operandi regarding the selection and biographical data of participants; the aims and purpose and provision of reasons for the choice of particular data collection methods for the research study; letters of informed consent; and the ethical and legal considerations for the research that were considered by the researcher. Data collection tools that were used for data compilation are unpacked in terms of their significance and a summary of the assumptions of the enquiry is included too.

## **CHAPTER FIVE**

### **DATA PRESENTATION AND ANALYSIS**

The chapter presents the outcomes of the procedures followed during the analysis and interpretation of data for this enquiry. A circumstantial report on data collection, stages followed during data analysis and interpretation as well as data analysis and interpretation of data generated from different data collection

tools are also presented in this chapter. Data is presented in quotes and tables. A summary of the contents of this chapter is also provided.

## **CHAPTER SIX**

### **SUMMARY, FINDINGS, RECOMMENDATIONS AND CONCLUSIONS**

Chapter six examines, summarises and reports the discussion of the findings from the research sub-questions on the financial management conduct by school governing bodies in rural schools in Mpumalanga Province. Based on the findings revealed from data collected, this chapter outlines the recommendations for policy makers, the National Department of Education, the Mpumalanga Department of Education, and education districts, circuit managers, school principals and school governing bodies. Contributions of the study, limitations of the study and concluding remarks are unpacked in this chapter.

#### **1.10 CONCLUSION**

School governing bodies throughout the world are assumed to be the most convenient structures to take care of the governance responsibilities in schools, including the management of school finances, encouraging participation of parents in the decision-making and the success of schools' self-management to enhance good governance through proper management of finances. Whether these claims have been achieved by school governing bodies of South Africa to date still has to be tested by further research. For the past 20 years' research on the school governing bodies' ability to execute their responsibilities has revealed, among others, that the financial management conduct of school governing bodies in rural schools of South Africa left much to be desired. Therefore, this study sought to investigate the financial management conduct of school the governing bodies in rural schools of South Africa, particularly in rural schools in Mpumalanga Province.

Chapter two contextualises the study and discusses theories that serve as an epistemological evaluation tool which help to interpret the knowledge presented in this study. It engages the pragmatic findings reported in literature from both the national and international perspectives.

## CHAPTER TWO

### SCHOOL GOVERNANCE AND DECENTRALISATION: A THEORETICAL FRAMEWORK

#### 2.1 INTRODUCTION

Chapter one introduced, located and provided the context of the study for understanding funding of education in South Africa and other countries of the world. It also provided an overview of the need and reasons for funding education and outlined how the funding transforms the education system and the economies of governments and provided justification for this study. It focused on the discussions of the statement of the research problem, the aims and objectives of the study, research design and methodology, research paradigm that this research pursued, research approach and tools for data collection, categories of participants for interviews, data analysis procedures, trustworthiness, ethical considerations and summarised the assumptions of the inquiry.

Chapter two, concentrates on the relevant hypothetical backgrounds, unfolds philosophies that have been adopted to guide the adoption of decentralisation in the South African education system, which led to schools' self-management and the establishment of school governing bodies nationally and internationally. This chapter contextualises the study and evaluates the preceding research on how school governing bodies of South Africa came into existence. Existing knowledge in the pool of school governance is utilised to conceptualise the perceptions on the responsibilities of school governing bodies. Priorities for empirical investigation and a summary of the chapter are also provided in this chapter.

Smith et al. (2014:2) described contextual framework as a categorization of historical background of events relating to the situation that led to the evolution of current situation of event(s) in the setting investigated and that contributed to the situation as it is perceived, which is made up of key policy theories and practices in context. Contextual framework explains what has happened in the setting, how, why, where and for whom an intervention succeeded or failed to achieve intended outcomes as it happened pertaining to the topic under investigation.

Contextual framework offers a general taxonomy and conceptualisation of key implementation configurations. It is a comprehensive, heuristic tool used to generate novel and compelling questions, as well as fresh clean insights for research and evaluation design. Tavallaei\* & Abu Talib\*\* (2010:573) describe a theoretical framework as the structure that is used to hold and support a theory of a research

study. It introduces and describes the theory that explains why the research problem under research exists, giving the researcher a chance to “observe” and “perceive” just certain aspects of the phenomenon under study while some are concealed. Thus, a theory or theoretical framework alone cannot provide a comprehensive explanation of the issue being studied.

Theoretical framework consists of concepts and, together with their definitions and reference to relevant scholarly literature, existing theories that are used for the study (Tavallaei\* & Abu Talib\*\*, 2010:573; Imenda, 2014:186). They further proclaim that theoretical framework demonstrates an understanding of theories and concepts that are relevant to the topic and relate it to the broader areas of knowledge being considered.

Theoretical framework, on the other hand, is considered as the empirical or quasi-empirical theories of social or psychological process which exist at a variety of different levels and apply to the understanding of phenomena, allowing the researcher a valuable opportunity to see what could seem familiar through a new and distinct perspective (Tavallaei\* & Abu Talib\*\*, 2010:573). Having indicated the differences between contextual and theoretical frameworks, only theoretical framework would be used for this enquiry to reveal and demonstrate concepts that are relevant to the research question and relate them to the broader areas of knowledge.

## **2.2 THEORETICAL FRAMEWORK FOR THE STUDY**

Open systems theoretical framework by Lunenburg (2010) and the theory of the action framework by Arstein (1969) was adopted for the description of this study.

The term ‘theory’ is defined by different researchers in a variety of ways depending on the field of study. This study is a social research, according to Tavallaei\* & Abu Talib\*\* (2010:572) theory is regarded as a structure in the process of knowledge that cannot exist unless there is a clear explanation of the properties and propositions which clarify their relations, finally forming a deductive system which explains why certain things occur.

Theory is also compared with a complex spatial network whereby systems and observations are floating devices, while the rules of interpretation control and guide them. Leedy & Ormrod (2005:4) point out that a theory is an organised body of concepts and principles intended to explain a phenomenon. This concurred with Johnson & Christensen’s (2007:7) explanation that theorising explains ‘how’ and ‘why’ something operates as it does. Therefore, theory is seen as a unique way for perceiving reality,

### **2.2.1 Purpose of the theoretical framework for the study**

The theoretical framework for this study consist of concepts together with their definitions and reference to relevant scholarly literature.

The theoretical framework would demonstrate appropriate theories, methodologies and concepts that are relevant to the topic for this research and relate to the broader areas of knowledge considered. It would also strengthen and develop scientific knowledge for this study on the shared perceptions and assessment of financial management conduct in rural schools in South Africa, particularly in Mpumalanga Province in the following ways as defined by Tavallaei\* & Abu Talib\*\* (2010:572).

- By providing explanations about the observed relations regarding their relation to a phenomenon.
- By being consistent with an already founded body of knowledge and the observed relations.
- By providing a device or verification and revision for the already existing studies.
- By stimulating further research in the areas needing investigation.
- By helping to limit the scope of the relevant data by focusing on specific variables.
- By assisting to facilitate the understanding of concepts and variables according to given definitions and building new knowledge by validating or challenging theoretical assumptions.

By virtue of its applied nature, the theoretical framework for this study would indeed be significant because it would fulfil the researcher's one primary purpose. In summation, this would be to explain the meaning, nature and challenges associated with a phenomenon, often experienced, but unexplained in the world in which we live, so that we might use that knowledge and understanding to act in more informed and effective ways.

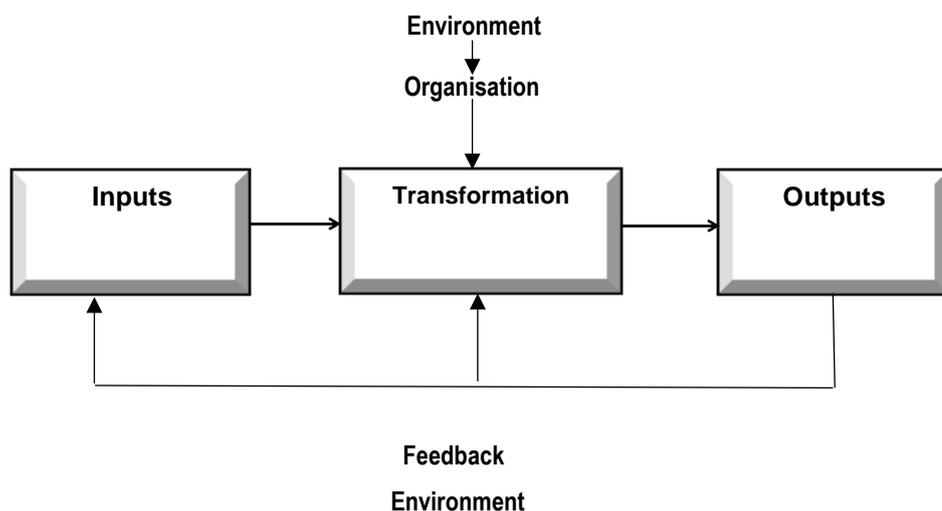
### **2.2.2 Schools as open systems for decentralisation**

According to Walonick (1993:1) systems theory was originally proposed by biologist Ludwig von Bertalanffy in 1928. He pointed out that a system is characterised by the interactions of its components and the non-linearity of those interactions (Bertalanffy, 1972:408). He distinguished two approaches the study of systems can follow, which are a cross sectional approach, concerned with the interaction between two systems, and the developmental approach which deals with changes in the system over time. This enquiry would follow the developmental approach within the school system. The theoretical framework of this study following the developmental approach would hinge on decentralisation in schools as social systems and their nature of self-management where more persons through

participation work together in a coordinated manner to attain a common goal. Persons working together within a school system are teachers, parents and learners who correlate with their peripheral and internal environment in order to improve the system.

Schools are open systems that import and export material to and from the environment and produce and maintain inputs. They are systems of events and outcomes at the collective level, emerging from the actions and interactions of the individuals that make up a collective. Systems can be defined as an interrelated set of elements functioning as an operating unit consisting of inputs, transformation processes, outputs, feedback and the environment (Lunenburg, 2010:1). See Figure 2.1 below.

Figure 2.1: Schools as Open Systems: (Lunenburg, 2010:2)



Schools as organisations rely on inputs such as human resources, financial resources, physical resources and information resources. Proper coordination of these resources makes the system complete and functional. Basically, human resources refer to education officials, teachers, managers, support staff and school governing bodies' capacity. Financial resources are capital the department uses to finance the short and long-term operations of the school. Physical resources encompass supplies, materials, facilities and equipment. Information resources are knowledge, curricula and data utilised by the school to realise its goals (Lunenburg, 2010:2). All these resources need to be coordinated and controlled to attain the goals of the system.

The transformational hierarchy of the system involves various resources to attain the school goals. In the case of a school, the interaction and goal-directed participation between the teachers, parents in the school governing body and learners becomes part of the transformation process in order to produce output. The transformation process includes plans of operation and the competence of the

administrators to realise and cope with changing situations in order to add value to the work in process (Mcube, 2009:1; Mavuso & Duku, 2014:454).

The responsibilities of the principal and the school governing body are to ensure that the use of inputs to the school should transform them while considering external variables. The school governing body together with the principal must be able to understand, interpret and implement the legislation of their operations and follow it to the latter in order to realise a transformation within the system. Feedback is very important to the success of school operations. Reports of the school governing body to the teachers, parents, community and the district embrace the question of school governance accountability pertaining to how they utilised the inputs from the department to better the operations within the system. According to Lunenburg (2010:2) feedback stimulates involvement and participation and it is used to correct deficiencies in the transformation process or the inputs which will impact on the school's future outputs.

Lunenburg further reports that the environment encompasses the social, political and economic context in which school administrators work. The social, political and economic forces that impose on the school as an open system are not all state and national. The local political issues confound state mandated policies. School administrators, including school governing bodies, are faced with challenges where they have to use limited resources to transform the system.

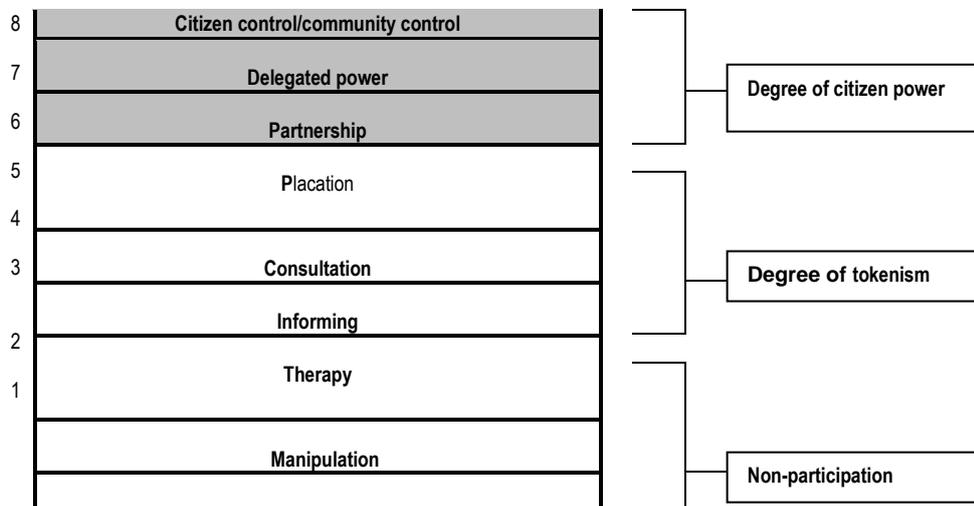
### **2.2.3 *Theory of action as a motive for decentralisation***

The theory of action approach begins with a conception of human beings as designers of action. To see human behaviour under the aspect of action is to see it as constituted by the meanings and intentions of agents. Managers and governors design action to achieve intended consequences and monitor themselves to learn if their actions are effective. They make sense of their environment by creating meanings to which they attend, and these creations in turn guide their actions. In monitoring the effectiveness of their actions, they also monitor the suitability of their construction of the environment.

According to Argyris & Schön's theory (Lewis & Naidoo, 2004:102) school governance and decentralisation policies are typically based on theories of action that presume that the institutionalisation of local schools' autonomy would have broad effects on education. The concept of theory of action provides a means to explore assumptions informing educational policies and practices at systematic programmatic and individual levels. There are those theories within the theory of action that are implicit (espoused) and implicit (theories-in-use) which characterise the relationship between

policy makers and local school actors (Lewis & Naidoo, 2004:101). Espoused theory of action in relation to participation of school governing bodies in schools would be demonstrated by “Eight rungs of a ladder of citizen participation” as sketched by Arnstein (1969:217). See Figure 2.2 below.

Figure 2.2: Eight Rungs of a Ladder of Citizen Participation (Arnstein, 1969:217)



### 2.2.3.1 Espoused theory as a segment of theory of action

In the context of school governance, espoused theories are linked to the intentions and functions of policy documents or what actors assert are the objectives of a school governing body (Lewis & Naidoo, 2004:101). Theory of action as part of decentralisation for this study would concentrate only on the ladder of partnership, delegated power and citizen control as indicated above. With regard to the three ladders identified, the community is enabled through the legislation and delegated power to negotiate and engage in trade-offs with the administrators.

Community members and parents in the school governing body also have power in making decisions regarding the affairs of school governance through their participation. Mavuso & Duku, (2014:455) point out that participation is a process of empowerment of marginalised people; people’s involvement in the decision-making process; and a process through which stakeholders influence the control of development initiatives, decisions and resources. Mavuso & Duku, (2014:455) further indicate that participatory approaches to community building, policy making, and development are becoming increasingly popular, although they are challenged and questioned in other corners of the world. In general, the participatory approach is justified in terms of sustainability, relevance and empowerment (Arnstein, 1967:216). In terms of the South African Schools Act, espoused theory encouraged the creation of the school governance landscape based on citizen participation, partnerships between the

state, parents, learners and community as well as devolution of power towards the individual school community as part of decentralisation (South African Schools Act RSA, 1996b). It also provided for the election of learners, parents and staff to form part of school governing bodies and translates into the rights to influence decisions in running the affairs of the school through participative endeavour (South African Schools Act (RSA, 1996b: s24). In principle, it granted schools and their constituent communities a substantial say in decision-making by devolving power to the stakeholders who participate in democratic governance of schools aiming at creating a new national schools' system which provides everyone with equal opportunity to develop his or her talent (Joubert & Prinsloo, 2001:19).

Many political theorists have argued that increased participation in the administrative system should have the effect of informing and training effective citizens (Kisida & Wolf, 2010:785). Therefore, devolving decision-making power to the schools was used as a means of improving the management and governance of education (Bhengu & Gowpall, 2015:10). Participative decision-making leads to better decisions and effective strategies for organisational success (Bhengu & Gowpall, 2015:10). A basic set of functions as stipulated for all the school governing bodies include determination of school admission policy, setting language policy, recommending teaching and non-teaching staff appointments, managing finances, determining the school fees and conducting fundraising. These measures in terms of theory of action are intended to advance the democratic transformation of the society through local democratic processes and parent/community ownership (Lewis & Naidoo 2004:100).

The dual expectations of serving democratic transformation and financial efficiency through the capture of local resources are evident in the twinning of decentralisation policies for the school governance and fundraising, particularly in the South African Schools Act and National Norms and Standards for School Funding (Government Gazette, RSA, Notice No., 37230), where the policy statement articulated and enforced higher structural norms, viewing parental participation in school governance through a technocratic, apolitical perspective that privileges form and structure over local meanings and processes (Lewis & Naidoo, 2004:103).

### **2.2.3.2 Theory-in-use as a segment of theory of action**

Theories-in-use are linked to the functions that are actually performed. With regard to the theory-in-use as a segment of theory of action, most schools reflected the legislation signals and dominant

governance discourse which emphasised the value of participation on efficiency and democratic grounds (Lewis & Naidoo, 2004:104; van Rooyen, 2013:56). Perceiving the governance practices in South African schools, there is an increased involvement of parents in school governance as an ideal situation of all stakeholders working together and making decisions by consensus in pursuit of common interest. The idea that the participation of the governed in their government is fundamental to active democratic citizenship is accepted without question and the discourse of participation took centre stage for common sense reasons without critical reflection on its practice (Lewis & Naidoo, 2004:104; Bhengu & Gowpall, 2015:11).

According to Bhengu & Gowpall (2015:10), the discourse of participation is firstly viewed as a means and secondly as an end. Participation is viewed as a means when it is used to achieve predetermined goals and objectives, utilising existing resources to the present objectives (Bhengu & Gowpall, 2015:11). This is a preferred view by government departments because it provides legitimacy to their community participation policy imperatives. Participation as an end attempts to empower people to participate more meaningfully in projects that are meant for bettering their lives; thus, it becomes long-term, more active and dynamic (Bhengu & Gowpall, 2015:1).

However, parents' participation as envisaged by the South African Schools Act in the democratic South Africa is not visible as envisaged. The partial invisibility or total invisibility as explained by Smit & Oosthuizen (2011:66) is because of factors such as poverty, unemployment, lack of transport, illiteracy, low competence levels, undemocratic actions such as over-politicisation of school governing bodies, increased centralization and bureaucratic decision-making and misapplication of democratic principles.

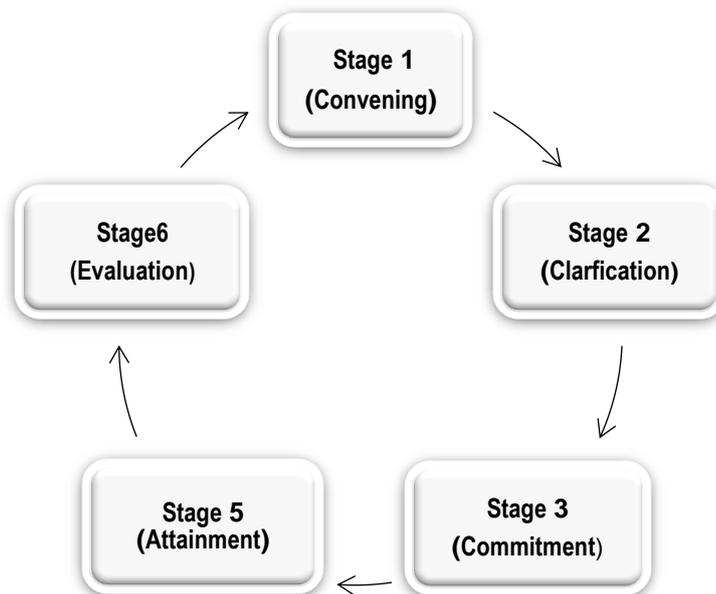
However, the study conducted by Naong & Morolong (2011:257) found out that the twenty-first century parents have undergone a complete and radical mind-shift. The mean age level is 32, indicating that the majority of them grew up during the last stages of the apartheid system which was characterised by intense resistance campaigns and school boycotts. These parents emerged with a new culture of immense energy, resilience, inquisitiveness and a desire to lead. The older generation would, however, arguably and simply accept and respect the unfolding of events at schools without questions.

Contrary to many researches undertaken, interrogating the question of school governing bodies' understanding of their fundamental roles as prescribed by the South African Schools Act from the old and new members, about 89% proclaimed to be familiar with the school governing body's proceedings

and also the younger respondents between ages 29 and 39 expressed their interests as elected members of their school governing bodies (Naong & Morolong, 2011:255).

This submission raises a platform for debates as to whether illiteracy level and lack of parents' participation in the school governance in rural schools still hold as factors that impede the execution of school governing bodies responsibilities as claimed by many researchers. However, for participation to be accelerated, the convening stage, clarification stage, commitment stage, attainment stage and evaluation stage should be pursued to the latter as demonstrated by Figure 2.3 below.

Figure 2.3: Stages of Parental Participation in Education Cycle (Singh\* et al., 2004:306)



According to Singh\*, Mbokodi & Msila (2004:306) during the convening stage, leadership for the external stakeholders needs to be clarified about the significance of parental participation. They also need to be made aware that their participation in the affairs of the school can enhance quality and transformation in education. Creation of opportunities for parents to become partners in education should be at the forefront and be allowed so that parents are able to dialogue about what they want education to embrace.

In this way parents would become confident and have an interest in attending decision-making meetings called by the school governing body. It is difficult for parents to participate unless they know and understand their roles in education. Parents need to be clarified about their varying educational backgrounds, be engaged in drawing up the vision and the mission statements of the school as well as their role in contributing towards change in education as espoused by the South African Schools Act

(RSA, 1996b: s20). This stage calls for the training of a school governing body in executing its responsibilities (Tsotetsi et al., 2008:387).

Relationships within the school setting should embrace the parents' determination to work together to achieve a common goal. It is therefore important to create a favourable environment for consensual decision making. For parents to fully engage, a reciprocal approach on policy issues should apply. Once the parents are explained about their participation roles, they would commit themselves in executing their school governance responsibilities without fear (Diamond, 2015:7). Relationships would then diminish stress and anxiety. Once parents are committed, they would work together and engage in mutual planning to improve the system (Singh\* et al., 2004:306). This stage advocates for the mutual relationship between the teachers, principal, governing body and the community (Bayat, Louw & Rena, 2014:356).

Attainment stage is realised only when parents are able to coordinate and control activities and jointly deliberate on educational issues. During this stage, parents jointly assume responsibilities for resource utilisation and adopt a transparent approach in policy implementation in realising the vision and the mission of the school as an open system (Singh\* et al., 2004:306; World Bank, 2008:9).

The evaluation stage translates into accountability on the side of the parents. At this stage parents in governance assess the implementation and outcomes of their responsibilities within the school milieu, they provide feedback on cost effectiveness, correcting defective communication channels and adjusting current strategies and considering alternative goals (Singh\* et al., 2004:306; Serfontein, 2010:10).

In summary, this study within the context of investigation, the theoretical frameworks would assist the researcher to see clearly the main variables and concepts in this study, providing the researcher with a methodology, research design, targeted population and research sample, data collection and analysis, and guiding the researcher in data collection, interpretation and explanation. This implies that a theoretical framework would guide what the researcher reveals during the course of data collection, which suggests that the researcher may not reveal or expose things which fall outside his theoretical framework. Therefore, the researcher's theoretical framework would serve as the lenses through which to see the world and placing the boundaries on the researcher's vision and horizons that would assist to answer the research question (see chapter 2, p. 32).

## 2.3 INTERNATIONAL PERSPECTIVES ON THEORY OF DECENTRALISATION

Theory of action suggests that people must be engaged through participation in order to reach a common goal. It is significant to realise that participation cannot happen unless there is a decentralisation of power to act. For people to participate in different layers of government administration to ensure the transformation of the system there is a need for power sharing. The only way for governments to achieve greater stakeholder participation is through decentralisation of power to the periphery, be it on a permanent or delegated basis. International experiences in this regard would be vital to compare our practices across the tiers of government administration departments and how decentralisation is applied internationally, specifically in the education segment, in order to advance development where it is due.

To ensure greater participation, governments throughout the world adopted the decentralisation policy as a strategy in education transformation and, consequently, several countries have endeavoured to decentralise parts of its educational segments at the state, province or local levels (Şen & Bandyopadhyay, 2010:271). Decentralisation on the other hand was described as a process by which the central state disperse power in varying degree into sub-national governance units to broaden the access to political and administrative decision-making and localise the provision of delivering public goods and services with an aim to strengthen local development initiatives within institutions (Dickovick & Wunsch, 2014:3; Yusoff, Sarjoo, Wang & Efendi, 2016:693). Yusoff, Sarjoo, Wang & Efendi (2016:693) further claim that decentralisation is one of the most popular terms in both the field of development of administration and local governance. This assertion is supported by Channa (2015:2) who stated that decentralisation is probably the single most advocated reform for improving basic services such as education in developing countries.

Decentralisation may be administrative, political or fiscal in nature based on the needs of a country to decentralise. (Marume & Jubenkanda, 2016:107; Wagana, Iravo, Nzulwa & Kihoro, 2016:465) relate administrative decentralisation to the assignment of service delivery powers and functions across levels of government and determines where responsibility is situated. Administrative decentralisation is full or partial transfer of functional responsibilities to the sub-national units of governance seeking to redistribute authority, responsibility and financial resources for providing public services between different levels of government. Consequently, the responsibility for planning, financing and managing certain public functions are transferred from the central government to subordinate levels of

government, semi-autonomous public authorities, public authorities or corporations, or area-wide, regional or functional authorities (Wagana et al., 2016:460).

According to Yusoff et al. (2016:695) political decentralisation which is sometimes called “democratic decentralisation” refers to the alteration of the power structure of central government institutions associated with power sharing through recognition of federal principles. Political decentralisation can be best described, according to Marume & Jubenkanda (2016:107) as the establishment of new levels of government like the autonomous states in India or provinces in Canada. The creation of autonomous local governments in federal states like the United States of America or India and in unitary states like Britain or Japan also implies political decentralisation. Thus, the establishment of City Governments in USA and Panchayati Raj, Municipal Corporations in India, County Governments in Britain and Prefectural Governments in Japan are good examples of political decentralisation.

The reason decentralisation has commanded such a huge following by governments of the world as alleged by Rosenbaum (2013:11) and was polarised with different thematic emphasis such as political independence, regional and local development, good governance, service delivery, conflict management and ethnic accommodation, is that many governments had a desire for greater democracy and more citizen participation, as well as good governance and, most recently, the significant role of promoting economic development through decentralisation (Yusoff et al., 2016:693; Lavonen, 2017:4). Yusoff et al. (2016:693) further declares the notion of reducing inequality; taking decision-making closer to the people; enhancing accountability; substantially improving efficiency and ensuring transparency as the prominent features of the desire for decentralisation. The primary purpose of decentralisation is therefore basically for the improvement of governance outcomes and for this reason most governments have included it in their policies for educational reform (Caldwell, 2005:7).

Though decentralisation was noted by Galiani & Schargrotsky (2001:1) as the major component of current institutional innovation, Hawkins (1999:2) reflects that it is without doubts that there are no clear examples of completely decentralised systems, but rather a mixture of centralisation and decentralisation. Supporting this assertion Motala & Pampallis (2005:17); Kimber & Enrich, (2010:183) suggest that a country may organize one part of its education system on a decentralised model while operating another part on a centralized model, for example, curriculum, appointment of teachers and building of schools. This arrangement is referred to by Hawkins (1999:2) as a fluid in motion which changes over time.

The assertion made by Hawkins (1999:2) was evident in the beginning of education decentralisation in Indonesia where, despite the agreement to decentralise, the central government continued to have considerable control in the affairs of the local governments (Bayhaqi, 2004:10). In the United Kingdom the education policy framework of the current education reform strategies reveals co-existence of centralisation and decentralisation, greater autonomy to build all students' enthusiasm for learning as well as standardisation and school accountability to ensure all students' mastery of core content. These strategies are described by Davies (2011:95) as "megatrends".

In the United Kingdom the school trustees are members of a school governing body made up of the school principal, elected parents who are in the majority, community members, teaching and support staff members and some learners in the secondary school. As per the requirement of legislation, their fundamental roles include determinations on spending school money, decisions on appointment of personnel and to procure school equipment. According to the response from the House of Commons Education Committee (2012:3) on the role of school governing bodies in the United Kingdom, it was revealed that many governors find it difficult to understand how their strategic roles should be implemented.

It was also difficult for school governing bodies to understand the lines between their strategic responsibilities and the management responsibilities of the head teacher and senior management. The problem of the misunderstanding of their roles was particularly the problem of the parent governors whose role was seen more as a support body that rubber-stamped the head teacher's decisions instead of one that challenges and holds the school leadership accountable (House of Commons Education Committee, 2012:2). The problems were due to lack of training. According to House of Commons Education Committee (2012:5) it was also unveiled that most governors are non-specialists in the field of education, which, like in many technical fields, uses language which can be baffling to outsiders. Training can help newly appointed governors to understand the dynamics of the field.

Decentralisation rationale in Turkey was aimed to ensure good governance and the envisaged changes in the centre-local relations within the scope of public administration reform and the 58<sup>th</sup> government programme and also included concomitant reforms in the education sector (Şen & Bandyopadhyay, 2010:270). However, Şen & Bandyopadhyay continued to proclaim that the Urgent Action Plan (2002) adopted by the 58<sup>th</sup> and 59<sup>th</sup> governments envisaged that educational services would be provided at provincial level and local branches of Minister of National Education (MoNE) and provincial and sub-provincial directorates would be handed over to the Provincial Special Administrations, organizations of

central administration at the provincial level. While these bodies would be responsible for personnel and resources, curriculum control and supervision would continue to be centralised.

There is much literature dealing with the theoretical and empirical argument on the different perspectives that are levelled against decentralisation such as supporting and strengthening democratisation and good governance especially at the local school level (Jusoff et al., 2016:693). All these discussions ignored the fact that individual countries decentralise based on their contexts (Rosenbaum, 2014:13; Yusoff et al., 2016:693). Decentralisation in much of Latin America, as pointed out by Channa (2015:4), formed an integral part of the wider political decentralisation movements, whereas in China reforming education was geared to the system of socialist market economy, the political system and the technological system based on the principles of Marxism-Leninism-Mao Zedong thought and the theory of building socialism with Chinese characteristics (Oyeniran & Uwamahoro, 2017:32).

Among others, the most argued benefit of decentralisation was that it brought decision-making closer to the people (Brown, 1990:33; Lavonen, 2017:4). However, many writers such as Dickovick & Wunsch, (2014:6) had reservations about the authenticity of the claim, pointing out that when decentralisation is not guided it may lead to poor, irresponsible policy-making and implementation as well as vast opportunities for corruption (Channa, 2015:3). This critique emphasised that decentralisation might highlight the possibilities of elite capture, inequity and lack of capacity of local governments and schools to deliver quality education.

In support of the assertion made above, Baruth (2013:131) indicated that in countries like Zimbabwe the introduction of School Development Committees (SDCs) resulted in a serious financial mismanagement due to lack of proper management and planning skills, lack of financial management skills, lack of training of the members of the SDCs and failure to take correct financial decisions where on many occasions parents were not fully involved. Mpanza (2015:8) argued that recently the parental role in Zimbabwe has evolved but its authority is still within the country's school governance system. Mpanza further posited that Zimbabwean parents involved in the school governance did not have the same challenges regarding the lack of knowledge to carry out the school governance responsibilities. However, based on the political landscape in Zimbabwe, this assertion still needs to be ascertained.

Sebidi (2008:19) indicated that decentralisation was viewed as a government initiative that was long practiced in the western societies as well as in developing countries such as South Asia, Eastern

Europe and among international development agencies. Sebidi (2008) further claimed that virtually every country in the North, Central and South America had some type of educational decentralisation reform. Decentralisation in these countries emerged as a strategy by organizations within the public segment, including education where there was a predominant belief that it would bring about anticipated large scale reform. In many settings the pressure for decentralisation came from political forces.

This assumption could be aligned with countries such as Rwanda, Congo and Sierra Leone (Channa, 2015:7). In Congo and Sierra Leone the end of civil war in 2000 prompted the quest for decentralisation to local bodies. In Rwanda the stability after the genocide in the 1990s allowed the country to embark on decentralisation to lower tiers of government in the year 2000 (Channa, 2015:7).

It was also claimed that decentralisation might be a tool to improve efficiency. According to Bray & Mukundan (2003:4) on a more bureaucratic plane, the efficiency argument includes the views that specialists' parallel bodies closer to the people and better able to focus on the needs of clients and that territorially decentralised sub-national units closer to the people and better able to cater for local diversity. In this way, administrative efficiency increases by reducing delays, curbing red-tape and encouraging efficient delivery of services. It also facilitates people's participation in administrative processes (Marume & Jubenkanda, 2016:108).

The efficiency of decentralisation was spotted at the institutional level where it linked the schools more closely with the communities they serve and gave parents and other stakeholders greater avenues for involvement (Bray & Mukundan, 2003:5). It also involved giving head-teachers one-line budgets over which they have decision-making control and strengthening school management committees and similar bodies. Schools were allowed greater autonomy in curriculum, employment of teachers, admission of learners, determining medium of instruction and structure of the school year.

Supporting the above discussion through the lenses of decentralisation in Uganda, Namukasa (2007:2) indicates that decentralisation has changed the delivery of public services, particularly in education. Many programmes were in place to facilitate decentralisation of education service delivery and this was effectual at the elementary level more than at other levels.

On the contrary Baruth (2013:139) posits that due to decentralisation, the government of Senegal transferred revenue and responsibilities to sub-national governments and schools and approved the formation of School Management Committees (SMCs) which consist of parents of learners at that school; school principal; an educator governor from the school staff; member of civil society, non-

teaching staff and official of the state. SMCs are the legitimate structures that are given the responsibilities by the Senegalese government to govern the internal affairs of the schools (Baruth, 2013:140).

However, in Senegal much debate on the financial management in schools was anchored on the School Management Committees' inability to perform their tasks and this was due to lack of specialised knowledge and lack of commitment. Among others, in many schools', School Management Committees lack of specialised knowledge resulted in resources being wasted, mismanagement of public funds, and misunderstanding between the principals and the SMCs in terms of financial management (Baruth, 2013:140).

There are three types of decentralisation identified by Jusoff et al. (2016:697) which may be instrumental to transfer development planning and management responsibilities into local level governance units. These types of decentralisation are referred to by Marume & Jubenkanda (2016:107) as territorial for the fact that they distribute control among different geographic tiers of government such as provinces, districts, circuits and schools. Territorial categories of decentralisation include deconcentration, delegation and devolution.

### **2.3.1 *Deconcentration as a form of decentralisation***

Deconcentration involves shifting of management responsibilities from central to the regional or lower levels so that the centre retains control (Wagana et al., 2016:460). This is considered a weak form of decentralisation and is used most frequently in unitary states to enhance the public administrative machinery (Jusoff et al., 2016:698). Deconcentration is equated to horizontal decentralisation where non-administrators, including staff, make decisions, or there is shared authority between line and staff (Lunenbun, 2012:3). Deconcentration is also described as a process through which a central authority establishes branch offices, staffing them with its own officers. Thus, personnel of the Ministry of Education may all work in the same central building, or some of them may be posted out to the districts or circuits (Bray & Mukundan, 2003:3).

According to Sebidi (2008:25-26) from 1978 to 1982 the Republic of Mexico de-concentrated the management of the education system from the Ministry of Education in the form of thirty-one state delegations. The delegations were given responsibilities ranging from budgeting and managing schools to the writing of curricula and textbooks. However, the revenue generation, tailoring of the national core

curriculum and labour policy remained in Mexico City. These reforms were carried out through the concerted efforts of senior leaders.

### **2.3.2 *Delegation as a form of decentralisation***

Delegation is the most extensive form of decentralisation. It involves transfer of responsibilities for decision-making and administration of public functions from central government to local government organisations that are not wholly controlled by the central government with the understanding that authority may be withdrawn without resort to legislation (Bray & Mukundan, 2003:3; Jusoff et al., 2016:698). With regard to these delegated powers, Jusoff et al. (2016:698) further proclaim that many countries have endeavoured to pledge this kind of decentralisation practice by creating school boards; authorities; corporations; special service districts; and semi-autonomous school districts. The reason behind its choice was because it represented a slightly higher level of administrative autonomy for local entities and government was not entirely withdrawn from institutional administrative affairs, hence the system did not lose management control (Jusoff et al., 2016:698).

Delegation forms part of decentralisation in England and Wales. In these two countries, as West et al., (2010:7) explain, the Education Act of 1980 enabled parents to express themselves in terms of education for their children. Education Reform 1988 introduced a formula for school funding whereby individual school budgets were determined predominantly on the basis of pupil enrolment. Schools governing bodies were also introduced, formed by head teachers and parents, which became responsible for deciding how the school budget should be spent and how national curriculum and the programme of assessment should be conducted.

### **2.3.3 *Devolution as a form of decentralisation***

According to Bray & Mukundan (2003:3); and Jusoff et al. (2016:698) devolution is a more extreme form of decentralisation in which the central government transfers authority and responsibilities for decision-making, finance and management to quasi-autonomous units of governance at lower levels largely outside the direct control of central government on a permanent basis and cannot be withdrawn. This implies that, based on the powers devolved to these units, officers at these levels do not seek approval from higher levels for their actions. However, according to Hannaway & Carnoy (1993:71) allocated power between levels of administrative governance does not imply the loss of control for the centre.

This explanation relates to education decentralisation in Uganda which was dissimilar from countries such as Sri Lanka and Australia. Ugandan decentralisation was mainly driven by the national political will rather than by administrative, educational reform aiming at devolving powers of primary education. Legal frameworks in general were helpfully modified and made compatible with those of decentralisation in education. In terms of exploration of decentralisation in Germany, West, Allmendinger, Nikolai & Barham (2010:5) pointed out that, in federal states, education is generally reserved for each member state without direct federal control.

West et al. (2010) further indicated that Germany had a strong tradition of regional government dating back to the founding of the German Empire in 1871. Since unification in 1990, the Federal Republic consisted of 16 Laender. The Grundgesetz (Basic Law) divided the federal government's legislative responsibilities into exclusive powers, current powers, and framework powers and the German Constitution referred the regulation, planning, designing and supervision of the school system to the parliaments of Laender which was the main arena of political decision-making in relation to educational issues.

Although the primary responsibility for legislation and administration in education rested with the Laender, one decisive institution ensured that the development of the education system in the Laender followed a similar direction. Different from the devolution lessons learned in Uganda and Germany, in Kenya, devolution was an ambitious undertaking involving large-scale political, fiscal and administrative endeavour as compared to other countries where the devolution process of the three powers was chronologically accomplished. According to Wagana et al. (2016:461) it was a "big bang" translating into a situation whereby three types of decentralisation were achieved simultaneously with the ratification of the constitution, sovereignty of the people and the principle of public participation (Wagana et al., 2016:460).

## **2.4 SOUTH AFRICAN PERSPECTIVES ON THE THEORY OF DECENTRALISATION**

The government administration system was highly centralised pre-democratic era in South Africa. Most of the organisations were centrally controlled and stakeholders' participation in the affairs of the state was minimal. In schools as open systems, principals, especially in black schools, were the only people who had management authority dictated by the central authorities.

The nature of schools as open systems implies that, through participation, more people must work together in a coordinated manner to attain common goals. To enhance transformation and participatory

democracy, the government had to adopt the decentralisation policy as an international trend to democratise the systems and as a leeway to introduce the structures that would help with the general governance and administration in different institutions. In the South African education system, school governing bodies were introduced as a result of the decentralisation policy to help with the schools' governance responsibilities.

The South African perspective on the decentralisation of education administration and governance started in the early 1990s with serious theoretical and political discourses in relation to educational policies (Sebidi, 2008:31; Heystek, 2011:457). This era was the time when concern was focused on analysing and contrasting the emergence of the policy discourses of the apartheid state and the democratic movement, which centred on the African National Congress (ANC) (Kallaway, Kruss & Fataar, 1997:86-87; Sayed, 2008:7). There was a vigorous debate on the question of how much power should be distributed as Beckman (2003:12) asserts, and to which levels of the system. Nevertheless, the issue of decentralising powers of governance was never questioned. Neither was the notion of meaningful powers of governance at school level ever seriously contested.

The process engaged three main approaches in terms of decentralisation of the system of education in South Africa. The first approach maintained that apartheid education was highly centralised, therefore democratisation should involve concomitant decentralisation of educational control. The second approach was that South African had historically been a mixture of centralisation and decentralisation tendencies and, lastly, the approach was based on the need to re-organise and unify the system on an efficient and equitable basis, which required the decentralisation of educational administration at the national; provincial and local levels (van Wyk, 2007:133).

Decentralisation gained implementation momentum in South Africa after the democratic government was put into power in 1994. The kind of decentralisation that took centre stage was designed to deal with a number of socio-political issues that were grounded during the past bureaucratic order. According to van Wyk (2007:133) the South African education decentralisation policies were an attempt by the new government to reconcile the quest for equity with the resources the state was able to allocate to education; to move towards more equitable distribution of resources among schools while maintaining the middle class within the public school system; to reconcile the rights and responsibilities of individual schools with wider national interest; and to strive for greater democratic rights for stakeholders while maintaining the professional integrity and accountability of school managers and the state employees.

It started with the formation of nine departments of education and one national department of education (Heystek & Terhoven, 2014:1). The objective of this decentralisation was to create ways and means of sharing education administration and governance responsibilities with these departments in order to bring the decision-making closer to the stakeholders (van Wyk, 2007:133). This move was perceived by Hartshorne (1999:5) as a policy strategy agreed upon by different tiers of government to ensure equitable distribution of resources and efficiency within the system. The rationale for South African decentralisation compared well with the international perspective which is to promote efficient education administrative and governance structures in terms of service delivery; to encourage participation of the stakeholders in the educational affairs of the country; and to promote the improvement of quality education provision (Melaphi, 2015:19). Decentralisation in South Africa followed some of the forms adopted worldwide such as deconcentration, devolution and delegation in its government, political and administrative system.

#### **2.4.1 *Deconcentration in the South African perspective***

In the South African perspective, through deconcentration, the government was forced to change regulations and legislative frameworks which gave rise to policies such as the South African Schools Act which advocated for parents' involvement in schools (Diamond, 2015:6). This arrangement, as reported by Sebidi (2008:35), in education occurred within the existing sub-divisions of the state civil service, without re-arranging the divisions of responsibility among them or giving provinces, districts or circuits more responsibility. Each sub-division remained accountable in the same chain of responsibility as before. The rationale behind this arrangement was to go beyond improved efficiency within education branches and it was also the strategy to improve provincial, district and local co-ordination among previously separated public services and to strengthen service planning. However, authority remained with the state, with lines of accountability extending only upwards to the central government (Sebidi, 2008:35).

#### **2.4.2 *Devolution in the South African perspective***

South African experiences of decentralisation as devolution was a critical measure to expand political power or control from the opposite perspective for challenging and reforming the political system (Sayed, 2008:7). Decentralisation was seen as a leeway to assume expanded access to decision-making arenas (Heystek, 2011:456). Decentralised decision-making authority is regarded as the most important process that enables parents and communities to foster demand and ensures that schools

are provided with the social and economic benefits that best reflect the priorities and values of those local communities (Androniceanu & Ristea, 2014:38).

The devolution endeavour was also hinged on the belief that previously alienated groups would develop a stake in the political system, thus becoming a base for them for working within it and maintaining it, therefore being less likely to seek to overthrow or destroy it (Sebidi, 2008:35). Sebidi, (2008) further suggest that devolving decision-making authority to local officials allegedly moved authority to those likely to be better informed and more sensitive to the local setting. The central government devolved responsibilities to the provinces which in turn were devolved by the province to the districts.

Devolution as decentralisation in the South African perspective (Sebidi & Sehoole, 2011:215) was based on the premise that: bureaucratic delays for education service delivery would be reduced, there would be an improvement and development of capacity for local administrators and facilitation of the effective integration of isolated rural areas into national, provincial, district and local programmes. It was also assumed that through devolution of powers there would be increased efficiency and the central government would be relieved of unnecessary tasks, reducing the scale inherent in the centralisation decision-making and foster great co-ordination between central and local agencies.

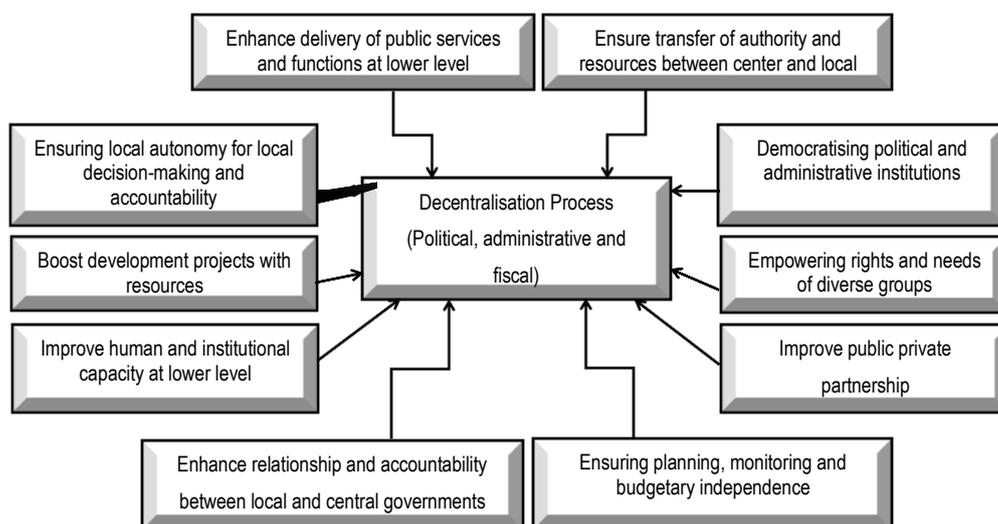
### **2.4.3 *Delegation in the South African perspective***

In terms of delegation, South African experiences reveal that much as it is important to delegate powers within organisations, it was also very significant to delegate responsibilities in order to enhance service delivery in schools. Certain responsibilities were entrusted to the local community based on the assumption that the local level knows best what to do with funds and other resources allocated from the central government (Heystek, 2011:356). In terms of the school situation, the devolved responsibilities from the districts were delegated to the circuits and circuits further delegated them to schools (Sebidi, 2008:37).

Delegation as decentralisation also embraced fiscal decentralisation. Fiscal decentralisation is directly linked with budgetary practices. It necessitates the transfer of powers to raise and retain financial resources and to fulfil the assigned responsibilities to the local level. It allows allocating resources, including delegation of funds (Yusoff et al., 2016:696). It is also measured by the ratio of provincial/local government expenditures to central government although this measure does not reveal much about policy or implementation of decentralisation (Batchelor, Smith & Fleming, 2014:14).

This statement also holds for South African practices. The rationale for delegating fiscal decentralisation to the periphery was largely based on an integral part of the government’s strategy to alleviate poverty and redress the financial allocation imbalances of the past. On the South African education historical base, Mathwale & Erasmus (2015:110) indicate that during the racially based education system in South Africa, poor black communities were not given opportunity by central government to manage funds allocated to their schools if there were any; as a result, schools did not have capacity to manage funds. In terms of the school situation, the South African Schools Act became legislation to guide the functions and responsibilities of all the stakeholders involved in education. Outcomes of decentralisation can be demonstrated as follows. See Figure 2.4 below.

**Figure 2.4: Outcomes of Decentralisation (Yusoff et al., 2016:699)**



The South African Schools Act (RSA, 1996b: s20 & s21) outlines the delegated and allocated functions of the school governing bodies which may be withdrawn in case efficiency is not registered in the implementation of national policies. Among others, the school governing bodies were delegated with powers to manage their own school’s financial allocations.

## **2.5 SCHOOL-BASED MANAGEMENT AS PART OF DECENTRALISATION**

School-based management (SBM) is the brain child of decentralisation and decentralisation is about power sharing. Schools are declared to be self-managing when there was decentralisation of power that enabled them to function as a system. School-based management like any other arrangement relies on inputs such as human and financial resources to be successful. As an education transformation strategy, it also requires participation between stakeholders who must in turn provide feedback on how they have utilised the inputs under the social, political and economic context in which school

administrators work. Therefore, school-based management was regarded as the best tool for decentralisation within education systems, and schools as open systems in particular, in order to ensure development.

It is for this reason that school-based management was introduced in countries with diverse educational systems, such as Australia, Canada, Israel and the United States, some going back to 30 years ago (Barrera-Osorio, Fasih, Patrinos & Santibáñez, 2009:6). Claims for its popularity by Barrera-Osorio et al., (2009:6) are based on its potential to be a low-cost means of making public spending on education more efficient by increasing the accountability of agents involved, by empowering the clients to improve learning outcomes and putting power in the hands of the service end-users. Based on the above theory, school-based management was institutionalised in many countries of the world like England, Canada, New Zealand, Australia, and the United States of America, where schools have had experience with the practice for more than a decade.

The practice seems irreversible in these settings (Caldwell, 2005:1). School-based management has many shades of meaning and it has also been implemented in different ways and for different reasons at different rates in different settings. Even the fundamental concepts of 'school' and 'management' are different, as are the cultures and values that underpin the efforts of policy makers and practitioners. However, the common ground in all the places where school-based management has been implemented is that it increases the authority and responsibility at the school level, but within the framework that ensures that a sense of the system is ensured (Caldwell, 2005:3).

According to Barrera-Osorio et al. (2009:7) in Latin American and Caribbean countries implementation of school-based management started in 1991 under the name 'Education with Community Participation' (EDUCO) where schools were funded by the central government. The Mexican school-based management programme started in 2001 with an intention of providing more autonomy to schools by giving them annual grants of up to \$5,000 to improve education quality and this programme targeted disadvantaged urban schools. The utilisation of the grants was to be outlined by Parent Associations in terms of the design, implementation and monitoring. In Brazil a similar program was initiated under the name Community Based Program (CBP) with an intention of making schools more responsive to students and their communities to ensure school effectiveness (Barrera-Osorio et al., 2009:8).

In 1996, Mexico introduced another school-based management programme. With this programme the government provided cash grants to schools ranging from \$5,000 to \$7,000 depending on the size of

the school and training to parent associations. However, the parent associations had the authority to dictate utilisation of such moneys in any educational activities they deemed fit, most of which were on improvements to school facilities (Barrera-Osorio et al., 2009:8). In African countries such as Kenya, Ghana, Rwanda, Gambia, Niger, Madagascar and Senegal, their school-based management reform efforts were conceived under the name of 'Whole School Development' (WSD).

The rationale for school-based management in these countries was to improve school management, in-service training, monitoring and evaluation. Members of the community participated in parent teacher associations. Due to the introduction of free primary education, parents were relieved from paying school fees that were previously paid for the education of their children. The central government took over by introducing school financial grants (Barrera-Osorio et al., 2009:9). School financial grants were directly given to schools, the amounts of which were calculated on a per student basis and were controlled and utilised by school councils for teacher training, to purchase school supplies, fund teachers and improve facilities, and countries such as Ghana and Rwanda they may also have been used to pay teachers bonus allowances (Barrera-Osorio et al., 2009:9).

Decentralisation policies in South Africa gave birth to school-based management or school self-management because of the powers that had been devolved and delegated to schools to inform their autonomy to execute certain managerial and governance responsibilities. 'School-based management' and 'self-managing school' would interchangeably be used for the review of this theory. A self-managing school is a school in which there has been a significant decentralised amount of authority and responsibility to make decisions on the allocation of resources within a centrally determined framework of goals, policies, curriculum standards, financial management and accountabilities (Caldwell & Spinks, 2013:3). Resources may broadly include staff, services and infrastructure, each of which typically entails the allocation of funds to reflect local priorities.

Caldwell & Spinks (2013:3) further argue that a self-managing school has a high level of but not complete autonomy, given the centrally-determined framework. According to van Deventer, (2003:235) the school self-management was therefore regarded as an approach whereby public schools were re-designed to offer educational stakeholders the opportunity and the power to develop and improve their schools according to the demands of their own environments. This statement concurs with Caldwell & Spinks, (2013:4) and Barrera-Osorio et al. (2009:2) who assert that school-based management is a formal alteration of governance structures, as a form of decentralisation that identifies the individual school as a primary unit of improvement and relies on the distribution of decision-making capacities

over the resources as the primary means through which improvement might be stimulated and sustained.

On the other hand, Caldwell (2005:4) indicates that the forces that may be claimed to influence the move to self-management may be the demand from the central government for less control and uniformity and an associated demand for greater freedom and differentiation, interested in reducing the size and therefore the cost of maintaining a large bureaucracy, commitment to the empowerment of the community, and desire to achieve a higher level of professionalism at the school level. The decentralisation of decision-making and self-management of local schools was officially implemented in all schools in South Africa as a result of the promulgation of the South African Schools Act of 1996b. However, it is argued that, before that time, there was already the first indication of self-governing schools in the mid-1970s (Heystek, 2011:456). To enhance the idea of decentralisation towards school-based management in South Africa, the school governing bodies were elected and constituted in all the schools and were given autonomy to manage the resources provided by the government in accordance with the South African Schools Act (RSA, 1996b: s36 & s37).

According to Xaba (2004:313) the notion of being elected implied that school governing bodies should have a constituency and thus represent it. Members of the governing bodies were elected as representatives of certain interests connected to the school. By implication this meant that governors represented the interests of their constituencies. Parents represented parents' interests; teachers represented the teachers' interests and learners represented the learners' interests.

According to South African Schools Act (RSA, 1996b: s20) the distribution of decision-making capacity over resources was to be complemented by the increased responsibilities of these structures, though consideration was always on whether the total amount of resources available would adequately allow teachers and learners to meet their teaching and learning expectations (Johnson, 2008:24). Considering the basis of the school governing body arrangements in South Africa, school governance autonomy was increased in that the school governing bodies should, among others, make sure that, with the limited resources allocated by the government, strive to improve school efficiency; distribute resources equitably; improve teaching and learning and also account for the utilization of the resources allocated (South African Schools Act RSA, 1996b: s36).

This approach to autonomy is regarded as a "carrot-and-stick" approach which is an apt descriptor of practice when a higher level of government with more resources provides funds to a lower level of

government with fewer resources and requires acceptance of the latter of strict terms and conditions that are necessarily those that would have been accepted if there was no such dependence and this results in a low autonomy, high control and closed outlook (Caldwell & Spinks, 2013:4). However, there is virtually no firm, research based knowledge about the direct or indirect effects of school self-management in enhancing teaching and learning in schools.

The inadequate research-based evidence that does exist suggests that, the effects on enhancing learners' education are just as likely to be negative as positive. Therefore, there is a remarkable gap between the rhetoric and reality of school self-management's contribution to enhance learning and teaching in the light of widespread advocacy of school self-management (Fullan & Watson, 1999:3; Choonara, 2008:2). Comparing the South African trend of school-based management with the international trend, one may note that the South African self-managing system was operationalized in different socio-economic, political and development systems. Conversely, the broad functions and responsibilities of the school governing bodies in South Africa are not dissimilar to comparable governing bodies in the UK, New Zealand and Australia in respect to drafting policies, budgeting, support and maintenance, but political and socio-economic diversity in communities and in schools are dissimilar from that in most western countries (Heystek, 2011:456).

There are however note-worthy exceptions, particularly in the case of Hong Kong in China. The School Management Initiative (SMI) in the early 1990s was presented as an initiative in school-based management but adoption was slow, especially in the aided sector, where it was seen by many to be more constraining than empowering. The aims of the government's adoption of school-based management through decentralisation reform was to strengthen control and to ensure educational quality through management techniques and therefore defining quality in terms of efficient use of resources, output assessment, performance indicators and external evaluation (Caldwell, 2005:7).

The developed literature on school self-management as decentralisation theory and school governance that mushroomed over a number of years back identified a number of characteristics of good governance, which are, among others, the rule of law, transparency, accountability, efficiency and effectiveness, participation and responsiveness (Døssing, Mokeki & Weideman, 2011:4). These characteristics are applied to assess the country's quality of governance in education which should translate into proper and effective administration of finances and financial resources to enhance quality education.

Financial management requires educational organisations to both receive and manage finances and resources in order to achieve their educational objectives (van Rooyen et al., 2013:67). There is, however, a paradox between the relationship between expenditure and education outcomes because the quality of education still does not seem realistic (Heystek, 2011:456). Inappropriate ways in which finances are managed, or their unavailability, may affect the learning and teaching objectives of a school negatively (Coleman & Anderson, 2000:3).

The core business of the school is teaching and learning, and schools are productive units in education. Without funds and learning and teaching resources, quality education will be a difficult accomplishment since self-managing schools are financially and performance driven. (Odden & Picus, 2008:187; Heystek, 2011:17). For schools to be academically functional, funds must be made available. Funding of education refers to the distribution of money for the purpose of providing educational services in order to produce students' achievement or educational outcomes (Guthrie, Springer, Rolle & Houck, 2007:54). Financial management by school governing bodies in the public schools of South Africa should also be discussed with reference to the transformation of education during the democratic South Africa era, when financial obligations for management of school funds were placed on the parents who must observe and adhere to the principles of effective financial management (Joubert & Bray, 2007:19; van Rooyen et al., 2013:33).

These principles include financial planning; financial organisation or co-ordination; financial leadership and financial control. Therefore, it is important for the school governing body to understand the school context; basic accounting procedures and economic policies; and law relating to education and schools as well as management skills related to financial management in order to advance efficiency in terms of the utilization of funds (Campher et al., 2003:2; Joubert & Bray, 2007:3). These principles of education are not enough, however; financial management does not by itself guarantee that the finances would be effectively utilized if they are not put into practice.

The successful school governing body knows that they cannot do it alone as van Rooyen et al. (2013:35) reports that the school governing body needs the financial support of the state and the community, which is more likely to be offered when there is a strong relationship between the school and the community. The relationship that is advocated by this assertion is the relationship of trust, mutual understanding and cooperation among the stakeholders involved.

Some of the scenarios of school-based management programmes reviewed, especially in terms of financial grant allocation and utilisation of these grants in the education system of different countries, depict dissimilarities in countries such as South Africa and that would be unveiled during the discussion in the next chapter under schools' financial management.

## 2.6 SCHOOL GOVERNANCE IN THE SOUTH AFRICAN CONTEXT

The following sections of the study embrace two broad areas of school governance circumstances in South Africa, pre- and post-democratic eras.

### 2.6.1 School governance situation pre-democratic era

South African schools during apartheid years reflected in microcosm, the tensions and discord of a society at odds with itself. During this era, schools for Whites were a comfortable institutions of privilege, whilst schools for Blacks seethed a discontent (Rakometsi, 2008:17). This was the result of the education legislation on separate education systems which was passed by the apartheid government to control and administer the education of different racial group in the country. See Table 2.1 below for some of the legislation that were used to maintain and exacerbate the education situation during to separate education system in pre-democratic South Africa.

**Table 2.1: Key Education Legislation in Pre-democratic South Africa**

<b>Legislation</b>	<b>Description of legislation</b>
Bantu Education Act (Act No. 47 of 1953)	South African law which legalised several aspects of apartheid education system to enforce racially separated educational facilities and to transfer administration and control of Black education from the several provincial administrations to the government of the Union, and for matters incidental thereto.
Education and Training Act ( Act No. 90 of 1979)	Legislation used to provide control of education for Blacks by the Department of Education and Training and to provide for matters incidental thereto.
Indian Education Act (Act No. 61 of 1965)	Legislation used to provide education for the Indians by its appropriate racial institution, the Indian Affairs Department.
Coloured Persons Education Act (Act No. 47 of 1963)	Legislation used to provide control of education of Coloured persons by the department of Coloured Affairs and to provide for matters incidental thereto.

It terms of school administration, during this era, school governance was run by the School Committee system which was undemocratic and characterised by the top-down education management approach advocated by National Department of Education (Mahlangu, 2008:3; Bayat, Louw & Rena, 2014:354; Dibete, 2015:3). The principal was managing the school alone based on the prescripts tailored by the Department of Education, making the education system imposing and categorized (Nyambi, 2004:1; Mahlangu, 2008:3).

Educators, learners and parents in black communities were marginalised from making essential decisions in schools but white parents in white schools were given powers for decision-making by a racially based education bureaucratic system (Heystek, 2011:457). This era was marked by poor parental involvement and consequently many schools in black communities were poorly managed and funded which made teaching and learning ineffective (Nyambi, 2004:1). A study conducted by Mahlangu, (2008:3) reported that even though it was not clear whether apartheid was to blame in this instance, the fact remained that, historically, black parents felt that the education of their children should be left in the hands of the teachers. Teachers were perceived to be highly educated and believed that they knew what was best for the children in their care.

During the pre-democratic era, there were only two types of recognized parent involvement in schools, namely a statutory parent body which was branded School Committee and the non-statutory body which was known as Parent-Teacher Student Association (PTSA) which were perceived as vehicles of community countenance (Sayed, 2008:7; Tsotetsi, Van Wyk & Lemmer, 2008:386; Bayat, Louw & Rena, 2014:354). The statutory parent body was given fixed powers by the law and this became functional mostly in white schools but was not properly constituted in black schools for the reason that black parents had a feeling that these committees and school boards were not appropriately representing them (Heystek, 2011:457).

According to Nojaja (2009:71) the statutory parent bodies were made up of 6 to 12 members (depending on the vastness of the education district) who were not directly involved with the professional activities of the school. Their mandate was to report to the parents and make recommendations to the director of education. Among others, they could recommend on issues regarding the appointment of teachers. Essentially, they could also collect money to finance the existing expenditure and controlled such expenditure. Their responsibilities were tailored and entrusted to them by the central education authorities. At the level of the education district, these bodies were known as school boards and were given the supervisory, advisory, administrative and managerial responsibilities.

It was only after the 1976 student uprising that non-legislative Parent Teacher Student Associations (PTSAs) were instituted in formerly oppressed school communities (Bayat, Louw & Rena, 2014:354). These non-statutory parent bodies did not have legal powers but the government's intention in instituting these bodies was to combine the efforts of parents and teachers to a limited degree when a particular service was needed (Tsoetsi, Van Wyk & Lemmer, 2008:386). In black and coloured communities most parents rejected the credibility of these structures (Nojaja, 2009:67).

Unlike in black schools these legislative governance structures were mainly in white schools and provided much needed experience for stakeholders of elected school governance structures (Tsoetsi, Van Wyk & Lemmer 2008:386). The friction that occurred between the school committees, the communities and the teachers in terms of lack of accountability of the school boards to parents, allowed school committees to align themselves with the grassroots opinion (Sayed, 2008:7).

The Department of Education and Training then suspected that members of boards and committees in black schools were politically influenced and were removed from their positions (Nojaja, 2009:68). Prompted by the crisis in education and parents' pressure to be involved in education through legally representative structures, the Department of Education and Training instituted the de Lange Commission in 1980 (Nojaja, 2009:68).

The report from the commission emphasised the need for parents to have decision-making power to legitimise their role in the system. Nojaja (2009:68) further indicates that the government Education Renewal Strategy (ERS) which was established in 1991 embraced the proposal for the decentralisation of the education system through the establishment of management councils with increased decision-making and executive functions.

Based on the recommendations made in the Education Renewal Strategy (ERS) document, parents were acknowledged to participate in curriculum development, and this represented a notable shift on the part of the state towards recognising the opposition's concept of parental governance in schools (van der Westhuizen & Masoge, 1998:44; Sayed, 2008:7). Due to the political transition to post-apartheid South Africa, new policies emerged dictating how the business of education should be transformed (Sayed, 2008:6).

## **2.6.2 School governance situation post-democratic era**

As a government initiative towards democratising education, the Hunter Commission instituted shaped and further the intentions of the ERS document. On 31 August, the report of the committee to review the organisation, governance and funding of schools was released. This report outlined the suggestions regarding formal parent involvement in South African schools and reconfiguration of the systems. According to Dibete (2015:3) among others, the abolition of parent, teacher, student associations (PTSAs) in South Africa and their replacement by democratically elected school governing bodies was addressed as a significant milestone for South African school education.

The formation of school governing bodies was concerned with inclusivity and decentralisation. Inclusivity means the participation of parents, educators, non-teaching staff, learners, and other people who are willing and able to make a contribution to the school. Decentralisation means that decisions ought to be made by people who are closest to the situation. In the case of schooling this means that instead of the National Department of Education making all the decisions, many decisions would be made by the Provincial Department of Education, which in turn would give education district officials and individual school governing bodies the power to make some of the decisions. Bringing decision-making closer to the people was desirable and was aimed at assisting and solving future problems and challenges that would be faced by schools. Among others, the following are some of the most influential legislation that became significant in directing the transformation of education in South Africa as stated by Sayed (2008:3-5). See Table 2.2 below.

**Table 2.2: Key Education Legislation in Post-Apartheid South Africa (Sayed, 2008:3-5)**

Legislation	Description of legislation
Education White Paper No. 2 (The Organisation, Governance and Funding of School Notice of 1996.)	This sets out the policy of the Government of National Unity on the organisation and governance of schools and the development of capacity for school leadership and governance throughout the country. It describes how the Ministry of Education intends to meet its obligations to negotiate with public school governing bodies whose rights, powers and functions are to be altered.
The South African Schools Act (Act 84 of 1996) SASA	Sets out the framework for school governance which allows for democratically elected school governing bodies as juristic persons in charge of the school. Crucially, it allows schools the right to charge fees and ceded a great deal of autonomy to schools.
National Norms and Standards for School Funding Act 1998	Lays out the basis on which it will fund public schools, the exemption of parents who cannot pay fees and the public subsidies to independent schools. This memorandum follows the SASA and attempts to address the deferred and contentious issues of the act, particularly the issue of school fees.
White paper on Education and Training, 1995	Describes the first steps of policy formation by the Ministry of Education in the Government of National Unity. It locates education and training within the national Reconstruction and Development Program and outlines new priorities, values and principles for education and training system. Discusses the implication of the Constitution for education system, especially in respect to Fundamental Rights, discusses the division of functions between national and provincial governments in the field of education and training, provides information about how the national and provincial departments of education are being established, analyses the budget process in education and the necessity for a strategic approach to education funding in relation to the national priority for human resource development. Discusses in detail two significant policy initiatives for the school system: the organisation, governance and funding of schools, and the approach to the provision of free and compulsory general education.
Education Laws Amendment, Bill of 2001	Amends the South African Schools Act of 1996 including sanctions against the failure of the governing body to perform its functions; prohibit public schools from raising money by means of loans or overdrafts without the approval of the Member of Executive Council; clarifies the manner in which disciplinary proceedings must be conducted; provides for a process to establish norms and standards for school funding by means of quintiles; and clarifies the charging and payment of school fees.

The introduction of the school governing bodies was also measure of government to accelerate the transformation process in education. The Department of Education published a White Paper on Education and Training (RSA, 1995c) (WPET) advocating for democratic governance and increased reflection of decision-making at every level of the system. The democratic governance was to be realised through the involvement in consultation and appropriate forms of decision-making of elected

representatives of the main stakeholders, interested groups and role players (White Paper on Education and Training, RSA, 1995c: 22). This was the way to do away with the continuing isolation of the segments of society from the education process and a means to lay the foundation for education reform in the South African education system (Mbatsane, 2006:2). The White Paper on Organisation, Governance and Funding of Schools (RSA, 1996d) dictated that all the stakeholders must be afforded active and responsible roles in governance to encourage tolerance, rational discussion and collective decision-making (Mcube, 2009:1).

According to the White Paper on Education and Training (RSA, 1996c: s17) the national and provincial policies were intended to allow underdeveloped capacities to be built in many communities. Each public school was required to establish a school governing body by January 1997. According to Serfontein (2010:18) the White Paper further dictated the composition of school governing bodies elected members on representative basis, and that parents elected must be the parents and or guardians of the learners who were currently enrolled in that school, the staff members as follows: The principal in his official capacity (ex officio); parents of learners enrolled in that school; teachers in that school; members of staff who were not teachers (non-teaching staff); learners in the eighth grade or higher in that school; and co-opted members of the community based on their expertise.

The institution of governing bodies in schools was an endeavour by the government to make schools democratically governed by focusing attention on parents, teachers, learners and community participation in the affairs of the school and their rights and responsibilities as empowered stakeholders in education (Mcube, 2009:1; Dibete, 2015:3). The South African Schools Act (RSA, 1996b) which originated from the White Paper on Organization; Governance and Funding for Schools, provided that the governance of public schools is vested in the governing body that stands in the position of trust towards the school (Mestry, 2006:27). Schools became juristic persons with legal capacity to perform their functions with the school governing body acting on behalf of the school. This implied that the public may enter into a contract with another legal subject, but that should happen statutorily (Mestry, 2006:28).

Establishment of school governing bodies was also about participation in the decision-making process with emphasis on the contributions from parents. Participation was regarded as fundamental in the provision of the functioning of representative democracy as Heystek, (2004:308) indicates. Participation was also perceived as a constitutional principle for co-operative governance that recognised the involvement of the broader community envisaging cooperation, coordination, support and

interdependence (Serfontein, 2010:97). Cooperative governance entailed an interactive approach in which all the role players are represented and take co-responsibility for the efficient operations of schools, including ensuring transparent and accountable governance, consulting on matters of mutual interest, and ensuring that agreed procedures are followed.

The school governing body in the post-apartheid era is referred to as an institutional structure entrusted with a mandated responsibility or authority. The mandated functions are Section 20 functions as outlined in chapter 4 of the South African Schools Act (RSA, 1996b: s20) that the school governing body must perform. They included the formulation and adoption of school policy on a range of issues, including school uniforms; school budgets and developmental priorities; endorsement of the code of conduct for learners; broad goals for the educational quality that the school should strive to achieve; school-community relations and curriculum programme development (Mcube, 2009:2).

There are also allocated functions for school governing bodies that are contained in chapter 4 of the South African Act (RSA, 1996b: s21). These functions, subject to this Act, are those functions that the school governing bodies may apply to the Head of Department in writing to be allocated to them. They include maintenance of school property; determination of extramural activities and choice of the school curriculum; purchasing of textbooks, educational materials or equipment for the school; and paying services for the school or other functions consistent with this Act and any applicable provincial law.

As part of bringing decision-making closer to the people, the school governing bodies were given full responsibility for managing the finances of the school such as establishing a school fund, preparing a budget annually, collecting and administering school fees, keeping the financial records, appointing an accountant and supplementing the school's resources. The area of financial management is the most contested among the many functions of the school governing body. Literature on school governance in post-apartheid South Africa indicated serious challenges with regard to the school governing bodies' roles and responsibilities as espoused by the South African Schools Act (RSA, 1996b) especially schools in rural communities.

Bringing decision-making closer to the people did not solve all the problems and challenges faced by schools. School governing bodies are faced with many problems despite the fact that decisions are made by people who are closest to the situation. School governing bodies are sometimes used by individuals and organised groups to derail their governance mission. Among others, the school governing bodies' problems and challenges are levelled against the dominance of the principals in the

school governance affairs, parents lack of required literacy level, limited training provided for school governing bodies, and poor financial management skills (Mbatsane, 2006:6; van Wyk, 2007:134-135; Tsotetsi, van Wyk & Lemmer, 2008:387; Heystek, 2011:458; Thenga, 2012:14; Bayat, Louw & Rena, 2014:354; Rangongo, Mohlakwana & Beckmann, 2016:3). Some of these challenges are discussed below.

### **2.6.2.1 Dominance of the principals in the school governing body affairs**

According to van Wyk (2007:134) principals serve as ex-officio members, and they may not chair the meetings of this body. The South African Schools Act stipulates that principals in schools are in charge of professional management, whereas the school governance responsibilities are hinged on the school governing bodies (Mestry, 2013:3). Mestry further explains that the role of the principal is to support and provide guidance to the school governing bodies in the performance of their functions and responsibilities. According to the findings of the study conducted by van Wyk (2007:134) it was found that 41 per cent of the participants who were included in the research agreed that principals dominate the school governing bodies as key players.

This assertion also holds for the teachers. In the study conducted by Botha, (2006:348) participants indicated that principals take all the important decisions alone, while they only get an opportunity to participate in routine decisions. To the contrary, Mestry (2013:3) argue that according to the Education Laws Amendment Act, the principals have no executive role in relation to the school governing body with regard to the financial and property matters. The amendments to the Act prescribed that the principals are responsible for the management and the use of learning support material, and other equipment as well as the safekeeping of all school records.

Mavuso & Duku (2014:455) proclaim that in some rural schools parents seem to rely more on the principal and teachers on matters of the school governance because they perceive them to be more qualified to carry out school governance duties. This situation translates into school governance not following the direction anticipated by the South African Schools Act (Mavuso & Duku, 2014:455). With reference to the judgement on the case of *Schombee and others vs. MEC for Education, Mpumalanga*, the judge in the execution of its statutory functions relating to the financial management of the school indicated that the principals have the duty of facilitating and assisting school governing bodies and they can delegate some of their functions to the principals and hold the principals accountable.

It is also the school governing body that could hold the principals accountable for financial and property matters, which are not precisely entrusted to the principals by the South African Schools Act (Mestry, 2013:3). Parents' reliance on the principals in terms of their execution of their school governance responsibilities relates to them being unfamiliar with school meetings procedures and in most cases, they also experience a problem with the documents used in meetings leading to the principal dominating the parents in school governance (Mavuso & Duku, 2014: 455).

### **2.6.2.2 Parents' lack of required literacy level**

The study conducted by Singh, Mbokodi & Msila (2004:301) found out that parents in the school governing body lacked the required literacy levels to execute their responsibilities at the level of their participation and this reduced their role in negotiating from a point of strength. According to van Wyk, (2007:135) the reason principals overlapped and surpassed the non-competence areas of school governance is that they take advantage of parents' illiteracy weaknesses. Mbatsane (2006:6) also asserted that the poor literacy level of the school governing bodies was pronounced in rural areas, where schools could not recruit governors with the necessary skills and expertise. Among other factors contributing to this problematic and challenging situation of the school governing bodies, was a higher illiteracy level that was prevalent in black rural communities (Nyambi, 2004:12).

The study by Tsoetsi, van Wyk & Lemmer (2008:387) revealed that poorly educated parents in the school governing bodies contributed to their lack of management expertise and they struggled to interpret the content of the South African Schools Act. This happened mostly in poor communities, where community members had few resources and many could not read and write (Bayat, Louw & Rena, 2014:354). The illiteracy shortcomings of the school governing body members influenced negatively their relationship with other members in this structure, precisely with the teachers and the principals in their understanding of their governance responsibilities (Heystek, 2006:431).

