

**EXPLORING THE FUNCTIONALITY OF FINANCIAL MANAGEMENT SYSTEMS IN
PUBLIC SCHOOLS OF MALANGENI CIRCUIT, EASTERN CAPE PROVINCE**

by

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I declare that the above dissertation 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 dissertation 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

26 JANUARY 2023

DATE

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ABSTRACT

The South African Schools Act 84 of 1996 directs school governing bodies on the most proficient method to set up a functional financial management system. The study aimed to explore the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape Province. The study used a qualitative approach to permit the researcher to study and explore the phenomenon in a natural setting. A multiple case study research design was adopted in this study. Moreover, the study was guided by the budget and agency theories, which assist in coordinating and controlling financial activities in schools and ensuring that financial resources are utilised according to the budget and managed adequately.

The literature review explored the composition of school governing bodies, the roles of finance personnel in school financial management, the international perspective, and African and South African perspectives on school financial management. The data-gathering techniques used in the study included semi-structured interviews, observation, and document analysis. Five public schools were purposively sampled, with four participants in each school, namely the school governing body chairperson, school governing body treasurer, finance officer, and school principal. Therefore, the study had 20 participants. It was evident that very few principals and school governing bodies have sound knowledge of financial school management systems. However, the management of school finances in these schools was sound, and school principals provided leadership in governance.

The study also found that some school governing body members cannot read, write, or understand the South African Schools Act and financial legislation. The study also revealed non-cooperation among school governing bodies and ineffective stakeholder communication. Based on the research findings, the researcher recommended that the school's governing body capacity-building activities be a significant focus of the Department of Basic Education. School governing bodies should be capacitated through workshops or training to acquire the necessary knowledge, expertise, and skills to improve their performance in managing school finances. Secondly, the researcher recommended that schools be visited regularly to offer the required

support. Lastly, the Department of Basic Education should promote campaigns and road shows, educating school governing bodies about finance management.

KEY TERMS

Financial Management; Financial Management Training; Budgeting; School Governing Body; School Governance; Financial Management Systems; Finance Policy, Financial Management

ABBREVIATIONS

AGM	Annual General Meeting
CD	Compact Disk
COVID-19	Coronavirus disease of 2019
DBE	Department of Basic Education
DoE	Department of Education
EFT	Electronic Funds Transfer
FINCOM	Finance Committee
FO	Finance Officer
HoD	Head of Department
LTSM	Learning and Teaching Support Material
NNSSF	National Norms and Standards for School Funding
OTP	One-time password
PFMA	Public Finance Management Act
RSA	Republic of South Africa
SASA	South African Schools Act
SFP	School Financial Policy
SGB	School Governing Body
SMS	Short Message Service
SMT	School Management Team

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CHAPTER 1: ORIENTATION TO THE STUDY

1.1 INTRODUCTION AND BACKGROUND OF THE STUDY

South Africa is in the process of transforming its education system. South African government developed the South African Schools Act 84 of 1996 (SASA) after the national democratic elections of 1994. The SASA allows for participation in school governance; however, this transformation encounters challenges at institutions operating under principles of the old dispensation (Mahlangu, 2008:1). Before the introduction of the SASA, there were no democratic and inclusive practices in school governance. Although, through the transformation, new regulations were introduced, allowing all stakeholders to participate in governing schools' affairs, including financial matters. The financial management system is the methodology and processes a school uses to manage its assets, income, and expenses; this system helps reduce fraud and corruption in schools. The phenomenon under investigation is the challenge of the functionality of financial management systems in public schools. Act 84 of 1996 gives directions on how best schools should effectively manage financial resources by providing them with principles that must be followed and implemented. The SASA also guides school governing bodies (SGBs) on how to set up a functional financial SGB; however, members seem to lack basic financial skills and expertise. Thus, they are under pressure because they cannot find a possible solution to contribute (Mpolokeng, 2011:3). The lack of accountability regarding the generation and distribution of financial resources in many schools proves problematic. Schools are also mismanaging and misappropriating funds (Ahmed & Ahmed, 2012; Corruption Watch, 2015). These financial management challenges originate from, among other things, school governors' confusion about who is responsible for financial management between principals and SGBs (Mestry & Govindasamy, 2013).

Poor financial management in schools leads to disregarding the law and treating schools as "money-making schemes" (Rangongo, 2016). Poor infrastructure in public schools often points to dysfunctional SGBs, and poor financial management manifests in poor infrastructure. This often points to dysfunctional governing bodies (Louw, 2013). This, therefore, means that poor financial management negatively impacts the

teaching and learning process. To achieve improved education, all financial decisions, such as planning the school finances (through budgeting), should be made responsibly and with the schools' interest in mind. As Motsamai, Jacobs and De Wet (2011:106) conclude, effective financial management is imperative because it allows the school to achieve better education.

This study sheds light on the difficulties faced by SGBs in executing their responsibilities. Knowledge obtained from this research helped provide better ways of managing finances in public schools and detecting the source of challenges faced by several schools. This study tried to devise means of improving financial management systems and accounting standards. The researcher recommended better ways of managing and implementing financial policies. The purpose of the study was to explore the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape. This research was conducted in rural public schools of Malangeni Circuit, Eastern Cape, where the researcher explored the functionality of financial management systems in public schools.

1.2 STATEMENT OF THE PROBLEM

SGBs seem to have inadequate knowledge of the school governance regarding financial matters, which results in many schools suffering because of maladministration in terms of misuse or corruption. The phenomenon to be explored focuses primarily on the possible inadequacy of financial administration expertise and skills of SGB members, resulting in the poor financial management of the school funds. In many cases, it has been stated that SGBs were subjected to legal audits by department officials because of misappropriating school finances (Rangongo, 2016:14-16). The Department of Basic Education (DBE) equips SGBs by training them in financial management; however, there are difficulties in various schools, such as the conflict between SGBs, teachers and principals. In addition, there is miscommunication amongst all stakeholders in schools. These challenges remain unsettled in many instances where financial glitches have been reported to the DBE (RSA, 1996b). This issue can lead to misappropriation, fraud and theft. The cause of the problem is a lack of capacity, expertise, and skills to administer school finances. It affects all stakeholders, especially learners, because their right to education may be

compromised. Knowledge obtained from this study recommended better ways of managing public school finances and detecting the source of challenges several schools face.

Furthermore, previous studies on this aspect focus on the management of finances by SGBs and the training offered to them; however, limited studies focus on the functionality of financial management systems in public schools. Thus, this prompted the study to explore the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape Province. This study seeks to fill these knowledge gaps.

A fruitful or positive thesis or dissertation entails convincing attention to an academic community and other readers (Maree, 2012:44). Seeing challenges concerning the management of finances in public schools deliberated above and carefully considering the useful management of finances is crucial to a functioning school.

1.3 THE RESEARCH QUESTIONS

The main and sub-research questions are stated below:

Main research question:

What is the functionality of the finance management systems in public schools of Malangeni Circuit, Eastern Cape Province?

Sub-questions

1. What are the essential characteristics of school financial management systems in public schools?
2. How should school finance personnel implement financial legislation to manage school finances?
3. What are the roles of finance personnel in school financial management?
4. What challenges do public schools experience regarding financial management?

1.4 AIM AND OBJECTIVES OF THE STUDY

The research aims to assess the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape Province.

The research achieved the following objectives:

1. To Identify the essential characteristics of school financial management.
2. To explore ways finance personnel should implement financial management legislation in managing school finances.
3. To determine the roles of the finance committee in managing school finances.
4. To determine the extent of challenges facing public schools in implementing financial management systems.

1.5 ASSUMPTIONS OF THE STUDY

It was assumed that functionality of the financial management system was a topical issue in managing finances at the national, provincial, and local (school) levels. However, the researcher is of the view that it is possible to understand others' experiences by interacting with them and listening to what they are telling us, which is considered an epistemological approach. Epistemology, therefore, looks at how one knows reality, the method for understanding the nature of reality, or how one comes to know reality. Consequently, it assumes a relationship between the knower and the known (Maree, 2007:55). For this reason, the researcher employed a qualitative research approach to facilitate his understanding of the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape Province.

1.6 SIGNIFICANCE OF THE STUDY

The study is significant for introducing new perceptions on understanding how the SGBs should manage funds. It enabled readers to compare the financial management systems in South African schools and other countries, which may lead to effective management of school finances. Furthermore, the research's analysis, interpretations, and recommendations formed a body of knowledge that will be of value to other researchers. Furthermore, the findings and recommendations will be shared with the

DoE and can be used to formulate financial policies for the schools under their jurisdiction. Lastly, the study also opened doors for further research on sub-topics derived from the findings, and such studies may be conducted in other contexts with different participants.

1.7 LITERATURE REVIEW

A literature review is an inclusive assessment and evaluation of the literature pertinent to the research topic (Whittaker, 2012:24). There is an assumption that knowledge is building up and that we acquire knowledge from written or oral work researched and published by other scholars or researchers. Chaba (2017:56) and Gould (2011:134) agree that the purpose of a literature review is to indicate to the person who reads the work that the scholar recited and has an understanding of the published work relating to the research topic, identified gaps, and highlighted weaknesses in the current or existing knowledge.

Furthermore, the governing bodies of section 21 schools are obligated to manage and control the finances of the schools funded by the State. This responsibility is assigned to them by the SASA (RSA, 1996b). However, Xaba (2011:209) states that financial roles need skills and expertise in financial management and accounting, maintaining facilities and policy formulation, and development. The literature reviewed concepts such as school financial management from local, national, and international perspectives.

1.7.1 Theoretical framework

A theory is a set of interrelated ideas (concepts) and suggestions that present a methodical perspective of phenomena by determining relations among factors that make sense of and predict the phenomena (Kivunja, 2018:45). Ndou (2015:25) defines theory as suggestions utilised to describe a phenomenon or situation in more details. Thomas (2017:232) defines theory as a portrayal of a phenomenon and the interactions of factors utilised. Therefore, a theory is an organisation of assumptions, viewpoints, beliefs, and relationships recommended by a specified set of situations. This section reviews financial management theories relevant to this study, namely

budget and agency theories. **Budget theory:** In the context of public schools, the budgeting process should include all stakeholders, such as parents, government representatives, sponsors, and the SGB. Furthermore, the budget should not intimidate parents, who may struggle to contribute to activities (Munge, Kimani & Ngugi, 2016:95). It clarifies how best to organise relations in which the leader regulates the task and agents expected to perform on behalf of the leader (Schroeder, Greer & Gaul, 2011). This theory assists in coordinating and controlling financial activities in schools and ensures that financial resources are adequately managed and utilised according to the budget. Therefore, the budget theory is relevant for the governance of public schools and finances. **Stakeholder theory:** Focuses on supervisory decision-making and benefits all stakeholders who play an essential role. No interest group rules the other (Schroeder, Greer & Gaul, 2011). This theory guided the research in demonstrating how network relationships affect effective financial management. The school principal should involve every stakeholder in decision-making and serve the best interests of stakeholders involved in these networks. The theory was relevant to the study as a budget is a tool for controlling and administering school finances. **Agency theory:** Defines the connection between leaders and the delegation of power.

1.7.2 International perspective on school financial management

In most European countries, there was a decentralisation in the governance of schools that included transferring powers or authority from the central government to local individual schools (Ntsele, 2014). Thus, schools received ‘institutional autonomy’ and independence. Since the decentralisation, school boards or governing bodies have had a legal obligation to govern schools, draft their budgets, and manage their finances. Ntsele (2014) states that “board members collectively are the managers for the school’s financial and physical resources.” The board is publicly accountable for the school’s financial governance and for the use and maintenance of school land and buildings.” Thus, it can be said that SGBs are responsible for the distribution of funds to reflect the priorities and preparation of the school and the assessment and evaluation of annual financial reports (Ntsele, 2014). The school principal is responsible for keeping the financial records secure. Although, such responsibility may

be allocated to the school finance committee appointed by the school manager in writing (Ntsele, 2014).

School committees or governing bodies should ensure that internal control measures have been implemented to protect school finances against fraud and corruption. Internal controls are systems made available to guarantee that a school's resources are protected and that the accounting data is precise, complete and correct. For example, in South Africa, the SGB chairperson, treasurer, and any other SGB member are responsible for signing cheques – a role from which the school principal is forbidden (Ndou, 2012).

1.7.3 African countries/regional perspective on school financial management

Ntsele (2014) posits that some African countries introduced free primary education; thus, parents are no longer required to pay school fees for their children. Instead, the government funds schools through grants and the schools' expenditures are covered by grants from the State. For instance, in Ghana, Rwanda and Senegal, the government directly deposits grants determined on a per-learner basis to learning institutions. SGBs can spend these grants on school materials, teachers' training, and facilities development.

The SASA (Act 84 of 1996) stressed that financial management is the responsibility of the SGB because they govern the school and need to account for maladministration. In other African countries, the school finances are managed by head teachers or principals with school committees. A central government funds public schools; the national treasury allocates funds annually from the national budget, and schools receive funds from private donors or parents. However, schools are required by law to use these funds appropriately. When utilising school resources, they must follow proper procedures, such as procurement, to avoid mismanagement of school funds. In terms of the law regulating public funds, no financial maladministration may occur. However, principals and SGBs must account for maladministration. For schools to govern funds appropriately, there must be proper planning, and budgets and financial statements or records must be audited (Makrweide, 2012:61-68). In addition, schools may also raise funds through fundraising activities (Rangongo, 2016:24).

1.7.4 South African perspective on school financial management

According to Ntsele (2014:26), power and authority are decentralised, moving away from totally dependent public schools to self-managing schools. Through this process, schools are more in control and have an opportunity to bring about development in schools. The key administration implication of the movement towards independence for schools is that the School Management Teams (SMTs) and SGBs will independently perform their governing and management duties. Many education departments do not regulate school processes, which impacts the schooling process. For decentralisation to be effective, there must be clear procedures for running and governing schools (Mestry & Bisschoff, 2009:13).

The SASA (Act 84 of 1996) emphasises a relationship between parents and the State and transfers power to SGBs. It further instructs that the governing schools and managing school funds lie with the SGB. Ntsele (2014:28) posits that the SGB must ensure the existence of internal control measures that are effectively executed to avoid the mishandling of resources. Rangongo (2016:14) is of the view that those in power in schools must be supported at all costs and be armed with relevant finance management skills and information to perform administration obligations effectively. According to Makrweide (2012:61-68), challenges that expose schools to finance mishandling still exist; they depict the failure of systems in managing finances in many institutions. The study found that some institutions do not regulate budgets nor reconcile their records, which causes financial management crises. SGBs must be aware of what is expected of them regarding financial controls. However, they lack the basic knowledge and skills to govern schools. As a result, they do not perform their tasks as specified in section 16A of the SASA and are ashamed of unlawful practices regarded as misappropriating finances (Rangongo, 2016:15).

1.8 RESEARCH METHODOLOGY AND DESIGN

1.8.1 Research approach

Research methodologies are strategies and measures for a study that span stages from broad norms to comprehensive approaches of data gathering, exploring, and clarification (Creswell, 2014:3). Researchers may choose from a qualitative,

quantitative, mixed method or use a combination thereof when conducting research. In this study, the researcher used a qualitative research method. McMillan and Schumacher (2010:322) concur that background is vital in understanding behaviour because human activities are influenced by the situation in which they happen. A qualitative strategy was the best suitable technique for this research because it assisted the researcher in investigating by studying more about the background and opinions of participants. In addition, the researcher interacted with the participants through information-gathering; thus, the researcher was better positioned to pronounce and comprehend how SGBs effectively manage school finances.

1.8.2 Research paradigm

Kivunja and Kuyini (2017:26) define a paradigm as a basic set of beliefs or worldviews that guides research action or an investigation. Paradigms are thus important because they provide beliefs and dictates, which for scholars in a particular discipline, influence what should be studied, how it should be studied, and how the results of the study should be interpreted (Kivunja & Kuyini, 2017:26). A research paradigm comprises of four elements, namely epistemology, ontology, methodology, and axiology. This study was approached from an epistemological and ontological perspective. The researcher did not intend to predict people's actions, but rather describe how people interpret reality so that they can comprehend and explain their actions (Sandhleni, 2021:11).

1.8.2.1 Epistemology paradigm

This paradigm is concerned with the actual bases of knowledge – its essence, formation, how information can be developed, and how it should be transferred to other people. It focuses on the essence of anthropological knowledge and understanding that, as the researcher, one may acquire to be able to spread, widen, and develop understanding in the field of research (Kivunja & Kuyini, 2017:27). The researcher socially constructed knowledge by experiencing real-life through an interactive process of talking, listening, observing, reading, and writing with regards to exploring the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape. This study explored procedural knowledge and propositional knowledge. Knowledge by acquaintance is knowledge obtained from the participants'

direct experience of phenomena or reality. The researcher believes that reality is socially constructed. Through these interactions, the researcher endeavoured to comprehend phenomena through meanings that the participants assigned to them. The researcher explored ways finance personnel should implement financial management legislation in school finance through observations and social interaction.

1.8.2.2 Ontology of a paradigm

Ontology is a viewpoint concerned with the speculations we make to believe something is real (Scotland, 2012). This is the theoretical study of the nature of reality and the basic groups of things that exist and their relations (Kivunja & Kuyini, 2017:27). Multiple realities exist due to varying human experiences, including people's knowledge, interpretations, and views. Therefore, the researcher used this paradigm to explore and construct reality through human interactions, interviews, and observations. The researcher is of the view that reality can be explored and constructed through human interactions and meaningful actions. The researcher collected data through interviews, observations, and document analysis, which were interpreted in a natural setting because participants understood the phenomena. The researcher explored the following areas: how participants administer school finances, the functionality of financial management systems, the roles of finance personnel in school financial management, and the challenges facing public schools in financial management.

1.8.3 Research design

The study employed a qualitative case study design. The rationale for choosing this design was to explore the functionality of financial management systems within a specific context and environment with particular features and variables. Punch (2013:114) defines research design as "a structural flow pattern of activities or concepts running from planning of the research project to the final step of publishing the results." A research design must involve any challenges a scholar might encounter in conducting a planned research project (Walter, 2013:362). Ndou (2012) defines

research design as a strategy for gathering and analysing evidence that will enable the researcher to answer the questions he or she has asked.

Maree (2011:78) contends that a case study research technique is an empirical investigation which explores a modern phenomenon in its actual setting. In contrast, Rule and John (2011:68) propose that the study be conducted and employed for many determinations, such as discovering an issue within a limited, focused setting. A case study might also shed light on another similar case, providing a level of transferability. However, Yin (2009) argued that case study results might not be transferable, and other scholars see their submission. Therefore, a case study plan is intended to acquire better awareness and understand the dynamics of an actual situation. This study employed a collective case study of five schools to explore the effectiveness of financial management in public schools of the Malangeni Circuit, Eastern Cape Province.