Based on the hypothesis of parents' illiteracy, they tend to lose confidence and commitment in executing their school governance responsibilities (Mavuso & Duku, 2014:455). Among others, the fundamental distress raised by school governors regarding these deficiencies that impeded them from understanding the written legislation and responsibilities was that all written material provided to skill them was available in English. Mavuso & Duku further alleged that this situation weakened their effective functioning as a school governing body and forced them to depend on their principals (Tsoetsi, Van Wyk & Lemmer, 2008:391).

### **2.6.2.3 Limited training provided for school governing bodies**

The Hunter Commission of 1995 as outlined by Nojaja (2009:70) advocated through its recommendations that “parents have both the rights and responsibilities to participate in the education of their children” and recommended that schools should establish governance structures that would enable elected representatives to assume active and responsible roles in determining and adoption of policies in schools. In the wake of these recommendations, many communities have not had the opportunity in the past to participate in the affairs of education at the level of a school (Nojaja, 2009:70).

Regarding this, the committee suggested a process of capacity building, defined as “power to act”. Capacity building was aimed at community empowerment and entails the development of the knowledge, skills and attitudes necessary for effective governance and management (Nojaja, 2009:70; Xaba & Ngubane, 2010:140). The Hunter Commission report recommendations were taken up in the White Paper No. 2 on Organisation, Governance and Funding of Schools (RSA, 1996d) and provided the framework for the South African Schools Act of 1996b (Nojaja, 2009:70).

One of the most important functions of the school governing bodies in South Africa is to implement government legislation and policies at the local school level (Diamond, 2015:9). Implementation of legislation and policies requires understanding, but research found that school governing body members, especially in rural schools, cannot interpret and understand legislation and the policies (Xaba & Ngubane, 2010:140; Diamond, 2015:9). Kisida & Wolf (2010:785), in emphasising the question of training for the school governing bodies, indicated that the question of the interplay between responsibility and preparation is not new and it was argued by political theorists that the increased participation in the political system should have the effect of informing and training effective citizens.

The Ministerial Review Committee Report (DE, 2004) acknowledged the need for capacity building among school governors and that capacity building remains significant for the successful functioning of a school governing body as it was also suggested by Hunter Commission of 1995. This endeavour supported by (van Wyk 2007:137; Tsoetsi et al., 2008:386; Mcube, 2009:2) who claim that sound training for the school governing bodies should be provided to develop a range of skills to deal with the complex issues and tasks they are expected to undertake in order to discharge their governance responsibilities maximally.

According to Diamond (2015:10) training for the school governing bodies, though limited for South African school governing bodies, seems to be ineffective due to literacy and numeracy challenges and,

when such still prevail, no amount of training would enable the parent component of the governing body to function effectively (Naong & Morolong, 2010:241). Based on this assertion, Diamond (2015:10) further assert that the challenge was deeper than an ordinary translation and interpretation of the Act. Parent members in the school governing body are influenced by factors such as competency, context, work demands and willingness to assist. Therefore, the school governing body members, especially the parent body, should be thoroughly trained.

Tsotetsi, van Wyk & Lemmer (2008:387) suggest that training of a school governing body should be open-ended in both introductory training for newly elected governing body members almost every three years to enable them to perform their functions, and continuous training for governing bodies to promote effective performance of their duties or to enable them to assume additional functions. However, studies conducted on training of the school governing bodies in South African schools reported that training of the school governing bodies is infrequent, short and sometimes haphazard in the nature of its presentations and executed by ill-equipped service providers (Bush & Heystek, 2003:128).

#### **2.6.2.4 *Poor financial management skills***

Financial management competence is defined as the performance of financial management actions of schools according to financial management prescripts with the main aim of achieving an effective education. The preamble of the South African Schools Act emphasises a partnership between parents and the government and aims to devolve maximum decision-making and power from education departments to the school governing bodies. It also provides meaningful functions of school governing bodies and reinforce the management of public school finances (Mestry, 2013:3). This implies that it is the responsibility of the school governing body to manage school finances, not the principal.

Thenga (2012:14) indicated that school governing bodies in rural schools struggled with proper management of school finances and this was a challenge in many schools because managers lacked proper training. This claim is supported by research that revealed that the majority of school governing bodies of schools in rural areas of the Mpumalanga Province do not have the requisite skills and experience to manage school finances (Mbatsane, 2006:6).

Supporting the above assertion, the principals and the school governing bodies are subjected to forensic audits by the Department of Education due to mismanagement of funds, funds embezzlement, fraud, pilfering of cash, theft and improper control of financial records (Mestry, 2006:29). Many principals and school governing bodies who lack financial knowledge are placed under remarkable

pressure because they are unable to work out practical solutions to their financial management problems (Thenga, 2012:14). According to Mestry (2004:126) in the 2003/2004 financial year the Ehlanzeni Education District of the Mpumalanga Department of Education had 468 public schools that were receiving a State financial subsidy for the payment of telephone accounts, office stationery, media collection, toiletries, day-to-day maintenance as well as municipal services. In terms of the South African Schools Act 1996b, school governing bodies were expected to report back to the parents and state not later than 30 June of that year how the allocated money was spent.

However, 193 schools failed to submit their reports to the Head of Department and nine out of 193 were exempted from auditing their financial books because they could not afford it. From this report one can discern that the school governing bodies cannot discharge their governance responsibilities fully under conditions of imperfect capacity.

## **2.7 CONCLUSION**

This chapter contextualised the study and applied theoretical framework to provide the perspectives of the problem under investigation.

Theoretical framework was outlined to provide a picture of how funding of schools in South Africa evolved as well as the challenges that were experienced by stakeholders pertaining to their involvement in governance affairs, particularly in black schools. It highlights the challenges of power sharing between the central government and the schools and the kind of powers that the government devolved to schools as well as the nature and characteristics of school governance structures that were encouraged by the central government to be formulated in schools.

Theoretical framework of this study puts into perspective why the school governance situation in the South African education system was turned around from a centrally grounded approach to a decentralised approach and the key education policies that contributed to changing the governance situation to how it is lately. The former experiences of school governance reveal serious setbacks in terms of capacity, hence the conduct of the school governing bodies in executing their responsibilities is questioned, especially in the area of managing school finances.

The issue of capacity of school governing bodies cannot be questioned outside the school setting. Therefore, it became pivotal to launch theoretical framework that address this problem in the school setting taking into account that schools are open systems where people work together through mutual

understanding in order to acquire expertise and to ensure development. Acquisition of expertise cannot occur unless there is legislation that guides stakeholders' co-existence. This framework encourages participation of stakeholders within the school environment and how to use the inputs dictated by legislation to advance organisational transformation.

Conduct emanates from action and action is dictated by knowledge. In order to understand the financial management conduct of school governing bodies, it is significant to question it through the lenses of the theory of action that provides a means to explore assumptions informing educational policies and practices at systematic, programmatic and individual levels. Through the theory of action, literacy levels in terms of execution of delegated power to the school governing bodies are revealed during participation and the areas for improvements are noted for further attention. It is therefore important that the community and parents in the school governing bodies are given an opportunity to participate and make decisions regarding the affairs of the school.

If the school governing bodies are not encouraged to participate in their governance roles, they would rely on the principals in terms of their execution of their school governance responsibilities that in turn would make them unfamiliar with school governance procedures and other school governing bodies' documents that are used to guide their legal functioning.

Decentralisation of power to schools was viewed as significant based on the assumption that schools as open systems do not operate outside the rule of law. It is because of decentralisation that powers are devolved to schools to enhance the ambition of participatory democracy where communities, parents and teachers were envisaged to have a stake in education decision-making. The promotion of decentralisation has become a key element of political and administrative reforms in the countries of the world including South Africa. In conceptualisation, decentralisation is denoted as a process of transferring powers, authority and responsibilities on governmental functions from central level institutions to subordinate, sub-governmental or quasi-independent institutions or bodies largely formed by the central government.

At school levels, decentralisation was claimed to assist in terms of distribution of resources to curb disparity and unequal distribution of resources and empower people at the grassroots. Based on a review of decentralisation, there were, however, a series of disappointments that discerned from many countries of the world due to the failure of proper understanding and implementation of different dimensions and forms of decentralisation.

Decentralisation was piloted in different forms such as deconcentration, devolution and delegation. These forms of decentralisation were important for the school governing bodies to understand why certain things within their governance responsibilities were happening as they do. An example is the government awarding schools Section 21 status but continuing to retain certain responsibilities such as buying furniture, stationery, and textbooks. Deconcentration was used to shift of responsibilities from central government to the regional or local level and to bring decision-making closer to the people. Decentralisation usually occurs in a system that has previously been organised along lines of bureaucratic centralism.

Devolution as another form of decentralisation is regarded as the transmission of authority and responsibilities from central to local bodies and this is the only form of decentralisation where authority over financial and administrative matters can be transferred to the local level on a permanent basis without their withdrawal by the central government. Delegation is explained as transmission of tasks and administrative responsibilities related to specific functions, usually defined by the central or provincial authorities.

The adoption of administrative decentralisation gave birth to school-based management or school self-management through which authority from the central government was decentralised to schools. School-based management policy dictated that the responsibility and decision-making authority over the school's operation should be transferred to principals, teachers and parents and at some stages to learners and the community members. School-based management transmits authority over the school budget allocation; hiring of teachers and other school staff; procurement of textbooks; infrastructure improvement; evaluation and monitoring of teacher performance and student learning outcomes.

In South Africa, all the requirements of school-based management were advocated by the introduction of the South African Schools Act, 1996b. This legislation demanded that parents and communities should be allowed to participate in the education and be given freedom to exercise governance authorities in schools. This endeavour was made possible by the introduction of the school governing bodies in schools throughout the country which were dictated by this Act which stated that school governing body composition should be representative of all the stakeholders involved in the school setting.

The school governing bodies were among other delegated and allocated responsibilities such as: developing the mission statement of the school; adopting the code of conduct for the learners at school;

maintaining and improving the school property; drawing up a budget for the allocated funds from government; augmenting funds of the school by engaging in fundraising and ensure proper control and utilisation of school funds. Through the lenses of different empirical and scholarly hypothetical views of schools as open systems, and theory of action that dictated decentralisation of power for the emergence of school-based management, this study examined such experiences in different countries of the world including South Africa. South African experiences therefore informed and assisted in evaluating the financial management conduct in rural schools in South Africa, particularly in the Mpumalanga Province.

Chapter three deliberates on aspects of financial management conduct in rural schools of South Africa. It elucidates the financial management roles of school governing bodies with reference to Section 21 allocated functions as espoused by the South African Schools Act. All the procedures of good financial management conduct such as school budget, school financial records and financial reports are discussed in this chapter.

## **CHAPTER THREE**

### **FINANCIAL MANAGEMENT IN SOUTH AFRICAN SCHOOLS**

#### **3.1 INTRODUCTION**

Chapter two focused on relevant hypothetical backgrounds discussed philosophies that were used to guide the adoption of decentralisation in the South African education system which led to the self-management of schools and the establishment of school governing bodies nationally and internationally. It contextualised the study and evaluated the preceding research work on how the school governing bodies in South Africa came into existence. Existing knowledge in the pool of school governance was utilised to conceptualise the perceptions and the responsibilities of the school governing bodies. Priorities for empirical investigation and summary of the chapter were also provided.

Chapter three deliberates on aspects of financial management conduct in rural schools of South Africa. It elucidates the financial management roles of the school governing bodies with reference to section 21 allocated functions as espoused by the South African Schools Act. All the procedures of good financial management conduct such as school budget, school financial records and financial reports are discussed in this chapter.

#### **3.2 PROVISION OF PUBLIC FUNDS IN SCHOOLS IN SOUTH AFRICA**

The funding of public education in South Africa is the responsibility of the state (South African Schools Act, 1996: s34). Section 34, sub-section (1) & (2) of the South African Schools Act also indicates that funding to schools should be from public revenue and distributed on an equitable basis in order to ensure proper exercise of the rights of the learners to education and the redress of past inequalities. However, the state must on an annual basis provide sufficient information regarding the funding in order to allow schools to prepare their budgets for the next financial year.

The provision of funding for provincial education in South Africa is conferred in the South African Schools Act (RSA, 1996: s12) that, "The Member of the Executive Council must provide public schools for the education of learners out of funds appropriated for this purpose by the provincial legislature". The introduction of this legislation repealed the school fee system of 1996 legislation which was inherited from the white schools before 1994 which required parents to pay an additional compulsory school fee towards the education of their children and improvement of schools. Heystek (2010:12) confirms that this legislation was consistent with the neo-liberal ideas in which the state become less directly involved

in school finance and governance issues as well as the decentralised decision-making powers. Allocation and utilisation of these fees are dependent on the decisions of the school governing bodies.

The National Norms and Standards for School Funding (NNSSF) policy was introduced as the government strategy to address the financial allocations and income disparities that prevailed between the white and black schools within the education system for many years. However, there was still a two tier education system in South Africa. One system was catering for the wealthy which still remained the whites and the poorer which still remained the blacks (Heystek, 2010:12; Mestry & Ndhlovu, 2014:1). According to Sayed (2008:15) the situation as prevailed forced the government to revise and amend the 2006 National Norms and Standards for School Funding to align it to the decentralisation decision-making powers. The Amended National Norms and Standards for School Funding became effective on 1 January 2007. Section 35 of the South African Schools Act described how the state was supposed to carry out the responsibilities as outlined in Section 34 and were also further expanded by Section 35 of the South African Schools Act.

National Norms and Standards for School Funding (NNSSF), as espoused by the South African Schools Act. Section 35 required the Minister to determine national quintiles for public schools and National Norms and Standards for School Funding after consultation with the Council of Education Ministers and the Minister of Finance. Among others, National Norms and Standards for School Funding as contemplated in Section 35, sub-section (1) was required to set out criteria for the distribution of state funding to schools on an equitable basis and to provide a system in which learners at all schools could be placed into quintiles, referred to as national quintiles according to financial means, provide a system in which learners are distributed in the national quintile for schools, and determine a procedure in which Members of the Executive Council must apply the criteria as contemplated Section 35, sub-section (1) (a) of the South African Schools Act (1996b: s35).

Van Rooyen et al. (2013:37) describe that the Provincial Department of Education assigned each school a poverty score that sorted all schools from poorest to the least poor. The score was based on the relative poverty of the community around the school, with regard to income, wealth and education level. It was also based from the national census conducted by Statistics South Africa. Van Rooyen et al. (2013) further suggest that the amount of the school's subsidy was informed by the national table for school allocation which is published annually by 1 August by the Minister of Basic Education and by 30 September by the provincial Members of Executive Councils. This was in line with the medium-term framework (MTF) budgeting process of the National Treasury and provides for a three-year window

period. In order to ensure that state funding is allocated to public schools in a fair and equitable fashion, a National Table of Targets for school funding was developed to help in this regard, (Marishane, 2013:2). See example of schools' allocation according to quintiles in Table 3.1 below.

**Table 3.1: National Table of Targets for School Allocation 2017-2019 (RSA, 2016:5)**

	2017	2018*	2019*
<b>NQ1</b>	R1, 243	R1, 316	R1, 394
<b>NQ2</b>	R1, 243	R1, 316	R1, 394
<b>NQ3</b>	R1, 243	R1, 316	R1, 394
<b>NQ4</b>	R623	R660	R699
<b>NQ5</b>	R215	R228	R241
<b>No-fee threshold</b>	<b>R1, 243</b>	<b>R1, 316</b>	<b>R1.394</b>
Small schools: National fixed amount	R28, 791	R30, 490	R32, 289

Sayed, (2008:16) endorses that the schools' allocation was developed using five considerations which include: the right of learners, the minimum basic package to ensure quality education, prices of goods and services, national distribution of income difference and poverty and the state budget. In terms of schools' financial allocation, based on the aspects of these considerations, schools were divided into five quintiles and state funds were allocated according to their poverty level, that is quintile 1-5 (Heystek, 2010:13). According to Mestry & Ndhlovu, (2014:3) schools that were then classified under quintile (4) and (5) were those that were regarded to be in the wealthiest areas and were subsidised less than schools serving poorer communities.

These schools were also allowed to collect school funds from parents because that was a way of decreasing the burden on the state in order to make it possible for the state to provide funds to the lower quintiles. Mestry & Ndhlovu (2014:3) suggest that this progressive funding of classifying public schools into a wealth quintiles pattern was aimed at achieving racial equity and redress which were at the core of the attempts to reform expenditure patterns. However, lower quintiles such as 1-3 were declared non-fee paying schools which meant that these schools were fully subsidised by the government and parents were no longer required to pay school fees (Marishane, 2013:225).

Each quintile accommodated 20% of the total number of schools as Heystek (2010:13); Mestry (2013:5); and Diamond (2015:12) declare. In the *Government Gazette* No., 40065 captured on 10 June 2016, the Minister of Education indicated that "no new data was available to update the national poverty distribution table". The table which was published in the *Government Gazette* No., 40065 of 10 June

2016 remains the basis for national poverty targeting in 2017. See example of poverty distribution in Table 3.2 below.

**Table 3.2: National Poverty Distribution Table (RSA, 2016:5)**

<b>Quintiles</b>						
	<b>1 Poorest</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>TOTAL</b>
Eastern Cape	27.3	24.7	19.6	17	11.4	100%
Free State	20.5	22.9	22.4	20.8	15.4	100%
Gauteng	14.1	14.7	17.9	21.9	31.4	100%
KwaZulu-Natal	22.1	23.2	20.2	18.7	15.8	100%
Limpopo	28.2	24.6	24.2	14.9	8	100%
Mpumalanga	23.1	24.1	21.5	17.7	13.5	100%
Northern Cape	21.5	19.3	20.7	21.4	17.1	100%
North West	25.6	22.3	20.8	17.6	13.7	100%
Western Cape	8.6	13.3	18.4	28	31.7	100%
<b>South Africa</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>100%</b>

The school funding system for no-fee schools in South Africa also took cognisance of the differences between schools in terms of financial management skills of the school governing bodies. The skills issue led to the separation of public schools into Section 20 and Section 21 status by provincial departments of education (Diamond, 2015:14; Matlhale & Erasmus, 2015:110). Section 20 schools are those schools whose school governing bodies did not apply for Section 21 status or they do not qualify to be granted Section 21 status by the department.

According to Dibete (2015:28) and Mestry (2003:23) these schools receive paper budget allocations from the state and make requisitions for the required resources, and purchases are then made on their behalf against the budgeted items submitted by the Department of Education. This implies that the State's allocation is not paid over to the school's banking account. The department administers the budget on their behalf using department suppliers (Mestry, 2004:130).

One advantage of being a Section 20 school is that when the cost of a service provided is far more than the amount allocated by the state, the state has to pay for these services. Mestry, (2004:130) further posits that the paper budget for these schools is spent via the department following strict prescriptions that 60 per cent of the allocation should be spent for learner support material, education material, equipment and curriculum needs whereas 12 per cent should be devoted to maintenance and repairs to buildings and 28 percent to municipal services.

Section 21 schools are schools which have applied for this status from the Department of Education or have qualified to be granted this status based on their financial management performance and skills (Heystek & Nyambi, 2007:227). The state allocation for these schools is paid directly into their bank accounts (Kruger, 2011:72). These schools as Mestry (2004:130) suggests, are supposed to spend their allocations in the same way as the Section 20 schools.

An advantage of being allocated Section 21 status is that in the event the of a school being unable to spend all the state's allocation in the time prescribed, the school governing body may still process orders for services because the money allocated by the provincial department will still be in the school's bank account. Nevertheless, these schools have to comply with all the financial utilisation requirements advocated by the South African Schools Act including submitting audited financial statements to the department within the first six months of the following year. These schools have more financial freedom and flexibility to manage funds and to negotiate directly with the suppliers (Diamond, 2015:15).

According to Heystek & Nyambi (2007:227) based on the promulgation of the South African Schools Act in 2002, the Member of the Executive Council (MEC) of Education in Mpumalanga Province passed the resolution that all schools should be given Section 21 status. Grounded on this proclamation, in 2003, the Department of Education distributed forms to all the schools compelling them to apply for Section 21 statuses. What was surprising was that, without schools having submitted the forms as they were required, schools were awarded the Section 21 status.

However, research conducted by Heystek & Nyambi (2007:233) reported confusion from the side of the school principals and the school governing bodies because Mpumalanga Department of Education at that time did not provide training for the principals and the school governing bodies regarding the management and utilization of finances in that category of allocations. What was more confusing was that, while they were designated as Section 21 schools, the department continued to source them with stationery and textbooks. From this assertion, it is evident that every school manager, whether a member of a school governing body (SGB) or a school management team (SMT), as a financial management leader must have some knowledge relating to the inner workings of the finances of the school. They therefore require a well-founded theoretical framework to underpin their financial management actions (Mestry, 2004:126). See example of guideline paper budget allocation used in the Mpumalanga Province for some of quintile 1 schools in Table 3.3 below.

**Table 3.3: Guideline Budget Allocation 2016 DoE (2015:2748)**

 <p><b>education</b> DEPARTMENT: EDUCATION MPUMALANGA PROVINCE</p> <p>Building No. 5, Government Boulevard, Riverside Park, Mpumalanga Province Private Bag X11341, Mbombela, 1200. Tel 013 766 5552/5115, Toll Free Line: 0800 203 116 Letiko le Temfundvo Umnyango we Fundo Ndzalowulo ya Dyondzo</p> <p style="text-align: right;">Department van Onderwys</p>																	
<p><b>MPUMALANGA</b> <span style="float: right;"><b>GUIDELINE BUDGET ALLOCATION</b></span> <b>DEPARTMENT OF EDUCATION</b> <span style="float: right;"><b>2016</b></span></p>																	
<p>1. <u>LEGAL FRAMEWORK</u> THIS GUIDELINE BUDGET IS ISSUED IN TERMS OF PROVISIONS OF THE NATIONAL NORMS AND STANDARDS FOR SCHOOL FUNDING: ACT 84 OF 1996.</p>																	
<p>2. <u>SCHOOL DETAILS</u> NKANGALA DISTRICT, MARAPYANE CIRCUIT, DEBRA MOILWE PRIMARY SCHOOL EMIS NUMBER: 000, 444, 626 LEARNERS 444 QUINTILE:1</p>	<p>4. <u>FINANCIAL DETAILS</u> ITEM ALLOCATIONS FOR 2016 ARE AS FOLLOWS:</p> <table border="0"> <tr><td>Telephone Account</td><td>R 7, 220</td></tr> <tr><td>Office Stationery</td><td>R 30, 195</td></tr> <tr><td>Consumables</td><td>R 33,229</td></tr> <tr><td>Toiletries</td><td>R 31, 871</td></tr> <tr><td>Municipal Services</td><td>R 99, 483</td></tr> <tr><td>Day to Day Maintenance</td><td>R 43, 659</td></tr> <tr><td>No Fee Subsidy:</td><td>R 33, 668</td></tr> <tr><td><b>TOTAL (payable into School account)</b></td><td><b>R 279, 325</b></td></tr> </table>	Telephone Account	R 7, 220	Office Stationery	R 30, 195	Consumables	R 33,229	Toiletries	R 31, 871	Municipal Services	R 99, 483	Day to Day Maintenance	R 43, 659	No Fee Subsidy:	R 33, 668	<b>TOTAL (payable into School account)</b>	<b>R 279, 325</b>
Telephone Account	R 7, 220																
Office Stationery	R 30, 195																
Consumables	R 33,229																
Toiletries	R 31, 871																
Municipal Services	R 99, 483																
Day to Day Maintenance	R 43, 659																
No Fee Subsidy:	R 33, 668																
<b>TOTAL (payable into School account)</b>	<b>R 279, 325</b>																
<p>3. <u>THINGS TO BEAR IN MIND</u></p> <ol style="list-style-type: none"> <li>1. Please note that the amounts indicated above have been allocated to your school in terms of the above Act.</li> <li>2. All schools that qualified for less than R24519.00 have been given a supplementary allocation.</li> <li>3. Day-to-Day Maintenance has been included in your allocation for specific use of light bulbs, window replacement, door handles, blocked drains, water leakages, sewerage, etc. (Only existing approved contractor/service providers to be used until their contract expire)</li> <li>4. No Fee subsidy is only for schools that have been declared as No Fee Schools</li> <li>5. The following cost items are being handled centrally             <ul style="list-style-type: none"> <li>* Learning Teacher Support Material (LTSM)</li> <li>* Transport for Learning Support Material.</li> <li>* Purchasing of Furniture.</li> <li>* Rental of School Buildings.</li> <li>* Labour Saving Devices.</li> <li>* Capital Structures</li> </ul> </li> <li>6. <u>Audited Financial Statements and accompanying documents have to be submitted by 30 April 2016 before payment of allocated funds into School Banking accounts can be affected.</u></li> <li>7. Any deviation from allocated items <b>MUST</b> be approved in writing by the District Manager.</li> </ol>																	

### 3.3 SCHOOL FINANCIAL MANAGEMENT

School financial management and leadership do not operate in a vacuum. They happen in systems where people interact together with the sole purpose of improving the business of education and aspirations to accomplish the vision and the mission of the school. Mestry (2004:130) proclaims that, with the state having advanced self-management in many schools in South Africa, the full responsibility of controlling school funds has been entrusted to the school governing bodies. The principal in this case becomes the chief accounting officer based on his role as ex-officio and as the employee of the Department of Education to render advices on how school funds should be utilised (Mpolokeng, 2011:23). That being the case, though the state still pays teachers' salaries, provides school buildings, and allocates resources for learning support material, services and maintenance of schools, it has little influence over how schools utilise their financial allocation grants.

Døssing, Mokeki & Weideman (2011:4) & Mpolokeng (2011:25) portrayed several characteristics of good governance, which include the rule of law, transparency, accountability, efficiency and effectiveness, participation and responsiveness. Coleman & Anderson (2000:3) emphasise that inappropriate ways in which finances are managed, or their unavailability, may probably affect the learning and teaching objectives of schools negatively. The core business of schools is teaching and learning, and schools are productive units in education. Without funds and learning and teaching resources, quality education would be a difficult accomplishment since self-managing schools are financially and performance driven (Odden & Picus, 2008:187; Heystek, 2011:17). For the schools to be academically functional, funds must be made available and managed effectively. According to Guthrie, Springer & Houck (2007:54) funding refers to the distribution of money for the purpose of providing educational services in order to produce student achievement or educational outcomes.

Financial management as suggested by Heystek (2011:456) requires educational organisations to both receive and manage finances and resources in order to achieve their educational outcomes, although there is a paradox in the relationship between expenditure and education outcomes because quality education still does not seem realistic. Yunas (2014:52) supports this assertion that additional public spending on education, even if it is on the right school inputs, would not improve learning unless education providers are motivated to implement and are capable of implementing required actions. System reform involves setting objectives relating to performance rather than inputs and giving education providers sufficient autonomy to manage for results while making them accountable for the results. School teachers also need adequate financing to manage for results.

Mestry (2013:3) signifies that Section 21 functions are delegated to the school governing bodies having the “capacity to perform such functions effectively”. The critical function of school governing bodies of self-managing schools remains financial management. Financial management as explained by Mestry (2013:3) is the performance of financial management actions of schools with the focal aim of achieving operative education. This concurs with Xaba & Ngubane’s (2010:139) assertion that management of school finances is pivotal to ensure that the school has the funds it requires to meet the goals and that such funds are used for the devotions for which they were meant in order to enhance the success of all educative teaching undertakings of any school.

In terms of van Rooyen et al.’s (2013:67) view, financial management may be regarded as a process and functions associated with the management of the organisation’s resources to achieve the aims and goals. It includes the acquisition of funds and assets and their management, budget preparation, cash

flow analysis, expenditure, control as well as safeguarding assets. De Bruin (2014:15) proclaims that financial management entails a range of sub-functions that include planning, organising, leading and controlling. Van Rooyen et al. (2013:67) contend that the sub-functions indicated above, are important because within these functions, there are sub-management functions that are on-going in all main management functions such as, communication, motivation, delegation and conflict resolution. In a school situation all these functions are performed by one person who is the principal.

The management of finances in schools is hinged on the preamble of the South African Schools Act of 1996 that stipulates the partnership between the parents and the government. This partnership is informed by the delegation of decision-making power from the education departments to the school governing bodies, giving meaningful functions to them and also underpinning the management of public school finances. Sections 36; 37; 42 & 43 of the South African Schools Act, 1996b make it mandatory for the school governing bodies to manage school funds and take responsibility to implement all necessary financial management processes.

This assertion is supported by Mestry (2006:28) that the governing body is given full responsibility of managing the finances of the school such as establishing a school fund, preparing a budget annually, collecting and administering school fees, keeping the financial records, appointing an accountant and supplementing the school's resources. Perhaps the most contested area at present concerns the rights of a governing body to make recommendations about the appointment of educator staff to the subsidised establishment of the school. The school governing body as the custodian of the school's financial management activities, including financial management, as contemplated by the South African Schools Act (1996b: s30) may establish committees, including an executive committee.

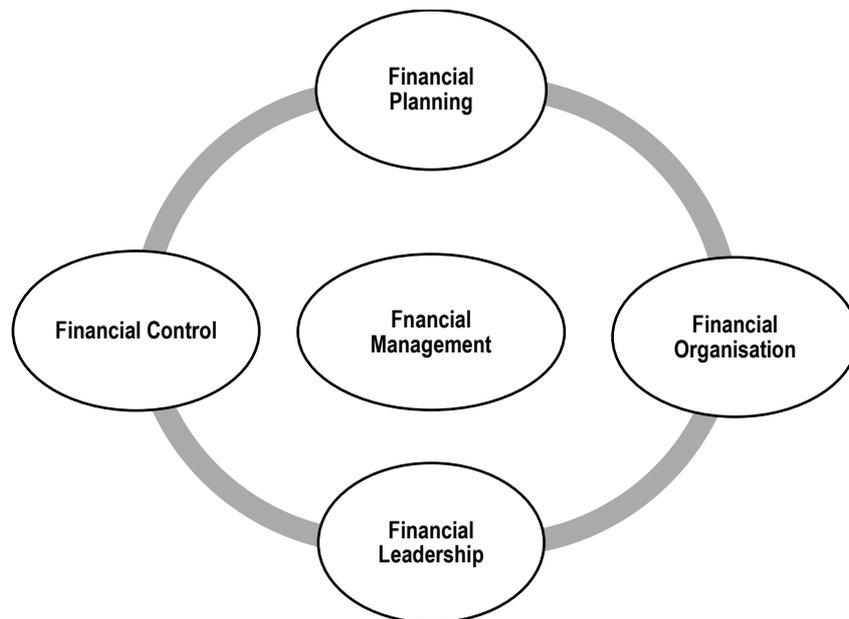
Based on this assertion, it is therefore prudent for school governing bodies to establish committees, including a finance committee, to help them to lead and manage the school finances (Bisschoff & Mestry, 2007:36). The role of the governing body should be to establish school funds, open and maintain a banking account, to pay all the moneys received by the school into the school fund and to use all the money of the school for educational purposes in connection with that school (South African Schools Act, 1996b: s37).

The school governing bodies as governance structures have to be constituted within the framework of the law and have to conform with, and work according to, the prescripts of legislation and policies (Bagarette, 2011:226; van Rooyen et al., 2013:68). Therefore, it is important for the school governing

body to understand basic accounting procedures, economic policies, laws relating to education and schools as well as management skills related to financial management in order to advance efficiency in terms of utilisation of school funds (Campher, du Preez, Grobler, Loock & Mashaba, 2003:2; Joubert & Bray, 2007:3). Principles of education financial management do not by themselves guarantee that school finances would be effectively utilised if they are not put in place.

Successful school governing bodies know that they cannot do it alone; they need the financial support from the state and the community (van Rooyen et al., 2013:35). Financial management as averred by de Beer & Rossouw (2005:4) is referred to as the process of utilising resources of the organisation to achieve specific objectives through the functions of planning, organising, leading and controlling. Financial management is a dynamic process which consists of on-going, related activities and responsibilities. See Figure 3.1 below.

Figure 3.1: Financial Management Responsibilities (du Toit & Erasmus, 2007:130)



### 3.3.1 Financial planning

In a school where there is no financial plan, there is a risk that the funds for the action of the school may not be properly co-ordinated with the school work programme. To plan means to organise or co-ordinate or sorting out matters in such a way that all the components cling together to form a systematic whole. There is a need to focus on what makes financial management work and not work at the level of schools. Financial planning and controlling of school finances and property are the responsibility of school governing bodies as dictated by Section 37 of the South African Schools Act. Their responsibility

in this regard concurs with the international trends. According to Fitzgerald & Drake (2013:97), in charter schools in countries like England, financial control and planning and management of school assets are solely bestowed to school governing bodies.

It is worthwhile to mention that, for schools to manage funds appropriately, financial planning must be undertaken (van Rooyen et al., 2013:79). Financial planning is a substantial and obligatory component of effective school financial management as posited by Campher et al. (2003:19). It is characterised by setting goals and determining options; selecting the best ways to achieve goals; implementation of the chosen options and regular evaluation of the implementation. For this reason, van Rooyen et al. (2013:69) postulate that the fundamental and beneficial step for financial planning is the involvement of stakeholders to participate in the development of the vision and the mission of the school. They argue that participation is pivotal because it promotes ownership and determination from the participants to even take part and work together in future to develop a plan for achievement. It is significant to mention that, after the mission and the vision of the school were tailored, the contents must be clarified to everyone involved in a language implicit to everyone in order to make sense of what it implies. In this way, stakeholders involved would take responsibility to work as a collective to develop the plan for achievement.

Planning school finances should also include the drafting of a budget which is not done in isolation with the comprehensive planning of the school (van Rooyen et al., 2013:66). Financial planning is claimed by de Bruin (2014:16) to be the strategic and operational process linked to the achievement of the objectives of the organisation. However, Odden & Picus (2008:180) contend that planning for financial utilisation goes beyond the budget through implementation of budget intentions.

The plan should be able to answer the questions: what is going to be acquired; how it is going to be acquired; who is going to be responsible for the acquisition; how much expenditure is going to be needed for the envisaged acquisitions and how would the acquired items be able to change the situation in order to realise the improved teaching and learning in the classroom (Odden & Picus, 2008:180)? This is affirmed by Mosala (2006:25) who states that the main purpose of the school financial plan is to provide a summary of the information contained in the relevant policies. The task of preparation ensures that the stakeholders use the policy programme relationships and priorities as the starting point for programme planning and budgeting.

The plan for implementation of a school budget entails taking decision about what is going to be done, who is going to do it, how often, with what and where. Consequently, one may claim that financial planning goes side by side with the school's feasibility study that is conducted by the management and the school governing body pertaining to the requirements of the school. A feasibility study encompasses the practicalities in terms of the situation on the ground as compared with the amount of money on hand or the envisaged amount of money a school may have or generate to unearth a predicted school plan.

### **3.3.2 Financial organisation**

Organising refers to coordinating activities so that objectives can be achieved. As a management task, organising is fundamentally concerned with the classification and allocation of activities to divisions, the creation of posts within these divisions and the determination of an employee's duties, responsibilities and authorities (Strydom, 2008:77). Financial organisation incorporates the formulation of an institutional structure, delegating duties and establishing relationships (Mosala, 2006:31). This assertion is confirmed by Makrweide (2012:22) who describes the process of financial organisation as a device involving the arrangement and the structuring of all related financial tasks in a manner that influences the achievement of organisational goals. This device embraces institutionalisation of financial management structures, classifying lines of authority and outlining the financial reporting trail.

Van Rooyen et al. (2013:72) describe financial organisation as an activity through which stakeholders do what was planned. The structures and policies put in place within an organisation go over to action. The financial organisation activity includes activities such as delegation, communication, leadership to get the people to act, distribution of resources and control to determine whether everyone is following the plan or whether changes to the plan are needed to achieve the goals and vision of the organisation. According to Mosala (2006:31) it is through financial organisation that formal systems of authority are clarified and delegated for the purpose of education and such actions are precisely performed to develop budgeting plans and institute coordination with all stakeholders to achieve institutional goals.

According to Makrweide (2012:22) in a school as an open system, the financial organisation must precede the financial planning. De Beer & Rossouw (2005:10) contend that planning is the starting point of the management process. However, basically the suggestion is that financial planning can only take place once there is an arrangement of various structures and individuals with appropriate delegations. Therefore, it is important for the school governing bodies to put in place committees and sub-committees that would make it possible for the school to realise its mission and vision.

### 3.3.3 Financial leadership

An organisation is a social set up, which has a boundary that divides it from its environment, pursues its own collective goals, and controls its own performance. In a formal organisation such as a school, interactions are rationally coordinated and directed through time on an incessant basis. The person at the helm of affairs is usually the leader (Jordan, 2012:162). According to Ejimabo (2015:3) leadership is a process of giving a purpose or meaningful direction to collective effort and causing willing effort to be expended to achieve a purpose. Leadership is associated with influence and the ability to empower, encourage, support, and help others by an individual or group of individuals to accomplish intended goals.

This claim is supported by Botha & Triegaardt (2015:420) that leadership is a process of directing the behaviour of others towards accomplishment of goals. Mosala (2006:32) declares that being a good leader and manager of a school is more demanding than excelling at the work you are responsible and accountable for. A good financial leader meticulously manages and executes school budgeting activities. Good financial leadership puts emphasis on stakeholder delegation, communication and motivation (Moloi 2005:78; van Rooyen et al., 2013:59).

The leadership competence depends on the competence of the principal and the school governing bodies who should at all times forge good leadership for the performance of school tasks based on the control of budgeting functions of a school. It is also prudent that with excellent financial organisation, control and planning, leadership will yield output. It is therefore advisable that the school principal and the school governing body should be seen pursuing good leadership to persuade their subordinates to accept quality leadership (Mosala, 2006:32).

Financial management and leadership functions are sometimes used exchangeably whereas they differ, but they are linked to each other. Van Rooyen et al. (2013:67-68) draw a line of demarcation between financial leadership functions and management functions. They regard the leadership functions as things that are done to and with people to achieve the goals of the organisation, whereas the management functions are regarded as the activities and processes performed according to and prescribed by legislation and policies particularly with budget control and expenditure.

The school financial leadership and management are context based occurring in a specific environment which embraces the community around the school locale with all its intricacies and inspirations. It is therefore important for the principals and the school governing bodies to comprehend these intricacies

to ensure that there is a shared vision for the school, which must be conveyed through its budget. Social, political and economic diversity is a reality in school communities, and it should be communicated with tolerance, otherwise financial management may create conflict. Accepting diversity may enrich the decisions of the leaders and enable them to lead the diversity and change to the benefit of the school and the community (van Rooyen et al., 2013:67-68).

### **3.3.3.1 Delegation as a segment of financial leadership**

Delegation is part of organising the financial management of the school, since specific tasks are given to certain members of staff through delegation (Esterhuysen, Horn & Liebenberg, 2005:20). Delegation of powers translates into the organisation's decision as to who would be allowed to spend money, how much would be allowed to be spent, when would they be allowed to spend it and who would make commitments on behalf of the organisation (Maritz, 2005:5).

Lewis & Goodman (2004:7) indicate that effective leaders must be able to delegate effectively. Delegation is the process of responsibility transference for a specific activity to an individual or a group of people within an organisation and empowering them to perform those responsibilities effectively. Delegation of responsibilities, as Ngubane (2009:34) posits, may include segregation of duties to ease the financial management and leadership process. Mpolokeng (2011:11) contends that, though delegation is an essential strategy for financial leadership and management, many principals encounter difficulties in putting it into practice, yet it is an effective approach to save time and enhance leadership capacity in all spheres at a school.

According to Uwizeyimana & Moabelo (2013:11) the financial management and leadership responsibility of schools is delegated to the school governing bodies. To execute the delegated financial responsibilities school governing bodies should be constituted by the principal in his or her official capacity; parents at the school; teachers at the school; members of the school who are not teachers; learners in eighth grade or higher at the school and co-opted members.

This assertion concurs with the prescripts of the South African Schools Act (1996b: s23). As per legislation requirements, school governing bodies should further delegate financial leadership and management responsibilities to the finance committee in writing (Ngubane, 2009:34). This committee is sometimes called the finance leadership team. Bisschoff & Mestry (2007:65) declare that the financial committee may consist of the principal, the treasurer of the school governing body, a teacher

representative, a member from non-teaching staff, and a parent outside the school governing body component.

Financial management tasks are delicate responsibilities and cannot be delegated indiscriminately. It is therefore crucial that the school governing body chairperson considers the background and circumstances of individual members before the delegation process commences. Should there be personnel at his disposal having financial management expertise, financial management responsibilities should be delegated to them (Mosala, 2006:30).

The finance committee as a segment of the school governing body was delegated power to control school finances and monitor all the financial management procedures to ensure that they are progressing towards their goals and that resources are utilised efficiently (van Rooyen et al., 2013:103). The success of these tasks involves developing relationships with organisations and individuals in the community who may have resources to support school improvement and assessing whether the services that partnerships provide are being used profitably given the school vision (Mestry, 2004:131; Mosala, 2006:32).

The finance committee through its sub-committees should search for new sources of funding as a continuous long term process to ensure that sufficient resources are available to sustain improvement efforts. These efforts are dictated by the South African Schools Act (1996b: s36). The governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners at the school.

The finance committee, through its delegated financial leadership, should be able to combine government grants and fundraising funds to support professional development activities that increase quality and teachers' knowledge and research-based strategies for teaching. A combination of government grants and fundraising funds is an essential strategy for sustaining improvement because it allows money marked for special programmes to be re-directed to support the school's overall academic priorities (Oosthuizen & Botha, 2002:207; Mestry, 2004:131). As recommended by the South African Schools Act that, when members of school governing bodies have no or little financial management familiarity, they may appeal for the services of an expert with comprehensive financial knowledge from the parent community (Mestry, 2004:131). Thus, this would serve to remedy the parents' reliance on the principal who would ultimately dominate the financial management processes

for his personal agendas, although the school governing body may request the principal to assist them with administering the school fund and become accountable to them (Beckmann, 2002:12).

The major roles of the school finance committee as suggested by Mpolokeng (2011:30) is to keep school finance records, to ensure accountability and responsibility for all school funds, to inform parents about the financial statements, involve them in their approval and ensure that school finance books are audited. Since there is commonly a lack of trust between the principal and the school and the parent component of the school governing body in terms of financial management affairs of the school, which sometimes breaks the cohesion that should exist among stakeholders, auditing of school books would assist to reduce such tensions. The delegated term of office for the finance committee may be one year (South African Schools Act, 1996b: s30). In terms of financial management responsibilities, as Joubert & Bray (2007:19) averred, the finance committee must observe and adhere to the principles of effective financial management.

### **3.3.3.2 *Communication as a segment of financial leadership***

Effective leaders must understand the dynamics of individual and group behaviour and be able to motivate their subordinates and be effective communicators. Communication as proclaimed by Campher (2003:32) is related to the exchange of ideas and the interpretation of messages. Communication is asserted to be a pivotal instrument that financial managers and leaders can utilise to inform, interpret, express feelings, exchange ideas, give orders and solve problems.

Watson (2000:78) indicates that the requisites for good communication of financial management rely on consciousness, clarity, simplicity, accuracy, direction and common sense from both the school management team and the school governing body. Van Deventer (2003) also explains communication as a message conveyed by a sender to the recipient either verbally or non-verbally with regard to activities, management tasks, relationships between the staff, parents and learners and the school.

This assertion concurs with Mosala (2006:26) that communication is the most important medium for the school governing body to dispatch information related to school financial management to the internal stakeholders. He further indicates that communication should not be limited to the budget but needs to be used for the creation of financial structure, delegate and co-ordinate, establish relationships, motivate learners and staff, exercise control and extend relationships externally. The main purpose of effective communication with external stakeholders as van Schalkwyk (1999:32) suggests, should not primarily be done only when additional funds are requested. Although financial support is basic, it is not

the only support that a school needs. The principal's communication with the external stakeholders should therefore be to inform them about the budget, school fees (in schools where such practices still hold) and the actual income and expenditure for the previous year. Communication with the stakeholders can happen through public meetings, private meetings, parents' general meetings, committee meetings and management meetings (Mosala, 2006:28-29).

### **3.3.3.3 Motivation as a segment of financial leadership**

Motivation is the way to drive a person or persons into doing something with reference to the initiation, direction, intensity and persistence of human behaviour (Jordan, 2012:164). Motivation is also regarded by Wziątek-Staśko (2016:38) as a process of influencing people through appropriate measures and opportunities to achieve their goals and expectations and values. Directed by this assertion, one can conclude that motivation is the idea and initiative to encourage and drive individual or individuals to do something or to perform better.

In the context of school, motivation may apply to the staff members, parents, community, learners and school governing body members to perform better for the school. School governing bodies' motivation is based on voluntary service provision rather than the drive for potential rewards provided that a member of the governing body become reimbursed for the expenses he/she has incurred for the performance of his/her duties as proclaimed by South African Schools Act (1996b: s26). This proclamation is supported by Bisschoff & Mestry (2007:153) claiming that motivation involves the use of all forces to influence personnel to act willingly towards achieving the school's objectives. See Figure 3.2 below.

**Figure 3.2: Motivation Process: (van Deventer & Kruger, 2015:149)**



In the context of the school, the "need" relates to proper financial conduct by the school governing body. Stakeholders such as teachers, parents, and community members need to be motivated or driven in order to achieve the planned goals of the organisation. The financial ambitions of the organisation can be achieved through the initiated financial programmes such as fundraising planned by the school

governing body. The goal is a future state that contributes to the fulfilment of the organisation's mission as drawn up by the school governing body.

According to Jordan (2012:164) motivation may have effects on how the stakeholders in schools behave and can:

- Direct behaviour towards particular goals and lead to increased effort and energy.
- Increase initiation of and persistence in activities and enhance cognitive processing.
- Determine what consequences are reinforcing.
- Determine improvement in conduct.
- Lead to improved performance.

#### **3.3.4 Budget control**

Budget control is an exercise involving the determination of whether the intentions embodied in plans, policies and rules are being carried out properly. It involves the establishment of standards; measuring performance against the standards and correcting deviations from standards and plans (van der Westhuizen, 2002:217). Controlling as contended by Mestry & Bisschoff (2009:121) safeguards funds and ensures authorised expenditure. Therefore, budget control can be seen as a corrective measure employed by the school finance committee and the school governing body to take corrective action should income and expenditure deviate or vary significantly from the projected income and expenditure (van Rooyen et al., 2013:103).

The principal as a leader and the school governing body need to engage the required management principles in order to manage school finances successfully (Mpolokeng, 2011:14). To ensure that budgeting of the school operates according to plan, some form of control is essential such as effective distribution of information to reach the relevant targets such as parents and former learners who should assist with fundraising (Mosala, 2006:33).

According to Hough (1993:17) budgeting is an important part of the management control process in any organisation. In organisations such as schools budget control is essential and done in order to keep deviations from planned activities and performance levels to minimum so that the mission and objectives of the organisation are achieved without impediments (Ngubane, 2009:28; de Bruin, 2014:50). Therefore, budget control should involve financial decision-making and implementation that must be carried out within an organisation.

### **3.3.4.1 Financial decision-making and implementation**

According to de Bruin (2014:49) financial decision-making and implementation is concerned with the day-to-day management of financial affairs. It concerns people who implement policy, authorise expenditures, formulate and monitor the budget and make financial suggestions. Decision-making and implementation embrace the competence to spend money and to make financial decisions.

Therefore, one may claim that budget control involves decisions made regarding the processes, procedures and policies to ensure that finances are utilised in a way that the goals and objectives of the school are realised. The implementation involves the actual spending allocated to each cost centred programme (Ngobeni, 2015:33).

De Bruin (2014:49) posits that the decisions taken through the budget tailoring by stakeholders regarding the processes, procedures and policies aims at ensuring that finances are spent in a proper way. This connotes that it would be proper and essential for the school to prepare the budget accurately by considering the planned school and curriculum activities of each internal school segment for the coming financial year. However, Esterhuysen, Horn, & Liebenberg (2005:118) suggest that control cannot be in isolation from funding levels since it is conceivable that costed plans may exceed the available funding. In such an event, financial activities will have to be reconsidered until ultimate approved budgets are arrived at.

According to Mosala (2006:33), this process requires a school's decision upon its priorities of which agreed changes should reflect the overall objectives of the school. The decision-making process is regarded by de Bruin (2014:49) as most sensitive; hence the aspect of budget control must seek to ensure that only legitimate parties are in charge of the disbursement of funds. De Bruin further cautions that, if this does not happen at a school, it may likely lead to conflicts and actions that detract from the operations of the school to advance the education of the learners. Budget control, as Mosala (2006:33) asserts, refers to the drafting of an annual budget which would uniquely be adapted to the specific situation and circumstances of each school. See example of budget control template in Table 3.4 below.

**Table 3.4: Budget Control Template for Schools: PMDP: Financial Management Module 3 (2016:98)**

SCHOOL'S NAME		BUDGET CONTROL TEMPLATE FOR SCHOOLS					YEAR
INCOME		ACTUAL INCOME (BY QUARTER)				YTD Total	Notes on Variances
SOURCES OF INCOME	Amount (Rands)	Q1	Q2	Q3	Q4		
1 States allocation	R339, 027.00	R169, 513.50	00	00	R169 513 50	R339 027.00	NIL
2 Computer fees	R46 500. 00	R 30 000.00	R10 00. 00	R6 500.00	00	R46 500.00	NIL
3 Security Fees	R51 600. 00	R20 000. 00	R15 000.00	R12 900.00	R3 700.00	R51 600. 00	NIL
4 Excursions	R60 000.00	R20 000.00	R16 000.00	R24 000.00	00	R60 000.00	NIL
4 Tuck Shop (Rental Income)	R6 000. 00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R6 000. 00	NIL
5 Fundraising and donations	R110 500. 00	R50 000.00	R15 465.00	R35 000.00	R10 035.00	R110 500. 00	NIL
6 Nutrition Scheme	R36 000. 00	00	R36 000.00	00	00	R36 000. 00	NIL
7 Matric Farewell function	R65 000. 00	00	R65 000. 00	00	00	R65 000. 00	NIL
8 Surplus	R211 947. 00	R211 947. 00	00	00	00	R211 947. 00	NIL
TOTAL	R8419 574.00					R8419 574.00	NIL
EXPENDITURE		ACTUAL EXPENDITURE (BY QUARTER)				YTD Total	Notes on Variances
EXPENSES	Amount (Rands)	Q1	Q2	Q3	Q4		
A Education							
1 Study Guides	R32 000.00	R3141.00	00	00	00	R3141.00	59c (Purchase remainder)
2 Stationary and T. aids	R30 000.00	R10 000.00	R10 000.00	R10 000.00	00	R30 000.00	NIL
3 Photocopying	R15 000. 00	R3750.00	R3750.00	R3750.00	R3750.00	R15 000. 00	NIL
4 Matric farewell function.	R20 000. 00	00	00	R18 000.00	00	R18 000.00	R2000.00 (Venue discount)
5 Teacher Development	R25 000. 00	R15 000.00	R5 000.00	R5 000.00	00	R25 000. 00	NIL
6 Grade 12 Camp	R90 500. 00	00	00	R75 500.00	00	R75 500.00	R15000.00 (Venue Discount)
A SUB TOTAL	R224 500.00					R207 441. 00	R17 059
EXPENDITURE		ACTUAL EXPENDITURE (BY QUARTER)				YTD Total	Notes on Variances
EXPENSES	Amount (Rands)	Q1	Q2	Q3	Q4		
B Administration							
1 Audit Fees	R3 550. 00	00	00	00	R3 550. 00	R3 166 91	R183.09 (inflation rates)
2 Bank Charges	R5 000. 00	R1 250. 00	R1 250. 00	R1 250.00	R1 050.00	R4 800.00	R200.00 (Reduced rates)
3 Telephone and Fax	R5 500. 00	R1375.00	R1375.00	R1375.00	R1375.00	R5 500. 00	NIL
4 Transport	R40 000. 00	R12 000.00	R8 000. 00	R9 000.00	R10 680. 00	R39 680. 00	R320.00 (1 trip not claimed)
5 Water and Electricity	R35 000. 00	R8 750. 00	R8 750. 00	R8 750. 00	R8 750. 00	R35 000. 00	NIL
6 Salaries (Food Handlers X 3)	R36 000. 00	R3 000	R3 000	R3 000	R3 000	R36 000. 00	NIL
7 Nutrition (Fire Wood)	R21 600. 00	R5 400.00	R5 400.00	R5 400.00	R5 400.00	R21 600. 00	NIL
8 SGB Expenses	R5 908. 00	R250.00	R1900.00	R2000.00	R1600.00	R5908. 00	R1600. (Transport donated)
B SUB TOTAL	R 148 058. 00					R145 754 91	R2 303 09
EXPENDITURE		ACTUAL EXPENDITURE (BY QUARTER)				YTD Total	Notes on Variances
EXPENSES	Amount (Rands)	Q1	Q2	Q3	Q4		
C Co / Extracurricular							
1 Sports Equipment	R30 000	00	14535.00	00	00	14535.00	R15 465. 00 ( items donated)
2 Excursions	R60 000	R20 000.00	R20 000.00	R20 000.00	00	R60 000. 00	NIL
3 Year-end Expenses	R65 000	00	00	R65 000	00	R65 000. 00	NIL
C SUB TOTAL	R155 000. 00					R135 535.00	R15 465. 00
EXPENDITURE		ACTUAL EXPENDITURE (BY QUARTER)				YTD Total	Notes on Variances
EXPENSES	Amount (Rands)	Q1	Q2	Q3	Q4		
D Maintenance							
1 Buildings & Grounds	R28 000	00	00	R22 000. 00	00	R22 000. 00	R6000.00 (Few repairs made)
2 Labour Saving Devices	R45 500	R11 375. 00	R11 375. 00	R11 375. 00	R11 375. 00	R45 500.00	NIL
3 Computers Maintenance	R25 500	R6 375. 00	R6 375. 00	R6 375. 00	R6 375. 00	R25 500. 00	NIL
4 Cleaning Material	R12 500	R4000.00	R4000.00	R4000.00	R4000.00	R12 000. 00	NIL
D SUB TOTAL	R111 000.00					R105000.00	R6000.00
EXPENDITURE		ACTUAL EXPENDITURE (BY QUARTER)				YTD Total	Notes on Variances
EXPENSES	Amount (Rands)	Q1	Q2	Q3	Q4		
E Assets Purchased							
1 Lawn Mower	R4 000. 00	R4 000	00	00	00	R4 000. 00	NIL
2 Electrical Saw	R2 800. 00	00	R2 800	00	00	R2 800. 00	NIL
3 Laptops	R34 216. 00	00	R34 216	00	00	R34 216. 00	NIL
4 Building Improvements	R70 000. 00	R35 000.00	00	R35 000.00	00	R70 000. 00	NIL
E SUB TOTAL	R110 016.00					R110 016.00	NIL
ACTUAL EXPENDITURE (BY QUARTER)		YTD Total				Notes on Variances	
	Q1	Q2	Q3	Q4			
F	R20 000.00	R20 000.00	R20 000.00	R20 000.00	R60 000.00	NIL	
1	R2000.00	R2000.00	R2000.00	R2000.00	R8 000. 00	NIL	
2	R8000.00	R8000.00	R8000.00	R8000.00	R12 000. 00	R20 000 (limited expenditure)	
F					R80 000.00	R20 000. 00	
<b>SUMMARY</b>							
BUDGETED INCOME					R8419 574.00		
BUDGETED EXPENDITURE					R8419 574.00		
SUPPLUS					R60 827. 90		
APPROVED BY		NAME		SIGNATURE		DATE	
PRINCIPAL							
SGB CHAIRPERSON							
SGB TREASURER							

### 5.3 FINANCIAL STRATEGY

Mosala (2006:59) postulates that financial strategy involves periodic and extensive examination of alternative ways to assign funds to oblige effective planning in the school budget process due to the

rate of change in school financial management, and also focuses on the multi-year projections of the budgetary needs of the school. Financial strategy is about an organisation's knowledge of its own financial requirements.

It embraces the question of where the organisation would source the required funding to accomplish those needs. Strategy is the direction and scope of an organisation over a long term and realizes an advantage for an organisation with an intricate environment through its use of resources to fulfil stakeholders' expectations (Maritz, 2005:5).

Financial strategy is also seen by Mothibi (2015:19) as encompassing the building of long-term and short-term planning. The suggestion is that long-term planning applies to plans that take a number of years to achieve, whereas short term planning relates to a plan for a short period of time, a year or less. The amount of money required depends on the term of a plan. Big projects would normally entail a huge sum of money; hence they should be planned as long term.

Fundamentally, it may be claimed that financial strategy is a way of securing the medium to long term financial future and has to do with the medium and long term financial essentials of the organisation and encompasses ways to increase income and reduce expenditure, and the subsequent financial planning steps (Maritz, 2005:6).

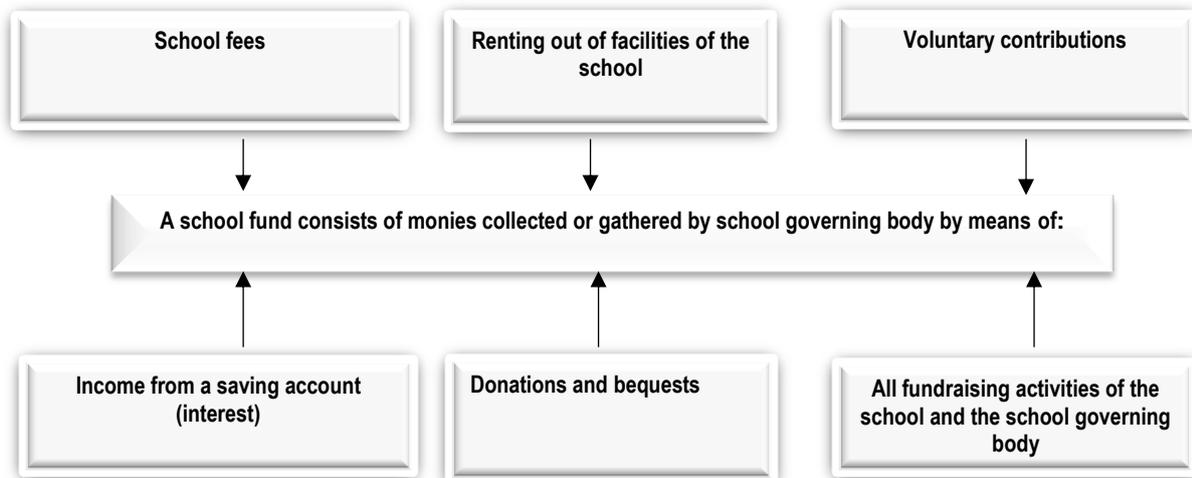
### **3.5.1 *Increasing income as financial strategy***

According to South African Schools Act (1996b: s36) school governing bodies of public schools must take all reasonable measures within their means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners at the school. Based on the requirements of this legislation, it is incumbent upon the school governing bodies through the financial leadership and management of their principals to engage in fundraising to increase the income of the school. Fundraising exercises, according to Maritz (2005:6) may include structuring different forms for the school fundraising programmes such as selling goods and merchandise for the school, seeking donations from the businesses within the community to augment the school funds, involving parents through donation lists to fundraise money for the school and interest from a school saving account.

According to the South African Schools Act (1996b: s20) sub-section (2) school governing bodies may allow the reasonable use of school facilities such as school hall, soccer, netball, cricket and rugby

pitches for the community, social and school fundraising purposes, subject to such reasonable and equitable conditions as the governing body may determine, including the charging of a fee or tariff which accrues to the school as a way of increasing income for the school. Schools that are allowed by the legislation may also impose paying of school fees as a way of augmenting the school fund. See Figure 3.3 below.

Figure 3.3: Sources of School Income (van Rooyen et al., 2013:85)



### 3.5.2 Reducing expenditure as a financial strategy

The best way to reduce expenditure is to monitor the financial utilisation until the end of the financial year. Monitoring refers to checks and balances of whether the budgeted funds have been directed to where they were intended to be utilised. It compares actual income and expenditure against budgeted income and expenditure, and safeguards funds and ensures that they are spent as authorised (van Rooyen et al., 2013:93). According to the South African Schools Act (1996b: s20), sub-section (1), (h) as a way of reducing expenditure the school governing bodies must encourage parents, learners, teachers and other staff at the school to render voluntary services to the school.

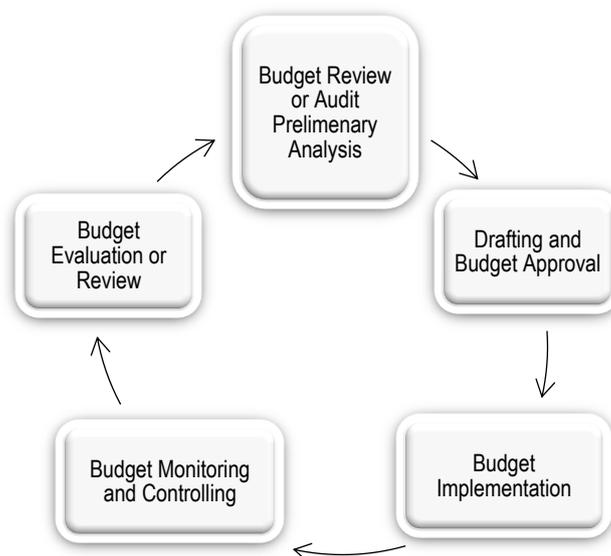
Members of school governing bodies who have competence in certain areas of school maintenance such as repairing doors, replacing the window panes, plumbing and repairing ceilings may offer their voluntary services to the school to save money. With reference to finance policies of schools, procurement requirements may be adopted where, before any procurement is made or service provider is allowed to render any service, the school should secure quotations from different service providers and settle for the lowest quotation for service provision. In this way schools would reduce their expenditure.

### 3.6 BUDGETTING

The evolution of budgeting can be traced back to the first half of the twentieth century as Mosala (2006:75) declares. This is the time during which the expenditures and the magnitude of the school programme were more limited, and the schedule of proposed revenues and expenditures for a given period of time could be developed with a minimum of involvement and effort by the chief administrator. As the process of education became more complex in terms of both content and services and the school population increased, orderly financial planning resulted both as a by-product of the growth in the number of learners and due to the concern that public affairs should be managed effectively (Mosala, 2006:75; van Rooyen et al., 2013:79). The budget became a method for dealing with the present and the future problems in an organised fashion in order to reduce uncertainty.

Budget is essentially used as a tool to ensure that spending is in accordance with the proposed financial plan to avoid overspending and working towards realisation of a set of goals (Lekonyane & Maja 2014:4). Anderson & Lumby (2005:69) discern that the budget process should begin with the review or audit phase, which builds on an evaluation of the previous cycle. See Figure 3.4 below.

Figure 3.4: Budget Cycle (Naidu et al., 2008:66)



In the South African context, this assertion is emphasised by the South African Schools Act (1996b: s38). School budgets are therefore tools that are used to guide school finance committees to manage and monitor finances for a particular period in an orderly manner. They are also tools that ensure that school expenditure is made according to the planning and programmes of the school. Bisschoff (2002:65) claims that a budget is the school's mission statement expressed in monetary terms.

Budget is also referred to by van Deventer & Kruger (2008:337) as a financial management tool or mechanism which the management team of the school governing body may use to estimate and plan, utilise, coordinate, monitor and evaluate the allocated resources of the school in financial terms. Although a budget may be a compound and time-wasting exercise, it is also referred to as important in the sense that it guides the school to function proficiently and remain financially secure (Clarke, 2007:293). A budget, as Mestry & Bisschoff (2009:99) posit, is a plan for income and expenditure for the next year, which determines what resources are provided by the state and the process of allocating such resources to improve the quality of education and as a way of controlling expenditure. Budget is also seen as an ordered, detailed framework of the anticipated or estimated income and costs of all organisational units, grouped together in one master budget (Campher et al., 2003:19; van Rooyen et al., 2013:78). However, Dibete (2015:12) identifies the budget of a school as a management mechanism by which the management team may estimate, plan, utilise, coordinate, control and evaluate the human material and other resources of the school in financial terms.

According to Hough (1993:17) the budget is regarded as the master plan of the institution or education authority, pulling together in the sense of making resources available for the various aims, purposes and activities determined elsewhere. It is a financial plan that sets out, in advance, monetary requirements for a given period of time. Thus, a budget fundamentally substitutes planning for chance in the financing of education in schools and is regarded by Heystek (2012:70) as an essential financial management tool. Based on the assertions made above, with the devolution of power to the school level of authority to make decisions related to the allocation of resources, it is pivotal for the school governing bodies to ensure that schools have budgets in order to plan, utilize and coordinate and control and evaluate human, material and other resources of the school in financial terms.

### **3.6.1 Types of budgets**

Van Deventer & Kruger (2003:237) indicate that budgeting system of the school embraces various sub-budgets which are:

- Operational or cash budget: This type of budget covers the daily activities of the school operations in order to make sure that the school's programmes are executed as planned.
- Departmental budget: This type of budget is sometimes labelled 'activity budget' since it covers the purchase of certain assets of the school, specifically those that are connected to the curricular and extra-curricular programmes of the school.

- Capital budget: This type of budget encompasses the purchase of school assets.
- Project budget: This type of budget is aimed at covering the bigger projects like erecting a netball or volleyball court.

For the proper tailoring of a budget, it is important for the schools' governing bodies to be abreast with different types of budgets and follow one that is dictated by the financial situation in which they find themselves. See example of budget template in Table 3.5 below.

Table 3.5: Budget Template for Schools: PMDP: Financial Management Module 3 (2016:96)

<b>SCHOOL'S NAME</b>		<b>YEAR</b>
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ESTIMATES OF INCOME & EXPENDITURE			
		INCOME	
	SOURCES OF INCOME	Amount (Rands)	Notes
1	States allocation	R339 027.00	
2	Computer fees	R46 500.00	
3	Security Fees	R51 600.00	
4	Tuck Shop (Rental Income)	R6 000.00	
5	Fundraising and donations	R110 500.00	
6	Nutrition Scheme	R36 000.00	
7	Matric Farewell function	R65 000.00	
8	Surplus	R211 947.00	
	<b>TOTAL</b>	<b>R8359 574.00</b>	

EXPENDITURE			
		EXPENSES	
		Amount (Rands)	Notes
<b>A</b>	<b>EDUCATION</b>		
1	Text Books	R32 000.00	
2	Stationary and teaching aids	R30 000.00	
3	Photocopying	R15 000.00	
4	Matric farewell function	R20 000.00	
5	Teacher Enrichment and Development	R25 000.00	
6	Grade 12 Camp	R90 500.00	
<b>A</b>	<b>Sub Total</b>	<b>R224 500.00</b>	

EXPENSES			
		Amount (Rands)	Notes
<b>B</b>	<b>ADMINISTRATION</b>		
1	Audit Fees	R3 550.00	
2	Bank Charges	R5 000.00	
3	Telephone and Fax	R5 500.00	
4	Transport	R40 000.00	
5	Water and Electricity	R35 000.00	
6	Salaries (Food Handlers)	R36 000.00	
7	Nutrition (Fire Wood)	R21 600.00	
8	SGB Expenses	R5 908.00	
<b>B</b>	<b>Sub Total</b>	<b>R 148 058.00</b>	

EXPENSES			
		Amount (Rands)	Notes
<b>C</b>	<b>Co / Extracurricular</b>		
1	Sports Equipment	R30 000.00	
2	Excursions	R60 000.00	
3	Year-end Expenses	R65 000.00	
<b>C</b>	<b>Sub Total</b>	<b>R155 000.00</b>	

EXPENSES			
		Amount (Rands)	Notes
<b>D</b>	<b>Maintenance</b>		
1	Buildings & Grounds	R28 000.00	
2	Labour Saving Devices	R45 500.00	
3	Computer Centre Maintenance	R25 500.00	
4	Cleaning Material	R12 000.00	
<b>D</b>	<b>Sub Total</b>	<b>R111 000.00</b>	

EXPENSES			
		Amount (Rands)	Notes
<b>E</b>	<b>Assets Purchased</b>		
1	Lawn Mower	R4 000.00	
2	Electrical Saw	R2 800.00	
3	Laptops	R34 216.00	
4	Building Improvement	R70 000.00	
<b>E</b>	<b>Sub Total</b>	<b>R110 016.00</b>	

EXPENSES			
		Amount (Rands)	Notes
<b>F</b>	<b>Miscellaneous</b>		
1	Petty cash	R4 000.00	
2	First Aid	R40 000.00	
<b>F</b>	<b>Sub Total</b>	<b>R 80 000.00</b>	

<b>TOTAL EXPENDITURE</b>		<b>R8359 574.00</b>	
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SUMMARY	
Budgeted Income	R8359 574.00
Budgeted Expenditure	R8359 574.00

APPROVED BY	NAME	SIGNATURE	DATE
PRINCIPAL			
SGB CHAIRPERSON			
SGB TREASURER			

### 3.6.2 Procedures and processes for school budgeting

School budgets should predominantly serve the following devotions as outlined by van Rooyen et al. (2013:84) to provide a foundation for planning and implementation a financial strategy for the school:

- To provide an operational cost-time framework for the implementation of school programmes.
- To indicate a relationship between expenditure and income.
- To measure performance against the budget plan.
- To provide a basis for delegation.
- To provide standards for performance.

Mosala (2006:76-77) alleges that budget design and management should be founded on sound and well-conceived principles rather than on expediency but serve specific purposes. According to Griesel (2011:39) well-conceived principles that may be followed by the school governing bodies and serve as a guideline for their engagement during the process of drafting a school budget should be as outlined below:

- Community members, parents and staff members should participate in the proceedings of budget discussions at their respective levels of expertise to provide the school governing body with maximum information during the decision making process.
- Final budgetary decision-making should be hinged on the factual assessments of educational needs of the school programmes.
- Informed monetary practices should be observed in both formulation and management of the budget to ensure that available financial resources will be adequate.
- The budget should not be perceived as an illogical limit, but rather as a guide to permit operational flexibility as school personnel seek to achieve educational goals and objectives.
- When the budget has been approved and formally adopted by the parents, local school finance committees should be given latitude to alter some of the arrangements where alterations are due in order to cope with unanticipated situations pertaining to the budget management.
- School officials should perceive budget evaluation as a responsibility to be shared among the school governing body members, staff members and the parent community.

### **3.6.3 Sequential phase budgeting**

The word 'sequential' may be decoded as the chronology of doing things. When drafting a budget, a number of steps should be followed which include the setting of goals; determination of priorities; budget management; cost projection; balancing income and expenditure; budget approval and budget review (Mosala, 2006:78).

#### **3.6.3.1 Setting of goals**

The school's goals are finance driven. This implies that without finance there is no way that a school can realise its goals. It is therefore imperative that the school governing bodies should devote maximum attention to the school budget in order to reach the tailored goals of the school. According to Human, Llewellyn, Tshabalala, Ekstein & Miller (2005:28-30) participation of all members of staff and other interested community citizens is key in tailoring of school goals.

Participation of stakeholders in the process of goal setting would represent their aspirations, thereby reducing conflicts when goals are transformed into actions. Participation is the totality of ways, ranging from minimal to comprehensive, by which individuals, groups and collectives secure their interests or contribute to the process through self-determined choices of possible actions during the decision-making process (Mokoena, 2011:120).

#### **3.6.3.2 Determination of priorities**

Frost, Durant, Head & Holden (2000:15) declare that, when goals have been set, there is a possibility that certain decisions concerning the school may emerge. It is therefore worthwhile that adjustments to the programme priorities are chopped and changed in order to translate them into education and service activities.

However, Mosala (2006:79) posits that priorities are surfaced and scrutinized when staff members and members of the school governing body attempt to translate goals and available information into activities. He further suggests that available facilities and personnel, existing programmes, proposed programme changes, traditional aspirations of the community, past potential support patterns and external influences such as state educational agencies and laws are factors that must be considered as priority.

### **3.6.3.3 Budget management**

Subsequent to the arrangement and sequencing of priorities which have been interacted by the community and the school governing body, the goals should therefore be implemented. An important feature of developing a budget is the foundation of communication networks so that appropriate information assembled by involved stakeholders may be used immediately and at later stages of the process. Mosala (2006:80) posits that the contemporary school arrangements are revised to define necessary changes in the organisational patterns of the school. In the organisational phase, the structure is founded for gathering information, and the design of cost projection for later decision-making is determined.

### **3.6.3.4 Cost projection**

Cost projection is vital to ascertain current expenses and determine the additional funds that may be required (Campher et al., 2002:14). According to van Rooyen et al. (2013:93) it is not possible to make judgements about competing claims on resources without the knowledge of the costs of all the activities under consideration. Costing systems may be descriptive, informing financial administrators how much a given activity costs, or predictive, suggesting how resources ought to be combined in the future for cost-effective use.

According to Campher et al. (2002:14) responsibilities for different aspects of budget development are allocated to relevant members who are expected to provide information that is essential for budget preparation. Therefore, there is a need to consider costs and benefits when making educational financial budgetary decisions. Cost projection relates to expenditures and expenditures relate to financial encumbrances or commitments with legal limits established by appropriations.

According to Hough (1993:19) when expenditure or encumbrances exceed the legal limits one or more unauthorised transactions have occurred, that can result in an operating deficit or fund deficit. This comparison when made frequently during the financial year would assist financial managers to avoid unauthorised expenditure and financial commitments and the creation of an operating or fund deficit.

### **3.6.3.5 Balancing income and expenditure**

According to van Rooyen et al. (2013:93) balancing or comparing income and expenditure against budgeted income and expenditure is part of monitoring the school finances. A projection of income and

expenditure for the whole year, also known as 'calendarisation', is crucial for monitoring and controlling funds. Control is needed to safeguard the funds and ensure that money was spent as authorised.

All the roles and responsibilities of those involved in the school should be spelt out and information should be given to all involved. Monitoring of budget involves control, beginning at the lowest level of the school, that is, where the money is received or the expenditure incurred (Griesel, 2011:39). At this stage, the definition of priorities and the focus on the major goals of the school are crucial because the budget should balance all costs. External accountability at this stage is significant because if the school budget is not balanced, the school would be adjudicated as less credible in its ability to achieve the set goals (Mosala, 2006:80). It is therefore imperative that monthly projections should be made in order to discover undesired outcomes so that corrective measures can be taken.

### **3.6.3.6 Budget approval**

Section 38, sub-section (2) of the South African Schools Act defines that the school governing body is legally responsible for the approval of the budget for the school to function optimally. Section 38 sub-section (1) of the South African Schools Act also designates that before the budget can be approved by the school 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. According to Mosala (2006:81) within the budget presented for adoption, there should be a reflection of the goals, organisational aspirations and priorities serving as a framework for the information to be used when drafting the budget.

Local conditions may arise that force changes in strategy, but the school governing body should rely upon the advice of the finance committee and the stakeholders involved in sketching the budget rather than making subjective or unilateral decisions to reduce the budget in certain functional areas without giving consideration to the effect that the decision would have on the total educational programme (Mosala, 2006:81; van Rooyen et al., 2013:92-93).

When the stakeholders were not involved in drawing up the budget, they would regard it as a document that has been forced on them by management, regarding it as useless and not supporting it (van Rooyen et al., 2013:92-93). Based on the above assertion, one can deduce that failure on the part of the school governing body to approve the budget would result in some legal intricacies that indisputably would be unfavourable to the goals and objectives of the school.