1.9 POPULATION AND SAMPLING

1.9.1 Population

A population is a numerical term that refers to the gathering of people, collections, events, or things that the study will concentrate on (Mpolokeng, 2011:53). The population is the entire grouping of things that are targeted for the study (Cohen et al., 2011:45). A population is a whole group of cases from which sample selection is made (Leedy & Ormrod, 2013:216). The population of this study was all SGBs and principals within the Malangeni Circuit in the Eastern Cape Province.

1.9.2 Sampling

Maree (2014:79) refers to sampling as the method used to select a part of the population for the research." A sample is a portion of the population that inherently has characteristics of the population, making it somewhat representative of the population (Picardi & Masick, 2013:154). This study employed purposive sampling to identify and select information-rich cases related to the phenomenon of interest. Purposive sampling is an appropriate method for the study because it is extremely time and cost-

effective. This research project's sampling structure comprised five schools from one circuit, namely Malangeni Circuit. During data gathering, the SGBs were interviewed. The SGBs are selected because they are responsible for governing and controlling the school finances and are expected to possess adequate knowledge and information regarding the strategies they choose to employ. Twenty-five SGB members were interviewed, namely five principals, five SGB chairpersons, five SGB deputy chairpersons, five treasurers, and five ordinary members.

1.10 INSTRUMENTATION AND DATA COLLECTION TECHNIQUES

“Data gathering includes orderly methods that the researcher uses to collect the data needed in a study” (Dibete, 2015:58). The researcher employed interviews to gather data from the sampled participants. In addition, observation and document analysis were used for the triangulation of data.

1.10.1 Interviews

The interviewer considered interviews key information sources to answer the research questions. Through interviews, the researcher got a chance to know participants, how they reasoned, and how they felt (Hancock & Algozzine, 2011:44). “An interview is a two-way conversation in which the questioner asks the interviewee questions in order to gather data and acquire about the ideas, opinions, views, feelings, and behaviours of the interviewee” (Maree, 2014:87). An interview was the most appropriate instrument for the study because it was a qualitative research and the researcher wanted to uncover the participant’s experiences and pursue in-depth information about a topic (Maree, 2014:87). Moreover, interviews were used to collect data from people who are considered to hold crucial and relevant information. In this case, the targeted respondents were, among others, SGBs of public schools of the Malangeni Circuit, who have crucial information regarding school governance and the management of school finances.

1.10.2 Observation

An observation is a collaborative method that includes contribution in a logically happening condition over a prolonged time, writing extensive field notes, and describing what happens (McMillan & Schumacher, 2010:134). Through using this tool, the researcher got an experience of the world. The researcher was the participant observer as he was an SGB member in one of the schools at Malangeni Circuit, Eastern Cape Province.

1.10.3 Document analysis

Document analysis is a method of qualitative analysis that wants scholars to find, understand, analyse and make recommendations (Fitzgerald, 2012:298). Document analysis involves reviewing and assessing printed and electronic documents. A document examination necessitates that data be scrutinized, studied, and interpreted to gain an understanding and generate experiential data (Dibete, 2015:59). This research technique involves a detailed study of documents relevant to a study. This technique helped discover data that was not revealed during the interviews.

1.11 THEMATIC DATA ANALYSIS AND INTERPRETATION

Thematic data analysis is a systematic method of picking, classifying, associating, combining, and paraphrasing information to clarify a single topic of interest (McMillan et al., 2010:367). This research used thematic data analysis strategies and techniques. Verbal and written material was analysed using a set of volumes of verbal and printed material into more meaningful data. Data collected was reduced into themes that addressed the main research question and sub-research questions.

1.12 CREDIBILITY AND TRUSTWORTHINESS

According to Cebekhulu (2016:40), credibility and trustworthiness comprise transferability, credibility, and conformability as crucial reliability criteria in qualitative research. The above-mentioned concepts are discussed in detail below:

1.12.1 Credibility

Credibility demonstrates a true image of the phenomenon under examination (Cebekhulu, 2016:40). To guarantee credibility in the study, the researcher linked interview questions with the purpose or aims of the study. Questions were formulated and expressed in a linguistic way that was simple for the participants to understand.

1.12.2 Transferability

Cebekhulu (2016:41) defines transferability as the degree to which qualitative study outcomes can be shifted to other situations. Transferring the qualitative study results is primarily the responsibility of the individual doing the generalising. The person who wishes to transfer the results to a different context is then responsible for judging how sensible the transfer is. The researcher had to explain the background and the researcher's experience to ensure that people in the same situation could assess if the researcher's findings were related to theirs.

1.12.3 Dependability

The idea of reliability focuses on the requirement that the researcher explains the ever-changing situation in which research is happening. In this research, the experiences of participants were accurately analysed and interpreted. Dependability includes respondents gauging the conclusions, and the explanation and recommendations of the study to guarantee that they are supported by the information received from the study's participants (Cohen et al., 2011:434). To ensure reliability, the researcher conversed his research procedure and results with colleagues who conducted similar studies and are knowledgeable in qualitative research.

1.12.4 Confirmability

Qualitative research assumes that every scholar or researcher brings a unique standpoint or viewpoint. Confirmability means that the research results can be confirmed by others (Cohen et al., 2011:135). The researcher needed documentation

for checking and rechecking the data throughout the research. Moreover, the researcher's personal views, beliefs, and principles were put on hold to safeguard conformability in the study. In this study, confirmability was guaranteed through the triangulation of data generation methods. The researcher used a tape recorder to capture what respondents were saying.

1.13 RESEARCH ETHICS

According to Ndou (2012:69), ethics are moral principles that govern a person's behaviour regarding the rights of the participants in the research. The researcher needed to apply for ethical clearance from his institution of higher learning to conduct the research, which means he had to first get permission to enter the research field (Cebekhulu, 2016:42). In addition, the researcher applied for ethical clearance from the University of South Africa (UNISA) Ethical Committee to conduct the research, and requested permission to conduct the research from the Eastern Cape Department of Education (DoE) officials, leaders, and school managers. The researcher respected the participants' privacy and ensured their information was protected. Ethical considerations of anonymity, privacy and choice of participation were addressed and guaranteed in the consent letter that all participants signed. Participants were assured that the discussion, meeting minutes, and documents were only used for the study.

1.13.1 Informed consent

The participants were asked to sign a form indicating that they understood the study, its purpose, aims, and their freedom of choice to participate in or withdraw from the research. Consent forms were prepared in duplicate, and those willing to participate in the study signed them. Participants were provided with a copy, which the researcher completed as evidence.

1.13.2 Confidentiality and anonymity

The researcher did not reveal the participants' personal information. Instead, he used alphabet letters as pseudonyms, such as Principal B, Teacher C, etc., to avoid

revealing the participants' names to the study's readers. The school names were not revealed in order to adhere to confidentiality and ethics.

1.13.3 Securing data

To secure data obtained from the participants, the researcher did not unnecessarily discuss any information with individuals. The audio cassettes and results from analysing the documents were kept in a locked cupboard. The researcher personally analysed and interpreted the data.

1.13.4 Feedback

Feedback was given to all participants interested in the results and recommendations of the study. Compact Disks (CDs) were distributed to schools that participated in the research, and a link was shared with participants to access the final dissertation online.

1.13.5 Honesty

The researcher reported on the findings and recommendations from the collected data. The researcher avoided biases in interpreting and fabricating data to substantiate particular views.

1.14 LIMITATIONS AND DELIMITATIONS OF THE STUDY

The research was conducted in five public schools, namely three primary and two senior secondary schools in the Malangeni Circuit, Eastern Cape Province. Primary and secondary schools share many common aspects about effectively managing school finances because they all function under the SASA. The study's participants were SGB members from sampled schools; thus, their limiting factors may be financial constraints and time. This research cannot be generalised as the contextual factors may differ from the Malangeni Circuit. Another limitation of the study was COVID-19, which could have impacted the study as the researcher would not have been able to perform his duties. In addition, participants withheld information from the researcher

and did not want to participate or contribute to the study. Moreover, to address the financial constraints, the researcher applied for a bursary to complete his studies. The researcher was also a full-time educator in a secondary school, but completed this research.

1.15 CONTRIBUTION OF THE STUDY

The benefit of this research was derived from providing a vivid guideline of how SGBs should manage school finances in public schools. This study attempted to inform the broader professional body (i.e. stakeholders concerned with school governance, decision-makers of the DBE, supervisors, and principals) about the importance of managing school funds and the pivotal role played by SGB members, finance personnel, and finance officers. It might give policymakers insight into how to best design policies by focusing on these challenges to ensure that schools are professional places of teaching and learning. The study provided new perceptions and ideas about how the SGBs should manage funds. The study further enabled readers to adopt and implement the proposed financial management systems in their respective schools in South Africa and other countries, which could lead to effective management of school finances.

Furthermore, the research's analysis, interpretations, and recommendations formed a body of knowledge valuable to other researchers. The findings and recommendations were shared with the DoE to assist in formulating financial policies for the schools under their jurisdiction. Lastly, the study also opened doors for further research on sub-topics derived from the findings; such studies may be conducted in other contexts with other participants.

1.16 DEFINITIONS OF KEY CONCEPTS

1.16.1 Effectiveness

Effectiveness is the capability of producing a desired result or output. When something is deemed effective, it has an intended outcome (Cambridge Dictionary, 2012). In this study, effectiveness means good ways of managing school finances.

1.16.2 Management

Management involves coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively (Robbins & Coulter, 2014). Management refers to the individuals responsible for managing and governing an organisation and overseeing staff. It controls the school's funds and assets (Soanes & Stevenson, 2008:909). Management is also concerned with being effective, and completing activities to attain organisational goals (Robbins & Coulter, 2014). In this study, management means coordinating and administering tasks to manage school finances adequately.

1.16.3 Finance

Finance refers to the monetary support for an enterprise (Soanes et al., 2008:909). In this study, finance means the revenue and expenditure of the schools controlled and governed by the SGB for the benefit of all learners.

1.16.4 Financial management

Financial administration is the activities by which an individual in power effectively controls the funds and assets of the school (Motsamai, Jacobs & De Wet, 2011:105). In this research, financial management means planning, organising, directing, and managing the school's financial activities.

1.16.5 School governing body

The SGB refers to the structure elected to manage and control the school, including parents, teachers, learners, and the principal, as a representative of the DoE. It is also defined as a group of people in a better position to make and put into practice decisions on behalf of the school. According to Ndou (2012:17), “the school governing body is a legal group of voted people to oversee the public school as set up by an Act of Parliament to represent the school community.” For the purpose of this study, the SGB refers to a governance structure in which suitable participants constitutionally vote to accomplish roles assigned to them in terms of the SASA.

1.17 RESEARCH CHAPTER OUTLINE

CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE RESEARCH

This section introduced the concept under investigation. The problem statement was explained through research questions, aims, and objectives. Research methodology, ethical consideration, the definition of key concepts, and concluding remarks were also discussed.

CHAPTER 2: LITERATURE REVIEW

This chapter focuses on aspects of theoretical frameworks such as budgetary, agency, and stakeholder theories. It focused more on exploring the functionality of financial management systems in public schools locally and internationally from African and South African perspectives. The researcher also explained concepts such as financial management and general roles and tasks of SGBs and concluded based on what was discussed.

CHAPTER 3: METHODOLOGY AND RESEARCH DESIGN

This chapter discussed the research approaches and research design employed in the study. The qualitative research approach, design, and research paradigms were discussed. This chapter also discussed the data collection instruments, sample and sampling procedures, and document analysis. Lastly, sources of data, data collection procedures, and ethical considerations were discussed.

CHAPTER 4: ANALYSIS AND INTERPRETATION OF THE RESULTS OF THE RESEARCH

This chapter presented, analysed and interpreted data obtained through interviews, observations and analyses of documents relevant to the study. In addition, data were analysed through the use of themes.

CHAPTER 5: RESEARCH FINDINGS, RECOMMENDATIONS AND CONCLUSION

This chapter concluded the research and proposed recommendations for further studies.

1.18 CHAPTER SUMMARY

This chapter provided an introduction and background to the study. The aims and objectives of the study and the research design methods were described. This chapter concluded with the study's limitations, the definition of concepts, and the organisation of content. Chapter 2 reviews the literature on financial management systems in Malangeni Circuit, Eastern Cape Province public schools, and the theoretical framework within a South African school context.

CHAPTER 2: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 INTRODUCTION

Chapter 1 provided an orientation to the study and the central research questions the study aims to answer. This chapter reviews the literature related to this study and discusses the theoretical framework. Guided by the purpose and the research questions, this chapter reviews arguments and deliberations around the school financial management system, in general, and how the SGB deals with the task of school governing and managing school finances, in particular challenges faced by the SGB in managing school finances and how they address them. The views were drawn from local (African) and international perspectives. Moreover, financial management will be reviewed in terms of the legislative rules and regulatory framework for school financial management, training of the SGB, budgeting, financial reporting, recording, and auditing in relation to the SASA of 1996, the Public Finance Management Act (PFMA) of 1999, the National Norms and Standards for school Funding of 1999 (NNSSF), and the determinants of a functional financial management system. This study will also review the literature on financial policy and annual financial statements of the school, together with cashbooks, quotation documents, delivery notes, invoices, and budgets.

A literature review is an objective, critical summary of published research literature relevant to a topic under consideration for research (O'Leary, 2010:81). Whittaker (2012:24) defines a literature review as an inclusive assessment and evaluation of the literature, which is pertinent to the research topic (Whittaker, 2012:24). There is an assumption that knowledge is building up and that we acquire knowledge from written or oral work researched and published by other scholars or researchers. Chaba (2017:56) and Gould (2011:134) agree that the purpose of a literature review is to indicate to the person who reads the work that the scholar recited and understands the published work relating to the research topic. It also identifies gaps and highlights weaknesses in the existing knowledge.

O'Leary (2010:81) further states that the purpose of the literature review is to create familiarity with current thinking and research on a particular topic, which may justify

future research into a previously overlooked or understudied area. The literature review presents much more than a summary of relevant sources.

2.2 THEORETICAL FRAMEWORK

According to Kivunja and Kuyini (2017:45), a theory usually emerges from a long process of research that uses empirical data to make statements based on deductive and inductive data analysis. The emerging theory provides a rational, research-grounded basis for understanding, applying, analysing, and designing new ways to explore relationships and solve problems in an educational context. Kivunja and Kuyini (2018:45) define theory as a generalised statement of ideas that states, clarifies, or predicts relationships among phenomena within the limits of critical bounding assumptions that the theory makes. Ndou (2015:25) agrees that theory is an organisation of assumptions, viewpoints, beliefs, and relationships recommended to explain specific situations. A theoretical framework is based on an existing theory in a field of inquiry that is related to or reflects the hypothesis of a study. It is a blueprint that the researcher often borrows to build his/her own research inquiry (Grant & Osanloo, 2014).

Therefore, the theoretical framework is the basis upon which research is constructed. Kivunja and Kuyini (2017: 46) define a theoretical framework as a structure that summarises thoughts or ideas, concepts, and theories that a researcher develops from previously tested and published knowledge which the researcher synthesises in order to have a theoretical background for data analysis and interpretation of the meaning contained in the study. Swanson (2013:122) asserts the theoretical framework is the structure that can hold or support a theory of a research study.” The theoretical framework offers several benefits to research. It provides a structure in showing how a researcher defines his/her study philosophically, epistemologically, methodologically and analytically (Grant & Osanloo, 2014). Ravitch and Carl (2016) concur that the theoretical framework assists the researcher in situating and contextualising formal theories into the study as a guide. It makes research findings more meaningful and generalisable (Akintoye, 2015). Imenda (2014) posits that research without a theoretical framework lacks accurate direction in the search for appropriate literature and scholarly discussions.

2.2.1 Budget theory

In the context of public schools, the budgeting process should include all stakeholders, mainly parents, government representatives, sponsors, and the SGB. Furthermore, the budget must not be so ambitious that other parents will not be able to contribute towards catering for the activities brought out in the budget (Munge, Kimani & Ngugi, 2016: 95). The budget theory is relevant to the study because the budget controls and administers school finances. The budget theory will be used to explore how public schools manage their finances. The budget provides benefits for the organisation and its governors or staff. The budget assists the planning and decision-making process. Once the business objectives are set and formalised through a budget, it can be ensured that those plans are also achievable. A budget helps the decision-making process by allowing the organisation to think and foresee ahead of time.

Moreover, the budget can be used to monitor and control. Therefore, the most important benefit of budget preparation is helping management have budgetary control to monitor and compare the results. This further helps adapt various actions to modify the business's operations or possibly change the budget if it becomes unachievable (Munge, Kimani & Ngugi, 2016:95).

Another benefit of budgeting is motivating and controlling. A budget often acts as a motivating factor since it provides managers and other staff with a predetermined goal. This not only helps the organisation, but its employees. The budget theory will serve as a guiding principle and assist in managing school finances (Munge, Kimani & Ngugi, 2016:95).

According to Wango and Gatere (2013), a budget is a financial master plan which pulls together and makes resources available for various aims and purposes of the institution and sets out, in advance, monetary requirements for a period of time. Preparing a budget is a significant responsibility of the school principal, as it records the projected sources of revenue and expenditure items. Every school has a unique way of making and administering its budget. A budget is vital because it helps ensure the school achieves its goals, establishes a control system, and motivates employees to work harder.

Though there are several benefits to budget and budgetary control, however, there are a few limitations, which are described below: Benefits of producing a budget should exceed its cost – Budgeting is a fairly complex process and, for some organisations, may pose too much of a burden in terms of time and other resources, with only limited benefits. Budgets are often inaccurate and might be demotivating – A budget deals with estimations and predictions relating to the future based on past and present figures. Therefore, a great risk is involved with it, tending the figures to be wrong. An organisation highly dependent on budgets may struggle to succeed if it has an incorrect budget. Additionally, employees without managerial experience may have a budget imposed on them, which can be a demotivating factor. Instead of encouragement, it might threaten employees since a target's non-attainment presents difficulties for employees (Munge, Kimani & Ngugi, 2016:95).

2.2.2 Agency theory

The proponent of agency theory was Jensen and Meckling in 1976. The agency theory is a beneficial outline for designing power and governance in institutions or organisations. The agency theory defines the connection between leaders and the delegation of power. It clarifies how best to organise relations in which the leader regulates the task and which the agent is expected to perform on behalf of the leader (Schroeder, Greer & Gaul, 2011). This theory assists in coordinating and controlling financial activities in schools and ensuring that financial resources are utilised according to budget and managed adequately. The theory is relevant to the governance of public schools and finances. It adds value by contributing knowledge and informing readers and researchers about their understanding of the events being explored or investigated. It will help to build a framework to set up or establish schools of thought and formulate beliefs/ideologies regarding the study.

Moreover, agency theory offers some benefits or advantages; this theory is beneficial as it applies the concept of the maximum utility of agents. The concept of maximum utility maximises the potential and skills provided to the school. Nevertheless, maximising the governor's skills and potential also benefits them as agents.