### **3.6.3.7 Budget administration**

All the finances allocated to schools by the provincial department inclusive of finances that were generated by the school through the school governing body fundraising programmes should be utilised to procure resources in order to realise the aims and objectives of the school and to pay other operational costs during the course of the financial year (van Rooyen et al., 2013:71). Administration of the budget should, as alleged by Ray, Hack & Candoli (2001:5) be solely the responsibility of the professional staff members. The school governing body should distance itself from implementation of day-to-day activities in trying to translate the budget from the formal document to the classroom.

The aspects contained in the budget document adopted by the school governing body should provide a clear and comprehensive course for the staff to be able to administer a budget. According to Ray et al. (2001:8) during the process of budget tailoring, decisions pertaining to the educational programme for the budget period should be made.

However, the implementation of such decisions and of the budget would be significantly an administrative matter that should be delegated to those administrators who are responsible for the daily operation of the school. It is normal due to varying circumstances that during the budget period certain detailed items in the budget may become necessary for a school to operate at the desired level of effectiveness (Ray et al., 2001:9). It is therefore important that professional staff as custodians of budget implementation ensure that allocations for particular functions are not exceeded.

### **3.6.3.8 Budget review**

Budget review is the last step in the process of budgeting. Budget review starts from the first day when the community and the staff members begin with the interrogation of the new budget during the budget tailoring process (Mosala, 2006:84). However, van Rooyen et al. (2013:93) caution that it is not simple to evaluate whether a pattern of expenditure was worthwhile in attaining the school's goals since large areas of evaluation are bound to be subjective. However, it should be carried out as soon as possible after the year end.

According to van Rooyen et al. (2013:108) the process of budget review does not necessitate a formal independent evaluation and can be a reflective but practical process. It is during the process of budget review when budget implementation attainments and failures would be surfaced, and corrective

measures would be proposed. In order to shape the future budget performance, questions such as the following need to be asked in respect of budget management efficiency:

- Does the budget format need to be improved?
- What are the main under and overspends?
- Were there any specific problems in the budget?
- How satisfactory is the balance of the main items in the budget?
- How satisfactory is the final budget outcome?

Answers to these questions would therefore be used, either positive or negative, to inform the future budget. Van Rooyen et al. (2013:78) claim that budget evaluation should inform the preliminary analysis phase. Campher et al. (2002:3) also posit that information assembled from daily experiences should be recorded and integrated in a cohesive way so that the administrators can exploit these experiences in preparation for the upcoming budget because different phases in the budgeting process are dependent on precedent and subsequent phases.

It is during the budget period when decisions pertaining to priorities are made owing to the emergence of administrative problems and dictation of external elements for the course of action. Among other phases in the budget process, a budget review should have a more direct influence on the administration and should provide input information as the new budget is developed (Mosala, 2006:85).

### **3.7 BUDGET METHODOLOGIES**

There are numerous techniques for budgeting that may be used. These budget techniques were identified as commonly used in schools. Among others, they include incremental budgeting; zero-based budgeting; programme budgeting; line item budgeting; rolling budget (Woods & Burger, 2010:77; Anderson & Lumby, 2005:73; Bisschoff & Mestry, 2009:109; de Bruin 2014:19).

However, it can be declared that the choice of a particular technique or combination thereof would be a function of the circumstances of the schools. According to de Bruin (2014:19) selection of a particular budgeting technique may be dictated by the size of the school, the likelihood of income generation through fundraising projects and, of the utmost significance, the needs of the school that would differ greatly from a big suburban school's budgetary needs to a small rural school's needs. Based on the fact that most schools in the South African education system was declared no-fee paying schools and are

being financed by the Department of Education for self-management, there is a need for cautious and thorough budgeting.

### **3.7.1 Incremental approach**

According to van Rooyen et al. (2013:86) incremental budgeting is the most commonly used technique in budgeting for schools. This assertion is acknowledged by Mosala (2006:88) who submits that the incremental approach may be the only budgeting technique used by schools or may effectively be used with other methods. In providing an example, he indicates that when costs of staff and utilities are adjusted incrementally for price-level changes, then any anticipated revenues in excess of the fixed increase for staff and utilities may be used in a programme budgeting process.

In using this technique, the assumption is that the previous level of expenditure and income is a reasonable base for estimating the needs and income for the next financial year (Mestry & Bisschoff, 2009:109). This postulation is backed by Conradie (2002:142) and Ntseto (2009:51) who suggest that when incremental budgeting is adopted, the amount spent on an item in the previous financial year is taken as a point of departure and is added to an incremental formula.

Incremental formula according to Conradie (2002:142) may be a fixed percentage which is equal to the expected inflation rate or percentage equal to the expected increase or decrease in turnover. An incremental budget has the advantage being fairly simple and quick to implement and is most useful for organisations where activity and resource level change from little from year to year (Lewis, 2003:24).

Preference for an incremental approach emanates from the assumption that it requires far less information processing (Clarke, 2012:180). However, Mosala (2006:88) contends that in some instances incremental budgeting has been disapproved for its tendency to be a closed system that overrides previous decisions that are not related to current conditions.

### **3.7.2 Zero-based budgeting**

De Bruin (2014:23) argues that this is the method of budgeting where the budgeting process starts from 'scratch' with proposed activities for the year. The result is a more detailed and accurate budget. The zero-based budgeting is the most time-consuming way of preparing a budget. According to Zach (2002:19); and Kennedy (2011:6) zero-based budgeting is founded on the concept that each budget starts from zero when the new budget is prepared.

Previous expenditure in the budget system is ignored. In support of the above assertions Coleman & Anderson (2000:122) and van Deventer & Kruger (2003:237) maintain that zero-budgeting uses the relatively simple concept of requiring justification for every activity, and every year's budget assumes nothing about previous budgets, and starts from zero to create a new budget. According to Anderson, Briggs & Burton (2001:30) and van Rooyen et al. (2013:88) zero-based budgeting is advantageous in the sense that it incorporates planning, goal setting, analysis of alternatives, and performance measuring and cost analysis into the budget. It also prevents inequalities of the past from continuing and introduces an evaluative or reflective element into the financial planning process.

This budget technique has been criticised because it requires a massive amount of paperwork, data and time, and it is difficult to establish priorities at many levels. It can be time-consuming and costly to apply and lacks consistency between budgetary periods, making year-on-year comparisons problematic (Anderson, Briggs & Burton, 2001:30).

### **3.7.3 Programme budgeting**

Programme budget approach is an improved, modern and more complicated method of budgeting (Campher et al., 2003:176; Makrweide, 2012:20). Using the approach for resource allocation is against the functions of an organisation. Funds are allocated in support of school programmes (Makrweide, 2012:19). The plan of the school strategically identifies programmes to achieve its objectives and determines the cost of each programme (Conradie, 2002:149; Ntsele, 2014:47).

Mpolokeng (2011:41) claims that programme budgeting facilitates and recognises the ways in which school activities are done and this budget system is related and interdependent. Coleman & Anderson (2000:122) assert that programme budgeting may be described as a managerial technique that merges planning with the allocation of funds and leads to programme or activity budget operation and control. It focuses on the choices among programmes, outputs, total costs, and relationship between resources and goals.

According to Fidler & Tessa (1999:28) programme budgeting has presented itself to be a budget system that provides an explicit explanation of multi-year costs rather than single year costs, develops alternative methods for achieving objectives, and provides opportunities for the evaluation of the benefits and costs of differing budget choices. This budgeting system is currently used by many schools although permutations and forms of the budget methodology are as varied as the schools themselves. This budget system is regarded by van Rooyen et al. (2013:88) as the modern and more sophisticated

type of budgeting because it makes it easier to see how the school's activities and the budget are related and interdependent.

#### **3.7.4 Line item budgeting**

According to Mpolokeng (2011:41); and Clarke (2012:180) line item budgeting, focuses on the cost of an item of expenditure as the unit of analysis, authorisation and control. De Bruin (2014:20) defines line item budgeting as the actual items listed in a budget, where the name of each line item is listed as is the amount of money that can be spent on each item. In demonstrating this assertion, under the category "training costs", stationery might be a specific line item. The authority to move funds from one-line item to another must be granted by the school governing body (van Rooyen et al., 2013:87). They further explain that traditional line item budgeting does not clarify objectives and does not relate them to the budget or match them against a measurement of their achievement.

#### **3.7.5 Rolling budget**

Rolling budget emanated from the impression that there is a relatively short amount of time for decision-making on day-to-day financial management. The situation as it prevails is the same in most schools at this level, and budget holders should therefore not to be concerned with the full year ahead (van Rooyen et al., 2013:89). Rolling budgeting is synonymous with flexible budget. According to Conradie (2002:143) and Zach (2002:20) a rolling budget operates within the system and is seen as more flexible in that the twelve (12) months' budget of targets and resources is divided into quarterly periods. This budget system, according to Conradie (2002:143), allows the school governing body to divert resources from one part of the school to another without any demotivation found from the stakeholders.

Based on its characteristics, a rolling budget is regarded by van Rensburg, Ambe, Evangelou, Govender, Koortzen & Ziemerink (2008:231) as flexible in a sense that it is a quantified plan that projects revenues and costs for varying levels of activity and therefore becomes a much more useful tool for control and performance evaluation whereby managers can look at the actual level of activity and then determine what revenue and costs should have been at that level.

### **3.8 FINANCIAL RESPONSIBILITY**

According to Mahlane (2007:5) responsibility can be theorized as a three phase process involving presentation of financial reports, assessment of financial reports and the provision of financial feedback, where the blame or praise is given for succeeding or failing to achieve the intended financial institutional

objectives. This concurs with Ntsele (2014:56) that financial responsibility can be defined as calling upon an individual or group to answer for deeds or omissions.

Ngobeni (2015:26) further suggests that to be responsible is about being accountable, and distinguishes three forms of accountability, which are moral accountability, where financial leaders are answerable to their clients, professional accountability, where financial leaders are liable to oneself and one's colleagues as well as contractual accountability where the financial leadership is liable and responsible to the employer. Ngobeni further suggests that accountability is the state of being responsible and liable for certain actions and decisions. Financial responsibility, as Ngubane (2009:49) averred, relates to producing regular financial reports for those with an interest and right to know how financial leadership was controlling finances and how they account for funds by producing documentary proof of receipts and payments.

Mahlane (2007:10) indicates that financial responsibility serves three purposes which are to control the abuse and misappropriation of public funds, to assure the proper use of public resources and adherence to legislation and public service values. According to Ntsele (2009:56) financial responsibility implies that duties must be allocated to a person or persons and that the people who are allocated the duties are entitled to receive such an account. Furthermore, to be responsible means to be accountable, explicit about obligations and answerable for one's actions.

Financial responsibility therefore becomes the monetary regulating exercise performed by the school finance committee of the school governing body. This responsibility does not only put emphasis on individuals' proper financial utilisation as Maritz (2005:14) proclaims, but also safeguards taking the assets of the school. Based on this assertion, one can therefore conclude that the school governing body through the leadership of the finance committee is directly involved with the tailoring of financial policy and other related policies, it ensures that the policy is followed, and it also ensures that budgets are realistic and crafted according to the vision and the mission of the school in order to realize the goals and objectives of the school. Financial responsibility as averred by de Bruin (2014:48) refers to the control of the school's systems through the establishment of standards and targets regarding income and expenditure.

Such standards and targets recount to regulatory frameworks for income and expenditure and they are inseparably connected to budget estimates and budget control. Therefore, a system of control is requisite to ensure that the actual financial performance is in keeping with the predictable educational

objectives. The financial system control should therefore incorporate the internal financial controls as well as the external financial controls.

### **3.8.1 Internal financial controls**

In the school environment, internal financial audits are conducted by the financial and related committees of the school governing body, who report directly to the school governing body. These committees may check on the financial figures in the accounts in order to prepare various financial reports (Hough, 1993:71; Ngubane, 2009:31).

Internal audits monitor the operation of the financial accounting system of which its function may be ongoing throughout the year. Audits may be pre-audits, conducted before the transaction is completed, to check if it is appropriate, or post audits conducted after a series of transactions have been completed, such as the end of the financial year (Hough, 1993:71). The latter is favoured and receives most publicity in South African schools.

Internal controls refer to policies, systems and procedures that safeguard the resources of an institution by creating a reliable financial reporting system and promoting compliance with legislation to achieve effective financial management operations (Ngubane, 2009:31). The internal control system also comprises a system of procedures and methods with the objective to assure compliance with the principles of legality, transparency, efficiency, effectiveness and management economy. It is through internal financial controls that a balance between actual income and projected income is maintained. It is therefore incumbent upon stakeholders with delegated powers such as the school governing body, financial committee and the principal to discharge their responsibilities in ensuring that the school finances are well managed. As indicated above, responsibility puts emphasis on each individual's proper financial utilisation and control.

Van Rooyen et al. (2013:105) caution that the school governing body must put into practice separation of powers wherever possible, different people should be responsible for different financial functions. Lewis (2003:17) posits that there should be those who are responsible for accounting and financial procedures such as issuing of cash receipts, banking of cash, ordering, authorising payments, signing of cheques, and keeping accounts and financial records, and those who prepare annual income, expenditure and periodic reports. Under no circumstances should school funds pass through private accounts.

Following the financial responsibility guidelines as espoused by van Rooyen et al. (2013:105) it is pivotal to consider that personnel who are given access to school funds are cautiously selected and trained and search for their reliability and honesty which should be a guiding principle for their selection. To ensure financial responsibility, all the monies collected should be paid receipted and be paid into the school account and the banking of such monies should follow the established policy.

The finance committee must make sure that specified forms for orders are made and are always signed by the personnel responsible. Section 42 of the South African Schools Act supports the statement that the finance committee of the school governing body should make sure that all payments made should have invoices supported by signed orders with delivery notes receipted for good received and cheques should be signed by two signatories and that all the transactions made on daily basis should be checked and the records should be kept by the school governing body. Security is vital in terms of cash safety and serious supervision of the premises should be insured by the school governing body. Petty cash should be thoroughly controlled and be housed in a safe location.

However, as Ngobeni (2015:26) averred, there is a tendency for the school governing body to delegate financial responsibilities to the principal and then hold him accountable. This kind of delegation is hazardous because the principal will be in a position to manipulate power in cases where members of a school governing body do not have knowledge and understanding of financial matters.

### **3.8.2 External financial controls**

At the end of each financial year (31<sup>st</sup> of December of each year). As a legal requirement, the governing body must appoint a person as an accountant and auditor in terms of the Public Accounts and Auditors Act, 1991 (Act 80, 1991) to audit the financial records and financial statements of the school as referred to in Section 43 sub-section (1) of the South African Schools Act to ensure external control.

The form of external control that the school governing body should use as dictated by legislation is auditing. According to Mxuma (2006:37) it should not be only an end exercise for a school governing body to draw up the financial statement, but it should be extended to the external auditor to make sure that their financial management conduct is appropriate (Goodson, Mory & Lapointe, 2012:10). External auditing is conducted by individuals from outside the school system, often either government auditors either nominated or contracted by the relevant government department with ultimate responsibility for all official accounts or private firms of auditors contracted by the latter (Hough, 1993:710).

Auditing, as claimed Ngubane (2009:35), is a comprehensive examination of financial management, procedures and activities by finance professionals from outside the school setting indicating how competent or incompetent the school manages its resources. Brimley & Rulon (2008:331) suggest that auditing is a systematic process for confirming the financial operations of a school to determine whether school property and finances have been used in a legal and efficient way.

In supporting the above assertion Hough (1993:71) claims that external auditing should be seen in a positive light, in that school governing bodies can improve their financial management conduct and build bridges of confidence by ensuring accuracy and validity. The annual external financial auditing examines whether the annual financial statements are in line with the generally accepted auditing standards and general accounting principles. Audits bridge a measure of comparability as between educational and other accounting systems.

According to Section 42(a) of the South African Schools Act in preparation for auditing of school finance books, the school finance committee must guarantee accessibility of all the necessary financial documentation such as claim forms; returned cheques; deposit book(s); bank statements; ledger for income and expenditure; petty cash journal; all the cheque books used during that financial year and all the invoices. According to Mahlane (2009:15) before the end January of the next year all these documents must have been submitted to the auditors.

### **3.9 FINANCIAL REPORTING**

According to Ngubane (2009:49) financial reporting is the last step of school financial management and can be considered as the crux for accountability. Ntsele (2014:56) posits that reporting deals with the dissemination of information regarding the financial status of the school system to persons and offices that can make use of such information to upgrade their understanding and decision-making in school matters. Financial reporting is part of being accountable for how public money was spent and such reporting is indicative of how the school was funded and from which sources.

For financial reporting to be possible, before the end of May of every year the auditors must have completed their audit and provide a written report to the school governing body which in turn must be submitted to the Head of Department (HOD). Section 43 sub-section (5) of the South African Schools Act specifies that the governing body must submit to the Head of Department, within six months after the end of each financial year, a copy of annual financial statements audited in terms of this section. Financial reporting, as argued by Mahlane (2007:14), indicates whether or not the public institutions

spend their money wisely and how the spending impacts on the promotion of the general welfare of the community. According to Ngubane (2009:49) financial reporting consists of three main financial activities that are inseparable, and they are: reporting on budget against the actual financial performance, reporting on the cash flow and the annual financial reporting.

### **3.9.1 Reporting on the budget against actual financial performance**

Performance reporting in the public sector puts emphasis on planning, control and evaluation of performance, expressed in terms of economy, efficiency, effectiveness and appropriateness. For an organisation to be successfully evaluated in terms of its performance in order to establish a successful reporting system, there is a need for an institution to clearly articulate its vision, mission, strategic plans, performance indicators and measures (Mahlane, 2007:16).

Therefore, Lewis (2003:51) suggests that a budget versus actual financial performance makes use of the budgeted income and expenditure for the reporting period and compares it with the actual income and expenditure for the same period. The difference between the two figures is known as variance and this would be assessed on how significant it is upon which records that are reconciled and summarised to give the summary of all transactions each month or periodically. According to Lewis (2003:51) variance analysis involves looking at the significant variations from the budget and seeking to explain why they exist and what can be done to remedy the situation. Variances are often described as either favourable (generally good news) or adverse (generally bad news).

In contesting the above assertion Mahlane (2007:16) posits that there is general discontent and according to many scholars the use of financial statements alone as an instrument to explain the financial conduct of the school governing bodies is insufficient. It is insufficient to compare actual spending against the estimates provided in the approved budget. In addition, reporting must compare the physical results against the approved budget objectives, meaning a complete reporting that compares the cost standard, time standards, quality standards, and public acceptability of the results with the objectives and expectations contained in the budget documents.

### **3.9.2 Reporting on the cash flow**

Cash flow reporting refers to the cash flow forecast which is updated with an authentic receipt and payments on a monthly basis, together with any data about the forthcoming spending plans that allows the financial leaders to forecast periods when cash balances are likely to be inadequate to satisfy the

necessary financial requirements and make the most of any surplus funds during the financial year (Lewis, 2003:51).

According to Lewis (2003:55) in order to ensure good management of cash flow, financial leaders should fulfil requirements such as banking all the monies received on a daily basis, negotiate an overdraft facility for short-term loans, circumvent financial utilisation actions that will lead to additional expenditure, pay certain expenditures by instalments and by exercising good credit control by making sure that all the people who owe the school money pay their debts punctually.

### **3.9.3 Annual financial reporting**

Financial cash flow culminates in annual financial statements which are the significant element of school financial responsibility. Though contested by Mahlane (2007:16) above, the school governing bodies in South Africa still use the annual financial statements to provide financial information to the parents and other interested parties as a basis for external financial reporting which ensures financial responsibility.

Lewis (2003:46) and Mothibi (2015:26) proclaim that the annual financial statements provide information regarding where the money from the institution is coming from, for what purpose the money was received, how the money was spent as well as the outcomes of the operations when such monies were utilized. Information regarding the tailoring of financial statement, as asserted by Campher et al. (2003:3) should be retrieved from school financial receipt books, deposit books, cash analysis books, bank statements, reconciliation statements, order books and cheque book as well as documentary evidence of payments.

The importance of financial statements is that they allow the school governing body to conform to the legal requirements of the South African Schools Act and to give an account of the financial status of the school to the community and the provincial department of education (South African Schools Act 84, 1996b, s42(b)). In support of the above assertion, Tooley & Hooks (2010:39) indicate that through the annual report the governing body informs the stakeholders about school aims, objectives, achievements, use of resources and financial performance. Financial reporting must have characteristics that will satisfy the needs of the users of such information (Mahlane, 2007:17). It is therefore important that it should be understandable, relevant, reliable and comparable.

Financial information should be comprehensible in such a way that all the stakeholders having an interest in the financial affairs of the school are able to study the information with ease and make sense of what has transpired in a school financially. It must also be relevant to the decision-making needs of users by enclosing predictive relevance which will help the users to make decisions about the future financial conduct of the schools. Reporting must also have confirmatory relevance in order to assist the users to evaluate past financial decisions in order to improve the present situation (Mahlane, 2007:17).

Financial reporting is regarded as reliable when it is free from material error and bias and can be depended upon by users to represent faithfully that which it is either purports to represent or could reasonably be expected to represent, as Mahlane (2007:17) posits. In order for financial reporting to be reliable, the information in the financial statements must be complete because any omission may lead to unreliable and deficient reporting which can culminate in it being rejected.

Financial reporting information should be comparable. Mahlane (2007:17-18) discloses that, in order to provide comparable information, the school should be able to disclose information pertaining to the adopted accounting policies and these policies should be consistent with those adopted previously. If ever there has been a change in policies, then the effects of those policies should be disclosed. Disclosure of this nature will therefore enable the financial information users to identify differences between accounting policies for similar transactions used by the institution over a period of years.

### **3.10 FINANCIAL MISMANAGEMENT IN SCHOOLS**

Rangongo, Mohlakwana & Beckman (2016:7) claim that the failure of the school governing body to observe the rules of law and the rules of good governance when managing school finances, as explained above, may demonstrate financial mismanagement or corruption and an unethical decision-making process through the influence of factors such as poor monitoring and weaknesses experienced with the application of legislation as well as decisions taken for financial activities involving procurement, maintenance, service provision and tenders. The Labour Relations Act (1995e: s17) explains that financial mismanagement is a serious misconduct with all its consequences bestowed upon the shoulders of the school principal as the chief financial accounting officer.

According to Cronje (2016:1) financial mismanagement in schools topped the graft incidents in Corruption Watch. The corruption hotspots in 2015 were schools which made up to 16 per cent of overall reports during that year. The bulk of these reports as posited by Cronje (2016:2) and Quintal (2016:1) finger principals as the main culprits involved in corrupt activities and these were a consistent

trend across all schools, including Section 20 and private schools, with the majority of reports emanating from Section 21 schools. At least 259 of the cases implicated principals in financial mismanagement, 152 in theft of school funds, 78 in tender corruption, 36 in employment corruption and 19 cases for theft of goods, including theft of food provided as part of the government feeding scheme.

According Chaskalson (2017) when audits were conducted in one of the schools in Gauteng Department of Education in 2015 to investigate financial mismanagement which implicated the former and the current principal and senior members of the school governing body, it was found that the school was operating eight illegal bank accounts and had R6.2 million while claiming to be in deficit so as to increase school fee. This report of the Corruption Watch indicates that in 2013-14 the school increased its fee by R4, 649 per learner (bringing the total fee to R13, 986 per learner). Furthermore, it was found that the new principal had made several payments to herself and other teachers amounting to R1.4 million. Claims are that these payments were made under Section 38(a) of the South African Schools Act, which stipulates that extra payments can be made to teachers when authorised. But these payments were not approved by the entire school governing body members.

Financial corruption is defined as the abuse of entrusted financial power for private gain (Hallack & Poison, 2007:29; Døssing, Mokeki & Weideman, 2011:5; Deliversky, 2016:141). Corruption or mismanagement of funds is being regarded as a threat to good governance in all government segments, and scourges that decent people, organisations and governments seek to eradicate (Madonsela, 2010:1; Serfontein & de Waal, 2015:2). Corruption as Serfontein & de Waal (2015:2) suggest, manifests itself as bribery, fraud, extortion, abuse of power, conflict of interest, insider trading, abuse of privileged information and favouritism. Corruption can therefore be regarded as the umbrella term for “not following accepted standards of behaviour; displaying impairment of morals and showing improper conduct” (Serfontein & de Waal, 2015:2).

Concurring with this assertion, Hallack & Poison (2007:30) indicate that corruption activities in the school context can be exercised according to the rule of law whereby a person gives a bribe to ensure that administrative decisions are taken on time, particularly in a context of cumbersome bureaucracies that are poorly staffed and equipped, and characterized by incompetence, inefficiency and long administrative delays. They further explain that other corruption activities are carried out against the rule of law. This happens when a person gives a bribe so that an administrative decision contradicting the rule of law is taken in his favour.

In a school context financial mismanagement or corruption can involve leakage of funds for procuring equipment such as learning and teaching aids, bribes to render services in school, down-pricing school assets or requesting someone to buy school assets at lower prices on your behalf and inflating claims per agreement with the financial administrators (Madonsela, 2010:1-2; du Plessis, 2014:1312; Serfontein & de Waal, 2015:2; Deliversky, 2016:142). In this regard, Serfontein & de Waal (2015:3) claim that most of the offenders of corruption in schools are members of the school governing bodies and principals who channel funds to their personal accounts and abuse their power to conceal their corrupt acts.

An example in this case was given in terms of recognition in *Bula vs. Minister of Education* that a reasonable balance must be upheld between the need to protect individuals from decisions unfairly arrived at by education and public authorities and the opposing appeal of avoiding undue judicial interference in their administration. In the matter of *Bula*, it was stated that the “*Audi alter am pattern rule*” must especially be adhered to during disciplinary hearings when dealing with serious offences such as corruption to ensure fairness (Serfontein & de Waal, 2015:3).

The statistical report of Unit 4 Anti-Corruption Resource Center as posited by Serfontein & de Waal (2015:3) clearly indicated that, among others, poor quality education is the result of corrupt acts in schools such as substandard educational material being purchased due to mismanagement. According to Hillman & Jenkner (2004:5), these corrupt acts by members of the school governing bodies and the principal may lead to increasing levels of school poverty. Corruption, as claimed by Dridi (2014:476) can hamper education expansion and reduce the ability of a country to develop high quality human capital.

For the realisation of intended educational objectives, especially in self-managing schools, there should be an effective financial management where its operation systems are connected to the local community, members of which should serve as the school financial watch-dogs. Therefore, it is important for the government to strengthen the efforts to broaden participation in educational governance to ensure efficiency, especially with regard to financial administration and financial utilisation (Lewis & Naidoo, 2004:108; Serfontein & de Waal, 2015:3). Sound financial management conduct that involves transparency, capacity, participation, accountability and integrity must be forged in South African schools (Døssing, Mokeki & Weideman, 2011:5). Based on this suggestion, Serfontein & de Waal (2015:3) recommend that the South African government must toughen governance control at provincial and school level to safeguard the use of education budgets in order to enable government's obligation to provide quality education for future generations of South Africans and reduce inequalities.

### 3.11 CONCLUSION

Chapter three discussed the aspects of financial management conduct of schools of South Africa. It explained the financial management roles of schools with reference to Section 21 allocated functions as espoused by the South African Schools Act. All the procedures of good financial conduct such as school budget, school financial records and financial reports were put into perspective.

This chapter also anchored the discussion on what triggered financial management in schools by discussing the school funding situation in South Africa and outlining tools guiding the school governing bodies to enhance effective and good financial management conduct. The financial management situation of South African schools was worth unveiling because the nitty-gritties of the situation gave rise to the introduction of the National Norms and Standards for School Funding (NNSF) policy which was introduced as the government strategy to address the financial allocations and income disparities that prevailed between the white and black schools within the education system for many years.

To curb the long existence of financial disparities between schools which were racially founded, there was an introduction of a system for school funding, referred to as national quintiles, which was tailored according to the financial means or affordability level of schools. The system made a provision in which learners were distributed in the national quintile referred to as the national quintile for schools and determined a procedure in which Members of the Executive Council must apply the criteria as contemplated by Section 35, sub-section (1)(a) of the South African Schools Act (1996b: s35).

Government provided funds for these different divisions of schools and conferred the responsibility of financial management on school governing bodies, based on their financial management competence. Schools that were recognised as having such competence were categorised under Section 21 and urged to apply for the status, and the government grant was deposited in their school bank accounts. Those that did not qualify for this status were categorized under Section 20 where the government took responsibility for managing their school funds on their behalf. As per requirement, whenever they need to purchase resources, they have to make requisitions from the department.

Finances cannot be managed properly unless there are people who are in charge of such a responsibility. Based on Section 21 arrangements, it became significant for the school to have a strong financial management knowledge base. Schools were therefore required by legislation to establish committees in the name of finance committees in order to ensure the proper operations of finances.

One cannot claim that finances are well managed if the financial management activity is not properly organised, planned, controlled, and accounted for. Therefore, it should become a responsibility of the finance committees of the school governing bodies to ensure that, through their financial leadership roles, financial utilisation is in accordance with the prescripts of the law. The best ways to ensure the proper leadership of finances is to delegate, communicate, and motivate financial leaders to take correct decisions pertaining to financial operations

Before utilising school finances, finance committee must ensure that there is the existence of financial strategies that they would adapt to ensure that the organisation's own requirements are met. They must strategize as to where they would get additional resources to augment their financial needs, as well as how they will safeguard those resources to meet the long term priorities of the organisation.

To ensure planned utilisation of school funds, budgeting should be used essentially as a tool to ensure that spending is in accordance with the planned budget to avoid overspending in order to work towards the realisation of set goals. It is important for the finance committee of the school governing body to follow procedures when drafting the school budget such as setting financial goals for the school, determining priorities, indicating how the budget would be managed, projecting the costs to be incurred, balancing income and expenditure, and organizing meetings with the parents for the approval of the budget.

Based on the circumstances of schools, it is important that a school should declare a particular budget method or a combination thereof. The choice of a particular budget technique may therefore be dictated by the size of the school, prospects for income generation of the school as well as the needs of the school. After the approval of the budget, the finance committee of the school governing body and related committees must ensure responsibility in the implementation of the budget. To ensure accountability or responsibility for the utilisation of school funds, which is the monetary regulating exercise performed by the school finance committee of the school governing body, the committee must put in place internal audits in order to monitor the operation of the financial accounting system which must be on-going throughout the year. The internal audits may be conducted before a transaction is completed to verify if it is appropriate or after a series of transactions have been completed.

It is also important that at the end of each financial year the school governing body must appoint an accountant to audit the financial records and financial statements of the schools. External auditing should be conducted by individuals from outside the school system, often either government auditors

either nominated or contracted by the relevant government department with ultimate responsibility for all official accounts, or private firms of auditors contracted by the latter. Auditing of school finance books by an external auditor would be a determining factor to explain whether the financial management conduct of the school governing body is appropriate or inappropriate.

After auditing the finance books, the school governing body must report the findings to the parents' community as well as to the Provincial Department of Education. Reporting is requisite because it indicates whether or not the public institutions spend their money wisely and how the spending impacts on the promotion of the general welfare of the community. If the financial report from the auditors is negative, this will translate into financial mismanagement which may be a cause of concern to the community and the Department of Education. In such cases Section 17 of the Labour Relations Act, (1995e: s17) regards financial mismanagement as a serious misconduct and dismissible offence. In this regard the principal as the chief financial accounting officer may face charges for such financial mismanagement.

Chapter four explores the design and the methodology used to collect investigative data and reasons for the choice of particular data collection methods. It unveils how participants were selected, how letters of informed consent were crafted and distributed as well as the ethical considerations that were observed during the research expedition. This chapter also unveils how data collected from participants was analysed as well as the approaches that were used for data analysis.

## CHAPTER FOUR

### RESEARCH DESIGN AND METHODOLOGY

#### 4.1 INTRODUCTION

Chapter three deliberated on aspects of financial management conduct of school governing bodies in rural schools of South Africa. It elucidated the financial management roles and responsibilities in schools with reference to Section 21 allocated functions as espoused by the South African Schools Act. All the procedures of good financial conduct such as school budget, school financial records and financial reports were discussed in this chapter.

Chapter four explores the design and the methodology selected to be used by the researcher to collect investigative data throughout the expedition of the research undertaking. It brings to light the differences between research design and methodology, the aims and purpose for the choice of particular data collection methods for the research study, letters of informed consent, and the ethical and legal considerations that were observed by the researcher. Data collection tools for data compilation are unpacked in terms of their significances. This chapter also unveils how data was presented and analysed. Methods of ensuring trustworthiness and transferability and contribution of this research would also be unpacked in this chapter. The summary for the assumptions of the enquiry is also be unpacked.

#### 4.2 THE RESEARCH PROCESS

##### 4.2.1 Introduction

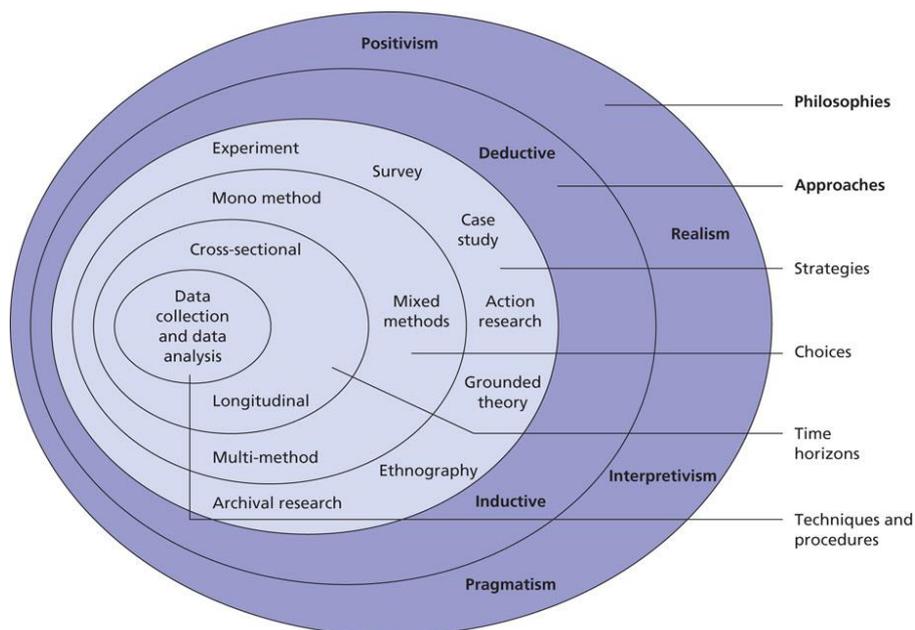
When conducting a research, it is imperative for the researcher to outline how the study under investigation unfolds. This accounts for the choice of the relevant methods to be used to put the problem into perspective. Methodology refers to the range of approaches used in educational research to gather data to be used as a basis for inference and interpretation, for explanation and prediction (Cohen, Manion & Morrison, 2003:44; Sebidi, 2008:43). The research methodology is also defined by Schwardt (2007:195) as a theory involving how an investigation should progress whereas Babbie & Mouton (2008:74), Leedy & Ormrod (2005:12) and Rajasekar et al. (2013:5) regard methodology as the researcher's general approach in carrying out the research project. Essentially methodologies are the procedures by which the researchers go about their work of describing, explaining and predicting

phenomena (Schwandt, 2001:158). It is the science of finding out and the procedures for scientific investigation (Babbie, 2011:4).

Methodology is also defined by Carter & Little (2007:2) as “a theory and analysis of how research should proceed, analysis of the assumptions, principles, and procedures in a particular approach to enquiry whereas Schwandt (2001:161) referred methodology as the study, description, the explanation, and the justification of methods, and not the methods themselves” In this research, methodology refers to the approach adopted by the researcher to collect and analyse data (Kaplan, 1964:18). The decision to choose an approach for this investigation was informed by the larger philosophical assumptions the researcher brought to the study and the nature of the research problem being addressed (Creswell, 2014:56). The methodology justifies methods which enable the researcher to produce data and data analysis. Based on the principal aims of this study, the methodology assisted the researcher to generate theory that explained the shared perceptions and assessment of financial management conduct of the school governing bodies in rural schools of South Africa, particularly of rural schools in Mpumalanga Province.

Theory in this research was made up of a scheme of ideas, a framework that provided orientations or perspectives that acted as approaches to framing, understanding or solving the research problem (Shaw, 2006:1). The research process “onion” by Saunders, Lewis & Thornhill (2009:108) accounted well for the research process for this study. “Onion” research process was accommodated to give direction on how this study would progress. See Figure 4.1 below.

**Figure 4.1: The Research ‘Onion’ (Saunders et al., 2009:108)**



The choice of this research process for this study as advocated by Saunders et al. (2009:108) demonstrates some of the essentials that the researcher adopted during the research process which include philosophies, research approaches, research strategies; choice of methods, and techniques and procedures, data collection and data analysis. Figure 4.1 above indicates how theory for this study was planned from this figure and used throughout the discussions of data collection.

#### **4.2.2 What is research?**

The concepts 'research design' and 'research methodology' need to be differentiated and elucidated primarily in order to eliminate the misperception that is often related to their usage predominantly by incipient researchers. According to Mafuwane (2012:67) both concepts are presented as compound words, with the concepts 'design' and 'methodology' attached to the noun 'research'. Therefore, it is also of utmost importance to discharge the understanding of the concept 'research'.

Over a number of years' research scholars in different fields of research defined research in different ways. According to Best & Kahn (1998:338) research is a systematic observation and description of the characteristics or properties of objects or events to discover relationships between variables. **Research consists of three steps which include posing of a question, collection of data and answering the research question and the presentation of an answer to the question and developing generalisations that may be used to explain phenomena to produce future occurrences by exploring, describing and explaining the research topic (Williams 2007:67; Babbie 2011: 18-20; Creswell 2012:3)**

Rajasekar, Philominathan & Chinnathambi (2013:2) define research as a logical and systematic search for new and useful information on a particular topic. This definition is supported by Bassey (1999:38) who perceives research as a systematic, critical and self-critical enquiry which aims to contribute to the advancement of knowledge and wisdom. The word 'systems' in research implies that research is an organized exercise aimed at establishing the unknown facts about the phenomenon under investigation to help people to understand the nature of human problems so that they can more effectively control their environment (Ary, Jacobs, Sorensen & Razavieh, 2010:22; Yin, 2011:3-4).

#### **4.2.3 Types of research**

The researcher needs to classify the type of research to anchor the study in the research process. Neuman, (2014:26) indicates that research can either be categorized as basic or applied. Basic research is intended to develop fundamental knowledge about how the world works and test theoretical

explanations by focusing on the 'why' question, and in the case of basic research the scientific community is the primary audience (Ary et al., 2010:34). Those who seek an understanding of the fundamental nature of social reality are engaged in basic research (Neuman, 2003:21).

On the other hand, applied research is intended to offer practical solutions to concrete problem or address the immediate and specific needs of experts (Ary et al., 2010:34; Neuman, 2014:27). An applied research is performed in relation to the actual problem and under the conditions in which they appear in practice (Ary et al., 2010:34). Applied research can be subdivided into two major forms which are formative research and summative research (Basse, 1999:93).

Evaluation research tries to determine how well a programme or policy is working or reaching its objectives (Neuman, 2014:28), whereas formative research has built-in monitoring or continuous feedback on a programme used for programme management, whereas summative evaluation reviews final programme outcomes (Neuman, 2014:19). Based on the two definitions of research provided, it became evident to locate this study as an applied research because it would offer practical solutions to concrete problems or address the immediate and specific practical needs of experts (Ary et al., 2010:34; Neuman, 2014:27). In this way the researcher was assisted to accomplish the objective of the study which was to understand and reveal the financial management conduct of school governing bodies of rural schools in Mpumalanga, thus inspiring thought and action. Data produced from this study is projected to propose an improvement in the financial management conduct among school governing bodies in rural schools of South Africa, particularly in Mpumalanga Province.

## **4.3 THE RESEARCH DESIGN**

### **4.3.1 Introduction**

Every type of empirical research has an implicit, if not explicit, research design (Yin, 2003:19). "*Plan your work and work your plan*" this is a suggestion brought to the attention of researchers by Napoleon Hill as unpacked by Rajasekar et al. (2013:22). This assertion suggests that when researchers intend engaging in a scientific research, they have to prepare a research design and follow it. In preparation for the research design for this study, the researcher identified various approaches to be used in solving the research problem, sources and information related to the problem and the time frame and the cost budget. The choice of design assisted the researcher to perform the chosen task easily and in a systematic way. After the choice of the research design was completed, the actual work was initiated.

In an idiomatic way research design is referred to as an action plan for getting from “here” to “there”; “where” and “here” may be defined as the initial set of questions to be answered and “there” as some set of conclusions (answers) about these questions. Between “here” and “there” may be found a number of major steps, including the collection and analysis of relevant data (Yin, 2003:19).

Research design refers to a plan and structure of the investigation used to obtain evidence in order to answer the research question. Babbie & Mouton (2010:74) see research as a plan or a blueprint of how the research is to be conducted and the procedures or methodologies for conducting the study, including when, from whom and under what conditions the data was obtained. Research design therefore indicates how the research would be set up, what would happen to the participants and what techniques of data collection would be used (Macmillan & Schumacher, 2001:166; Sebidi, 2008:43; Nojaja, 2009:85). Research design is regarded by Babbie & Mouton (2008:74) and Yin (2011:75) as a plan or a logical blueprint for conducting a research with its main function being to assist the researcher to anticipate what the appropriate research decisions are likely to be, and to maximise the rationality of the ultimate research outcomes. A research design as explained by Burns & Grove (2005:50) is a plan for data collection and data utilisation to obtain desired information meticulously for proper testing of the hypotheses. For the purpose of this research, the research design was regarded as options containing different alternatives that were used to guarantee that the research purpose and viewpoints were illuminated and realised (Volsoo, 2014:317).

#### **4.3.2 The research approach**

The researcher for this study believes that the interpretivist paradigm predominately uses qualitative methods (Willis, 2007:90). The researcher selected qualitative method for an investigation of shared perceptions and assessment of financial management conduct in rural schools of South Africa particularly in Mpumalanga Province based on the fact that qualitative methods would enable the researcher to understand in-depth the relationship between human beings and their environment and the part they play in creating the social fabric of which they are a part (Yazan, 2015:138).

Qualitative research was also selected based on the objective of this study, which was to seek to understand and reveal the financial management conduct of school governing bodies in rural schools in the Mpumalanga Province. Regarding the fact that qualitative researchers scrutinise a “case” as emerging in natural social life, the researcher was able to present an authentic interpretation that was sensitive to the definite social-historical context under investigation (Neuman, 2000:122).

Qualitative research is described as a study of “experiential life of people”. Through the use of qualitative research, the researcher is able to speak from the depth of human experience (Polkinghorne, 2005:138; Yin, 2011:1993). Polkinghorne (2005) further explains that qualitative research is useful for surfacing variables that are not easily recognized and for the identification of conflicting problems which appear in various social fields, and when theory cannot explain the phenomenon the research design assists the process of theory building.

Nojaja (2009:94) posits that qualitative research frameworks do not follow the same logic like in the case of quantitative inquiry, because their rationale is not to test the theory. However, in certain qualitative studies, generation of theory is among others the aim of the study. A particular type of qualitative research is directed by a particular philosophical stance referred to as a paradigm. The importance of philosophy in research is that it directs the questions asked.

It also directs how the observations should be made and how the data should be interpreted. However, it is argued by Nojaja (2009:94) that, in some instances, it is not always the case that the researcher clearly states the philosophical stance on which the study is based; consequently, the philosophical stance can be detected from the study by a careful reading of the literature study, the presentation of the problem and the methods used for the study. Qualitative research in this study was used to answer the research questions.

In any research undertaking, methodology is chosen to fit with the epistemological requirements of the researcher and research subjects (Kgwete, 2014:99). The qualitative approach is an approach used to investigate phenomena, typically in an in-depth and holistic fashion, through the collection of rich narrative materials using a flexible research design (Polit & Beck, 2008:762; Devetak, Saša, Glaža & Vogrinc, 2010:78).

Qualitative research is a holistic approach that involves discovery. It is also described as an unfolding model that occurs in a natural setting that enables the researcher to develop a level of detail from high involvement in the actual experiences (Williams, 2007:67). The methodology of a different kind is chosen to provide a framework for hearing, seeing and feeling human experience and thus it has implications for the knowledge that the researcher has about the social world (Kgwete, 2014:99).

Qualitative research methods in this study were used to explore and describe the financial management conduct of the school governing bodies (Burns & Grove, 2009:22). Exploratory research is described as research that is conducted with the aims of exploring in-depth knowledge and understanding and the

experiences of selected population groups through asking of questions and probing again and again until data saturation (Bassegy, 1999:29; Brink, 2006:120). Qualitative research as a research approach is designed to assist the researcher to understand people, and the social and cultural contexts within which they live, allowing the complexities and differences of worlds-under-study to be explored and represented (Brink, 2001:119; Phillip, 1998:267).

The choice of qualitative research for this study was driven by the fact that qualitative research allowed the researcher to illuminate and better understand in depth the rich lives of human beings and the world in which they live (Mestry & Khumalo, 2012:100; da Costa & Hall, 2016:664). This entails studying in depth and getting to the details and nuance of experience, emphasising “process and meanings” that are not experimentally examined or measured rather than generating data that can be generalised regardless of context (Denzin & Lincoln, 2005:8).

Qualitative research is concerned with abstract characteristics of events, the meaning given to events by participants. Qualitative research focuses on “lived experiences” (Thomas, 2010:302). It attempts to describe and study the qualities of events; interprets meanings and relationships among these events; measure the importance of events in the larger picture of educational concern; and grounds these appraisals on explicit social values and human interest (Kgwete, 2014:99). However, qualitative research as a research methodology is concerned with understanding the process and the social and cultural context which underlie various behavioural patterns and is mostly concerned with exploring the “why” questions of research (Nieuwenhuis, 2007: 51).

It builds its premises on inductive rather than deductive reasoning (Yin, 2011:94). It is the observational elements that pose questions that the researcher attempts to explain and the strong correlation between the observer and the data is a marked difference from quantitative research where the researcher is strictly outside of the phenomena being investigated (Williams, 2007:67). The researcher adopted and singled out major characteristics of qualitative research from Ary et al. (2010:424-425) that are in line with the use of the qualitative approach for this study:

- **Concern for context and meaning**

Based on this submission, this study assumes that human behaviour is context bound and that human experience takes its meaning from and therefore is inseparable from social, historical, political and cultural influences. Thus, this enquiry was bounded by a particular context or setting (Bryman, 2001:11).

Qualitative enquiry aims to understand intention. There is no attempt to predict what would happen in the future, but rather to understand the unique and particular context (Ary et al., 2010:424).

- **Naturally occurring setting**

Qualitative research is naturalistic; it attempts to study the everyday life of different groups of people and communities in their context-specific or natural settings (Ary et al., 2010:424). It is an approach in the case of this study that was used to study behaviour as it occurred in a natural school setting. It is not a setting contrived specifically for research and no attempt was made to manipulate behaviour. The researcher acknowledges that where the research is conducted would influence the findings. The researcher physically visited the participants' setting or institution to witness behaviour and to collect data where participants experienced the problem under study (Creswell, 2014:234). This exercise is called 'the primacy of data' (Bryman, 2001:10).

Virtual presence would be possible with newer technologies. Qualitative inquiry places no prior constraints on what is to be studied. It does not identify, define and investigate or test the relationship between independent and dependent variables in a particular setting; rather, it studies human experience holistically, considering a broad range of factors and influences in a given situation (Ary et al., 2010:424; Creswell, 2014:235; da Costa et al., 2016:663).

- **Human instrument**

The primary instrument for gathering and analysis of data in qualitative studies is the human investigator. The concept of human instrument was introduced to emphasise the unique role the qualitative researcher plays in the enquiry. Because of the nature of qualitative research of studying human experiences and situations, the researcher needs an instrument flexible enough to capture the complexity of human experience, an instrument capable of adapting and responding to the environment (Phillip, 1998:267; Ary et al., 2010:424). Qualitative researchers allow data to "speak" to them rather than going into the study with pre-conceived ideas of what they would find (Vanderstoep & Johnston, 2009:168).

For this study, only a human instrument was capable of this task and it was the researcher himself who immersed himself in the setting (Bryman, 2001:11; Creswell, 2014:234). This choice is justified because the researcher was the one who talked with the participants, that is, giving voice to the participants and

the margins of culture; observed their activities; read their documents and written records and recorded this information in field notes and a journal (Vanderstoep & Johnston, 2009:168).

A qualitative enquiry relies extensively on fieldwork methods such as interviewing and document analysis, which are the principal mechanisms of data collection. For this study, the researcher engaged in interviewing participants and analysing data as a mode to collect rich data (Vanderstoep & Johnston, 2009:169; Ary et al., 2010:424).

- **Descriptive data**

Conducting a qualitative research requires inflexible and rigorous implementation of qualitative research techniques such as honesty, trustworthiness, devotion to a philosophical perspective, meticulousness in collecting data and disclosure of all data in the theory generation phase (Burns & Grove, 2005:65; Cohen et al., 2007:173). The qualitative researcher deals with data that is in the form of words rather than numbers and statistics (Devetak et al., 2009:78). It seeks to understand a phenomenon by focusing on the total picture rather than breaking it down into variables. (Vanderstoep & Johnston, 2009:170; Ary et al., 2010:21). Data for this study was in the form of quotes from documents, field notes, interviews and excerpts from audiotapes to present the findings of the study (Creswell, 2014:234). Data collected was from participants' experiences and *emic perspectives* or "the insider view" (Bryman, 2001:12).

A qualitative researcher would attempt to arrive at a rich description of people, objects, events, places and conversations. Occasionally, some numeric data may be collected. Managing large volumes of descriptive data generated from interviews and collection of documents was an important consideration for this study. The researcher kept a personal or reflexive log or journal in which accounts of participants' thoughts, feelings, assumptions, motives and rationale for decisions were recorded. This was one way that the researcher addressed the issue of the inquiry being value bound (Ary et al., 2010:424-425).

- **Emergent design**

A qualitative researcher broadly specifies aspects of design before beginning the study, and the design continues to emerge as the study unfolds, hence the term *emergent design* (Creswell, 2014:235). The researcher adjusted methods for the research and the way of proceeding to the subject matter at hand. This was necessary because qualitative researchers are never quite sure just what would be learned in

a particular setting, because what can be learned in a particular setting depends on the nature and types of interactions between the researcher and the participants and setting, and those interactions are not fully predictable, and also because important features in need of investigation cannot always be known until they are actually witnessed by the researcher (Ary et al., 2010:425).

- **Inductive analysis**

Data collection and data analysis take place simultaneously in most qualitative research. In this study, the researcher did not wait until all the data was “in” before beginning to interpret it. From the outset of the first interview, the researcher reflected on the meaning of what he/she had heard or seen, developing hunches about what it meant and seeking to confirm or disconfirm those hunches (hypotheses) in subsequent interviews (Babbie, 2005:166; Bogdan & Biklen, 2007:98; Ary et al., 2010:245). It was a process of inductive data analysis, which proceeded from data theory or interpretation. As the researcher was reducing and reconstructing the data through the process of coding and categorization, he aimed at interpreting the phenomena (Creswell, 2014:234).

In this study this was done through data collected from semi-structured interviews with the circuit and district officials, focus group interviews with the finance committees and document analysis which helped the researcher to make inductions about shared perceptions and assessment of financial management conduct of the school governing bodies. The advantages of using qualitative research in this study reflected its strengths in the ways outlined by Dlukulu (2011:118).

- Qualitative research expanded the range of knowledge and understanding beyond the researchers themselves.
- Qualitative research provided ways of transcribing and analysing the discursive construction of everyday events.
- Qualitative research assisted in examining the nature of the subject matter within and across the events and historical nature of life within a social group or setting.
- Qualitative research provided insight into the participants’ way of life so that the researcher can behave appropriately without offending them.
- Qualitative research provided information about why and how miscommunication occurs between people, especially when people members of different groups.

- The approaches and theories guiding qualitative researchers raised awareness of different voices, and awareness of the need to consider whose voice was represented, how, in what ways and for what purpose.

Qualitative studies in education are often framed with concepts, models and theories which allow the inductive process to be used to support or challenge the theoretical assumptions (Merriam,1998:11). However, some of the purists of the quantitative approach reject the claim that a qualitative approach focuses on the constructed reality of the participants by labelling qualitative researchers as anecdotal and idiosyncratic (Vanderstoep & Johnston, 2009:179). Some of the disadvantages of qualitative research are presented by Thomas (2010:305) as follows:

- Qualitative researcher's bias may bias the design of the study.
- Using the qualitative approach researcher's bias may enter into the data collection process.
- Sources or subjects of data collection may not all be trustworthy.
- Research findings may be influenced by some of the previously affected subjects.
- Study groups may not be representative of the larger population.

The disadvantages of the qualitative approach discussed above require serious attention by the qualitative researchers in order to inhibit or curtail future effects during the course of their research studies (Thomas, 2010:305). The use of the qualitative approach to this study fits well with the intentions of the researcher who seeks to excavate meaning by not looking at particular features of many instances of a phenomenon, but rather looks at all aspects of the same phenomenon to see their interrelationship and establish how they come together to form a whole.

Using a qualitative approach assisted the researcher to understand the nature of the participants' setting, what their lives are like, what is going on for them, what their meanings are and what the world looks like, and then enabled the researcher to communicate their experiences faithfully to others who may have an interest in that setting (Sebidi, 2008:44).

In summation, through the use of the qualitative approach the researcher was able to understand "how" and "why" members of finance committees of school governing bodies attach meaning to their financial management conduct in schools. Interaction with participants in their own setting enabled the researcher to share the lives they live, their conversation, what stimulates, fascinates and anguishes

them (Cohen et al., 2003:44-45; da Costa et al., 2016:663). The understanding from “how” and “why” questions in this research enable the researcher to answer the research question.

### **4.3.3 The research paradigm of the study**

The epistemological claim for this study reflects the interpretive theoretical paradigm. The term ‘paradigm’ originated from the Greek word *paradeigma* which means pattern and was first used by Thomas Kuhn in 1962. Paradigm is the entire constellation of beliefs, values and techniques shared by members of a given community (Kuhn, 1962:162). Kuhn (1962) further indicates that a paradigm consists of theoretical ideas and technical procedures that a group of scientists adopt, and which are rooted in a particular worldview with its own language and terminology. Kuhn (1962) also regards paradigm as an integrated cluster of substantive concepts, variables and problems attached with corresponding methodological approaches and tools. Neuman (2014:96) declares that there are many definitions of paradigm.

Neuman (2014:96) further posits that, in general, a scientific paradigm is a whole system of thinking, including basic assumptions, the important question to be answered or a puzzle to be solved, the research technique to be used and the example of what good scientific research is like. Kuhn’s assertion is supported by Babbie (2010:33). Babbie (2011:32) states that paradigm includes theories, traditions, approaches, models, body of research and methodologies and it could be seen as a model of observing and understanding. According to Creswell (2014:35) scholars such as Guba (1990) chose to use the term ‘worldview’ instead of paradigm, meaning “a basic set of beliefs that guide action”.

Guba & Lincoln (1994:107) view paradigm as a set of beliefs that deals with ultimate or first principles. It represents a worldview that defines, for its holder, the nature of the “world”, the individual’s place in it, and the range of possible relationships to that world and its parts. Rocco, Bliss, Gallagher & Perez-Prado (2003:19) also define worldview as a basic set of beliefs or assumptions; others have called them paradigms (Lincoln, Lynham & Guba, 2011; Mertens, 2010), epistemologies and ontologies (Crotty 1998), or broadly conceived research methodologies (Neuman, 2009). However, Creswell (2014:35) perceives worldview as a general philosophical orientation about the world and the nature of research that a researcher brings to a study.

The research process has major dimensions such as ontology, epistemology and methodology (Guba & Lincoln, 1994:108; Neuman, 2014:94). Both ontological and epistemological aspects of research

concern what is referred to as a person's worldview which significantly has an influence on the perception of the relative importance of the features of reality.

According to Fayolle, Kyro & Ulijn (2005:136), "*Ontology and epistemology are some kind of "rules and games", and we have different rules... these rules are interconnected within each game. If we assume that knowledge is not one entity, but many and it changes, it is reasonable to assume that we have different ways of studying it...*" Ontology is concerned with reality which may be referred as the study of being. The reality can be external to individuals or produced by individual consciousness (Guba & Lincoln, 1994:108; Kafle, 2011:193). Ontology is the area of philosophy that deals with the nature of being, or what exists; the area of philosophy that asks what really is and what the fundamentals of reality are (Kafle, 2011:194).

Two basic positions within ontology are the realist and nominalist (Neuman, 2014:94). Realists see the world as being "out there". They see the world as organised into pre-existing categories just waiting for us to discover. The realist assumption is that the "real world exists independently of humans and their interpretations of it". Therefore, this makes accessing what is the real world less difficult. This is better explained by using a cliché - "What you see is what you get" (Neuman, 2014:94). The nominalist believes that some interpretive schemes are more opaque than others, yet they hold that we can never entirely remove the interpretive lens. The nominalist maintains that we are always limited in how we can reach beyond our inner thoughts, cultural background, and subjectivity (Neuman, 2014:94). Ontological beliefs are about the nature of reality which is discovered through the researcher's answers to the research problem such as what is the nature of the world, including social phenomena; is the reality orderly or lawful; is there any presence of the natural and social order; is reality fixed and stable or frequently changing or is it unitary or compound; and can the reality be constructed by the individuals involved in the research situation (Creswell, 1998:76).

This implies that the ontological premise has major implications for beliefs about acquiring and advancing knowledge: an epistemological stance (Lincoln et al., 2011:102). Ontology signifies the most essential categories of being and the relations with the participants. In this study the perceptions of members of the school governing bodies, circuit manger, and district officials are interpreted in relation to the objectives of school governance responsibilities of their financial management.

Epistemology is the basis of knowledge, in nature and forms, how it can be acquired and how it can be communicated to other human beings. It is the nature of the relationship between the knower or would-

be knower and what can be known (Guba & Lincoln, 1994:108). Babbie (2011:4) regards epistemology as a science of knowing. How one aligns oneself in this particular debate profoundly affects how one would go about uncovering knowledge of social behaviour. The view that knowledge is hard, and objective would demand of the researcher an observer role, together with an allegiance to the methods of natural science to see and realise knowledge as personal, subjective and unique (Cohen et al., 2007:7).

Epistemology is an area of philosophy concerned with the creation of knowledge. It focuses on how we know what we know or what are the most valid ways to reach the truth, which is, inquiring in the nature of knowledge and truth (Kafle, 2011:194). Neuman (2014:95) further indicated that epistemology is the issue of how we know the world around us or what makes a claim about it being true. How we can learn about or know about the world is rooted in our ontological assumptions. Epistemology is a science of knowing or systems of knowledge that includes what we need to do to produce knowledge and what scientific knowledge looks like once we have produced it (Babbie, 2011:4). It amounts to what is possible for one to know as well as the relationship of the researcher to what is being researched.

Based on the assumption that epistemology is concerned with knowledge and the generation of knowledge, the researcher turned to agree with the persuasion to truthfully have a good understanding of how the lives of individuals are affected by situations (Kafle, 2011:194; Neuman, 2014:95). In this case of school governing bodies' financial management conduct, there has to be more than just the percentages and figures of quantitative research. The researcher is convinced that there has to be an understanding of the issues from the perspectives of those being investigated in their own settings (Kgwete, 2014:101). The epistemology in this study was revealed through interactions with members of the school governing bodies who are currently executing financial management responsibilities in schools. It therefore influenced this study in the ways suggested by Carter & Little (2007:6-9).

- It influenced the relationship between the researcher and the participants.
- It profoundly shaped the researcher's conceptualisation of the participants in data collection and analysis.
- It influenced the way in which quality of the methods is demonstrated and also influence the form, voice and representation in the method.

Denzin & Lincoln (2011:716) opine that epistemology does matter. Stand point matters and each of these things, one philosophical, one embodied and socio-cultural, gives meaning and inflection to both

the beginning (research question) and the ending (the findings) of any enquiry. In their view, “any researcher who refuses himself/herself about the influence is to miss most of the major debates of the last quarter-century of qualitative research and indeed, the social sciences more broadly.”

The research expedition is about questioning the world around us and following particular procedures to understand this world. This, therefore, concerns the way we think the social world is constructed (ontology) which shapes the way we believe we can know the world (Ritchie & Lewis, 2003:11; Mafuwane, 2012:78) and how we perceive the world (epistemology) and the methods we use to shape what we see. Cohen et al. (2003:3) regard research as being concerned with how one understands the world and such understanding is informed by how one views the world, what one interprets understanding to be and what one sees as the purposes of understanding. In relation to this discussion, this study is anchored on interpretivism assumption as follows.

#### **4.3.3.1 Interpretivism**

The interpretive framework analyses human activities and institutions such as schools as a social construct because individuals or groups are interacting with their social worlds and construct their own reality (Neuman, 2006:87; Mabovula, 2010:5). According to the interpretive framework, studying documents and reports with statistical information are considered as cultural objects or media that communicate social meaning. Documents are also seen as belonging to the range of other cultural objects such as monuments, diaries, photographs and paintings.

The interpretive paradigm is also called the phenomenological approach. Babbie & Mouton (2008:28) assert that this approach aims at understanding peoples’ activities in their world. Bryman (2001:7) asserts that the interpretive model has its roots in philosophy and the human sciences, particularly in history and anthropology. The methodology centres on the way in which human beings make sense of their subjective reality and attach meaning to it. Social scientists approach people not as individual entities who exist in a vacuum but explore their world within the whole of their life context. With this worldview the researcher believes that understanding human experience is as important as focusing on explanation, prediction and control (Cohen & Manion, 1994:36; Denzin & Lincoln, 1994:113).

The interpretive model has a long history from its roots in the nineteenth century to Weberian sociology, Dilthey’s philosophy and George Herbert Mead’s social psychology. Interpretive social science (ISS) as discharged by Neuman (2014:103) and Bryman (2001:7) can be traced to German sociologist Max Weber (1864-1920) and German philosopher Wilhelm Dilthey (1833-1911). According to Dilthey there

are two fundamentally different types of science which are *Naturwissenschaft* and *Geisteswissenschaft*. The former is based on *Erklärung*, or abstract explanation. The latter is rooted in an emphatic understanding, or **verstehen**, of the everyday lived experience of people in a specific setting. However, Weber (1864-1920) in Neuman (2014;103) argues that social science should study social action with a purpose. He embraced *verstehen* and felt that we must learn the personal reasons or motives that shape a person's internal feelings and guide decisions to act in a particular way.

Based on the explanations provided above, one may claim that interpretive theorists attempt to discover the meaning of an event by placing it within a specific social context with an assumption that our knowledge is the product of actors' social interactions (Cohen, Manion & Morrison, 2003:26). Knowledge can be constructed through language, consciousness, shared meaning, documents and other artefacts (Bryman, 2001:8; Rowlands, 2005:81; Schwandt, 2007:314; Mashele, 2009:55). The researcher's purpose of this study is to unveil the financial management conduct, literacy level, improvements and achievement and challenges of the school governing bodies through the interpretive approach, the researcher would be able to interpret and understand both the inner and outer worlds of those whom he is studying through socially constructed reality.

Interpretive researchers do not seek the answers for their studies in rigid ways. Instead, they approach the reality from subjects, typically people who own their experiences and are of a particular group or culture (Cao Thanh & Thi le Thanh, 2015:25). Interpretive researchers believe that reality consists of people's subjective experiences of the external world, thus adopting an inter-subjective epistemology and ontological belief (Reeves & Hedberg, 2003:3). Reeves & Hedberg (2003) further explain that interpretive researchers use meaning versus orientated methodologies such as interviews and observations that rely on a subjective relationship between the researcher and the participants with the aim of explaining the subjective reasons and meaning that are embedded within their social action.

This assertion is supported by Gephart (1999:5) who describes interpretivism as being directed at meaning and understanding the social interactions between humans whereby the human mind interprets experience and events and constructs meanings from them. The purpose of the interpretive researcher is to advance knowledge by describing and interpreting the phenomena of the world in attempts to get shared meaning with others (Bassey, 1999:44). They recognise that by asking questions or by observing they may change the situation which they are studying. They recognise themselves as potential variables in the inquiry and so in writing reports may use personal pronouns (Bassey, 1999:43).

Fouche & Schurink (2011:309) opine that meaning does not exist outside the mind because to interpret is the exercise of the mind to make meaning of that information by drawing inferences between the information and some abstract pattern. Blumberg, Cooper & Schindler (2011:17) identified three basic principles of interpretivism which are: research is driven by the interest of the researcher, the researcher is part of what is observed, and the social world is constructed and given meaning subjectively by people.

Based on the subjective nature of interpretive research, the researcher's goal would be to value subjectivity and eschew the idea that objective research on human behaviour is possible (Willis, 2007:110). Human beings are subjects that have consciousness, while human behaviour is affected by knowledge of the social world which exists only in relation to human beings. Interpretivism can be regarded as a science which concerns how people interact and get along with each other. Generally, it can be labelled as the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds (Schwandt, 2001:191; Neuman, 2014:103-104).

Willis (2007:4) posits that interpretivists believe that an understanding of the context in which any form of research is conducted is critical to the interpretation of data collected. Willis (2007) further indicates that interpretivism usually seeks to understand a particular context, and a core belief of the interpretive paradigm is that reality is socially constructed. Since the context of this study is schools and the related educational departments, Willis's (2007) assumptions of interpretivist indicated above, support the researcher's choice of the interpretive research paradigm to investigate a phenomenon in particular schools with selected members of school governing bodies, and education in related departments with selected officials relevant to the research objectives.

In order for the researcher to explore understandings from participants about the phenomenon under investigation, interpretive methodology provided a context that allowed the researcher to examine what they had to say about their experiences. In terms of methodology, interpretive research does not predefine dependent or independent variables, and does not set out to test hypotheses, but aims to produce an understanding of the social context of the phenomena and the processes whereby the phenomena influence and are influenced by the social context (Rowlands, 2005:81-82).

Interpretive social science is related to hermeneutics, a theory of meaning that originated in the nineteenth century. Hermeneutics can be considered a European cousin to the American pragmatist

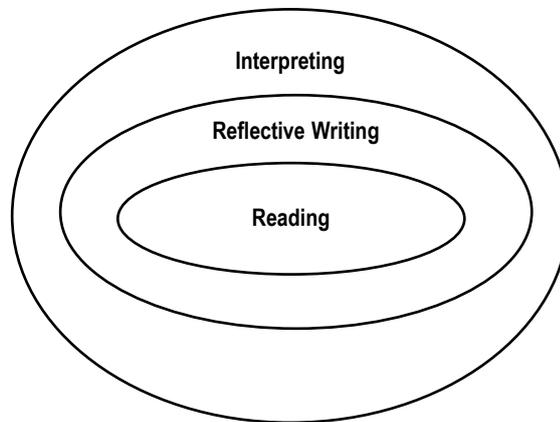
theory that Schön was rooted in. Both offer a more “relativist” or “constructivist” understanding of knowledge, culture, practices and social interactions - a clear contrast to the dominant “objectivist” tradition in science (Jahnke, 2011:25). The term comes from a god in Greek mythology, Hermes, who had the job of communicating the desires of the gods to mortals (Jahnke, 2011:5; Neuman, 2014:103). In order to convey the will of the gods to humans. Hermes had Hermeneutic to both understand the original message and then translate it so that the intended meaning would be understood (Jahnke, 2011:5).

This study associates a hermeneutic method with interpretative social science that originates in religious and literary studies of textual material in which in-depth inquiry into the text and relating its parts to the whole can reveal deeper meaning (Bassey, 1999:43; Neuman, 2014:103). Hermeneutics is focused on the subjective experience of individuals and groups. It attempts to unveil the world as experienced by subjects and the meaning through their life world stories (Sohn, Thomas, Greenberg & Pollio, 2017:124). This philosophy believes that interpretations are all we have and description itself is an interpretive process (Lavery, 2003:24; Kafle, 2011:187).

This assumption is stressed by Heidegger, (1927/1962) in Lavery (2003:24) who posits that every encounter involves an interpretation influenced by an individual background or historicity. Hermeneutics believe that interpretations are all we have and description itself is an interpretive process and to generate the best ever interpretation of a phenomenon it proposes to use the hermeneutic cycle (Kafle, 2011:186-187). The interpretive process is described as a process concentrating on historical meanings of experience and development and collective effects on individual or participants at their social level (Smith & Osborn, 2008:54-55). Hermeneutics is the study of experience together with its meanings. Meaning is always human, always worldly, and always integral to the work humans are doing in the lifeworld each day.

Lavery (2003:24) further indicates that hermeneutics is the study of human cultural activity as texts with a view towards interpretation to find intended or expressed meanings. Texts in this case are understood to include things such as written, verbal or non-verbal communication as well as prior aspects that affect communication, such as presumptions and pre-understanding (Thomas, 2010:297). The hermeneutics approach stresses the creative interpretation of words and texts and the active role played by the knower, the goal being not objective, but sympathetic engagement with the authors of a text, utterance or action and the wider socio-cultural context within which these phenomena occur (Kinsella, 2006:4). This assertion is demonstrated by Kafle (2011:195). See Figure 4.2 below.

Figure 4.2: Hermeneutics Cycle (Kafle, 2011:195)



According to Thomas (2010:297) the major belief embraced by hermeneutics is that all human understanding is achieved by iterating between considering the interdependent meaning of parts and the whole that they form. The movement of understanding “is constantly from the whole to the part and back to the whole”. Gadamer (1976:17) refers to the process as a circular relationship attempting to understand human beings in their social context. See Figure 4.2 above.

This principle is foundational to all interpretive work that is hermeneutics in nature. The interpretive paradigm fits well for this study on the perceptions and assessment of financial management conduct of school governing bodies in rural schools of South Africa, particularly in Mpumalanga Province. The significant words pertaining to this methodology are ‘participation’, ‘collaboration’ and ‘engagement’. Table 4.1 below relates the characteristics of interpretivism as outlined by Thomas (2010:298) and these were used for the purpose of this study.

**Table 4.1: Characteristics of Interpretivism (Thomas, 2010:298)**

FEATURE	DESCRIPTION
<b>Purpose of research</b>	To understand and reveal the financial management conduct of school governing bodies in rural schools of South Africa particularly in Mpumalanga Province.
<b>Ontology</b>	<ul style="list-style-type: none"> <li>• There are multiple realities. Reality can be explored and constructed through human interactions and meaningful actions.</li> <li>• Discover how people make sense of their social worlds in the natural setting by means of daily routine, conversations and writings while interacting with others around them. Writings could be texts or pictures.</li> <li>• Many social realities exist due to varying human experience, including people's knowledge, views, interpretations and experiences.</li> </ul>
<b>Epistemology</b>	<ul style="list-style-type: none"> <li>• Events are understood through the mental process of interpretation that is influenced by interaction with social contexts.</li> <li>• Those active in the research process socially construct knowledge by experiencing the real life or natural settings.</li> <li>• Inquirer and the inquired-into are interlocked in an interactive process of talking and listening, reading and writing.</li> <li>• More personal, interactive mode of data collection</li> </ul>
<b>Methodology</b>	<ul style="list-style-type: none"> <li>• Process of data collection through literature study; interviews; documents and reflective sessions.</li> <li>• Research is a product of the values of the researcher.</li> </ul>

#### **4.3.3.2 Research strategy design**

In doing research there are several strategy designs that the researcher can use (Thomas, 2010:309). The employment of a particular strategy in the research process depends on the paradigm of the study and the nature of the research question. Given the choice of interpretive paradigm and the choice of qualitative research method for this study on the shared perceptions and assessment of financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province a case study was considered to be the relevant strategy to employ because interpretivists tend to favour qualitative methods such as a case study and ethnography for their research expeditions (Willis, 2007:90).

A case study is largely used in the social sciences and was found to be valuable, especially in practice-oriented fields such as education, management, public administration and social work (Starman, 2013:29). This study is a single social case in the field of education because it is analogous to a single experiment which is on the shared perceptions and assessment of financial management conduct of school governing bodies in Mpumalanga Province (Yin, 2003:38). The relevance for case study design

as explained in this study was aligned with the proposals made by Cohen et al. (2007:253) and Bassey (1999:30) that: -

- Case study is a specific instance that is frequently designed to illustrate a more general principle.
- Case study is a study of instance in action.
- It can establish cause and effect; indeed, one of the strengths is that it observes effects in real contexts recognising that context is a powerful determinant.
- It enables the readers to understand how ideas and abstract principles can fit together.
- It recognises that human systems have wholeness or integrity to them rather than being a loose connection of traits, necessitating in-depth investigation.
- It provides a unique example of real people in real situations, enabling readers to understand ideas more clearly than simply presenting them with abstract theories or principles.

A case study is regarded by Creswell (2003:15) as a programme, an event, an activity, or a process bounded in time and place. Williams (2007:68) explains that a case study can either be a single case or a case bounded by time and place. 'Case' is a general term for exploration of an individual, group or phenomenon. It examines a bounded system or a case over time in detail, employing multiple sources of data found in the setting (Zainal, 2007:1). A case study is a general term for exploration of an individual, group or phenomenon with an attempt to discover the theory by directly observing a social phenomenon in its "raw form" (Bassey, 1999:29; Starman, 2013:31).

Case study is regarded to be a robust research method particularly when holistic, in-depth investigation is required because it enables the researcher to go beyond the quantitative statistical results and understand the behavioural conditions through the actor perspective (Zainal, 2007:1). It therefore enabled the researcher to examine the data closely within the specific context and by virtue of its nature also assisted the researcher to explore and investigate contemporary real-life phenomena through detailed contextual analysis of a limited number of events or conditions, and their relationships (Zainal, 2007:2).

A case study may be retrospective when it involves the collection of data relating to a past phenomenon of any kind where the researcher tends to look back on a phenomenon, situation, person or event and study it in its historical integrity (Starman, 2013:33). Aligning this argument with this research where it is claimed that school governing bodies in rural schools are poorly managing school finances, the researcher looked at it in order to locate challenges and come up with the solutions to the problems

experienced. Case study scrutinizes a bounded case over time in detail using compound sources within the setting. It is therefore a comprehensive description of all the individual cases and its analysis (Starman, 2013:31). The entire description of collected evidence is organised to respond to the research question(s). In this way the researcher was able to gain a clear understanding of why the instance occurred as it did as well as what might become important to look at more extensively in future research (Thomas, 2010:309).

Thomas (2010) further indicates that a case study does not claim to be representative; it emphasises what can be learned from a single case because its underlying philosophy is “not to prove but improve”. This statement promotes the intention of this study of proposing a strategy for an improvement of the financial management conduct of school governing bodies of rural schools in Mpumalanga Province. Starman (2013:36-38) provides a brief outline of the advantages of a case study as follows:

- **Conceptual validity**

Many of the variables that social scientists are interested in are difficult to measure, so the researcher has to carry out a “contextualised comparison”, which automatically searches for analytically equivalent phenomena, even if they are expressed in different terms and contexts requiring a detailed consideration of contextual factors, which is extremely difficult to do in quantitative research but very common in the case study. **For this study, case studies allowed conceptual refinements with a higher validity level over fewer cases (Starman, 2013:36).**

- **Deriving new hypotheses**

Case studies are very suitable for serving the heuristic purpose inductively identifying additional variables and new hypotheses. **For this study, case study was used to analyse qualitatively complex events and take into account numerous variables precisely because they do not require many cases or a limited number of variables (Starman, 2013:37).**

- **Exploring casual mechanisms**

Case studies examine the operation of casual mechanisms in individual cases in detail. Within a single case they look at a large number of intervening variables and inductively observe any unexpected aspect of operation of a particular casual mechanism. **With case study the researcher for this study was able to identify what conditions are in a case that activates the casual mechanism (Starman, 2013:37).**

- **Modelling and assessing complex casual relations**

Case studies are able to accommodate complex casual relations, such as equifinality, complex interactions effects, and path dependency. This advantage is relative rather than absolute. **Case studies allowed the researcher for this study for equifinality by producing generalisations that are narrower and more contingent (Starman, 2013:37).** By its very nature, qualitative research is particularistic. According to Yin, (2011:98) understanding the nuances of patterns of social behaviour only results from studying specific situations and people complemented by attending carefully to specific contextual conditions. Yin further indicates that much dialogue exists regarding the relevance and nature of generalisations in qualitative research. Some scholars argue that generalising has a limited role when doing qualitative research.

In defending the generalisation in qualitative research Yin (2011:98) indicates that the rationale for generalising findings from a single case study is the fact that any given study (qualitative or not) can collect only a limited amount of data, involving a limited number of data collection units. Yet, most studies can derive greater value if their findings and conclusions have implications going beyond the data collected, that is, the extent to which the findings can be “generalised” to other studies and other situations. The more the research of any kind is generalizable, in this fashion the more the research may be valued. This is true even where a study has only a single data collection unit, such as a single case study.

Bassey (1999:23) also indicated what is considered to be a more advantageous approach when a researcher chose a case study to be used in his/her research and this was adopted to be used in this study based on the believe that:

- Case study data, paradoxically, is strong in reality, but difficult to organise. In contrast, other research data is often “weak in reality” but susceptible to ready organisation.
- Case studies allow generalisations either about an instance or from an instance to a class. Their peculiar strength lies in their attention to subtlety and complexity of the case in its own right.
- Case studies recognise the complexity and “embeddedness” of social truths. By carefully attending to social situations, case studies can represent discrepancies or conflicts between viewpoints held by participants.
- Case studies are “step(s) to action”. They begin in the world of action and contribute to it. Their insights may be directly interpreted and put to use.

- Case studies present research or evaluation data in a more publicly accessible form than other kinds of research report, although this virtue may to some extent be bought at the expense of their length.
- Case studies, considered as products, may form an archive of descriptive material sufficiently rich to admit subsequent reinterpretation.

In arguing the above mentioned statements, Yin, (1994:9) indicates that, despite these advantages, case studies have received criticisms. Among others, disadvantage that is frequently lodged about case study include its lack of rigour.

- Lack of rigour was noted too many times from the case study investigators. They happened to be too sloppy and allow equivocal evidence or biased views to influence the direction of the findings and conclusions (Yin, 1984:21; Starman, 2013:38). To ensure rigour in the study, I was careful not to privilege biasness over data received from the original sources. I therefore kept a strategic distance from equivocal evidence, and became open to new information encountered, and was also open to be persuaded by it.
- Yin (1984:21) continues to indicate that case studies provide little basis for scientific generalisation since they use a small number of subjects, some conducted with only one subject. (Starman, 2013:38). To ensure a base for scientific generalisation, the data received from the research subjects were triangulated with information received from other sources of data used during data collection.
- When using case study, it is often difficult to summarise and develop general propositions and theories on the basis of specific case studies, and
- General theoretical (context-independent) knowledge is more valuable than concrete, practical (context-dependent) knowledge (Starman, 2013:38).

Regardless of criticisms levelled against case studies but directed by the choice of the interpretive paradigm and the nature of the research question for this study, the researcher trusted that the case study approach was the most suited research strategy for this study. The appropriateness of case study for this inquiry emanated from the assumption that through its employment the researcher would be able to learn “more about a little known or poorly understood situation through examination of instance in action” (Leedy & Ormrod, 2001:149).

Qualitative researchers analyse data inductively, regarding “meaning” as its important element (Rowlands 2005:81). Therefore, the emphasis of this study was on the subjective experiences of the participants’ viewpoints and their conceptions of their own conduct (Starman, 2013:30).

Through the use of a case study for this research, data collection was extensively drawn from multiple sources such as a literature study, interviews, archival records of documents and physical artefacts (Devetak et al., 2010:77). To explore the real-life phenomenon of participants, the researcher spent time on-site interacting with the people studied (Creswell, 2014:234).

The outcomes of this case study constitute a description and interpretation of the case, with particular focus on the description of the context of the case, i.e. the social, economic, cultural, geographical and historical setting. In describing the context of the case, the researcher presents an analysis of the major themes that emerged from the investigation (Vanderstoep & Johnston, 2009:210). The report from the interpretations would include lessons learned that connect with theories for the researcher to make recommendations.

#### **4.3.4 Population and sampling**

This study focused on the perceptions and assessment of financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province. The study considered population as the vital element for data collection. Population is the total number of units from which data can be collected, such as individuals, events and organisations or elements that meet the criteria for inclusion in a study (Burns & Grove, 2003:2013).

However, Burns & Grove (2003:2013) continue to define criteria as a list of features that are essential for membership in the target population (Burns & Grove, 2003:234). The participating schools were in the Marapyane circuit of Nkangala District of the Mpumalanga Department of Education in Mpumalanga Province. The choice of these schools was informed by the research topic which dictated the engagement of rural schools.

Approximately 95% of schools in the Nkangala Education District are situated in rural areas where the illiteracy level of community members is assumed to be very high. Directed by this assumption, the researcher selected schools based on their remoteness. The study population was made up of five selected schools of which two were primary schools and three were secondary schools. Both primary and secondary schools were selected by the researcher on the basis of the remoteness of their locality.

Qualitative research is naturalistic; it attempts to study the everyday life of different groups of people and communities in their context-specific or natural settings (Patton, 2002:230). Purposive sampling is synonymous with qualitative research (Palys, 2008:697). Purposive sampling was adopted for this study. In qualitative research, sampling is chosen in a deliberate manner known as purposive sampling (Babbie 2011:207). The goal for selecting the specific units in this study was to have those who would yield the most relevant and plentiful data given the researcher's topic of study (Yin, 2011:88). A sample is a small set of cases a researcher selects from a large pool and generalises to the population (Neuman, 2014:246).

It is a selection of a subset of persons or things from a larger population with an intention of representing the particular population (Gall et al., 2007:16). A sample is also referred to as the selection of specific data sources from which data is collected to address the research objectives (Gentles, Charles, Ploeg & McKibbin, 2015:1775). A sample is referred to by Etikan, Musa & Alkassim (2016:1) as a portion of a population or universe. Etikan et al. (2016) further argue that population does not necessarily mean a number of people but can also refer to the total quantity of the things or cases which are the subjects of research.

Through purposive sampling the researcher handpicked cases to be included in the sample on the basis of the judgement of their typicality (Cohen et al., 2007:114-115). Purposive sampling, which is also known as judgemental sampling, is a non-random sample in which the researcher uses a wide range of methods to locate all possible cases of a highly specific and difficult-to-reach population (Marshall, 1996:523; Neuman, 2014:273).

The quality of research stands or falls not only because of the appropriateness of the methodology and instrumentation but also by the suitability of the sampling strategy that the researcher has adopted (Cohen et al., 2007:100). For this study to stand, the researcher regarded purposive sampling as appropriate because it provides more in-depth information than quantitative (Miles & Huberman, 1994:121). Purposive sampling is a technique widely used in qualitative research for the identification and selection of information-rich cases for the most effective use of limited resources (Palinkas, Horwitz, Green, Wisdom, Duan & Hoagwood, 2015:534). They further posit that this involves identifying and selecting individuals or groups of individuals who are especially knowledgeable about or experienced with the phenomenon of interest. In support of this assertion of high priority in this study, the units selected included those that might offer contrary evidence, especially given the need for testing revived and revitalised explanations (Yin, 2011:88).

Miles & Huberman, (1994:121) explain that small sample size is preferred when conducting qualitative research because purposive sampling provides more in-depth information than quantitative sampling. The size of the sample for this study was determined by the optimum number necessary to enable valid inferences to be made about the population (Marshall, 1996:522). The sample size depends on the nature and design of the study (Edwards & Holland, 2013:7).

Since this study was qualitative, an appropriate sample size would be the one that adequately answers the research question (Marshall, 1996:523). In qualitative research, there is no clear-cut answer for the correct sample size. The correct sample size depends on the purpose of the study and the nature of the population under scrutiny and to some extent the style of the research (Neuman, 2014:269).

Discarding the notion of quantitative approaches to sampling, which attempt to gather information from large numbers of participants, which is claimed to represent the general population (Omair, 2017:142), the sample size for this study followed the size as suggested by Miles & Huberman (1994:121). Through small sample size, the researcher believed that the appropriate description of the financial management conduct, their financial management challenges, literacy level, improvements and achievements in schools to date would be provided. Therefore, the sampling that was regarded as correct for this research project was made up of 28 participants. Twenty-five participants were drawn from the members of finance committees from different schools. Each school was represented by a group of five participants or members of the finance committee. The sample also included one circuit management official under which the sampled population fell, one finance official in the Nkangala District office and one district schools governing bodies' coordinator.

The process that was used for selection of participants was guided by the principle of “enculturation” and “current involvement” (Chabalala, 2005:46). The sampling process is referred to as a selection of a group of people, events or behaviour with which to conduct a study (Burns & Groves, 2003:31). Enculturation means that participants have been engaged in what they are doing or have been doing for a long time and could therefore supply the researcher with relevant and rich information on the topic under investigation, and current involvement implies that the participant(s) are involved in what they are going to be asked about when the study is undertaken (Chabalala, 2005:246).

- **Current involvement**

Finance committees of schools were selected based on the assumption that it was their daily responsibility in schools to sanction procurements to be made, to receive and pay claims, they know the

income and expenditure of the school, they advise the school in terms of good financial conduct, draw up the financial budget of the school on behalf of the school governing bodies. The circuit manager was sampled basically because he/she is an overseer of all educational and financial activities of schools within the circuit. The circuit manager was assumed to have a lot of information pertaining to financial management conduct of the schools under his/her control. He/she is abreast of the schools in his/her circuit as to which are compliant or non-compliant with financial management legislation and good financial management conduct and the achievements due to compliance and the underlying challenges for non-compliance. He/she is in a better position to provide information pertaining to the literacy level, challenges, achievements and improvements of school governing bodies because he/she has the statistical profiles of all the school governing body members in the entire circuit.

A district official dealing with school finances was sampled based on the fact that all the schools' financial management challenges, reports, budgets and audited financial statements and allocations are handled by his/her office. He/she was also sampled on the basis of the knowledge he/she has pertaining to how schools are conducting themselves in terms of managing finances. He/she is therefore relevant to provide information regarding financial management conduct of school governing bodies.

District schools governing bodies' coordinator was sampled because he/she is the one who is responsible for organising workshops for school governing bodies, receiving complaints of financial mismanagement from schools and solving problems of the school governing bodies. The schools governing bodies' co-ordinator is therefore assumed to be in a better position to provide information pertaining to financial management challenges, literacy level, achievements and improvements of the school governing bodies because he/she has the statistical profiles for all the school governing body members in the entire district.

- **Enculturation**

Finance committees of schools were selected on the premise that they are people who deal directly with day-to-day financial control and management of the school and that they have been given such a responsibility for a certain period of time since school governing bodies' period of office is only three years. The researcher assumes within these three year cycles of membership they have been executing financial management responsibilities and activities in their respective schools, thus they would provide rich information for this study.

The circuit manager is employed permanently by the Department of Education to execute circuit management responsibilities and to advise schools with regard to financial management and other related management responsibilities on a long term period. It is assumed that he/she has also been involved with the challenges schools have been having over a long period of time. Therefore, he/she has the capacity to share his/her experiences with the researcher.

A district official dealing with schools' finances was sampled based on the assumption that he/she is employed by the department on a permanent basis and was engaged with school finances for a long period. Therefore, he/she is in a good position to provide information required by the researcher for this study. The district schools governing bodies' co-ordinator was sampled because he/she is employed by the Department of Education in a permanent post to work with school governing bodies on a regular basis. His/her experiences of working with the school governing bodies in the district may help the researcher to advance the objectives of this study.

#### **4.3.4 Research instruments and data collection technique**

Qualitative research methods involve the systematic collection, organization and interpretation of textual material derived from a talk or observation (Malterud, 2001:483). Data refers to a collection of organised information, usually the results of experience, observation, or experiment. It consists of numbers, words or images, particularly measurements or observations of a set of variables (Yin, 2011:130). Collecting refers to compiling or accumulating objects such as documents, artefacts, and archival records related to the study (Yin, 2011:147). To ensure trustworthiness of data to be collected for this study, the researcher selected data collection techniques that were favoured by the research paradigm of this study. The research techniques that were used for data collection for this study were those that provided analysis and new compelling interpretation. By 'new' the researcher implies novel, unique and engaging and by 'compelling' it is meant logical and supported by rich descriptive examples that persuade the reader to adopt the researcher's interpretation of the text (Vanderstoep & Johnston, 2009:233).

For this study on shared perceptions and assessment of financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province the researcher selected a literature review and document analysis for collection of secondary data, face-to-face semi-structured interviews for collection of primary data as the relevant data collection techniques to be used. The choice of interviews was persuaded by the assumption that they would assist to advance the real-life experiences of

participants in their real-life situation about the topic under investigation and share those experiences with other people (Yin, 2011:114).

The research problem for this study, therefore defined the methods and procedures, sampling, data collection and data analysis to be used in this investigation project (Yin, 2011:82; Volsoo, 2014:317). Based on the above assertions, the relevant collection of data, which is in the context of the problem under investigation, would be discussed under the following sub-headings:

#### **4.3.4.1 Literature review**

A literature review was an early and essential step for **secondary data collection** that the researcher did in order to review the accumulated knowledge on the research question. To inform the first step of commencing with this study, a widespread literature review of various resources on the research topic under study was conducted. Literature reviewed included journals, books, dissertations, theses, research papers, newspapers, official documents and public documents. The literature review is the use of ideas in the literature to justify the particular approach to the topic, the selection of methods, and the demonstration that the research contributes something new (Levy & Ellis, 2006:182).

#### **4.3.4.2 Aims and purpose of the literature review**

The researcher's aim of conducting a literature review was to disclose what other researchers have already found out regarding the topic under research (de Vos, Strydom, Fouche & Delport, 2002:65; Flick, 2008:59). Reviewing literature aimed at presenting a substantially contemporary and better insight into the dimensions and complexity of the problem, equipping the researcher with an explanation for the succeeding steps and providing a realisation of the importance of the research enquiry. The researcher for this study reviewed literature based upon a concept-centric approach rather than author-centric approach (Levy & Ellis, 2006:184). Concept-centric review of literature was done in order to assist the researcher to provide a solid argument for the need for the study as well as see where literature fits into the proposed study and to provide the grounds for legitimization of the research questions proposed in the study as well as to authenticate the approach proposed by the study (Levy & Ellis 2006:184). Therefore, the review of literature for this study was guided by the aims as espoused by Levy & Ellis (2006:183).

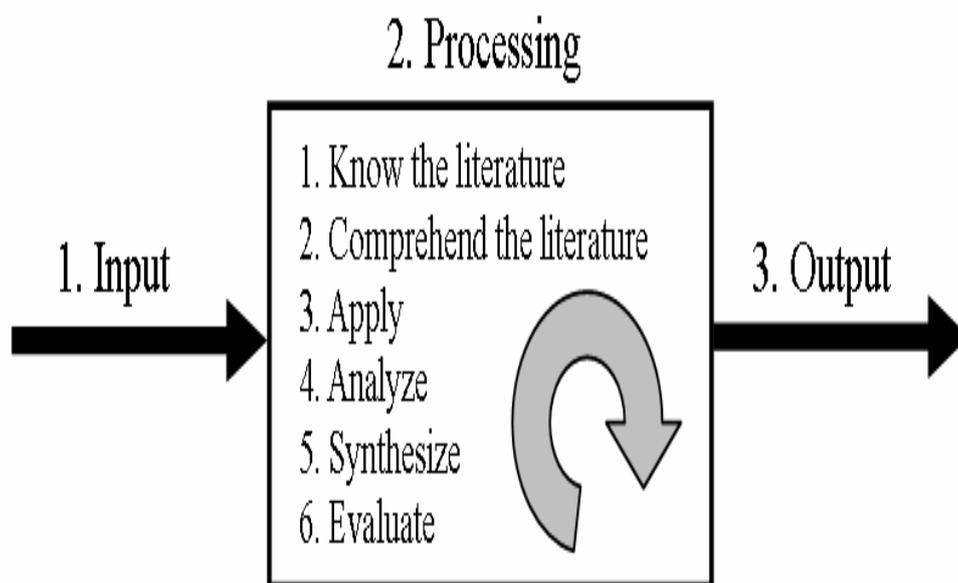
- To introduce the study and situate it within a broader framework and to show how it continues on developing a line of study.

- To trace the research issue over time and to merge it with the theoretical review in which a concept theory or research method was developed over time.
- To review methodologies by comparing and evaluating the relative methodological strength of various studies and show how different methodologies such as research designs and sample account for different results.
- To present the current state of knowledge on the research topic by summarising and highlighting agreements and disagreements within it.
- To engage in self-study and demonstrate the familiarity with a subject area.
- To present several theories focused on the same topic and compare them with the basic assumptions, logical consistency and scope of explanation.

#### 4.3.4.3 Procedure for literature review

The literature was reviewed following the aims of the review as complemented by Levy & Ellis (2006:182). See Figure 4.3 below.

Figure 4.3: Stages of Effective Literature Review Process (Levy & Ellis, 2006:182)



Adopting Neuman's (2014:126) way of reviewing literature the researcher was also directed by the following steps which are: historical review, context review, methodological review, integrative review, theoretical review and self-study review. Following the mentioned types of reviews, a review of national and international literature on financial management in public schools was conducted.

- **Historical review**

National and International literature was reviewed to locate the knowledge of literature on the research problem in the international landscape to find out how the research problem is addressed as compared to what is claimed in the national setting (Levy & Ellis, 2006:183; Neuman, 2014:126). This was done by tracing the issue of financial management conduct in schools over time. Historical review of literature was also done to complement the research argument to provide the researcher with a fresh perspective on the topic under research to arrive at an authentic conclusion (Neuman, 2014:126; Levy & Ellis, 2006:183).

- **Context review**

National literature was reviewed to comprehend the topic of investigation and to put it into context. The researcher introduced the study by situating it within the broader framework and showed how it continued developing the line of thought for this study (Levy & Ellis, 2006:183; Neuman, 2014:126). This was done by comparing the account provided by one author to another in relation to the same problem under inquiry to authenticate the findings and relate them to the context of the research problem.

- **Methodological review**

National and international literature on schools' financial management was reviewed to unveil good conduct procedures for managing finances in schools at the national and international levels of schools' financial management. This was also done to refine methodology that informs this study, to develop focus for identifying issues to be explored and approaches to be used, and develop applicable research tools (Levy & Ellis, 2006:183; Sebidi, 2008:56; Neuman, 2014:126).

The researcher compared and evaluated the routine methodological strength of various studies and showed different methodologies (designs, samples, etc.) account for different results. Of importance, triangulation of different sources was done in order to get the "witting" and the "unwitting" evidence of data that the author of the source wanted to convey.

Doing triangulation was the researcher's idea of looking at data from multiple points of views in order to improve accuracy (Neuman, 2014:166). The "witting" evidence is the information which the original author(s) of the document(s) wanted to impart through his or her written document, and the "unwitting" evidence is everything else that can be learned from the documents (Bell, 1993:69).

- **Theoretical review**

Directed by the national and international review of the literature, the researcher was able to learn different theoretical frameworks which directed him to anchor the perspective of the study (Levy & Ellis, 2006:183; Neuman, 2014:126). Several theories were presented by the researcher focused on the same topic and were compared with the basic assumptions, logical consistency and the scope of explanation.

- **Integrative review**

Based on the review of national and international literature the researcher integrated the knowledge and experiences on financial management conduct in schools nationally and internationally and presented summaries and agreements and disagreements within it. The information was merged with a theoretical review in which concept theory or research method(s) developed over time (Levy & Ellis, 2006:183; Neuman, 2014:126).

- **Self-study review**

The researcher demonstrated the familiarity with the subject area by staging the problem for investigation and presented arguments and agreement based on what is happening in real life situations of practitioners. This was also done by providing examples of the situations which are in line with the experiences of different authors and also providing additional information on the topic to demonstrate the acquaintance with the area of the study. In this way the researcher authenticated the literature quality of the study (Levy & Ellis, 2006:185).

#### **4.3.4.4 Interviews**

**Interviews were conducted during fieldwork to collect raw or primary data.** Doing fieldwork refers to entering a real-life environment with people carrying out their everyday routines. The most important caution that the researcher observed was to remember that he was entering the participants' space and time and social relationships. The researcher also remembered that working in the field requires the establishment and maintenance of genuine relationships with other people in order to be able to converse comfortably with them (Yin, 2011:110). Interviews are seen as the "gold standard" qualitative research method (Thompkins, Sheard & Neale, 2008:18). The interview is a meeting where a reporter obtains information from a person or a meeting with another person to achieve a specific goal, and,

more generally, as a conversation with a purpose (Kvale, 2006:483). Research interviews were used to explore the views, experiences, beliefs and motivations of individuals on specific matters (Gill, Stewart, Treasure & Chadwick, 2008:2).

The researcher regards interview as a primary source of data collection (de Vos et al., 2002:300). As argued by Cohen et al. (2000:267) “the interview is not simply about data collection, but it is about life: it is part of life, its human embeddedness is inescapable. It seeks to generate rich insights into narratives, experiences, attitudes and feelings by allowing participants to express themselves in their own words or narrate stories based on their own thoughts and life experiences” (Thompkins, Sheard & Neale, 2008:18; Edwards & Holland, 2013:17).

In support of the outlined assertion Alshengeeti (2014:39) indicates that the value of an interview is not only because it builds a holistic snapshot, analyses words, reports and detailed views of informants, but it also enables interviewees to “speak” in the own voice and express their own thoughts and feelings. Based on these submissions one may claim that interviews have conversational purpose which, according to Wood & Kroger (2000:72) is called the “ventionist” approach. Through the use of interviews, the researcher generated the interpretive context in such a way that the connections between the interviewees’ accounts, practices and variations in a functional context became clear (Sebidi, 2008:49). The interviews in this study are seen as a conversational encounter and therefore were used following the assumption that “*language can be used as a tool for social action*”. Wetherell et al. (2001:49-50) assume that language as tool can be used to express financial management experiences, challenges, achievements, improvements and conduct within institutions. It is therefore evident that through the use of language people can change things within their institutions.

In this study the use of conversational analysis during the interviews was not only anchored on participants’ interaction, but also on investigating talk, which occurred in a setting in which participants orientated themselves to the relevance of a limited set of work-related discursive tasks (Wetherell et al. 2001:49-50). Therefore, the use of interviews was relevant for the study on the shared perceptions and assessment of financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province.

#### **4.3.4.5 Aims and purpose of interviews**

The researcher’s aims for conducting this study are uniquely in line with the aims proposed by Cohen et al. (2007:351) which are:

- To gather information that has a direct bearing on the research objectives.
- To test hypotheses or to suggest new ones, or to be used as a device to identify the variables and relationships.
- To follow up unexpected results or validate other methods or to go deeper into the motivations of participants and their reasons for responding as they do.

Learning from using interviews as advanced by Ary et al. (2010:380), interviews have the following advantages for the interviewer:

- The interviewer has an opportunity to read the questions to the participants in a face-to-face setting and record data.
- The most important aspect is flexibility, because the interviewer has an opportunity to observe the subject and the total situation in which he/she is responding.
- The researcher also has the opportunity to repeat questions or their meaning in case they are not understood by the participants.
- The interviewer has a luxury of pressing for additional information when a response seems incomplete or not entirely relevant.
- The interview encourages a high respond rate from the participants.
- The interview makes the researcher have control over the order in which questions are considered.
- Using an interview is advantageous for the researcher to engage the participants who cannot read and write. This type of interview provides the only possible information-gathering technique for such participants.

Though this study had the luxury of using interviews for data collection, during the implementation process the researcher guarded against the disadvantages as explained by Ary et al. (2010:380-381) that normally come with this exercise, such as:

- The possibility of interviewer bias which occurs when the interviewer's own feelings and attitudes and other characteristics influence the way questions are asked and interpreted.
- The problem of social desirability bias, in which participants want to please the interviewer by giving socially acceptable responses that they would not necessarily give on an anonymous questionnaire.

- The problem of verbal and non-verbal encouragement or rewarding of “correct” responses that fit with the researcher’s expectations which the researcher may not realise during the interview.

Questions crafted for interviews for this study followed a prescribed sequence of questions from simple to complex or from general to more specific questions (Ritchie & Lewis, 2003:112; Gill, Stewart, Treasure & Chadwick, 2008:5). Simple or general questions are those that were used when opening the interviews in order to build rapport (Vanderstoep & Johnston, 2009:226). Complex or specific questions were asked during the progression of the interviews when the participants’ tension was relaxed and closing questions were asked towards the end of the interview to bring the respondent back to the environment through gradually decreasing questions intensity to allow them to feel free to provide additional information that might help the investigation of a problem (Vanderstoep & Johnston, 2009:227).

This study is qualitative; therefore, the researcher developed and used an interview protocol for asking questions (Creswell, 2014:224). As a qualitative researcher using a semi-structured interview as a data collection technique, the researcher preferred to use the interview protocol in order to be assisted and guided to collect data in a productive way (Ritchie & Lewis, 2003:123; Yin, 2011:102). An interview protocol connotes a broad set of behaviours the researcher has to undertake and contains sufficient questions central to the topic being studied that guides one or more lines of inquiry (Yin, 2011:103).

When designing an interview protocol, the researcher made sure that it contains a small subset of topics which are considered relevant to the interview. These subsets were developed through the reading of literature on financial management in schools. A preliminary list containing the key issues to be explored during interviews was produced. This list was examined, and broad issues were identified and incorporated into the interview protocol (McLafferty, 2004:189).

Questions were crafted in such ways that were followed by some brief probes and follow-up queries (Yin, 2011:142). A well-designed interview protocol provides flexible direction to the fieldwork process and essential documentation of central aspects of the research (Ritchie & Lewis, 2003:115). The researcher also included transition statements to interview questions in order to give participants an ample opportunity to think about the answers to the next questions to be answered (Vanderstoep & Johnston, 2009:233).

For the interviews in this study, the researcher used the interview protocol for the reasons advanced by Ritchie & Lewis (2003:115) as well as Yin (2011:103) that:

- It provides documentation of subjects to investigate that serves as an interview agenda, guide, or *aide-memoire*.
- As an *aide-memoire*, the interview protocol offers a tool to enhance the consistency of data collection and ensures that relevant issues are covered systematically and with the same uniformity.
- An interview protocol assists qualitative researchers to present a neutral posture in collecting the full variety of data, whether interviewing, sifting through documents or reviewing field evidence.
- An interview protocol is a mechanism for steering the discussion in an interview or focus group.
- An interview protocol assists the researcher to strive for converging and triangulating evidence because the fluidity of the data collection process leaves opportunities for such convergence or triangulation that may be overlooked when an interview protocol is not used.

#### **4.3.4.6 Face-to-face semi-structured interviews**

For the collection of data from participants, the researcher used face-to-face semi-structured interviews. The researcher's choice of this data collection technique was based on its potential to give participants an opportunity to describe personal information in detail and it allows exploring the meaning participants attach to their lived experiences (Kgwete, 2014:105). The face-to-face semi-structured interview is an oral, in-person administration of a standard set of questions that are prepared in advance. Questions for face-to-face semi-structured interviews were phrased to allow unique responses from each subject (Sebidi, 2008:46).

Sebidi (2008:46) further avers that, regardless of the type of question, the responses would be coded, tabulated and summarised numerically. Of importance, semi-structured interviews afford the researcher the latitude to move from the conversation to cover issues of interest that may surface. The interviewer may also probe supplementary questions which are not included in the protocol, to explore general views in a detailed manner (Sebidi, 2008:47). The face-to-face semi-structured interview protocol was aimed at exploring new issues and probing further.

Nevertheless, each interview tends to be unique; consequently, it is sometimes difficult to analyse face-to-face semi-structured data, especially when synthesising across participants (Conco, 2004:64). The relevance of semi-structured interview for this study was to collect information that had a direct bearing on the research objectives. The researcher adopted this data collection technique based on the belief

that such interviews are built upon open-ended questions which would allow the participants to respond in whatever way they choose (Conco, 2004:65).

#### **4.3.4.7 Procedure for face-to-face semi-structured interviews**

The face-to-face semi-structured interviews were conducted with the circuit manager, district official dealing with school finances and the district school governance co-ordinator. Interviews were conducted with these education officials behind the closed doors of their offices. With the circuit manager, the interview was conducted in his/her office in Marapyane Circuit. With district officials, interviews were held in their offices at the Nkangala Education District.

Much as interviews are interaction between two strangers with one person obtaining information from the other, an interview protocol with explicit interview questions was used to help the interviewer during the data collection with the participants (Vandestoepe & Johnston, 2009:225; Yin, 2011:131, Neuman, 2014:150). Officials were asked open-ended questions from the interview protocol, which served as a conversational guide for the researcher (Yin, 2011:139). Interviews have the highest response rate and allow the researcher to observe the surroundings and use non-verbal communication during the process of the interview.

Participants were then given an opportunity to express their thoughts in their own words and to ask clarity seeking questions (McMillan & Schumacher, 1989:242). The interviewer used follow-up questions to confirm understanding pertaining to the responses made by the participants and as an endeavour to encourage them to provide rich data (Gall, Gall & Borg, 2007:228; Vanderstoepe & Johnston, 2009:225; Neuman, 2014:347).

The process as posited by Wood & Kroger (2000:72) was a conversational encounter. See page 383, appendix U in the appendices section for the questions asked during face-to-face semi-structured interviews. A tape recorder was used during the entire process of the interviews and all responses from the participants were transcribed. Information from the proceedings was noted in the interviewer's journal as backup information (Sebidi, 2008:48).

The face-to-face semi-structured interview approach assisted the interviewer to generate the interpretive context in such a way that a relation between the interviewees' accounts, practices and variations in a functional context became flawless (Sebidi, 2008:49). This was done by engaging participants into "what", "how" and "why" questions with the aim of extracting relevant details and in-

depth information that described and explained the participants' perspectives (Kgwete, 2014:105). Based on this assertion, the interviewer was able to understand and reveal the shared perceptions and assessment of financial management conduct in rural schools in Mpumalanga Province since all the participants targeted by this data collection technique were school governing body members and administrators in the Nkangala Education District. When exiting the interview, the interviewer brought the participants back to the initial environment by gradually decreasing the intensity of the questions (Vanderstoep & Johnston, 2009:227).

The interviewer used open-ended closing questions so as to give the participants an opportunity to address, redirect and/or correct the research agenda. The interviewer clarified the future rapport between himself and the participants which included future interview meetings as well as the commitment to provide research results to them and thanking them for their participation (Vanderstoep & Johnston 2009:227; Yin 2011:140).

#### **4.3.4.8 Focus group interviews**

The focus group interviews for this study were comprised of individuals with certain characteristics who focused discussion on the topic under investigation (Rabiee 2004:655). For this study, individuals in question were members of the school governing bodies' finance committees. The focus groups consisted of a small group of participants. The groups functioned as a promoter of synergy and spontaneity by encouraging participants to comment, explain, disagree and share their views (Tausch & Menold, 2015:1).

According to Freitas, Oliveira, Jerkins & Popjoy (1998:11); Brink (2001:159); Boateng (2012:54); and Yin (2011:141) focus group as the main type of moderately sized groups of 2-3 persons or a moderate size of 7-10 persons, and many texts and articles cover this type of data collection" For this study, five members of the finance committee were purposely selected from each of the five sampled schools, and they were brought together by the interviewer to explore attitudes, feelings and perceptions, and ideas about the topic under investigation (Dilshad & Latif, 2013:192).

#### **4.3.4.9 Aims and purpose of focus group interviews**

The aim for the choice of this technique for data collection was generated by the assumption that focus groups have a synergistic group effect (Vanderstoep & Johnston, 2009:235; Tausch & Menold, 2016:1). This implies that individual participants are provided with the opportunity for group interaction to

produce information that cannot be provided by individual interviews and give a sense of “safety in numbers” to those cautious researchers or those who are anxious (Burns & Grove, 2005:542).

The rationale for choosing this data collection technique was also based on the interest of the researcher to obtain different perspectives and see the phenomenon of investigation through the lenses of the interviewees and to afford the researcher an opportunity to connect the insights of the focus group participants by exploring their thoughts (Flick, 2008:16).

This was also done to prevent the researcher’s bias and to approach the phenomenon under investigation without preconceived ideas (Greeff, 2011:342). Having selected focus groups for this study, high-quality data in a social context provided the understanding and exposure of the financial management conduct of school governing bodies in Mpumalanga Province from the viewpoint of the participants (Dilshad & Latif, 2013:192).

#### **4.3.4.10 Procedure for focus group interviews**

The following procedure was followed by the researcher when conducting the focus group interviews with the members of the finance committees of the selected schools. These steps involved the set-up in the interview venue, introduction, discussions, interview preview, moderating and exiting the focus group interview.

- **The set-up**

The set-up in the interview venue was undertaken in a way that the moderator and the participants were not separated to avoid emotional pressure. To instil a feeling of belonging, and comfort in disclosing rich data, participants were seated in a circle around the tables for better communication. A prepared schedule or protocol for questions was used. The interview protocol contained a small sub-set of topics. Each topic was followed by brief probes and follow-up questions (Yin, 2011:139). Using a protocol for the interviews made the participants feel that they were part of a more formal enquiry and they thus became more self-revealing on controversial issues.

- **Introduction**

Conducting a focus group interview requires verbal and nonverbal skills, the ability to communicate empathy, and the insight to pursue particular responses with fruitful follow-up questions (Vanderstoep & Johnston, 2009:236). As a moderator for the group, the researcher introduced himself and clearly

indicated the purpose of the focus group. At this stage the group members also introduced themselves and indicated their personal profiles and defined their respective roles.

According to Vanderstoep & Johnston (2009:16), it is important to brief the participants about the nature of the research because that helps to clear the air about the rationale of the research and enables the participants to hear, in the researcher's own words, why the research is being conducted. In this way the researcher would create a comfortable climate for interaction, establish rapport with the participants, alleviate respondent apprehension and help the group to be acquainted with the proceedings (Sebidi, 2008:51; Yin, 2011:141).

- **Preview**

At this stage the moderator established the culture of the group by previewing the format of the questions that are to be presented and establish communication expectations for participants' interaction. Participants were made aware of respecting their differences of opinion, maintenance of their politeness in addressing issues, and that as a moderator would direct the order of talk and manage any disagreement between opinions. The role of a moderator became that of one of trying to induce all the members of the group to express their opinions, but with a minimum, if any direction (Yin, 2011:141).

In this study the researcher assured the participants regarding anonymity and confidentiality of the data and confirmed that he would not disclose names and information concerning participants' views unless they granted this with written consent (Creswell, 2014:133). The researcher also disclosed to the participants that handwritten notes and the tape recorder would be used to complement each other when gathering information during all the proceedings of the interview (Creswell, 2014:136), the reason being that much as technological devices are reliable, they might also turn to be unreliable. Therefore, in case the recording equipment failed, the information from the interviews would have been captured manually and, conversely, in case certain information was missed manually it would be recovered by listening to the tape recording.

- **Discussion**

Once the climate of the interaction was created, the communication guidelines established, and the purpose, procedure and dissemination of the focus group data presented, the discussions were launched. When entering in the discussion sessions the researcher requested that all the cell phones

be switched off to avoid interference with participants while in discussion. To ensure production of rich data as well as cosiness in disclosing valuable data, the researcher established standing rules for participants to adhere to such as respecting the views and the flow of new ideas from their fellow participants; not interfering with fellow participants when talking and avoiding hurtful remarks.

During the discussions, questions were asked inductively, proceeding from simple to complex using the prepared interview guide. See page 383, appendix V in the appendices section for the questions prepared for the focus group interviews. Follow-up questions were asked by the researcher during the interview proceedings thus yielding more in-depth information (Vanderstoep & Johnston, 2009:233).

Though in a focus group the role of the moderator is to facilitate group communication and to enhance fruitful discussions, the researcher gave participants an opportunity to talk to each other, rather than always directing their responses directly to the moderator. The researcher adopted the “silence interview technique” during the interview where participants were given sufficient time to think about the question, organise a response and articulate a response (Vanderstoep & Johnston, 2009:233). To help the interview to progress smoothly from one topic to another, “attention-getting preface transition” in questions asking was also adopted by the moderator.

Transitions statements helped the participants to put a context or organisational label on what was being covered and what was coming up and also helped the participants to be more at ease especially when they were able to make sense of how the interview was progressing. All the debates during the focus group interviews were tape-recorded (Flick, 2008:77; Greeff, 2011:371).

- **Moderating**

The researcher’s role as a moderator was to facilitate group participation, monitor time and progression of the focus group through discussion questions and to bring the discussion to a close (Freitas et al., 1998:13). The researcher maintained open-mindedness and skills in eliciting information. It is a moderator’s responsibility to manage difficult respondents who are either reluctant to engage in an interview process or who dominate the process.

The moderator displayed refereeing skills to guide the participants to interact effectively and exert control over the topic and participants without directing the discussion or pressuring the participants. It was the responsibility of the moderator to promptly deal with any upsetting remarks and preconceptions made by the participants by always referring them to the standing rules proposed for the interview.

Dominance within the group may result in “spiral of silence theory” where other participants may perceive that they hold a minority opinion, basing their perception on the assertion that their opinion may be contrary to the powerful articulated opinions surrounding them, thus choosing to remain silent, even when, in reality, there are others who would agree with them (Vanderstoep & Johnston, 2009:236). To manage this situation, the researcher recognised the reluctant or dominant participants by name. After that he acknowledged the perception he or she had surfaced and affirmed his/her contribution to the process and then continued the discussion by also acknowledging others who needed to speak or by acknowledging time constraints.

- **Exiting the focus group interview**

In closing the interview for the study, the researcher maintained the tone set throughout the interview. The researcher brought the participants back to the initial environment and more neutral ground by gradually decreasing the intensity of the questions (Thompkins, Sheard & Neale, 2008:19). The researcher used open-ended closing questions to give the participants an opportunity to address, redirect and or correct the research agenda.

The researcher clarified the rapport between the researcher and the participants, which included possible future interview meetings as well as the commitment to provide research results. The researcher also re-committed and re-assured participants of the anonymity and confidentiality of the data they had provided during the interview and thanked them for their participation (Vanderstoep & Johnston, 2009:227; Yin, 2011:140).

#### **4.3.4.11 Document analysis**

Documents are printed or written materials or records of the past and present (Ary et al., 2010:442). They may be official and un-official, public or private, published or un-published, prepared intentionally to preserve historical records or only prepared to assist an immediate practical purpose (Bell, 1993:68). They may be official minutes, regulations and laws, newsletters, books and journals. For this enquiry the documents that were analysed were school finance policies, minutes of budget meetings, financial budgets, financial control documents, audited financial statements, financial receipts, departmental schools budget documents, schools financial allocation certificates, school financial management legislation documents, school financial management guides and schools financial management records, workshops plans and documents that were referred to the researcher by participants during interviews (Ary et al., 2010:442).

#### **4.3.4.12 Aims and purpose of document analysis**

Document analysis for this study aimed at understanding and revealing the perceptions and assessment of financial management conduct of the school governing bodies in rural schools of South Africa, particularly in the Mpumalanga Province as compared to what the researcher discovered through the interviews. With document analysis the researcher intended to determine from the documents the “witting and unwitting evidence” of the phenomenon under investigation (Bell, 1993:69). The “witting” evidence is the information which the original author of the document wanted to communicate, whereas the “unwitting” evidence is everything else that can be learned from the document. All the documents provide “unwitting” evidence; therefore, the researcher was obliged to carefully inspect their preciseness and significance in relation to the research topic (Ary et al., 2010:442).

When analysing documents as Bell (1993:70) postulates, the researcher aimed to discover if the document was both genuine (i.e. not forged) and authentic (i.e. it purports to be and truthfully reports on its subject). With document analysis the researcher aims to present an analysis of numerous relevant public documents in the form of a text (Bertram & Christiansen, 2014:97). Document analysis was chosen as a data collection tool for this research study precisely to link events with their physical and social background using a variegated array of presumption and inferential procedures (Wetherell, Taylor & Yates, 2001:51).

Document analysis as a technique of data collection chosen for the fact that documents have the attraction of being available and being factual. Nevertheless, on the other hand, documents may be unrepresentative, selective, lack objectivity, be of unknown validity, simple and direct, be gained by non-interventional means to reduce the problem of reactivity, heavily inferential, and containing elements whose relevance is questionable (Cohen et al., 2000:147).

#### **4.3.4.13 Accessing documents for analysis**

Documents may be written or text-based artefacts. Documents required for analysis for this study were requested by the researcher from the participants before the staging of interviews. The requisitions were made verbally and in written form by enlisting all the essentially earmarked documents to be utilised. The list of documents was submitted when the researcher visited schools to submit letters requesting permission to conduct a research. These documents were requested from the principals, SGB chairpersons, the circuit manager and the district officials and explained what the documents in question would be used for and also ensured their security and confidentiality.

These documents were requested in the participants' letters of consent. Some of the documents were envisaged to be obtained during the field work immediately after the interviews for the reason that the participants may have referred in their discussions to such documents that the researcher did not enlist for the requirement. The documents that the researcher was referred to by the participants during the interviews which were not within their reach and not under their control, the stakeholder(s) responsible were written requisition letters for the acquisition of such documents and the purpose and objectives of utilizing such documents were clearly defined.

#### **4.3.4.14 Procedure for document analysis**

Document analysis was conducted throughout the course of the information-gathering exercise. The procedure was used during the preliminary phase of the study to provide the contextual background for the design and to fine-tune the interview instruments (Sebidi, 2008:53). During this phase the researcher considered both internal and external criticism.

For this study, the researcher used documents such as meeting minutes, schools' finance policies, audited financial statements, budgets, books, legislation to check how finances are used to enhance the vision and the mission of the school and other related documents. Before analysis of collected documents were proceeded, the researcher categorized the collected documents in terms of their level of data which entailed public records and personal documents as suggested by Ary et al. (2010:242) as follows:

- Finance documents from schools.
- Finance documents from the circuit office.
- Finance documents from the district office.

These documents provided the researcher with explanations of the present and the past financial management conduct of the school governing bodies in South Africa, specifically in schools in the Mpumalanga Province. Document analysis was conducted prior to and after conducting face-to-face and focus group interviews in order to associate texts with what had already been unveiled. Finance documents from schools were analysed to find out and understand the requisites of the school financial management in terms of the responsibilities of the state in funding public schools who must manage finances at the level of the school and how school finances should be managed.

Finance documents from the district office were analysed based on the financial management conduct, challenges and achievements in schools. Analysis was conducted in terms of the responsibilities of district officials in ensuring proper financial management conduct in schools and the challenges encountered by the finance committees in managing school finances. The analysis also involved reports of cases of financial mismanagement.

Reports were studied with references to the acknowledged accounts from the interviews about the history of schools' financial management conduct in rural schools in Mpumalanga Province. Accounts on personal experiences and departmental narratives about the state of financial management conduct of the school governing bodies in Mpumalanga Department of Education were also studied, analysed and used to surface important data pertaining to the topic under inquiry.

Analysis of circuit finance documents concentrated on the responsibilities of the circuit manager in relation to the support he/she provides to enhance proper financial management in schools. Circuit financial reports on schools' financial management were analysed to investigate the financial management working relationships with schools, the challenges the school governing bodies are experiencing, and their achievements in terms of utilising the financial subsidies provided by the department.

#### **4.3.5 Data presentation and analysis**

This study is a qualitative single case study; therefore, the researcher adopted a case-oriented analysis, which is an analysis that aims to understand a particular case by looking closely at its details (Babbie, 2011:421). In a qualitative research data analysis is a multifaceted and time consuming exercise. Data analysed may reveal different meanings simultaneously.

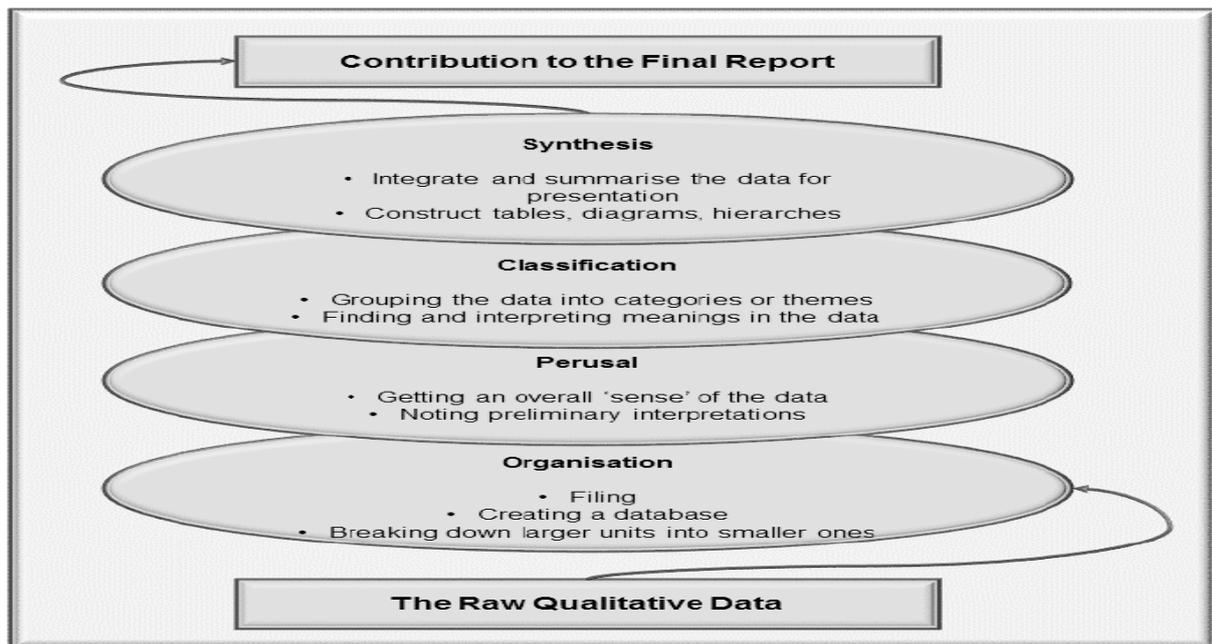
In a qualitative study, data interpretation is influenced by the researcher's biases and values to some reflects the issue of the researcher as an instrument of research (Leedy & Ormrod, 2005:150; Ary et al., 2010:380-381). Data analysis is referred by Yin (2011:177) as a process of compiling, disassembling, reassembling (and arraying), interpreting and concluding data. During the data analysis for this study, the researcher engaged in a logical study of data by unravelling the whole into parts for the purpose of clear understanding (Bertram & Christiansen, 2014:115). The researcher also moved deeper into understanding it, and made interpretation of larger meaning (Flick, 2014:370).

The aim of data analysis typically in qualitative research is to move from description of data to explanation and theory generation. The procedure to be followed involves the comparison of data from different groups of participants at the same time or over a period of time, matching the responses in interviews to observe behaviour, analysing the deviant and negative cases, and bringing them together and providing sufficient data that keeps separate data from analysis (Creswell, 2003:190). This procedure of data analysis was incorporated and followed throughout the data collection process (Cohen et al., 2000:147). The data analysis spiral was used for data analysis of this study.

When using this method of data analysis, the researcher began with large amounts of raw data through inductive reasoning, sorted it and categorized it and gradually boiled it down to a set of manageable themes (Leedy & Ormrod, 2005:150). By following this procedure, the researcher was able to determine the specific characteristics to be analysed and interpreted. Data collected from different sources was integrated, ending with the final research report. When using the data analysis spiral approach, the data was assessed several times by organising data, perusing data, classifying data, and synthesising data. Data analysis for this research was therefore a process where the extensive data was reduced. When analysing data for this study, the researcher followed the steps of the data analysis spiral as advocated by Leedy & Ormrod (2005:150) as follows:

- Organising data  
When organising data the researcher engaged in a process that involves breaking of the large units of data into smaller ones, filing and creating databases.
- Perusing the data:  
During the process of data perusal, the researcher made an overall sense of data by jotting down preliminary interpretations.
- Classification of data  
When classifying data, the researcher engaged in grouping data into categories or themes and finding meanings in the data.
- Synthesis of data  
Data synthesis entailed the process of offering hypotheses and constructing tables, diagrams and hierarchies. Refer to Figure 4.4 below.

Figure 4.4: Data Analysis Spiral: Leedy & Ormrod (2005:150)



#### 4.3.5.1 Organising data

The first step for organising data for this study involved transcribing data recorded during the interviews, optically scanning material, typing up filed notes, sorting and arranging the data into different types from different sources of information to create a database (Leedy & Ormrod, 2005:150; Creswell, 2014:247). This process of data organisation is referred to as analytical induction (Cohen et al., 2007:472). Transcripts for this research were the captured flow of discourse events in the written and spatial medium which included who said what, to whom, in what manner and under what circumstance. Following the suggestion by Cohen et al. (2007:467) data collected was clustered according to the categories of participants' participation, which enabled themes and patterns to be seen at a glance as indicated below:

- Data collected through face-to-face semi-structured interviews with the education officials.
- Data collected through focus group interviews with the finance committees of different schools identified for this study.

Data organisation also involved the arrangement of documents which were assembled during the fieldwork. The researcher categorized documents according to the areas and scope of information they covered or that addressed a particular issue (Cohen et al., 2007:467), e.g. financial planning documents, financial organisation documents, financial leadership, financial control documents, finance

legislation documents and finance reporting documents. The large body of information from these sources was broken down into smaller units in preparation for analysis.

#### **4.3.5.2 Perusing the data**

This is the process where the researcher listened to the tape recorder to get the overall impression or a sense of what the data recorded from different participants reveals. Cohen et al. (2007:473) refer to this exercise as “constant comparison”. Data obtained from the recordings were read by the researcher several times to find out the general ideas of what participants were saying, to get the tone of the ideas, the overall depth of data and its credibility to be used for this research (Creswell, 2014:247).

This procedure followed was based on the assumption that data perusal should be open-ended and cyclical. This implies going over the data again and again, whether listening to recordings or reading transcripts or documents, noting features of interest, but not settling on them (Wetherell, 2001:38-39). Data perusal was conducted following the information accessed categories of participants as indicated above.

It was during this process that the researcher matched the field notes, contrasted, aggregated, compared and ordered them in the way they were taken (Wetherell, 2001:38-39). Continuing with the data perusal process, the researcher also engaged in coding the data. This process involved organising the data by bracketing chunks or text segments and writing a word representing a category in the margins of the transcripts or field notes (Creswell, 2014:247).

Data perusal involved taking the text of the data gathered during data collection, segmenting sentences (paragraphs) into categories, and labelling those categories with a term based in the actual language of the participant called an “*in vivo term*” (Creswell, 2014:247). This process of bringing together groups of data to make a coherent whole allowed the researcher to move towards description, explanation and generation of theory for this study (Cohen et al., 2000:148).

#### **4.3.5.3 Classification of data**

In classifying data for this study, the researcher engaged in the process of identification of themes and classified them in terms of their sequences. The process embraced the grouping of data into themes, clusters, patterns and coherent sets to form a domain (Cohen et al., 2003:148; Leedy & Ormrod, 2005:150). Through this procedure the researcher was able to examine the codes that he used to see how they logically fell into clusters.

The researcher did the coding by counting the frequency of words, phrases and themes in a text (Neuman, 2014:373). The coding process was a cyclical one where the researcher frequently referred to the original documents and records in order to make sense of them and comprehend the phenomenon under investigation in order to find and interpret meanings in the data and relate them as the findings pertaining to the shared perceptions and assessment of financial management conduct in rural schools in Mpumalanga Province (Wetherell, 2001:38-39; Hardy & Bryman, 2004:615-616; Leedy & Ormrod, 2005:150).

#### **4.3.5.4 *Synthesis of data***

To amalgamate data this research described the relationships among categories (Leedy & Ormrod, 2005:151). Unveiling this process, the researcher package data collected from literature study, semi-structured interviews, focus group interviews and documentary analysis into an organised scheme (Leedy & Ormrod, 2005:150). These schemes were in the form of constructed tables, diagrams and hierarchies (Leedy & Ormrod, 2005:151). The findings of the study under investigation from an organised interpreted data were summarised to generate theory for presentation by the researcher (Cohen et al., 2003:148; Griffin & Richardson, 2010:2).

#### **4.4 TRUSTWORTHINESS AND TRANSFERABILITY**

When working with qualitative data, the concepts of trustworthiness and transferability are commonly used. Trustworthy relates to the credibility, applicability, dependability and conformability of research study (Lemmer, 2012:89; Creswell, 2014:283). Transferability has to do with transference of research finding from specific situation or case to another (de Vos, et al., 2011:420). Transferability in this study is aimed at ensuring that information is shared and applied beyond the study setting (Malterud, 2001:485).

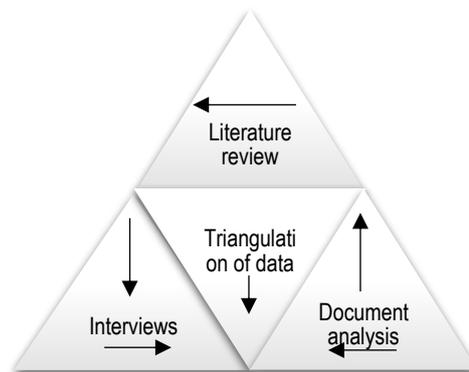
To ensure trustworthiness and transferability of this research study, five interviews protocols were reviewed and authenticated by the researcher's supervisor and were later submitted for review to the Research Ethics Review Committee (REC) of the University of South Africa for authentication to be used when collecting data with the participants in the field. It was the objective of this research inquiry to produce a high quality data analysis that was trustworthy, reliable, accurate and true. To ensure high quality of trustworthiness for this study, the researcher adopted the following trustworthiness strategies as proposed by Hardy & Bryman (2004:617); Bischoff & Koebe (2005:157); Marshall, & Rossman (2011:40); Creswell (2014:283).

#### 4.4.1 Triangulation

The choice to use triangulation of data collection methods for this study was based on the premise that “the counter balancing of another compensates the weaknesses in each single data source by observing the object from several different angles” (Neuman, 2014:166). Therefore, triangulation was used to strengthen the trustworthiness of this study (Yin, 2011:153). The researcher in this research did not see triangulation just as a methodological technique but also as a frame of mind which helped him to keep his eyes and ears open for corroborating and conflicting ideas or data (Yin, 2011:153). Triangulation in this study was effected by inviting five members of finance committees from the five selected rural schools in Marapyane circuit for focus group interviews which totalled 25 members of the finance committees. The researcher also invited two officials from Nkangala Education District executing different district responsibilities with the finance committees of the school governing bodies. The first one was the one who is responsible for administering schools’ finances and the second one was responsible for coordinating the school governing bodies in the entire district.

The researcher used the information collected from literature study as well as documentary analysis to complement the information collected from participants during the interviews to endorse its trustworthiness in answering the research question (Leedy & Ormrod, 2005:99; Creswell, 2014:42). To demonstrate how the sources of data collection were triangulated in this study refer to Figure 4.5 below:

Figure 4.5: Triangulation of Data Collection



All these data collection techniques were used to surface corroborating evidence during data interpretation from which themes for this study were generated (Gall, Gall & Borg 2007:474). This exercise concurs with the assertion that triangulation can be realised through the use of multiple sources or tools for data collection (Cohen et al., 2000:112; Leedy & Ormrod, 2005:99; Yin, 2011:153; Creswell, 2014:42).

#### **4.4.2 Member checking**

Member checking is the provision of an opportunity to the participants to comment on the research findings for confirmability (Creswell, 2014:251). Confirmability implies the editing of data engaging participants in member checks. To engage participants in member checking the researcher provided participants with transcribed information from the interview audio tapes, field notes and theoretical notes for confirmability (Creswell, 2014:283).

The researcher's aim of involving participants in member checking was exclusively to verify the defects that might have occurred during data interpretation and to effect alterations where there were divergences. The results of member checks assisted the researcher to authenticate the research report to be presented for public consumption.

#### **4.4.3 Audit trail**

Research is about the trustworthiness of the data collected. To authenticate data collected, the researcher was open to allow critical analysis of the processes, decisions and actions that he took during the entire research process involving the interaction between him and the subjects, what was discovered and how it was discovered (de Vos et al., 2011:422). Therefore, the researcher made available all the research documents used during the research process for audit trail.

The researcher arranged and packaged raw data and labelled it accordingly to allow proper demarcation of data. To embrace an audit trail for this study, the researcher submitted hard copies or raw data from interviews and filed notes, transcripts, audiotapes, results of analysis, theoretical notes and process notes to my supervisor who securely locked them away in his raw data filing cabinet that can be accessed only by the agreed members of his department. The purpose of this exercise was to ensure the safety and integrity of the data set and to ensure its availability in case it was needed for an audit trail by an external auditor who verifies the research process conformability and trustworthiness (de Vos et al., 2011:422).

### **4.5. ETHICAL ISSUES TO CONSIDER IN THE STUDY**

Fieldwork takes place in a real-world setting, with people in their real life roles (Yin, 2011:109). Requesting ethical clearance, gaining permission for access, getting informed consent, ensuring anonymity and confidentiality and notifying them of their right to withdraw from the interviews are important ethical issues that were considered for this study. Consideration of these ethical issues was

respected based on the claim that the research procedure included people in real-life settings and not the researcher intruding into these settings (Yin, 2011:114). In the situation of this study, the researcher was obliged to request permission from different institutions with specific persons who are part of the setting and earmarked for this research in order to access research subjects and get their consent to participate in the investigation before data collection commenced (Creswell, 2014:135). See page 334-370, appendix A-M in the appendices section of this study.

#### **4.5.1 *Requesting ethical clearance***

After the research proposal to conduct this study was reviewed and approved, the researcher lodged an application with the Research Ethics Committee of the University of South Africa to be given permission to do fieldwork. Doing fieldwork involved, among other things, recruiting participants earmarked to participate in the study, visiting the settings selected for conducting interviews, crafting questions for interviews, and formulating letters of informed consent. After receiving the licence from Research Ethics Committee of the University of South Africa to conduct this research, the researcher formulated letters of request for permission to conduct a research to all the institutions earmarked for this research as well as letters of informed consent for the earmarked participants to participate in the research.

##### **4.5.1.1 *Gaining access***

The researcher wrote letters and emailed them to the district director for Nkangala Education District, the Marapyane circuit manager, the principals and the secretaries of the school governing bodies of the earmarked schools requesting authorisation to conduct a research in their settings (Ritchie & Lewis, 2003:62; Cohen et al., 2007:55; Creswell, 2014:37). In these letters the researcher explained the aim of the study and outlined the ethical considerations that the investigator would adhere to. The registration letter indicating that the researcher was a DEd (Doctor of Education) student at the University of South Africa for the current academic year together with the clearance certificate granting the researcher permission to conduct a research issued by the Ethics Review Committee (ERC) of the University of South Africa were attached.

##### **4.5.1.2 *Getting informed consent***

Adhering to the code of ethics requirements issued by the Ethics Review Committee of the University of South Africa, the researcher wrote letters of informed consent to all the participants and explained how the researcher was intending to involve them to conduct the envisaged study which included, who was

the intended participant, the time when the study was intended to be conducted, the amount time the researcher would spend with the participants (Ritchie & Lewis, 2003: 66-67; Cohen et al., 2007:52). The language issue was addressed by the researcher through the letters; it is understandable that some of the participants might not understand English which was the main language to be used for this study.

Therefore, the contents of the letters covered and assured participants that interview material if need be would be interpreted or explained in the language they understood most, which was their mother tongue. Primarily ethical consent is about privacy and confidentiality of using information that someone else gathers (Creswell, 2012:148). Based on the proximity and the locale of the settings, after the letters of permissions were granted by the institutions indicated above, it became advantageous for the researcher to personally visit all the research settings to submit letters of informed consent to participants. These letters included the set of ethical principles identified and espoused in accordance with the ethical standards set by Miller & Brewer (2003:95-98); Neuman (2006:129-230) and Creswell (2014:37) as follows:

#### **4.5.1.3 Ensuring anonymity and confidentiality**

Verbally and through the letters of informed consent submitted to the participants, the researcher assured them that the information they would provide during the interviews would remain anonymous and confidential and that none of the information they provided would link them to the study either verbally or through writing (Ritchie & Lewis, 2003:67; de Vos et al., 2012:119). To adhere to the research ethical standards of protecting participants' rights to confidentiality, the researcher promised to use different numbers in place of names to ensure anonymity of the geographical site and the information provided (Babbie, 2011:12).

The participants were informed that the researcher would not disclose personal information concerning all the participants unless written consent from them was granted. To ensure confidentiality, the letters of informed consent explained that the data collected would be used for academic objectives only with full assurance that no part of the information assembled would be disclosed to any other party outside this academic enquiry.

#### **4.5.1.4 The right to withdraw from the interviews**

The research guaranteed the participants the right to withdraw from the interviews and the freedom to react if they consider them offensive, intrusive, misleading, biased, misguided, irritating, inconsiderate

or impertinent. Making use of the letters of consent implied that the participants had the right to choose whether or not to participate in the study (Cohen et al., 2007:52).

Through the letters of informed consent full disclosure was made to the participants regarding the risks associated with the study and their rights to withdraw if they felt vulnerable (Vanderstoep & Johnston 2009:14) and the modes of reporting such risks in case anything happened to them.

The researcher found it important to divulge information to the participants pertaining to how data would be collected during the interviews, such as using the tape recorder in order to get consent if the interview was to be recorded (Sebidi, 2008:51). Consent from the participants was obtained by asking them to sign a form that indicated that they had understood its contents and how the research project would be conducted and that they gave consent to participate (Cohen et al., 2007:55).

During the visit to the research sites the researcher also requested access to the interview venues to ascertain whether there were any risks that might threaten the safety of the participants and discussions during the interviews (Cohen, Manion & Morrison, 2000:54). Interview venues were scrutinised in terms of their conduciveness to hold such interviews by checking ventilation in the allocated rooms, seating arrangements, and the availability and location of the first aid equipment so that foreseeable risks were minimised before the interview process commenced (Cohen, Manion & Morrison, 2000:54).

#### **4.6. CONTRIBUTION OF THE STUDY**

Research which has legitimacy within the academic environment contributes to the knowledge base and practice. Research which has values within the practitioner environment contributes to service innovation and service development and also informs policy (McKee, 2004:3). This assertion concurs well with Creswell, (2012:3-6) and the rationale of this study in that it aimed to contribute to the knowledge base and practice as follows:

##### **4.6.1 *Research informs policy debates***

Research provides information to policy makers when they research and debate educational policy issues (Creswell, 2012:6). This study on the financial management conduct of school governing bodies might yield information that would influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy. This research might help them to provide in their discussions the current debates and stances taken by other public officials about the researched issue.

#### **4.6.2 Research modifies theory**

Research is a process of steps used to collect and analyse data to increase our understanding of a topic or an issue. Research strengthens the knowledge base and deepens the understanding and changes of the new approaches to problems and contributes to innovations and service development in government institutions.

#### **4.6.3 Research contributes to new knowledge**

The objective of this study sought to understand and reveal the shared perceptions and assessment of financial management conduct of school governing bodies in rural schools in Mpumalanga Province. New knowledge provided by this research would contribute to the literature about practices that work for the school financial administrators and school governing bodies and even advance better practices that the school governing bodies might try in their school financial management conduct. Possible solutions to issues around the challenges of existing financial management conduct in rural schools in Mpumalanga Province would be surfaced by this enquiry. The researcher would make this possible by allowing distribution of the research reports on the website agreed by the University of South Africa. For public consumption, the study would be published through the University of South Africa in hard copies and become accessible through its library facilities on requisition.

#### **4.6.4 Research improves practice**

Among others, the objective of this study was to propose a strategy for an increased improvement of financial management of school governing bodies in rural schools in Mpumalanga Province. Through this research undertaking, the researcher would enrich the knowledge base and develop a profound understanding regarding the financial management conduct of school governing bodies in rural schools of South Africa.

The results from this research undertaking would influence other education managers and practitioners such as circuit managers, school principals, teachers, school governing bodies, associations of the school governing bodies, faculty members at the universities responsible for financial management, national and provincial education departments in their different levels of educational practice with regard to school financial management and evaluate approaches that are anticipated to work for individuals in educational setting. This would be done through presentations of research findings in academic research conferences and research journal articles generated from this research for publication.

### **6.6.5 Research contributes to future research**

Research informs researchers about the findings of contemporary research conducted in a particular field of discipline. The findings of this study would draw other researchers' attention to further research in this field of discipline.

## **4.7 CONCLUSION**

Chapter three discussed the aspects of financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province. It clarified among others the financial management roles in schools with reference to Section 21 allocated functions as dictated by the South African Schools Act. All the procedures of good financial conduct such as school budget, school financial records and financial reports were discussed in this chapter.

This chapter outlined the research methodologies, research paradigm designs and strategy design used in this study. This included how data was collected from the participants and the data collection techniques and data analysis methods that the researcher used and the ethical issues that were considered relevant when collecting data from the subjects as well as the contribution this study would make in the pool of research knowledge.

The research study is an interpretive case study. Interpretivist researchers analyse human activities and institutions such as schools as a social construct because individuals or groups are interacting with their social worlds and construct their own reality. The interpretive paradigm uses qualitative methods to understand in-depth human relationships in their environment and the part they play in creating the social fabric of which they are part.

The research strategy design depended on the research paradigm. A case study was adopted as a qualitative research method for this study based on the fact that it is the study of direct action. A qualitative study involves people in their own settings. In order to understand their behaviour and actions in those settings, purposive sampling was employed to get information from the selected participants in order to address the research. Selection of participants was based on the principle of current involvement and enculturation which best favours qualitative research.

When doing a research, the researcher should always remember to ask permission from the sponsors and the institutions to be engaged in the research process. The researcher must write letters of the informed consent to the participants and explain the entire research procedure as well as the necessary

ethical issues to be considered during the research. The researcher cannot use any technique to collect data for the study; it is therefore important to select techniques that are favoured by the research paradigm. In the case of this study the data collection techniques that were selected included literature review, interviews and document analysis.

This study is a qualitative single case study; therefore, the researcher selected a case oriented analysis approach aiming at understanding a particular case by looking closely at its details. To ensure trustworthiness of qualitative research findings from interpreted data the researcher to allowed for second thoughts in the research work and this was done through member checking and audit trail. The use of multiple data collection sources such as interviews, literature study and document analysis was also of great help to ensure trustworthiness of the research study.

Chapter five demonstrates and present data following the procedures that were used during the data analysis and interpretation of this enquiry. Circumstantial reports on data collection, stages followed during data analysis and interpretation as well as data analysis and interpretation of data generated from different data collection tools will also be presented in this chapter. Data is presented in quotes and set out in tables.

## CHAPTER 5

### DATA PRESENTATION AND ANALYSIS

#### 5.1 INTRODUCTION

Chapter four explored the design and the methodology selected to be used by the researcher to collect investigative data throughout the expedition of the research undertaking. It brought to light the differences between research design and methodology, the aims and purpose for the choice of particular data collection methods for the research study, letters of informed consent, and the ethical and legal considerations that were observed by the researcher. Data collection tools for data compilation were discharged in terms of their significances. This chapter unveiled how data analysis was conducted as well as the approaches that were used.

Chapter five aims to present, explain and analyse data collected following procedures that were used during the interviews with participants and document analysis. Circumstantial reports generated using different data collection tools from a circuit official, district official and the school governing bodies' finance committees on the financial management conduct in rural schools of South Africa, particularly in Marapyane circuit of the Nkangala District in the Mpumalanga Province are staged. The detailed description and analysis of each participant and group of participants and document analysis is presented in the quest for in-depth understanding of the research question.

#### 5.2 BIOGRAPHICAL DATA OF RESPONDENTS

Tables 5.2.1 to table 5.2.6 present the biographical data for the education officials and the finance committees who were involved in the face-to-face semi-structured and focus group interviews for this study. Observing the ethical requirements of this study and for the reasons of confidentiality and to protect the participants and the schools' identities, these schools were given codes and participants were given pseudonyms. The finance committee members were referred to as MFC1- MFC5 separated by letters of the alphabet of their school's groups' affiliation from A-E.

Education officials were referred to as CMO1, DSGBC1 and DFO1 in terms of the kind of work they were responsible for when the research was commenced. Data collection for this study involved a literature review, interviews and document analysis. Data collected involved 28 participants in number who were interviewed. Twenty-five participants were drawn from the members of finance committees from the five different schools sampled. Each school was represented by a group of five members of the

finance committee for this research, excluding learners in the higher grades as participants due to ethical reasons. The sample also included one circuit management official under which the sampled population falls, one finance official and one schools governing bodies' coordinator from the district. The sample of the study were therefore 28.

### 5.2.1 Biographical data of Education Officials

Table 5.1 below presents biographical data of education officials. Key to the types of qualifications for all the education officials and members of the finance committees sampled from different schools who were involved in this research are presented in Table 5.2.7 at the end of all the tables.

**Table 5.2.1: Biographical Data of Education Officials: COM1, DSGBC1 and DFO1**

EDUCATION OFFICIALS' CODES	CMO1	DSGBC1	DFO1
<b>PARTICIPANTS' BIOGRAPHICAL DATA</b>			
Age	57	53	53
Gender	Male	Male	Male
Experience in education	33 years	27 years	28
Experience with SGBs	16 years	3 years	10 years
Qualifications	PTD BA B.Ed. (Hons)	STD FDE ACE B.Ed. (Hons) PMDP	Internal Audit Diploma (IAD) Financial Management Diploma (FMD)
Position in the department	Circuit Management Official	District SGB's Coordinator	District Finance Official/ State Accountant
Types of schools	Rural	Rural and Urban	Rural and Urban
Schools bands	FET and GET	FET and GET	FET and GET
Quintile	1-2	1-5	1-5

**Key: CMO – Circuit Manager; DSGBC – District School Governing Bodies Coordinator; DFO – District Finance Officer**

#### 5.2.1.1 Biographical data of Education Official: CMO1

This participant joined the former self-governing territory of Bophuthatswana Department of Education, the present North-West Province Department of Education, in 1985 as a primary school teacher. After three years of service, he went to the university to further his studies. He re-joined the North-West Department of Education in 1991 and worked as a high school teacher. He also worked at the college of education in the same province for six months. In the same year, 1991, he relocated to Marapyane College of Education which was also in the former Bophuthatswana area. CMO1 worked at Marapyane College for ten years. In 2001 he was appointed as a subject advisor in Marapyane area which by then had already been incorporated into the Mpumalanga Department of Education. He worked as a subject advisor for two years and in 2003 joined circuit management as a circuit manager. He had been a circuit manager in rural schools for 16 years and responsible for schools from quintile 1-2.

### **5.2.1.2. Biographical data of Education Official: DSGBC1**

This participant joined the former self-governing territory of Kan-Gwane Department of Education in 1991 and was seconded to join a Non-Governmental Organisation (NGO) called Eco Link working as an Environmental Education and Community Developer (EECD) for eight years. In 2003 he worked as a subject advisor under Mpumalanga Department of Education for one year. In 2004 he joined Whole School Evaluation Unit (WSE) for the Mpumalanga Department of Education and worked there for thirteen years.

In 2016 he joined the Nkangala Education District as a Teacher Development Coordinator for Education Management and Governance (TDCEMG). He had been a district school governing bodies' coordinator for three years. He is responsible for the Teacher Development Coordination for Education Management and Governance for quintile 1-5 schools in the Nkangala Education District.

### **5.2.1.3 Biographical data of Education Official: DFO1**

This participant joined the former Bophuthatswana Department of Education in 1990 working at the then Marapyane circuit which was made up of schools in villages from Pankop to Lefiso. After the demarcation of South Africa into provinces, this area was incorporated into the Eastern Transvaal which was later renamed the Mpumalanga Province. In 1994 he was relocated to Moretele Education District and was responsible for the Finances Investigation Unit (FIU). Due to the restructuring of circuits and the formation of the education regions in Mpumalanga Province in 1996, he was relocated to the Nkangala Education Region in 2000 which was later renamed the Nkangala Education District as a state accountant. He had been the Nkangala District finance official for ten years. He is responsible for administration of finances for quintile 1-5 schools in the Nkangala Education District.

Data collected from these participants revealed that they were experienced to execute the school governance responsibilities in their different departments. Their qualifications in the different fields of specialisation as the employees of the Mpumalanga Department of Education revealed that they were qualified to be holding office at the time when this research was conducted. Relevant for this research, data provided by all these education officials revealed that they are responsible for the GET and the FET school bands which are "no fee" schools categorized between 1-5 quintiles, which implied that they had an understanding of how the school governing bodies for "no fee" schools across the bands were conducting finances in their schools.

## 5.2.2 Biographical data of finance committee members

Tables 5.2.2 to 5.2.6 present the biographical profiles of the MsFCs for different schools that were selected and involved in the focus group interviews for this study.

**Table 5.2.2: Biographical data of the MsFC for school A: MFC1 to MFC5**

FINANCE COMMITTEE MEMBERS' CODES	MFC1	MFC2	MFC3	MFC4	MFC5
<b>PARTICIPANTS' BIOGRAPHICAL DATA</b>					
Age	56	50	46	34	46
Gender	Male	Male	Male	Female	Female
Experience in SGB	15 years	13 years	4 years	9 years	9 years
Experience in FINCOM	15 years	6 years	4 years	6 years	6 years
Qualifications	BA. B.Ed. (Hons) M.Ed. PMDP	Human Resource Diploma	NSC	Business Management Diploma	UDES
Position	Ex-officio	Chairperson for SGB	Chairperson for FINCOM (Treasurer)	Finance officer (Admin clerk)	Secretary for FINCOM
Type of school	Rural	Rural	Rural	Rural	Rural
School band	FET	FET	FET	FET	FET
Quintile	2	2	2	2	2

**Key: MFC – Member of Finance Committee**

### 5.2.2.1 Biographical data of the MsFC of school A: MFC1 to MFC5

MsFC for school A were aged between 34 and 56. Their experiences as MsFC and members of a school governing body ranged between four and fifteen years. They have all attended institutions of higher education. Their qualifications ranged from diplomas to degrees in different fields of specialization except for the chairperson who had a Grade 12 certificate. All of them were chosen by the entire membership of the SGB in their different portfolios for school financial management in a rural FET school categorized under quintile 2.