Another benefit of adopting and utilising the agency theory within an organisation is its ability to maximise the potential and use of a particular agent. While the governors or agents are dedicated and inspired to accomplish or go beyond their managerial roles, the ultimate advantage is experienced by the stakeholders as it is their school or organisation's assets maximised by the leader (Schroeder, Greer & Gaul, 2011).

However, there are disadvantages to litigating the above benefits – one of the disadvantages is that governors tend to avoid making decisions, especially those needed to govern an organisation. When this happens, the clash between these two stakeholders starts, which is another disadvantage brought about by the agency theory. Information imbalance is also a common problem in applying the agency theory. This happens when the amount of information accessed and received by the agent differs from that of the stakeholder. Moreover, the gaps in organisational knowledge may confuse these two important stakeholders. As a result, conflicts may arise between the managers and the shareholders, hindering both from performing their distinct organisational functions. Therefore, the agency theory assisted SGBs in financial management by guiding them or organising more knowledge about the functionality of financial management systems. This theory helped them identify gaps in knowledge. As a result, they understood phenomena better and learned why they occur.

The agency theory will help direct research; it will assist the researcher in filtering data relevant to the study. This theory serves as a paradigm that will guide researchers in understanding research design and choosing a relevant design, namely a multiple case study design. The agency theory will guide the researcher in collecting data about financial management systems. The researcher will gather more data about financial management systems used in schools and interpret the data to get meanings attached to this social phenomenon (financial management systems). Finally, this theory plays a critical role in qualitative research as the researcher will attempt to make sense of the phenomena explored through interviews and observations.

2.3 LITERATURE REVIEW

2.3.1 Composition of school governing bodies

The post-1994 Republic of South Africa brought about democratic governance in all public institutions and state entities, including schools. Public institutions, such as schools, are required to uphold democratic principles in governance and decision-making processes (Tetani, 2017:17). According to the SASA No 84 of 1996 (RSA, 1996), all public schools in the country are mandated to have democratically elected governing bodies in which learners, educators, non-teaching staff, and school principals are represented. It was expected that widening participation in school decision-making would benefit the school, pupils, and the public at large (Mafora, 2018:79). School governance was made more representative and democratic. SGBs are established in terms of section 16(1) of the SASA, and the composition thereof is informed by sections 23(1) and (2).

Mafora (2013:97) states that following its commencement, the South African government attempted to offer an education system that builds democracy, human dignity, equality, and social justice. The SASA 84 of 1996 was enacted as a legislative means of rectifying past inequalities in the education system and encouraging the democratic revolution of society. This Act referred to above mandates the establishment of SGBs, entrusted with the democratic governance of schools. These structures, called the SGBs, are constituted through a school-based process of democratic elections in which the stakeholders, composed of different constituencies, elect their representatives. Elected SGB members in every secondary school include representatives of teachers, non-teaching staff, learners, and parents. Principals serve as ex officio members, and parents are given a greater say through 50% plus one majority (Tetani, 2017:17). People who are not parents at a given school may be co-opted for their expertise to be SGB members, but without voting rights. The devolution of power to schools is meant to make them more effective and accountable, and to move towards collaborative decision-making involving principals, teachers, non-teaching staff, parents, and learners.

Therefore, it becomes imperative that all representatives be familiar with and understand the legislative framework for school governance to improve quality public

education. In addition, the functionality of financial management systems would be determined by collaborative participation in decision-making processes (Mestry & Basson, 2019:11).

2.3.2 The roles of the school governing bodies

SGBs were initially established as an instrument of shared school governance and participative decision-making (Madisa, 2016:20). The SGB is a body that represents all components of the school community. SGBs are meant to promote the school's best interests and ensure all learners receive the best education. The SGB is responsible for deciding on school policy, the direction of the school, and assisting the principal of the school in directing, managing and effectively running the school's activities (Mokoena, 2013:23; Ndou, 2012:32; Dibete, 2015:20). Madisa (2016:20) suggests that SGBs should promote a collaborative relationship together with accepting responsibility, honesty, cooperation, trust, and good communication.

Furthermore, section 20(1) of SASA lists the prescribed functions of all SGBs. According to this section of the SASA, the governing body of a public school must:

1. Promote the best interests of the school and strive to ensure its development.
2. Adopt a constitution.
3. Adopt the mission statement of the school.
4. Adopt a code of conduct for the learners at the school.
5. Support the principal, educators, and other staff members in performing their professional functions.
6. Determine the times of the school day consistent with any applicable conditions of employment of the staff at the school.
7. Administer and control the school's property, buildings and grounds, including school hostels.
8. Encourage parents, learners, educators, and other staff members at the school to render voluntary services to the school.
9. Recommend to the HoD the appointment of educators at the school.
10. At the request of the HoD, allow the reasonable use under fair conditions of the facilities for educational programmes not conducted by the school.

11. Discharge all other functions conferred on the governing body by the School Act.
12. Discharge the functions that are set out by the member of the executive council in the Provincial Gazette.

One of the functions of the SGB of a public school in terms of finances is to “take all reasonable measures within its means to supplement the resources provided by the State in order to improve the quality of education provided by the school to all learners at the schools” (SASA section 36). SGBs, the principal, and SMTs must work collaboratively in managing school finances; therefore, it should be a joint effort of SGBs to manage the school's funds. All these stakeholders are involved in all financial management functions of the school. In addition to paying school fees, they are, for example, tasked with raising funds to meet the school's expenses (Mestry & Basson, 2019:11). Therefore, it is imperative for parents serving in the SGB to understand the following skills: basic accounting principles and drawing up of financial statements. Madisa (2017:20) further argues that financial statements contain helpful information, even if the person reading them has no accounting background.

2.3.3 The role of the school principal in school financial management

The school's principal plays a crucial role in managing school finances. According to Mothibi (2015:13), any error made by the SGB or finance committee in a school is caused by poor control or management. The principal is the accounting officer; thus, if internal controls are poorly implemented, resulting in poor management of school finances, the principal will need to account for it. Mothibi (2015:13) concurs with Ntseto (2009:26) that the principal is accountable and responsible for the day-to-day management activities of the school and must have a proper financial management plan in order to achieve the financial management operations of the school.

The principal must be better positioned to manage financial resources to attain the school's goals. Moreover, principals are responsible for ensuring that financial management tasks are performed effectively within the scope of the legislation. According to Ntseto (2009:20), school principals must acquire and be equipped with financial management knowledge, skills, expertise, and competencies. Mothibi

(2015:14) agrees with Ntseto (2009:20) that financial management skills and accounting practices are no longer applicable to businesses, but are necessary to schools and recognised as part of the school's operations procedures.

Therefore, principals are responsible for controlling and managing school finances and ensuring the financial system is fully functional and adhering to acceptable standards. In addition, principals must ensure that all stakeholders are capacitated in financial management. Therefore, the principal plays an important role in managing and controlling school finances.

2.3.4 The roles of finance personnel in managing school finances

2.3.4.1 The finance officer

According to section 5(5.1) (v) of the Limpopo DoE prescripts for school funds in public schools (DoE 2011:3), the school principal must appoint a finance officer. This individual may be an educator with a financial background, unless the school has an administrative officer appointed by the government, who must then act as the finance officer. Such an appointment must be made in writing in consultation with the SGB. The person shall be called the finance officer, and his or her functions are regulated by legislation to pertain to the following (DoE, 2011:8-12):

1. Maintaining a cash book for the school
2. Completion of a monthly bank reconciliation statement
3. Completion of monthly and quarterly reports
4. Compilation of annual financial statements
5. Maintaining financial records

Concerning the collection of school funds, the finance officer is responsible for the following actions (DoE, 2011:11):

1. Issuing a receipt immediately after the money is received.
2. Issuing of receipts according to serial numbers.
3. Recording all monies received in a cash book daily and immediately after the money is received.

4. Keeping the school's cheque book and vouchers in a safe for auditing purposes.
5. Presenting all financial transactions and supporting vouchers at the next finance committee meeting.
6. Preparing cash-flow statements monthly.
7. Providing secretariat services for the finance committee.

The rationale for school governance in relation to financial management is to ensure that funds are managed according to policies adopted by the parent community based on decentralised decision-making. This school-based management approach grants the parent community autonomy to give inputs on how the school funds must be used in order to provide quality teaching and learning, resulting in optimal learner development within context. Therefore, the SGB must develop policies on managing funds and account for these funds by explaining how the money allocated to the school by the State was utilised.

2.3.4.2 The finance committee

As this arrangement is crucial to effective financial management, the Limpopo DBE prescripts on the financial management of school funds in public schools (DBE, 2011:3). Section 30 of the SASA (RSA 1996) stipulates that all schools must have a finance committee which must be established to consist of the following member representation: the school principal, the SGB chairperson, a treasurer, and a finance officer. The total number of finance committee members should not exceed nine, and most of the members should be parents. However, the decisions of this committee on financial management actions are merely recommendations to the SGB; hence, the decisions can be ratified or overruled. In section 8.6.2 of the Limpopo DBE's prescripts for school funds in public schools (DBE, 2011:11), the purpose of the finance committee is to implement the finance policy by recommending the appointment of service providers.

Considered from an analytical point of view, the functions of the finance committee pertain to the following (DBE, 2011:11; Mokoena, 2009:76):

1. Keep overall control of the school money.
2. Draw up a budget each year.
3. Serve as a bid adjudication committee and recommend the appointment of service providers.
4. Monitor and approve all expenditures.
5. Advise on ways of fundraising.
6. Assist in drawing up annual financial statements.
7. Check financial records internally.
8. Suggest who can be appointed as the auditor.
9. Ensure that all procurement (purchasing of goods and services) is done through correct quotations and tendering procedures.
10. Keep adequate procurement records and make these records available at all times.

Each school must develop a finance policy under the leadership of the SGB chairperson. This policy should provide clear procedures and a detailed set of rules for handling school finances. It should outline the roles and responsibilities of the SGB members within the financial committee and the roles and responsibilities of the other delegated persons.

According to sections 8.5.1 and 8.5.14 of the financial management prescripts of the Limpopo DoE, how funds must be withdrawn from the school bank account must be in accordance with the following procedures (DBE, 2011:10):

1. Provision must be made for cheques to be counter-signed by two signatories. These signatories will typically be the deputy chairperson and the treasurer.
2. A school bank account must never be overdrawn.
3. No cash cheques and no blank cheques may ever be issued.
4. All cheques must be crossed, marked 'not transferrable,' and issued to the payee only.
5. No advance payments should be made from school funds.
6. No loans shall be granted to any person from school funds.
7. All cheques withdrawn must be substantiated by an approved payment voucher with adequate documentation.

In terms of sections 8.6.1 to 8.6.10 of the prescripts of the Limpopo DoE on the financial management of public schools, specific procedures must be followed when the finance committee procures goods for the school. Therefore, the following is stated as compulsory conduct when goods are purchased for the school (DoE, 2011:11): A minimum of three quotations are needed.

2.3.4.3 The treasurer

With reference to the financial prescripts of the Limpopo DoE (2011:12), the following are prescribed as the roles and responsibilities of the treasurer regarding the management of school finances:

1. Chairing the finance committee meetings.
2. Monitoring all the financial affairs of the school through a commitment register.
3. Presenting a financial report to the school governing body.
4. Developing a finance policy for the school.

According to Clarke (2008:284), the SFP serves as a control measure that serves the following purposes:

1. The manner in which financial transactions are processed.
2. The internal checks that need to be in place.
3. The delegation of responsibility for the processing and recording of financial transactions.
4. The delegation of responsibility for checking that this is done in accordance with the school's established systems and procedures.
5. The system of authorisation (and the delegation of authority to approve the various kinds of financial transactions).

The treasurer is central in a school-based financial management setting because he or she ensures that finances are aligned with the policy and legislation. He or she must also ensure that everyone involved with the school's finances knows his or her responsibilities to protect the school's resources from loss or fraud. He or she should also help safeguard the SGB and staff members from allegations of maladministration and fraud (Clarke, 2008:284).

The treasurer has a watchdog role over all aspects of financial management and works closely with other finance committee members to safeguard the school's finances. Given these responsibilities, the treasurer typically acts as an information and reference point for the SGB chairperson and other committee members. In this capacity, the treasurer is crucial in clarifying the financial implications of proposals, confirming legal requirements, outlining the current financial status in a formal SGB meeting, and retrieving relevant documentation.

Regarding these specific directives applicable to the different role players fulfilling primary roles in managing school finances, it is evident that there are unambiguous functions of the roles and responsibilities of the various stakeholders. These roles and responsibilities demand from each stakeholder critical dedication to ensure that teaching and learning are justifiably provided within context.

2.3.5 The role of signatories in school financial management

According to the Western Cape DBE (2004), once the SGB opens a school bank account, signatories approved by the SGB should formally approach the banking institution chosen and complete the required mandates. SGB constitution must be forwarded as part of the application to the relevant banking institution. In addition, the minutes of the SGB meeting approving the authorised signatories must be attached to the application to the financial institution. A minimum of three signatories should be appointed, with the instruction that any two approved signatories may sign, approve and authorise payment. It is recommended that one of the signatories must be an SMT member, preferably a school principal (Western Cape DBE, 2004).

2.4 THE FINANCIAL MANDATE VESTED IN THE SCHOOL GOVERNING BODIES

The SASA was effected to involve communities and provide general rules for self-managing and governing schools (section 21 schools). Self-managing means that the government gives power and authority to public schools with a shared decision-making model involving numerous stakeholders. As a result, SGBs are placed in a position of honesty and trust towards schools and are entrusted with educating their learners through constitutionally elected structures.

An SGB is a statutory body of parents, principals, teachers, non-teaching staff, and secondary school learners (Tetani, 2017:24). One of the primary functions of the SGB is to determine school policies, which the principal and teachers must implement. Against this assertion, SGBs need finances to execute their roles (Mestry, 2013:163).

In terms of section 34(1)(2) of the SASA, the State has a duty to fund public schools from the national revenue in a just and equitable manner in order to realise the constitutional rights of learners to basic education and to correct imbalances of the past in education provision. All the monies are deposited to the school banking account, and SGBs manage those funds. This implies that essential skills for financial management on the side of the SGBs are needed. According to Xaba and Ngubane (2010:139), sections 36 and 43 of the SASA No 84 of 1996 make it obligatory for schools to manage school funds and implement all the necessary financial accountability processes. This suggests effective, efficient, economical, and transparent use of the school's financial and other resources, including taking appropriate steps to prevent unauthorised fraud, irregularity, and wasteful expenditure (Corruption Watch, 2015). SGBs are mandated to implement systems, measures, and policies for managing school finances.

Therefore, for a school to manage its finances effectively and efficiently, all relevant stakeholders must develop and adopt a school finance policy (SFP). The governing body should be involved in all the processes of policy creation. SGBs must ensure that the finance policy is implemented accordingly.

2.4.1 Financial policy

The SFP is a document with guidelines on how school funds should be managed or administered. The SFP must be in line with the SASA and set a direction and guidelines to managers and SGB members on how to regulate the funds regarding receipting and expending (Mestry, 2013:39). According to Madisa (2016:21), the purpose of the SFP is to provide guidelines on how individuals will exercise their powers and decisions for managing the school's finances. In formulating the policy, the SGB must provide guidelines on how funds should be managed and the involvement of different stakeholders in financial matters. Each SGB should draw up

a financial policy. Procedures and rules for handling money in the school should be clearly indicated in this document. In addition, the SFP should clearly understand the roles and duties of the principal, treasurer, finance person, and others to whom specific duties are delegated.

According to Tetani (2017:22), SGBs are permitted by the SASA to develop policies for the school. SGBs must establish finance and procurement committees because it is their function to look after the financial matters of the school. The researcher is of the view that these policies set the stage for SGBs to function effectively in a school. Although SGBs are empowered by legislation, the question arises whether or not SGBs in rural schools have adequate capacity to develop and implement these policies. In this process, the SGB must also ensure that the SFP complies with the SASA (DoE, 1996a) and give guidance on school financial matters. Part of the drafting of the SFP must be in the form of guidelines to managers and governing body members on how to control and regulate the funds regarding receipting, withdrawing, and expending (Madisa, 2016:22).

2.4.2 Budgeting

The SASA states that one of the important functions of the SGB is to prepare a budget annually. The SGB prepares the budget during the third term of each year and then presents it to parents at a general meeting early in the fourth term (SASA, section 38 (1) and (2)). The reasons for drawing up a budget are as follows: to plan expenditure and income for the next year, to supplement the resources provided by the State, and to set priorities when allocating money to different activities according to the school development plan and its main aim. Van Rooyen (2013:41) defines budgeting as a plan to allocate and spend resources to achieve the school's objectives. On the other hand, Mestry and Bisschoff (2009:99) consider budgeting as a plan expressed in quantitative terms, covering a certain time frame or period, usually a year. These definitions emphasise planning and the need to relate the expenditure to achieving objectives.

The SGB has a critical role to play in budgeting. They need to ensure that their budget suits the school's unique character. Tetani (2017:25) suggests that SGBs must

implement a policy that will guide the management of finances. This also indicates that SGBs must establish sub-committees, including a finance committee. The finance committee would be responsible for budgeting, procurement, fund-raising, and keeping a record of the assets and liabilities of the school. A budget is one of the essential tools or mechanisms of financial management. It is more than presenting anticipated expenditure and income figures for a given financial period. Budgeting is, therefore, one of the central functions of the SGB as part of managing finances. The budget will set out school priorities and their costs. Sourcing of additional funding is primarily determined by the budget that is presented in a general meeting of parents annually for approval and endorsement (Tetani, 2017:26). However, Van Rooyen (2013:99) cautions that a budget is not designed to reduce the management function of financial learning to a mere mathematical formula; it is a valuable managerial tool, one purpose of which is to measure subsequent performance against the budgetary plan.

The advantages of preparing a budget include the following: a budget serves as an internal control measure to monitor current expenditures against projections. It can help the school meet saving goals and be realistic to improve its cash flow. Regular budget monitoring reveals areas of over and under-expenditure. Budgeting is thus the process of planning and allocating resources to achieve organisational objectives. The budget process can be used to focus power on the hands of a relatively small number of individuals or to distribute it to an expanded number of participants. The SGB has a crucial role to play in budgeting. SGBs must ensure that their budget suits the unique character of their schools. The school budget is the heart of financial management and is more than presenting anticipated expenditure and revenue figures for a given financial period. It is the financial interpretation of the educational programmes of a school. The SGB should approach the budget as a planning instrument and a decision-making model to assist with the school's management during the next financial period and beyond. The drafted budget should then be presented to parents for review and acceptance. It can be approved if it receives the support of the majority of the parent body attending the Annual General Meeting (AGM) (Madisa, 2016:24).

2.5 SCHOOL FINANCIAL MANAGEMENT – INTERNATIONAL PERSPECTIVE

In an attempt to meet the challenges of a rapidly changing environment, many educational restructurings and the rearrangement operations of the school have been put into practice to fast-track educational effectiveness and school development. This has been found in Canada, the United States of America, the United Kingdom, Australia, New Zealand, China, and Hong Kong (Matshika & Hoque, 2020:141).

Hasraj (2014) held a similar view, arguing that one school in charge of the decisions provides quality education to a cluster of schools run by a management group. The school financial and school-based management is the most progressive change internationally, showing the division of the school stage as impressive ways to promote effective decisions and improve internal processes pertinent to teaching and learning to attain the educational demands. Matshika and Hoque (2020:141) proclaimed that the main question since implementing school-based management has always been how to improve or re-engineer internal processes. The solution to these problems requires a new knowledge base regarding internal school processes, suggesting how a school can utilise its internal resources to achieve optimal performance and continuous development in management, teaching, and learning within the turbulent environment of the 21st century.

The self-management of schools was first introduced in international countries such as the United Kingdom, Australia, the United States of America, and New Zealand. Conversely, the commonalities regarding the self-management of schools in the United Kingdom, Australia, the United States of America, and New Zealand were identified. These commonalities assisted the United Kingdom, Australia, the United States of America, and New Zealand in facilitating learning (Nqata, 2018:21). The commonalities are creating school-site councils, such as SGBs or school boards. These 'school boards' include the principal, educators, administration staff, parents, and learners in secondary schools. The formal responsibility of managing school finances and approving the budget has been allocated to these site councils. These councils should operate within a framework of State policies to generate school policies. Secondly, a lump sum is allocated to schools to manage their own finances and set priorities to meet local needs (Matshika & Hoque, 2020:141).

Moreover, schools are being empowered to make their own decisions through membership of school committees so that they become independent in managing their affairs and meeting the needs of the schools. As a result, there was a power shift in all the countries identified, from the central government to the school level. The decentralisation of power to schools was a strategy to strengthen decision-making and accountability to school communities (Nqata, 2018:21). Ntsele (2014:24-25) opines that the view causing the funding of education in a certain state is because of how the government views the importance of education in the country. Ntsele (2014:25) adds that in most European countries, there was decentralisation in the governance of schools.

The school's principal is responsible for keeping the financial records in a safe place. Although, such responsibility may be allocated to the school finance committee, which must be selected by the manager of the school in writing (Ntsele, 2014:25). The school committee or SGBs must guarantee that internal control measures are available to protect school finances against fraud and corruption. Internal controls are systems made available to guarantee that a school's resources are protected and that accounting data are precise, complete, and correct. In South Africa, the SGB deputy chairperson, treasurer, and any other SGB member authorise the school's bank account transactions. In addition, the school principal is forbidden from signing cheques for the school.

2.6 SCHOOL FINANCIAL MANAGEMENT – AFRICAN COUNTRIES PERSPECTIVE

Financial management is concerned with the organisation's decisions on how to source funds, control financial resources through financial controls, prudent allocation of financial resources, and accountability measures. It is fundamental for the success of any entity (Munge, Kimani & Ngugi, 2016:92). According to Fung (2015:43), the rationale for financial management is raising funds for both short-term and long-term use and enhancing proper utilisation of the funds. The finances for learning institutions are used for daily operations and activities of concerned institutions. In the case of secondary schools, school principals and administrators are responsible for planning

and organising the school budget to accomplish the school's objectives and effective financial management (Sharma, 2011:56).

The main purpose of financial management is to ensure that funds sourced are utilised efficiently and effectively. Munge et al., (2016: 93) argue that resources are scarce; therefore, educational administrators must carefully use available resources to fulfil institutional objectives. Poor management of available funds leads to embezzlement, diversion of funds from prioritised projects, and misappropriation.

Ntsele (2014:25) states that some African countries have introduced free primary education, and since then, parents are no longer required to pay school fees for their children. The government now funds schools through grants, while the expenditures incurred by the schools are covered by the funds or grants from the State. For instance, in States such as Ghana, Rwanda, and Senegal, the State directly deposits grants or funds to learning institutions, the amount of which is determined on a per-learner basis. SGBs can spend these grants buying school materials, supporting teachers in training, and developing facilities.

Bua and Adzongo (2014) noted that the poor state of schools in Benue State in Nigeria resulted from financial management issues such as the inability to generate funds internally and misuse of available resources. It is observed that the management of school funds has been a challenge in Zimbabwe. The school principals and development committees have failed to manage funds and coordinate school activities properly. This is ascribed to poor or no training by the Ministry of Education (Munge, Kimani & Ngugi, 2016:93). According to Maronga, Weda and Kengere (2013), the Kenyan government has been influencing financial management in schools and institutions. This is through financial regulations such as financial management policies involving imprest management, financial auditing, credit management policy, and inventory management policy. Poor budgeting is one of the major reasons that derail the effective management of schools due to overspending or underspending, which can lead to misappropriation and mismanagement of school funds (Mito & Simatwa, 2012). Munge et al., (2016: 93) also noted that in addition to poor budgeting, delays in the disbursement of free secondary education funds pose a challenge in managing finances due to late settlement of transactions.

Financial management is the responsibility of the SGB because SGBs need to account for maladministration. In other African countries, the finances of schools are managed by head teachers or principals with school committees. A central government funds public schools, the national treasury annually allocates funds from the national budget, and schools receive funds from private donors or parents. In addition, schools may raise their own funds through fundraising activities. Schools are then required by law to use these funds efficiently and effectively (Mito & Simatwa, 2012). When utilising school resources, they must follow proper procedures, such as procurement, to avoid mismanagement of school funds.

2.7 SCHOOL FINANCIAL MANAGEMENT IN SOUTH AFRICA

Financial management is a process and function associated with managing the organisation's financial resources to achieve the organisation's aims and goals. This process includes the acquisition of funds and assets, the management of these funds and assets, budget preparation, cash flow analysis, expenditure, and safeguarding of assets (Botha, 2019:2). Basson and Mestry (2019:2) define financial management as the performance of management actions (regulatory tasks) connected to the finance of schools with the main aim of achieving effective education. Financial responsibilities include, among others, collecting school (user) fees, fundraising initiatives, securing sponsorships, and disbursements for procuring textbooks, stationery, and educational resources to service providers. Basson and Mestry (2019:2) identified building rapport among partners as essential for creating mutual understanding and sensitivity to the diverse cultures prevailing in schools. "Without building rapport, there is a distinct risk that some role-players may feel marginalised and remain silent and uninvolved."

In the context of the South African education system, it can be argued that collaboration among the various role-players, such as SMTs and SGBs, is a prerequisite for achieving long and short-term goals. The SGB may lack the necessary skills and knowledge that are needed for the effective management of school finances; therefore, members of the SMT may contribute, to a large extent, to fulfilling these limitations. Financial mismanagement is a severe form of misconduct, of which all consequences rest upon the shoulders of the school principal as the chief financial accounting officer of the school (RSA, 1995). In order to circumvent financial

mismanagement effectively, financial administration should be implemented, and the school's operational systems should be connected to the local community, which should serve as the school's financial management watchdogs (Serfontein & de Waal, 2015). This situation necessitates an appeal to the government to broaden participation in educational governance to ensure efficacy, transparency, capacity, accountability, and integrity regarding financial management and utilisation (Naidoo & Mestry, 2017). Building rapport among partners has been identified as essential for creating mutual understanding and sensitivity to the diverse cultures prevailing in schools. Without building rapport, there is a distinct risk that some role-players may feel marginalised and remain silent and uninvolved.

According to Ntsele (2014:26), power and authority are decentralised, moving away from totally dependent public schools to self-managing schools. Through this process, schools were more in control and had an opportunity to bring about development in schools. The key administration implication of the movement towards independence for schools is that the SMTs and SGBs will independently perform their governing and management duties. Many education departments did not regulate school processes, which impacted the schooling process. For decentralisation to be effective, there must be clear procedures for running and governing schools (Mestry & Bisschoff, 2009:13).

The SASA (84 of 1996) emphasises the relationship between parents and the State, and transfers power to the SGBs. It further instructs that the governing and managing of school funds lie with the SGB. Therefore, the SGB must ensure that internal control measures are effectively executed to avoid resource mishandling (Ntsele, 2014:28). Rangongo (2016:14) states that those in power in schools must be supported at all costs and be armed with relevant finance management skills and information required for performing administration obligations.

Makrweide (2012:66) found that challenges make schools vulnerable to mismanagement of public funds, which can account for the collapse of financial management systems in most schools. Some of the findings are the absence of finance registers, which is an indication that schools do not control and monitor their budgets; the failure of schools to reconcile their books at the end of each month, leading to poor control systems; and a lack of understanding of the procurement process, applicable legislation, and poor financial record-keeping. According to

Rangongo (2016:15), the SGB must be aware of what is expected of them regarding financial controls. However, SGBs lack the basic knowledge and skills in governing schools, do not perform their tasks as specified in section 16A of the SASA, and are involved in unlawful practices regarded as misappropriating finances.

2.8 LEGISLATIVE RULES AND REGULATORY FRAMEWORK FOR SCHOOL FINANCIAL MANAGEMENT

Education transformations brought by the government since 1994 focus on correcting past imbalances and realising equity in education efforts in South Africa (Mestry, 2013). Operations of all financial management schemes in schools do not function in silos. Makrwede (2012:122) emphasises that all financial systems need to be informed, influenced, and directed by a series of legislative frameworks upon which all procedures and processes are founded. Moreover, all key role players within or outside the school environment must be aware of the legislative framework regarding school finances. The SASA, the PFMA, and the Education Laws Amendment Act will be explored to better understand the functionality of financial management systems in public schools.

2.8.1 The Constitution of the Republic of South Africa Act 108 of 1996

As the supreme law of the land, the Constitution implies that all other laws, such as education legislation and all other organs of the State and persons, are subject to its authority. These laws must align with its provisions (Nqata, 2018:43). Therefore, the Constitution must guide the school governance legislative framework. In terms of section 239 of the Constitution, public schools are organs of the State. The functioning of their SGBs as the accounting authority, in particular, their policy-making function requires an understanding of the founding values of the Constitution, which forms the basis of the legislative provisions for school policies (Nqata, 2018:43). Moreover, Clarke (2012:107) points out that the Constitution obligates the government to provide funds to ensure an acceptable quality of education at departmental, community-managed on an equitable basis. According to Makrwede (2012), the SGBs are expected to manage their school finances according to public sector ethos based on

a set of distinct values. These values comprise impartiality, transparency, and openness, as enshrined in the Constitution.

In addition, they must at all times seek to promote the highest ethical standard of integrity and modesty, which apply to public money handling. This study was guided by two theories, namely budget and agency theories.

2.8.2 South African Schools Act 84 of 1996

The SASA 84 of 1996 prescribes how a school should manage its funds. It also offers guidelines for the SGB and the principal on their roles and responsibilities in handling the school's finances. According to Makrweide (2012), SASA is an act that specifies a uniform arrangement for the governance, constitution, and funding of schools. The act offers a uniform system, an organised national structure for all public schools in the Republic of South Africa. Mngoma (2009) and Motsamai, Jacobs and Wet (2011) concurred that SASA imposes responsibilities on the South African government concerning how the allocation of financial resources must be carried out and the responsibilities of the schools in the deployment and utilisation of those funds. In the preamble of SASA legislation, it is stated that South Africa requires a new national system for schools that will redress past injustices in educational provision, provide an education of progressively higher quality for all learners, and in so doing, lay a strong foundation for the development of all our people's talents and capabilities. Like the constitution of 1996, the SASA stressed the equitable distribution of public revenue to the provinces.

However, the SASA also advocated a partnership funding approach to address disparities inherited by the apartheid system. This partnership would assist South Africa in meeting the following four objectives: equity, advancing quality, redressing imbalances and improving efficiency (Motsamai, 2011). Sections 16(1) and (3) of the SASA state that the principal is responsible for a school's professional management, whilst the school's governance vests with the SGB. According to Mngoma (2009), financial management can be best described as the execution of the financial management activities of schools with the primary objective of achieving an adequate education in South Africa.

2.8.3 Public Finance Management Act 1 of 1999

According to the SASA, schools are bound to spend State funds for resources, services and repairs, and the maintenance of schools. Although the PFMA does not charge principals with responsibilities for managing funds per se, those forces are invested in the provincial HoDs as accounting officers of the State. The PFMA (Act 1 of 1999) does not explicitly stipulate that schools should have an accounting officer. However, section 36 (c) (1) states that all constitutional institutions and departments must have an accounting officer. SGBs obtain instructions from the HoDs through circulars, workshops, and meetings on expanding school resource allocation (Mestry, 2013). Makrwede (2012) shared a similar sentiment that funds allocated to schools should be only used for particular purposes. Mestry (2013) emphasised that if a school has not elected an SGB, the HoD can nominate a person to act as the SGB and that person, *ipso facto*, becomes the accounting authority on behalf of the school.

2.8.4 National Norms and Standards for School Funding of 1998 (Government Gazette 2362 [As amended in 2000])

This policy document provides guidelines and procedures on the NNSSF in terms of SASA (Nqata, 2018:44). The basic principle of the allocation of funds to schools, as indicated in section 39 of the NNSSF is to effect redress and equity in school funding to progressively improve the quality of school education, within the framework of greater efficiency in organising and providing educational services (RSA, 1998). The NNSSF also deal with procedures adopted by provincial education departments in determining resource allocation to schools (DoE, 2008:83). The SASA imposes a responsibility on the State to fund public schools. This principle of State funding of public schools is based on the constitutional guarantee of equality, equity and redress, and the right to basic education (RSA, 1998:8). Section 34 of the SASA states that the government must fund public schools from public revenue on an equitable basis in order to realise the rights to education and redressing of past disparities in education provision (RSA, 1996:34).

2.8.5 Training of the SGBs

Section 19 of the SASA stipulates that the HoD should impart basic training to the SGBs and the principals to empower them to execute their financial roles easily. Hansraj (2014) and Makrweide (2012) suggested that the SGB should be provided with continuous training to promote the effective carrying out of their affairs and to enable them to execute school financial duties. The government gazette (2012) verified that the training, as reflected in section 19 (4) of the SASA, should be designated to enhance the capacity of governing bodies and principals to do their statutory roles as established by sections 20 and 21 of the SASA. Such training should improve the SGBs' knowledge, skills, and position.

2.8.6 School funding and allocation

It is the State's responsibility to fund public schools from public revenue on an equitable basis to ensure the proper practice of the rights of learners to education and the redress of past inequalities in the education proviso (RSA, 1996, section 34). Furthermore, the SASA enforces an obligation on SGBs to take all reasonable measures intended to supplement the assets provided by the DBE to enhance the nature of quality teaching and learning by the school to all learners. On these seams, it is indispensable to possess an acceptable picture of what these assets contributed by the State.

The NNSF of 1998 policy prescribes that schools be ranked into quintiles. Quintiles 1, 2, and 3 are declared no-fee schools and provided with substantial state funding. In contrast, Quintiles 4 and 5 schools are affluent schools for which State funding has been significantly reduced (Mestry & Ndhlovu, 2014:10). A no-fee school is a public school of which the SGB may not levy compulsory school fees on learners in view of their poor socioeconomic backgrounds (Marishane, 2013:2). Dibete (2016:31) highlighted that no-fee schools are the schools in the poorest quintiles (Quintiles 1, 2 and 3) and which are declared as such by the Minister of Education on an annual basis. However, while a no-fee school does not charge school fees, it may raise funds through fundraising activities and voluntary donations from parents, although it may

not compel parents to make such donations (Clarke, 2012:116). These no-fee schools receive a subsidy from the DoE, equal to the no-fee threshold.

The establishment of “no-fee” schools is part of the national commitment to providing free basic education to all children and is, thus, part of the government’s attempt to address the historical inequalities of the education system (Clarke, 2012:1; Mestry & Ndhlovu, 2014:1). According to section 39(7) of the SASA, in order to be declared a no-fee school, the school should satisfy the following two criteria: (1) the school should have been placed in a national quintile (NQ) that has been identified by the Minister, in terms of section 39(7), paragraph 158 of SASA, as requiring a total prohibition of compulsory school fees. Schools in South Africa are divided into five categories or quintiles, and the poorest schools receive seven times more funding per learner than richer ones. This approach is aimed at redressing the historical inequalities in education. However, it also exacerbates the pressure on the governing bodies of the schools in the top two quintiles to replace the “lost” income through fees or other fundraising activities (Dibete, 2016:32). (2) The school receives a school allocation per learner, as defined in paragraphs 87 and 113 of section 39 of the SASA, which is greater than or equal to the no-fee threshold for that year while the school also receives compensatory funding in areas such as school safety, nutrition, classroom construction, and Grade R expansion (Mestry, 2013:174).

2.9 FACTORS PROMOTING A FUNCTIONAL FINANCIAL MANAGEMENT SYSTEM

2.9.1 Leadership

Leadership looks at the degree to which senior officials in the financial management sector influence, motivate, and appreciate solid financial management. Leaders recognise and strongly support the need for a better financial management system (Kendie, 2018:12). Kendie (2018:12) further argues that many leaders are not prioritising effective financial management and capability development in their organisations. Leadership is about exercising influence and setting directions. It does not depend on institutional location and can be exercised from any level in an organisation. In addition, more than one person in an organization can exercise it.

School leadership is defined as the process through which a school leader influences ideas, directions, processes, decisions, thoughts, and actions so that a school can achieve its desired goals. Leadership is important in any organisation. It sets the conditions and expectations for the excellent instruction and the building of a culture of ongoing learning for educators and learners in a school (Mukeshimana, 2016:1). Leadership can be described as a form of persuasion, a process of exercising influence, a way of inducing compliance, a way of behaving, and negotiation of power relations.

Two leadership models promote successful schools, namely transformational leadership and pedagogical leadership. These models are discussed in detail below:

2.9.1.1 Transformational leadership

This model is often associated with vision, setting directions, restructuring and realigning the organisation, developing staff and curriculum, and involvement with the external community.

1. **Building vision and setting directions:** is about establishing a shared purpose as a basic stimulant for one's work. The more specific practices in this category are building a shared vision, fostering the acceptance of group goals, and demonstrating high-performance expectations. In addition, the direction-setting practices of principals significantly influence teachers' stress, individual sense of efficacy, and organisational commitment (Mukeshimana, 2016:11).
2. **Understanding and developing people:** this category significantly contributes to motivation; their primary aim is building the knowledge and skills that teachers and other staff need to accomplish organisational goals and the disposition to persist in applying the knowledge and skills. The more specific practices in this category are providing individualised support and consideration, fostering intellectual stimulation, and modelling appropriate values and behaviours (Kendie, 2018:12).
3. **Managing the teaching and learning programme:** this model aims to create productive working conditions for teachers by fostering organisational stability and strengthening the school's infrastructure. Specific practices are staffing,

teaching programmes, providing teaching support, monitoring school activity, and buffering staff against distractions from their work (Kendie, 2018:12).