**Table 5.2.3: Biographical Data of the MsFC for school B: MFC1 to MFC5**

FINANCE COMMITTEE MEMBERS' CODES	MFC1	MFC2	MFC3	MFC4	MFC5
<b>PARTICIPANTS' BIOGRAPHICAL DATA</b>					
Age	44	36	34	35	48
Gender	Male	Male	Female	Female	Female
Experience in SGB	6 years	3 years	3 years	6 years	7 years
Experience in FINCOM	6 years	5 months	3 years	6 years	7 years
Qualifications	UDE. ACE. B.Ed. (Hons) PMDP	Grade 11	NSC	Computer literacy Business Management Diploma	UDE. ACE
Position	Ex-officio	Chairperson for SGB	Chairperson for FINCOM (Treasurer)	Finance officer (Admin clerk)	Secretary for FINCOM
Type of school	Rural	Rural	Rural	Rural	Rural
School band	FET	FET	FET	FET	FET
Quintile	1	1	1	1	1

**Key: MFC – Member of Finance Committee**

### 5.2.2.2 Biographical data of the MsFC for school B: MFC1 to MFC5

MsFC for school B were aged between 34 and 48. Their experiences as MsFC ranged between five months to seven years and three to seven years as members of the school governing body. Not all of them have attended institutions of higher education. Qualifications for three MsFC ranged from diplomas to degrees in different fields of specialisation. One member had a Grade 12 certificate and another member had only passed Grade 11. All these members were chosen by the entire membership of the SGB in their different portfolios for school financial management in a rural FET school categorized under quintile 1.

**Table 5.2.4: Biographical Data of MsFC for school C: MFC1 to MFC5**

FINANCIAL COMMITTEE MEMBERS' CODES	MFC1	MFC2	MFC3	MFC4	MFC5
<b>PARTICIPANTS' BIOGRAPHICAL DATA</b>					
Age	60	50	57	41	47
Gender	Male	Male	Male	Female	Female
Experience in SGB	15 years	4 years	8 years	11 years	5 months
Experience in FINCOM	9 years	4 years	3 years	11 years	5 months
Qualifications	UDE PMDP PDM & ACE	NSC	Grade 11	Diploma in Business Management	UDE
Position	Ex-officio	Chairperson for SGB	Chairperson for FINCOM (Treasurer)	Finance officer (Admin clerk)	Secretary for FINCOM
Type of school	Rural	Rural	Rural	Rural	Rural
School band	FET	FET	FET	FET	FET
Quintile	2	2	2	2	2

**Key: MFC – Member of Finance Committee**

### 5.2.2.3 Biographical data of the MsFC for school C: MFC1 to MFC5

The MsFC for school C were aged between 41 and 60. Their experiences as MsFC ranged between five months to eleven years and five months to fifteen years as members of the school governing body. Not all of them have attended institutions of higher education. Qualifications for three members were diplomas in different fields of specialisation. One member had a Grade 12 certificate and another member had only passed Grade 11. All of them were chosen by the entire membership of the SGB in their different portfolios for school financial management in a rural FET school which is categorized under quintile 2.

**Table 5.2.5: Biographical Data of MsFC for school D: MFC1 to MFC5**

FINANCIAL COMMITTEE MEMBERS' CODES	MFC1	MFC2	MFC3	MFC4	MFC5
<b>PARTICIPANTS' BIOGRAPHICAL DATA</b>					
Age	50	57	47	43	56
Gender	Male	Male	Female	Female	Male
Experience in SGB	9 years	3 years	3 years	6 years	6 years
Experience in FINCOM	4 years	3 years	3 years	6 years	6 years
Qualifications	UDE ACE B.Ed. (Hons) PMDP	NSC	NSC	Public Administration Management	NSC
Position	Ex-officio	Chairperson for SGB	Chairperson for FINCOM (Treasurer)	Finance officer (Admin clerk)	Secretary for FINCOM
Type of school	Rural	Rural	Rural	Rural	Rural
School band	GET	GET	GET	GET	GET
Quintile	2	2	2	2	2

**Key: MFC – Member of Finance Committee**

### 5.2.2.4 Biographical data of the MsFC for school D: MFC1 to MFC5

MsFC for school D were aged between 43 and 57. Their experiences as MsFC ranged between three to six years and three to nine years as SGB members of the school governing body. Not all of them have attended institutions of higher education. Qualifications for two members ranged from diploma to degree in different fields of specialisation. Three members had Grade 12 certificates. All of them were chosen by the entire membership of the SGB in their different portfolios for school financial management in a rural GET school which is categorized under quintile 2.

**Table 5.2.6: Biographical Data of the MsFC for school E: MFC1 to MFC5**

FINANCIAL COMMITTEE MEMBERS' CODES	MFC1	MFC2	MFC3	MFC4	MFC5
<b>PARTICIPANTS' BIOGRAPHICAL DATA</b>					
Age	52	44	36	59	53
Gender	Male	Female	Female	Female	Female
Experience in SGB	5 months	4 years	5 months	13 years	3 years
Experience in FINCOM	5 months	4 years	5 months	13 years	5 months
Qualifications	BA HED ACE B.Ed. (Hons)	NSC	Business Management Diploma	Public Administration Management	STD ACE B. Tech
Position	Ex-officio	Chairperson for SGB	Chairperson for FINCOM (Treasurer)	Finance officer (Admin clerk)	Secretary for FINCOM
Type of school	Rural	Rural	Rural	Rural	Rural
School band	GET	GET	GET	GET	GET
Quintile	2	2	2	2	2

**Key: MFC – Member of Finance Committee**

### 5.2.2.5 Biographical data of the MsFC for school E: MFC1 to MFC5

MsFC for school E were aged between 36 and 52. Their experience as MsFC and members of a school governing body ranged between five months to 13 years. Not all of them have attended institutions of higher education. Qualifications for four members ranged from diploma to degrees in different fields of

specialisation. Only one member had only passed grade 12. All of them were chosen by the entire membership of the SGB in their different portfolios for school financial management in a rural GET school which is categorized under quintile 2.

It emerged from the biographical profiles of the MsFCs for all the schools interviewed that they had minimum literacy levels that might allow them to interpret financial management legislation. It was also revealed from the experiences of MsFCs for schools A and D that they have been MsFCs and members of school governing bodies for a reasonable period of time, therefore, they had knowledge of how school finances were managed. However, MsFCs for schools B and E had one member each with limited experience as a MFC and only two members with limited experience as members of school governing bodies. However, the limited experiences of these MsFCs might not limit their knowledge and understanding regarding management of finances in their schools since they worked with experienced members within their finance committees. For the fact that all the MsFCs for all the schools interviewed provided the researcher with their complete biographical profiles implied that all these schools had finance committees. To understand the academic achievements of the MsFCs for different schools and the education officials presented in Tables 5.2.1 to 5.2.6 who were engaged in the interviews for this study, refer to Table 5.2.7 below.

**Table 5.2.7: Key for Qualifications of the MsFCs for Schools Interviewed**

Acronyms for qualifications/educational achievement	Names for qualifications/educational achievement
ACE	Advanced Certificate in Education
B.Ed.	Bachelor of Education
BA	Bachelor of Arts
ECD	Early Childhood Diploma
FDE	Further Diploma in Education
HED	Higher Education Diploma
Hons	Honours degree
M.Ed.	Master of Education
PDM	Post Graduate Diploma in Management
PMDP	Principals Management Development Programme
PTD	Primary Teachers Diploma
STD	Secondary Teachers Diploma
UDE	University Diploma in Education
NSC	National Senior Certificate

### 5.3 DATA PRESENTATION

The aim of the selection of these specific units in this study was based on “enculturation” and current “involvement” (Chabalala, 2005:46), in order to have those that would yield the most relevant and

plentiful data given the researchers topic of study (Yin, 2011:88). Twenty-eight participants were interviewed based on Miles & Huberman's (1994:121) assertion that small sample size is preferred when conducting qualitative research because purposive sampling provides more in-depth information.

Interviews with finance committees and district officials were conducted after hours in their work offices as it was the requirement of the permission letter to conduct this research issued by the district director. Before the interviews were commenced, some of the questions were reorganised and revised to ensure accuracy and simplicity. English was used to ask interview questions, but at some stage the researcher had to code switch to the mother tongue of the participants in order to clarify some of the interview questions asked.

During the data collection process an audio recorder and research journal were used to capture the responses from all the participants. Table 5.3.1 to 5.3.2 presents the categories of data that was generated from the literature review related to the research questions. Data was clustered into two segments, i.e. data from interviews and data from document analysis. The data was then presented in their respective categories and themes according to the following tables. Refer to Tables 5.3.1 and 5.3.2 below.

**Table 5.3.1: Categories and Themes of Research Findings from Face-to-Face Semi-Structured Interviews with Education Officials**

<b>Categories</b>	<b>Themes</b>
1. Work responsibilities	Work responsibilities and challenges of education officials
2. Funding of schools.	Funding responsibility, methods of funding, utilisation of allocated school funds
3. Financial management roles	Roles and responsibilities of managing finances, understanding of SGBs' financial roles and responsibilities, ways of understanding their roles and responsibilities, challenges of executing their roles, the support provided to the SGBs to overcome their challenges
4. Legislation and policy framework	Knowledge of the legislation and policy frameworks and Understanding of the legislation and policy frameworks
5. Financial leadership	Availability and functionality of finance committees, composition of finance committees, election criteria for finance committees
6. Capacity building	Providing support to the SGBs, the kind of support provided to the SGBs, the importance of support provided, knowledge and understanding gained from training sessions attended, number and duration of training sessions attended
7. Literacy level	Literacy level of the contemporary SGBs, roles of literacy level in managing finances
8. Financial organisation.	Handling of school funds, banking and documents used for banking, drawing up and submission of budgets, control and monitoring
9. Procurement and payment of services	Procedure for procurement, procedure for payment, funds used for items of procurement, rules for issuing cheques
10. Financial responsibility	Safekeeping of financial records, conducting internal auditing, submission of finance books for external auditing
11. Financial reporting	Submission of financial reports to the circuit and district office, reasons for submitting financial reports to the circuit and the district office
12. Improvements and achievements.	Improvement and achievements realised, treatment of achievements and improvements realised, support for further improvement
13. Financial management conduct	Improving financial management conduct, contribution of improved conduct in managing finances
14. Financial mismanagement	Financial mismanagement experiences in schools, ways of reporting financial mismanagement, kinds of financial mismanagement cases reported, victims of financial mismanagement, dealing with cases of financial mismanagement

Table 5.3.2 presents categories and themes of research findings from data that was transcribed from focus group interviews with finance committees for different schools that were involved in this study. Refer to Table 5.3.2 below.

**Table 5.3.2: Categories and Themes of Research Findings from Focus Group Interviews with Finance committees**

<b>Categories</b>	<b>Themes</b>
1. Funding of schools	Funding responsibility, methods of funding, utilising school funds
2. Financial leadership	Formation of the finance committee, composition of finance committee, election criteria for the finance committee
3. Financial management roles and responsibilities	Knowledge and understanding of roles and responsibilities
4. Legislation and policy framework	Knowledge of the legislation and policy frameworks, understanding of the legislation and policy frameworks, ways made to understand the legislation and policy frameworks
5. Financial organisation	Availability of bank account, banking and documents used for depositing school money, drawing up a financial budget, conducting fundraising, responsibility for fundraising, monitoring and control of school funds
6. Procurement and payment of services	Procedure for procurement, procedure for payment of goods and services, funds used for items of procurement, rules for issuing cheques.
7. Financial responsibility	Safekeeping of financial records, conducting internal auditing, conducting external auditing
8. Financial reporting	Reporting to the parents, reporting to the circuit and district office, reasons for submitting financial reports to the circuit and district office
9. Capacity building	Number and duration of training sessions attended, organisation of training sessions attended, acquisition of knowledge and understanding gained from training attended
10. Improvement and achievements	Improvement and achievements realised in financial management, improvements and achievements in financial management, contribution of the improvements and achievements in financial management, treatment of the SGBs achievements and improvements in financial management
11. Financial mismanagement	Ways of reporting financial mismanagements, kinds of financial mismanagement to be reported

Table 5.3.3 presents the financial management documents which were requested by the researcher from the Circuit Manager (CMO1), District School Governing Bodies' Coordinator (DSGBC1) and District Finance Official (DFO1) for analysis. These documents and other documents which were referred to the researcher by the participants during the interviews were requested from school governing bodies and other responsible stakeholders with requisition letters.

The finance documents requested for analysis were aimed at revealing the financial management conduct of the school governing bodies in rural schools of South Africa particularly in Mpumalanga Province as compared to what the researcher had discovered through the interviews. Documents that

were requested from the circuit for analysis are those that the CMO1, DSGBC1 and DFO1 used when supporting, controlling and monitoring financial management conduct in schools. From CMO1 the researcher requested quarterly financial reports, reports on claims of financial mismanagement, SGBs' training programme and submission register for audited financial statements.

From the DSGBC1 and the DFO1 the researcher requested reports on claims of financial mismanagement, SGB training programmes and SGB training manuals. Finance documents requested from school governing bodies for analysis included financial policies and minutes of finance committee meetings, Section 21 paper budgets, lists of finance committee members and their portfolios, school budgets, deposit books, deposit slips and cash receipt journals, cheque books and cheque counterfoils, claim forms or cheque requisition forms and cash payment journals, petty cash journals, procurements quotations and the adjudication forms and audited financial statements.

Before analysis of these finance documents proceeded, the researcher categorized documents in terms of their level of data and level of participants in the education administration and governance in the district. Categories of documents for data analysis collected from participants included finance documents from the circuit office, finance documents from the circuit office and finance documents from the district office. Documents collected and categorized were then interpreted as presented following the table below as suggested by Ary et al. (2010:242).

**Table 5.3.3: Categories of Documents for Analysis**

<b>CATEGORIES OF DOCUMENTS</b>		
<b>Financial documents from schools</b>	<b>Financial documents from the circuit office</b>	<b>Financial documents from the district office</b>
<b>Names of documents</b>	<b>Names of documents</b>	<b>Names of documents</b>
1. Finance policies and minutes for finance committees 2. Section 21 paper budgets 3. Lists of finance committees and their portfolios 4. School budgets 5. Deposit books, deposit slip and cash receipt journals 6. Cheque books and cheques counterfoils 7. Claim forms or cheque requisition forms and cash payment journals 8. Petty cash journals 9. Procurement quotations and the adjudication forms 10. Audited financial statements	1. Quarterly financial reports. 2. Reports on claims of schools' financial mismanagement 3. SGBs training programme. 4. Submissions register for audited financial statements	1. Reports on claims of schools' financial mismanagement 2. SGBs training programme 3. SGBs training Manuals

## 5.4 DATA ANALYSIS

Data analysis as pronounced by Yin (2011:177) is a process of compiling, disassembling, reassembling interpreting and concluding data. This study is a qualitative study; consequently, qualitative research data analysis was pursued. Data analysed revealed different meanings simultaneously. It was influenced by the researcher's biases and values to some extent, reflecting the issue of the researcher as an instrument of research (Leedy & Ormrod, 2005:150; Ary et al., 2010:380-381). During data analysis a logical study of data was unravelled from the whole into parts for the purpose of clear understanding and to move deeper into understanding it, to make interpretation of larger meaning (Bertram & Christiansen, 2014:115; Flick, 2014:370).

The data analysis spiral was used for data analysis for this study. Data analysis started with a large amount of raw data from interviews of different groups of participants that was matched over a period of time through inductive reasoning, organised, perused, classified and synthesised and boiled down to form a set of manageable themes and sub-themes and the specific characteristics were analysed and interpreted (Creswell, 2003:190; Leedy & Ormrod, 2005:150). This procedure of data analysis was incorporated and followed throughout the data collection process (Cohen et al., 2000:147).

Data analysis was conducted following the steps of the data analysis spiral as advocated by Leedy & Ormrod (2005:150) as follows:

- Organising data  
When organising data the researcher engaged in a process that involved breaking of the large units of data into smaller ones, filing and creating a database.
- Perusing the data  
During the process of data perusal, the researcher made an overall sense of data by jotting down preliminary interpretations.
- Classification of data  
When classifying data, the researcher engaged in grouping data into categories and themes and finding meanings in the data.
- Synthesis of data  
Data synthesis entailed the process of offering hypotheses and constructing tables, quotes diagrams and hierarchies.

### **5.4.1 Organising data**

The first step for organising data for this study involved transcribing data recorded during the interviews, optically scanning material, typing up filed notes, sorting and arranging the data into different types from different sources of information to create a database (Leedy & Ormrod, 2005:150; Creswell, 2014:247). This process of data organisation is referred to as analytical induction (Cohen et al., 2007:472).

Transcripts for this research captured the flow of discourse events in written format, a medium which included who said what, to whom, in what manner and under what circumstance. Following the suggestion by Cohen et al. (2007:467), the data collected was clustered according to the categories of participants' participation, which automatically grouped data and enabled themes and similar patterns to be seen at a glance as indicated below:

- Analysis of data from interviews with education officials
- Analysis of data from interviews with finance committees
- Analysis of data from document analysis

Data organisation also involved the arrangement of documents which were assembled during the fieldwork. The researcher categorized documents according to the areas and scope of information they cover or that addressed a particular issue (Cohen et al., 2007:467).

### **5.4.2 Perusing the data**

During data perusal the researcher listened to the tape recorder to get the overall impression or a sense of what the data recorded from different participants revealed. Cohen et al. (2007:473) refer to this exercise as constant comparison. Data obtained from the recordings was read by the researcher several times to find out the general ideas of what participants were saying, to get the tone of the ideas, the overall depth of data and its credibility to be used for this research (Creswell, 2014:247).

This procedure was followed based on the assumption that data perusal should be open-ended and cyclical. This implied going over the data again and again, whether listening to recordings or reading transcripts or documents, noting features of interest, but not settling on them (Wetherell, 2001:38-39). Data perusal was conducted following the information accessed from data categories and themes as indicated in in Tables 5.3.1 and 5.3.2 above.

It was during this process of data analysis that the researcher matched the field notes, contrasted, aggregated, compared and ordered them in the way they were taken (Wetherell, 2001:38-39). Continuing with the data perusal process, the researcher also engaged in coding of the data. This process involved organising the data, bracketing chunks or text segments and writing a word representing a category in the margins of the transcripts or field notes (Creswell, 2014:247).

Data perusal also involved taking text of data gathered during data collection, segmenting sentences (paragraphs) into categories, and labelling those categories with a term based in the actual language of the participant called an "*in vivo term*" (Creswell, 2014:247). This process of bringing together groups of data to make a coherent whole allowed the researcher to move towards description, explanation and generation of theory for this study (Cohen et al., 2000:148).

#### **5.4.3 Classification of data**

When classifying data for this study, the researcher engaged in the process of identification of themes and classified them in term of their sequences. The process embraced the grouping of data into themes, clusters, patterns and coherent sets to form a domain (Cohen et al., 2003:148; Leedy & Ormrod, 2005:150). Through this procedure the researcher was able to examine codes that he used and see how they logically fell into clusters.

The researcher did coding, by counting the frequency of words, phrases and themes in a text (Neuman 2014:373). The coding process was cyclical where the researcher frequently referred to the original documents and records in order to make sense of them and comprehend the phenomenon under investigation in order to find and interpret meanings in the data and relate them as the findings on how the financial administration was conducted and practiced by school governing bodies in rural schools in Mpumalanga Province. ((Wetherell, 2001:38-39; Hardy & Bryman, 2004:615-616; Leedy & Ormrod, 2005:150).

#### **5.4.4 Synthesis of data**

To amalgamate data for this research the researcher described the relationships among categories (Leedy & Ormrod 2005:151). The researcher packaged data collected from the literature study, semi-structured interviews, focus group interviews and documentary analysis into an organised scheme (Leedy & Ormrod 2005:150). These schemes were in the form of constructed tables and quotes (Leedy & Ormrod, 2005:151).

## **5.5 ANALYSIS OF DATA FROM FACE-TO-FACE INTERVIEWS**

### **5.5.1 Introduction**

Data analysed was collected through the interviews with three education officials, who are the circuit manager (CMO1), the District School Governing Bodies Coordinator (DSGBC1) and the District Financial Officer (DFO1). The circuit manager (CMO1) was selected for the interview basically because he is the overseer of all the educational and governance activities in the circuit.

The District School Governing Bodies Coordinator (DSGBC1) was selected based on the fact that he is responsible for organising workshops for school governing bodies; he intervenes when there are financial management problems in schools and has statistical profiles for all the school governing bodies in the district. The District Financial Officer (DFO1) was chosen because he directly deals with the financial management challenges, reports, budgets and audited financial statements for all the schools in the district. The three education officials were asked questions regarding their work responsibilities and challenges of working with school governing bodies regarding financial management conduct.

### **5.5.2 Work responsibilities and challenges of working with the SGBs**

The researcher asked the education officials the following question, “**What are your work responsibilities and the challenges of working with the SGBs?**” The purpose of asking this question was to establish the responsibilities of education officials and the challenges that they come across when executing their work responsibilities with the school governing bodies. Their responses were captured under the following themes.

#### **5.5.2.1 Work responsibilities**

The three respondents were first of all questioned about their work responsibilities when working together with the school governing bodies. The main responses from the participants are captured below:

**COM1:** *One of my key responsibilities is to see to it that schools are functional; I give support and guidance to the principals; I assist the learners and the SGBs. I organise workshop sessions, solve the SGBs challenges and also train them. I also ensure that SGB elections in schools are fairly held.*

**DSGB 1:** *My responsibilities are more than coordinating the school governing bodies' activities that are undertaken here in the district concerning school governance. What I am doing on day-to-day basis is to receive and solve the SGBs complaints from different circuits within the district, to organise and draw the SGBs training plans and to train them.*

**DFO1:** *Firstly, I must ensure that schools receive their financial allocations as prescribed by provincial department of education and transfer these funds to schools electronically in two trenches. I also have to ensure that circuits and schools submit financial reports to the district and make sure that they are visited to be given support and training on financial management.*

Responses provided by all the three education officials revealed that they are servicing a single structure from different departments in slightly different ways. These officials give support to the school governing bodies by training them and solving financial management challenges. Different from each other's responsibilities, DSGBC1 organises and draws up the SGBs' training plans, CMO1 ensures fair elections of the SGBs whereas DFO1 ensures that schools receive their financial allocations as prescribed by the Provincial Department of Education and transfer these funds to schools electronically in two trenches.

Submissions made by these three education officials revealed that each official is executing his responsibilities of service delivery to school governing bodies as dictated by his job description for a common goal which is to ensure that schools under their administration are functional and work according to the standards and the laws set by the Mpumalanga Department of Education.

#### **5.5.2.2 Challenges of working with the SGBs**

It emerged from the responses made by the three education officials that they generally had difficulties working with some of the school governing bodies because of their literacy level and understanding of their governance responsibilities when CMO1 indicated that, *"Some of the school governing bodies are elected without educational background and for the reason that, they are not paid, they abuse school funds. Most of the school funds go to them rather than being used to develop learners in schools"*.

The other challenge that was revealed was that financial committees were not managing their finances in a proper way when the DSGBC1 said that *"What appears more challenging is the way some of the finance committees of school governing bodies are managing their finances"*.

Furthermore, the other challenge was the manner in which finance committees were making submissions of their finance documents when requested to do by the district when the DFO1 submit that *"Some schools don't respond in accordance with the requirements of the submission circulars issued for submission of their school finance invoices whereby we have to issue another circular to give them another time to prepare and submit those invoices."*

### **5.5.3 Funding of schools**

The question that was asked in this regard was, “**Who is responsible for the funding of schools?**” Posing this question, the researcher wanted to establish the funding responsibility for schools, methods of funding schools, as well as how schools are supposed to use their allocated funds.

#### **5.5.3.1 Funding responsibility**

Responses made by CMO1, DSGBC1 and DFO1 revealed that funding for schools came from the province, when CMO1 mentioned that, “*The Provincial Department of Education is the main funder.*” and the DSGBC1 and the DFO1 explaining that, “*The district works through the Provincial Department of Education that provides funding to our schools.*”. This implied that schools received their funds through the district which signifies that the district through its delegated powers assists in performing certain functions on behalf of the provincial education department.

#### **5.5.3.2 Methods of school funding**

Accounts given by CMO1, DSGBC1 and DFO1 revealed that, before schools are funded, the department looked at their poverty rankings from 1-5. This implied that for schools to be equitably funded the department followed the prescripts of the National Norms and Standards for School Funding whereby a criterion for the distribution of state funding to schools was used. Schools categorized under quintile 1-3 were classified as poor, whereas those in quintiles 4-5 were regarded as wealthy when the CMO1 mentioned that “*Schools funded differently according to their quintiles.*”

However, this submission made by DSGBC1 signified that schools categorized into quintile 1-3 and 4-5 were not given the same amount of financial allocation because of their levels of poverty which was determined by the income of the communities around those schools. Quintiles 1-3 schools were given more financial subsidy by the department and were not allowed to collect school fees, whereas quintiles 4-5 schools were given a low financial subsidy and were allowed to collect fees from the parents when he explained that “*Quintiles 1-3 are disadvantaged schools which should not charge school fees because they are given more money by the department. Quintiles 4-5 schools are advantaged schools and are allocated lesser funds and they were pronounced by the department to charge school fees.*”

As to how much money each school received, this was said by DFO1 to be the responsibility of the EMIS section of the department of education when revealing that, “*EMIS section of the Department of Education determines how much money should be allocated for each school and these allocations are transferred in their*

*banks electronically.*" As to how funds are received, it was clarified that they receive their finance allocations by transferring money into their bank accounts electronically.

### **5.5.3.3 Utilisation of allocated school funds**

Responses from COM1 and DSGBC1 revealed that funds allocated to schools should strictly be used for curriculum delivery, procurement of goods and services and day-to-day maintenance of the school, when COM1 mentioned that *"Money from the allocations should be used for matters related to curriculum."* The DSGBC1 and the DFO1 in addition to what was submitted by COM1, added by saying that *"Money should be used for payments of services rendered to the schools."* Curriculum delivery as espoused by legislation includes maintenance of the school, procurement of goods and services as well as payments for such goods and services.

### **5.5.4 Financial management roles and responsibilities**

The question asked by the researcher was, **"What are the SGBs financial management roles and responsibilities, and their understanding of such roles and responsibilities?"** With this question the researcher wanted to know the understanding of the SGBs roles and responsibilities in managing finances, how were they made to understand them and the challenges they come across when executing them as well as the support they receive to execute those role and responsibilities.

#### **5.5.4.1 Roles and responsibilities of managing finances**

Inferences from the above responses made by CMO1 denoted that school funds are in the custody of school governing bodies when they mentioned that, *"Among others, the members of school governing bodies must ensure that funds that are allocated to their schools are in safe hands."* Therefore, it was their responsibility to budget these funds in the best interests of their schools and to buy school equipment to make sure that teaching and learning is improved as suggested by legislation when DSGBC1 said that, *"The financial management responsibilities of the SGBs are to draw school financial budget; to make procurements for the school; pay services and maintain the school."* Furthermore, DFO1 indicated that, *"SGBs must and also ensure proper handling of financial documents"*. This implied that in the process of executing their financial utilisation exercise of providing schools with their curriculum requirements, it remained their responsibility to ensure that all the documents used and received when making payments for procured goods and services were properly controlled and safely kept.

#### **5.5.4.2 Understanding of the SGBs' financial management roles and responsibilities**

CMO1 indicated that some of the school governing bodies have understanding of their roles and responsibilities based on the immense shift of their illiteracy level as compared the previous SGBs when he stated that, *"Based on the literacy level of contemporary SGBs, I think that some understand their roles because they are able to budget, give report to the parents, arrange and send their financial books to the auditors."* Although in agreement with the CMO1, the DSGBC1 mentioned that the SGBs to some extent understand their roles and responsibilities when he said, *"Why am I saying to some extent is because you will find that there are SGB members who understand and those who think that they understand their roles. Those who understand will override the principal and those who are not sure about their roles will depend on the principal who sometimes leads them to mismanagement of school funds."* However, DFO1 in agreement with the CMO1 and the DSGBC1 also submitted that *"Basically some of contemporary SGBs have better understanding than the previous ones."* This implies that though there are improvements in the management of finances by the SGBs, but there are still elements of misunderstandings between members of the school governing bodies and their principals in terms of performing their financial management roles and responsibilities.

#### **5.5.4.3 Ways of making the SGBs to understand their roles and responsibilities**

CMO1, DSGBC1 and DFO1 noted the importance of frequent training for the school governing bodies, especially in the area of financial management. They regarded training of the school governing bodies as an important factor that might familiarise school governing bodies with their roles and responsibilities.

CMO1: *What can make them familiar with their roles is when frequent trainings can be organised for them.*

DSGBC1: *We have also requested circuit managers to use their administrative staff to assist the finance committees by conducting mini induction workshops within their circuits.*

DFO1: *I think the department must engage them in frequent workshops.*

This implied that much as it is the responsibility of the district officials to train the school governing bodies, circuit managers are also obliged to complement their endeavours.

#### **5.5.4.4 Challenges of the SGBs when executing their roles and responsibilities**

CMO1 mentioned the main challenge as *"The conflict between the principal and the school governing body members in relation to their roles and responsibilities regarding how money should be used."* However, DSGBC1 and DFO1 discovered the struggle between some of the members of the school governing bodies and their

principal with regards to execution of their financial management roles, more especially on how school money is expended, was a huge challenge when they stated that,

DSGBC1: *The problem I usually encounter relates to spending of school money, signing of blank cheques, procurements of goods and largely conflicts among the members of the school governing bodies.*

DFO1: *I usually come across problems of financial expenditures from audited financial statements for money which cannot be accounted for.*

Submission made by these three education officials revealed poor conduct in financial management. According DFO1, the anomaly was aggravated by misunderstanding in terms of procurement of goods and how payments were made.

This implied that some of the members of the school governing are still imperfect regarding how they should work with their principals to execute their responsibilities as well as understanding of the prescripts of the law when discharging their governance responsibilities.

#### **5.5.4.5 Support given to the SGBs to overcome their challenges**

Education officials indicated that they gave support to the school governing bodies when financial management challenges from schools are reported to them. CMO1 mentioned that *“I make appointments with the affected school and try to resolve the challenges and if the challenges are unsolvable, I involve the district.”* Whereas DSGBC1 explained that *“One thing that I do is once a financial management the problem is reported to me, I zoom in and conduct one day support workshop in that school.”* This implies that CMO1 and DSGBC1 work collaboratively to make sure that the school governing bodies are given school governance support and DFO1 assists only when is requested to do so by these other two education officials when he said, *“Precisely matters involving financial conflicts are not my competence, they are referred to the SGBs coordination department but when there are challenges pertaining to financial management issues, together we visit the schools to resolve their problems.”* However, the fact that education officials support the school governing bodies only when the financial management challenges are reported to them, revealed that the support for the school governing bodies from the circuit and the district is unplanned, periodic and inadequate.

#### **5.5.5 The legislation and policy frameworks**

The question asked was, **“What is the knowledge and understanding of legislation and policy frameworks used by the SGBs when managing finances?** With this question the researcher wanted to establish whether the SGBs know the names of legislation and policy frameworks they use when

managing finances and to establish whether the SGBs display understanding of such legislation and policy frameworks.

#### **5.5.5.1 The knowledge the SGBs have in financial legislation and policy frameworks.**

CMO1 mentioned that *“The SGB’s are still using the South African Schools Act and Public finance management Act.”* Whereas DSGBC1 revealed that *“Although the SGBs use SASA, they are sometimes encouraged to refer to PFMA, but they are not supposed to use it, they may only use it as a reference.”* The submissions from these two education officials revealed that the South African Schools Act (SASA) should be used as the key documents for financial management in schools. However, DFO1 said *“The School governing bodies may also refer from the Schools Financial Framework (SFF).”* The submissions from these education officials implies that the SGBs must use SASA to manage their schools finances may also use SFF and PFMA as references.

#### **5.5.5.2 Understanding of the legislation and policy frameworks**

Understanding legislation and policy frameworks was revealed by all three education officials to be a challenge to some of the SGB members especially those from the parents’ component when they mentioned that,

CMO1: *“Some of the SGB members especially from parents’ component do not understand financial management legislation and policy frameworks.”*

DSGBC1: *“Most of the time you will find that is the principal who is handling and organising the financial records because the SGBs have limited understanding of the legislation and policy frameworks”*

DFO1: *“The SGBs need to be trained around the issues of legislation because some of them really do not understand.”*

The misunderstanding of the legislation and policy frameworks in terms of what was submitted by all three education officials revealed that some the SGBs do not know how to implement the financial management legislation and as such they abandoned their financial management responsibilities by delegating them to their principals. Therefore, this calls for the department to make sure that the SGBs are thoroughly trained.

### **5.5.5.3 Ways the SGBs were made to understand the legislation and policy frameworks**

It emerged from the views of education officials that training was a step to be taken towards making school governing bodies understand the legislation and policy frameworks: *“Training is important, especially for those who have little information about school governance and those whose literacy level is a barrier.”*

This response revealed that training organised should especially target those members who are new in the school governing body in order to afford them an opportunity to acquaint themselves with the content of the financial management legislation and policy frameworks used by schools.

Agreeable to the techniques of making the SGBs understand the legislation and policy frameworks, all the education officials mentioned that, *“SGBs are made to understand legislation through their engagements in training that we conduct, and they are assisted on how to follow the financial management regulations that are stipulated in SASA and also expect them to develop budgets and that is where we are able to see their understanding of legislation of managing and controlling finances.”* This submission revealed a way of combating the SGBs’ challenges of illiteracy that might impede understanding of financial management legislation and policy frameworks during the training sessions organised.

This also implies that the SGBs should be involved in performing practical financial management tasks espoused by financial management legislation to test their understanding in order to give instructors an opportunity to detect knowledge gaps created so that they can provide further guidance.

### **5.5.6 Financial leadership**

The researcher asked this question, **“Are all schools having functional finance committees that were constituted according to the law?”** The purpose of this question was to establish whether the SGBs have functional finance committees which were composed according the legislation.

The three respondents were first of all questioned about the availability and functionality of finance committees in schools since they are working closely with the school governing bodies. The main responses from the participants are captured below:

#### **5.5.6.1 Availability and functionality of the finance committees**

Finance committees were viewed by all the three education officials as critical structures in the management of school finances when COM1 stated that, *“All the schools in the circuit have finance committees, but I think some do not function as per requirements of legislation.”* DSGBC1 agreeing with CMO1 submitted *“I*

believe that all the school have finance committees since I did not come across any complain about a school not having finance.” DFO1: also revealed that, as the requirement of the legislation, all the schools allocated funds by government must have the finance committees when he mentioned that *“Functional schools that are receiving the financial allocations from the department, in terms of the law, must have finance committees.”* Based on the legislative conditions, all the three education officials they trusted that all the schools had finance committees.

#### **5.5.6.2 Composition of the finance committees**

The three education officials viewed the finance committees as having been correctly formed in schools when they said that, *“Legislation was followed when these committees were formed which implies that it is a five members committee comprising of the principal as ex officio, the school administration clerk as a financial officer appointed by the SGB, the treasurer of the SGB who comes from the parent component who becomes the chairperson of the committee, the secretary of the SGB who comes from the parent component who becomes the secretary of the finance committee and the chairperson of the SGB who also comes from the parent component.”* Views submitted by these education officials were in line with the Financial Management Module for Mpumalanga Department of Education (2018:9) where it stated that the finance committee should consist of a minimum of five members and at the most eight members of whom three should be parents.

#### **5.5.6.3 Election criteria for members of the finance committees**

Understanding of financial management was viewed by CMO1, DSGDC1 and DFO1 as a crucial element and consideration which must be followed by school governing bodies when electing members of finance committees when they indicated that, *“Following the South African Schools Act, the majority of members should come from the parent component and they should be members having an understanding and knowledge on how school finances should be managed.”* Although it was viewed that the majority of the members should be drawn from the parent component, it was regarded essential that those members elected to the committee must have knowledge and understanding of school financial management.

#### **5.5.7 Capacity building**

The question asked was, **“What kind of support do you provide to the SGBs, how often and what kind of progress was registered from your support?”** The researcher asked this question with the aim of finding out whether there is support given to the SGBs, the kind of support they receive, the importance of the support provided, knowledge gained through this support, number and duration of training sessions attended.

### **5.5.7.1 Providing support to the SGBs**

The school governing bodies must be supported at all levels of the education system, at school, circuit, district, provincial and national level. Section 19 (2) of the South African Schools Act requires the principals, circuit officials and the district officials render all the necessary assistance to the governing body to perform their functions. Circuit managers are tasked with the responsibility of building capacity of the SGBs in their clusters and monitoring and supporting their activities.

Support for the SGBs was viewed by CMO1, DSGBC1 and DFO1 as inadequate when CMO1 mentioned that: *"I am not giving enough support to the SGBs because I only go to schools when there are finance management challenges."* One other factor that hindered frequent training and support of the SGBs as indicated by DSGBC1 was the vast number of school governing bodies he had to train in the entire district with less manpower at his disposal which limited the quality support the SGBs should receive. He claimed that, *"I must workshop all the SGBs in the whole district. I am dealing with 507 schools in the whole district that must be supported and trained by only one person. Some of the schools we only visit when they have raised problems. Thereafter, I must workshop all the SGBs in the whole district, but now I am dealing with 507 schools in the whole district that must be supported and trained by only one person. However, I also urge the principals to help with the induction of the SGBs."* DFO1 submitted that, *"I only support school when I am requested by the DSGBC1."* This suggested that the SGBs might not be visited in a period of the three-year cycle of their membership provided that they registered financial management problems with the office of DSGBC1. Submissions made by these three education officials signalled poor, infrequent support and monitoring conducted with the SGBs regarding their financial management.

### **5.5.7.2 The kind of support provided to the SGBs**

It emerged from the interviews with CMO1, DSGBC1 and DFO1 that training was a mechanism they used to support the SGBs when the CMO1 said that, *"I support the SGBs when I am invited by the SGBs' coordination to help them during the workshops they have organised. DSGBC1 also revealed that, "I ask circuit managers and the district finance officer to help in training the SGBs and also visit schools to coach them in terms of following their budgets using of legislation when managing finances."* It was evident from the statement made by this education official that there was interdependence among the circuit office, the district finance department and the district coordination department in terms of providing support to the SGBs. This interdependence of holding joint the SGB training by these three education officials was revealed when the DFO1 mentioned that, *"Workshops are normally organised in conjunction with the district coordination department, the department that is providing funds to develop school governing bodies."* This implied that COM1 and DFO1 did

not have the budget allocated to organise the SGB training, hence they relied on the budget allocated to the SGB coordination department for such events.

### **5.5.7.3 The importance of support provided to the SGBs**

Although CMO1 viewed the support provided to the SGBs as insufficient, when he said, *“At the circuit level I am failing because I depend on the support the district is initiating, but I think some of the SGBs have improved a lot.”* However, DSGBC1 explained that there were the SGB members in some schools who have also improved because of the help they were providing to them when he mentioned that, *“My support is helping schools to manage finances proficiently because we have audited financial statements from schools that are reflecting an improvement in schools’ financial management conduct.”* However, the inadequacy of their support to the SGBs as indicated by DSGBC1, was realised from the nature of the financial management implementation outcomes from some of the SGBs.

When comparing the effectiveness of the support they were providing to the SGBs, DSGBC1 stated that, *“If I have to look at success rate, we are just below 50% because we still have problems emerging from school governing bodies on managing finances.”*

Submissions made by these education officials implied that, although they are registering progress with the support, they are providing to the SGBs, there was still a lot of work to be done with regard to improving their finance management conduct.

### **5.5.7.4 Knowledge gained through the support sessions attended**

All the three education officials revealed that the finance committees have made enormous progress as compared to what was happening previously regarding the execution of their financial management responsibilities due to the support provided to them when CMO1 revealed that, *“Truly speaking in schools where the SGBs are having willingness to learn, there is a lot of progress on how school finances ought to be utilised.”* CMO1 further raised an experience that, even though the finance committees are given support, there were still those who struggle with the execution of their financial management responsibilities. According to DSGBC1, many SGBs in the district showed progress in the management of finances due to the knowledge they have gained from the workshops even though it was for a very short period when he said, *“The SGBs work better after they have been trained.”* This implies that although there are SGBs who gained financial management knowledge and understanding through training sessions they had attended, there were still those who required vigorous training to improve.

### **5.5.7.5 Number sessions attended and duration of training**

CMO1, DSGBC1 revealed that joined workshops organised occurred for two days. Following their departmental programmes for support of school governing bodies, in addition to the main workshop attended by CMO1 and DSGBC1, they further indicated that they organise two hour workshops that take the shape of financial management meetings with the finance committees to deliberate on financial management issues and also to coach them, especially when there are financial management challenges among members of the SGBs. DSGBC1 claimed that, *“We organise only one training session for two days for the newly elected SGBs in a cycle of three years. The other workshops are this when we visit schools and address problems and usually workshops are organised for only two days.”* However, education officials acknowledged that training for the SGBs occurred for two hours, which, according to the literature, is inadequate.

### **5.5.8 Literacy level**

The question, **“How does the literacy level of the contemporary SGB members contribute to their management of finances?”** was asked. With this question the researcher wanted to establish whether the SGB members are literate enough to be able to manage finances in schools.

#### **5.5.8.1 Literacy level of the contemporary SGB members**

All the three education officials viewed the current SGBs as literate compared with the previous ones when they said that,

CMO1: *Comparatively, the literacy level of the now and the then SGBs is not the same. There is an improvement.*

DSGBC1: *At the moment I am able to see better literate people involved in school governance rather than in the past.*

DFO1: *Most of our SGB members are former educators, hence there is an improvement.*

#### **5.5.8.2 Roles of literacy level in managing finances**

Literacy level was viewed as significant by all three education officials in that it helped school governing bodies to manage their school finances properly, to follow legislation and to minimise their financial management misunderstandings that might prevail between the SGBs and the principal in terms of executing their financial management roles and responsibilities when they indicated that,

CMO1: *The SGBs with minimum literacy level will assist the schools to organise finances and reduce financial mismanagement.*

DSGBC1: *Literate SGBs reduce dependency of finance management on the principal.*

DFO1: *When the SGBs are literate, financial accounting will be properly done as required by SASA and schools will be better resourced.*"

This implied that, for the school finances to be properly managed organised and controlled, members of school governing body must have minimum literacy levels in order to be able to understand and implement the financial legislation.

### **5.5.9 Financial organisation**

The question that was asked is, **“Who should be responsible for the handling and banking school funds, drawing up the school budget, controlling and monitoring the finance books?** With this question the researcher wanted to know the person(s) responsible for handling school funds, how the funds are banked, who draws up the budget as well as the control and monitoring of finance books.

#### **5.5.9.1 Handling of the school funds**

According to the submission made by CMO1, the principal, the SGB chairperson and the finance officer are responsible for handling of the school funds. This account differed significantly with the suggestion made by DFO1 and DSGBC1 who viewed handling of school funds as the responsibility of the finance committee. These accounts revealed differences between the CMO1, DSGBC1 and DFO1 as to who should be responsible for handling of the school finances.

However, the handling of funds as indicated by legislation should be the responsibility of the finance committee and this concurs with the submissions made by DSGBC1 and DFO1 because the principal, the SGB chairperson and the finance officer without the treasurer cannot alone handle school funds unless delegated by the entire SGB, but in terms of the formation of finance committees, the principal, SGB chairperson, finance officer who must appointed by the principal with a letter, the treasurer and the secretary as members of the finance committee are charged with the responsibility for handling school funds.

### **5.5.9.2 Banking and documents used for banking school money**

Money collected by the schools by any means which is in line with the financial legislation of that school and of the department should frequently be banked. CMO1 and DFO1 viewed the banking of school money as the responsibility of the treasurer who must work in conjunction with the principal and the finance officer. They stated that, *"The treasurer, who must work with the principal and the finance officer, has the responsibility of banking the school money and we always advise schools to use deposit books when banking money in order to be able to trace the money banked."* DSGBC1 also regarded banking of school money as the responsibility of the finance officer, treasurer and the principal when he mentioned that, *"Either of the three, the principal, treasurer and the finance officer as long as they are carrying the mandate of the finance committee."*

Based on the submissions made by these three education officials, it was of paramount importance that the treasurer or any other person among the two delegated by the treasurer to deposit school money must use a deposit book. The reason for using a deposit book as advanced by DSGBC1 was to make sure that there is evidence of the money banked and it can be easily accounted for.

### **5.5.9.3 Drawing up and submission of the financial budgets**

CMO1, DSGBC1 and DFO1 indicated that, for schools to enhance proper management of the finances, they should prepare a budget that should be used as a guiding document in terms of utilisation of funds when CMO1 indicated that, *"Schools should draw budgets for proper management of finances because schools without the financial budget is planning to fail in its financial management."* DSGBC1 further indicated that before the end of each financial year schools should start to develop their school budgets in order to make submissions when he revealed that, *"Schools should draw budgets before the end of the financial year and submit them to the circuit to be authenticated."* However, DFO1 said that, *"Financial management legislation requires each school to draw its budget and submit it to the circuit."*

DSGBC1 and DFO1 submitted that their department did not expect any submissions of budgets from schools. However, CMO1, DSGBC1 and DFO1 agreed that the schools' financial budgets should be directed to different circuit offices before the beginning of a new financial year. This implied that the budgets drawn up by the schools as per the requirement should be submitted to the circuit but not to the district office.

#### **5.5.9.4 Control and monitoring of the finance books**

CMO1 submitted that as part of his responsibilities he was supposed to control and monitor schools' finance books, but he was not doing it because the staff members he was provided with by the department do not have financial expertise, excluding one person who is a financial specialist. He mentioned that, *"School finance books are not submitted to the circuit office for control. This is something that I was supposed to be doing, but we are not doing it because of lack of staffing. At the circuit level, I also don't have a person who is a financial management specialist."* However, as part of the control and monitoring of school finance books CMO1 and DFO1 follow a programme they have drawn up for schools' visitations and during their visitations they check whether schools have finance committees, whether finance committees have finance policies and whether schools are expending funds according to their prescribed budgets and the legislation. However, as indicated by DFO1, based on the number of schools in the district that they had to attend, monitor and control the finance books, this process was not being effectively conducted. He claimed that, *"I have 507 schools in our district to take care of. I draw a programme to monitor those schools, but I don't do justice to monitoring and control of finances in schools."*

#### **5.5.10 Procurement and payment of services**

The question asked was, **"Which procedures should schools follow for procurement of goods and payment of services?"** With this question the researcher wanted to establish procurement and payment procedures, followed by the financial committees.

##### **5.5.10.1 Procedure for procurement**

It emerged from the responses made by CMO1, DSGBC1 and DSGBC1 that for procurement of goods and services schools must obtain three quotations from different service providers: *"In the workshops that we conduct with the SGBs we always inform them that it is necessary to compare prices before they make procurements in order to safe their school funds, they should find three quotations, compare them and choose the service provider who is low in prices."* This implies that that the three quotations would give the school governing bodies a chance to compare prices and decision-making opportunities as to which quotation to settle for in terms price and affordability.

##### **5.5.10.2 Procedure for payment**

CMO1, DSGBC1 and DFO1 submitted that payment for goods and services should be made by means of a cheque but not cash, based on the fact that people might be tempted to use the cash for their own

benefits. According to them, *“Using cash payments for procured goods and services is highly discouraged by the legislation, because cash corrupt people. Therefore, the schools governing bodies should make payments by means of cheques because through cheques one is able to trace how funds were used. Therefore, in all the workshops, as indicated by all these three education officials, the school governing bodies were alerted about this issue and warned never to engage in such practices when they revealed that, “The SGBs have been warned in the workshops we conducted with them never to use cash when making payments, instead they must use cheques.”*

#### **5.5.10.3 Funds used for items of procurement**

CMO1, DSGBC1 and DFO1 indicated that funds allocated to schools by the department should be used for day-to-day spending on curriculum matters in schools and to buy teaching and learning aids when the CMO1 revealed that, *“Procurements of items like maps, laboratory equipment, and reference books should be procured with the funds allocated to schools by the department. However, DSGBC1 mentioned that, “Money from the department should be strictly be used for curriculum related matters.”* In addition, DFO1 said that, *“This funds should be used to run the school because big projects such as construction of buildings, provision of desks and Learning and Teaching Support Material (LTSM) are the responsibilities of the Provincial Department of Education.”*

#### **5.5.10.4 Rules for issuing cheques**

It emerged from the responses made by CMO1, DSGBC1 and DFO1 that schools are not allowed to sign blank cheques when CMO1 and DFO1 pointed out that, *“When procuring goods, schools are not allowed to use blank cheques. DSGBC1 also submitted that, “Completed cheques issued must bear two signatures of the two designated signatories and the counter- foils in the cheque book should be completed and remain in the cheque book.”* CMO1 advanced a reason for condemnation of signing a blank cheque that signing of such cheques might encourage members to engage in fraudulent acts when he indicated that, *“When procuring goods, schools are not allowed to use the blank cheques because they corrupt people.”* It was therefore indicated as imperative by all these education officials that all signed cheques should reflect the name of the payee and must be signed by the designated signatories and that counterfoils for all the cheques issued must remain in the cheque books.

#### **5.5.11 Financial responsibility**

The researcher asked the question, **“Who should be responsible for keeping the financial records safe, conducting internal and external auditing?** The objective of this question was to find out about the procedure for ensuring accountability for the safe keeping of the school financial records as well as reasons for conducting of internal and external auditing.

### **5.5.11.1 Safekeeping of the financial records**

It emerged from the submissions made by all the three education officials that safety of the school finance documents must be ensured by the finance officer and the principal. CMO1 revealed that, *“The principal with the help of the school administrator by the virtue of being a finance officer and independent from the SGB must ensure safekeeping of the school financial records.”* However, DSGBC1 further indicated that, *“The finance officer and the principal are responsible in making sure that the finance books are secured.* DFO1 maintained that they must be locked into the school safe by the principal and the finance officer where unprincipled people are unable to access them when he said that, *“The principal and the finance officer must make sure that school financial records are locked in a safe place where nobody except the committee can lay hands on them.”*

### **5.5.11.2 Conducting the internal auditing**

Internal auditing is an important exercise that should be performed by the finance committees as emerged from the responses made by CMO1, DSGBC1 and DFO1. It was revealed by CMO1 that, *“It should be done in order to prepare, arrange and evaluate finance books before they were submitted to the professional external auditor for examination.”* DSGBC1 further stated, *“In our workshops we usually inform the finance committees that it important to conduct internal auditing in order to avoid sending incomplete information or disarranged documents and books to the external auditors.”* The reason as advanced through the responses made by DFO1 with regards to internal auditing was that the procedure followed alerts the finance committees about the mistakes that might have prevailed in their financial management conduct and thus affords them an opportunity to rectify their mistakes before submitting books for external auditing when he claimed that, *“It is done to alert the finance committee about the mistakes that might have occurred in their books.”* This implies that the internal auditing is done by the finance committee to make sure that their finance books are submitted to the external auditor without mistakes.

### **5.5.11.3 Submission of the finance books for external auditing**

Submission of the school finance books for auditing was viewed to happen at the end of the financial year by COM1, DSGBC1 and DFO1. The end of the school financial years is 31<sup>st</sup> December of each year as indicated by DFO1 when he said that, *“Finance books should be submitted for external auditing on the 31<sup>st</sup> December of every year for professional purposes.”* However, CMO1 mentioned that, although the submission time for finance books to be sent to the external auditors is regulated by legislation, some of the schools refused to align with this requirement and ended up submitting their finance books later than the stipulated time. He revealed that, *“Some of the schools don’t comply. Some of these schools send their finance books for external auditing between January and March of the next financial year.”*

According to what was submitted by all the three education officials, submission of finance books to the external auditors was not intended for any other reason except to inform the department about how schools were managing their finances when they revealed that, “*External auditing is done in order to report to the department on how schools are managing their finances.*” However, DFO1 mentioned that schools were not allowed to submit their books to any professional auditor of their choice but were directed by the department list of confirmed auditors with whom they should work. He confirmed that, “*The department accepts only finance books that were audited by professional auditors appearing on the database of the department and these auditors must be registered with recommended professional bodies.*” Based on this assertion, it was assumed that all the schools in the province were in possession of such a document to refer to when managing their finances.

### **5.5.12 Financial reporting**

This question was asked, “**How should financial reporting be done to the circuit and district office and why should it be done?**” With this question the researcher wanted to know about reporting of finances by schools to the circuit and the district as well as the reasons for submitting such reports.

#### **5.5.12.1 Submission of the financial reports to the circuit and district office**

It emerged from the responses from education officials that schools were submitting their reports via their circuit to the district finance department. The reason for not submitting their financial reports directly for circuit consumption, as indicated by CMO1, was because of the lack of a financial expert at circuit level who could peruse the financial reports from schools: “*Schools are not sending their financial reports to the circuit but only via the circuit to the district. It is only when I visit schools that I am given reports on how finances are managed. The district finance department is communicating directly with schools to get such reports because at circuit level, we don't have a person who is a guru dealing directly with finances.*” CMO1 further mentioned that the only way he got financial reports from schools was when such reports were communicated to him during school visitations, whereas DFO1 clearly indicated that not all the reports from schools were submitted to his department when he revealed that, “*We proposed that schools should submit their quarterly financial reports which are not necessarily submitted to our department but to our different circuit offices and at the end of the financial year the circuits submit audited financial statements from schools to the district.*” This implied that certain reports sent by schools to the circuit remained within the circuit. DSGBC1 claimed that submission of financial report is not within his competence when he claimed that, “*I don't request any financial reports from schools.*”

Based on what DFO1 mentioned, it was evident that CMO1 did not request any quarterly reports from schools except for the audited financial statements that he submitted on behalf of schools to the district

at the end of the financial year. However, this further implied that DFO1 seemed not to be aware that the arrangements made by the department for schools to submit their quarterly financial reports were not followed by the CMO1.

#### **5.5.12.2 Reasons for submitting the financial reports to the circuit and district office**

CMO1 and DFO1 viewed submission of audited financial statements by schools as a requirement from the department to be able to process their financial allocations for the new financial year when they said that, “Schools must submit schools’ audited financial statements to the district to be given their funds allocations.” DSGBC1 doesn’t receive any financial reports but reports on the challenges experienced by schools when managing their finances because that was not his scope of operation. He said, “The only reports that I receive are either from the schools or circuits when there are financial management problems to be attended to. Sometimes I receive reports from the finance division to attend to schools that have not performed well in their financial management.” However, the audited financial statements received by the district as mentioned by DFO1 were scrutinised by the district finance department and a written report to that effect was submitted to the province together with Certificates of Written Assurance (CWA) for all the schools in the district in order to alert the province on how finances were managed in schools.

#### **5.5.13 Improvements and achievements in financial management**

The question asked by the researcher was, “**What are the improvements and achievements of the SGBs financial management and how do you treat them for further improvement?** By asking this question the researcher wanted to know whether the school governing bodies have improved or achieved in their school financial management conduct and how they treat such improvements and achievements.

##### **5.5.13.1 Improvements and achievements realised in financial management**

All the three education officials revealed an improvement of the school governing bodies in the management of finances. CMO1 stated that, “Quite a number of schools have improved. A good number of finance committees of the SGB know how to draw up budgets for the next financial year. DSGBC1 further claimed that, “Some of the finance committees know that funds allocated to their schools should be used for curriculum related matters.” Whereas DFO1 added that, “As a sign of improvement from the SGBs, maintenance is done in schools and there are equipment’s that are being bought in schools, teaching and learning aids and there are also teaching programmes and strategies that are being organised that teachers are implementing and are financed by the school governing bodies.” Responses from these three education officials implied that there were improvements and

achievements that were realised from the SGBs regarding their conduct in managing their schools finances.

### **5.5.13.2 Treatment of improvements and achievements realised in financial management**

Drawn from the responses made by CMO1 and DSGBC1, the SGBs were recognised in the past when the CMO1 revealed that, *“Unfortunately, these achievements and improvements are not presently recognised; unlike eight years ago when circuits were given allocations by the district, we use to recognise their efforts by issuing out certificates of good performance”*, and this, according to DFO1, was an oversight on the side of the department when he mentioned that, *“Improvements and achievements of the SGBs are not acknowledged by the department and this is an oversight,”* which implied that, in the future, the department will seek to recognise the SGBs at the end of their school governance cycles.

### **5.5.13.3 Support provided for further improvement in financial management**

It emerged from the views of all three education officials that regular training of SGBs was a way of supporting them when CMO1 revealed that, *“I need to organise frequent training sessions especially on matters relating to financial management to further improve their performances.”* Apart from regular trainings, DSGBC1 mentioned that the SGBs should be encouraged to hold regular financial meetings when he indicated that, *“To further improve their conduct in managing finances is for me to encourage them to hold finance committee meetings and to uphold the decisions made and to ensure that school financial budgets are followed.”*

This implied that it would be in those meetings that members would take common decisions and address conflicts on matters that might spark differences before they implemented the decisions that were to be taken.

### **5.5.14 Financial management conduct**

The researchers asked this question, **“How can you help the school governing bodies to improve their financial management conduct and what contribution will their improved conduct make to the management of finances?”** This question wanted to establish the ways of improving financial management conduct of the school governing bodies as well as the benefits that will be harvested from their improved management conduct.

#### **5.5.14.1 Improving the financial management conduct**

CMO1, DSGBC1 and DFO1 recommended regular training sessions and meetings as methods that can be adopted in order to improve the financial management conduct of school governing bodies when the CMO1 indicated that, *“There is nothing more you can do to help school governing bodies to improve their financial management conduct than to encourage them to hold regular financial management meetings where the members with financial management knowledge and the principal should help those with little understanding where the members with financial management knowledge and the principal should help those with little understanding.”* DSGBC1 further explained that, *“The district should also be requested to organise regular financial management training sessions with the school governing bodies and, if this can happen, surely they will improve their financial management skills.”* This implied that it should be recommended to the department to organise regular training sessions for the finance committees and finance committees should also be encouraged to hold regular finance committee meetings in order to share ideas, skills and knowledge on finance related matters.

#### **5.5.14.2 Contribution of the improved conduct in managing finances**

CMO1, DSGBC1 and DFO1 viewed the improved conduct in the management of finance by SGBs as a standard that will bring progress in their financial management when CMO1 revealed that, *“Their improved conduct will bring financial stability in schools and schools will have a strong financial base.”* DSGBC1 also revealed that, *“Through the improved conduct, services in schools will be provided without hindrances and the community will have the courage to work and support the schools financially.”* DFO1 also claimed that, *“There will also have less financial mismanagement cases and conflict among the members reported to me and schools will progress financially.”* This implied that improved conduct in the financial management would be a milestone on the side of both the department and schools with regard to the following of the legislation in order to ensure proper the handling, control and utilisation of school finances.

#### **5.5.15 Financial mismanagement**

The question the researcher asked was, **“What are your experiences of the financial mismanagement in schools, how were they reported, dealt with and who were the victims?”** This question wanted to find out as whether there were incidences of financial mismanagement in schools, how were they reported to the circuit or district, the victims of such cases and how such cases of mismanagements were dealt with.

### **5.5.15.1 Financial mismanagement experiences**

COM1, DSGBC1 and DFO1 viewed the financial mismanagement as one conduct that occurs in some of the schools in the district when CMO1 revealed that, *“Financial mismanagement in the schools of our district is rife because the SGBs have been given authority to handle and control school funds and, because of little knowledge they have in financial management, some of the principal take an advantage to engage in financial misappropriation.”* DSGBC1 further indicated that financial mismanagement occurrences that were predominant included the financial embezzlement: *“Some of the SGB members, especially from the parent component, come into the SGB to participate hoping that there will be financial benefits expecting some financial gains. Also, in the case of contracts they sign with companies or suppliers supplying the school with services become a problem with them because they inflate those contracts for financial gains.”* However, DFO1 said that, *“Usually some of the cases are reported to the district and when the allegation is on the parent component members, it becomes difficult to solve it.”* Based on the responses made by these three education officials it became clear that financial mismanagement does occur in some of the schools in Nkangala district.

### **5.5.15.2 Ways of reporting the financial mismanagement**

Cases of financial mismanagement were reported differently as viewed by all three education officials. From the responses as indicated by CMO1, *“The cases are sometimes reported personally by some of the members; some phone the circuit.”* DSGBC1 and DFO1 also mentioned that, *“Some report their cases through phone calls, whereas some write letters of complaint to raise their grievances either to the district or the province.”* From the responses provided by these education officials, it was clear that there was no precise protocol that was followed when these complaints were registered.

### **5.5.15.3 Kinds of the financial mismanagement cases reported**

All the three education officials revealed that different cases of financial mismanagement were reported as CMO1 indicated that, *“Financial mismanagements that are normally reported regard the misuse of funds such as exorbitant claims that are made and using school money for personal benefits such as buying personal goods.”* CMO1 further indicated that another case that was recently reported to the circuit office involved the principal who connived with some of the SGB members to mishandle school money when he said that, *“One principal and some of the SGB members were recently reported to have misappropriated school money. DFO1 further said that, “Some of the cases involved the failure by one member of the SGB to account for the school money he/she was mandated to use.”* However, the cases that were reported to the district as indicated by DSGBC1 involved schools not following financial management procedures, including a case where school funds were

reported missing, organising a false school trip and using embezzled funds to pay for that trip, as well as the case where the principal had an agreement with some of the SGB members to embezzle school funds.

#### **5.5.15.4 Victims of the financial mismanagement**

It emerged from the interview with CMO1 that most of the cases that were lodged with either the circuit office or district involved the principal and the SGB chairperson and on rare occasions the finance officer and the treasurer when he revealed that, *“You may find that the principal the treasurer and the SGB chairperson are always accused. But recently the case that was reported went to an extent of involving the finance officer.”* However, DSGBC1 viewed principals as the common victims of financial mismanagement in schools when he mentioned that, *“Principals are always involved and are commonly the victims of these claims.”* This implies that, irrespective of other members of the finance committees who were involved in the financial mismanagement of schools, the fact that the principals are accounting officers in the financial management of the schools means they were always held accountable.

#### **5.5.15.5 Dealing with cases of the financial mismanagement**

Cases of financial mismanagement, as was revealed by all three education officials, were dealt with in the same way. CMO1 mentioned that, *“. What I do is to first assess the case, the allegation and thereafter meet with various members that are involved and from our meeting we then decide as whether the case can be resolved by us within the governance department or whether there is a need for us to refer the case to labour department where somebody has to adjudicate the case and generate charges if it is the departmental employee involved.”* DSGC1 also indicated, *“I first of all assess the case, call the victims and resolve the case. If the case is difficult to solve, I refer it to the labour department of the district.”* DFO1 further mentioned that, *“ If such a problem emerge people engaged in a misconduct are called to explain and if their case cannot be solved is referred to the district labour department.”* These education officials further indicated that punishments that might be imposed if the victim was found guilty involved being dismissed from work, having to pay back the funds embezzled or being demoted from his/her position if he/she was a senior manager.

#### **5.5.16 Summary**

Data that emerged from the interviews with COM1, DSGBC1 and DFO1 demonstrated that the Department of Education played its part through delegation of responsibilities to make sure that governance in schools was conducted credibly although its support was not enough.

When executing their responsibilities these education officials were impeded by challenges regarding financial mismanagement such as mishandling of funds by some of the schools' principals or members of school governing bodies, poor keeping of the finance documents and power struggles between the principals and the members of the school governing bodies in relation to their roles and responsibilities. However, as they have revealed in their submissions, these problems did not rule out the improvements that some of the finance committees of the school governing bodies have achieved in the management of their school funds. It emerged from all the three education officials that the contributory factor to the enormous improvements and achievements in school governance was the improved literacy level of the contemporary SGB members as compared to the previous SGB members.

## **5.6 ANALYSIS OF DATA FROM FOCUS GROUP INTERVIEWS**

### **5.6.1 Introduction**

The focus group interviews for this part of the study included five members of the finance committees from each of the five schools who were purposively sampled based on the fact that they are the financial management engines in their schools. The study was conducted in the Nkangala Education District and was informed by the fact that approximately 95% of schools in this district are situated in rural areas where the illiteracy level of community members was assumed to be very high. The sample for this research project was made up of 28 participants. The objective for the selection of the sampled participants was to collect financial management data which was aimed at assisting the researcher to answer the following sub-questions:

- What is the current literacy level of school governing bodies in rural schools in Mpumalanga Province?
- What are the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga Province?
- What is the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities?
- How has the financial management conduct of school governing bodies in Mpumalanga Province improved?

From these sub-questions emanated the categories and themes and that were used to collect data as follows:

## 5.6.2 Funding of schools

According to van Rooyen et al. (2013:20), the National Norms and Standards for School Funding (NNSF) was first published in 1998, amended in 2003, further amended in 2006, amended twice in 2008 and amended again in 2009. Both the national policy, legislation and the South African Schools Act empowered the Minister of Education at national level to establish norms and standards applicable to various aspects of the operation of public schools.

In essence NNSF is based on Section 29 of the Constitution of the Republic of South Africa and also invokes the provisions of Sections 3, 29, 34, 35, 46 and 48 of the South African Schools Act. Based on these provisions, it is in the view of the state that the funding of public schools must derive from the constitutional guarantee of equality and recognition of the right to redress, and in support of the view cited by Section 34 (1) of the South African Schools Act. The state must fund 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.

The question that was asked in this regard was, **“Who is responsible for the funding your schools?”** Posing this question, the researcher wanted to establish the funding responsibility for schools, methods of funding schools, as well as how schools are supposed to use their allocated funds.

### 5.6.2.1 Funding responsibilities

MsFCs for schools A, B, C, D and E indicated that they were funded by the Mpumalanga Provincial Department of Education which is an indication that the Provincial Department of Education as a segment of government executed its duties of financing schools under its jurisdiction as dictated by Section 34 sub-section (1) of the South African Schools Act when MsFCs stated that, *“We are funded by the Provincial Department of Education.”* However, according to MsFCs for schools’ B and D in addition to the funds they received from the department they engaged in fundraising to supplement their financial allocation and this is provided for in SASA Section 36 sub-section (1). When these MsFCs mentioned that, *“Alternatively we ask donations from the business people and big companies.”*

### 5.6.2.2 Methods of funding

MsFCs for schools A, C, D and E indicated that their schools were categorized under quintile 2 while school B that was categorized under quintile 1. The reason for their categories, as mentioned by these MsFCs, was the same, i.e. they were all located in rural communities that are very poor. They revealed

that, *“Our communities are under resourced; we are very poor among the poorest.”* In terms of the legislation, schools categorized between quintiles 1-3 are very poor, hence they are allocated more funds than schools categorized under quintiles 4-5.

It was also found out from the MsFCs for schools A, B, C, D and E that their financial allocations were deposited in their bank accounts electronically in two halves, the first 50% of the total money allocated to each individual school at the beginning of the financial year and the second 50% towards the end of the same financial year. This was confirmed by them as follows: *“Money is deposited in our account electronically in two halves.”* The precise periods for depositing the financial allocation halves as mentioned by MsFCs for schools A and C were in May and the beginning of November of every financial year when they revealed that. *“Money is deposited in our accounts into two trenches at the beginning of May and November of every financial year.”*

### **5.6.2.3 Utilisation of allocated school funds**

The provision of funding for provincial education in South African is conferred in the South African Schools Act 84 (RSA, 1996b: s12) indicating that, the Member of Executive Council should provide public schools for the education of learners out of funds appropriated for this purpose by the provincial legislature. However, the provision of funds as declared in Section 12, as indicated by Mestry (2004:130) should be spent via the department following the strict prescription that 60 per cent of the allocation should be spent for learner support material, educational equipment and curriculum needs, whereas 12 per cent should be devoted to maintenance and repairs to buildings and 28 percent to municipal services.

It emerged from the responses made by MsFCs for schools A, B, C, D and E that money allocated by the department was used as required by Section 37 sub-section (6) when MsFCs for school A, C, D and E said that, *“We use these funds for curriculum, to do repairs, maintenance of the school and to pay our school expenses, i.e. to pay for procurements and payment of services.”* However, MsFC for school B also claimed that, *“We are running our school with this money.”* Viewed from the responses made, it became evident that the MsFCs for these five schools interviewed understood and followed the conduct and the prescripts for utilising allocated funds as required by the legislation. However, running the school with this allocated funds as mentioned by MsFC for school B was assumed that it means, to take care of curriculum matters, maintain the school and pay for goods and services for the school.

### **5.6.3 Financial leadership**

The researcher asked this question, “**Are your finance committee functional and constituted according to the law?**” The purpose of this question was to establish whether the SGBs have functional finance committees which were elected and formed according the legislation.

#### **5.6.3.1 Formation of the finance committee**

The finance committee members as indicated by the MsFCs for schools A, B, C, D and E were elected by other members of the school governing bodies they revealed that all their members were chosen by the entire membership of the SGB during the SGB meetings that were organised. MsFCs for schools A, C and E revealed that, “*We are the finance committees and were elected by the SGB based on Section 30 of the South African Schools Act which dictated that the SGBs should be responsible for the election of the finance committees.*”

Even though the finance committee for school E indicated that they elected the MsFC based on the information that they were given during the training, the assumption was that, during such trainings, trainers used approved and legitimate legislation to provide information to the trainees. Therefore, correct legislation might have been used when they were choosing MsFC. There was no indication of any legislation or policy frameworks that were used by the MsFCs for schools B and D. MsFC for school B declared that, “*We are finance committee and these members of finance committee were chosen by all the members of SGB during the SGB meeting that was organised.*,” whereas MsFC for school D indicated that, “*All of us were chosen by SGB members in a meeting.*” This implied that the process might have been flawed if they relied entirely on their experiences when such committees were formulated in their schools.

#### **5.6.3.2 Composition of the finance committee**

According Joubert & Prinsloo (2001:43) the governing body of a public school is made up of three groups of people, namely members who are elected, the school principal and members who are co-opted but not elected. The members who are elected must be the parents of learners at the school, excluding parents employed at the school, teachers at the school, members of staff of the school who are not teachers and learners at the school who are in grade eight or higher grades.

From these selected members of the school governing body, a finance committee should be elected in a formal meeting of the school governing body. According to the Financial Management Module for Training School Governing Bodies in Mpumalanga (2018:8), the finance committee should be formed by a minimum of five, at the most eight, members of whom three should be parents, the treasurer of the

SGB who should be the chairperson of the finance committee, the finance officer who should be the secretary of the finance committee and the principal as ex-officio.

It emerged from the MsFCs for schools A, B, C and E that their SGBs preferred five to six member committees, but with parents still in the majority. Their MsFCs comprised of the principal, the financial officer who is the school administrator, the chairperson of the SGB, the secretary of the SGB who preferred to be a teacher based on his/her communication competencies and the treasurer of the SGB.

The finance committee numbers were the same in all the schools which implied that the SGBs followed legislation when forming their finance committees except for school D which appeared to be confused as to who was to become the chairperson of the committee between the treasurer and the chairperson of the SGB. This was evident when they stated that, *"We chose the chairperson of the SGB who automatically became the chairperson of the committee, the treasurer of the SGB, the secretary of the SGB, the finance officer who is the clerk of the school and the principal as ex-officio."* According to the Financial Management Module for Training School Governing Bodies in Mpumalanga, (2018:8) the treasurer of the SGB automatically becomes the chairperson of the finance committee.

#### **5.6.3.3 Election criteria for the finance committee**

All the MsFCs interviewed viewed literacy level as a crucial element when choosing members when they mentioned that, *"Members were voted in their positions based on their literacy level and experience of dealing with finances and that was the criteria that we followed because managing finances is a sensitive issue"*. However, in addition to literacy level, the MsFCs for schools A, B and D raised an issue of experience to be considered as complementary in managing school finances when they revealed that, *"Members were chosen because of the knowledge they had in managing the school funds."* This implied that such chosen MsFCs were to be knowledgeable and displayed competence in terms of handling finances and the implementation financial legislation for proper use of finances in order to be elected.

#### **5.6.4 Roles and responsibilities of managing finances**

The management of finances in schools is hinged on the preamble of the South African Schools Act 84 of 1996b which stipulates the partnership between the parents and the government. The partnership is informed by the delegation of decision-making power from the education departments to the school governing bodies giving them meaningful functions and also underpinning the management of public schools' finances. According to Mestry (2006:28) school governing bodies' financial management roles

and responsibilities include establishing the school fund, preparing a budget annually, collecting and administering school fees, keeping financial records, appointing an accountant and supplementing school resources.

In order to obtain an understanding of the MsFCs regarding their roles and responsibilities the researcher asked this question, **“What is your knowledge and understanding of your roles and responsibilities as members of the finance committee?”**

#### **5.6.4.1 Knowledge and understandings of the roles and responsibilities**

It was clear from the submissions made by the MsFCs for all the finance committees interviewed that they executed their financial management responsibilities guided by Sections 21, 36, 37, 42 and 43 of the South African Schools Act, which also made it mandatory for the school governing bodies to manage school funds and take responsibility to implement all necessary financial management processes when they revealed that,

*“We manage our school funds; we buy goods for the school and provide services, we send books to the auditors; we pay services and control and balance our finance books, but you must remember that we also have to get money for the school through fundraising.”*

In addition to the functions of these sections as indicated above, the MsFCs for schools A and D also performed the function of Section 39, sub-section (1) by collecting school fees from parents. The MsFC for school A indicated that, *“To make sure that the money collected is recorded receipted and banked. We are also raising funds for the school and making sure that the financial records are safely kept,”* whereas the MsFC for school D submitted that, *“Our role is to collect and spend school money.”*

The finance committees for schools A and D, are executing their financial management responsibilities in schools categorized under quintile 2. Schools categorized under this quintile are not supposed to charge school fees. Subject to the South African Schools Act, Section 31, sub-section (1), charging and collection of school fees by the MsFCs for these schools might not be improper provided that the determination of fees charged and collected were resolved and adopted by the majority of parents who attended the school governing body meeting and that resolution was blessed by the Head of Department (HOD) or the Minister of Education.

### 5.6.5 The legislation and policy frameworks

The school governing bodies as governance structures were constituted by government in terms of the law and they had to conform with the law and work according to the prescripts of legislation and policies which were made available to them by the government (Bagarette, 2011:226). It is therefore significant for the school governing bodies to understand basic accounting procedures, economic policies, laws relating to education and schools as well as management skills related to finances in order to advance efficiency in terms of utilisation of school funds (Campher, du Preez, Grobler, Loock & Shaba, 2003:2; Joubert & Bray, 2007:3). For the school governing bodies and the school managers to be familiar with the contents of legislation and policy frameworks for managing school finances, they require a well-founded theoretical framework underpinning their financial management actions (Mestry, 2004:126).

According to the Guidelines for Capacity Building of the School Governing Body Members (2018:15), it is vital for school governing bodies to use the South African Schools Act, as amended, so that they are able to support the professional management of the school in its quest to provide quality education. Although non-adherence to policy has become a daily challenge for schools and the department, school governors must have understanding and apply relevant sections of the constitution and all other legislation (including regulations) that impact on the school governance. If every action is taken within the ambit of the law, the actions taken by the school governing bodies will then be easily defensible.