2.9.1.2 Pedagogical leadership

This leadership model emphasises the importance of establishing clear educational goals, planning the curriculum, and evaluating teachers and teaching. It sees the leader's prime focus as responsible for promoting better student outcomes, emphasising the importance of teaching and learning and enhancing their quality (Kendie, 2018:10).

1. **Establishing goals and expectations:** leaders need to establish the importance of the goals, ensure that goals are clear, and develop staff commitment to the goals.
2. **Planning, coordinating, and evaluating teaching and the curriculum:** promote collegial discussions of teaching and how it impacts student achievement and provides active oversight, coordination of the teaching programme, observation in classrooms, provide feedback that teachers describe as useful, and ensure systematic monitoring of student progress and use of assessment results for programme improvement (Kendie, 2018:10).
3. **Promoting and participating in teacher learning and development:** this dimension ensures an intensive focus on the teaching-learning relationships. It promotes collective responsibility and accountability for student achievement and well-being. A leader should provide useful advice about how to solve teaching problems.

2.9.2 Financial planning and budgeting in public schools

Ross, Westerfield and Jordan (2012:89) refer to financial planning as determining how a business will afford to achieve its strategic goals and objectives. Typically, a company creates a financial plan immediately after the vision and targets have been determined. Likewise, public schools are expected to engage in financial planning processes to achieve their strategic goals and targets. Therefore, financial planning postulates the crafting of objectives, evaluating the resources at a company's

disposition, predicting the future needs of the establishment, and developing and planning to achieve those fiscal and monetary goals (Makrweide, 2012).

Moreover, budgeting is seen as one of the key components of financial management, and public schools are budget driven. Budgeting refers to an estimation of revenue and expenditure over a specified future period of time. It is the process of allocating and matching monetary resources such as fees for service (Kendie, 2018:11). Kendie (2020:11) concurs with Immaculate (2016) that focusing on the effective use of budget is important for achieving efficient financial management. Wanjala, Wamocha and Sang (2020:15) argue that budgeting is a vital tool for planning, controlling, and utilising scarce financial resources by an organisation to attain educational goals. A budget is essential for decision-making, monitoring an organisation's performance, and projecting income and expenses. Thus, it can be said that adequate budgeting makes it easier to control limited financial resources efficiently.

2.9.3 Accounting and reporting

The accounting concept explains the process of gathering, classifying, analysing, and recording data relevant to events affecting an organisation's finances. According to Kendie (2018:11), financial management should include keeping a correct record of all financial transactions linking the budget to the organisation's strategic and operational plans. Financial reports include extracting and presenting data from the accounting system in ways that facilitate analysis (Michael, 2013). To improve budget compliance, there must be financial reports to provide ways for both internal and external actors to assess a school's or organisation's performance (Kendie, 2018:11). An organisation (school) may produce a wide range of reports such as revenue reports, monthly reports on budget execution, and annual financial statements.

2.9.4 Internal control and auditing

Lucy (2016) states that internal control of an organisation is meant to ensure compliance with applicable laws and timeliness of financial reports and effectiveness of reliability of the information. Internal control in an organisation should include the payment authorisation process, managing against budgets, and reconciliation process

(Kendie, 2018:12). Moreover, Kendie (2018:12) defined an audit as a systematic examination of data, statements, records, and performance of an organisation for a specific purpose, such as financial accuracy and operational effectiveness. Auditing is one of the compliance mechanisms in financial management systems designed to ensure that the budget is executed in accordance with the law and effectively delivers an organisation's goals (Michael, 2013). To determine whether accounting records of the organisation are complete and accurate, an audit must be conducted by a qualified independent auditor (Kendie, 2018:12).

2.9.5 The essential characteristics of school financial management systems in public school

2.9.5.1 Leadership and governance

Effective school governance arrangements ensure governors can fulfil financial management roles, responsibilities, and accountabilities. Leadership means a shared understanding of financial management roles and responsibilities among staff and governors. SGBs should consider and sign a statement on internal control confirming that the school's resources have been appropriately managed. The governing body must establish an effective governance arrangement covering issues such as conflicts of interest and whistle-blowing. Additionally, the school principal and finance personnel should set an example to governors and the entire staff concerning financial management (Nqatha, 2018).

2.9.5.2 People management and processes

Managing school finances necessitates that the governing body possesses certain skills and experience in relation to financial management that can ensure staff and governors are accountable for their actions, offer strategic leadership, and exercise a practical challenge function. Staff with financial management responsibilities should include individuals who can provide a strategic overview, ensure accountability requirements are met, and facilitate the effective operation of financial processes. Furthermore, financial information given to governors and staff should be relevant, accurate, timely, and user-friendly (Kendie, 2018:12). School's financial regulations

and procedures should be kept up to date, documented, and tailored to the needs of the school, and approved and implemented consistently. Schools should maintain adequate accounting records throughout the year and ensure that they fully adhere to SASA and PFMA requirements in a timely manner.

Moreover, schools should provide authorities or officials with accurate and up-to-date information that meets their needs. The governing body should also get evidence that adequate controls operate over all aspects of the school's financial management system (Nqatha, 2018).

2.9.5.3 Policy and strategy

Given the available resources, the school must set a realistic and affordable annual budget. This budget should be approved by the SGB timely. The school budget should be consistent with the school's development and long-term plans, including amassing resources for future development. Governors and staff should benchmark the school's performance against other schools, investigate areas of difference, and take appropriate corrective action.

2.10 CHALLENGES FACED BY THE SCHOOL GOVERNING BODY IN MANAGING SCHOOL FINANCES

SGB members are elected every three years. The SGB comprises the principal, parents, and teaching and non-teaching staff (RSA, 1996). Basson and Mestry (2018: 06) revealed that many SGB members elected to serve on the SGB usually had limited working knowledge, skills or expertise in school finances and that it takes some time to orientate and provide an understanding of the schools' finances to new members. This has resulted in non-collaboration and little interaction among the SMT and SGB members. For SGBs to be effective, they must develop a moral working relationship with SMT members. Tsuari (2011:55) argues that schools can become effective if SGBs take the necessary steps to develop healthy working relationships with SMT members.

Moreover, some SGBs do not fully comprehend what constitutes the SGB's role in managing school finances. This aligns with findings from other studies (Ngobeni, 2015;

Lekonyane & Maja, 2014; Mafora, 2018). For example, Mafora (2018) shares the same sentiment as Lekonyane and Maja (2014) that the principal and the SGB chairperson tend to make unilateral decisions about school funds and spend school finance monies without involving or informing other SGB members. However, Rangongo (2016:16) argues that the school's principal is responsible to the HOD to ensure efficient and effective use of school funds through audited financial statements and monthly financial reporting. He further explained that this reporting might lead to a power struggle and harm relations in the school environment regarding whom to report financial maladministration.

On the other hand, Basson and Mestry (2018:2) suggest that there should be an authentic collaboration among key role-players in school governance. Collaboration is an essential ingredient for effective management structures. Principals alone cannot effectively manage their schools (Basson & Mestry, 2018:2). It is evident from the above discussions that SGBs face many challenges in governance, including the issue of policy baggage and directives that they were required to be familiar with. There were no platforms for sharing information between the SGB and SMT except through the principals. Furthermore, the school's principal is responsible for providing the necessary support to the SGB. SGBs should delegate some financial functions to committees set up to manage aspects of the school's finances or to people who possess the requisite expertise in school finance, as most lack the necessary skills (Basson & Mestry, 2018:2).

2.11 STRATEGIES TO MITIGATE CHALLENGES

Governance in public schools needs to be developed in order to advance school governance. The challenges may be mitigated by equipping all the stakeholders with the necessary skills, expertise, and knowledge, including all aspects of school governance. Tetani (2017:33) states that due to decentralised school governance, management necessitated SGBs, principals, and educators to require various skills. This suggests that they must be capacitated in order to deal with all the issues pertaining to the management of funds. Mafora (2018:88) believes that all SGB members should be provided with continuous capacity building on democratic school governance and the principles and values associated with deliberative discourse. In

addition, SGB members should receive more training on the legislated duties and functions of the SGB, which they are anticipated to perform. The training should be scheduled immediately after the SGB elections and at regular intervals during their tenure.

Mestry (2006:35) emphasises that SGBs must undergo training in financial management. Mestry further states that there is a correlation between sound financial management and effective, efficient SGBs. The researcher is of the view that financial resources serve as one of the means to promote the school's best interests. School property and teaching and learning support material (LTSM) depend on sound financial management. Furthermore, the training of SGBs is essential in building capacity for members and ensuring successful school governance. Training should also ensure that members of SGBs understand their roles and responsibilities within the school.

Mestry and Khumalo (2012:109) emphasised that the lack of adequate knowledge of legislation and training militates against the ability of SGBs to perform their functions, such as adopting a learner code of conduct and its effective implementation. Furthermore, training or capacity building related to advocacy skills and leadership development should be provided for all SGB members, including the teachers. In order to improve learner participation, learners should also be involved in shaping the school's policies, particularly the code of conduct, which would assist in moving beyond the illusion of representative democracy (Tetani, 2017:33).

2.12 CHAPTER SUMMARY

The literature review is an inclusive assessment and evaluation of the literature pertinent to the research topic. This study is underpinned by two theories, namely the agency and budgetary theories. These two theories guide the study as a theoretical framework. First, school governance was made more representative and democratic. As public institutions, schools are required to uphold democratic principles in governance and decision-making processes. Financial management is a process and function associated with managing the organisation's financial resources to achieve the organisation's aims and goals. This process includes acquiring and managing

funds and assets, budgeting preparation, cash flow analysis, expenditure, and safeguarding assets.

The SASSA 84 of 1996 prescribes how a school should manage its funds. It also offers guidelines for the SGB and the principal on their roles and responsibilities in handling the school's finances. Leadership looks at the degree to which senior officials in the financial management sector influence, motivate, and appreciate solid financial management. Leaders recognised and strongly supported the need for a better financial management system. SGB members elected to serve on the SGB usually have limited working knowledge, skills or expertise in school finances. It takes time to orientate and provide new members with an understanding of the school's finances. Governance in public schools needs to be developed in order to advance school governance. The challenges may be mitigated by equipping all the stakeholders with the necessary skills, expertise and knowledge, including all aspects of school governance. Chapter 3 discusses the research paradigm and design, data gathering strategies, instruments, and sampling methods.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The literature review chapter discussed the theoretical framework and theory that guided this study. The previous chapter also shed light on legislative rules and regulatory framework for school financial management; challenges faced by SGBs in managing school finances; the composition of the SGB; the role of the SGB, school principal and finance personnel in managing school finances; and reviewed strategies to mitigate challenges encountered in managing school finances. This chapter discusses the research design and methodology employed in the study, the interpretive research, the qualitative research approach, data gathering methods, data analysis, and sampling approaches used in selecting participants. In addition, this chapter also discussed the credibility and trustworthiness of the research. Lastly, ethical issues will be identified and considered while conducting the research.

3.2 RESEARCH PARADIGM

Kivunja and Kuyini (2017:26) define a research paradigm as a basic set of beliefs or worldviews that guide research action or investigation. A research paradigm is a philosophical framework on which a study is founded. Paradigms are essential because they set up a theoretical or philosophical basis for research. They influence what should be studied, how it should be studied, and how the results of the study should be interpreted (Kivunja, 2017:26). These philosophical assumptions consist of a stance toward the nature of reality (ontology), how the researcher knows what she or he knows (epistemology), the role of values in the research (axiology), the language of research, and the methods used in the process (methodology). For this research, an interpretive paradigm was employed, allowing the researcher to explore the functionality of financial management systems in the public schools of Malangeni Circuit. The researcher viewed the world through the lived experiences and perceptions of the participants. Therefore, the researcher used these experiences to construct and interpret the truth about financial management systems from the collected data.

3.2.1 The interpretive paradigm

The interpretivist paradigm is about understanding the subjective world of human experience. This approach attempts to “get into the head of the subjects being studied” and understand and interpret what the subject is thinking or the meaning they are making of the context.” In this worldview, individuals seek an understanding of the world in which they live and work. They build up personal meanings of their lived experiences focused on certain things. These meanings are varied and multiple, leading the researcher to look for the complexity of views rather than narrow the meanings into a few categories or ideas (Creswell, 2014:37).

According to Rehman and Khalid (2016:55), interpretivists believe that truth and reality are constructed, not discovered. There are multiple realities, not a single reality. It is not possible to know reality as it is because our senses always mediate it. Interpretive research aims not to discover the universal, context, value-free knowledge and truth, but to understand individuals' interpretations of the social phenomena they interact with.

Furthermore, the interpretive paradigm is believed to be based on the fact that approaches or systems used to create and understand knowledge link with human and social sciences, and individuals create meaning to understand and interpret their experience, feelings or viewpoints (Hammersely, 2013:26). Meanings are varied and multiple, leading the researcher to look for the complexity of views rather than narrowing meanings into a few categories or ideas. The research goal relies on the participants' views of the situation being studied (Matlhodi, 2019). Therefore, the questions become broad and general so that the participants can construct the meaning of a situation, typically forged in discussions or interactions with other persons. The more open-ended the questioning, the better, as the researcher listens carefully to what people say or do in their life settings (Creswell, 2018:46).

Research conducted within the interpretivist paradigm usually displays the following characteristics:

1. The admission that the social world cannot be understood from the standpoint of an individual and the belief that realities are multiple and socially constructed.

2. Accepting that there is inevitable interaction between the researcher and his or her research participants and accepting that context is vital for knowledge and knowing.
3. The assumption is that data constructed or formed by the findings can be value-laden. The values need to be explicit, and the need to understand the individual rather than universal laws.
4. A view that causes and effects are mutually interdependent and the belief that contextual factors need to be taken into consideration in any systematic pursuit of understanding (Kivunja & Kuyini, 2017:34).

Standards applied to validate research conducted under the interpretivist paradigm are criteria of **trustworthiness and authenticity**. These include credibility, dependability, confirmability, and transferability. Credibility is used in research located within the interpretivist paradigm to refer to the extent to which data and data analysis are believable, trustworthy or authentic (Kivunja & Kuyini, 2017:34). This criterion should be used in research located within the interpretivist paradigm in preference to the criterion of internal validity of the positivist paradigm. Credibility demonstrates a true image of the phenomenon under examination (Cebekhulu, 2016:40). To guarantee credibility in the study, the researcher linked interview questions with the purpose or aims of the study. Questions were formulated and expressed in a linguistic way that was simple for the participants to understand.

3.3 RESEARCH APPROACH

A qualitative research approach was employed in this study. The research approach combines the researcher's strategies or techniques to collect research data. Qualitative research is delineated by its purpose in connection with learning about the experiences and attitudes of certain issues (Mamba, 2019). The research methodology is a well-structured procedure or technique of engaging in research or investigation to build facts and get conclusions to outline people's perceptions of the world around them (Creswell, 2014).

According to Dibete (2015:55), qualitative research is founded on a realistic perspective that strives to make sense of the phenomenon of interest in the real-world

setting. Qualitative research focuses on how certain people perceive or judge reality and make sense of their experiences (Thenga, 2012:48). Thenga (2012:48) further argues that qualitative research tries to gather detailed explanatory data regarding a certain phenomenon with the idea of apprehending what is being explored. Qualitative research is an approach that allows scholars to gather data in face-to-face situations by collaborating with participants in their natural settings. McMillan and Schumacher (2014:35) maintain that qualitative research explains and explores people's social actions, views, judgements, and discernments.

The qualitative research approach was considered appropriate for this study since the research was conducted in five public schools of the Malangeni Circuit. The qualitative research approach offers in-depth data about real-life experiences and occurrences (Leedy & Ormrod, 2014). Therefore, the researcher found the qualitative approach suitable for this study; hence, the researcher was afforded the opportunity to describe and comprehend the school situations and how funds should be managed (phenomena) from the participant's viewpoint. Hennink, Hutter and Bailey (2020) state that the qualitative approach is naturalistic, and the situation or phenomena being studied are in a real-world or natural setting.

Furthermore, the purpose is to make sense of social phenomena in a natural world setting and to interpret meaning. Through face-to-face interviews, document analysis, and observations, the researcher comprehended the opinions, beliefs, and feelings of participants' understanding of financial management systems in public schools of the Malangeni Circuit. Qualitative research aimed to gain an in-depth view of individuals, events, or any phenomenon the researcher wished to investigate by interacting closely with the SGB chairpersons, treasurers, finance officers, and the school principals of five public schools in the Malangeni Circuit.

3.4 RESEARCH DESIGN

A research design is a framework or guidelines to be followed by the researcher in addressing the research problem through a research project (McMillan & Schumacher, 2014:6, 28; Rossman & Rallis, 2012:135). For example, the research design process in qualitative research starts with philosophical worldviews that the researcher or

questioner makes in deciding to commence a qualitative study. In addition, researchers bring their own assumptions, paradigms, or sets of beliefs to the research project, which enlighten the way of conducting and writing a qualitative study. (Creswell, 2014:32). Good research demands that assumptions and paradigms be stated clearly and in detail in writing a qualitative study and realisation that they influence research. Research design offers the procedures for gaining the information required to structure or solve a research problem.

According to Creswell (2014:22), research designs are plans and procedures for research that span the decisions from broad assumptions to detailed data collection methods and analysis. Punch (2013:114) defines research design as “a structural flow pattern of activities or concepts running from planning of the research project to the final step of publishing the results.” A research design must involve any challenges a scholar might encounter in conducting a planned research project.

According to Cebekhulu (2016:35), qualitative researchers believe that the world is made up of people with their own assumptions, intentions, attitudes, beliefs, and values. Moreover, the way of knowing reality is by exploring the experiences of others regarding a specific phenomenon. Therefore, qualitative research acknowledges an interactive relationship between the researcher and participants and between participants and their own experiences and how they have constructed reality based on those experiences (Maree, 2011). In this study, the qualitative approach was employed to gain more information about the functionality of financial management systems in rural schools of the Malangeni Circuit. Qualitative researchers can use various approaches to generate in-depth data from participants, including narrative, ethnography, self-study, and case study. A case study approach was deemed relevant for this study, which is justified below. A case study in qualitative research is a bounded system with the focus being either the case or an issue demonstrated by the case (Creswell, 2014:256).

3.4.1 Case study

A qualitative case study provides an in-depth study of this system based on diverse data collection materials. The researcher locates this case within its larger setting.