This question was asked: **“What is your knowledge and understanding of legislation and policy frameworks used when managing finances?”** With this question the researcher wanted to establish whether SGBs know the names of legislation and policy frameworks they use when managing finances and to establish whether the SGBs display understanding of such legislation and policy frameworks.

#### 5.6.5.1 Knowledge of the legislation and policy frameworks

Responses made by the MsFCs for schools A, B, C, D and E denoted that they were using PFMA and SASA to manage their school finances. However, the MsFC for school A further stated that, *“We are using the finance policy that was drawn by the SGB, including the Fincom. We manage our finances with it, although it is amended from time to time, but we manage finances according to the policy. We were also given the departmental policy frameworks to give us an idea of how we should manage our finances.”* In addition to these two pieces of legislation, the MsFCs for all the schools used the Mpumalanga Schools Finance Framework as well as the financial policies that were drawn up by their school governing bodies. This implied that these members of the

finance committees drew information from the PFMA, SASA and some, the SFF to develop their finance policies which they used to manage their school finances.

Asserted by scholars such as Dibete (2015:107), the Public Finance Management Act is an important piece of legislation that is used for the management of public funds in South Africa. Schools don't have to rely entirely on the PFMA because certain sections of this legislation were used by the Department of Education to prescribe in SASA how schools should manage their allocated funds.

This implies that schools are not prohibited from using parts of the PFMA, but they must not diverge from using SASA as key legislation in managing their finances in schools. This assertion also explains the situation regarding the implementation of the Schools Finance Framework in Schools in Mpumalanga Province. Therefore, based on these submissions made by all the finance committees of all the five schools interviewed, it became evident that they used the relevant legislation and policy frameworks to manage finances in their schools.

#### **5.6.5.2 Understanding of the legislation and policy frameworks**

All the MsFCs for schools A, B, C, D and E responded that they understand the legislation and policy frameworks that were prescribed by government to manage finances in schools. The MsFC for school A stated that, *"We understand what these Acts and policies require of us,"* whereas the MsFCs for schools B and C claimed that, *"We understand that we must draw a budget which is required by the finance legislation."* However, the MsFCs for school D submitted that, *"Yes, we understand the requirements of the legislation and policy frameworks in terms of how we should manage our school finance."* By mentioning some of their financial management responsibilities, it was evident that the MsFC for school E had a clear understanding of financial legislation and policy frameworks when they stated that, *"Most of our SGB members know how to read therefore, we understand what PFMA and SASA require of us in terms of financial management and we do exactly that."*

#### **5.6.5.3 Ways made to understand the legislation and policy frameworks**

It is a requirement of Section 19, sub-section (2) of the South African Schools Act that principals must hold induction session with the SGBs in order to make them familiar with the financial legislation and policy frameworks. However, the MsFCs for schools A, B, C, D and E were not only inducted by their schools principals but were also engaged in the workshops that were organised by the district as part of the responsibility of the Department of Education to enhance school governing bodies' capacity to perform their duties. They said in this regard, *"We do understand the legislation and policy documents because we*

*attended workshops and the induction workshops that were organised internally by some of our principals and by the district where these policies were explained to us.”*

For further acquisition of knowledge and understanding of the legislation and policy frameworks, the MsFC for school A held finance committee meeting to capacitate themselves with regard to knowledge of the legislation and policy frameworks and also invited outgoing SGB members to share experiences and knowledge regarding school financial management in order to improve their financial management conduct. They revealed that, *“We hold regular finance committee meetings to share knowledge and we also seek help from the outgoing SGB members, meaning that we outsource the knowledge and experience of the old SGB members.”* This submission made by the MsFC for school A denoted that they might have an upper hand in terms of the financial management understanding as compared to committee members for schools B, C, D and E because of a number of meeting engagements they had in the quest for the financial management skills.

#### **5.6.6 Financial organisation**

Makrweide (2012:22) relates the process of financial organisation as a process involving the arrangement and the structuring of all related financial tasks in a manner that influences the achievement of organisational goals. This process embraces institutionalisation of financial management structures, classifying lines of authority and outlining the reporting trail, delegating duties and establishing relationships (Mosala, 2006:31). Activities of the financial organisation include delegation of responsibilities, communication and leadership to get people to act, distribute resources, to control and determine whether everyone is following the plan or whether changes to the plan are needed to achieve the goals and vision of the organisation (van Rooyen et al., 2013:72).

To establish whether the MsFCs perform the activities of financial organisation such as having a banking account, banking their school money, drawing up budgets, fundraising, monitoring and controlling the school funds, the researcher asked the question, **“Which processes do you follow to organise your school finances in terms of banking, drawing up a finance budget, conducting fundraising, and monitoring and control of school funds?”**

##### **5.6.6.1 Availability of bank account**

It is obligatory that all the public schools must open and maintain one banking account as an organised system of ensuring control and safety of school funds (South African schools Act 84, 1996: s37). When

asked the question of availability of banking accounts, the MsFCs for schools interviewed mentioned that they have banking accounts, responded as follows:

*“We do have bank accounts and the finance officers, and the principals are responsible for banking school money, but before we take money to the bank, we should report to the Fincom as to how much we are going to deposit in our account.”*

The submission made by the MsFCs for all the five schools interviewed implied that money collected in the names of these schools, if any, was deposited in their bank accounts. However, the responsibility of banking school money as indicated by the MsFCs in schools A, B, C, D and E depended on who was delegated by the finance committee to execute such a responsibility.

The fact that the principals are accounting officers in their official capacity as members of the finance committees, and that the finance officers were appointed by the committees to administer finances on their behalf, implied that they were executing the mandate of the MsFCs to bank school money and be held accountable by these committees (Ngobeni, 2015:26).

#### **5.6.6.2 Banking and documents used for banking school money**

According to the Financial Management Module for Training School Governing Bodies in Mpumalanga, (2018:36), schools should use deposit books to deposit schools' money. However, this module for financial management also allows schools to use deposit slips which should be used each time when money is deposited into the school bank account.

When reacting to the question regarding banking documents they use to deposit school money, the MsFCs for all the five schools interviewed had this to say: *“We use deposit books or deposit slips to bank our school money.”* It emerged from the responses made by the MsFCs for schools A, B, C, D and E that they used deposit books when they banked their school money although the reasons for using such documents were not provided.

#### **5.6.6.3 Drawing up a financial budget**

It is the requirement of Section 38 of the South African Schools Act for all SGBs of public schools to prepare a budget each year, according to the prescriptions determined by the Member of the Executive Council and as outlined in a *Provincial Gazette*, which shows the estimated income and expenditure of the school for the following financial year. However, before the budget is approved by the school governing body, it must be presented to a general meeting of parents convened on at least 30 days'

notice for consideration and approval by the majority parents. The notice in question must also inform parents that the budget would be available for inspection at the school at least 14 days prior to the meeting. Mosala (2006:81) and van Rooyen et al. (2013:92-93) postulate that if the stakeholders are not involved in drawing up the budget, they would regard it as a document that was forced on them by management and end up not supporting it.

It was evident from the views submitted by the MsFCs for schools A, B, C, D and E that they have school finance budgets when they mentioned that, *"We have a budget which was drawn by the Fincom."* However, it was revealed that the starting point of drawing up the budget differed from school to school, but all of them followed programme budgeting because funds are allocated in support of the functions of their schools' programmes.

The MsFCs for schools A and C started drawing up the budget by referring to the previous year's budget, which served as a guideline for the production of new school budget. They stated that, *"Normally the finance officer prints out the previous year's budget and distribute it among the Fincom members to see how money was used directed by the income and the expenditure."* The MsFCs for schools B, C and E, through their principals, also consult with the teachers or departments within their schools to inform the process in terms of their educational requirements, and all their needs are submitted to the Fincom for consideration and parents are involved in adopting the policy. They stated that, *"Budget information was provided by the principal in consultation with the SMT and different departments within the school in terms of their curriculum requirements. The needs of the school were then consolidated in one document and allocated money and thereafter taken to the parents for corrections, additions and adoption."*

The MsFCs for schools A and D claimed that the teacher contribution was side-lined, revealing that, *"When drawing a budget, we come together and consider what our school wants, and we draw it during the SGB meeting and thereafter we call parents to share their views on what we have done and if they agree they adopt it."* When teacher stakeholders are not involved in the process of finance policy formulation, they may not support and claim the ownership of the budget and at times impede the implementation of the policy.

#### **5.6.6.4 Conducting fundraising**

Fundraising involves an assortment of money requested from government, private entities, community, investors and individuals with an aim of augmenting school money or supporting a particular school project. According to Maritz (2005:6), fundraising may include structuring of different forms of programmes within the school such as selling goods or merchandise for the school, seeking donations

from businesses and within the community to augment the school funds, involving parents through donations lists to fundraise money and also through accessing interest accrued from a school savings account.

It emerged from the responses made by the MsFCs for all the five schools that they raised funds. This was in line with Section 39, sub-section (1) of the South African Schools Act. However, the MsFCs for schools A, B, C and E raise funds by allowing learners to wear their private clothes on a certain day during the week and asked them to donate a certain amount of money: *“We raise funds by allowing learners to put on their private clothes during certain school days.”* Ways of fundraising adopted by the MsFCs for schools A, B, C and E of collecting money from the learners contravened this Act and the National Norms and Standards for School Funding because the schools that are categorized under quintiles 1-3 are “no-fee” schools and compulsory fees may consequently not be charged at these schools unless adopted otherwise in a properly convened parents’ meeting (Marishane, 2013:225; van Rooyen et al., 2013:21). Furthermore, the MsFCs for schools A, B, C, D and E furthermore asked for donations from businesses, even though they sometimes failed to secure such funds. The MsFC for school E negotiated with parents to donate a certain amount of money as an implementation of a resolution that was agreed upon during the parents’ meeting: *“The only success that we have is by raising funds from parents. They are required to pay R50.00 for electricity because our bills are very high, and we are unable to afford them. Parents have agreed to help the school during the SGB meeting that we held.”* This fundraising strategy is allowed by National Norms and Standards for School Funding because the MsFC for school E negotiated with the parents in a properly convened SGB meeting where such resolution was taken.

#### **5.6.6.5 Responsibility for fundraising**

One of the responsibilities of school governing bodies is to make sure that they supplement the money that was allocated by the department to meet their schools’ requirements. As required by the law, each school has to engage in some sort of fundraising in order to meet its requirements. Fundraising is also viewed as an important part of financial management in schools. Section, 36 of the South African Schools Act clearly explains this responsibility in all public schools in South Africa, i.e. governing bodies of public schools must take all reasonable measures within their means to supplement the resources supplied by the state in order to improve the quality of education provided by the schools to all the learners at those schools.

Although the responsibility of fundraising is bestowed upon the school governing bodies. According to Section 30, sub-section (1) of the South African Schools Act, SGBs have autonomy to delegate the

responsibility to the committees that were formed and led by their members in schools, including fundraising committee.

It emerged from the MsFCs for schools A and B that school parents were responsible for raising funds. They stated that,

MsFC for school A: *“Parents assist the school to raise funds because money we are receiving from the department is not sufficient.”*

MsFC for school B: *“Fundraising is the responsibility of the parents.”*

Submission made the MsFCs for schools A and B implies that the SGBs for these schools did not delegate this responsibility to the relevant committees within their schools to deal with fundraising but changed parents with the responsibility to raise funds for their schools. There is nothing wrong to ask parents to ask donations on behalf of the school provided that it follows a formal procedure agreed upon by school governing body.

The MsFC for school B further submitted that, *“We rely on the members of the Representative Council of Learners to raise funds.”* This fundraising strategy adopted by school B contravenes Section 32 (3) of the South African Schools Act in terms of the status of minors on governing bodies of public schools because a member of the governing body who is a minor deserves no personal liability for any consequences of his or her membership of the governing body.

Collecting money for the school is a delicate role which must be executed with accountability. The MsFCs for schools C, D and E indicated that, *“We have a committee that is led by the treasurer of the Fincom which is responsible for fundraising.”* This implies that the MsFCs for these three schools established committees that were mandated by the Fincom and the SGB to deal directly with issues of fundraising which was in accordance with the requirements of the legislation.

#### **5.6.6.6 Monitoring and control of funds**

Control and monitoring of finances are exercises performed by finance committees to ascertain to what extent the finance restraints set in the budget have been followed. However, monitoring and control of school funds are viewed by Dibete (2015:77) as one of the areas of financial management that has been long neglected by schools, which has often resulted in over spending or under spending. In

essence, monitoring and control of school funds should be an exercise which schools must perform from time to time in order to ensure proper management of finances.

Controlling of school funds as contended by Mestry & Bisschoff (2009:121) safeguards and forbids fruitless and unauthorised expenditures. However, the best way to ensure monitoring and control of school funds is through budget control and monitoring. Van Rooyen et al. (2013:103) regard budget control as a corrective measure which must be engaged in by finance committees and school governing bodies to ensure that income and expenditure do not deviate significantly from the projected income and expenditure of the school. Monitoring and control measures of school funds as contended by Dibete (2015:77) involves following the school budget, checking the finance documents in terms of how money was spent and adjusting the budget according to the funds remaining to be used.

It emerged from the responses made by the MsFCs for schools A, B and C that monitoring and control of finances were the responsibility of finance committees. They revealed that, *“Our monitoring and control of finances is done by the Fincom on a quarterly basis.”* However, the MsFC for school E monitored and controlled its funds on a monthly basis: *“Every month we meet to check how much we have spent and whether our expenditure correspond with the invoices we have.”* The MsFC for school D were not clear in their explanation as to when they monitored and controlled their school finances. These members explained that, *“To monitor and control our school funds we make sure that the money received is recorded in our finance journals. We issue receipts for money collected and expended and this is done by Fincom.”* Failure by the MsFC for school D to provide the precise period when monitoring and control of their finance books were done implied that they did not have a plan that they followed in this regard.

### **5.6.7 Procurement of goods and payment of services**

The question asked was, **“Which procedures do you follow for procurement of goods and payment of services?”** The objective of asking this question was to establish whether the procurements and payment procedures are followed by finance committees when procuring goods and services, the funds which they use for procurements of and payments for services as well as the rules they observe when issuing checks for payments made.

#### **5.6.7.1 Procedure for procurement of goods and services**

It emerged from all the MsFCs for the five schools interviewed that they used money allocated by the department and sourced three quotations in order to compare prices before any procurements were

made. The MsFC for school A explained that, *“We source three quotations. With these three quotations we compare quality and price. We don’t always go for the cheapest, we compare quality and price because we use money allocated to us by the department.”* However, the MsFC for school B stated that, *“We source three quotations and settle for the one which is lowest in pricing with the money allocated to us by the department.”*

According to van Rooyen et al. (2013:93), this is the way schools can reduce their expenditures. Different from the MsFCs for schools B, the MsFCs for schools A, C, D and E indicated that, in addition to low prices, they also considered the quality of goods to be procured when they revealed that, *“With three quotations we compare quality and price. We don’t always go for the cheapest, we compare quality and price because we use money allocated to us by the department.”*

For the procurement of small items, the MsFC for school B opened a credit book at a local shop: *“For procurement of small items we work with the local shops that have created credit books for us in case we need something, and we pay them the end of the month.”* This action by the MsFC for school B of keeping a credit book is supported by Lewis (2003:55) saying that, it would provide an opportunity for schools to avoid finance utilisation actions that would lead to additional expenditure. Therefore, schools should pay certain expenditures by instalments and exercise good credit control.

Although the MsFCs for all the schools followed acceptable procurement procedures, it is important, according to Makrweide (2012:22), for school governing bodies to put in place committees and sub-committees inclusive of the procurement committee in order to make it possible for schools to realise their mission and vision. From the responses submitted by the MsFCs for schools A, B, C, D and E, it was revealed that they did not have procurement committees that dealt directly with procurements in their schools, hence they relied entirely on the finance committees to make such procurements. The MsFC for school A said, *“We do all the procurements, we do it like tenders.”* According to Dibete (2015:90) there is nothing erroneous with this because finance committees may execute procurement responsibilities as surrogates for the procurement committees.

#### **5.6.7.2 Procedures for payment of goods and services**

Payments of goods and services must be made by means of cheques in order to avert financial mismanagement that may occur as a result using of cash. However, payments of goods and services should be done following the correct procedures as is required by law. Among others, all documents used for procurements of and payments for services should be preserved and kept safe. Section 42 of the South African Schools Act supports this statement that, finance committees of the school governing bodies must make sure that all payments made have claim forms, requisition forms and invoices

supported by signed orders with delivery notes receipted for goods received, and cheques should be signed by two signatories.

It emerged from the MsFC for schools A, B and D that, before any payments were processed, they issued claim forms to be completed by the service providers, mentioning that, *“Before payments can be processed service providers have to complete claim forms.”* The MsFC for schools C claimed that, *“We issue claim forms and cheque requisition forms to be completed before any payment is made.”* However, MsFC for school E use requisition forms which are completed before payments are made. They explained, *“We issue out cheque requisition forms to be completed before any payment is made.”*

For the payments to be made by the MsFCs for schools A, B and D, all the claim forms were checked by the financial committees in order to make sure that they were paying for what were claimed. *“Before any cheque can be issued finance committee sit around the table to cheques whether payments to be made are correct.”* Except for claim forms for the MsFC for school B who said that their claim forms were checked only by the principal, treasurer and the finance officer in exclusion of other members of the finance committee. They said, *“After our claim form have been processed, they are verified for authenticity by the principal, finance officer and the treasurer.”*

The MsFC for school E used only cheque requisition forms which are checked by the Fincom to process payments for services. In addition to claim forms, the MsFC for school C used cheque requisition forms which are authenticated by the Fincom to release cheque payments for the goods or services provided.

However, it was found out that the MsFCs for schools A, B and D did not use cheque requisition forms when processing their payments. All the MsFCs for these schools mentioned that they used cheques for payments of goods and services. According to the Financial Management Module for Training School Governing Bodies in Mpumalanga, Annexure C (2018:45), it is improper for finance committees to use claim forms or cheque requisition forms only when processing payments for their services. Finance committees should use both claim forms and cheques or EFT requisition forms that should be processed by the entire committee, which implied that the MsFCs for schools A, B, D and E contravened the departmental finance management requirement by using the two financial management tools independently.

### **5.6.7.3 Funds used for items of procurement**

Dibete (2015:84) postulates that procurements and payment of services at schools are made through the funds that were allocated to schools in the form of Norms and Standards by the department.

According to Mestry (2004:130), the spending of these allocations must follow strict policy conditions that are set by the department for schools to adhere to. For those schools that are successful in raising funds by getting donations from companies, according to Section 37, sub-section (4) of the South African Schools Act, such funds can also be used to pay for items procured provided that such funds are used in accordance with the conditions of such donations, bequests or trusts.

The MsFCs for schools A, B, C, D and E procured goods and services and were paid by money allocated to them by the provincial Department of Education when they revealed that, *"We use funds from Section 21 allocation which is from the Department of Education and this money is used to purchase budgeted items."* However, the MsFCs for schools B and C further engaged in fundraising in order to supplement their allocated funds from the department and to pay for procured goods and services and they explained, *"We use funds from allocated by the department as well as funds collected through fundraising."* The responses made by all the MsFCs for schools interviewed revealed that procurements were made in accordance with the requirements of the legislation.

#### **5.6.7.4 Rules for issuing cheques**

According to the Financial Management Module for Training School Governing Bodies in Mpumalanga (2018:46), cheques should be issued under a strict control measure. It is imperative for the finance officer, as mandated by the principal and the finance committee, to adhere strictly to the procedures in issuing cheques as contained in the school finance policy and statutes of the department. It is not recommended for schools to issue cash cheques as they pose a huge risk of financial mismanagement. All the cheques issued must be legibly completed and reflect all the details required for cheque issuances as well as the correct details of the payee.

As indicated by the MsFCs for schools A, B, C and D, they do not sign a blank cheque because it is against the law: *"We don't issue out blank cheques or cashed cheques because policy doesn't allow that."* However, the previous MsFC for school E used to sign blank cheques and used to cash cheques, but new members saw it wrong, hence they changed by revising their finance policy. They said that, *"The previous SGB used to issue blank cheques, but we are no more doing it because it against the legislation. We are new members and we have been trained therefore, things have changed."* When faraway procurements had to be made by the MsFCs for schools A, B, C and D, the signatories and the persons who have to make purchases get together in order to sign cheques after they have purchased the goods procured, whereas the MsFC for school E secure quotations first before they could go and make purchases when they explained, *"We*

*send two members of the finance committee to the place where goods are to be purchased are located to request quotations and thereafter we sign cheques that equate the amount of money on the quotations of the suppliers of our choice."*

The procedure mentioned by all the MsFCs for these schools when making procurements and payments for services revealed that they did not use cashed cheques based on the fact that whatever purchases they had to make was through cheques irrespective of whether the locations of goods to be purchased were far or near. The MsFCs for schools A, B, C, D and E mentioned that the cheque issued should reflect the name of the service provider, the amount to be paid, the date on which the payment was made and the signatures of the signatories revealed, *"To ensure authenticity of a cheque, it has to be signed by at least two signatories and the cheques must bear the name of the recipient, the amount paid, the date and the cheque counterfoil has to be completed."* Based on what the MsFCs for the schools mentioned, it was evident that they observed the rules of the law when issuing cheques.

### **5.6.8 Financial responsibility**

Financial responsibility, as Ngubane (2009:56) averred, relates to producing regular financial reports to those with an interest and right to know how financial leadership was controlling finances and how they account for funds by producing documentary proof of receipts and payments. To ensure financial management responsibility, school governing bodies must put into practice separation of powers wherever possible.

Different people should be responsible for different financial management functions (van Rooyen et al., 2013:105). There are those who should be responsible for accounting procedures, such as issuing of cash receipts, banking of cash, ordering, authorising payments, signing of cheques, keeping accounts and financial records and how they are kept and those who prepare annual income, expenditure and periodic reports.

Section 42 of the South African Schools Act indicates that all transactions made on a daily basis should be checked and the records should be kept by the school governing bodies. However, van Rooyen et al. (2013:114) also postulates that security for cash receipts, cheque books and receipt forms necessitates the use of a safe or a strong room. The access to the strong room or a safe should involve two persons, each holding one of the two keys necessary to open the strong room or a safe.

However, for control of each document in the strong room or a safe, a register should be kept and each entry in the strong room should be signed by the two key holders, evidencing their supervision of the individual deposits or removals.

The researcher asked the question, “**Who is responsible for keeping financial records safe, conducting internal and external auditing?**” The objective of this question was to find out about the procedure for ensuring accountability for the safe keeping of the school financial records as well as reasons for conducting of internal and external auditing.

#### **5.6.8.1 Safekeeping of financial records**

The MsFCs for schools A, B, C, D and E submitted that, “*Finance records are kept safe by the finance officer and the principal. The finance books and cheque books are safely kept in the school’s strong room.*” The MsFCs indicated that the responsibility is mandated to the principal and the finance officer by the Fincom for safety reasons and to ensure that their finance records are kept in the school safe or a strong room. “*These documents are safely kept by the principal and the finance officer mandated by the Fincom.*”

Although the responsibility for keeping the financial records safe lies with the school governing bodies, the MsFCs for schools A, B, C, D and E viewed the principal and the finance officer as responsible for the safe keeping of their finance books.

Principals are charged with the responsibility of overseeing school funds by legislation, but that role should be performed according to the prescripts of the law. According to Ngobeni (2015:26) this kind of delegation of roles and responsibilities is hazardous because this would put the principal in a better position to manipulate power in cases where members of school governing bodies do not have knowledge and understanding of finance matters.

#### **5.6.8.2 Conducting internal auditing**

Hough (1993:71) and Ngubane (2009:31) posit that internal financial audits are conducted by the finance committees and related committees of the school governing body who report directly to the school governing bodies. These committees may check on the finance figures in their accounts in order to prepare various financial reports.

Audits may be pre-audits conducted before the transactions are completed to check if the appropriate or post audits conducted after a series of transactions were completed. Ngubane (2009:31) further indicates that internal auditing comprises of a system of procedures and methods with the objective to assure compliance with the principles of legality, transparency, efficiency and management economy. These functions of the system as indicated may be on-going throughout the year.

All the MsFCs for all the schools interviewed audit their finance books internally. The MsFC for school A D and E stated that, *“Auditing is done by the Fincom.”* The internal auditing of the finance books for the MsFC for school B are audited by the Fincom: *“Our finance books are audited quarterly by the Fincom.”* However, the MsFC for school C stated, *“Internal auditing is done monthly by the Fincom.”*

The MsFCs for schools A and E mentioned that, before internal auditing is conducted, the finance officers prepare their finance books. They said, *“Usually the finance officer prepares the finance books and submit them to the finance committee to be checked.”* The MsFC for school C submitted that, *“As part of internal auditing, each time we meet during our monthly finance committee meetings, we sort and arrange requisition forms, claim forms, balance and reconcile our books so that when we submit them to the external auditor, are ready and no information is missing.”* The internal auditing for the MsFC for school D is conducted by the committee by checking balancing and arranging their finance documents. They mentioned, *“During our school internal financial auditing we check, balance and arrange our finance documents.”*

Although auditing is done differently by different MsFCs of different schools, their submissions made through the interviews revealed that the responsibility of internal auditing of their finance books was hinged on the MsFCs who are mandated by the SGBs. Execution of internal auditing was regarded as a challenge to the MsFC for school E who indicated, *“For us internal auditing is challenging. I think we need to find a specialist who should help us in order to reduce the mistakes we usually commit.”*

### **5.6.8.3 Conducting external auditing**

Mxuma (2006:37) indicated that it should be not only an end exercise for school governing bodies to draw up the financial statement, but it should also be extended to the external auditor to make sure that the financial management conduct of schools is appropriate. Goodson, Mory & Lapointe (2012:10) indicated that external auditing is conducted by individuals from outside the school system, often either government auditors or nominated or contracted by the relevant government department with the ultimate responsibility for all official accounts or private firms of auditors contracted by the department.

Hough (1993:710) and Ngubane (2009:35) also posited that at the end of each financial year, which is the 31<sup>st</sup> December, as a legal requirement, governing bodies must appoint a person as an accountant and auditor in terms of the Auditors Act, 80 (1991) to audit the financial records and financial statements of the school as referred to in Sections 42 & 43 sub-section (1) of the South African Schools Act and 38 sub-section (1) to ensure external monitoring and control of their school finance books. Mahlane (2007:15) specifies that before the end of January of the next year, the finance books must have been submitted to the auditors. According to Hough (1993:71) submission of finance documents for external

auditing should be seen in a positive light, as it improves practice and builds bridges of confidence by ensuring validity and accuracy.

When asked a question on the responsibility of conducting external auditing, they mentioned that the department ordered them to submit their finance books to the external auditor to audit them. They said: *“Submission of finance books is a legal requirement and the department want schools to audit their finance books externally.”* Regarding the auditing of finance books, the MsFCs for schools B, C, D and E revealed that they submit their finance books for auditing at the end of the financial year: *“We submit our finance books at the end of the financial year.”* The MsFCs for schools A, B, C and D appeared not to understand as to when the school financial year ends when they indicated that, *“We submit our books for auditing between January and March”*, which is approximately when external auditors return audited finance books to schools. Although the MsFCs for schools A, B, D did not mention precisely when the financial year ends, this made the researcher believe that they understood that the school financial year ends on the 31<sup>st</sup> December of each school year.

However, the MsFC for school E said that their finance books are submitted at the end of the financial year which is the 31<sup>st</sup> December, claiming that, *“We submit our books for external auditing at the end of the financial year which is the 31<sup>st</sup> December of every year.”* All the MsFCs for schools interviewed, though submitting their books for auditing, were unable to submit on the date prescribed by legislation but submitted months after the due date. Nonetheless, all the finance committees of the schools interviewed submitted their books for auditing. The reasons provided for submission of audited finance statements by all the MsFCs were that they were submitting their finance books for auditing in order to inform the department on how they were managing the finances in their schools and to be allocated finances for the new financial year. They said, *“The department needs to know how we are managing our finances in schools and if we don't submit our audited financial statement, we are refused financial allocation due to our schools during the new financial year”*

### **5.6.9 Financial reporting**

Financial reporting is the way of being accountable for how public funds are spent and such reporting is indicative of how the school was funded and from which sources (Ntsele, 2014:56). Financial reporting is also viewed as the last step that should be considered for financial accountability to parents (Ngubane, 2009:49). This exercise of reporting utilisation of finances indicates whether or not the public institution spent its money wisely and how such spending impacted on the promotion of the general welfare of the community (Mahlane, 2007:14). The normal reports that are usually made by school

governing bodies embrace cash flow, which culminates in annual financial statements which are the significant element of school financial responsibility. In South Africa, school governing bodies use financial statements to provide financial utilisation information to the parents and other interested parties as a basis for external financial reporting which ensures financial responsibility (Mahlane, 2007:16).

In order to understand ways of reporting school financial management and utilisation to the stakeholders such as the parents, the circuit and the district, as well as the reasons for submitting such reports, this question was asked, **“How are you reporting your finances to the parents, circuit and the district office?”** With this question the researcher wanted to know about reporting of finances by schools to the, parents circuit and the district as well as the reasons for submitting such reports.

#### **5.6.9.1 Reporting to the parents**

It emerged from the interview with the MsFCs for all the five schools that they reported to the parents: *“Financial reporting is done during the parents’ annual meeting with the stakeholders in order to inform, discuss and adopt the budget.”* However, the MsFCs for schools A, C, D and E give their financial reports to the stakeholders **twice a year**: *“Financial reporting is done twice a year, when we present the budget to the parents and after receiving our books from the auditors, but the one which is regarded more important is the one done after the finance books were returned from the external auditors knowing that the information, we give to the parents is correct.”* The MsFC for school B reported that they present their financial report to the stakeholders four times a year: *“We give financial report to the parents on quarterly basis.”* During the first quarter of the financial year the MsFC for school B report on the auditor’s findings regarding their financial management conduct and in the second and third quarter they report on how money was spent and the spending projections for the coming financial period. After the last quarter of their financial year they also give reports on how they have tailored their financial budget for the new financial year in order for the parents to adopt it. This implies that they reported to the parents on their effectiveness and the appropriateness of their financial management conduct on a quarterly basis.

From what was revealed by the MsFCs for the schools interviewed, it was evident that only school B followed the legislation in terms of reporting to the parents which was done on a quarterly basis.

#### **5.6.9.2 Reporting to the circuit and the district office**

It emerged from all the MsFCs for the five schools interviewed that they submitted their audited financial statements to the circuit: *“We report to the circuit through the submission of our audited financial statements for the*

*circuit to report to the district.”* In terms of submission of budgets, the MsFCs for schools A, B and D indicated that they also submit them to the circuit: *“We send our budgets and audited financial statements to the circuit.”* However, the MsFCs for schools C and E regarded submission of budgets as the requirement of legislation and were supposed to be submitted at the end of each quarter but that was not being done because the circuit did not request such reports from schools. They indicated that, *“We are supposed to submit quarterly financial reports to the circuit, but we are not doing it because the circuit don’t usually request such reports. The only report we send to the circuit is the audited financial statement.”* From the responses made by the MsFCs for schools A, B and D it was evident that, although they were not given a directive by the circuit to submit their budgets, they submitted them following the prescript of legislation which was contravened by schools C and E by not submitting their budgets to the circuit office.

### **5.6.9.3 Reasons for submitting reports to the circuit and the district office**

Section 43, sub-section (5) of the South African Schools Act requires the school governing bodies to submit to the Head of Department, within six months after the end of each financial year, a copy of the annual financial statements, audited in terms of this section. When providing reasons for the submission of audited financial reports to the circuit and the district, the MsFCs for all the five schools mentioned that, *“We submit our audited financial statement in order to release our finance allocation for the new financial year. If we don’t submit them, we don’t receive our allocation.”*

This implies that the Department of Education devised a way to enforce school governing bodies to audit their finance books and submit them in order to be better informed about how schools are using their finances, so that whenever there are anomalies in their financial management conduct, they should be able to come up with corrective measures and channel their workshops in line with the challenges experienced by school governing bodies. It also emerged from the responses made by the MsFCs for all the schools that, *“Submissions to the circuit and district are done just to follow the submission line function and we submit because the protocol requires us to do so.”* This signified that when procedures for submission of audited financial statements were satisfied, fund allocations for the new financial year were processed by the district to those schools that had satisfied such stipulated requirements.

### **5.6.10 Capacity building**

According to Mestry (2004:126) every school manager, whether a member of a school governing body or school management team as a financial management leader, must have some knowledge relating to the inner workings of school finances. They all require a well-founded theoretical framework to underpin

their financial management actions. The process of capacity building is defined as “power to act”. Capacity building is therefore aimed at community empowerment and entails the development of the knowledge, skills and attitudes necessary for effective governance and management (Nojaja, 2009:70; Xaba & Ngubane, 2010:140).

One of the most important functions of school governing bodies in schools in South Africa is to implement government policies at the local school level (Diamond, 2015:9). Implementation of policies requires knowledge and understanding, but research found that school governing body members, especially in rural areas, cannot interpret and understand the policies (Xaba & Ngubane, 2010:140; Diamond, 2015:9). Kisida & Wolf (2010:785), in emphasising the question of training for school governing bodies, indicated that the question of the interplay between responsibility and preparation is not new and it was argued by political theorists that the increased participation in the political system could have the effect of informing and training effective citizens.

The Ministerial Review Committee Report (DBE, 2004) acknowledges the need for capacity building among school governors and that capacity building remains significant for the successful functioning of a school governing body as was also suggested by the Hunter Commission of 1995. This endeavour is supported by van Wyk (2007:137) Tsoetsi et al. (2008:386) and Mcube (2009:2) that sound training of school governing bodies should be provided to develop a range of skills to deal with the complex issues and tasks they are expected to undertake in order to discharge their governance responsibilities maximally.

In order to establish whether the MsFCs for schools were trained and acquired financial management knowledge from the training sessions organised, participants were asked this question.

The question asked was, **“How often are you provided with financial management training, who organise it and what knowledge do you gain from such training?”**

“The researcher asked this question with the aim of finding out the number and duration training given to the SGBs, people responsible for organisation of the training attended, as well the knowledge gained through the training sessions.

### **5.6.10.1 Number and duration of training sessions attended**

It emerged from the responses made by the MsFCs for all the five schools interviewed that they attended capacity building training, although their attendance differed significantly in terms of the periods of their membership cycles in their different governance structures. They said:

*“Some of us have just been elected as new members and were inducted by our principals and attended one workshop recently which was organised for two days. Some of us have been re-elected as SGB members in schools and have attended 2 to 4 workshops in our different cycles of our school governance membership.”*

However, the MsFCs for all these schools said that the training sessions they attended occurred for two days and others lasted for only one day when they revealed that, *“The Workshop conducted happened for two days.”*

### **5.6.10.2 Organisation of training sessions attended**

Tsotetsi, Van Wyk & Lemmer (2008:387) suggest that, training of a school governing body should be open-ended, both introductory training for newly elected governing body members almost every three years to enable them to perform their functions, and continuous training for governing bodies to promote the effective performance of their duties or to enable them to assume additional functions. However, studies conducted on training of governing body members in South African schools reported that such training is infrequent, short and sometimes haphazard in the nature of its presentations and execution by ill-equipped service providers (Bush & Heystek, 2003:128).

On the question of organisation of training sessions, it emerged from all the MsFCs that the workshops they attended were organised by the district delegated by the Provincial Department of Education, which was in line with Section, 19, sub-section (1) of the South African Schools Act. Out funds appropriated by the provincial legislature, the head of department must establish programmes to provide introductory training for newly elected governing bodies to enable them to perform their functions and provide continuing training to governing bodies to promote the effective performance of their functions or to enable them to assume additional functions. The MsFC for schools mentioned that:

MsFC for school A: *The workshop we attended was organised by the district office. We also attended a briefing session with the old outgoing members who helped us with the induction.*

MsFC for school B: *We were firstly inducted by the principal and also attended the workshop organised by the department.*

MsFC for school C: *Old members helped the principal to induct us and we also attended one workshop organised by the circuit and the district. Some of us are old members and we also attended workshops organised by Amalgamated Banks of South Africa (ABSA) and the University of South Africa.*

MsFC for school D: *We are still having the old members in our SGB and they are helping the principal to supply us with financial management knowledge. We have also attended one workshop organised by the district to further help us to do our job.”*

MsFC for school E: *Without the induction organised by our principal and training by the district officials, we would still be in the dark.*

Apart from the training organised by the district attended, the MsFCs who were re-elected also helped the new members with financial management knowledge and were also inducted by their schools principals although it did not happen in all the schools. The finance committees for all the schools interviewed attended other workshops that were organised by the district whereas, prior to this workshop, re-elected members attended two workshops that were organised by non-governmental organisations under the auspices of the Mpumalanga Department of Education.

#### **5.6.10.3 Knowledge gained through the training sessions attended**

Training provides meaningful functions of the school governing bodies and reinforces the management of public schools' finances (Mestry, 2013:3). Training sessions organised for MsFCs as indicated by the MsFCs for schools A, B, C, D and E have provided them with knowledge in many areas of their school governance responsibilities including financial management. This implies that all the trainings that were attended were effective as per how the MsFC for school A responded: *“The workshop helped us to know how to draw a school budget and how to procure and make procurements.”* However, the MsFC for school B stated: *“We know how to how to manage our school funds and how to understand the financial legislation.”* The MsFC for school C also claimed: *“We are able to make our payments correctly using all the financial documents required.”* The MsFC for schools D and E mentioned: *“Attendance of these workshops opened our eyes in terms of financial management and if it wasn't because of them, we could still be in the dark”.*

#### **5.6.11 Improvements and achievements realised in financial management**

The main objective of engaging the SGBs in training is to ensure that the required school governance knowledge and skills to execute governance responsibilities are gained and implemented in schools in order to improve the education of the learners through proper utilisation of state resources. This question was asked, **“What are your improvements and achievements in financial management,**

**the contributions they have made and their treatment by your school?”** The researcher aimed to establish the financial management improvements and achievements of the MFCs, the contributions of their improved conduct in the financial management and how such improvements and achievements were treated by their schools.

#### **5.6.11.1 Improvements and achievements in financial management.**

All the MsFCs for schools interviewed indicated that they improved immensely because of the workshops that they attended, although they were organised for a very short period when they mentioned that, *“The biggest improvement is that we are able to manage our finances better than before. We use to run out of funds in the middle of nowhere. Currently we know how to control and monitor our finance books.”* Financial management challenges in schools are different. Therefore, as indicated by the MsFCs for all the five schools interviewed, each had improved in the areas where it used to have challenges of managing finances in the past.

The MsFC for school A indicated that, *“We are no more keeping petty cash which is beyond one thousand rand,”* whereas the MsFCs for schools B, C, D and E mentioned that, *“Through improvements and achievements in our financial management our school is well maintained, and the school curriculum intentions are being realised.”* Submission made by the MsFCs for all these five schools implies that, although they may have challenges in other areas of financial management, there are certain areas where they have extensively improved.

#### **5.6.11.2. Contribution of the improvements and achievements to financial management**

The responsibility of school governing bodies is not only the management of finances, but the governance responsibilities as a whole which include management of finances. Management of finances by school governing bodies is pivotal in enabling them to ensure that resources are equitably distributed to enhance school development and realisation of teaching and learning. According to Maluleka (2008:74), the department must ensure that the school governing bodies have necessary skills, knowledge and understanding of the complex responsibilities in the school context in order to execute these responsibilities confidently with authority and competence.

It emerged from the submissions made by all five schools that the skills and knowledge that they have gained through training contributed to the execution of their financial management responsibilities when they revealed that, *“We are able to account for each and every little cent expended.”* This implies that the MsFCs

for these schools are able to budget, monitor, control and expend funds allocated to them by the department properly as required by legislation.

#### **5.6.11.2 Treatment of the SGBs achievements and improvements by their schools**

The MsFCs for schools A and D viewed their hard work and competence in managing their schools' finances as not being recognised by their principals when they mentioned that, *"We are not appreciated by our principal for any achievements and hard work that we displayed in our financial management."* However, the MsFCs for schools B, C and E were given gestures of appreciation by their school principals even though it happened differently as described in the following statements:

**MsFC for school B:** *For our achievements and improvements our school just appreciates us by saying, "You are doing well, keep it up the good work", that's it. What was happening in the past, we were awarding certificate of competence to the outgoing members, but what you have said is an eye opener.*

**MsFC for school C:** *During our team building sessions our principal organises lunch for us and that's when he normally thank us for our good work.*

**MsFC for school E:** *We are not given anything by the principal except to say that our work is good, and we should continue to work hard.*

The fact that in the finance committees for schools B, C and E financial management competence is appreciated by the principals implies that there are improvements and achievements that the MsFCs advanced in terms of their financial management conduct in their schools, whereas what are claimed as improvements and achievements by the MsFCs for schools A and D were not seen in that light by their principals.

#### **5.6.12 Financial mismanagement**

Principals and school governing bodies throughout the country have been subjected to forensic audits by the Department of Education due to mismanagement of funds, funds embezzlement, fraud, pilfering of cash, theft and improper control of records (Mestry, 2006:29). Many principals and school governing bodies who lack financial management knowledge are placed under remarkable pressure because they are unable to work out practical solutions to their financial management problems (Thenga, 2012:14).

The researcher asked a question, **"How do you report financial mismanagement to the circuit office?"** The objective of this question was to find out how instances of financial mismanagement are reported to the circuit or the district.

### **5.6.12.1 Ways of reporting financial mismanagement**

It emerged from the interviews with the MsFCs for schools A, B, C, D and E that, although they did not have experiences of financial mismanagement in their schools, they thought that if ever it happens with them, they should first report the matter to the principal as an accounting officer and the circuit manager as well. They revealed that,

*“Although this was never experienced in the history of our school, mismanagement of funds should be reported to the accounting officer and if he is the one involved, we report to the chairperson of the SGB who must organise the SGB meeting for the offender to account. When the SGB is unable to resolve the matter, it will refer the matter to the circuit manager through a written letter.”*

Although instances of financial mismanagement never happened in the schools of the participants interviewed, it became evident that they understood the legislation in terms of the procedures that should followed if financial mismanagement in their schools does occur. They also understood that financial mismanagement was one of the contraventions that should be reported to their authorities in a written form.

### **5.6.12.2 Kinds of financial mismanagement to be reported**

It emerged from the MsFCs for all the five schools interviewed that all the matters that contravened financial management legislation should be reported. They stated that:

*“The financial mismanagement cases that have to be reported to the circuit manager include lost cheques and cheque books, signing of blank cheques by members of the finance committee, missing receipt books, fraudulent cheques, unauthorized procurements, fruitless expenditure, loaned money to any person or members of SGB, mishandling of school funds and using school funds for personal benefits. We are supposed to report these cases even when they are committed by the principal.”*

Mentioning these acts of financial mismanagement revealed that the MsFCs for all the five schools had knowledge of the kind of financial mismanagement that should be reported to the circuit office.

### **5.6.13 Summary**

Data presented from the MsFCs for schools A, B, C, D and E revealed that most of the MsFCs for school governing bodies in schools are literate as compared to the literacy level of the previous SGB members (refer to Tables 5.5 to 5.9 for literacy levels of the members of finance committees interviewed for this study). Minimum literacy levels for the MsFCs of school governing bodies claimed by this

research emerged as the contributory factor that made them to know and understand their financial management roles and responsibilities.

It also emerged from the analysis of data from interviews with the MsFCs for all the five schools that their literacy levels and their understanding of school governance legislation and support provided by education officials made them improve their financial management conduct and hence their enormous achievements.

Some of the MsFCs, though literate and having the legislative knowledge and understanding of their roles and responsibilities, revealed that they were still challenged in certain areas of financial management such as the keeping of finance records, implementation of strategies for fundraising, internal auditing of their finance books and implementation of their budgets.

## **5.7 ANALYSIS OF DATA FROM DOCUMENT ANALYSIS**

### **5.7.1 Introduction**

Documents are printed or written materials or records of the past and present (Ary et al., 2010:442). They may be official and un-official, public or private, published or un-published, prepared intentionally to preserve historical records or only prepared to assist an immediate practical purpose (Bell, 1993:68). They may be official minutes, regulations and laws, newsletters, books and journals. The documents analysed were categorised according to the levels of governance responsibilities performed by participants, i.e. analysis of finance documents from schools, circuit office and district office. Refer to Table 5.3 above.

Presentation of document analysed for this study aimed at revealing the financial management conduct of the school governing bodies in rural schools of South Africa especially in the Mpumalanga Province as compared to what the researcher discovered through interviews. By conducting document analysis for this research, the researcher intended to determine from the documents the “witting and unwitting evidence” of the phenomenon under investigation (Bell,1993:69). The “witting” evidence is the information which the original author of the document wanted to communicate, whereas the “unwitting” evidence is everything else that can be learned from the document.

All the documents provide “unwitting” evidence; therefore, the researcher was obliged to carefully inspect their preciseness and significance in relation to the research topic. When analysing documents

as Bell (1993:70) postulates, the aim of the researcher was also to discover if the document was both genuine (i.e. not forged) and authentic (i.e. it truthfully reports on its subject).

Document analysis for this research represented analysis of numerous relevant public documents which were in the form of a text (Bertram & Christiansen, 2014:97). Analysis of documents was chosen for this research precisely because documents linked events with their physical and social background using a variegated array of presumption and inferential procedures (Wetherell, Taylor & Yates, 2001:51).

## **5.7.2 Analysis of finance documents from the schools**

Documents requested for analysis from the schools included finance policies and minutes of the finance committee meetings, lists of the finance committee members and their portfolios, letters of appointments for finance officers, Section 21 paper budgets, schools budgets, deposit books, deposit slips and cash receipt journals, cheque books and cheque counterfoils, claim forms or check requisition forms and cash payment journals, petty cash journals, procurement quotations and the adjudication forms and audited financial statements. The objective of analysis of these documents was to triangulate data collected through the literature review and the interviews.

### ***5.7.2.1 Finance policies and minutes of finance committee meetings***

According to Dibete (2015:115) one of the major responsibilities of the school governing bodies is to establish finance committees which must draw up finance policies that will guide the management of finances in schools. The finance committees must also ensure that finance policy is monitored and implemented for proper utilisation of school finances.

It was found out that, according to the MsFCs for all the schools interviewed, it was indicated that they all have finance policies. Schools A, B, and D followed the requirements of the pro-forma for school finance policy developed and circulated by the Mpumalanga Department of Education with the purpose of ensuring the existence of standardised procedures for proper conduct of finance management in the whole province. Although the finance policies for schools C and E were standardised, they did not follow the pro-forma for school finance policy circulated by the Mpumalanga Department of Education. Failure of these schools to use the pro-forma for school finance when developing their finance policies might create the possibilities of committing mistakes in their policies development process.

The legislative frameworks that were used to formulate the finance policies for schools A, C and D were the South African Schools Act (SASA) and the Public Finance Management Act. However, school B and

E used the South African Schools Act (SASA), the Public Finance Management Act (PFMA) and the National Norms and Standards for School Funding (NNSSF). In addition to the legislative frameworks used when developing their schools' finance policies, the MsFC for school B used the Education Law Amendment Act of 2001 whereas school E used the Constitution of South Africa (Act 108 of 1996b) although the latter was not mentioned in the policy preamble. The use of these legislation and policy frameworks by these schools when developing their finance policies implied their knowledge of the legal documents which they must use when managing finances in their schools.

The finance policy for school A was adopted in 2012 and used ever since but not reviewed for the 2015-2017 cycle of school governance, but then it was signed by legitimate stakeholders as a working document. It was also found out from the finance policy of school B that it was last adopted in 2016 and used ever since, but the MsFC were busy reviewing it for the 2018-2020 cycle of school governance. The finance policy of school C appeared as a legitimate working document because it reflected that it was adopted and signed by the relevant stakeholders in 2018 which meant that it was reviewed.

School D's finance policy was adopted as a legitimate working document in 2016 and used ever since, but not reviewed for 2018-2020 cycle of school governance. Although the finance policy of school E was in the process of being reviewed for 2018, it was used as a working document for guiding financial control and monitoring for the 2018-2020 cycle of school governance even though it was not adopted and signed by the relevant stakeholders. It was only initialled by legitimate stakeholders on each page.

The finance policies for schools B, C and D were legitimate documents to be used for the management of finances since they were reviewed and adopted by stakeholders for implementation in the correct cycle of the existence of the school governing body, but the finance policy for schools A and E were used as illegal documents since they were not reviewed and endorsed for implementation by the relevant stakeholders. In the fourth year of the three-year cycle of school governance, the new members of the committee elected in office must review all the school governing body policies inclusive of their finance policies.

Although some of the finance policies were not legitimate documents for implementation, they all separated the responsibilities of members in terms of the key roles they have to play to ensure effective management of school finances as well as how finances should be monitored and controlled. It was also found out that these policies reflected the particulars of the schools and the names of three signatories that were to sign schools' cheques when making payments for services and procured

goods. The finance policies for schools A, B, C, D revealed that members of the finance committees were chosen based on their financial management competency, accountability and transparency when managing school funds, whereas the financial policy for school E was silent about the criteria to be used when choosing a finance committee.

The finance policy for school A revealed a five member finance committee inclusive of the principal to control and monitor finances. Two members were parents, one was the treasurer, one the finance officer who was the secretary of the committee and the principal was ex-officio. However, the finance policy for school B revealed five member committee inclusive of the principal. Three members were from the parent body, one from the three members from parents' body was the treasurer who chairs the committee, the financial officer who was the secretary of the committee and the principal as ex-officio. According to the finance policy for school C, contrary to the list of the finance committee they provided the researcher, their committee was comprised of six to eight members inclusive of the principal of whom three members were from the parent body. However, this finance policy for school C did not reveal what the role of the other members would be in the finance committee.

The researcher assumed that all the extra members of the finance committee for schools C might be additional members because, according to the Mpumalanga Financial Module for Training School Governors and Managers (2018:9), the finance committee should consist of a minimum of five members and at the most eight members, of whom there should be three parents. What also accounted for differences in the membership of finance committees for different schools were the size and the needs of an individual school. The finance committee for school D proposed a five member committee inclusive of the principal as ex-officio. As in the case of financial policy for school B, three members were from the parent body, one member was the treasurer who chairs the committee, one was the finance officer who was the secretary of the committee and one the principal as ex-officio. The finance policy for school E revealed a five member committee, although it was not explicit as to what the portfolios of members were. Therefore, according to the researcher's examination, three members were from the parent body, the principal as ex-officio, the finance officer who was the school administrator, the chairperson of the SGB, the secretary and the treasurer who in terms of the law must chair the committee.

Although compositions of the finance committees as indicated in these schools finance policies were different, there were commonalities in terms of the roles of the members of the committees and adherence to the legislation in terms of the number of parents included in the finance committees,

except for finance policy for school A. The finance policies for schools A, B, C and D stipulated that the finance officer should be appointed by the SGB in writing. However, the finance policy for school E did not indicate how the finance officer should be appointed. The finance policies for all five schools maintained that the finance officers are responsible for the finances and all the financial correspondence of the committees.

Parents are supposed to pay school fees in terms of the finance policies for schools A, B and D but those parents who are unable to make such payments are exempted. These schools fall under section 21 and in terms of the law they are not supposed to charge school fees but can only request parents to pay any amount of money provided that such an agreement was resolved by the majority of parents who attended such a meeting and that decision was then approved by the HOD or the Minister of Education. Such an agreement was invisible in their policy documents which implied that these schools contravened section 21 functions. Collection, issuing of receipts and recording of school monies paid into the schools' accounts were indicated by the policies of schools A, B, C, D and E to be the responsibility of the finance officers. However, all documents used for expending money had to be authenticated by affixing a school stamp.

According to the finance policies for schools A, C and D, depositing of school money should be the responsibility of the finance officer and the principal and the money deposited should be entered on a deposit slip. However, MsFCs for schools B and E are depositing school money in their schools' accounts; their policies did not indicate who should be responsible, which meant that any members within the school might deposit the school money. It is the requirement for schools A, C, D and E that MsFCs must not sign blank cheques and that all cheques should to be processed accompanied by supporting documents and checked by the principals or the finance committees before any payments are made.

Cheque counterfoils bearing items expended on services paid remained in the cheque books. All payments were made by cheques signed by either two or three signatories and all cheques that were incorrectly completed were cancelled and marked as such. It was found out from the finance policies for all the schools that the only people who were authorised to make withdrawals of school money were signatories having a mandate from the school governing body. Safekeeping of finance records for schools A, B, C, D and E was the responsibility of the treasurer of the finance committee.

In terms of utilisation of funds, the finance policies for schools A and B appeared alike but did not indicate the purposes for which school money should be used. However, the finance policies for schools C and E clearly outlined that the Section 21 allocation should be spent according to the requirements of the department. The finance policy for school C further cited examples of instances when an allocation should be used such as for educational purposes with the consent of the SGB, for the performance of the SGB functions and any other educational purpose agreed upon between the SGB and the HOD. The maximum amount of money that schools must keep as petty cash for any petty cash requirements must be R1000, 00. It was found from the finance policies of schools A and C that they kept an amount of petty cash which contravenes the law, i.e. R3000, 00 and R1500,00 respectively. The MsFCs for schools B and E revealed that their schools kept an amount of R1000,00 whereas school D kept an amount of R500,00. According to the MsFC, school D kept the lowest amount of petty cash, but it was within the petty cash amount bracket required by the law. Schools B, D and E also kept petty cash which was in line with the requirement of the law.

According to the MsFCs for schools A, B, D and E, financial reporting to the parents is done twice a year, which is when presenting the school budget and after their financial books are being externally audited. School A reports to the parents between June and December of every year when presenting the school budget and after the end of each financial year when presenting the audited financial statement. School B gives reports to the parents between September and October of every financial year when presenting the school financial budget as well as at the end of the financial year when presenting the audited financial statement. According to the policies of these schools, it was evident that MsFCs for all the schools are supposed to give a financial report to the parents.

According to the policy for school D, financial reporting to the parents should be done annually between July and November when presenting the school budget and between February and March when presenting the audited financial statement. According to the policy for school E, as outlined by their MsFC, reporting to the parents is done after their finance books were audited by the external auditor and also when presenting the budget for the next financial year. Although reporting to parents at schools A, B, D and E happens during different months of the year, it still falls within the time frame required by Section 43, sub-section (5) of the South African Schools Act, which is between September and October for budget tailoring and adoption and during January and May when giving reports on the audited financial statements.

According to the finance policies for schools A, B, and D, budgets are prepared by a person duly authorised by the MsFCs within the committee who in turn presents the draft to the committee and the SGB. The MsFCs and the entire membership of the SGB present the budget during the parents' annual general meeting for interrogation and adoption. The budget for schools C and E is prepared by the entire finance committee, which must present it to the entire SGB membership and the parents during the school budget meeting for interrogation and adoption. All the policies of these schools expect the finance committees to draw up their school budgets and present them to the parents. This is a legislative requirement and the responsibility of the members of the finance committees.

Section 36 of the South African Schools Act dictates that a governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the State in order to improve the quality of education provided by the school to all learners at the school. According to the finance policies for schools interviewed, they are all expected to raise funds to augment the allocation provided by the department. The fundraising strategies of schools A, B, C, D and E, although the same, signalled differences in their approaches.

Fundraising for schools A, B, C and D is conducted through the leadership of selected MsFCs. However, finance committees for all the schools applied different strategies such as writing fundraising proposals to donors and requesting donations from identified donors, school concerts, rent a school building, recycling campaigns, markets days, games and day tournaments, valentine days and sales of stationary packs. However, strategies of fundraising such as market days and sales of stationery packs and valentine days where items are sold to the learners and the community as practiced by schools C and D may result in wasteful expenditure by these schools.

These strategies for all the schools were intended to be implemented by the fundraising committees under the wings of the finance committees of the school governing bodies. Although different, there were similarities in fundraising strategies implemented by the schools A, B, C and D. Different from the finance policies for schools A, B, C and D, school E's policy dictated one strategy for fundraising, which was through the school trips which implied that organised school trips were overcharged as a way of fundraising. This strategy contravened the law because quotations sourced for the provision of services for the school are not supposed to be inflated as that translates into financial embezzlement.

According to the procurements of goods and services, the finance policies of schools A, B, C, D and E required the finance committees to source out three quotations and in each case the service provider

who provides quality services and displays low prices is considered. Before any claims are processed their authenticity must be checked by the principal, the chairperson and the treasurer of the finance committee. All the MsFCs for the schools involved in this study were unable to provide the researcher with adjudication forms for procurements.

It was found from the finance policy of school C that it was the only policy that intended to address financial misappropriation by members. According to the finance policy of school C, when funds were misappropriated by members, they were to be engaged in a hearing with the SGB. This lawful, reasonable and procedurally fair administrative action followed by school C complied with the law and relates to the “due process” referred to in the SASA, Sections 8, sub-section (5) and section 9, sub-section (1). A procedurally fair hearing implied that both parties have the opportunity to present their case before an objective and impartial person(s).

This implies that school C used the *audi alteram partem* rule, literally meaning that “the other party must also be heard”. According to Section 15 of the South African Schools Act, every public school is a juristic person, with legal capacity to perform its functions in terms of this act. Legal capacity means that the school can sue or be sued by the other juristic person. Guided by this Act, when agreement regarding financial mismanagement by a member was not reached during a hearing as indicated in the financial policy for school C, the case was referred either to the circuit or district labour department or to the court of law for adjudication.

The finance policies of schools A, B, C and D dictate that the committee should meet every month to discuss all the relevant financial matters of the school, except for the finance policy of school E which did not reflect such a clause. However, all the MsFCs, including school E, were able to provide the researcher with the minutes of their committee meetings as proof that these committees were functional. Examining the minutes that were selected by the researcher, it was evident that these committees held their meetings as dictated by their finance policies.

Reflected by the selected minutes provided by all MsFCs, it was found that the schools held their meetings on a monthly basis, and this was proved by the months on which these meetings were held as indicated in their minute documents. It was obligatory that finance committees to meet from time to time to control, monitor and evaluate their financial expenditures, pay claims for services and to revamp the budget for certain items where money was not expended as envisioned. It emerged from the minutes that the common items that appeared central in their meeting agendas for discussion included finance

related items such as budget, projects, payment of services and fund raising. For authenticity of the minutes, it was found that the minutes for finance committees for all the schools were signed by their secretaries although the finance committee minutes for school D did not have a school stamp to confirm authenticity.

#### **5.7.2.2 Lists of finance committee members and their portfolios**

Provision of the lists of members of finance committees for schools A, B, C, D and E revealed that they had finance committees and they were positioned as required by the legislation. Finance committees for all these schools were made up of five members and parent members were in the majority. Committees were constituted by the principals, SGB chairpersons, secretaries, treasurers and the finance officers. All the members of finance committees of all the schools qualified as members based on their membership in the school governing bodies. The committees appeared legitimate structures because all their lists reflected particulars of the schools and were signed by legitimate stakeholders.

#### **5.7.2.3 Letters of appointments for finance officers**

The finance policies for schools A, B, C and D stipulated that the finance officer should be appointed by the SGB in writing. However, the financial policy for school E did not indicate how the finance officer should be appointed. Letters of appointment of the finance officers of schools A, B, C and D were not provided to the researcher by their respective MsFCs. This implied that the finance officers for these schools assumed their financial management responsibilities without legitimate appointments from the other members of the school governing bodies and their principals.

#### **5.7.2.4 Section 21 paper budgets**

All the MsFCs for the schools involved in this study were funded by the Mpumalanga Department of Education. According to Section, 34, sub-section (2) of the South African Schools Act, the state must on an annual basis provide sufficient information to public schools regarding the funding to enable public schools to prepare their budgets for the next financial year. Information about funding for all the schools involved in this study was dispatched on 20 September 2017 by the HOD for Education in the Mpumalanga Department of Education.

The paper budgets for all the schools reflected that their funds were allocated to schools according to the quintiles under which they were categorised. However, schools A, C, D and E were categorized under quintile 2, but their fund allocations were different. The differences in their allocations were

brought about by the number of the learners enrolled in each school. School B was categorized under quintile 1 but received a smaller financial allocation than quintile 2 schools because of fewer learners enrolled.

In terms of item allocations for these schools, although different in terms of total funds payable in their bank accounts, it was found that the department allocated paper budgets which schools have to follow in their expenditures without compromise. Budgets for telephone accounts, office stationery, consumables, toiletries, municipal services and day-to-day maintenance must be spent according to the prescripts of the allocations provided. The guideline budget allocation as provided to schools also revealed that, before the department could deposit allocated funds in their bank accounts, schools must have submitted audited financial statements and accompanying documentation by the 30<sup>th</sup> of April of the new financial year.

#### **5.7.2.5 School budgets**

The management functions are the activities and processes performed according to and prescribed by legislation. The governing body, especially the finance committee, has to conform with and work according to the specifications in the legislation, particularly with regard to budgetary control and expenditure (van Rooyen et al., 2013:68). According to the Financial Management Module for Training School Governing Bodies in Mpumalanga (2018:16-17), the budgeting function in schools is part of the process of running the school and therefore falls directly on the SGBs as part of their responsibilities. A school budget should not be seen as a mere list of figures, but a refinement or precise processing of the educational programme in financial or monetary terms.

All the MsFCs for the schools involved in this study said that their financial budgets were drawn up and were made available to the researcher except for the budget for school B. These MsFC provided the researcher with paper budgets from the department which implies that they did not have drawn up budgets and therefore were expended their money without any guidelines. Budgets for schools A, C, D and E were accompanied by paper budgets from the Mpumalanga Provincial Department of Education indicating how much funds were allocated to each school and the minutes of the parents' meetings that were organised by schools to adopt their budgets. Paper budgets for schools A, B, C, D and E were issued by the Provincial Department of Education on the 20<sup>th</sup> September 2017 which were intended to allow finance committees to engage parents in the budgeting process before the beginning of the fourth term as it was a requirement of the South African Schools Act.

Based on the date stamp appended on the budgets of all the schools, it was revealed that the budgets were drawn up as per the requirements of the legislation. According to different paper budgets that schools received, learners' enrolment and allocation per learner dictated the money which each school was allocated (*Government Gazette*, 2009).

The quintile under which each school was categorized was reflected in the paper budget. The schools involved in this study fell under quintiles 1 and 2; therefore, on their paper budgets it was reflected that, as a "no fee" school, the school may not charge any school fees. The best part of the income on the budgets of the schools A, C, D and E was derived from the allocation of the department, which implies that these schools depended entirely on the financial allocation from the Department of Education.

The budgets for schools A, C, D and E reflected that they were raising funds using different strategies. Money allocated to schools followed a strict breakdown in terms of item allocations such as telephone, office stationery, consumable, toiletries, municipal services, and day-to-day maintenance. Items such as LTSM; transport for learning support material; purchasing of furniture; rental of school buildings; labour serving devices and capital structures are handled centrally by the department. Paper budgets for all these schools also reflected that any deviation by schools from these allocated items must be approved in writing by the District Manager.

Budgets for schools A, C, D and E were in line with the requirements of their paper budget breakdown and all the items for which money was to be expended were categorized and allocated funds. Minutes for attending budget meetings with parents were attached to school budgets as proof that parents were invited to interrogate, vote and adopt the budgets.

This implies that the MsFCs for the school governing bodies involved in this study - except the MsFC in school B - consulted parents for budget planning and adoption. Budget documents for all the schools were signed by relevant stakeholders and had affixed the school's stamps to ensure that they were adopted as working documents that guide the financial control and monitoring in these schools.

#### **5.7.2.6 Deposit books, deposit slips and cash receipt journals**

To find out whether the money was deposited following the prescripts of legislation, the researcher asked for the deposit books or deposit slips from all the MsFCs that were involved in this study. It was found out from all the MsFCs for the five schools that they used deposit slips and deposit books to deposit school money. For the first term up to the second term of 2018, the MsFC for school B said that

they did not deposit any money in their bank account, hence the absence of deposit slips. However, schools A, B, D and E used deposit slips to deposit school money in their bank accounts and pasted them in their deposit books.

One advantage of a deposit book is that all deposit slips are bound together thus retaining a permanent record of all the school money deposited in the school bank account. Deposit slips for schools A, D and E revealed that they only deposited school money during the first semester of 2018 whereas finance committee for school B deposited its school money for the last time in the first half of 2017. Members of finance committee for school C strictly used a deposit book to deposit school money. Either a deposit book or deposit slips used to deposit school money reflected the name of the bank, the date, details of depositors and the amount deposited. This information varied depending on the systems used by individual banks.

All the MsFCs provided the researcher with either the cash receipt journals or receipt books, except for the MsFC for school B. The researcher noted that MsFCs for schools A, D and E did not have cash receipt journals but used receipt books to record money received. All the payments received by these finance committees were receipted and the receipts reflected the receipt numbers, names of the bursars, the amount of money paid and the category and/or reason for which the payment was made. The receipt counterfoils in all the receipt books were signed by the finance officer.

Cash receipts for schools A, C, D and E reflected the particulars of the schools except receipts for school D. Cash receipts issued by all the schools did not have the school stamp affixed. Cash receipt books and receipts must reflect the school particulars and the school stamp to circumvent the possibilities of being forged in case financial mismanagement is intended by any person. The MsFC for school B did not provide the researcher with its receipt book.

This might imply that they did not have a receipt book to issue receipts as a proof that bursars have made payments to the school or for money collected. Absence of cash receipt journals of the MsFCs for schools A, B, D and E may imply that these committees were using cash collected without properly recording it in the required finance documents. Only the MsFC for school C had a cash receipt journal for the 2018 financial year. Although handwritten, it reflected dates of payments, names of the bursars, reasons for payments, the bank status of the collected money and was balanced and reconciled at the end of each month.

### **5.7.2.7 Cheque books and cheque counterfoils**

All the MsFCs for schools interviewed were able to provide the researcher with their cheque books based on the demands of Section 37 (3) of the South African Schools Act, which states that governing bodies of all public schools must open and maintain a bank account which implies that all the schools opened banking accounts with registered South African banks. The schools in this study opened cheque accounts and were assumed to be using cheques when making payments for the services rendered. It was found from the cheque books for the finance committees of schools A, C, D and E that they were using the same bank.

It was also established from the MsFCs for schools A, B, C, D and E that returned cheques reflected the dates on which they were issued, the details of the payee and the amount paid written in words and figures, although the cheques that were examined from the MsFC for school C were for 2017 because the bank did not return the cheques issued for 2018 as the committee claimed. The amounts written in words on the cheques were closed with the word “only” to ensure that the amount doesn’t get inflated by the recipient or any other person after the cheques were issued. All the cheques issued reflected the signatures of the two signatories to validate the authenticity of the cheques.

It was noted from the returned cheques that they all had cheque numbers and the name of the schools so that ensured the legitimacy of the cheques. All the schools provided supporting documents or invoices which accompanied all the cheques issued. It appeared that schools spent their allocated funds according to the requirements of the legislation. When perusing the returned cheques provided by all these MsFCs, it was ascertained that money was spent depending on the needs of an individual school at that time, such as, for the transport to run the errands of the school, transport to attend workshops and meetings, transport for learners’ curriculum activities, purchasing of stationery, school maintenance and paying of services which was in line with the requirements of Section 37 (6) of the South African Schools Act.

The cheque books for all five schools revealed that after cheques were issued, counterfoils were left in the cheque books reflecting the date on which the cheques were issued, the reason for issuing of the cheques and the amount of the cheque issued and all the cheques counterfoils had cheque numbers that were also reflected on the matching claim forms. Dates for payments of services for all the schools as reflected on their returned cheques differed significantly, which implies that some of the schools did

not follow their payment policy for appointed dates to make payments, especially when paying for procured goods and services.

The MsFCs for schools A, C and D paid its service providers and reimbursed teachers' travelling expenses once a month, exception for payments for procurements and maintenance that were made when there was a need to do so. MsFCs for schools B and E paid twice a month, which is in the middle of the month and at the end of the month. Payments for procured goods and maintenance of the schools were made as soon as the services were provided. Dissimilarities in the payment dates for schools B and E indicated that these committees did not have documents that guided them in terms of when payments should be made.

#### **5.7.2.8 Claim forms, cheque requisition forms and cash payment journals**

MsFCs for schools A, B, C, D and E had proof for payments when using school money, but some used different payment tools to process such payments. When MsFCs for schools A, B, C and D made their payments, they used claim forms which were completed and signed by all the people authorised to make payments and the recipients of the payments. The MsFCs for school E did not use claim forms, but cheque requisition forms to make payments. Only the finance committee for school C used both claim forms and cheque requisition forms to process payments for claimants which is required by the law as indicated in the Financial Management Module for Training School Governing Bodies in Mpumalanga, (2018:45). According to the Financial Management Module for Training School Governing Bodies in Mpumalanga (2018:54), all the claim forms must be clearly sketched indicating the details of the school, the claimant and the portion for signatories.

However, all the claim forms for the schools met the requirements except for the claim forms for schools B, C and E which did not reflect the schools' letterheads to authenticate that the claim forms belonged to such schools. Claim forms for the schools were sketched differently, but they all had necessary information that stated why money was used, when it was used, and for which purpose it was used.

The claim forms for school B and the requisition forms for school E did not reflect the name(s) and surnames of the claimants but only the signatures of the signatories. It is important for claim forms and requisition forms to reflect the names of the claimant because signatures alone cannot validate the authenticity of claims when payments are tracked back when financial mismanagements have occurred. Claim forms or requisition forms for schools B, C and E, though signed by the relevant stakeholders,

were not appended to schools' stamps to ensure the legitimacy of the payments made by the people who have signed either the requisition forms or the claim forms.

Claim forms used by the MsFCs for schools A, B, C and D reflected the cheque numbers for the cheques that were used to make payments, though MsFCs for school E used only requisition form. However, processed requisition forms for schools C and E were signed, reflecting that they were approved by school principals. Dealing with school finances requires people who are vigilant in case any mistakes occur, and they are then able to account. Based on the analysis of the claim forms and requisition forms indicated above, finance committees in this study used their allocations as required by the legislation although there were discrepancies when controlling the tools for monitoring finances.

It was established from the MsFCs for schools A, C, D and E that claim forms or cheque requisition forms and cash payment journals were operated as a unit. Therefore, these documents were examined in comparison to check how they complement each other to ensure proper monitoring and control of finances. It emerged from all the schools' representatives that after the completion of the claim forms or cheque requisition forms, particulars of cheques issued and expended were captured in the cash payment journals.

The schools A, D and E followed the same detailed cash payment journal which included day of payment; month of payment; name of payee; cheque number of the cheque issued; sundries and detailed sundries, whereas the finance committee for school C used a summarised template that included only the date of payment; month of payment; name of payee; cheque number of the cheque issued; and the amount of money paid. The days, months and names of the payees, and cheque numbers and the amount on the cheques issued matched the information as was reflected in the claim forms or the cheque requisition forms for those months.

It was found out from all these finance committees that their cash payment journals were reconciled at the end of each month, except for the finance committee for school B which did not have a cash payment journal which implies that all the payments that were made were not recorded in the required document.

#### **5.7.2.9 *Petty cash journals***

According to van Rooyen et al. (2013:113) petty cash is implied in its name. It deals with purchases for small items that do not merit writing a cheque. Although petty cash involves a relatively small amount, it

is imperative that it should be strictly controlled. Any purchase from petty cash should be recorded in the petty cash journal and be covered by a petty cash voucher and a receipt of proof of payment. Petty cash vouchers should reflect the school particulars, date and month, details for usage, signatures of the authorising person and the payee as well as the portion where the school stamp should be affixed.

According to the Financial Management Module for Training School Governors and Managers in Mpumalanga (2018:49) the administration of petty cash should be done by a person who is authorised to do so through a letter of delegation of responsibility issued by the finance committee and the principal. At the end of each month the petty cash journal should be balanced and reconciled.

Only the MsFCs for schools C and E from the five schools were able to provide the researcher with their petty cash journals. Although hand written, they reflected that they were controlled by the finance officers who were given this responsibility by the SGB and the principal. The petty cash journals of the MsFC for school C reflected particulars of the school, details for using petty cash as well as the amounts used, but not signed by the issuer and the recipient and there was no school stamp appended when closing the journal at the end of each month.

The petty cash journal for school E also reflected particulars of the school, details for using petty cash as well as the amounts and was signed by the issuer but not the recipients. There was no school stamp appended when closing the journal at the end of each month. Because the money issued as petty cash in the petty cash journals of schools C and E lacked the required information regarding the issuer and the recipients of petty cash and did not have appended school stamp to legitimise the payments, this implies that finance committees for these schools were not controlling their petty cash journals as required by the legislation.

The petty cash vouchers of school C were provided with the receipts of proof of payment and also reflected the voucher numbers, the date and month issued, the particulars of the school, the amount paid and the payee, but they were not appended with a school stamp. For the fact that these vouchers did not reflect the stamps for the school meant that the petty cash vouchers for this school were not completed as required by legislation. The MsFC for school E did not provide the researcher with petty cash vouchers and receipts of proof of payments. This implied that, although the MsFC for school E had a petty cash journal, the failure to produce petty cash vouchers meant that the control of petty cash was not in line with the requirements of the law as posited by van Rooyen et al. (2013:113) above.

Failure by the MsFCs for schools A, B and D to produce their petty cash journals and petty cash vouchers revealed that these finance committees were either not keeping petty cash, not having an understanding of the requirements for controlling petty cash or were spending their petty cash without following the requirements of legislation by completing or supplying the required documentation for its use.

#### **5.7.2.10 Procurement quotations and the adjudication forms**

Only MsFCs for schools D and C from the five schools that were involved in this study provided the researcher with procurement quotations without adjudication forms. The MsFC for school C provided the researcher with four quotations whereas the MsFC for school D provided three quotations, both for a single project. Although some of the quotations from these MsFCs for schools were handwritten, they were explicit in terms of required items for the projects and the projected funds to be used. However, two quotations of the MsFC for school C did not reflect the details of the service provider which would make it difficult to be captured in the school's service provision database and to be located in case the quotation was chosen to be in favour of the adjudicators for service provision. All the quotations of the MsFC for school D reflected the particulars of the service providers. Absence of quotations for procurements from the MsFCs of schools A, B and E revealed that they made their procurements without being directed by quotations from the service providers.

#### **5.7.2.11 Audited financial statements**

Section, 43 (2) of the South African Schools Act stipulates that governing bodies of all public schools must appoint a person registered as an accountant and auditor in terms of the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991) to audit the records and financial statements of the school. Section, 42 (a) & (b) also requires school governing bodies of all the public schools to keep records of the received and expended money and their assets, liabilities and financial transactions and, as soon as practicable, but not later than six months after the end of each financial year, draw up an annual financial statement in accordance with the guidelines determined by the Member of Executive Council. This implies that the auditors contracted by schools must have been approved by the Member of Executive Council for the purpose of auditing. In the Mpumalanga Province the MEC for Education circulated Implementation of the Financial Reporting Guideline for Schools (FRGFS) which required all the school governing bodies to comply with it when conducting financial reporting. This guideline was

distributed through circular No. 09 of 2017 for schools to select audit firms and accountants of their preference from the list of audit firms conscripted and approved in the database of the department.