Maree (2011:78) contends that a case study research technique is an empirical investigation which explores a modern phenomenon in its actual setting. In contrast, Rule and John (2011:68) propose that the study be conducted and employed for many determinations. It can be used to discover an issue within a limited, focused setting. A case study might also shed light on another similar case, providing a level of transferability. However, Yin (2014) argued that case study results might not be transferable, and other scholars see their submission. A case study plan is intended to acquire better awareness and understanding dynamics of real situations. The researcher employed a case study within a qualitative design. Yin (2014:2) suggests that case study research can explain an individual or event; it may seek to describe. Case studies may involve a range of methods, a range of purposes and a range of sampling techniques. Exploratory and descriptive case studies tend to be more inductive and qualitative. In addition, case studies are a design of inquiry in which the researcher develops a thorough analysis of a case, issue, event, activity, process, or more individuals. Cases are bounded by time and activity, and researchers collect detailed information using a variety of data collection procedures over a sustained period (Yin, 2014). There are three types of case studies, namely the single instrumental case study, the multiple case study, and the intrinsic case study.

In a single instrumental case study, the researcher focuses on an issue and then chooses one bounded case to demonstrate this issue (Creswell, 2014:259). One issue is picked in a collective case study, but the researcher picks multiple case studies to demonstrate the issue (Creswell, 2018:156). An intrinsic case study is a type of case study focusing on the case because it holds an intrinsic or unusual interest (Creswell, 2014:261). Ndou (2012:53) suggests that when cases are systematically selected, they are likely to demonstrate population patterns. The case being studied is a sub-category of the whole population. A case study is an in-depth analysis of an individual unit or case. The research project was a case study of the Malangeni Circuit (O.R. Tambo Coastal District). The sampled schools in the Malangeni Circuit represented the people or population under study, and participants were drawn from primary and secondary public schools. Five of the 34 primary schools were sampled, and participants ranged from school principals, SGB chairpersons, treasurers, finance personnel, and petty cash officers.

3.5 DATA COLLECTION INSTRUMENTS

Data were obtained using three different methods, namely semi-structured interviews, observations, and document analysis.

3.5.1 Semi-structured interviews

Semi-structured interviews use an interview guide to provide a set of questions for discussion. The questions are set to ensure the research questions or objectives are covered. However, there is the freedom to ask questions in any order, following tangents, seeking clarification of previous answers, or elaborating on responses. In other words, semi-structured interviews steer the interview yet allow for flexibility. Using semi-structured interviews, questions were non-directed, mainly open-ended, and designed to trigger and stimulate participants to talk about their adaptations. The researcher informed participants of the interview purpose and type of information to be gathered, and verified the voluntary nature of the interview. The interview included various questions, ranging from experience and behaviour to opinion, value, feeling, knowledge, and sensory or value-based questions. The researcher could generate in-depth data through probes for further detailed responses throughout the interviews. Questions were based on the functionality of the school's financial management systems. This helped determine the approaches and systems employed by SGBs when managing school finances by obtaining positive responses from the participants regarding school financial management. Maree (2011) argues that a participant needs to feel comfortable with whatever mode of recording and that recording an interview must be conducted meticulously. Therefore, to ensure the participant's comfortability, the researcher planned to negotiate the intentions to tape-record the participants' voices for easy transcription and analysis. The view is that writing down responses during the interview may be time-consuming and distract the interview proceedings.

Furthermore, semi-structured interviews are designed to ascertain people's subjective responses regarding a particular phenomenon they have experienced. It uses a relatively detailed interview guide and may be used when there is sufficient objective knowledge about an experience. Cohen et al., (2011) state that semi-structured individual interviews involve a two-person conversation initiated by the researcher to

obtain relevant information. Semi-structured interviews use open-ended questions to obtain data on participants' meaning of how individuals perceive their world and how they explain or make sense of the important events in their lives (MacMillan & Schumacher, 2010).

3.5.2 Observation

Qualitative observation means that the researcher takes field notes on the behaviour and activities of individuals at the research site and records observations. An observation is a process of watching participants' daily life and behaviours in their natural settings to record aspects such as social position and function or actions and interactions (Lopez & Whitehead, 2013:132). Johnson and Christensen (2011:164) define observation as the watching of behavioural patterns of people in certain situations to obtain information about the phenomenon of interest. According to Ndou (2012:55), participant observations are a qualitative research procedure that studies the natural and everyday set-up in a particular community or situation. Participant observation requires that the researcher becomes part of the situation without changing the situation.

In qualitative research, observation methods are mostly unstructured. However, qualitative observation may have some structure. With unstructured observation, the researcher enters the 'field' with no predetermined schedule regarding what they may or may not see or hear. Using this approach requires an observation protocol to record the same information collected during observations by the data collectors.

The below section discusses the different roles of an observer in observational research:

3.5.2.1 Complete participant

The researcher is an accepted and established community member (group or sub-group) under observation. Complete participation allows the researcher to observe behaviours as part of the community. The researcher is immersed in the group/community (Lopez & Whitehead, 2013:133).

The researcher used the Malangeni Circuit for this purposive sample because he is a teacher in one of the schools. Thus, as a member of the SGB, he attended several SGB meetings and read directives from the DoE through circulars. The researcher participated in SGB meetings and workshops where he experienced several challenges in implementing finance policies, especially at the school where he is teaching; hence, he was in an ideal position to become a participant observer. The researcher attended two SGB meetings in both primary and secondary schools. This is why participant observation is one of the selected approaches. The researcher adopts a recognised role within the institution or group. In this study, the researcher was already in such a role in the context he was investigating. Hence, the researcher could access confidential finance documents such as quotations, monthly financial statements, and audited financial records.

3.5.3 Advantages of observation

An observation has several benefits for qualitative research, namely “capturing data in a more natural setting, capturing the whole social setting and context of the environment in which people function, and informing about influences of the immediate physical environment.” Depending on the observation method used, there is an opportunity to interact with participants while gaining rich data and perspectives related to participants’ values and experiences. Where the researcher is also a participant, observation allows them to reflect on and evaluate their feelings about their field experiences. In this case, researchers can either ‘step back from’ or ‘be immersed in’ situations (Lopez & Whitehead, 2013:134). Despite the advantages of participant observation, there are some limitations.

3.5.4 Limitations of observation

If researching from an ‘objective’ stance, it is necessary to be aware of Mulhall’s (2003) caution that observation is more prone to ‘subjective’ interpretation by the researcher than is usually the case with interview data. In addition, field notes are likely often written up following the observation event, potentially adding to the subjectivity of data. However, neither of these issues would be a primary concern if working within a constructivist research paradigm.

3.5.5 Document review

A document may be defined as a record of an event or process, which may be produced by individuals or groups, taking many different forms (Cohen et al., 2011). The researcher reviewed the following documents: minutes of SGB meetings in which financial matters form part of the meeting agenda, school finance committee meetings, school budget, SFP, and procurement policy. Document reviews as non-interactive data generation were used to complement the semi-structured individual interviews. The researcher examined and analysed official financial documents of five sampled primary schools within the Malangeni Circuit in this study. These documents included financial statements, budgets, and income and expenditure files in order to gather information about the functionality of the financial management systems of public schools. The researcher also reviewed and analysed field notes collected during interviews with the participants and wrote findings and conclusions based on such primary documents. The finance committee and SGB meeting minutes formed part of the data. The main aim of examining the financial documents was to ensure validity and reliability by comparing the interview responses with the financial documents managed by SGBs. The data also supplemented the one collected during the interviews with individual participants.

3.6 SAMPLE AND SAMPLING TECHNIQUES

The primary purpose of sampling is the selection of suitable populations so that the motivation of the study can be appropriately researched. In qualitative research, an effective sample selection process is significant because inappropriate procedures may affect the findings and results of a study. Maree (2014:79) defines sampling as “the method used to select a part of the population for the research.” A sample is a portion of the population that inherently has characteristics of the population, making it somewhat representative of the population (Picardi & Masick, 2013:154). This study employed a non-probability sampling method.

3.6.1 Purposive sampling

This is commonly used as a sampling strategy in which participants are selected or recruited according to pre-selected criteria relevant to a particular research question. In purposive sampling, sampling is done with a purpose in mind. Purposive sampling can be useful for situations where one needs to reach a targeted sample quickly and where sampling for proportionality is not the primary concern (Lopez & Whitehead, 2013:125). This sampling technique is designed to provide information-rich cases for in-depth study. This is because participants are considered to possess the required status or special knowledge to provide the information researchers seek. Purposive sampling is a participant's deliberate choice due to the participant's qualities. It is a non-random technique that does not need underlying theories or a set number of participants. Therefore, the researcher purposely recruited participants from the population that appeared representative of the population based on the researcher's knowledge and judgement.

Purposive sampling was considered more appropriate and relevant for the study. Therefore, the researcher identified and selected knowledgeable participants with the phenomenon under study. In addition, the researcher considered the knowledge and experience of the participants, noted the importance of availability and willingness to participate in the study, and the ability to communicate experiences, feelings and views expressively and reflectively. Gender, age, and race were not considered when selecting participants because the study focused on exploring the functionality of financial management systems in the public schools of the Malangeni Circuit.

The study was conducted in five public schools of Malangeni Circuit, Eastern Cape Province of South Africa. The researcher selected five public schools, and in each school, four participants were expected, namely the principal, SGB chairperson, treasurer and finance officer. These participants were purposively selected because of their experience and knowledge about the phenomenon. The five public schools were identified and selected because they were easily accessible and convenient for the study. Twenty participants from the five sampled public schools were purposively selected to participate in the study. They possessed certain characteristics that were able to assist with relevant data.

3.7 DATA ANALYSIS

Creswell (2013:179) defines data analysis as a structured process involving synthesising data collected during empirical research and organising it into manageable units, enabling the researcher to assess it. It also involves interpreting data by coding and organising it into themes and subthemes. According to Freeman (2017), data analysis is an interactive process, so strategies are not merely applied to data; hence, data prompts and coerces the researcher to think in certain ways.

Bhatia (2018) presents the most commonly used data analysis strategy, namely content analysis. This is one of the most common ways of analysing qualitative data. It is used to analyse documented information in the form of texts, media or physical items. Content analysis is usually for analysing the responses from interviewees. Data were analysed using qualitative data analysis, that is, a systemic way of selecting, categorising, comparing, synthesising and interpreting data to provide explanation of a single topic of interest (McMillan & Schumacher, 2010). According to Maree (2011), it is based on an interpretive philosophy that examines the meaningful and symbolic content of qualitative data. For this study to achieve this, it employed content analysis strategies and techniques. Verbal and written material were analysed using a set of reduced volumes of verbal and printed material into more meaningful data from which the researcher could identify patterns and gain insight. This allowed the researcher to convert or transcribe data collected into final patterns to serve the purpose of the study. Data collected were reduced into themes that addressed major research questions. Document analysis informed subsequent data collection from interviews.

3.8 CREDIBILITY AND TRUSTWORTHINESS

According to Cebekhulu (2016:40), credibility and trustworthiness comprise transferability, credibility, and conformability as crucial reliability criteria in qualitative research. These are discussed below:

3.8.1 Conformability

Conformability refers to the objectivity of research during data collection and data analysis. Conformability demonstrates the study's quality by measuring the researcher's findings against the collected supporting data (Mandal, 2018).

3.8.2 Transferability

Transferability pertains to whether or not the data obtained from the analysis can be applied to other settings and contexts, which checks the external validity of findings (Mandal, 2018). This study provides a detailed description of the setting and contexts in which the study was conducted.

3.8.3 Reliability and validity

According to Glen (2016), reliability implies consistency, and a test is valid if it measures what it is supposed to. The instruments developed for this study were designed to capture the participants' views on transformational leadership, women leaders, their challenges, and their adopted strategies. The views of a small sample of nine participants were information-rich and in-depth; thus, a small sample size was effective and sufficient for this study. The responses from the interviews and analysis of documents were qualitatively analysed in accordance with the research questions. All the participants' views were regarded as valid and reliable because the responses were not altered, and participants were not pressured to answer the questions in a specific way. To add to the validity and reliability of this study, the researcher used data collection methods and instruments that allowed for detailed responses from participants. This opportunity to express innate feelings resulted in a detailed description of what is happening in South African schools, specifically in the uMgungundlovu District. To ensure the validity and reliability of this study, participants acknowledged that their responses were their own individual responses and were not altered in any way (cf. 5.2).

3.8.4 Dependability

According to Mandal (2018), dependability refers to the idea of reliability and how reliable the researcher's work is and if it will remain invariant over a period of time. For this study, the researcher ensured adequate documentation of data, methods and accurate decision-making was undertaken. All records were kept for auditing processes if the need arose. All data were treated as confidential and were stored safely.

3.9 ETHICAL CONSIDERATION

Resnik (2011:1) defines ethics as “a method, procedure, or perspective for deciding how to act before data collection and for analysing complex problems and issues.” During data collection, the protection of participants against language, emotional, psychological, or intellectual abuse was prioritised. Where humans are concerned, their safety, integrity and dignity should be ensured at all times (Alli, 2020:70). The researcher implemented the relevant measures to ensure ethical behaviour during this study. In this respect, the researcher acted according to UNISA's ethical requirements. An application form was submitted to the College of Education Research Ethics Committee for ethical clearance.

3.9.1 Permission and approval from the respondents

The researcher applied for ethical clearance from UNISA, granting him permission to conduct the study and interact with the participants. Thereafter, the researcher applied to five public schools in the Malangeni Circuit to conduct research; the principals of the schools granted permission for the study to be conducted. All participants agreed to participate in the study. Prior to starting the research, participants were informed that their participation was voluntary and no one would be forced to participate. They could withdraw from participating at any time without providing reasons for their withdrawal. The researcher requested all the participants to give consent and sign after they were taken through the research process and what was expected of them.

3.9.2 Voluntary participation and informed consent

Informed consent is a written document where participants are taken through the research process and made aware of their rights in the study (Matlhodi, 2019:69). Prior to starting the research, participants were informed that their participation was voluntary and no one would be forced to participate. They could withdraw from participating at any time without providing reasons for their withdrawal. The researcher requested all the participants to consent and sign after they were taken through the research process and what was expected of them. Consent forms were made available for everyone, and those interested in the study were allowed to sign. Furthermore, the processes, including the benefits and harm, were discussed with all the participants before starting the data collection process.

3.9.3 Anonymity and confidentiality

According to Cohen et al., (2011:64) and O'Leary (2010:42), anonymity is enhanced when the researcher cannot identify a certain response with a particular respondent on or post-action research. Furthermore, anonymity was practised in this study as no names of the participants or their schools were mentioned in the research; instead, codes were used. The researcher did not reveal individual details or information about the participants. Instead, the researcher used letters of the alphabet as pseudo names, such as Principal B, Teacher C, etc., to avoid revealing the participants' names to the study's readers.

3.9.4 Harm and risk

The researcher considered all possible causes of harm to participants. Risk and harm may come in several ways, such as; for example, social harm, physical harm, and psychological harm. Before the study, all possible risk of harm was disclosed to participants, and participants were made aware of the resources or counselling units or services if they needed them (Creswell, 2013:59).

3.9.5 Honesty and integrity

Research integrity means conducting the study in a way that allows other people to have confidence and trust in the study methods (University of Edinburgh Guidelines, 2021). The researcher communicated the results from the data collected; he was not judgemental and avoided biases when interpreting data. The researcher did not manipulate or influence results to support a certain agenda or opinion.

3.9.6 Results communication (feedback)

The researcher ensured participants about transparency and being transparent in research. The researcher ensured the findings and recommendations would be communicated honestly, reliably, and credibly to all participants interested in the study's conclusions. In addition, dissertation copies will be distributed to schools participating in the study.

3.10 CHAPTER SUMMARY

Chapter 3 discussed the various research paradigms and types of research design. The research methodology chosen for this study is a qualitative approach; therefore, the sampling methods and inquiry strategies associated with the nature and purpose of qualitative research were discussed. A case study research design was selected for the study, and the rationale for chosen design was explained. The study was based on the interpretive research paradigm because of its ability to inductively explain participants' actions and the school's operations. Moreover, the chapter explained how data analysis would be conducted to uphold the trustworthiness and credibility of the study. Finally, ethical considerations were discussed. The next chapter presents the data analysis, transcription of raw data, and analysis of the data obtained from interviews and financial documents from the five sampled schools.

CHAPTER 4: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

Chapter 3 discussed the research design and methodology for the study. The research approach, research paradigm, data gathering techniques, population and sampling methods, and data analysis were also discussed. The researcher used three data collection instruments, namely semi-structured interviews, document analysis, and observation. Data were collected from school principals, SGB chairpersons, SGB treasurers, and finance officers of five sampled public schools of the Malangeni Circuit in Eastern Cape Province. The collected data answered the following main and sub-research questions:

Main research question:

What is the functionality of the finance management systems in public schools of Malangeni Circuit, Eastern Cape Province?

Sub-questions

1. What are the essential characteristics of school financial management systems in public schools?
2. How should school finance personnel implement financial legislation to manage school finances?
3. What are the roles of finance personnel in school financial management?
4. What challenges do public schools experience regarding financial management?

4.2 SAMPLED PARTICIPANTS' PROFILE

Table 4.1: Demographic data of research participants

Participants	School code	Quintiles	Gender	Position occupied	Number of years serving in the SGB	Educational qualifications
1	A	1	Male	Principal	10	ACE Management
2	A	1	Female	Chairperson	2	Grade 08
3	A	1	Female	Treasurer	3	Grade 11
4	A	1	Male	Finance officer	8	Diploma Office Administration
1	B	1	Female	Principal	12	BEd (Humanities)
2	B	1	Male	Chairperson	2	Grade 03
3	B	1	Female	Treasurer	1	Grade 08
4	B	1	Male	Finance officer	6	NDip Human Resources
1	C	1	Male	Principal	5	NPDE, ACE Leadership and Management
2	C	1	Male	Chairperson	2	Bachelor of Theology
3	C	1	Male	Treasurer	1	Grade 10
4	C	1	Female	Finance officer	8	NDip Office Administration
1	D	1	Male	Principal	2	BEd (Science)
2	D	1	Male	Chairperson	1	Grade 12
3	D	1	Female	Treasurer	1	Grade 11
4	D	1	Female	Finance officer	10	Bachelor of Public Administration

1	E	1	Male	Principal	5	BEd Hons Management and Law
2	E	1	Male	Chairperson	1	Grade 004
3	E	1	Female	Treasurer	2	Grade 6
4	E	1	Female	Finance officer	7	NDip Office Administration

4.3 MAIN THEMES

The thematic or content data analysis strategy was used to categorise data into the following themes and sub-themes:

4.3.1 Theme 1: Functionality of school financial management system

Managing school finances, drafting finance policies and implementation, and managing school finances through relevant committees.

4.3.2 Theme 2: Essential characteristics of school financial management systems

School governance, good finance leadership, accounting record-keeping, keeping financial records, and budgeting.

4.3.3 Theme 3: Implementation of legislation in the management of school finances

Ensuring implementation of the SFP, understanding and following SASA and PFMA on the administration of school finances.

4.3.4 Theme 4: The roles of finance personnel

Fundraising and fund development, keeping financial records, implementing finance policies, monitoring the reimbursement of school finances, and drafting the budget.