All the MsFCs for the five schools provided the researcher with their audited financial statements, although the statements were from different audit firms. This implied that the MsFCs for all these schools complied with the legal requirement of financial reporting as required by the Mpumalanga Department of Education. It was also established from the audited financial statements for all schools that were audited that they only included in their records their financial transactions but did not embrace assets and liabilities. The finance books for all the MsFCs of the schools in this study were audited after the end of the financial year, which was on 31 December 2017 and submitted to the district office six months before the beginning of the new financial year.

The MsFCs from schools A and D used the same auditor and reviewer who were registered with the Mpumalanga Department of Education. It appeared from the database of the department that the auditor and the reviewer contracted by MsFCs for schools A and B were not approved on the first list to audit school books at their initial engagement with the department, but they were later approved after their merger. The MsFCs for schools' C and E also used the same independent consulting accountants who were different from those of the MsFCs for schools A and D but enlisted and approved to appear on the database of the department. Although school B's finance books were audited, they did not comply with the requirements of the implementation of the Financial Reporting Guideline for Schools (FRGFS) issued by the Mpumalanga Department of Education because, according to this reporting guideline, schools were not allowed to use consulting accountants that were not listed and approved in the database of the department.

The audit reports of the MsFCs for schools A, B, C, D and E released by the auditors reflected that their finance books were reviewed and audited and that, based on their review, nothing came to their attention that caused them not to believe that their financial statements did not present fairly, in all material respects, the financial position of all the five schools as at 31 December 2017, and (of) their financial performance and cash flows for that year in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

The statements of confirmation from these auditors revealed that all the MsFCs for all the five schools received unqualified financial reports from their external auditors. This implies that these MsFCs were managing their finances according to the requirements of financial legislation and policy frameworks.

Unqualified financial reports imply that the schools have received clean audits. Clean audits imply that schools have spent funds and kept their records appropriately as required by PFMA and no indication of financial mismanagement was found in all their transactions.

### **5.7.3 Analysis of finance documents from the circuit office**

Documents requested for analysis from the circuit office included quarterly financial reports from schools, reports on claims of schools' financial mismanagement, SGBs' training programme and the submission register for audited financial statements.

#### **5.7.3.1 Quarterly financial reports**

The circuit office was unable to provide the researcher with these documents based on the fact schools do not submit their quarterly financial reports to the circuit although they were supposed to do so.

#### **5.7.3.2 Reports on claims on schools' financial mismanagement**

According to Serfontein & de Waal (2015:3) most of the offenders of financial mismanagement in schools are members of school governing bodies and principals who channel funds to their personal accounts and abuse their power to conceal their corrupt acts. From the circuit office only one report of financial mismanagement was found and collected for analysis.

Report on allegations of financial mismanagement from one school was lodged with the circuit manager. From the report, which was registered through a letter, the incumbent school governing body launched a dispute pertaining to the mishandling of a certain amount of money, which was alleged to have been deposited by a certain donor in the bank account of the school principal.

In terms of Section 37 (2) of the South African Act, all money received by the public schools, including school fees and voluntary contributions, must be paid into the school fund and Section 37, sub-section (3) requires the governing body of every public school to open and maintain one banking account, but the school governing body may with the approval of the MEC invest surplus money in another account.

This money as claimed by the contents of the letter was used by the principal and certain members of the SGB for their personal benefit. Section 37, sub-section (4) of the South African Schools Act dictates that money donated or bequeathed to or received in a trust by a public school must be applied in accordance with the conditions of such a donation, bequest or trust.

### **5.7.3.3 SGBs training programme**

It was established that the circuit did not have a circuit SGB training programme but relied on the district SGB's training programme. However, the contents of the programme reflected that school governing bodies in each circuit were engaged in the SGB support review and SGB training induction but only the ones for two days. Based on the analysis of training programme for the SGBs, the researcher was able to deduce that school governing bodies in the Nkangala District were trained.

Training was organised in terms of the divisions of governance responsibilities. The school governing bodies were already being trained on the sections of democratic school governance and financial management in terms of what the programme postulated, but school governing bodies were still to be trained in the sections on interviewing skills and meeting procedures. The programme intended to engage the school governing bodies for six days of training sessions which were to take place in different circuits in Nkangala District in 2018. This implied that there was an improvement with regard to training of SGBs in Mpumalanga as compared to what literature posited.

### **5.7.3.4 Submission register for audited financial statements**

According to the circuit submission register, it was found that schools which were supposed to submit their audited financial statements were 28 in number. In terms of the requirements of the legislation, a copy of the audited financial statements should be submitted to the Head of Department within six months after the end of each financial year. Of the 28 schools only 17 schools adhered to the submission month and eleven failed to submit in accordance with the requirement. Schools in this study submitted their audited financial statements to the circuit office, although some submitted later than required by the legislation.

### **5.7.4 Analysis of finance documents from the district office**

Documents requested for analysis from the district office included reports on claims for schools' financial mismanagement and the SGBs training manuals. However, some of the documents regarding the adjudication of financial mismanagement which, according to the participants, were in the control of the Nkangala District Labour Department were not allowed to be accessed.

In terms of the financial mismanagement reports, the researcher was given seven reports on allegations of financial mismanagement that were reported to the Nkangala Education District by the governing bodies of different schools between 2015 and 2017. For ethical reasons and to protect the identity of the

principals and the schools that were affected by the allegations of these reports, the reports were allocated letters of alphabets from A-G.

#### **5.7.4.1 Report A on claims of financial mismanagement**

According to Section 23, sub-section (1) the principal is a member of a school governing body in his or her official capacity. The principal is also the representative of the Department of Education at the level of a school and is delegated the authority to manage all the educational activities within the school by the department. Section 19, sub-section (2) requires the principal to render assistance to the school governing body in the performance of its functions. In terms of Section 59 of the South African Schools Act, it is the duty of the school to provide information for inspection by any person, even when such information about the school is reasonably required by the Head of Department or Director-General of the National Department of Education in consultation with the Head of Department. However, it was ascertained from this report that the principal failed to provide supporting documents for the school cheques which were issued.

While the matter was investigated the principal was suspended from performing the duties of the department and the funds allocated for the alleged school were suspended pending the unfolding of the allegations. Despite that, the cheques in question were issued by the SGB without his/her knowledge. This implies that in terms of legislation and in his/her advisory capacity as a manager of the school, he/she becomes responsible and accountable for any activity that occurs within the school. If any stakeholder under his/her supervision fails to execute his/her functions in accordance with the prescribed legislation, he/she must be held accountable.

#### **5.7.4.2 Report B on claims of financial mismanagement**

Report 5.7.3.2 that was registered with the circuit manager was also registered with the district office. However, this report was coupled with another report for financial mismanagement from the same school, which also alleged that the principal mishandled a certain amount of school money to entertain some of the members of school governing body and also refused to pay some of the members' money for the expenses they incurred when they were performing their school governance duties as per the requirement of Section 27, sub-section (1) of the South African Schools Act. It is always erroneous for the service providers to claim school money before the services are rendered to the school, but lawful for the principal not to allow them to do that.

The principal is not a paying master within the finance committee but confirms payments which have been agreed upon by the finance committee. However, it was inappropriate for the principal to deny the service providers the money that they claimed for the services they provided even after the finance committee had sanctioned such payments.

This implies that the principal acted unlawfully in both instances by refusing legitimate payments and organising entertainment for some of the SGB members without consulting the entire membership. Although the principal is a member of each committee within the school, that does not offer him/her the right to organise entertainment for members without consulting with the entertainment committee members who are responsible for organising entertainments in the school. From this report the researcher also deduced the dysfunctionality of the school governing body with regard to the issue of consultation with relevant stakeholders when certain activities are performed within the school as well as a power struggle among members of the school governing body.

#### **5.7.4.3 Report C on claims of financial mismanagement**

According to Section 43, sub-section (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, 1991 (Act 80 of 1991) (PAAA) to audit the records and financial statements. When analysing report C, it was discovered that the accountant was unable to extend the review over revenue of this school other than through the receipts and disbursements actually recorded and the transactions of certain amounts of school money which were accounted for. Section 42, sub-section (1) of the South African Schools Act clearly indicates that the school governing bodies must keep records of funds received and spent by the public school and of its assets, liabilities and financial transactions. Any school that fails to adhere to this requirement is subject to an investigation regarding financial mismanagement and its funds allocation is withheld pending the findings of the allegations.

#### **5.7.4.4 Report D on claims of financial mismanagement**

According to Serfontein & de Waal (2015:2) corruption manifests itself as bribery, fraud, extortion, abuse of power, conflict of interest, and insider trading, abuse of privileged information and favouritism. It was found from report D that the principal abused his power by using favouritism to discriminate against teachers according to their skin colour. According to the report, this was revealed by inequalities in terms of payments of black and white teachers who were almost doing the same job as well as his treatment of black and white SGB members. This implies that the principal corrupted his white

counterparts with school money in order to gain support and favour in case any financial mismanagement was spotted in the school. The report is also indicative of a conflict of interest between the principal and the SGB in terms of how service providers were contracted to the school.

However, it seemed that the principal played a leading role in the school governance as opposed to what the law required of him. It is the responsibility of the school governing body to resolve who should be contracted in terms of providing services to the school, not the principal. This is clearly explained in Section 16, sub-section (1) & (2) of the South African Schools Act, that governance of every public school is vested in its governing body and it may perform such functions and obligations and exercise only such rights as prescribed by the act and that the governing body stands in a position of trust towards the school.

Report D also revealed suspicion of corrupt acts from the principal who the SGB suspected might have connived with certain service providers and did not agree to terminate their contracts even when the SGB was not happy with their exorbitant charges. From this report, it was evident that the principal of the school in question used a divide and rule approach in order to engage in mishandling school funds and his corrupt acts were better known by the white SGB members as opposed to the black members of the SGB. It is also evident that some of the SGB members in this school were used by the principal to rubber stamp decisions in his favour for them to benefit from his corrupt acts.

It is important that governance roles and responsibilities be clearly separated from the management roles, although these two roles have a common objective of ensuring the welfare and success of the school. The chairperson of the school governing body, as the leader of the SGB, must provide leadership for virtually all the functions of the SGB whereas the principal, among others, must determine and organise curriculum activities in the school.

#### **5.7.4.5 Report E on claims of financial mismanagement**

From report E it was discovered that after the elections of the new SGB the principal took over the school governance leadership. In terms of legislation the executive committee of the SGB and the finance committee are elected by members of the SGB during formal meetings. Based on the claims of this report, a meeting of such a nature never took place at the school in question. However, the principal elected some of the members as signatories and endorsed them at the bank without consultation with the entire SGB membership. When discussing the matter with the principal of electing signatories in

terms of the law, the principal insisted that the SGB should adopt the members he/she had isolated as signatories.

According to this report the principal had interests as to who should run the finances of the school. The action displayed by the principal signalled corrupt intentions of using the signatories handpicked to use them to mishandle school money because they always agreed with any decision proposed and taken in terms of using school funds.

The report also exposed that the members who were handpicked by the principal were those whose literacy level was very poor because in all the strategies that were used by the principal to engage them as signatories, they never suspected the principal's intentions of using them as a leeway for school financial mismanagement.

#### **5.7.4.6 Report F on claims of financial mismanagement**

Section 2 of the Public Finance Management Act aims to ensure transparency, accountability and sound management of revenue, expenditure, assets and liabilities of institutions to which the Act applies. According to an analysis of report F, it was found that the school in question was having a new finance committee which was not recognised by the principal. This implies that the principal alone was in charge of the financial management of the school. As claimed by the principal, the former chairperson and the treasurer used to authorise all the cheques that were used to pay for services.

However, when comparing the signatures of the alleged former members of finance committee with those that were appearing on the cheques, suspicions of forged signatures were convincing because the signatures were different. The report also revealed that all the claim forms for travelling expenses of the principal were not signed by designated people nor had the supporting documents to authenticate the claims. This implies that the school governing body in this school was dysfunctional, dominated or paralysed by the principal.

Section 55, sub-section (1) (a) of the PFMA stipulates that the accounting authority for a public entity must keep full and proper records of the financial affairs of the public entity. When the finance documents of the school, especially the cheque book or the deposit book, get lost, the principal must report to the circuit office and the police, but the principal kept this information to himself/herself. When the cheque books for the previous years were requested from the principal, he/she alleged that they were lost. The information pertaining to the loss of these finance documents was only known by the

principal. The finance documents that were claimed to be lost might have been available, but because of the knowledge the principal had in terms of their status, he/she decided to refuse access for any inspection. This was against Section 59 of the South African Schools Act.

Most of the transactions that were made to pay service providers were made in the name of the principal based on the allegation that the service providers in the locality were not accepting cheques. A number of cheques issued were not accounted for by the principal and that contravened the stipulations of Section 48, sub-section (1) (d) of the Public Finance Management Act.

According to the report, some of the invoices for procurements that were made by the school contained the same signature though such procurements were made from different shops. This implies that the principal manufactured the invoices to match the claims. Based on the revelations of this report, it is evident that the principal in question was misappropriating school funds by not following the correct procedures as stipulated by SASA and the PFMA. With reference to Section 83 of the PFMA the financial management acts that were performed by the principal in question are regarded as financial misconduct by officials of public entities which, according to sub-section 4 of the PFM, are dismissible offences that warrant suspension of the perpetrator.

#### ***5.7.4.7 Report G on claims of financial mismanagement***

The principal of the alleged school was involved in financial mismanagement in the past and was suspended by the department due to the outcomes of the investigation for alleged financial mismanagement. However, two years later the auditors appointed by the SGB for the school reported failure by the school to provide supporting documents for the cheques issued and expended. However, the cheques were alleged by the school treasurer to have been cashed without his/her consent.

The South African Schools Act states that schools must keep supporting documents as evidence of correct dealing with suppliers and contractors, and records of how services were used and produce such documents at the request of officials from the Provincial Education Department (PED) and for audit purposes. Safekeeping of finance documents, including cheque book(s), is the responsibility of the principal and the finance officer delegated by the finance committee and the only place where they can be safely kept is in the school safe or a strong room.

The treasurer of the finance committee is the chairperson of the committee and the signatory; therefore, in terms of the law, he/she is accountable for any unlawful financial transactions made. However, denial

by the treasurer of not having any knowledge of the cheques issued though he/she is directly involved with the control of the finance books might be true based on the fact that the treasurer is not the only signatory and person who controls and ensures safety of the school financial documents.

This allegation implies that the principal and the finance officer who had access to finance documents might have connived with the other two signatories to sign cheques without involving the treasurer to embezzle school funds, knowing precisely that the blame would be anchored on the treasurer, but forgetting that he, the principal, as the accounting officer and the custodian of all the school finance documents, also has to face the consequences.

#### **5.7.4.8 SGBs training programme**

The training programme which was collected for analysis from the district was a replica of the programme that was collected from the circuit office. However, the contents of the programme reflected that the school governing bodies in each circuit were engaged in the SGB support review and the SGB training induction trained only once but for two days. Based on the analysis of the training programme for the SGBs, the researcher was able to infer that the school governing bodies in Nkangala District were trained.

Training was organised in terms of the divisions of governance responsibilities they had to execute. The school governing bodies were already trained with regard to the sections on democratic school governance and financial management in terms of what the programme postulated, but school governing bodies were still to be trained on the sections on interviewing skills and meeting procedures. The programme intended to engage the school governing bodies on six days of training sessions which were to take place in different circuits of Nkangala District in 2018. This intention revealed the improvement with regard to training of the SGBs in Mpumalanga as compared to what literature posited.

#### **5.7.4.9 SGBs training manuals**

Availability of training manuals which were prepared by the Mpumalanga Department of Education to be used as tools for training the school governing bodies throughout the province signalled that the SGBs were trained in 2018. Manuals prepared included a module on democratic school governance and one on financial management. It was found from these manuals that they were prepared based on the school governance sections of the legislation such the South African Schools Act (SASA), the National

Norms and Standards for School Funding (NSSF), the Public Finance Management Act (PFMA) and the Constitution of South Africa.

The Module on Democratic School Governance covered issues around the legal status of the SGB, membership of the SGB, functions and roles of the SGB as well as management and keeping of school records. The module on financial management focused on how school governing bodies should conduct financial management by focusing on the ways of ensuring and following proper financial accounting in schools.

These training manuals clearly revealed the intentions of the department to develop knowledge regarding the governance and financial management skills among the newly elected members and old re-elected members of school governing bodies in the Mpumalanga Province in order to prepare them for the responsibilities they were due to execute in their three-year cycle of school governance. It was established from the contents of the SGB manuals that, if the department can meticulously engage the school governing bodies in training using them, there would be a great improvement in the governance of schools, including financial management, and the cases of financial mismanagements may be circumvented in the province.

## **5.8 CONCLUSION**

Chapter five presented, explained and analysed data collected following procedures that were used during the interviews with participants and document analysis. Circumstantial reports were generated using these different data collection tools from circuit officials, district officials and school governing body finance committees on financial management conduct in rural schools of South Africa, particularly in the Mpumalanga Province. A detailed description and analysis was presented of each participant and group of participants as well as document analysis in the quest for in-depth understanding of the research question.

The next chapter examines, summarises and report the discussion of the findings from the research sub-questions on the financial management conduct of school governing bodies in rural schools in Mpumalanga Province. Based on the findings revealed from data collected, this chapter outlines the recommendations for the National Department of Education, Mpumalanga Department of Education and education districts, circuit managers, school principals and the school governing bodies. Suggestions for further study, contributions, limitations of the study and concluding remarks are unpacked in this chapter as well.

## **CHAPTER SIX**

### **SUMMARY, FINDINGS, RECOMMENDATIONS AND CONCLUSION TO THE STUDY**

#### **6.1 INTRODUCTION**

Chapter five presented the outcomes of the procedures followed during the analysis and interpretation of data for this enquiry. A circumstantial report on data collection, the stages followed during data analysis and interpretation as well as data analysis and interpretation of data generated from different data collection tools were also presented in this chapter. Data presentation was made in quotes and also presented in tables. Data collection for this study sampled twenty-eight participants. Twenty-five participants were drawn from the members of finance committees from five schools sampled for this research. Each school was represented by a group of five participants or members of the finance committees. The sample also included one circuit management official to which the sampled population belongs, one financial official in the Nkangala District Office and one district schools governing bodies' coordinator.

Chapter six examines, summarises and reports the research findings from the research sub-questions on the financial management conduct of school governing bodies in rural schools in Mpumalanga Province. Based on the findings revealed from the data collected, this chapter outlines the recommendations for the National Department of Education, the Mpumalanga Department of Education, education districts, circuits and the school governing bodies. Contributions of the study and limitations as well as concluding remarks are unpacked in this chapter.

#### **6.2 SUMMARY OF THE STUDY**

This section of the study presents the summary of the study undertaken to understand and reveal the financial management conduct of school governing bodies of rural schools in Mpumalanga Province. This section also presents a detailed summary of the entire investigation which is followed by a discussion of the research findings, recommendations, contributions of the study as well the limitations of the study.

Chapter one introduced, located and provided the context of the study for understanding the funding of education in South Africa and other countries of the world. It also provided an overview of the need and reasons for funding education and outlined how the funding transforms the education system and the economies of governments and provided justification for this study. This chapter also focused on the

discussions on the statement of the research problem, the aims and objectives of the study, the research design and methodology, the research paradigm that this research used, the research approach and tools for data collection, categories of participants for interviews, data analysis procedures, trustworthiness, ethical considerations and a summary regarding the assumptions of the enquiry.

Chapter two concentrated on the relevant hypothetical backgrounds, unfolded the philosophies that were adopted to guide the adoption of decentralisation in the South African education system which led to self-management/school based-management and the founding of school governing bodies nationally and internationally. This chapter contextualised the study and evaluated the previous research work on how the school governing bodies in South Africa came into existence. Existing knowledge in the pool of the school governance literature was utilised to conceptualise the perceptions of school governing bodies regarding financial management conduct in democratic South Africa. Priorities for empirical investigation and a summary of the chapter were also provided.

Chapter three discussed aspects of financial management conduct of school governing bodies. It explained the financial management roles and responsibilities of the school governing bodies with reference to allocated functions of Section 21 schools as well as their financial management roles and responsibilities as espoused by the South African Schools Act. All the procedures for good financial management conduct were highlighted, such as financial budget, financial organisation, financial leadership, financial responsibility and financial reporting. Financial mismanagement, which is an unwarranted utilisation of funds that leads to the collapse of many educational functions in schools, was also unpacked in this chapter. A summary of the contents of this chapter was also provided.

Chapter four explored the design and the methodology used to collect investigative data throughout the research undertaking. It addressed the issues around the modus operandi regarding the selection and biographical data of participants; the aims and purpose and provision of reasons for the choice of a particular data collection method for the research study; letters of informed consent; and the ethical and legal considerations for the research. Data collection tools for data compilation were unpacked in terms of their significance and a summary of the assumptions of the enquiry was provided. The choice of qualitative research for this study was prompted by the fact that qualitative research allows the researcher to illuminate and better understand in depth the rich lives of human beings and the world in which they live (Mestry & Khumalo, 2012:100; da Costa & Hall, 2016:664). This entails studying in depth and getting to the details and nuance of experience, emphasising “process and meanings” that

are not experimentally examined or measured rather than generating data that can be generalised regardless of context (Denzin & Lincoln, 2005:8).

Chapter five presented the outcomes of the procedures followed during the analysis and interpretation of data for this enquiry. A circumstantial report on data collection, the stages followed during data analysis and interpretation as well as data analysis and interpretation of data generated from different data collection tools were also presented in this chapter. Data presentation was made in quotes and also in tables. A summary of the contents of this chapter was also provided. Data presentation for this study sampled 28 participants. Twenty-five participants were drawn from the members of financial committees from five schools sampled for this research. Each school was represented by a group of five participants or members of the finance committee. The sample also included one circuit management official to which the sampled population belongs, one financial official in the Nkangala District Office and one district schools governing bodies' coordinator.

Chapter six examines, summarises and reports the discussion of the findings from the research sub-questions on the financial management conduct by the school governing bodies of rural schools in Mpumalanga Province. Based on the findings revealed from the data collected, this chapter outlines the recommendations for the policy makers, the National Department of Education, Mpumalanga Department of Education, districts and circuits, school principals and school governing bodies. Suggestions for further study, contributions, limitations of the study and concluding remarks are also unpacked in this chapter.

## **6.3 RESEARCH FINDINGS**

### **6.3.1 Introduction**

The previous section of this chapter offered a comprehensive summary of the entire study focusing on the perceptions and assessment of financial management conduct of school governing bodies in rural schools in Mpumalanga Province. This part of chapter six presents a discussion of the major research findings of the study. They are discussed on the basis of four research sub-questions.

### **6.3.2 Discussion of major research findings**

This study adopted a qualitative research design based on its objective, which was to understand and reveal the perceptions and assessment of financial management conduct of school governing bodies in rural schools in Mpumalanga Province. Regarding the fact that qualitative researchers scrutinise a

“case” as emerging in natural social life, the researcher was able to present authentic interpretations that are sensitive to the definite social-historical context under investigation (Neuman, 2000). There were four sub-questions which assisted this study to realise its objective, which were:

- What is the current literacy level of school governing bodies in rural schools in Mpumalanga Province?
- What are the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga Province?
- What is the understanding of school governing bodies in rural schools in Mpumalanga Province with regard to their financial management roles and responsibilities?
- How has the financial management conduct of school governing bodies in Mpumalanga Province improved?

Conclusions from this study were generated through the findings from the data collected from education officials using face-to-face semi-structured interviews, finance committees using focus group interviews and document analysis. Questions drawn up for both groups of participants were intended to reveal the financial management conduct of school governing bodies in Mpumalanga Province and were categorised in terms of the levels of the participants. During the interview proceedings, a tape recorder was used and all the responses from participants were transcribed. Document analysis was conducted throughout the fieldwork. When analysing documents, the researcher considered both internal and external criticism; therefore, the guiding principle in terms of document analysis for this study was that everything should be questioned and that assisted the researcher to arrive at the conclusions for the study. The researcher also used the data analysis spiral steps dictated by Leedy & Ormrod (2005). Data for this study was organised, perused, classified and synthesised. From this procedure, this study produced the following results:

#### ***6.3.2.1 Findings with regard to research sub-question 1: What is the current literacy level of school governing bodies in rural schools in Mpumalanga Province?***

The first discussion of the findings is based on the current literacy level of school governing bodies in rural schools in Mpumalanga Province as indicated in chapter one, section 1.3. The objective was to determine the current illiteracy level of school governing bodies in rural schools in Mpumalanga Province.

To provide data to answer this question, the investigation relied on the related literature review, face-to-face semi-structured interviews, focus group interviews and document analysis as mentioned in chapter 4, section 4.3.4. The results that were produced by this research substantiated the findings of the literature reviewed from the preceding research work in the field of school financial management. Findings from literature reviewed described financial management tasks as delicate responsibilities that cannot be delegated indiscriminately. It is therefore crucial that the principal and the school governing body chairperson consider the literacy background and circumstances of individual members before the delegation process commences.

In agreement with the findings from literature reviewed, the study has identified literacy level of members of finance committees of the school governing bodies as an important factor to be considered when choosing members because some of them who are chosen without a minimum literacy level end up mismanaging school funds (see chapter five, sections 5.5.2.2 and 5.6.3.3).

The literature reviewed further revealed that the majority of school governing bodies of schools in rural areas of Mpumalanga Province do not have the requisite knowledge, understanding, skills and experience to manage school finances (see chapter two, section 2.2.2.4). It is therefore significant as revealed from the literature reviewed that members of the school governing bodies with no or little financial management familiarity make use of the services of an expert with comprehensive financial knowledge from the parent community (see chapter three, section 3.3.3.1). However, the findings have revealed a challenge in rural schools with regard to lack of such an expert in the community to assist the school governing bodies with financial management expertise (see chapter five, section 5.6.8.2).

Contrary to this finding, education officials spoke about the immense shift in the literacy level of the contemporary SGBs, which implies that the contemporary SGB members are more literate than the previous year's SGBs (see chapter five, section 5.5.8.1). The shift in their literacy levels was based on the fact that some of the members who are recently involved in the SGB membership are current and former teachers, educated members dealing with finances at their work places, and other members have a minimum literacy level and are able to read and write (see chapter five, Tables 5.2.2.1 to 5.2.2.5 and section 5.6.5.2).

The most important finding obtained from the literature reviewed was that literacy level is fundamental for any structure irrespective of its objective (see chapter two, section 2.2.2.2) of this research. Basically, literacy is the ability to read, write and understand (see chapter five, section 5.6.5.2).

However, the illiteracy shortcoming of the school governing body members may influence negatively their relationship with other members in this structure, precisely the teachers and the principal, in their understanding of their governance responsibilities (see chapter two, section 2.2.2.2).

However, based on the immense shift of literacy level of the contemporary school governing bodies, the findings as revealed by education officials, the improved literacy level of the school governing bodies has helped some of the school governing bodies to manage their school finances properly, to interpret and follow legislation to minimise their financial management misunderstandings in the implementation that might prevail between them and their principals in terms of executing their financial management roles and responsibilities and also by retreating from their dependency on the financial management expertise of their principals (see chapter five, section 5.5.8.2 of this research).

Another finding from document analysis was that, because of literacy level, some of the finance committees of school governing bodies had documents such as cheques books, claim forms and cheque requisition forms, finance policies, financial budgets, cash receipts and payment journals that were used to manage finances and they were able use them in the financial management of their schools' finances as required by the school financial legislation (see chapter five, section 5.7.2). Based on the analysis of documents, though finance committees had the required literacy level, the study found that there were some gaps in terms of formulation and implementation of the finance policies.

With regard to policy formulation, the findings from document analysis revealed that the finance policies of certain finance committees were not standardised documents required by the Mpumalanga Department of Education because these finance committees did not follow the requirements of the pro-forma for school finance policy developed and circulated by the Mpumalanga Department of Education with the purpose of ensuring existence of standardised procedures for proper conduct of financial management in the whole province, hence they included clauses that contravened the law within their finance policy documents (see chapter five, section 5.7.2.1).

With regard to implementation of the finance policies, the document analysis discovered that, although finance committees were literate enough to implement their finance policies, they lacked commitment in the implementation of those policies because they did not follow them to the latter (see chapter five section 5.7.2.1). The finding was rather conflicting as compared to what was found through interviews (see chapter five, section 5.6.5.1). The inconsistencies were owing to the fact that some of the finance policies for schools were not revised and adopted for the financial year during which the study was

conducted, and members had different perceptions as compared to what was tabled within their finance policies.

**Finding 1: The literacy level of the contemporary school governing bodies has improved as compared to the previous years' school governing bodies because they are able to read and write, although there are knowledge gaps in terms of formulation and implementation of the financial policies.**

### ***6.3.2.2 Findings with regard to research sub-question 2: What are the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga Province?***

The second discussion of the findings is based on the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga Province as indicated in chapter one, section 1.3. The objective of this sub-question was to establish the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga Province. (see chapter one, section 1.4).

Literature on financial management reviewed pointed out that for schools governing bodies and school managers to be familiar with the contents of the legislation and policy frameworks for managing school finances they require a well-founded theoretical framework underpinning their financial management actions (see chapter five, section 5.6.5). Literature further revealed that it is vital for school governing bodies to use the South African Schools Act as amended, so that they are able to support the professional management of the school in its quest to provide quality education.

Although non-adherence to policy has become a daily challenge for schools and the department, school governors must have understanding and apply relevant sections of the constitution and all other legislation (including regulations) that impact on school governance. If every action is taken within the ambit of the law, the actions taken by the school governing bodies would then be easily defensible (see chapter five, section 5.6.5.1). Analysis of data from the interviews with participants showed that school governing bodies were using the South African Schools Act, the Public Finance Management Act, other related legislation and policy frameworks provided and prescribed by the Department of Education to manage finance in schools (see chapter five, sections 5.5.5.1 and 5.6.5.1).

Agreeing with the findings from the literature reviewed and interviews, document analysis also pointed out that the legislation that was used by the school governing bodies to tailor their finance policies consisted of those policies that were prescribed by the National Department of Education and the Provincial Department of Education. From these findings it became clear that the school governing bodies observe the school financial legislation and other financial management related policy frameworks when managing finances (see chapter five, 5.7.2.1 par 3).

Data from the interviews with finance committees also revealed that school governing bodies understood legislation used to manage finances (see chapter five, section 5.6.5.2). Contrary to the finding from interviews with finance committees, findings from the interviews with education officials revealed that some of the SGB members, especially those from the parents' component, irrespective of their improved level of literacy, do not understand financial management legislation and policy frameworks. Findings from the interviews with education officials concurred with the findings from interviews with finance committees and pointed out that training was a step to be taken towards making the school governing bodies understand legislation and policy frameworks (see chapter five, sections 5.5.5.3 and 5.6.5.3).

The objective of reviewing literature for this study was to demonstrate familiarity with a body of knowledge and establish credibility in order to show a path of prior research and how the current project is linked to it (see chapter one, section 1.5.3.4). Although there is adequate literature to be reviewed to provide an accurate overview on the theory of school financial management in South Africa, there is scarcity of relevant literature relating to the financial management improvements and achievements of the school governing bodies in rural schools. Therefore, the findings with regard to this question were mostly based on the outcomes from the interviews and document analysis (see chapter five, sections 5.6.2 to 5.6.12) of this study.

Research with regard to the school governing bodies in Mpumalanga Province revealed that school governing bodies are incompetent in the areas of their governance responsibilities including management of finances (see chapter one, par 9). However, based on this disclosure and the quietness of literature pertaining to this sub-question, there was an assumption that there were no areas of financial management where school governing bodies have registered improvements and achievements. Contrary to this assumption, the findings that emerged from the interviews with the finance committees revealed that they have improved immensely and that was the result of their literacy level and the training sessions that were attended, and they were therefore able to manage finances

better than before. The areas of financial management that were indicated to have been improved and to have experienced achievements were related to budgeting and stringent control of the budgets, and proper monitoring of finance books.

The finding also revealed that, through their improvements and achievements, schools were well maintained and able to realise their curriculum intentions (see chapter five, section 5.11.1). However, this finding was further supported by the education officials when they revealed that, because of the improvements and achievements of the financial management conduct some of the school governing bodies knew how to draw up their schools financial budgets, knew and understand that funds allocated to their schools should be used for curriculum improvement and that through allocated funds they should support the teaching and learning programmes and strategies organised by schools (see chapter five, section 5.5.13.1).

When people have performed and achieved according to a planned mission, they have to be appreciated as a way of motivating them to improve their performance and to achieve more. Motivation is the way to drive a person or persons into doing something with reference to the initiation, direction, intensity and persistence of human behaviour. Motivation influences people through appropriate measures and opportunities to achieve their goals and expectations and values to achieve the motivating goal. However, school governing bodies' motivation is based on voluntary service provision rather than the drive for potential rewards provided that a member of the governing body is reimbursed for the expenses he/she incurred during the performance of his/her duties (see chapter three section 3.3.3.3 and Figure 3.2).

The findings from interviews with the education officials revealed that the improvements and achievements regarding their good conduct in the financial management were not incentivised by the Mpumalanga Department of Education. However, the Mpumalanga Provincial Department of Education was aware that good conduct needed to be recognised, because in the past good performance was acknowledged by the district through delegation of the responsibility to the circuits. The reason provided for not incentivising the school governing bodies for their improvements and achievements in their financial management conduct, was hinged in the perceptions of the word 'motivation'. The word 'motivation' should be viewed as encouragement, not as a reward (see chapter five, section 5.5.13.2).

Whether there are funds allocated to the circuits by the district to run the educational affairs of the circuit or not, good performance should be appreciated and that should be done by organising motivation

sessions with the SGBs to encourage and appreciate their improvements and achievements regarding their conduct in financial management. However, the analysis of data from the interviews with finance committees showed that, although it did not happen in all the schools, some of the principals motivated school governing bodies for their improvements and achievements in their financial management through motivation sessions that were held (see chapter five, section 5.6.11.3). This finding also revealed that the school governing bodies' improvements and achievements in their financial management conduct were positively contributing to the financial management responsibility in the sense that, through their improvements, they were able to account for each and every single cent expended by the school governing body (see chapter five, section 5.6.11.2).

The most important aim of school financial management is to ensure proper utilisation of finances in order to guarantee maximum delivery of curriculum in schools. Based on the perceptions of the education officials, the study identified that the improvements and achievements of finance committees in their financial management conduct brought stability to the management of school finances, hence schools were having a strong financial base. Because of the strong financial base finance committees of the SGBs had established, services in schools were provided without hindrances and financial mismanagements. Furthermore, conflicts between the SGBs and their principals had been minimised, which encouraged the community to work with them in support of the education of the learners in schools (see chapter five, section 5.5.14.2).

Further analysis showed that, despite the agreements on improvements and achievements of the finance committees of the school governing bodies in their schools' financial management conduct and the contributions these improvements and achievements have manifested in the general management of schools finances, there were still challenges of financial mismanagement that were reported telephonically or through letters either to the circuits or the district, such as inflation of contracts signed with the service providers, exorbitant claims and buying personal goods with school money. The reasons provided for these acts of financial mismanagement were twofold. Firstly, those acts were committed by people who did not have knowledge of financial management and thought that participation in school governance comes with a reward and, secondly, there are those who have full knowledge of financial management but manipulate the SGB based on their inferior knowledge to embezzle school funds (see chapter five, section 5.5.15.1). The results of this study support Hallack & Poison (2007) that corruption activities in the school context can be exercised according to the rule of law whereby a person gives a bribe to ensure that an administrative decision is taken on time, particularly in a context of cumbersome bureaucracies that are poorly staffed and equipped, or

characterised by incompetence, inefficiency and long administrative delays (see chapter three, section 3.10 par 6).

In terms of the victims of school financial mismanagements, the analysis of data from interviews with education officials pointed to the principals as the victims of financial mismanagement, the SGB chairperson, the treasurer and to some extent the finance officer (see chapter five, section 5.5.15.4). This revelation agrees with Cronje's (2016) findings that financial mismanagement in schools topped the graft incidents according to Corruption Watch. The corruption hotspots in 2015 included schools which made up 16 per cent of overall reports during that year. The bulk of these reports as posited finger principals as the main offenders involved in corruption activities and these were a consistent trend across all schools, including section 20 and private schools, with the majority of reports emanating from section 21 schools. At least 259 of the cases implicated principals in financial mismanagement, 152 in theft of school funds, 78 in tender corruption, 36 in employment corruption and 19 cases for theft of goods, including theft of food provided as part of the government feeding scheme (see chapter three, section 3.10 par 2).

Emerging from literature in support of the above finding, Chaskalson (2017) revealed that audits that were conducted in one of the schools in Gauteng Department of Education in 2015 to investigate financial mismanagement implicated the former and the current principal and senior members of the school governing body (see chapter three, 3.10 par 6). The findings from document analysis revealed that in Nkangala Education District of the Mpumalanga Department of Education alone had seven cases of financial mismanagement that were reported between 2015 and 2017 (see chapter five, sections 5.7.4.1 to 5.7.4.7). Analysis from the interviews with education officials also revealed that financial mismanagement committed by various members involved in school governing bodies were dealt with by assessing the allegation, meeting and discussing the matter with the offenders to find the common ground and, if the matter was unresolvable, was referred to the labour department of the district to be resolved. However, if the offenders were found guilty, the charges were imposed on the victim(s) and these charges involved being dismissed from work, having to pay back the funds mismanaged or being demoted from their position if they were senior managers (see chapter five, section 5.5.15.5).

**Finding 2: School governing bodies have improved immensely in terms of observing financial management legislation because they are able to budget, control their budgets and monitor their finance books properly.**

### **6.3.2.3 Findings with regard to research sub-question 3: What is the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities?**

The third sub-question on the understanding of school governing bodies in rural schools in Mpumalanga Province with regard to their financial management roles and responsibilities (see chapter one, section 1.3) was aimed at determining the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities.

Findings from literature reviewed pointed out that the critical role of the school governing bodies of self-managing schools remains financial management (see chapter three, section 3.3 par 4). However, schools' financial management legislation makes it mandatory for school governing bodies to manage school funds and take responsibility to implement all necessary financial management processes (see chapter three, section 3.3 par 6). Among others, the financial management roles and responsibilities outlined by this study included opening a bank account, fundraising, preparing a budget annually, collecting and administering school fees, keeping finance records, ensuring accountability and responsibility for all school funds, informing parents about financial statements and involving them by getting their approval, conducting internal auditing, appointing qualified external accountant to ensure that finance books are audited and supplementing the school's resources (see chapter three, sections 3.3.3.1 and 3.3 par 7).

The findings from the analysis of data from interviews with finance committees gave an impression that school governing bodies had knowledge and understanding of their roles and responsibilities and execute them when they mentioned and explained how they were implemented (see chapter five, section 5.5.4.1 and 5.6.4.1). According to the findings, there were consistencies in terms of what the literature reviewed posited and what the participants revealed during the interviews. Among other financial management roles and responsibilities, the findings from the interviews revealed that the school governing bodies manage their school funds, which is one of their financial management leadership roles and responsibilities (see chapter three, section 3.3.3). This implied that, through their financial management leadership roles and responsibilities, funds are well taken care of, accounted for and used according to the requirements of legislation.

Contrary to the findings from interviews with the finance committee, findings from the interviews with education official pointed out that not all the members of school governing bodies know and understand

their roles and responsibilities because there were those members who understand and those who think that they understand their roles and responsibilities. Those who understand override the authority of their principals and those who were not sure about their roles and responsibilities depended on their principals who sometimes take advantage of them to engage in the mismanagement of school funds (see chapter five, section 5.5.4.2).

Literature reviewed pointed out that the school governing bodies at all the public schools must open and maintain one banking account as an organised system of ensuring control and safety of school funds (see chapter five, section 5.6.6.1). Findings from interviews revealed that finance committees of all the schools involved in this study each had only one bank account (see chapter five, section 5.6.6.1). This account was supported by the findings from document analysis (see chapter five, section 7.2.7). The findings further revealed that banking of school money was the responsibility of their principals and the finance officers. Those mandated members of the finance committees used deposit slips or deposit books to deposit school money (see chapter five, section 5.6.6.2 and 5.7.2.6)

Findings from data analysis from the interviews with finance committee members revealed that SGBs roles and responsibilities were to utilise school money following policy procedures. For payments of procured goods and services for their schools, money that was used was from section 21 allocations and collected through fundraising (see chapter five, sections 5.6.7.1 and 5.6.7.3). When procurements and payments of services were made, the school governing bodies sourced three quotations to compare the prices and quality (see chapter five, section 5.6. 7.1).

The findings also revealed that, when paying for the procured goods and services, claims forms and cheques requisition forms were completed and verified by the principal, treasurer and the finance officer and then cheques were issued to make payments. It was established that finance committees were using cheques signed by either two or three signatories. The reason for using this method of payment was that cheque payments were traceable in cases of financial mismanagement (see chapter five, section 5.6.7.2). However, the findings from the finance committees revealed that they did not use cashed cheques or blank cheques when making payments, based on the fact that whatever purchases they had to make were through cheques irrespective of whether the locations of goods to be purchased were far or near (see chapter five, section 5.6.7.4). This finding as supported by document analysis has also revealed that cheques and counterfoils are completed and when cheques are issued, cheque counterfoils were left in their cheque books (see chapter five, section 5.7.2.7).

Another finding from interviews with the participants was that the school governing bodies, based on their literacy level, were able to draw up and implement their budgets (see chapter five, 5.6.4.1). According to the literature reviewed, a budget is an important tool used for financial planning because it answers the questions, what should be acquired, how is going to be acquired and how much expenditure is needed for acquisition (see chapter three, section 3.3.3)? It is also used to control, monitor and to safeguards funds and ensures authorised expenditure as a financial strategy to reduce expenditure by comparing actual income and expenditure against budgeted income and expenditure (see chapter three, sections 3.3.4 and 3.5.2 and chapter five, section 5.6.6.6).

This finding confirmed that budgets were drawn by their finance committees mandated by the SGBs. When drawing up budgets, this finding revealed that school governing bodies were provided information by their principals in consultation with the SMTs and different departments within their schools in terms of their curriculum requirements. The needs of their schools were then consolidated in one document and allocated money and thereafter taken to the parents for corrections, additions and adoption (see chapter five, section 5.6.6.3). However, findings from document analysis pointed out that some of the schools did not have school budgets (see chapter five, section 5.7.2.5 par 2).

Another important finding was that school governing bodies were able to give financial reports to the parents, and this served as an indication of their understanding of their roles and responsibilities (see chapter five, section 5.5.4.2). The literature further revealed that communication is the most important medium for the school governing body to dispatch information related to school financial management to the internal and external stakeholders (see chapter three, section 3.3.3.2). Literature reviewed further revealed that communication with external stakeholders should not primarily be done only when additional fund are requested. Although financial support is basic, it is not the only support that schools need. The principal's and the SGBs communication with the external stakeholders should therefore be to inform them about the budget, school fees in schools where such a practice still holds and the actual income and expenditure for the following year. Communication with the stakeholders can happen through public meetings; private meetings; parents' general meetings; committee meetings and management meetings (see chapter five, section 5.5.4.2).

This finding from the study corroborates the findings from literature reviewed. It confirmed that financial management reporting, as part of communicating with stakeholders, although not consistent with law in terms of their frequencies in all the schools, was done to the internal stakeholders who were the parents, and to the circuit and the district who were the external stakeholders (see chapter five, sections

5.6.9.1.and 5.6.9.2). As to how it was done, findings from interviews with financial committees revealed that, with the parents, meetings were held to discuss and to adopt the budgets and also to give them financial management feedback after their books were audited.

However, to circuit and the district reports were made through the submission of audited financial statements (see chapter five, sections 5.6.9.1.and 5.6.9.2). Document analysis supported that this exercise was carried out as mentioned, based on the analysis of data from minutes of attending budget meetings with parents. It was a proof enough to support that parents were invited to interrogate, vote and adopt the budgets. As proof for reporting to both the circuit and the district, names of all the schools that were involved in this study were captured in the submission register confirming that they had submitted their audited financial statements (see chapter five, section 5.7.3.4).

Another finding that emerged from this study was that school governing bodies' roles and responsibilities were to raise funds for their schools. Findings from literature regard fundraising as a financial strategy to increase the income of the school which may include structuring different forms for the school fundraising programmes such as selling goods and merchandise for the school; seeking donations from the businesses within the community, to involve parents through donation lists and interest from a school saving account (see chapter three, Figure 3.3). Findings from interviews pointed out that school governing bodies are raising funds to augment funds received from the department using different forms of fundraising such as by allowing learners to put on their private clothes during certain school requesting donations from parents and the business sector (see chapter five, section 5.6.6.4).

Findings from literature reviewed revealed that collecting money from the learners contravened Section, 39, sub-section (1) of the South African Schools Act and National Norms and Standards for School Funding because the schools that are categorized under control 1-3 are "no-fee" schools and compulsory fees may consequently not be charged at the school unless otherwise adopted in a parents' meeting (see chapter five, section 5.6.6.4). The finding further revealed that the responsibility of fundraising was incumbent upon the competence of the fundraising committees led by the treasurers of the finance committees. However, for this exercise, it was found that some of the schools were using learners to collect money for fundraising, which, according to the law, is forbidden because, based on the status of minors on governing bodies of public schools, members of the school governing bodies who are minors deserve no personal liabilities for any consequences of their membership of the governing bodies (see chapter five, section 5.6.6.5).

This study also found out that part of SGBs' roles and responsibilities was to do internal auditing of their finance books before submitting them for external audits. This exercise was performed by the financial committees that checked and arranged finance documents so that when they were submitted to the external auditors, they were ready and no information was missing (see chapter five, section 5.6.8.2.). This finding concurred with the finding from literature reviewed that financial reporting can be regarded as reliable when is free from material error and bias and can be depended upon by users to represent faithfully that which it either purports to represent or could reasonably be expected to represent (see chapter three, 3.9.3 par 5).

However, the reason provided by the finance committees for submitting their finance books for auditing was basically to inform the department on how they were managing finances in schools and normally their submissions were done at the end of the financial year, which is the 31<sup>st</sup> December. However, findings from document analysis revealed that, though school governing bodies were submitting their financial books for auditing, they were unable to submit on the date prescribed by legislation but submitted months away from the due date.

One of the roles and responsibilities of school governing bodies as revealed by the findings from literature was the safekeeping of school finance records. The discoveries from the interviews with finance committee members exposed that the responsibilities for keeping the finance records safe were mandated to their principals and the finance officers for safety reasons, and to ensure that their finance records were kept safe, were always locked in the school safe or a strong room (see chapter five, 5.6.8.1).

**Finding 3: Members of school governing bodies are aware of, and able to execute their financial management roles and responsibilities, but there are still those members whose performances are still erroneous with regard to the implementation of the legislation.**

#### **6.3.2.4 Findings with regard to research sub-question 4: How has the financial management conduct of school governing bodies in Mpumalanga Province improved?**

The fourth sub-question on how can the financial management conduct of the school governing bodies be improved among school governing body members in Mpumalanga Province, (see chapter one, section 1.3), was aimed determining the extent to which the school governing bodies in Mpumalanga Province have improved their financial management conduct.

Literature reviewed found that the issue of capacity, which is the “power to act”, was the major problem that impedes the school governing bodies to perform their functions effectively. Capacity building entails the development of the knowledge, skills and attitudes necessary for effective governance and management (see chapter two, section 2.2.2.3 par 2). The finding from literature further revealed that it was the requirement of the law that principals, circuit managers and district officials should provide support to the school governing bodies to perform their functions as part of capacity building. However, it was found that school governing have improved entirely as required by legislation. Therefore, education officials should frequently build the capacity of school governing bodies in their clusters and monitor their activities in order to improve their financial management conduct.

The finding from the interviews with education officials and document analysis revealed that the principals, circuit and the district were training the school governing bodies to support them to improve their financial management conduct (see chapter five, sections 5.5.7.1, 5.7.3.3, 5.7.4.8 & 5.7.4.8). However, the kind of training and support provided and organised with the school governing bodies was very poor and infrequent. The reason provided by the education officials for poor and infrequent support rendered to the school governing bodies was their limited manpower and the vastness of the district in terms of numbers of schools they have to support (see chapter five, section 5.5.7.2). This finding corroborates the findings of the previous literature.

Another finding from this study was that the education officials also supported school governing bodies to improve their financial management conduct by visiting them in schools to coach them when they had registered challenges regarding the budgets and implementation of financial management legislation which implies that their visits are circumstantial. The finding also established that the school governing bodies might not be visited at their schools in a period of the three-year cycle of their membership provided that they registered financial management problems with the office of DSGBC1. Submissions made by these three education officials signalled poor, infrequent support and monitoring conducted with the SGBs regarding their financial management (see chapter five, sections 5.5.7.1 & 5.5.7.2).

Much as this study acknowledged that school governing bodies were trained and supported in order to improve their financial management conduct, the finding from interviews with finance committees pointed out that they attended training that was organised by the district for two days (see chapter five, section 5.6.10.1). However, the finding from literature suggested that training of the school governing body should be open-ended in both introductory training for newly elected governing body members almost every three years to enable them to perform their functions and continuous training for governing

bodies to promote the effective performance of their duties or to enable them to assume additional functions.

Another finding that was revealed from the interviews with the finance committee members is that peer-capacitation and self-capacitation may also be used as a strategy to improve their financial management conduct which meant that as schools they may learn from the re-elected members or source out knowledge from the former members of the SGBs who have financial management competence (see chapter five, section 5.6.10.2).

Findings from literature reviewed have also shown that training provides competence in the functions of school governing bodies and reinforces the management of public schools' finances. According to the findings of this study, trainings that were provided to the school governing bodies, although not sufficient, enabled the school governing bodies to acquire helpful knowledge and skills, and their attitude toward the management of finances was also changed (see chapter five, section 5.6.10.3).

To improve the financial management conduct of the school governing bodies, the findings from the interviews with education officials pointed out that, as part of the legislative requirement, school principals should be urged to induct the school governing bodies as a strategy to capacitate them (see chapter five, section 5.5.7.1.).

**Finding 4: School governing bodies are not provided with adequate training and support in schools by education officials hence they have not improved entirely as required by legislation.**

#### **6.4 RECOMMENDATIONS OF THE STUDY**

A qualitative method of investigation was chosen for an investigation into the financial management conduct in rural schools of South Africa, particularly in Mpumalanga Province, based on the fact that qualitative methods facilitate the understanding of an in-depth relationship of human beings in relation to their environment and the part they play in creating the social fabric of which they are a part. Based on the understanding gathered from literature reviewed regarding the phenomenon under investigation, the findings of the study and the conclusions, four major recommendations followed by important suggestions or future research would be made.

These suggestions embrace those associated with understanding and knowledge in the field of school financial management, implications for financial management conduct and refining the current policy

documents that enhance the school governing bodies' financial management conduct to execute their financial management roles and responsibilities competently.

The major recommendations made by this study involve those that are related to policy makers, the National Department of Education, provincial departments of education, education circuits and districts, school principals and school governing bodies in order to improve the financial management conduct in schools. Based on the recommendations made by this study, it would be important that future research should be conducted to assess whether the departmental officials are executing their roles and responsibilities in helping finance committees of school governing bodies to manage finances as required by the law and the challenges that they encounter when they execute their roles and responsibilities.

#### **6.4.1 Recommendations with regard to research sub-question 1: What is the current literacy level of school governing bodies in rural schools in Mpumalanga Province?**

Policy makers are members of a government department, legislature or an organisation who have the authority to set the policy framework and are responsible for making new rules and laws. Consequently, these members of government have a role to play in terms of shaping the existing law or formulating the new law with an aim of changing or improving the financial management conduct of the school governing bodies.

Literacy level is critical for any structure irrespective of its objectives. When members of the school governing bodies are illiterate, their illiteracy levels have a negative impact on the working relationship with other members in terms of the knowledge and understanding of their governance responsibilities, including the management of finances. It is, therefore, recommended for the policy makers to stipulate in school financial management legislation and other finance policy frameworks as a requirement to accommodate minimum literacy levels specifically for those members of school governing bodies who are nominated to the finance committees. This, however, would appear as discrimination, but, on the other hand, it is a positive discrimination that would help to minimise mismanagement of finances in schools and improve financial management conduct (see chapter six, section 6.3.2.1 par 3).

Based on the finding from literature reviewed that members of school governing bodies in rural schools lacked knowledge, understanding, requisite skills and experience to manage school finances (see chapter six, section 6.3.2.1 par 3), this study recommends to the National Department of Education to put in place mechanisms through policies to assist the school governing bodies to increase their

knowledge and understanding and require skills that could improve their financial management conduct. Among others, these mechanisms could be made possible by providing enough funds for the provinces to conduct frequent training for the school governing bodies.

The findings of this study revealed that training of the school governing bodies was infrequent, short and sometimes haphazard in the nature of their presentations and executed by ill-equipped service providers (see chapter two, section 2.2.2.4 par 6). This study recommends to the Mpumalanga Provincial Department of Education that literacy level of the school governing bodies may be improved by at least training the school governing bodies on a quarterly basis with an inclusion of preliminary comprehensive training for newly elected members and the Provincial Department of Education should recommend to the district to screen contracted service providers. When former principals are contracted to train the school governing bodies, the district should check their previous financial management competences and track records before they are contracted to circumvent the knowledge gaps, they may possess that might impede good conduct in school governing bodies financial management.

The findings of this study have also revealed a challenge in rural schools with regard to lack of such experts in the communities to assist the school governing bodies with financial management expertise (see chapter six, sections 6.3.2.1 par 3). To remedy this situation in school, this study suggests to the district dealing with school governance and circuit managers that they should suggest to the Provincial Department of Education to allow schools to recruit members with financial management expertise outside their communities to help with the management of finances and to make provision in the provincial budgets to employ qualified accountants for circuits clusters to help with the management of funds allocated to schools by the department.

For the principals and the chairpersons of the school governing bodies to ensure that they have members of finance committees whose literacy levels do not prohibit them from performing their financial management functions properly, the researcher recommends to the principals and the school governing bodies that the principal and the school governing body chairperson should consider the literacy background and circumstances of individual members before the delegation process commences in order to prevent financial mismanagements that may occur as a results of misunderstanding of implementation of financial management legislation (see chapter six, section 6.3.2.1 par 3).

**Recommendation 1: Literacy level should be considered when delegating members of finance committees to the financial management roles and responsibilities in schools in order to improve their financial management knowledge and understanding.**

***6.4.2 Recommendations with regard to research sub-question 2: What are the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga Province?***

Related to the finding of this study, it was found that the school governing bodies in Mpumalanga Province have improved and achieved immensely in the areas of financial management, including budgeting, drawing up budgets, control and monitoring of budgets, monitoring of their finance books, maintenance of schools and in the utilisation of school funds (see chapter six, section 6.3.2.2 par 7). This study recommends to the policy-makers and the National Department of Education to mandate provincial departments of education through the legislative and policy stipulations to appreciate good financial management conduct of the school governing bodies either through tokens of appreciation or motivation in order to improve further and change the attitude they might have in terms of the challenges of school financial management.

However, the finding of this study revealed that, although school governing bodies have improved, findings from data analysis revealed that some of the SGB members who are parents, irrespective of their improved levels of literacy, struggled to understand financial management legislation and policy frameworks (see chapter six, section 6.3.2.2 par 3). Based on this finding the study suggests that the district officials dealing with issues of school governance and the circuit managers engage the school governing bodies in rigorous training in order to improve the financial management conduct of these members (see chapter six, section 6.3.2.2 par 4). Despite the improvements and achievements registered by school governing bodies in their financial management, there were financial mismanagement challenges that were revealed by this study. These financial mismanagements included, among others, inflation of contracts signed with the service providers, exorbitant claims and buying personal goods with school money (see chapter six, section 6.3.2.2 par 12). Based on this finding, this study recommends to the district to monitor school financial records regularly and to demand the submission of financial records from schools on a quarterly basis for assessment. In this way, acts of financial mismanagement by school governing bodies would be spotted before they intensify, and solutions could then be effected.

**Recommendation 2:** Educational departmental authorities should stipulate in their policies ways to appreciate good financial management conduct of school governing bodies to encourage them to further their improvements and change of attitude with regard to school financial management.

**6.4.3 Recommendations with regard to research sub-question 3: What is the understanding of school governing bodies in schools in Mpumalanga Province regarding their financial management roles and responsibilities?**

The finding of this study indicates that not all the school governing bodies knew and understood their roles and responsibilities. The explanation that was provided for this finding was that there were those who understand and those who do not understand their roles and responsibilities. Those who understand their roles and responsibilities override their principals, and those who were not sure that they know and understand their roles and responsibilities depended on the financial management decision-making and expertise of their principals and surrendered their financial responsibilities to the principal without questions (see chapter six, section 6.3.2.4 par 4).

Based on this finding, a recommendation is made to explain thoroughly to the district officials in the workshops held with the school governing bodies the differences between the management roles of the principal and the governance responsibilities of the school governing bodies by providing the training manuals to individual SGB members to refer to when executing any of their financial responsibilities in order to avoid conflicts that may arise regarding financial management.

The findings of this study revealed through document analysis that finance committees for some of the schools did not have financial budgets and did not perform this function properly, irrespective of their literacy level, ability, knowledge and understanding (see chapter six, section 6.3.2.4 par 7). However, the suggestion is made to the circuit managers to make sure that, as it is a requirement of the financial management policies for schools to submit financial budgets at the circuit office for scrutiny, the responsibility should be performed in order to avoid situations where schools are spending their allocated funds without having tailored their budgets. To communicate with stakeholders, the school governing bodies must organise parents' meetings and provided written reports to inform members about their budgets and the financial status of their schools.

Findings from document analysis revealed inconsistencies when holding such meetings to give financial management reports to the parents, circuit and the district (see chapter six, section 6.3.2.4 par 9).

Based on this finding the circuit managers should lead the responsibility of making sure that the financial management responsibilities are carried out as planned. This may be done by frequent visits to school to monitor and assess the financial management progress made by the school governing bodies.

Another finding of this study is that the school governing bodies have roles and responsibilities of raising funds in order to increase the school income. However, it was found that different fundraising strategies were used by the school governing bodies of different schools, including allowing learners to wear private clothes during certain school days and asking them to make donations, requesting donations from parents and from the business sector (see chapter six, section 6.3.2.4 par 11). Based this finding, it is recommended to the circuit managers check the finance policies of schools and endorse their legality before they are implemented by the school governing bodies. This can be done by requesting schools to submit their finance policies to the circuit for verification or by verifying them during routine visits to schools.

Collecting money for fundraising is the responsibility of the SGB or the committee formed by the school governing body to execute that responsibility. However, the finding of this study pointed out that certain schools used learners to collect money, and some requested money from learners as donations. These actions by these school governing bodies are against the law (see chapter six, section 6.3.2.4 par 11). Therefore, this study recommends to the circuit managers to include in their quarterly meetings with the SGBs discussions about issues around financial management legislation.

**Recommendation 3: During the training of school governing bodies, education officials should thoroughly emphasise the financial management policy interpretation and implementation for the SGBs to understand and perform their roles and responsibilities more effectively and accurately.**

#### ***6.4.4 Recommendations with regard to research sub-question 4: How has the financial management conduct of school governing bodies in Mpumalanga Province improved?***

School governing bodies in Mpumalanga province have marginally improved in their financial management conduct. To further improve the financial management conduct of the school governing bodies requires support from the top management. This would motivate school governing bodies to carry out their responsibilities more effectively, promote confidence and reduce negative attitudes in the performance of their financial management functions and strengthen relationships among the members. Capacity building is the most important tool that can be used to improve financial management conduct

of the school governing bodies of which that had been an impediment in improving entirely as required by legislation (see chapter six, section 6.2.3.5 par 2). Therefore, this study recommends to the education officials, the circuit managers and the principals to capacitate school governing bodies by training them to further improve in performing their financial management roles and responsibilities. This study also recommends to the district to provide personnel who would help to manage the affairs of financial management at circuit level . This can be done by employing at least one financial accountant for a cluster of circuits to be responsible for the finances of schools at that level. Apart from the present personnel employed to deal with school governance affairs at the district, the district should establish a team of eight members who directly deal with training of the SGBs throughout the district to improve quality of the training organised (see chapter six, section 6.3.2.5 par 3).

Duration of training organised should be revised because it hampers improvement and capacity. Therefore, this study recommends to the education officials that training for the school governing bodies should be continuous for them to improve their financial management conduct when performing their functions. To promote effective performances in the responsibilities of school governing bodies, the study recommends to them to engage in self-capacitation and peer capacitation sessions. Peer-capacitation sessions should be a strategy adopted by the school governing bodies whereby current and former school governing bodies having financial management knowledge and understanding should be invited to capacitate the newly elected ones. These sessions may take the shape of meetings whereby financial management issues are discussed, challenges are exposed, and solutions are taken (see chapter six, section 6.3.2.5 par 5).

Principals have a duty to perform regarding the improvement of the financial management conduct of school governing bodies. Finally, as part of capacity building, this study recommends that principals should be sensitised to observe their legislative responsibility of inducting the newly elected members of the school governing bodies as part of the support to be rendered. This can be done by organising mini financial management training sessions with the school governing bodies to share the knowledge he possesses as well as the conduct that should be followed regarding school financial management (see chapter six, section 6.3.2.5 par 7).

**Finding 4: Open-ended training, motivation sessions and school visitations by circuit managers, district officials (support), induction sessions by principals, peer-capacitation and self-capacitation sessions by school governing bodies are important strategies that should be**

**adopted and used to further improve the financial management conduct of among members of school governing body.**

## **6.5 CONTRIBUTIONS OF THE STUDY**

Teaching and learning in schools are improved when funds allocated to schools and are utilised by competent leaders with knowledge and understanding of financial management. However, education officials are charged with a huge responsibility of improving financial management conduct of these school leaders and managers. The findings of this study on shared perceptions and assessment of financial management conduct in rural schools in Mpumalanga Province conclude with the development of a model for improving financial management conduct of school governing bodies. The findings of this study also indicate that while legislation, policy frameworks, resources and capacity building are fundamental for improving the financial management conduct of school governing bodies, they cannot alone achieve the improved financial management goals. However, these major elements depended on the other factors that influence the development of good conduct in financial management.

The model for improving the school governing bodies financial management conduct is derived from literature review, findings from interviews with education officials and the finance committees. **The theoretical framework used in this study demonstrated appropriate theories, and concepts that were relevant to the topic for this research and related to the broader areas of knowledge considered. It also assisted in strengthen and develop scientific knowledge for this study and provided a device or verification and revision for the already existing studies. The concepts from literature reviewed presented theories focused on the topic under investigation and compared them with the basic assumptions, logical consistency and scope of explanation.** Figure 6.5.1 below would therefore demonstrate and describe the major elements, contributing factors as well as outcome factors that emanated from literature review that might contribute to the improvement of financial management conduct of the school governing bodies.

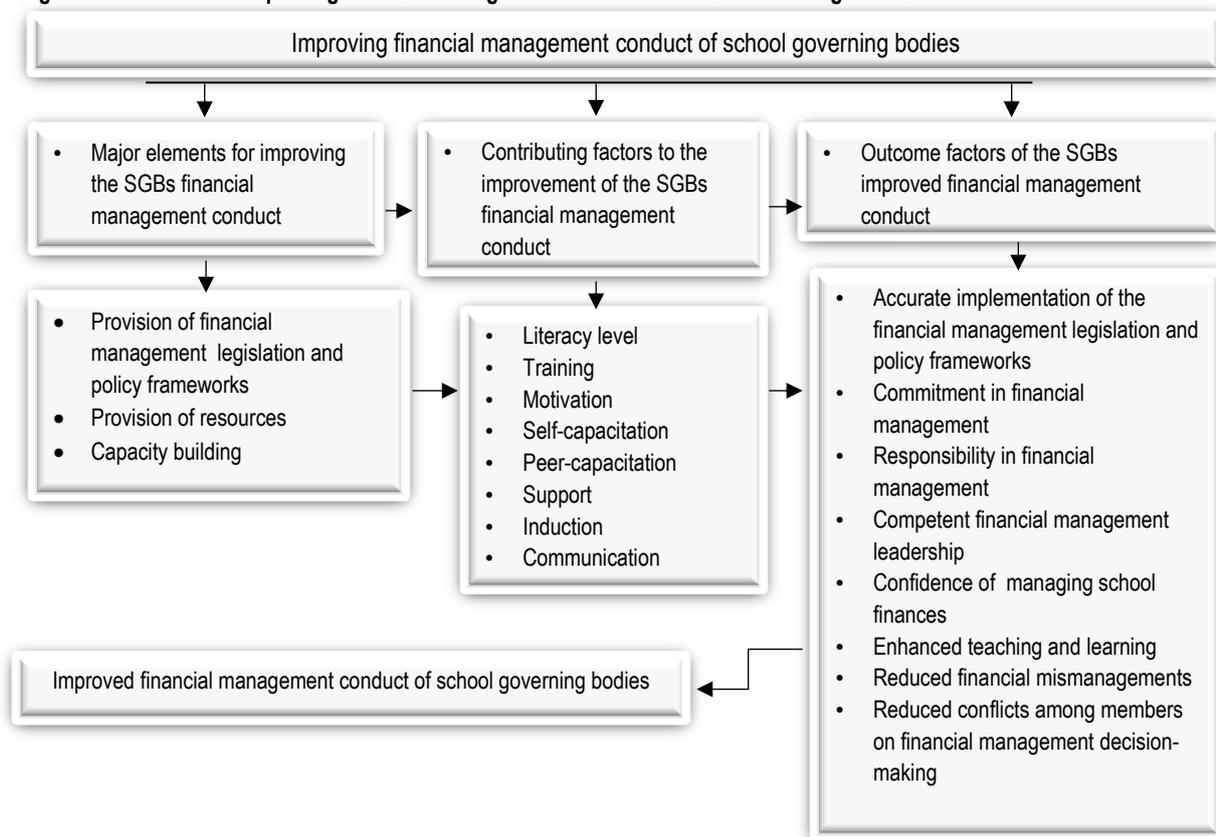
Provision of financial management legislation, policy frameworks and resources and capacity building are important tools used to improve the financial management conduct of school governing bodies. Knowledge and understanding of legislation, policy frameworks give school governing bodies authority to manage school finances which provides confidence, commitment and stimulate financial management responsibility to enhance teaching and learning in school. School as an open system

Provision of financial management resources persuades practice which influences the improvement of financial management conduct and allows school governing bodies to execute their responsibilities.

Capacity building plays a major role of facilitating the improvement of financial management conduct of school governing bodies by providing skills, knowledge and understanding to implement financial management legislation and policies competently in order to produce excellent performance (Tsotetsi et al., 2008:387). Therefore, this model is regarded by this study as a process and an exceptional contribution that can be followed by educational leaders such as district education officials, circuit managers principals and the school governing bodies in order to enhance the financial management conduct in schools.

Literacy level serves as an influential contributor for producing effective outcomes regarding the financial management conduct of school governing bodies (Sigh, Mbokodi & Msila, 2004:301). Accurate implementation of financial management legislation and policy frameworks are the results of literacy level which might yield competence and reduce financial mismanagement and conflicts in financial mismanagement decision-making. Literate schools governing bodies capacitate themselves (self-capacitation) and also search knowledge and skills from others ((peer-capacitation) having such an experience. These are indicators towards school governing bodies commitment to improve financial management conduct. Trained school governing bodies have knowledge and skills and are therefore able to enhance financial management in a school. Figure 6.5.1 below portrays that educational institutions must use the model for improving financial management conduct as a strategic tool to accomplish excellence and goals in improving financial management of school governing bodies in schools.

**Figure 6.5.1: Model for Improving Financial Management Conduct of School Governing Bodies**



The findings of this study show that the improvement of school governing bodies financial management conduct can be enhanced through support. Support might be in the form of induction, motivation, provision and access to resources (Tsetetsi et al. 2008:307). These varieties of support given to school governing bodies might result in motivating them to perform better to improve their financial management conduct. Motivated school governing bodies are in charge and always have desire for the improvement of their conduct when executing their responsibilities and this might result in financial management leadership competence (Campher 2003:32). Communication improves the relationships among the stakeholders (Wziątek-Staško, 2016:38). Through communication stakeholders are informed about the budget, school fees, income, expenditure and this can happen through public meetings, private meetings, parents' meetings and management meetings. Through these communication strategies, stakeholders are afforded opportunities to interrogate the financial management conduct of the SGBs, provide comments for improvement and this would therefore reduce conflicts among members on financial management decision-making.

Based on the relationships between major elements and factors contributing to the improvement of financial management conduct of school governing bodies, the assumption that features such provision

of financial management legislation, policies resources, capacity building, literacy level, training, motivation, self-capacitation, peer-capacitation and communication extremely connect with the improvement of school governing bodies financial management conduct, these features contribute to the development of theory and are considered a strong initiatives for improving financial management conduct of school governing bodies in Mpumalanga Province. In conclusion, the study provided directions for future research and has made the following contributions: -

#### **6.5.1 Contribution with regard to policy**

This research provided information to policy makers concerning the strategies for improving financial management conduct of school governing bodies. By presenting these strategies to the policy makers during their debates on educational policy issues, the generated information might enhance policy makers' understanding on the improvement of school governing bodies financial management conduct and help them to filter and modify the existing policies by referring to the major elements for improving the conduct of financial management in schools as portrayed in Figure 6.5.1 above.

Findings from this enquiry might also be transferred to the decision making authorities at different levels of education management such as the National Department of Education, the Provincial Department of Education as the authorities at the strategic level of policy, and districts, circuits and schools at the operational level of policy implementation to use these strategies that might assist them to improve the financial management conduct in schools and be adopted as actions that might be taken to enrich the financial management conduct of the implementors.

#### **6.5.2 Contribution with regard to theory**

Evidence from this study suggests that education authorities in the field of school governance at different tiers of educational management have understandings about what school governing bodies need to improve to ensure effective financial management in schools. Therefore, this study strengthened the knowledge base and deepened the understanding of the financial management of schools. **The findings of this study would contribute to the theory by adding new researched information that provided evidence regarding the strategies of improving financial management conduct of school governing bodies and identified contributory factors associated with this improvement of financial management conduct to manage finance in schools more efficiently.**

Theory generated through the findings of this study might interest members of school governing bodies throughout South Africa, principals and education official to use it in order to refine financial management conduct of school governing bodies in their institutions which implies that they might also contribute to the service, innovation and service development in the government education institutions such as education districts, circuits and schools.

### **6.5.3 Contribution with regard to practice**

Provision of financial management legislation, policy frameworks, resources and capacity building persuaded practice that influenced the improvement of financial management conduct and allowed school governing bodies to execute their roles and responsibilities. This study has identified the financial management challenges that are experienced by the school governing bodies when executing the financial management roles and responsibilities in schools and has also revealed the probable answers to remedy these challenges through the introduction of the model for improving the financial management conduct of school governing bodies. Therefore, the findings of this study contributed to the model of improving the financial management conduct of the school governing bodies by introducing the new strategies that could be adopted and utilised to amend the old financial management trends.

### **6.5.4 Contribution to new knowledge**

The objective of this investigation was to understand and reveal the perceptions and assessment the financial management conduct of school governing bodies in rural schools in Mpumalanga Province. Knowledge is the power to act in a certain direction. The new knowledge gained from the findings of this study regarding the strategies contributing to the improvement of school governing bodies financial management conduct such as consideration of literacy level when electing finance committee members, ensuring frequent rigorous training on financial management and support of SGBs, organising financial management motivation sessions for SGBs, encouraging peer-capacitation, self-capacitation and effective financial management induction sessions that might contribute to enhance efficacy of school governing bodies' financial management. Therefore, school governing bodies, education officials and circuit managers might use this new knowledge to transform the financial management conduct in schools.

### **6.5.5 Contribution with regard to future research**

Excellent financial management conduct in schools is valuable for the realisation of the education visions and the missions for the schools and the provision of significant current information regarding effectiveness of financial management. The effective or non-effective performance of the financial management roles and responsibilities of the school governing bodies influenced the understanding of policy makers in South Africa regarding what works and what is not working for the school governing bodies' financial management. Therefore, I hope that the findings of this study would interest other researchers and encourage them to undertake further research in this field.

### **6.6 LIMITATIONS OF THE STUDY**

Firstly, one limitation of this study is related to the choice of sampling the researcher made. The researcher chose purposive sampling where cases to be included in the sample were selected on the basis of judgement of their typicality (see chapter one, section 1.5.2). This sampling technique might have reduced generalising of the findings so that this study would not be inclusive of all the education districts in Mpumalanga Province. **However, the use of different methods of data collection assisted to collect data that contributed in the generalisation of the findings.**

Because of the immensity of the Mpumalanga Department of Education, this study confined itself to only two education officials from one education district, one circuit management official and five members of the finance committees from each of the five schools sampled for this research. The researcher could have gathered more information regarding the financial management conduct of school governing bodies in Mpumalanga Province if the researcher had included five members of the finance committees in each secondary or primary school from each of the four education districts in the province. This omission for the study does not imply that the choice of the sample was a misunderstanding. However, due to financial and time constraints, the study could not be conducted comprehensively as one could have wished. The other reason was that the intention of the choice of this sample was specifically to investigate the financial management conduct in Nkangala Education District of Mpumalanga Department of Education. **To ensure that rigour of the research was not compromised, the researcher was open to be informed by financial management documents and legislation used by all the schools in South Africa and specifically Mpumalanga province to generalise the research findings**

Secondly, the study excluded the personnel working with the District School Governing Bodies Coordinator and the District Finance Officer at Nkangala Education District. The researcher could have at least included two more personnel from both departments because they are at the helm with regard to monitoring school governing bodies' financial management performances in schools and are the ones who are directly involved with the training of the school governing bodies. Therefore, these officials could have improved the data, because leaving out their experiences disadvantaged the findings of the study. **As mitigation strategy, the researcher chose the most senior personnel who he thought would represent the voices of their subordinates based on knowledge and understanding they possess regarding the operations in the department.**

Thirdly, this study excluded the prime data regarding the judgments for all the cases of financial mismanagement that were tackled by the Nkangala District Labour Department. This was not an oversight, but it was because of the refutation by this department for access to the judgement documents requested by the researcher. **The researcher basically depended on the discussions with participants who had authority to support the claims that were made. However, the lack of access to this information disadvantaged the findings of the study.**

Fourthly, some of the finance committees delayed submitting the documents for analysis which the researcher requested during the field work. The delay hindered the progress of the study. Some of the finance committees and education officials did not submit all the requested documents for analysis; therefore, analysis of incomplete documents from some of these finance committees compromised the findings of this study (see chapter five, sections 5.7.2.3, 5.7.2.5, 5.7.2.9, 5.7.2.10 and 5.7.3.1). **However, the researcher physically visited schools of the alleged finance committees to collect the remaining documents to accelerate the process of the study.**

## **6.7 AVENUES FOR FUTURE RESEARCH**

The objective of this study was to understand and reveal the perceptions and assessment the financial management conduct of school governing bodies in South Africa, particularly in Mpumalanga Province. The focus of the investigation was on how the financial management conduct of school governing bodies can be further be improved in Mpumalanga Province.