4.3.5 Theme 5: Challenges faced by public schools in financial management

Inadequate funds from public schools result in poor budgeting, insufficient financial training and illiteracy, poor communication, lack of participation from SGB members, and dysfunctional committees.

4.4 DISCUSSIONS OF THE FINDINGS

Theme 1: Functionality of school financial management system

The researcher posed the following question to the principals: Please tell me about the management of school finances.

Principal 1: *“We have the finance committee assisting us with managing financing. We also have a procurement committee and payment by confirming signatories etc.”*

Principal 2: *“To hold meetings monthly and procurement for every transaction to be processed.”*

Principal 3: *“To hold meetings monthly and procurement for every transaction to be processed. School finances are managed through the school finance committee; other sub-committees work with the mother body, which is the finance committee. The finance committee works with the procurement committee; they work hand in hand. To manage school finances, we have a bank account as the school; all the transactions are recorded, ensuring everything is correctly done. So expenditure is controlled and also avoiding unnecessary expenditure.”*

Principal 4: *“To manage school finances, as the school, we need to open a school bank account, ensure that all the transactions are recorded, following proper procedures. School finances are managed through the school finance committee and procurement committee, these committees need to hold meetings and develop policies, and there must be minutes of the meetings. That is how we do things in our school.”*

Principal 5: *“School finances are managed through the school finance committee and procurement committee, these committees need to hold meetings and develop*

policies, and there must be minutes of the meetings. To manage school finances, as the school, we need to open a bank account, ensure that all the transactions are recorded, and follow proper procedures. We are avoiding unnecessary expenditure.”

Financial management can be described as the performance of management actions related to school finances to realise effective education (Mestry & Basson, 2019:2). It was evident that school principals were able to talk about financial management. For example, Principal 4 opined that “to manage finances, you need policies.” Most of the responses mentioned committees, such as the finance committee. This was confirmed by Nqatha (2018:38), stating that for schools to manage their finances effectively, they must develop a finance policy that all the stakeholders should adopt. The finance policy must clearly outline the roles of the finance committee; treasurer, finance officer, and school principal (see Ch.2 section 2.7.1).

The researcher posed the following question to the principals: According to your understanding, what is the functionality of the financial management systems in schools?

Principal 1: *“It is to have plans and mechanisms in place to ensure control or use of funds transferred by the State to the school.”*

Principal 2: *“Not so functional because the school receives lesser funds; you cannot even budget.”*

Principal 3: *“We have a functional financial management system in place, and it is perfect because we have a procurement committee and a finance committee. These committees have the responsibility of managing finances under the SGB treasurer. Financial statements are audited by independent auditors. Internal controls are in place and being implemented. We are following the correct channels to approve the expenditure, starting with procurement and then finance. Record-keeping is done regularly.”*

Principal 4: *“Record-keeping is done. It is to have proper internal controls in place and ensure they are enforced. To ensure the functionality of our systems, we follow the correct channels to approve the expenditure, starting with procurement and then going to finance.”*

Principal 5: *“Proper internal controls in place. To ensure the functionality of our systems, we follow the correct channels to approve the expenditure and procurement together with the finance committee sit down in a meeting following correct procedures in making payments. There is accountability. Invoices and quotations are some of the documents needed. Record-keeping is done frequently.”*

Basic functionality is when an SGB can function effectively and efficiently to realise its goals. The emphasis is more on the effectiveness of the legislative framework and policies, how the SGB is meeting its own goals, and how the parents and educators respond positively to the SGB. The school's basic functionality indicates that it can realise its educational and social goals. However, the school's policies and procedures must be in place to enable it to run smoothly. As the accounting authority, SGBs must look at the policies, procedures, regulations etc., to assess whether they are appropriate and implemented successfully. The willingness of SGBs to implement these policies (the finance policies and procedures), and the impact this has on school improvement must be assessed regularly. The school must have effective procedures for managing school finances.

The researcher posed the following question to the principals: Please explain the role of the SGB in school governance.

Principal 1: *“Their role is to ensure that the school is governed according to the laws and policies by SGB.”*

Principal 2: *“To ensure that funds are spent properly following prescribed rules, legislations, and a policy, school is running smoothly.”*

Principal 3: *“To ensure that funds are spent properly following prescribed rules, legislations and a policy, school is running smoothly. They are governors of the school as a whole; they must ensure that they develop policies, not only finance policies and put them in place. They govern with policies. These policies must be based on the South African constitution, the South African Schools Act and all other available education legislations and policies of the Department of Education. Policies like codes of conduct and admission policies must be developed by governors. That's their role.”*

Principal 4: *“Their role is to develop policies and rules governing the school. Policies like the code of conduct and admission policies must be developed by governors. These policies must be based on the South African constitution, South African Schools Act and all other available education legislations and policies of the Department of Education.”*

Principal 5: *“Their role is to develop policies and rules for governing the school. Policies like language and admission policies.”*

The SGB is responsible for the everyday management of the school. It must decide on and carry out school policies that suit the school. SGBs must have policies that protect and promote learners’ rights regarding school discipline, language, religion, and culture. The SGB must not interfere in the professional management of the school, but should support academic staff in executing their duties. The SGB should also encourage partnerships with people with expertise to assist the school (Basic Education Rights Handbook-Education on rights in South Africa: 2017). All school principals concurred on the role of SGBs in school governance. They must develop policies and legislation to govern schools. SGBs start and administer school funds and prepare annual budgets to present to parents for approval. They must open and maintain a bank account and keep financial records (Kruger, 2021).

The researcher posed the following question to the SGB chairperson: Who governs the school finances?

SGB chairperson 1: *“School principal together with school governing body.”*

SGB chairperson 2: *“School principal, treasurer, SGB chairperson, and finance officer.”*

SGB chairperson 3: *“School principal and SGB chairperson.”*

SGB chairperson 4: *“School governing body as a whole.”*

SGB chairperson 5: *“School governing body, with the finance and procurement committees.”*

Letsapa (2021) is of the view that SGBs must take complete control of school finances and manage them. All stakeholders are encouraged to work together to manage school financial resources, participate in shared leadership, and maintain accountability through SGBs. All the respondents are clear on who is governing school finances except for SGB chairperson 3.

The researcher posed the following question to the SGB chairperson: How do you manage finances in your school?

SGB chairperson 1: *“We manage finances by following and implementing financial and procurement policies. We make payments according to budget.”*

SGB chairperson 2: *“We make payments according to budget. Authorising and approving every transaction.”*

SGB chairperson 3: *“We make payments according to the budget, authorising and approving every transaction. Our rule is that there must be committees, such as finance and procurement. We have policies in place and follow-up, so we do not deviate from government policies. If we are going to make a payment, there must be a quotation or invoice. The treasurer and chairperson should approve the payment. The person being paid must have a bank account.”*

SGB chairperson 4: *“We have policies in place, and we follow up so that we do not deviate from government legislations and policies. If we are going to make a payment, there must be quotations. The SGBs should approve payments. The finance and procurement committees should hold their meetings regarding managing the school's finances.”*

SGB chairperson 5: *“We have policies in place, and we follow up so that we do not deviate from government legislations and policies. If we are going to make a payment, there must be quotations. The SGBs should approve payments. The finance committee and procurement committee should hold meetings with regards to managing the school finances.”*

Clearly, they managed finance by developing policies (i.e. a finance policy). This policy was created to ensure that money was adequately managed; there was no evidence

of corruption or fraud. SGBs formulate and adopt financial policies in their respective schools (RSA, 1996). The main duty is to manage school finances and ensure a school budget is drawn and should cater for all the needs of the school.

Theme 2: Essential characteristics of school financial management systems

The researcher posed the following question to the school principal: In which quintile is your school?

Principal 1: *“Thank you for asking; this school is in Quintile 2.”*

Principal 2: *“This school is in Quintile 1.”*

Principal 3: *“Our school is in Quintile 1.”*

Principal 4: *“This school is in Quintile 1.”*

Principal 5: *“This school is in Quintile 1.”*

It was evident that most schools are in the Quintile 1 category. According to Letsapa (2021), schools are categorised into five quintiles based on their location and the poverty level of the households around them (see Ch.2 section 2.3.1). It may be concluded that the sampled schools were in rural areas where most parents may not be employed. Schools in Quintiles 1 and 2 should comply with mandatory expenditure items determined by the provincial education departmental policies and the PFMA.

The researcher posed the following question to the school principal: In which budget bracket is your school this year? Choose from the following options: less than R100000, between R150 000 and R200 000, or above R250 000.

Principal 1: *“It is above R250 000.”*

Principal 2: *“It is less than R100 000.”*

Principal 3: *“It is more than R250 000.”*

Principal 4: *“It is less than R100 000.”*

Principal 5: *“It is less than R100 000.”*

Section 34 of the SASA mandates the State to provide funds to public schools from the government revenue on an equitable basis. This guarantees learners' basic right to education and rectifies the historical educational disparities (RSA,1996:34). From the responses cited above, all the schools received funding from government revenue. However, some schools did not receive much. For example, one of the participants stated that “the money that is below R100 000.”

Furthermore, according to the NNSFF, as set out in section 39, the distribution of funds to schools is done to bring about balance and equity in funding the schools to improve the quality of school education (RSA, 1998:8).

The researcher posed the following question to the school principal: What are the essential characteristics of school financial management systems in public schools?

Principal 1: *“SGB chairperson, treasurer, finance officer, and the principal.”*

Principal 2: *“SGB chairperson, treasurer, finance officer, and the principal.”*

Principal 3: *“SGB chairperson, treasurer, finance officer, and the principal. Follow school policies, using the relevant committees, and ensure records are available.”*

Principal 4: *“Accountability and transparency, follow school financial policies using the correct appointed structures, and ensuring that there are records in place.”*

Principal 5: *“There is proper internal control in place. There is accountability and transparency. Follow school policies using the correct elected or appointed structures. There are records in place.”*

Schools' control over their resources and funds cannot be effective without a clear set of regulations for managing schools. School managers must ensure that the relevant personnel implement guidelines or legislation (Letsapa, 2021:16). All respondents clarified that there should be plans or systems in place to check the adequate implementation of legislation and tools to measure it. They should follow all the policies and legislation put in place.

Theme 3: Implementation of legislation in the management of school finances

The researcher posed the following question to the school principal: Which aspects or items did you spend the norms and standards funding from the Department of Education?

Principal 1: *“We spend money on maintenance of school properties. We are buying stationery and machines for the school. We are paying for electricity.”*

Principal 2: *“We spend the money on the payment of SGB educators, we buy papers for photocopying, pay xerox for servicing our machines (service plan), we also buy electricity because the machines cannot function without electricity, and buy extra stationery for the office.”*

Principal 3: *“We are funded by the Department of Education. We are funded according to our quintile and learner enrolment. Government is allocating according to cost centres when they are funding us, such as cash payment, non-education consumables, education consumables, nutrition, municipal services, maintenance, and learner-teacher support material and stationery.”*

Principal 4: *“We spend money according to cost centres such as cash payment, non-education consumables, education consumables, nutrition, municipal services, maintenance and learner-teacher support material and stationery.”*

Principal 5: *“We are getting money from the government according to learner enrolment. We spend money according to cost centres such as cash payment, non-education consumables, education consumables, nutrition, municipal services, maintenance, and learner-teacher support material and stationery.”*

Based on the discussions with the principals, it was revealed that the State allocates school's funds. These allocations are done according to cost centres; for example, education consumables cost centre and non-education consumables cost centre. School funds are regulated by the NNSSF and must be managed accordingly. The NNSSF policy provides a statutory basis for funding public schools, namely that schools located in poorer societies should receive more funds from government revenue than schools serving better-off communities (RSA, 1998). During the

interview, Principal 2 revealed they are paying for SGBs-employed educators using the NNSSF public schools. This act has shown that they are following guidelines and regulations and implies a challenge in spending the funds. Mestry (2014) asserts that the allocation for different budget items is fixed, and principals and SGBs face difficulties in how they should be disbursed. For example, allocations for municipal services are usually insufficient, and SGBs are unsure how to access more funds or redirect funds received from provincial education departments.

The researcher posed the following question to the school principal: Do you have copies of the following documents? Constitution of the Republic of South Africa, Approved School Governing Body Constitution, Public Finance Management Act, South African Schools Act, Approved School Financial Policy, School Asset Register, Approved Transport Claims Policy, and Audited Financial Statements for 2020 and 2021.

Principal 1: *“Yes, we have all the above documents except for the approved transport claim policy.”*

Principal 2: *“Yes, we have all of them besides the transport claim policy; we do not have it.”*

Principal 3: *“Yes, we have all of the above documents.”*

Principal 4: *“Yes, we have all of the above documents except for the approved transport claim policy.”*

Principal 5: *“Yes, we have all of the above documents... besides the approved transport claim policy, we do not have that one.”*

According to Nqatha (2018:43), public schools are State organs. Thus, the functioning of their SGBs as accounting authority, in particular, their policy-making function, requires an understanding of the constitution's founding values which form the basis of the legislative provisions for school policies. Accordingly, all the principals have the Constitution of South Africa and other policies, with the exception of the transport claim form.

The researcher posed the following question to the principal: How should school finance personnel implement financial legislation in managing school finances?

Principal 1: *“By following proper procurement procedures and legislations.”*

Principal 2: *“By following proper procurement procedures when holding meetings.”*

Principal 3: *“By following proper procurement procedures when holding meetings. School finance personnel must ensure that everything they do is in accordance with finance policies and legislation. They are using correct structures, such as school finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that the expenditure was approved by the correct people or structures, and the bank statement must agree with invoices. Let’s say if the expenditure was based on quotations, there need to be a motivation or reasons why they chose a certain quotation over the other ones.”*

Principal 4: *“By following proper procurement procedures when convening meetings. They are using correct structures, such as school finance in SGB and procurement committees. The bank statement must agree with invoices or quotations.”*

Principal 5: *“By following proper procurement procedures when holding meetings. They are using correct structures, such as school finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that expenditure was approved by the correct people or structures, and bank statement must agree with invoices.”*

According to Letsapa (2021), financial legislation, including the finance policy, must clearly explain how school finances should be managed in a specific school. However, it was evident from the interactions with school principals that they knew how financial legislation should be implemented to control the use and spending of the funds. Therefore, the school must act according to policies, especially financial management. Policies direct school managers and SGBs to behave when managing school finances (Refer to Ch2, section 2 2.7).

The researcher posed the following question to the school principal: How do you ensure financial legislation is implemented by finance personnel?

Principal 1: *“By ensuring that payments are made according to the budget and procurement procedure.”*

Principal 2: *“By ensuring that payments adhere to policies and relevant procedures.”*

Principal 3: *“The finance committee should have a supervision questionnaire sort of...whereby they look at policies that must be followed when spending school finances. In each transaction, one should check whether procedures were followed according to the questionnaire used. For example, let’s say we need to buy something; the procurement committee should sit down in a meeting and procure. There must be minutes of the meeting written down. We must ensure that we have all the tools to measure the whole process. Like we check procurement committee held meeting, we need a tool to check whether, in that meeting, they adhered to correct procedures.”*

Principal 4: *“We need to ensure that we have all the tools to measure the implementation of legislation. Like we check procurement committee held meeting, we need a tool to check whether in that meeting, they adhered to correct procedures.”*

Principal 5: *“We need all the internal controls to ensure the implementation of legislation. Ensure that committees adhere to correct procedures.”*

Schools’ control over their resources and funds cannot be effective without a clear set of regulations for managing schools. School managers must ensure that guidelines or legislation are implemented by relevant personnel (Letsapa, 2021:16). All respondents made it clear that there should be clear plans or systems in place to check the adequate implementation of legislation and tools to measure it. They should follow all the policies and legislation put in place.

The researcher posed the following question to the SGB chairperson: How do you develop or formulate financial legislation or policies?

SGB chairperson 1: *“Policies are drafted by SGB and tabled to the parents for endorsement.”*

SGB chairperson 2: *“Finance committee will have to convene a meeting, then draft or develop policies which will be presented to SGBs for endorsement.”*

SGB chairperson 3: *“Finance committee will have to convene a meeting, then draft or develop policies which will be presented to SGBs for endorsement. We hold meetings as SGB to develop policies; we do this following the constitution.”*

SGB chairperson 4: *“Policies in our school are developed by the SGB. Principal and teacher components are assisting us with the information needed for drafting laws. These policies should be based on the constitution of the land, the South African Schools Act, and government legislation. The policies will be approved by the SGBs.”*

SGB chairperson 5: *“Policies in our school are developed by SGB. The principal and teacher components are assisting us with the information needed for drafting laws. These policies should be based on the constitution of the land, the South African Schools Act, and government legislation. The policies will be approved by the SGBs.”*

The responsibility of managing the school finances lies within the SGB. The SASA provides for the SGB to develop financial legislation that assists in monitoring and controlling the process. The financial policy must be developed, adopted, and implemented by all the stakeholders. This legislation or policy should be formulated within the parameters of the law, national policies, and circulars of the provincial department (Letsapa, 2021). It was revealed that financial legislation was developed and adopted by the SGB, which is assisted by the principal or teachers knowledgeable and skilled in policy making.

The researcher posed the following question to the school principal: How do you ensure that these financial legislations are put into practice by finance personnel?

SGB chairperson 1: *“By having procurement meeting to ensure what is going to be paid is what has been agreed upon.”*

SGB chairperson 2: *“By rejecting or disapproving transactions if they do not adhere to finance policies.”*

SGB chairperson 3: *“We hold quarterly meetings to check whether policies are being followed or not. Not authorising payments if they are transgressing.”*

SGB chairperson 4: *“According to the SGB constitution, we are expected to hold meetings quarterly to ensure finance personnel abide by the rules. They check if the policies are being followed or not.”*

SGB chairperson 5: *“According to the SGB constitution, we are expected to hold quarterly meetings to ensure finance personnel abide by the rules. They check if the policies are being followed or not.”*

Schools’ control over their resources and funds cannot be effective without a clear set of school management regulations. Therefore, school managers must ensure that guidelines or legislation are implemented by relevant personnel (Letsapa, 2021:16). All respondents clarified that there should be plans or systems in place to check the adequate implementation of legislation and tools to measure it. In addition, they should follow all the policies and legislation put in place.

Theme 4: The roles of finance personnel

The researcher posed the following question to the school principal: Have you received any training in school financial management?

Principal 1: *“Yes, I was trained in financial management. I attended workshops and training several times. Each year all newly appointed principals receive training in financial management.”*

Principal 2: *“Yes, I was trained in school financial management. I attended workshops organised for School Management Teams.”*

Principal 3: *“It's zero; there was no training in school financial management.”*

Principal 4: *“No training.”*

Principal 5: *“There was no training in school financial management.”*

Principals 1 and 2 mentioned that they were trained in school financial management; however, Principals 3, 4, and 5 did not receive any training. It was evident from participants’ responses that there was a need for training. Nqatha (2018:50) confirms this by asserting that training in financial management is vital because it develops and capacitates the school principal and SGBs with financial management knowledge,

expertise, and competencies (Refer to Ch.2 section 2.9.5). In conclusion, school managers from these schools must be equipped with financial skills, which will empower them to manage the schools' finances better.