This study was limited to Nkangala education district at selected Marapyane circuit schools. The Mpumalanga Department of Education is made up of four education districts with each district having a number of schools under its service. Enriching information regarding the research topic could have

been gathered if one school in each district was selected for this study because different districts, although using the same financial management legislation and policies, follow different organisational cultures that are determined by different environmental circumstances. However, it is important that this research avenue should be considered for future research.

Although the SGBs attended training sessions and were supported in their financial management roles and responsibilities, some were still engaging in financial mismanagement which revealed the negative impact of the training and support they receive. Therefore, it is significant for future studies to be focused on the proficiency and ability of the school governing bodies' coaches to produce effective financial management leadership that is able to enhance the financial management conduct within the school governing bodies.

According to the analysis of qualitative data, the choice or election of finance committees of the school governing bodies is done on the basis of their literacy level, experience, knowledge and understanding of financial management with the aim of improving financial management conduct. For future studies researchers also need to consider the influence of local politics in the financial management conduct of the school governing bodies. For example, when voting for members of a finance committee, some are just chosen for the committee in order to push the mandate of a particular political group in the community to engage in school financial mismanagement rather than to contribute to the improvement of the financial management conduct of the school. Therefore, this research avenue should be considered in future studies.

## **6.8 CONCLUDING REMARKS**

The most important parts of the thesis were discussed in chapter six, which included the summary, major findings, recommendations, contributions and limitations of the research. The findings from literature revealed that school financial management and leadership do not operate in a vacuum, but in systems where people interact together with the sole purpose of improving the business of education and aspirations to accomplish the vision and the mission of the school.

Through literature reviewed, data collected from the face-to-face semi-structured interviews with the education officials, focus group interviews with finance committee members of schools and data analysis, four research questions were responded to. Conclusions for this study were drawn from the perceptions and assessment of financial management conduct of the school governing bodies in

Mpumalanga Province. Therefore, based on the major findings of the study, the following conclusions were made.

Full responsibility for the financial management in schools in Mpumalanga Province is delegated to the school governing bodies. The principal in this case is the chief accounting officer based on his role as ex officio and as the employee of the Department of Education to render advice on how school funds should be utilised. According to the responses from participants regarding the current literacy level of school governing bodies in rural schools in Mpumalanga Province, the study revealed the importance of literacy, background when delegating this function to members, because those who are chosen without the minimum literacy level might end up engaging in financial mismanagement because of poor knowledge and understanding of financial management legislation.

The findings from this study have also pointed out that school governing body literacy levels have improved hence they are able to use relevant financial management documents to manage, monitor and control finances in their school bodies and to interpret legislation with ease. Through their improved literacy levels, they have reduced their dependency on their principals' financial management expertise and conflicts that used to occur between the members of school governing bodies and their principals were minimised. However, based on the findings from document analysis, there were inconsistencies in terms of formulation and implementation of finance policies used by some of the school governing bodies. The basis of these inconsistencies were that some of these policies were not revised for implementation during the financial year during which the study was conducted.

Regarding the financial management improvements and achievements of school governing bodies in rural schools in Mpumalanga, data collected from participants revealed that the school governing bodies have improved and achieved a great deal with regard to the use of legislation and policy frameworks prescribed by the Department of Education to be used to manage finances in schools, although there were still certain members from the parent component who, though literate, struggled to understand financial legislation and frameworks. Training was regarded as a remedy for this situation.

The areas of improvement and achievement of the contemporary school governing bodies included being able to budget school money, draw up budgets, control the budgets, monitor finance books properly, and maintain their schools. School governing bodies knew and understood that funds allocated to their schools must be used for curriculum related matters and they used school money to support teaching and learning programmes and strategies organised in schools. The reasons provided

for their improvements and achievements were anchored on their improved literacy level and the training sessions they have attended, although training was organised for a very short period. To improve further the study suggested that the school governing bodies' good performance should be appreciated and motivated. However, this study revealed that some of the school governing bodies were not appreciated by their principals.

Despite the improvements and achievements registered of school governing bodies in their financial management, there were certain school governing bodies who continued to engage in financial mismanagement, including inflation of contracts signed with the service providers, exorbitant claims and buying personal goods with school money. This mismanaging of school money was found to be committed by people who did not have knowledge of financial management who thought that membership for participation in school governance comes with a reward and by those who have full knowledge of financial management, but who manipulate others based on their inferior knowledge.

However, document analysis revealed that there were seven cases that were reported to the district between 2015 and 2017 which claimed mismanagement of school funds by principals and senior members of the school governing bodies. To deal with such cases offenders were summoned and questioned and by the district school governing bodies' coordinator. If settlements of their cases were not reached, the cases were referred to the district labour department where, if the offenders were found guilty, sanctions such as paying back the money, demotion from a senior post and being dismissed from work may be imposed.

In terms of the knowledge and understanding of the school governing bodies in rural communities in Mpumalanga Province with regard to their financial management roles and responsibilities, the findings of this study pointed out that not all the school governing bodies knew and understood their roles and responsibilities. The finding from education officials revealed that those who know and understand their roles and responsibilities override their principals and those who are not sure that they know and understand their roles and responsibilities depended on and surrendered to the financial management decisions made by their principals without questions, and this shortcoming was used against them by their principals to engage in acts of financial mismanagement.

However, it was found that, the school governing bodies of all the public schools used and opened and maintained one banking account to ensure control and safety of school funds and school monies were banked by the finance committees using deposit slips or deposit books. To demonstrate that the school

governing bodies had understanding of their financial management roles and responsibilities, the finding of this study revealed that they were utilising school money following policy procedures to pay for the procured goods and services.

These procedures included: raising funds for their schools, using money allocated by the department to pay for the procured goods and services, sourcing three quotations and adjudicating them before choosing the service provider, using the correct documentations which were verified by the principals, the treasurers and the finance officers before payments were made, making payments by means of cheques signed by two or three signatories, not signing blank cheques or using cash cheques, and completing counterfoils and leaving them in their cheque books. This finding was supported by document analysis.

Another finding of this study pointed out that school governing bodies should draw up their school budgets. However, the finding from finance committees of schools that performed this function indicated that drawing up their budgets was the responsibility of their finance committees mandated by their SGBs and were provided with the budget information by their principals in consultation with the SMTs and different departments within their school in terms of their curriculum requirements. When drawing up their budgets, the needs of their schools were prioritised, consolidated in one document, allocated funds and thereafter presented to the parents for corrections, additions and adoption. The study also established that, irrespective of knowledge, understanding and literacy level, finance committees for some of the schools did not have financial budgets which implied that they were not drawn up. This finding was supported by document analysis.

The finding from interviews with the finance committee members revealed that they were communicating with the stakeholders. Methods of communication used included parent meetings to discuss, interrogate and adopt budgets, provision of written financial reports to inform parents, the circuit and the district about the financial statuses and the financial management conduct of their schools. However, there were inconsistencies in terms of implementation in their policies that were revealed by document analysis about the periods of meetings with parents and the submissions of their reports to the circuit and the district.

Another finding of this study was that the school governing bodies have roles and responsibilities of raising funds in order to increase the school income. However, it was found that different fundraising strategies were used by the school governing bodies of different schools to raise funds which included

allowing learners to wear private clothes during certain school days and asking them to make donations, requesting donations from parents and from the business sector. The study also revealed that it was illegal for some of these schools to ask for donations from learners and parents because this contravened Section 39 sub-section (1) of the South African Schools Act and National Norms and Standards for School Funding.

The study also revealed that it was illegal for schools to use learners to collect fundraising money because minors deserve no liabilities for any consequences of their membership of the SGB; instead, the study recommended the school governing bodies or their fundraising committees to collect funds from learners provided that such donations were agreed by the majority of parents in a parents' meeting.

Data analysis revealed that school governing bodies audit their finance books internally by mandating these roles and responsibilities to their finance committees to check and arrange their finance documents before they were submitted to the external auditors. It was also found by this study that normally submissions of their financial records for external auditing were supposed to be done on the 31<sup>st</sup> December of each financial year. However, the prescribed date was not adhered to because the finance committees of the school governing bodies submitted the finance records to the auditors months after the due date.

Finally, it was revealed by this study that the school governing bodies have the responsibility to keep finance records safe. The analysis of data from the interviews pointed out that this responsibility should specifically be performed by the principals and finance officers mandated by the finance committee by locking these documents in their schools safes or strong rooms.

Regarding improving the financial management conduct among Mpumalanga school governing body members, the study has revealed capacity building as a mechanism to be used. However, the interviews with participants confirmed that not all of the school governing bodies were supported by their principals and education officials towards achieving excellence in their financial management conduct. The only support that all the school governing bodies received was through limited training. The support by education officials was regarded as poor and inadequate.

The study found that the education officials were unable to provide quality support to the school governing bodies because of the many schools they had to support with limited manpower. Hence, schools were only supported provided they register financial management challenges; then they would

visit such schools to solve their problems. According to the findings of this study, this exercise implies that when schools did not register problems, they would not be visited by education officials in their three-year cycle of the school governance membership. This gesture by education officials signalled poor and infrequent support rendered to the school governing bodies.

This study revealed that the strategies to be used in order to improve school governing bodies financial management conduct when performing their functions should also include self-capacitation whereby former school governing bodies having financial management knowledge and understanding are invited to capacitate the newly elected ones, to appreciate and motivate the school governing bodies regarding their good performance in financial management and to be inducted by their principals. Although the findings of this study stated that the duration of training attended was very short, the findings from interviews with finance committees revealed that, through this training, they acquired knowledge and skills that helped them in the management of finances in their schools.

Based on the findings of this study, it is concluded that literacy levels of the school governing bodies in Mpumalanga Province have improved immensely. This improvement was based on the fact that some of the members who have been recently involved in the SGB membership were current and former teachers, educated members dealing with finances at their work places and other members with minimum literacy levels who were able to read and write.

The school governing bodies have improved and achieved immensely in their financial management conduct. The improvements and achievements were the result of their improved literacy levels. These improvements were revealed by the proper manner in which they were managing finances in their schools. However, irrespective of their improved literacy levels, there were still the SGB members especially those from the parents' component who do not understand the financial management legislation and policy frameworks.

There were those who understand and those who do not understand their roles and responsibilities. Those who understand their roles and responsibilities override their principals and those who were not sure that they know and understand their roles and responsibilities surrender to the financial management decisions made by their principals without questions. These were reflected by the financial management conflicts and cases that were reported to the district by different schools.

This study also concludes that, in order to improve financial management conduct of school governing bodies they need to be provided with financial management legislation, policies, resources, be

capacitated, have minimum literacy level, be supported, trained, motivated, self-capacitated and peer-capacitated. Support and motivation provided to the SGBs would encourage them to perform their responsibilities excellently, perform better and promote their confidence. However, findings from this study also depicted poor and inadequate support provided by education officials.

From the major findings and conclusions, I have drawn up the following recommendations to resolve the above mentioned problems.

- The policy-makers should stipulate in school financial management legislation and other financial policy frameworks a provision to accommodate minimum literacy levels specifically for those members of the school governing bodies who are nominated to the finance committees.
- The policy-makers and the National Department of Education should mandate the Provincial Departments of Education through the legislative and policy stipulations to appreciate good financial management conduct of the school governing bodies either through tokens of appreciation or motivation in order to improve further and change the attitude that they might have in terms of the challenges of school financial management.
- The National Department of Education should put in place mechanisms through policies to assist the school governing bodies to increase their knowledge and understanding and acquire skills that could improve the financial management conduct.
- The Mpumalanga Provincial Department of Education should at least train the school governing bodies on a quarterly basis with an inclusion of preliminary comprehensive training for newly elected members and recommend to the district to thoroughly screen contracted service providers who train the SGBs in the province.
- The Mpumalanga Provincial Department of Education should ensure that the district and the circuits are provided with adequate personnel to help and manage the affairs of school governance in the district. This can be done by employing extra competent people at both the circuit and the district and at least one financial accountant for a cluster of circuits to help with the management of finances in schools.
- The district officials dealing with issues of school governance and the circuit managers should engage the school governing bodies in rigorous training in order to improve the financial management conduct of these members, to monitor schools' finance records regularly and to demand submission financial records from schools on a quarterly basis for assessment.

- The district officials should prioritise in the workshops held with school governing bodies to explain thoroughly the differences between management roles of the principal and the governance responsibilities of the school governing bodies by providing the training manuals to individual SGB members to refer to when they are due to execute any of their responsibilities in order to avoid conflicts that may arise regarding financial management.
- As it is a requirement of Mpumalanga financial management policies for schools to submit financial budgets at the circuit office for scrutiny, the circuit managers should perform this responsibility in order to avoid situations where schools are spending their allocated funds without having tailored their budgets.
- The circuit managers should take responsibility for making sure that the financial management duties are carried out as planned. This may be done by frequent visits to schools to monitor and assess the financial management progress made by the school governing bodies.
- The circuit managers should check the finance policies of schools and endorse their legality before they are implemented by the school governing bodies. This can be done by requesting schools to submit their finance policies to the circuit for verification or by verifying them during their routine visits in schools.
- The circuit managers to include in their plans quarterly meetings with the SGBs to educate them about issues around financial management legislation.
- Principals and the school governing body chairpersons should consider the literacy background and circumstances of individual members before the financial management delegation process commences in order to prevent financial mismanagements that may occur as a result of misunderstanding of implementation of financial management legislation.
- The school governing bodies should engage in self-capacitation sessions. Self-capacitation sessions should be a strategy adopted by the school governing bodies whereby former school governing body members with financial management knowledge and understanding should be invited to capacitate the newly elected ones. These sessions may take the shape of meetings whereby financial management issues are discussed, challenges are exposed, and resolutions are taken.

Finally, this study is important because it contributed to the scarcity of further pragmatic research on the financial management conduct of the school governing bodies. This study also addressed the most important areas for further research that should be looked into in order to improve financial management conduct of school governing bodies of South Africa, particularly in Mpumalanga Province.

As schools and departments of education are continuously looking for resolutions regarding how the school governing bodies could better utilise finances to improve learning and teaching in schools, this study serves as an archetype that can contribute towards such inquiries.

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## APPENDICES

### Appendix A: A letter of Request to Conduct a Research at Nkangala District

# UNISA



Researcher(s) Ref: 2018/05/16/06463096/21/MC

ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: sebidisd@gmail.com

P.O. Box 235  
Skilpadfontein  
0431  
06 -06-2018

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#### LETTER REQUESTING TO CONDUCT A RESEACH AT NKANGALA EDUCATION DISTRICT OFFICE

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**RESEARCH TITLE: Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province.**

**INTERVIEW DATE: 20-06-2018 AND 21-06-2018: TIME 15H00-15H45**

The District Director  
Nkangala Education District  
Private Bag X 4021  
KWAMHLANGA  
1022

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#### DEAR DITRICT DIRECTOR

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Student Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018. I am therefore inviting your personnel specifically the coordinator of school governing bodies in the district and the financial officer dealing directly with school finances to participate in this study entitled, “ **Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province**”.

The aims of the study are: -

1. To determine the current illiteracy level of the school governing bodies in rural schools in Mpumalanga Province.
2. To establish financial management improvements and achievements of the school governing bodies in rural schools in Mpumalanga Province.
3. To determine the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities.
4. To propose the strategies for an improvement in the financial management conduct among the school governing bodies in rural schools in Mpumalanga Province.

Nkangala education district was chosen because schools that have been earmarked for this research project are under the administration of this district and are accountable to the circuit that fall under this district. Therefore, it is assumed that the information that is needed to address the research questions for this project will be readily available to assist the researcher during the research expedition.

This study will entail face-to-face semi-structured interviews will be conducted with, district official dealing with school finances and district school governance co-ordinator. Interviews are envisaged be conducted with these education officials behind the closed doors of their offices. Interview protocol with explicit interview questions will be designed to help the researcher during the data collection with these participants to ensure impartiality when asking questions. The participants will also be requested to provide the researcher with documents for analysis that will be used to complement data collected through the interview.

During the process of this interview, participants will be allowed to express their thoughts in their own words and be given an opportunity to ask clarity seeking questions and the researcher will also use follow-up questions to confirm understanding pertaining to the responses made by the participants as an endeavour to encourage them to provide rich data. With participant's permission, responses from the participants will be a tape-recorded throughout the interview process. Tape-recorded responses will also be transcribed. As a back-up, information collected will be noted in the researcher's journal.

The benefits of this study are:-

1. To improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform policy making.
  2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
  3. To Yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions the current debates and stances taken by public education officials about researched issue.
  4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools
  5. To alert the community about how finances should be managed in South African schools including schools in our locality to enhance progress in advancing quality education through proper utilisation of resources.
- There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of

inconvenience to the participants and end up arriving late at their different homes. Participants may also be exposed to time inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

- To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody.
- To avoid time interruption with participant's schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange their personal time schedule for the interview event.
- To avoid participant's late arrival at their different homes due to prolonged interview sessions; the researcher will start the interview in time and abide by the interview time as scheduled.

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice, modifies theory, informs policy debates and participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation.

The researcher will give feedback to the participants in the following ways and will entail:-

1. Distributing the research reports on the website agreed by the University of South Africa and participants will be directed to it in case they require the results of research.
2. Publishing the research work through the University of South Africa and making it accessible through its library facilities on requisition.
3. Making the research work accessible through the internet media in case it is required by the participants.
4. Sharing the research results with participants after interpretation and polishing of the research findings to establish flaws that might have occurred and effect alterations where there are divergences for research report to be accurate and complete.

I hope that permission requesting to conduct this research in you institution will be granted.

Yours sincerely



Date: 06 -06-2018

SD Sebidi (DEd Student Researcher)

UNISA



Researcher(s) Ref: 2018/05/16/06463096/21/MC

ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: [sebidisd@gmail.com](mailto:sebidisd@gmail.com)

P.O. Box 235  
Skilpadfontein  
0431  
06 -06-2018

---

**LETTER REQUESTING TO CONDUCT A RESEACH AT MARAPYANE CIRCUIT OFFICE AND SCHOOLS**

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**RESEARCH TITLE: Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province.**

**INTERVIEW DATE: 28-06-2018: TIME 15H00-15H45**

The Circuit Manager  
Marapyane Circuit Office  
Private Bag X499  
HAMMANSKRAAL  
0400

---

**DEAR CIRCUIT MANAGER**

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Students Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018. I therefore invite the circuit personnel specifically the circuit manager who is the manager of the circuit under which Marapyane schools are administered to participate in the study entitled, "**Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province**".

The aims of the study are: -

1. To determine the current illiteracy level of the school governing bodies in rural schools in Mpumalanga Province.
2. To establish financial management improvements and achievements of the school governing bodies in rural schools in Mpumalanga Province.
3. To determine the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities.
4. To propose the strategies for an improvement in the financial management conduct among the school governing bodies in rural schools in Mpumalanga Province.

Marapyane circuit office was chosen because schools that have been earmarked for this research project are within the locality this circuit. Therefore, it is assumed that the information that is required to address the research questions for this project will be readily available from the circuit to assist the researcher during the research expedition.

This study will entail face-to-face semi-structured interview that will be conducted with the circuit manager. Interviews are envisaged be conducted with the circuit manager behind the close door of his office. Interview protocol with explicit interview questions will be designed to help the researcher during the data collection with the participant and to ensure impartiality when asking questions. You will also be requested to provide the researcher with documents for analysis that will be used to complement data collected through the interview.

During the process of this interview, participant will be allowed to express his thoughts in his own words and be given an opportunity to ask clarity seeking questions. The researcher will also use follow-up questions to confirm understanding pertaining to the responses made by the participant as an endeavour to encourage him to provide rich data. With your permission, responses from the interview discussions will be a tape-recorded throughout the interview process. Tape-recorded responses will also be transcribed. As a back-up, information collected will be noted in the researcher's journal.

The benefits of this study are:-

1. To Improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform policy making.
2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
3. To yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions the current debates and stances taken by public education officials about researched issue.
4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools.
5. To alert the community about how finances should be managed in South African schools including schools in their locality to enhance progress in advancing quality education through proper utilisation of resources.

There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of inconvenience to the participants and end up arriving late at their different homes. Participants may also be exposed to time

inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

- To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody.
- To avoid time interruption with participant's schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange their personal time schedule for the interview event.
- To avoid participant's late arrival at their different homes due to prolonged interview sessions, the researcher will start the interview in time and abide by the interview time as scheduled.

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice and informs policy debates, modify theory participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation.

The researcher will give feedback to the participant in the following ways and will entail:-

1. Distributing the research reports on the website agreed by the University of South Africa and participants will be directed to it in case they require the results.
2. Publishing the research work through the University of South Africa and making it accessible through its library facilities on requisition.
3. Making the research work accessible through the internet media in case it is required by the participants.
4. Sharing the research results with participants after interpretation and polishing of the research findings to establish flaws that might have occurred and effect alterations where there are divergences for research report to be accurate and complete.

I hope that permission requesting to conduct a research in you institution will be granted.

Yours sincerely



Date: 06 -06-2018

SD Sebidi (DEd Student Researcher)

UNISA



Researcher(s) Ref: 2018/05/16/06463096/21/MC

ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: [sebidisd@gmail.com](mailto:sebidisd@gmail.com)

P.O. Box 235  
Skilpadfontein  
0431  
06-06-2018

---

**LETTER REQUESTING CIRCUIT MANAGER TO CONDUCT A RESEACH AT MARAPYANE CIRCUIT SCHOOLS**

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**RESEARCH TITLE: Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province.**

**INTERVIEW DATES FOR FOCUS GROUPS: A 19-07-2018; B: 24-07-2018; C: 25-07-2018; D: 26-07-2018; E: 27-07-2018**

**TIME 15H00-15H45**

The Circuit Manager  
Marapyane Circuit Office  
Private Bag X499  
HAMMANSKRAAL  
0400

---

**DEAR CIRCUIT MANAGER**

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Students Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018. I am therefore inviting your personnel specifically the members of school governing body finance committees in the earmarked schools to participate in a study entitled, "**Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province**".

The aims of the study are: -

1. To determine the current illiteracy level of the school governing bodies in rural schools in Mpumalanga Province.
2. To establish financial management improvements and achievements of the school governing bodies in rural schools in Mpumalanga Province.
3. To determine the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities.
4. To propose the strategies for an improvement in the financial management conduct among the school governing bodies in rural schools in Mpumalanga Province.

Marapyane circuit was chosen because schools that have been earmarked for this research project are under the administration of this circuit. Therefore, it is assumed that the information that is required to address the research questions for this project will be readily available from its schools to assist the researcher during the research expedition.

This study will entail focus group interviews that will be conducted with members of financial committees in schools. Focus group Interviews are envisaged be conducted with members of financial committee at their different schools. Interview protocol with explicit interview questions will be designed to help the researcher during the data collection with these participants and to ensure impartiality when asking questions. Participants will also be requested to provide the researcher with documents for analysis that will complement data collected from the interview

During the process of this interview, participants will be allowed to express their thoughts in their own words and be given an opportunity to ask clarity seeking questions and the researcher will also use follow-up questions to confirm understanding pertaining to the responses made by the participants as an endeavour to encourage them to provide rich data. With participant's permission, responses from the focus group discussions will be a tape-recorded throughout the interview process. Tape-recorded responses will also be transcribed. As a back-up, information collected will be noted in the researcher's journal.

The benefits of this study are:-

1. To improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform policy making.
2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
3. To Yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions the current debates and stances taken by public education officials about researched issue.
4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools.
5. To alert the community about how finances should be managed in South African schools including schools in their locality to enhance progress in advancing quality education through proper utilisation of resources.

There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of inconvenience to the

participants and end up arriving late at their different homes. Participants may also be exposed to time inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

- To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody.
- To avoid time interruption with participant's schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange their personal time schedule for the interview event.
- To avoid participant's late arrival at their different homes due to prolonged interview sessions, the researcher will start the interview in time and abide by the interview time as scheduled.

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice and informs policy debates, modifies theory and participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation.

The researcher will give feedback to the participants in the following ways and will entail:-

1. Distributing the research reports on the website agreed by the University of South Africa and participants will be directed to it in case they require the results.
2. Publishing the research work through the University of South Africa and making it accessible through its library facilities on requisition.
3. Making the research work accessible through the internet media in case it is required by the participants.
4. Sharing the research results with participants after interpretation and polishing of the research findings to establish flaws that might have occurred and effect alterations where there are divergences for research report to be accurate and complete.

I hope that permission requesting to conduct a research in you institutions will be granted.

Yours sincerely



Date: 06 -06-2018

SD Sebidi (DEd Student Researcher)

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**LETTER TO THE PRINCIPALS AND SGBs SECRETARIES REQUESTING TO CONDUCT A RESEACH AT SCHOOLS**

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**RESEARCH TITLE: Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province.**

INTERVIEW DATE FOR FOCUS GROUP: A: 19-07-2018; B: 24-07-2018, C: 25-07-2018, D: 26-07-2018, E: 27-07-2018

TIME 15H00-15H45

**The Principals and the SGBs Secretaries  
Schools A, B, C, D and E  
Marapyane circuit**

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**DEAR PRINCIPALS AND SGBs SECRETARIES**

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Students Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018.

I therefore request permission to involve your school governance members specifically the members of school financial committee in the research study underway.

The aims of the study are: -

1. To determine the current illiteracy level of the school governing bodies in rural schools in Mpumalanga Province.
2. To establish financial management improvements and achievements of the school governing bodies in rural schools in Mpumalanga Province.
3. To determine the understanding of school governing bodies in rural schools in Mpumalanga Province regarding their financial management roles and responsibilities.
4. To propose the strategies for an improvement in the financial management conduct among the school governing bodies in rural schools in Mpumalanga Province.

Your school was chosen because of its locality and the requirement of the research topic. Therefore, the researcher assumes that the information that is required to address the research questions for this project will be readily available from your school to assist the researcher during the research expedition.

This study will entail focus group interviews that will be conducted with members of financial committees in your school. Focus group Interview is envisaged be conducted with members of financial committee at your school. Interview protocol with explicit interview questions will be designed to help the researcher during the data collection with these participants and to ensure impartiality when asking questions. The participants will also be requested to provide the researcher with documents for analysis that will be used to complement data collected through the interview.

During the process of this interview, participants will be allowed to express their thoughts in their own words and be given an opportunity to ask clarity seeking questions and the researcher will also use follow-up questions to confirm understanding pertaining to the responses made by the participants as an endeavour to encourage them to provide rich data. With their permission, responses from the interview discussion will be a tape-recorded throughout the interview process. Tape-recorded responses will also be transcribed. As a back-up, information collected will be noted in the researcher's journal.

The benefits of this study are:-

1. To improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform policy making.
2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
3. To yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions of the current debates and stances taken by public education officials about researched issue.
4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools.
5. To alert the community about how finances should be managed in South African schools including schools in their locality to enhance progress in advancing quality education through proper utilisation of resources.

There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of inconvenience to the participants and end up arriving late at their different homes. Participants may also be exposed to time inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

- To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody.
- To avoid time interruption with participant's schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange their personal time schedule for the interview event.
- To avoid participant's late arrival at their different homes due to prolonged interview sessions, the researcher will start the interview in time and abide by the interview time as scheduled.

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice and informs policy debates, modifies theory and participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation. The researcher will give feedback to the participants in the following ways and will entail:-

1. Distributing the research reports on the website agreed by the University of South Africa and participants will be directed to it in case they require the results.
2. Publishing the research work through the University of South Africa and making it accessible through its library facilities on requisition.
3. Making the research work accessible through the internet media in case it is required by the participants.
4. Providing participants with hard copies after all the theses authentication procedures have been satisfied by the researcher and the University of South Africa.
5. Sharing the research results with participants after interpretation and polishing of the research findings to establish flaws that might have occurred and effect alterations where there are divergences for research report to be accurate and complete.

I hope that permission requesting to conduct a research in you institution will be granted.

Yours sincerely



Date: 06 -06-2018

SD Sebidi (DEd Student Researcher)

UNISA



ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: sebidisd@gmail.com

Researcher(s) Ref: 2018/05/16/06463096/21/MC

P.O. Box 235  
Skilpadfontein  
0431  
06 -06-2018

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## LETTER OF CONSENT FOR FOCUS GROUP PARTICIPANTS

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### INTERVIEW DATE FOR FOCUS GROUPS:

A: 19-07-2018, B: 24-07-2018, C: 25-07-2018, D: 26-07-2018, E: 27-07-2018

TIME 15H00-15H45

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### DEAR PROSPECTIVE PARTICIPANT

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Students Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018. I am inviting you to participate in the study entitled, **“Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province”**.

### WHAT IS THE PURPOSE OF THE STUDY?

This study is expected to collect important information that could:-

1. To improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform future policy making.
2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
3. To yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions the current debates and stances taken by public education officials about researched issue.
4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools.
5. To alert the community about how finances should be managed in South African schools including schools in their locality to enhance progress in advancing quality education through proper utilisation of resources.

### **WHY ARE YOU INVITED TO PARTICIPATE?**

You are invited as a group of participants for this study based on the assumption that you are a finance committee dealing directly with day to day finance control and management of the school, and that, you have been bestowed with legislative authority and responsibilities in schools to sanction procurements to be made, to receive and pay claims, to determine the income and expenditure of the school, to advise the school in terms of good financial conduct and draw the financial budget of the school on behalf of the school governing body. The information pertaining to how you execute these exercises as outlined will help the researcher to understand and reveal your financial management conduct in your schools.

I obtained your contact details from secretary of your school governing body through your consent and the consent from your school governing body chairperson and the principal. As you will be participating in a group interview, the group will comprise of 5 members of your finance committee. The research will also involve analysis of documents that the researcher will request from you and will be used to complement the discussions that we will be engaged into during the focus group.

### **WHAT IS THE NATURE OF YOUR PARTICIPATION?**

As participants in this study, during the focus group interview you will be asked questions by the researcher who will expect you to provide answers. Questions will be asked inductively from simple to complex using a prepared interview guide. You will also be expected to answer follow-up questions that will emanate from the answers provided. You will also be given an opportunity to talk to each other with an aim of brainstorming the answers for the questions asked before directing them to the researcher. You will be engaged this focus group for approximately 40-45 minutes and with your permission, the focus group interview discussion will be audio recorded.

### **CAN YOU WITHDRAW FROM THIS STUDY EVEN AFTER YOU HAVE AGREED TO PARTICIPATE?**

As the prospective participants of this study, your participation is voluntary, and you are under no consent to participation. If you decide to participate, you will be handed with the participation information sheet that you will be required to sign. You will be free to withdraw your participation from this research if you consider the interviews questions asked during the interview, offensive, intrusive, misleading, biased, misguided, irritating, and inconsiderate or against the ethical considerations as explained to you by the researcher.

### **WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?**

Since participation in this study is voluntary, no participant will gain any individual material and monetary advantage for participation. As members of school financial committee this research will help you to improve your

finance management conduct and contribute to service innovation and service development which will inform future finance policies. Through your participation in this study, knowledge provided will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.

As the scientific community, your participation in this study will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in their discussions the current debates and stances taken by public education officials about researched issue. Your participation in this study will also alert the community about how finances should be managed in South African schools including schools in their localities to enhance progress in advancing quality education through proper utilisation of resources.

#### **ARE THERE ANY NEGATIVE CONSEQUENCES FOR YOU IF YOU PARTICIPATE IN THE RESEARCH PROJECT?**

There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of inconvenience to the participants and end up arriving late at their different homes. Participants may also be exposed to time inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody.

To avoid time interruption with participant's schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange their personal time schedule for the interview event. To avoid participant's late arrival at their different homes due to prolonged interview sessions, the researcher will start the interview in time and abide by the interview time as scheduled.

#### **WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?**

As participants you have the right to refuse your name from being identified and recorded anywhere and that no one except the researcher and the identified members of the group, will know about your involvement in this research. The researcher will make sure that all personal information obtained directly or indirectly about your participant as well as the information obtained during the course of research which may reveal the identity of

participants, remains confidential and anonymous. Your name will not be used to identify your contributions; instead numbers or codes will be used for your identification and will be referred as such in the data. To keep your identity confidential, the researcher will make sure data collected is only accessible to only people who are responsible for reviewing the research process, including my supervisor, internal and external moderators and members of the Research Ethics Review Committee. There will be a possibility that the research data is published in the form of journal articles, reports or conference proceedings. Though that been the case, your identity will still be kept confidential and anonymous.

To avoid circumstances of participants being identified as having participated in research, The researcher will also be cautious in transferring and disposing of records and data whether written or automated. Proper and appropriate arrangements for preservation of research records will also be made. Focus group is a type of interview accomplished in a group, whose meetings present the characteristics defined with respect to proposal, size, composition and interview procedures.

The object of analysis is within the group. The participants influence each other through their answers to the ideas and contributions during discussions. Though the researcher will make any effort to ensure that you are not connected with any information that you will share during the group interview, based on the nature of focus group interview, I therefore fail to guarantee that other participants within the group will equally the shared information confidential. I will however encourage all the participants to do so. I advise you not to disclose sensitive information in the focus group.

#### **HOW WILL THE RESERCHER PROTECT THE SECURITY OF DATA**

Hard copies such as interview and audio tapes transcripts will be submitted to my supervisor's office where it will be kept securely locked away in his raw data filling cabinet that can only be accessed by agreed members of his department for future research or academic purposes. The intention is to ensure safety and integrity of the data set. They will be stored in their original form for five years from the completion of the research project. The files including computer files will adequately be arranged for back up, encrypted or password protected.

For long term data storage, I will request my supervisor to assist me with repository route for data security. Qualitative data repository accepts active citation compilations, data collection and topic clusters. This system will provide best guide on what data to preserve, identification of data sensitivity and what data has long-term value. If data for this study is not to be used in later longitudinal studies, it will be destroyed after five years provided the final results have already been published or data is no longer identifiable and cannot be extracted from cohort analysis. Destroying data will involve shredding of hard copies and deleting electronic copies permanently from the computer.

### **WILL YOU RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?**

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice and informs policy debates, modifies theory and participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation.

### **HAS THE STUDY RECEIVE ETHICS APPROVAL?**

This study has received written approval from the Research Ethics Review Committee of the University of South Africa. For justification purposes, participants a copy of approval letter can be requested from the researcher.

### **HOW WIL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH**

If you would like to be informed of the final research findings, you may contact **Mr SD Sebidi on 0822205715** or [sebidisd@gmail.com](mailto:sebidisd@gmail.com). The findings will be accessible for you between December 2018 and January 2019. Should you have any concern about the way in which the research has been conducted, you may contact **Professor RJ Botha on 0824116361** or [Botharj@unisa.ac.za](mailto:Botharj@unisa.ac.za)

Thank you for taking your time to read this information sheet and for participating in this study

Thank you



Date: 06-07-2018

SD Sebidi (Unisa DEd Student Researcher)

UNISA



Researcher(s) Ref: 2018/05/16/06463096/21/MC

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Email: sebidisd@gmail.com

P.O. Box 235  
Skilpadfontein  
0431  
06-06-2018

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**LETTER OF CONSENT FOR INTERVIEW WITH THE CIRCUIT MANAGER**

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**INTERVIEW DATE: 28-06-2018**

**TIME 15H00-15H45**

**DEAR PROSPECTIVE PARTICIPANT**

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Students Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018. I am inviting you to participate in the study entitled, **“Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province”**.

**WHAT IS THE PURPOSE OF THE STUDY?**

This study is expected to collect important information that could:-

1. To improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform future policy making.
2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
3. To yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions the current debates and stances taken by public education officials about researched issue.
4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools.
5. To alert the community about how finances should be managed in South African schools including schools in their locality to enhance progress in advancing quality education through proper utilisation of resources.

### **WHY ARE YOU INVITED TO PARTICIPATE?**

You are invited to participate in face-to-face semi-structured interview that will also involve document analysis of the schools financial management reports and other related documents that will be requested from you. The documents that will be requested from you will be used to complement the discussions that we will be engaged into during the face-to-face semi-structured interview. You are also invited basically because you are the overseer of all educational and financial activities of the circuit and you have been employed permanently by the department of education to execute such responsibilities over a long period of time. You are assumed to be having desirable information pertaining to financial management conduct of schools under your control, you are abreast of the schools in your circuit which are compliant or non-compliant with financial management legislation, and good financial management conduct, the achievements due to compliant and the underlying challenges for non-compliant.

I obtained your contact details from your chief administration clerk through your consent and the consent from the district director. You will be participating in a face-to-face interview behind the close door of your office.

### **WHAT IS THE NATURE OF YOUR PARTICIPATION?**

As the prospective participants in this study, during the interview you will be asked questions by the researcher who will expect you to provide answers. Questions will be asked inductively from simple to complex using a prepared interview guide. You will also be expected to answer follow-up questions that will emanate from the answers you have provided. You will also be given an opportunity asking clarity in case a question is not understandable. You will be engaged in face-to-face semi-structured for approximately 40-45 minutes and with your permission, the face-to-face interview discussion will be audio recorded.

### **CAN YOU WITHDRAW FROM THIS STUDY EVEN AFTER YOU HAVE AGREED TO PARTICIPATE?**

Your participation is voluntary, and you are under no consent to participation. If you decide to participate, you will be handed with the participation information sheet that you will be required to sign. You will be free to withdraw your participation from this research if you consider the interviews questions asked during the interview, offensive, intrusive, misleading, biased, misguided, irritating, and inconsiderate or against the ethical considerations as explained to you by the researcher.

### **WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?**

Since participation in this study is voluntary, as a participant you will not gain any material and monetary advantage for your participation. As a circuit manager this research will help you to improve schools finance management conduct and contribute to service innovation and service development which will inform future

finance policies. Through your participation in this study, knowledge provided will add to the literature about financial management practices that work and not work for schools and find possible solution to address existing challenges.

Your participation in this study will help the scientific community, by influencing policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in their discussions the current debates and stances taken by other public education officials about researched issue. Information that you will provide, will be transferred to the education government employees and employees in different education financial administration levels dealing with schools and school governing bodies throughout the country and to draw policies that will influence positive financial management conduct in schools. Your participation in this study will also alert the community about how finances should be managed in South African schools including schools in your locality to enhance progress in advancing quality education through proper utilisation of resource.

**ARE THERE ANY NEGATIVE CONSEQUENCES FOR YOU IF YOU PARTICIPATE IN THE RESEARCH PROJECT?**

There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of inconvenience to the participants and end up arriving late at their different homes. Participants may also be exposed to time inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody. To avoid time interruption with participant's personal schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange your personal time schedule for the interview event. To avoid late arrival of participant's at their different homes due to prolonged interview sessions; the researcher will start the interview in time and abide by the interview time as scheduled.

**WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?**

As participants you have the right to refuse your name from being identified and recorded anywhere and that no one except the researcher will know about your involvement in this research. The researcher will make sure that

all personal information obtained directly or indirectly about your participation as well as the information obtained during the course of research which may reveal your, remains confidential and anonymous. Your name will not be used to identify your contribution; instead numbers or codes will be used for your identification and will be referred as such in the data.

To keep your identity confidential, the researcher will make sure data collected is only accessible to only people who are responsible for reviewing the research process, including my supervisor, internal and external moderators and members of the Research Ethics Review Committee. There will be a possibility that the research data is published in the form of journal articles, reports or conference proceedings. Though that been the case, your identity will still be kept confidential and anonymous. To avoid circumstances of being identified as having participated in research, The researcher will also be cautious in transferring and disposing of records and data whether written or automated. Proper and appropriate arrangements for preservation of research records will also be made.

#### **HOW WILL THE RESERCHER PROTECT THE SECURITY OF DATA**

Hard copies such as interview and audio tapes transcripts will be submitted to my supervisor's office where it will be kept securely locked away in his raw data filling cabinet that can only be accessed by agreed members of his department for future research or academic purposes. The intention is to ensure safety and integrity of the data set. They will be stored in their original form for five years from the completion of the research project. The files including computer files will adequately be arranged for back up, encrypted or password protected.

For long term data storage, I will request my supervisor to assist me with repository route for data security. Qualitative data repository accepts active citation compilations, data collection and topic clusters. This system will provide best guide on what data to preserve, identification of data sensitivity and what data has long-term value. If data for this study is not to be used in later longitudinal studies, it will be destroyed after five years provided the final results have already been published or data is no longer identifiable and cannot be extracted from cohort analysis. Destroying data will involve shredding of hard copies and deleting electronic copies permanently from the computer.

#### **WILL YOU RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?**

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice and informs policy debates, modifies theory and the participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation.

#### HAS THE STUDY RECEIVE ETHICS APPROVAL?

This study has received written approval from the Research Ethics Review Committee of the University of South Africa. For justification purposes, a copy of approval letter can be requested from the researcher

#### HOW WIL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH

If you would like to be informed of the final research findings, you may contact **Mr SD Sebidi on 0822205715** or [sebidisd@gmail.com](mailto:sebidisd@gmail.com). The findings will be accessible for you between December 2018 and January 2019. Should you have any concern about the way in which the research has been conducted, you may contact **Professor RJ Botha on 0824116361** or [Botharij@unisa.ac.za](mailto:Botharij@unisa.ac.za)

Thank you for taking your time to read this information sheet and for participating in this study.

Thank you



Date: 06-07-2018

SD Sebidi (Unisa DEd Student Researcher)

**UNISA**

ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: sebidisd@gmail.com



Researcher(s) Ref: 2018/05/16/06463096/21/MC

P.O. Box 235  
Skilpadfontein  
0431  
06 -06-2018

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**LETTER OF CONSENT FOR DISTRICT FINANCE OFFICER**

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**INTERVIEW DATE: 21-06-2018**

**TIME 15H00-15H45**

**DEAR PROSPECTIVE PARTICIPANT**

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Students Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018. I am inviting you to participate in the study entitled, **“Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province”**.

**WHAT IS THE PURPOSE OF THE STUDY?**

This study is expected to collect important information that could:-

1. To improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform future policy making.
2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
3. To yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions the current debates and stances taken by public education officials about researched issue.
4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools.
5. To alert the community about how finances should be managed in South African schools including schools in their locality to enhance progress in advancing quality education through proper utilisation of resources.

### **WHY ARE YOU INVITED TO PARTICIPATE?**

You are invited to participate in face-to-face semi-structured interview that will also involve document analysis of the schools financial documents and other related documents that will be requested from you. The documents that will be requested from you will be used to complement the discussions that we will be engaged into during the face-to-face semi-structured interview. You are also invited based on the assumption that, you have been employed by the department on permanent basis on your post and have been engaged with school finances for a long period. You are also invited based on the fact that all schools financial allocation, schools financial management challenges, reports, budgets and audited financial statements are handled by your office. Based on your expertise, data needed by this research expedition will be accessible. I obtained your contact details from your secretary through your consent and the consent from the district director. You will be participating in face-to-face interview behind the closed door of your office.

### **WHAT IS THE NATURE OF YOUR PARTICIPATION?**

As the prospective participants in this study, during the interview you will be asked questions by the researcher who will expect you to provide answers. Questions will be asked inductively from simple to complex using a prepared interview guide. You will also be expected to answer follow-up questions that will emanate from the answers you have provided. You will also be given an opportunity asking clarity in case a question is not understandable. You will be engaged in face-to-face semi-structured interview for approximately 40-45 minutes and with your permission the face-to-face interview discussion will be audio recorded.

### **CAN YOU WITHDRAW FROM THIS STUDY EVEN AFTER YOU HAVE AGREED TO PARTICIPATE?**

Your participation is voluntary, and you are under no consent to participation. If you decide to participate, you will be handed with the participation information sheet that you will be required to sign. You will be free to withdraw your participation from this research if you consider the interviews questions asked during the interview, offensive, intrusive, misleading, biased, misguided, irritating, and inconsiderate or against the ethical considerations as explained to you by the researcher.

### **WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?**

Since participation in this study is voluntary, as a participant you will not gain any material and monetary advantage for your participation. As a district finance officer, this research will help you to improve schools finance management conduct and contribute to service innovation and service development which will inform future finance policies. Through your participation in this study, knowledge provided will add to the literature about financial management practices that work and not work for schools and find possible solution to address existing challenges.

Your participation in this study will help the scientific community, by influencing policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in their discussions the current debates and stances taken by other public education officials about researched issue. Information that you will provide, will be transferred to the education government employees and employees in different education financial administration levels dealing with schools and school governing bodies throughout the country to draw policies that will influence positive financial management conduct in schools. Your participation in this study will also alert the community about how finances should be managed in South African schools including schools in your locality to enhance progress in advancing quality education through proper utilisation of resources.

**ARE THERE ANY NEGATIVE CONSEQUENCES FOR YOU IF YOU PARTICIPATE IN THE RESEARCH PROJECT?**

There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of inconvenience to the participants and end up arriving late at their different homes. Participants may also be exposed to time inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody. To avoid time interruption with participant's schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange their personal time schedule for the interview event. To avoid participant's late arrival at their different homes due to prolonged interview sessions, the researcher will start the interview in time and abide by the interview time as scheduled.

**WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?**

As participants you have the right to refuse your name from being identified and recorded anywhere and that no one except the researcher will know about your involvement in this research. The researcher will make sure that all personal information obtained directly or indirectly about your participation as well as the information obtained during the course of research which may reveal your, remains confidential and anonymous. Your name will not be used to identify your contribution; instead numbers or codes will be used for your identification and will be referred as such in the data. To keep your identity confidential, the researcher will make sure data collected is only accessible to only people who are responsible for reviewing the research process, including my supervisor,

internal and external moderators and members of the Research Ethics Review Committee. There will be a possibility that the research data is published in the form of journal articles, reports or conference proceedings. Though that been the case, your identity will still be kept confidential and anonymous. To avoid circumstances of being identified as having participated in research, The researcher will also be cautious in transferring and disposing of records and data whether written or automated. Proper and appropriate arrangements for preservation of research records will also be made.

#### **HOW WILL THE RESERCHER PROTECT THE SECURITY OF DATA**

Hard copies such as interview and audio tapes transcripts will be submitted to my supervisor's office where it will be kept securely locked away in his raw data filling cabinet that can only be accessed by agreed members of his department for future research or academic purposes. The intention is to ensure safety and integrity of the data set. They will be stored in their original form for five years from the completion of the research project. The files including computer files will adequately be arranged for back up, encrypted or password protected. For long term data storage, I will request my supervisor to assist me with repository route for data security. Qualitative data repository accepts active citation compilations, data collection and topic clusters. This system will provide best guide on what data to preserve, identification of data sensitivity and what data has long-term value. If data for this study is not to be used in later longitudinal studies, it will be destroyed after five years provided the final results have already been published or data is no longer identifiable and cannot be extracted from cohort analysis. Destroying data will involve shredding of hard copies and deleting electronic copies permanently from the computer.

#### **WILL YOU RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?**

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice and informs policy debates, modifies theory and participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation.

#### **HAS THE STUDY RECEIVE ETHICS APPROVAL?**

This study has received written approval from the Research Ethics Review Committee of the University of South Africa. For justification purposes, a copy of approval letter can be requested from the researcher.

#### **HOW WIL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH**

If you would like to be informed of the final research findings, you may contact **Mr SD Sebidi on 0822205715** or [sebidisd@gmail.com](mailto:sebidisd@gmail.com). The findings will be accessible for you between December 2018 and January 2019.

Should you have any concern about the way in which the research has been conducted, you may contact **Professor RJ Botha on 0824116361 or [Botharj@unisa.ac.za](mailto:Botharj@unisa.ac.za)**

Thank you for taking your time to read this information sheet and for participating in this study.

Thank you



Date: 06-06-2018

SD Sebidi (Unisa DEd Student Researcher)

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LETTER OF CONSENT FOR INTERVIEW WITH DISTRICT SCHOOL GOVERNING BODIES COORDINATOR

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**INTERVIEW DATE: 20-06-2018**

**TIME 15H00-15H45**

**DEAR PROSPECTIVE PARTICIPANT**

My name is **Simon Diatleng Sebidi** and I am doing research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I have funding from the Unisa Students Funding to cover the financial needs of this research project and to guarantee it to its accomplishment in 2018. I am inviting you to participate in the study entitled, **“Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province”**.

**WHAT IS THE PURPOSE OF THE STUDY?**

This study is expected to collect important information that could:-

1. To improve the financial management conduct of school governing bodies by contributing to service innovation and service development which will inform future policy making.
2. To provide knowledge that will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges.
3. To yield information that will influence policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in the discussions the current debates and stances taken by public education officials about researched issue.
4. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies throughout the country to influence drawing of policies that will influence positive financial management conduct in schools.
5. To alert the community about how finances should be managed in South African schools including schools in their locality to enhance progress in advancing quality education through proper utilisation of resources.

### **WHY ARE YOU INVITED TO PARTICIPATE?**

You are invited to participate in face-to-face semi-structured interview that will also involve document analysis of the schools financial documents and other related documents that will be requested from you. The documents that will be requested from you will be used to complement the discussions that we will be engaged into during the face-to-face semi-structured interview.

As district school governing bodies coordinator, you are invited because you responsible for organising workshops for school governing bodies. As a school governing bodies coordinator, you are in a better position to provide information pertaining to the school governing bodies financial management conduct, their financial management challenges, achievements and improvements of school governing bodies because it is assumed that you have the statistical profiles for all the school governing body members in the entire district.

You are invited because you are responsible for organising school governing bodies' workshops to close their knowledge gap regarding school governance issues. You are relevant to provide the researcher with the information regarding school governing bodies' literacy level, their challenges pertaining to the understanding, interpretation and implementation of financial management legislation in schools. I obtained your contact details from your secretary through your consent and the consent from the district director. You will be participating in face-to-face semi-structured interview behind the closed door of your office.

### **WHAT IS THE NATURE OF YOUR PARTICIPATION?**

As the prospective participants in this study, during the interview you will be asked questions by the researcher who will expect you to provide answers. Questions will be asked inductively from simple to complex using a prepared interview guide. You will also be expected to answer follow-up questions that will emanate from the answers you have provided. You will also be given an opportunity asking clarity in case a question is not understandable. You will be engaged in face-to-face semi-structured for approximately 40-45 minutes and with your permission the face-to-face interview discussion will be audio recorded.

### **CAN YOU WITHDRAW FROM THIS STUDY EVEN AFTER YOU HAVE AGREED TO PARTICIPATE?**

Your participation is voluntary, and you are under no consent to participation. If you decide to participate, you will be handed with the participation information sheet that you will be required to sign. You will be free to withdraw your participation from this research if you consider the interviews questions asked during the interview, offensive, intrusive, misleading, biased, misguided, irritating, and inconsiderate or against the ethical considerations as explained to you by the researcher.

## **WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?**

Since participation in this study is voluntary, as a participant you will not gain any material and monetary advantage for your participation. As a district finance officer, this research will help you to improve schools finance management conduct and contribute to service innovation and service development which will inform future finance policies. Through your participation in this study, knowledge provided will add to the literature about financial management conduct that work and not work for schools and find possible solution to address existing challenges. Your participation in this study will help the scientific community, by influencing policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in their discussions the current debates and stances taken by other public education officials about researched issue.

Information that you will provide, will be transferred to the education government employees and employees in different education financial administration levels dealing with schools and school governing bodies throughout the country to draw policies that will influence positive financial management conduct in schools. Your participation in this study will also alert the community about how finances should be managed in South African schools including schools in your locality to enhance progress in advancing quality education through proper utilisation of resources.

## **ARE THERE ANY NEGATIVE CONSEQUENCES FOR YOU IF YOU PARTICIPATE IN THE RESEARCH PROJECT?**

There may be low potential risks for this study. Low risks may involve disagreements between participants during the interview process and prolonging of time during the interview sessions that may be of inconvenience to the participants and end up arriving late at their different homes. Participants may also be exposed to time inconvenience whereby devoted time for interview may interrupt their personal time schedules whereby they will have to re-arrange their schedules for their plans in order to accommodate the event.

To avoid disagreements that may erupt during the interview process, the researcher will be the center of group facilitation discussions. The researcher will make them aware of the ethical consideration for their participation. The researcher will also remind the participants prior to the interviews that the research process is not about contesting ideas but to declare what is happening in the situation in order to help the researcher to reveal the truth and help to improve the existing situation and to be seen as a process and research procedure that is not intending to implicate anybody. To avoid time interruption with participant's schedules, the researcher will issue letters of informed consent to the participants in time to allow them space to re-arrange their personal time schedule for the interview event. To avoid participant's late arrival at their different homes due to prolonged interview sessions, the researcher will start the interview in time and abide by the interview time as scheduled.

## **WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?**

As participants you have the right to refuse your name from being identified and recorded anywhere and that no one except the researcher will know about your involvement in this research. The researcher will make sure that all personal information obtained directly or indirectly about your participation as well as the information obtained during the course of research which may reveal your, remains confidential and anonymous. Your name will not be used to identify your contribution; instead numbers or codes will be used for your identification and will be referred as such in the data.

To keep your identity confidential, the researcher will make sure data collected is only accessible to only people who are responsible for reviewing the research process, including my supervisor, internal and external moderators and members of the Research Ethics Review Committee. There will be a possibility that the research data is published in the form of journal articles, reports or conference proceedings. Though that been the case, your identity will still be kept confidential and anonymous. To avoid circumstances of being identified as having participated in research, The researcher will also be cautious in transferring and disposing of records and data whether written or automated. Proper and appropriate arrangements for preservation of research records will also be made.

## **HOW WILL THE RESERCHER PROTECT THE SECURITY OF DATA**

Hard copies such as interview and audio tapes transcripts will be submitted to my supervisor's office where it will be kept securely locked away in his raw data filling cabinet that can only be accessed by agreed members of his department for future research or academic purposes. The intention is to ensure safety and integrity of the data set. They will be stored in their original form for five years from the completion of the research project. The files including computer files will adequately be arranged for back up, encrypted or password protected. For long term data storage, I will request my supervisor to assist me with repository route for data security. Qualitative data repository accepts active citation compilations, data collection and topic clusters.

This system will provide best practice guide on what data to preserve, identification of data sensitivity and what data has long-term value. If data for this study is not to be used in later longitudinal studies, it will be destroyed after five years provided the final results have already been published or data is no longer identifiable and cannot be extracted from cohort analysis. Destroying data will involve shredding of hard copies and deleting electronic copies permanently from the computer.

### **WILL YOU RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?**

For the rationale that this study is conducted, is to add to the existing pool of research knowledge, improves practice and informs policy debates, modifies theory and participation in this research undertaking is voluntary. No participant will be reimbursed or given any form of incentive by the researcher for participation.

### **HAS THE STUDY RECEIVE ETHICS APPROVAL?**

This study has received written approval from the Research Ethics Review Committee of the University of South Africa. For justification purposes, a copy of approval letter can be requested from the researcher.

### **HOW WIL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH**

If you would like to be informed of the final research findings, you may contact **Mr SD Sebidi on 0822205715** or [sebidisd@gmail.com](mailto:sebidisd@gmail.com). The findings will be accessible for you between December 2018 and January 2019. Should you have any concern about the way in which the research has been conducted, you may contact **Professor RJ Botha on 0824116361** or [Botharj@unisa.ac.za](mailto:Botharj@unisa.ac.za)

Thank you for taking your time to read this information sheet and for participating in this study.

Thank you



Date: 06-07-2018

SD Sebidi (Unisa DEd Student Researcher)

UNISA



Researcher(s) Ref: 2018/05/16/06463096/21/MC

ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: sebidisd@gmail.com

P.O. Box 235  
Skilpadfontein  
0431  
06-06-2018

**RETURN SLIP OF CONSENT FOR MEMBERS OF FINANCE COMMITTEES**

**TIME 15H00-15H45**

I, \_\_\_\_\_ (participant name), confirm that the person asking my consent to participate in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have had sufficient opportunity to ask questions and I am prepared to participate in this study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty.

I am aware that the findings of this study will be processed into a research report, journal publications or conference proceedings, but that my participation will be kept confidential unless otherwise specified.

I agree to the recording of **focus group interview**.

I have received a signed copy of the informed consent agreement.

Participant Name & surname (Please print) \_\_\_\_\_

\_\_\_\_\_

Participant Signature

Date

Researcher's Name & Surname (please print) **SIMON DIATLENG SEBIDI**

06-06-2018

Researcher's signature

Date

UNISA



ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: sebidisd@gmail.com

Researcher(s) Ref: 2018/05/16/06463096/21/MC

P.O. Box 235  
Skilpadfontein  
0431  
06 -06-2018

---

**RETURN SLIP OF CONSENT FOR THE CIRCUIT MANAGER**

---

**TIME 15H00-15H45**

I, \_\_\_\_\_ (participant name), confirm that the person asking my consent to participate in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have had sufficient opportunity to ask questions and I am prepared to participate in this study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty.

I am aware that the findings of this study will be processed into a research report, journal publications or conference proceedings, but that my participation will be kept confidential unless otherwise specified.

I agree to the recording of **face-to-face semi-structured interview**.

I have received a signed copy of the informed consent agreement.

Participant Name & surname (Please print) \_\_\_\_\_

\_\_\_\_\_

Participant Signature

\_\_\_\_\_

Date

Researcher's Name & Surname (please print) **SIMON DIATLENG SEBIDI**

Researcher's signature

06-06-2018

Date

UNISA



ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: sebidisd@gmail.com

Researcher(s) Ref: 2018/05/16/06463096/21/MC

P.O. Box 235  
Skilpadfontein  
0431  
06-06-2018

---

RETURN SLIP OF CONSENT FOR DISTRICT SGB COORDINATOR

---

TIME 15H00-15H45

I, \_\_\_\_\_ (participant name), confirm that the person asking my consent to participate in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have had sufficient opportunity to ask questions and I am prepared to participate in this study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty.

I am aware that the findings of this study will be processed into a research report, journal publications or conference proceedings, but that my participation will be kept confidential unless otherwise specified.

I agree to the recording of **face-to-face semi-structured interview**.

I have received a signed copy of the informed consent agreement.

Participant Name & surname (Please print) \_\_\_\_\_

\_\_\_\_\_

Participant Signature

Date

Researcher's Name & Surname (please print) **SIMON DIATLENG SEBIDI**

06-06-2018

Researcher's signature

Date

---

RETURN SLIP OF CONSENT FOR THE FINANCE OFFICER

---

TIME 15H00-15H45

I, \_\_\_\_\_ (participant name), confirm that the person asking my consent to participate in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have had sufficient opportunity to ask questions and I am prepared to participate in this study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty.

I am aware that the findings of this study will be processed into a research report, journal publications or conference proceedings, but that my participation will be kept confidential unless otherwise specified.

I agree to the recording of **face-to-face semi-structured interview**.

I have received a signed copy of the informed consent agreement.

Participant Name & surname (Please print) \_\_\_\_\_

\_\_\_\_\_

Participant Signature

Date

Researcher's Name & Surname (please print) **SIMON DIATLENG SEBIDI**



06-06-2018

Researcher's signature

Date

Appendix M: Permission letter to conduct a research at Nkangala District



education  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

Building No. 5, Government Boulevard, Riverside Park, Mpumalanga Province  
Private Bag X11341, Mbombela, 1200.  
Tel: 013 766 5552/5115, Toll Free Line: 0800 203 116

Litiko le Temfundvo. Umnyango we Fundo

Departement van Onderwys

Ndzawulo ya Dyondzo

REF: 80455107  
ENQUIRIES: SM KABINI  
TEL: 0139471745  
EMAIL: [s.kabini@education.mpu.gov.za](mailto:s.kabini@education.mpu.gov.za)

**TO: MR S D SEBIDI  
P O BOX 235  
KILPAD FONTEIN  
0431**

**DATE: 14 JUNE 2018**

**SUBJECT: LETTER REQUESTING FOR PERMISSION TO CONDUCT RESEARCH IN  
NKANGALA DISTRICT OF MPUMALANGA DEPARTMENT OF EDUCATION.**

1. We hereby acknowledge receipt of your letter on the matter above.
2. Permission is hereby granted for you to conduct the research on the following conditions:
  - That you first make arrangements with the school before your actual visit.
  - That you don't disturb or disrupt teaching and learning process.
  - That you make prior arrangements with the officials you would like to interview.
3. Receive our best wishes for your research project.
4. Yours Sincerely.

JJ MABENA  
DISTRICT DIRECTOR

20180615  
DATE



MPUMALANGA DEPARTMENT OF EDUCATION

PRIVATE BAG X499

DEPARTMENT: EDUCATION  
HAMMANSKRAAL  
MPUMALANGA  
NKANGALA REGIONAL OFFICE  
TEL 012 7249947  
MARAPYANE CIRCUIT OFFICE



0400

FAX 012 7249952

*Litiko leTefundvo Umyango wefundo Departement van Onderwys Umyango wezeMfundo Lefapha la Thuto*

TO : Mr SD SEBIDI  
P.O. BOX 235  
SKILPADFONTEIN  
0431

FROM  
CIRCUIT MANAGER  
MARAPYANE  
MPUMALANGA PROVINCE

DATE: 2018 JUNE 18

SUBJECT: **REQUEST TO CONDUCT STUDY RESEARCH IN 5 SCHOOLS WITHIN MARAPYANE CIRCUIT.**

- This communique serves to **grant** you a permission to conduct your study research based on 'Shared Perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa'
- Hoping schools targeted will provide you with maximum cooperation that you deserve.

2018/6/18

DATE

CIRCUIT MANAGER  
MARAPYANE

Researchers Ref No. : 2018/05/16/06463096/21/mc  
Date of Request : 06/06/2018

Dear Researcher

The principal and the SGB of the above mentioned school hereby grant a permission for the research project to be conducted on the **19. 07. 2018**, on the Research topic "**Shared perceptions and Assessment of Financial Management Conduct in Rural Schools of South Africa: The Case of Mpumalanga Province.**"

Hoping you will find this in order

Yours Sincerely

Appendix P: Permission letter to conduct a research at school B

RESEACHERS REF NO : 2018/05/16/06463096/21/MC  
DATE OF INTERVIEW : 24 July 24, 2018

Dear Researcher.

The principal and the SGB of the school mentioned above hereby, grant a permission to conduct a research project as requested. The topic being, "Shared perceptions and assessment of financial management conduct in rural schools of South Africa: The case of Mpumalanga Province.

Thanking you in anticipation.

Yours faithfully

Date 24-07-2018

Yours faithfully

Date 24-07-2018

Researchers Ref No: 2018105116106463096.121/mc

Date of request: 18/06/2018

DEAR Researcher

The principal and SGB of the above named school hereby grant permission for the research project to be conducted on 25/07/2018. On the following research topic **"Shared perception and assessment of financial management conduct in rural schools of South Africa: The case of Mpumalanga Province."**

Hope you will find this in order

Kindly yours

Date: 25/07/2018

Enq: Maubane RN      email: potsanyaneps@gmail.com

0732399982

LitiKOLeTemfundo      Lefapha la Thuto      Departement van Onderwys      UmnyagoweFundo

Ref No : 2018/05/16/06463096/MC

Topic : **Shared perceptions and assessment of financial management conduct in rural  
Schools of South Africa, the case of Mpumalanga Province**

Dear Reseacher

The principal and SGB of the above mentioned school have agreed for the researcher to conduct a research on the 26<sup>th</sup> July 2018 on the topic as indicated.

Kind regards

To: Mr. SD Sebidi

P.O. Box 235

Skilpadfontein

0431

Researcher's ref no: 2018/05/16/06463096/MC

Date of interview: 27-07-2019

Dear Researcher

We are hereby informing you that based on the request that you have registered with our school regarding conducting research on the topic: "shared perceptions and assessment of financial management conduct in rural school of South Africa: The case of Mpumalanga Province, as a school we have agreed to allow you to continue with the envisaged exercise on the date as proposed i.e. on the 27/07/2018.

Yours faithfully

22/06/2018



ENQUARIES: SD Sebidi  
 Cell phone No: 0822205715  
 Email: sebidisd@gmail.com

P.O. Box 235  
 Skilpadfontein  
 0431  
 06- 07-2018

---

### INTERVIEW QUESTIONS SCHEDULE FOR EDUCATION OFFICIALS

---

**Dates of interview:** 20-06-2018, 21-06-2018 and 28-06-2018

**Time of interview:** 15H00

**Location of interview:** DISTRICT OFFICE AND CIRCUIT OFFICE

**Interviewer:** Mr SD Sebidi

**Interviewee:** DISTRICT SCHOOL GOVERNING BODIES COORCINATOR, DISTRICT FINANCE OFFICER, CIRCUIT MANAGER

---

#### OPENING THE INTERVIEW

- A. My name is **Simon Diatleng Sebidi** and I am doing this research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I am a resident of Marapyane Village and I am working at Sithenjisiwe secondary school as a principal. Can you also introduce yourself?
- B. As a manager of schools in this circuit I would like to ask you questions which I have prepared regarding how school governing bodies are managing school finances.
- C. Your participation in this study will help the scientific community, by influencing policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in their discussions the current debates and stances taken by other public education officials about researched issue. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies to influence drawing of policies that will influence positive financial management conduct in schools. Your participation in this study will also alert the community about how finances should be managed in South African schools including schools in your locality to enhance progress in advancing quality education through proper utilisation of resources.
- D. This interview will take 40-45 minutes of your time to complete and with your permission, the focus group discussion and the in interview will be audio recorded.
- E. The information that will be collected through this interview will remain anonymous and confidential.

**Transition: Let me begin by asking you a question about your work responsibilities.**

**A. Theme: Work responsibilities and challenges**

#### QUESTION 1

What are your responsibilities and challenges of working with SGBs?

**Transition: The questions I am going to ask relates to the funding of schools in your province.**

## **B. Theme: Funding of Schools**

### **QUESTION 1**

Who is responsible for the funding schools in this in your province?

#### **Follow-up**

Which methods are used to fund schools?

#### **Follow-up**

What are schools using their allocated funds for?

**Transition: The following questions are about the financial management roles and responsibilities.**

## **C. Theme: Financial management roles and responsibilities**

### **QUESTION 1**

What are the SGBs financial management roles and responsibilities and their understanding of such roles and responsibilities?

#### **Follow-up**

What are the ways of making the SGB's to understand their roles and responsibilities?

#### **Follow-up**

What are the SGBs challenges when executing their roles and responsibilities?

#### **Follow-up**

How do you support the SGBs to overcome their challenges?

**Transition: The questions I am going to ask are about the legislation and policy frameworks.**

## **D. Theme: Legislation and Policy Frameworks**

### **QUESTION 1**

What is the knowledge and understanding of the legislation and policy frameworks used by SGBs when managing finances?

#### **Follow-up**

How were school governing bodies made to understand the legislation and policy frameworks?

**Transition: The next questions relate to the financial leadership of school governing bodies.**

## **E. Theme: Financial Leadership**

### **QUESTION 1**

Are all the schools having functional finance committees that were constituted according to the law?

#### **Follow-up**

How should finance committees be formed?

#### **Follow-up**

Which criteria should be used choose the members for finance committee?

**Transition: This question relates to the capacity building of school governing bodies.**

## **F. Theme: Capacity Building**

### **QUESTION 1**

What kind of support do you provide to the SGBs, how often and what kind of progress was registered from your support?

**Transition: This questions concern the literacy level of the contemporary SGBs.**

## **G. Theme: Literacy level**

### **QUESTION 1**

How does literacy level of the contemporary SGBs contribute to their management of finances?

#### **Follow-up**

What are the roles of literacy level in managing finances?

**Transition: The following questions relate to how the finances should be organised in schools.**

## **H. Theme: Financial Organisation**

### **QUESTION 1**

Who should be responsible for the handling, banking of school funds, drawing up the budget, controlling and monitoring the finance books ?

#### **Follow-up**

Which documents should be used for the banking school money?

#### **Follow-up**

How often do you monitor and control the finance books in schools?

**Transition: The next questions relate to the procurements and payments of services in schools.**

## **I. Theme: Procurements and payment of services**

### **QUESTION 1**

Which procedures should the SGBs follow to make procurement of goods and payment services?

#### **Follow-up**

Which funds should be used to pay procured goods and services, and which items should be procured?

#### **Follow-up**

What are the rules for issuing cheques when the SGBs pay for procured goods and services?

**Transition: The following questions will address the financial responsibility in schools.**

## **J. Theme: Financial Responsibility**

### **QUESTION 1**

Who should be responsible for safekeeping of the financial records, conducting internal and external auditing?

#### **Follow-up**

When should school finance committees submit their financial books for external auditing?

#### **Follow-up**

Why should they submit their finance books for external auditing?

**Transition: The next set of questions concern how the financial reporting is done by schools.**

## **K. Theme: Financial Reporting**

### **QUESTION 1**

How should financial reporting be done to the circuit and the district office and why should it be done?

#### **Follow-up**

What are the reasons for submitting financial reports to the circuit and the district office?

**Transition: This question relates to the financial management improvements and achievements.**

## **L. Theme: Improvement and achievements**

### **QUESTION 1**

What are the improvements and achievements of SGBs financial management and how do you treat them for further improvement?

**Transition: This question is about the financial management conduct of SGBs.**

## **M. Theme: Financial management conduct**

### **QUESTION 1**

How can you help the SGBs to improve their financial management conduct and what contribution will their improved conduct make in managing finances?

**Transition: The following question to be asked relates to the mismanagement of funds in schools.**

## **N. Theme: Financial mismanagement**

### **QUESTION 1**

What are your experiences of the financial mismanagement in schools, how are they reported, dealt with and who are the victims?

**Transition: It has been a pleasure to be informed about how you work with school governing bodies in this Province.**

I appreciate the time you took for this interview. If there is anything that you would like to bring to my attention that will be helpful for this research project, you have my contact number and in case you have any question or additional information you would like to provide, call me for us to discuss it. I also have your contact numbers, in case there is something emerging from the data that I don't understand, through your consent I will call you to be clarified. As soon as the information collected is polished, I will send it to you for ratification and the final document of this study will also be made available for you. I assure you that, the information you have provided during this interview will remain anonymous and confidential.

Thank you again.

SD SEBIDI

**UNISA**



ENQUARIES: SD Sebidi  
Cell phone No: 0822205715  
Email: sebidisd@gmail.com

Researcher(s) Ref: 2018/05/16/06463096/21/MC

P.O. Box 235  
Skilpadfontein  
0431  
06 -06-2018

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### INTERVIEW QUESTIONS SCHEDULE FOR FINANCE COMMITTEES

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**Dates of interview:** FOCUS GROUP A: 19-07-2018; B: 24-07-2018; C: 25-07-2018; D: 26-07-2018; E: 27-07-2018

**Time of interview:** 15H00-15h45

**Locations of interview:** At Schools

**Interviewer:** Mr SD Sebidi

**Interviewee:** Focus Groups

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#### OPENING THE INTERVIEW

- A. My name is **Simon Diatleng Sebidi** and I am doing this research under the supervision of Professor RJ Botha, the professor in the Department of Educational Leadership and Management towards a Doctor of Education (DEd) at the University of South Africa. I am a resident of Marapyane Village and I am working at Sithenjisiwe secondary school as a principal. Can you also introduce yourself?
- B. As a manager of schools in this circuit I would like to ask you questions which I have prepared regarding how school governing bodies are managing school finances.
- C. Your participation in this study will help the scientific community, by influencing policy makers to discuss and take positions on school financial management issues important to the change of existing policy and to provide in their discussions the current debates and stances taken by other public education officials about researched issue. Information that you will provide will be interpreted and converted into narrative research findings in the form of research theses. Interpreted information not bearing your identity will be and shared with education departments dealing with schools and school governing bodies to influence drawing of policies that will influence positive financial management conduct in schools. Your participation in this study will also alert the community about how finances should be managed in South African schools including schools in your locality to enhance progress in advancing quality education through proper utilisation of resources.
- D. This interview will take 40-45 minutes of your time to complete and with your permission, the focus group discussion and the in interview will be audio recorded.
- E. The information that will be collected through this interview will remain anonymous and confidential.

**Transition: Let me begin by asking you questions about funding of your school.**

#### A. Theme: Funding of Schools

##### QUESTION 1

Who is responsible for funding your school?

**Follow-up**

Which methods are used to fund your school?

**Follow-up**

What are you using your allocated funds for?

**Transition: The next questions to be asked relate to school financial leadership.**

**B. Theme: Financial Leadership**

**QUESTION 1**

Is your finance committee functional and constituted according to the law?

**Follow-up**

How was your finance committee formed?

**Follow-up**

What is the composition of your finance committee?

**Follow-up**

Did you follow any criteria when electing this committee?

**Transition: The question I am going to ask relates to your roles and responsibilities in managing finances.**

**C. Theme: Roles and responsibilities of the financial committee**

**QUESTION 1**

What is the knowledge and understanding of your roles and responsibilities as members of the finance committee?

**Transition: The questions I am going to ask are about legislation and policy frameworks.**

**D. Theme: Legislation and Policy Frameworks**

**QUESTION 1**

What is the knowledge and understanding of the legislation and policy frameworks used when managing finances?

**Follow-up**

How were you made to understand the legislation and policy frameworks?

**Transition: The following questions relate to how you organise your school finances.**

**E. Theme: Financial Organisation**

**QUESTION 1**

Which processes do you follow to organise your school finances in terms of banking, drawing up a financial budget, conducting fundraising and monitoring and control of school funds ?

**Follow-up**

Who is responsible for fundraising?

**Transition: The next questions relate to how procurements and payments of services are made.**

**F. Theme: Procurements and Payments of Services**

### **QUESTION 1**

Which procedure do you follow when making procurement of goods and payment of services?

#### **Follow-up**

Which funds do you use to pay for procured goods and services?

**Transition: The following question deals with your financial responsibility in your school.**

#### **G. Theme: Financial Responsibility**

### **QUESTION 1**

Who is responsible for keeping financial records safe, conducting internal and external auditing?

**Transition: The next questions concern how financial reporting is done in your school.**

#### **H. Theme: Financial Reporting**

### **QUESTION 1**

How are you reporting your finances to the parents, circuit and district office?

#### **Follow up**

What are the reasons for submitting your financial reports to the circuit and the district?

**Transition: The next question I am going to ask relates capacity building.**

#### **I. Theme: Capacity Building**

### **QUESTION 1**

How often are you provided with financial management training, who organise it and what knowledge do you gain from such training?

**Transition: This question relates to your improvements and achievements in financial management, contributions they have made and their treatment by your school.**

#### **J. Theme: Improvements and Achievements**

### **QUESTION 1**

What are your improvements and achievements in financial management, the contributions they have made and their treatment by your school?

**Transition: The questions to be asked are about mismanagement of school funds.**

#### **K. Theme: Financial Mismanagement**

### **QUESTION 1**

How do you report financial mismanagement to the circuit office?

#### **Follow-up**

What kind of financial mismanagement should be reported to the circuit office?

**Transition: It has been a pleasure to be informed about how you are managing finances in your school.**

## **CLOSING THE INTERVIEW**

I appreciate the time you took for this interview. If there is anything that you would like to bring to my attention that will be helpful for this research project, you have my contact number and in case you have any question or additional information you would like to provide, call me for us to discuss it. I also have your contact numbers, in case there is something emerging from the data that I don't understand, through your consent I will call you to be clarified. As soon as the information collected is polished, I will send it to you for ratification and the final document of this study will also be made available for you. I assure you that, the information you have provided during this interview will remain anonymous and confidential.

Thank you again.

SD SEBIDI