The researcher posed the following question to the SGB chairperson: How should school finance personnel implement financial legislation in managing school finances?

Principal 1: *“By following proper procurement procedures and legislations.”*

Principal 2: *“By following proper procurement procedures when holding meetings.”*

Principal 3: *“By following proper procurement procedures when holding meetings. School finance personnel must ensure that everything they do is in accordance with finance policies and legislation. They are using correct structures, such as school finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that the expenditure was approved by the correct people or structures and the bank statement must agree with invoices. Let’s say, if the expenditure was based on quotations, there need to be a motivation or reasons why they chose a certain quotation over the other ones.”*

Principal 4: *“By following proper procurement procedures when convening meetings. They are using correct structures, such as school finance in SGB and procurement committees. The bank statement must agree with invoices or quotations.”*

Principal 5: *“By following proper procurement procedures when holding meetings. They are using correct structures, such as school finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that expenditure was approved by the correct people or structures, and bank statement must agree with invoices.”*

According to Letsapa (2021), financial legislation, including the finance policy, must clearly explain how school finances should be managed in a specific school. It was clear from the interactions with school principals that they know how financial legislation should be implemented to control the use and spending of the funds.

Therefore, the school must act according to policies, especially in financial management. Policies direct school managers and SGBs to behave accordingly when handling school finances (Refer to Ch2, section 2.2.7).

The researcher posed the following question to the school principal: Please explain the role of the SGB in school governance.

Principal 1: *“Their role is to ensure that the school is governed according to the laws and policies by SGB.”*

Principal 2: *“To ensure that funds are spent properly following prescribed rules, legislations and a policy, school is running smoothly.”*

Principal 3: *“It is to ensure funds are spent properly following prescribed rules, legislations, and a policy. School is running smoothly. They are the governors of the school as a whole; they must ensure that they develop policies, not only finance policies and put them in place. They govern with policies. These policies must be based on the South African constitution, the South African Schools Act and all other available education legislations and policies of the Department of Education. Policies like codes of conduct and admission policies need to be developed by governors. That’s their role.”*

Principal 4: *“Their role is to develop policies and rules governing the school. Policies like code of conduct and admission policies must be developed by the governors. These policies must be based on the South African constitution, South African Schools Act and all other available education legislations and policies of the Department of Education.”*

Principal 5: *“Their role is to develop policies and rules for governing the school. Policies like language and admission policies.”*

The SGB is responsible for the everyday management of the school and must decide on and carry out school policies that are suitable for the school. SGBs must have policies that protect and promote learners’ rights regarding school discipline, language, religion, and culture. The SGB must not interfere in the professional management of the school, but should support academic staff in executing their duties.

The SGB should also encourage partnerships with people with expertise to assist the school (Basic Education Rights Handbook-Education on rights in South Africa). All school principals agree on the role of the SGBs in school governance. They must develop policies and legislation to govern schools. Moreover, the SGBs must start and administer school funds and prepare an annual budget to present to parents for approval. They must open and maintain a bank account and keep financial records (Kruger, 2021).

The researcher posed the following question to the school principal: How do you ensure financial legislation is implemented by finance personnel?

Principal 1: *“By ensuring that payments are made according to the budget and procurement procedure.”*

Principal 2: *“By ensuring that payments are made adhering to policies and relevant procedures.”*

Principal 3: *“Finance committee should have a supervision questionnaire sort of...whereby they look at policies that must be followed when spending school finances. In every transaction, one should check whether procedures were followed according to the questionnaire used. For example, let’s say we need to buy something; the procurement committee should sit down in a meeting and procure; there must be minutes of the meeting written down. We need to ensure that we have all the tools to measure the whole process. Like we check procurement committee held meeting, we need a tool to check whether in that meeting, they adhered to correct procedures.”*

Principal 4: *“We need to ensure that we have all the tools to measure the implementation of legislation. Like we check procurement committee held meeting, we need a tool to check whether, in that meeting, they adhered to correct procedures.”*

Principal 5: *“We need all the internal controls to ensure the implementation of legislation. Ensure that committees adhere to correct procedures.”*

Schools’ control over their resources and funds cannot be effective without a clear set of regulations for managing schools. Therefore, school managers must ensure that guidelines or legislation are implemented by relevant personnel (Letsapa, 2021:16).

All respondents clarified that there should be plans or systems in place to check the adequate implementation of legislation and tools to measure it. In addition, they should follow all the policies and legislation put in place.

The researcher posed the following question to the SGB chairperson: What is your role in financial management?

SGB chairperson 1: *“To ensure that funds are used according to budget. To ensure that as the SGB we follow finance policies and procurement procedures.”*

SGB chairperson 2: *“To ensure that funds are used according to budget. I have to see that every transaction is done after the finance committee and procurement committee hold their meetings on a monthly basis.”*

SGB chairperson 3: *“My role is to ensure that there is no corruption in school and that committees follow proper procedures when procuring and paying. If there are no policies, I ensure that we develop them.”*

SGB chairperson 4: *“My role is to ensure that there is no fraud or corruption in school. Make sure committees adhere to proper procedures when procuring and making payments.”*

SGB chairperson 5: *“My role is to ensure that SGB follows laws and legislations regarding financial management. I make sure committees adhere to correct procedures when making payments.”*

The role of the chairperson is to ensure that school finances are appropriately administered and that all stakeholders share in the decision of the SGB. In addition, the SGB chairperson should advocate for a system of governance which would be transformative, inclusive, and democratic in order to accommodate the different contexts in which the school operates.

The researcher posed the following question to the SGB chairperson: What do you think is the role of the finance personnel?

SGB chairperson 1: *“It is to keep good financial records on income and expenditure, ensuring they follow legislation rules and policies.”*

SGB chairperson 2: *“It is to keep good financial records on income and expenditure, ensuring they follow legislation rules and policies.”*

SGB chairperson 3: *“It is to keep good financial records on income and expenditure, ensuring they follow legislation rules and policies.”*

SGB chairperson 4: *“Their role is to keep financial records. Finance personnel ensures that they follow legislation rules and policies. Ensures that committees adhere to rules and abide by them.”*

SGB chairperson 5: *“Their role is to keep financial records. Finance personnel ensures that they follow legislation rules and policies. Ensures that committees adhere to rules and abide by them.”*

According to Ntsele (2014:38), finance personnel must develop and implement an SFP adopted by the SGB. They also develop policies and advise on ways of fund-raising. Moreover, finance personnel advise the SGB when preparing the budget and assist in drawing annual financial statements. They keep overall control of school money. They monitor and approve all expenditures. Finance personnel ensure that there is no overspending and also maintain accounting documents and records systematically and accurately.

The researcher posed the following question to the finance officer: What are your major duties as a finance officer in the school governing body?

Finance officer 1: *“Record-keeping and financial reporting.”*

Finance officer 2: *“Initiate payments, must be a part of the finance committee, filling all the documents which are expenditure approval form, Record keeper and financial report.”*

Finance officer 3: *“Initiate payments, record-keeping. Taking minutes, data capturing and photocopying.”*

Finance officer 4: *“Initiate payments, Record-keeping. I look after the finance file. The finance officer takes minutes in SGB meetings, data capturing, and photocopying.”*

Finance officer 5: *“Looking after school finance, data capturing and record-keeping.”*

According to the prescripts for the management of school funds at public schools in Limpopo Province (2009:3), the finance officer should keep adequate documentation reflecting the name of the person to whom payment is to be made, the amount to be paid, and the nature of the goods supplied or services rendered. They also present all payments and supporting documents at the next Finance Committee meeting, i.e. before the SGBs meeting. Moreover, they are to maintain a cash-flow statement prepared on a monthly basis, present a financial report for ratification at the next SGB meeting, provide monthly bank reconciliations, develop a filing and record-keeping system, and provide secretarial duties for the finance committee.

Theme 5: Challenges faced by public schools in financial management

The researcher posed the following question to the school principal: What challenges do public schools experience regarding financial management?

Principal 1: *“Poor training of SGB members, finance committee and procurement committee.”*

Principal 2: *“Poor training of finance committee. We don’t have enough money; that is a challenge on its own.”*

Principal 3: *“Poor training of the finance committee. We don’t have enough money; that is a challenge on its own. Challenge number 1 people entrusted with the responsibility of governing schools do not have the knowledge. In other words, they are illiterate. They do not know how to read and write. The second challenge is political interference in school finances and corruption.”*

Principal 4: *“Challenge is people entrusted with the responsibility of governing schools; they do not have the knowledge. In other words, they are illiterate. They do not know how to read and write. The second challenge is the act of corruption.”*

Principal 5: *“We don’t have enough money; that is a challenge on its own. The second challenge is that people entrusted with the responsibility of governing schools do not have the knowledge. In other words, they are illiterate. They do not know how to read and write. The third challenge is the act of corruption.”*

SGBs serving in poorer communities may be illiterate and unable to interpret the legal framework (Letsapa, 2021:55). Principals 3, 4, and 5 agree that the biggest challenge is illiteracy amongst SGBs, stating that they cannot read and write. It was evident from the interviews that illiteracy is a challenge for SGBs, and they do not understand policies and other finance prescripts. Mestry (2018:388) concurs that illiterate parents from rural communities cannot read and write. This makes them ignorant of the laws used in handling school finances, such as the SASA and the PFMA. Managing school finances requires SGBs to possess certain skills and knowledge to effectively manage school funds. Illiteracy compromises their capacity to manage and administer school finances effectively.

The researcher posed the following question to the school principal: How do you address these challenges?

Principal 1: *“By organising a training workshop for finance committee members. By getting information on financial management and equipping finance committee members.”*

Principal 2: *“By organising a workshop for finance committee members to be trained. Also, hold meetings and explain to the teachers, then go to the SGB, that is, the parent component and parents at large.”*

Principal 3: *“By organising a workshop for finance committee members to be trained. Also, hold meetings and explain to the teachers, then go to the SGB, that is, the parent component and parents at large. We are unable to address the illiteracy challenge because, according to the SASA, governance is the responsibility of the SGB, including finance. However, there are no instructions or suggestions that a finance committee must have well-educated personnel. You use any person elected to that committee. In some cases, you can co-opt people with skills and knowledge about finance but be careful about being accused of being corrupt and using other people, overlooking them, stating that you do not trust them (elected SGB members), you are approaching your friends, you want to use them for financial benefits, so it is difficult to address this challenge. Corruption can be addressed by ensuring that committees adhere to the prescribed policies and procedures. Corruption activities must be*

reported and investigated. Governors should not allow corruption at all costs and should be condemned in the strongest words.”

Principal 4: *“By organising a workshop for SGB members to be trained. Also hold meetings. In some cases, we can co-opt people with skills and knowledge about managing finances. Corruption activities must be reported and be investigated by law enforcers.”*

Principal 5: *“In some cases, we can co-opt people with skills and knowledge about managing finances. Corruption activities must be reported and be investigated by law enforcement agencies.”*

All the school managers agreed there was a need for workshops and training for SGBs and principals. They need skills and expertise in managing school finances. Principals 3, 4, and 5 cited the importance of reporting corrupt activities to relevant authorities. According to Nqatha (2018), “it is of great importance that SGBs receive training that assists them in managing finances in their respective schools.” The SASA section 19(1) provides that the provincial HoD must develop a programme to train newly elected SGBs. This training must be continuously offered so that they execute their duties effectively (Letsapa, 2021:59).

The researcher posed the following question to the SGB chairperson: What could be the challenges facing public schools in financial management?

SGB chairperson 1: *“Poor training in financial management. e.g., workshops.”*

SGB chairperson 2: *“Illiteracy, lack of knowledge about managing school finance, and less funding.”*

SGB chairperson 3: *“We are not knowledgeable about managing school finances because we are not educated.”*

SGB chairperson 4: *“Illiteracy and corruption.”*

SGB chairperson 5: *“Illiteracy.”*

It was revealed that illiteracy is the biggest challenge in financial management. SGBs serving in poor communities may be illiterate and unable to interpret the legal

framework (Letsapa, 2021:55). Principals 3, 4, and 5 agree that the biggest challenge is illiteracy amongst SGBs, stating that they cannot read and write. It was evident from the interviews that illiteracy is a real challenge for SGBs, and they do not understand policies and other finance prescripts. Mestry (2018:388) concurs that illiterate parents from rural communities cannot read and write. This makes them ignorant of the laws used in handling school finances, such as the SASA and the PFMA. Managing school finances requires SGBs to possess certain skills and knowledge to effectively manage school funds. Illiteracy compromises their capacity to manage and administer school finances effectively.

The researcher posed the following question to the SGB chairperson: According to your observation, what could have caused these challenges?

SGB chairperson 1: *“Miscommunication between stakeholders.”*

SGB chairperson 2: *“Miscommunication or poor communication amongst stakeholders. There are differences between parents and teachers.”*

SGB chairperson 3: *“Just illiteracy.”*

SGB chairperson 4: *“Lack of financial management expertise, knowledge and skills.”*

SGB chairperson 5: *“Lack of financial management skills and knowledge.”* Thus, it can be said that SGBs serving in poor communities may be illiterate and unable to interpret the legal framework (Letsapa, 2021:55). The researcher posed the following question to the SGB chairperson: As

SGB chairperson 1: *“We try to organise meetings and training in school. We hold meetings with them to solve the challenges.”*

SGB chairperson 2: *“We hold meetings with them to solve the challenges. By explaining to parents, teachers give them bank statements so they can see for themselves.”*

SGB chairperson 3: *“We call on the government to assist us with skills and knowledge.”*

SGB chairperson 4: *“Government should equip us with necessary skills and knowledge. We can defeat these challenges if we get more training and knowledge.”*

SGB chairperson 5: *“Government should equip us with problem-solving skills and knowledge.”*

The SASA section 19(1) provides that the provincial HoD must develop a programme to offer training to newly elected SGBs. This training must also be continuously offered so they can execute their duties effectively (Letsapa, 2021:59).

The researcher posed the following question to the SGB chairperson: What ways or better mechanisms have been implemented to solve these challenges?

SGB chairperson 1: *“By consulting senior managers and my colleagues who are currently or who have been chairperson in the past, who receive training.”*

SGB chairperson 2: *“I think there must be transparency. A bank statement must be available. Emails or SMS (inContact) should be received by the treasurer and chairperson. They must all be involved and made aware of every transaction.”*

SGB chairperson 3: *“By engaging all the stakeholders in the school, try to solve the challenges. We also call on the education department to help us with people with more experience and expertise in problem-solving or conflict management.”*

SGB chairperson 4: *“Training must be organised.”*

SGB chairperson 5: *“Workshops for SGBs to deal with challenges. Training may be conducted twice a year.”*

Nqatha (2018) opined that “it is of great importance that SGBs receive training that assists them in managing finances in their respective schools.” The SASA section 19(1) provides that the provincial HoD must develop a programme to offer training to newly elected SGBs. This training must also be continuously offered so they can execute their duties effectively (Letsapa, 2021:59).

The researcher posed the following question to the finance officer: Which challenges do you experience in carrying out your duties and responsibilities as a finance officer?

Finance officer 1: *“Late submission of invoices and non-cooperation from other stakeholders.”*

Finance officer 2: *“Late submission of invoices and non-cooperation from other stakeholders. Unforeseen expenditures sometimes lead us to not follow the policy. For example, lack of participation from the parent component, not attending meetings, stating that they do not get compensation.”*

Finance officer 3: *“Non-cooperation from other stakeholders.”*

Finance officer 4: *“Lack participation from the parent component, not attending meetings, stating that they do not get compensation.”*

Finance officer 5: *“Lack of communication and non-cooperation from SGB and principal.”*

There is no cooperation, communication, or participation in meetings among SGBs. Another challenge is a lack of control over the authorisation of payments and poor document controls. In addition, finance officers are experiencing challenges in their meetings. Effective school governance is enhanced through participatory decision-making, which is geared towards enhancing the participation of all stakeholders to ensure that consensus is reached at all levels (Nqatha, 2018).

Observation sheet/schedule in School A: 05-04-2022-08-04-2022

No.	Elements observed	
1.	School governing body meetings THEME 1	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide the SGB in implementing the constitution and rules.

2.	Finance committee meetings THEME 1	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government. These committees are fully functional, and all stakeholders are involved in all finance matters.
3.	Circulars on the management of finances THEME 3	Access to circulars, reading and interpreting circulars to SGB and finance committees. There is access to circulars, so they have access to all the information. The principal calls a meeting with the SGB and reads and interprets circulars for SGB members. The principal interacted with the finance committee, procurement committee, and the SGB in interpreting and understanding principles and policies.
4.	The workload of the finance officer THEME 4	How do they share the workload of the finance officer, and how do they divide duties? The finance officer performs duties given by SGB. In doing so, she/he works with the finance committee, procurement committee and other stakeholders. The finance officer shares the workload with the treasurer and finance committee. They ensure that they abide by the rules and principles of finance.
5.	Availability of registered service providers for schools THEME 3	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers

		will forward their applications to schools for consideration.
6.	Transfer of norms and standards for school funding THEME 2	Do schools get funding from the government? A school receives funds from the State in terms of Norms and Standards for school funding. The provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7.	Availability of SGB chairperson for authorisation THEME 5	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise the payment after being given the green light by the SGB.

Observation sheet/schedule in School B: 11-04-2022-12-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide SGB in implementing the constitution and rules.
2.	Finance committee meetings	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and

		rules prescribed by the government. These committees are fully functional, and all stakeholders are involved in all finance matters.
3.	Circulars on the management of finances	Access to circulars, reading and interpreting circulars to SGB and finance committees. There is access to circulars, so they have access to all the information. The principal calls a meeting with the SGB and reads and interprets circulars for SGB members. The principal interacted with the finance committee, procurement committee, and the SGB in interpreting and understanding principles and policies.
4.	The workload of the finance officer	How do they share the workload of the finance officer, and how do they split responsibilities? The finance officer performs duties given by SGB. In doing so, she/he works with the finance committee, procurement committee and other stakeholders. The finance officer shares the workload with the treasurer and finance committee. They ensure that they abide by the rules and principles of finance.
5.	Availability of registered service providers for schools	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.
6.	Transfer of norms and standards for school funding	Do schools get funding from the government? A school receives funds from the State in terms of the norms and standards for school funding. The

		provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7.	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise payments after being given the green light by the SGB.

Observation sheet/schedule in School C: 14-04-2022-20-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide the SGB in implementing the constitution and rules.
2.	Finance committee meetings	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government. These committees are fully functional, and all stakeholders are involved in all finance matters and briefings.
3.	Circulars on the management of finances	Access to circulars, reading and interpreting circulars to SGB and finance committees. The school gets all the information and circulars on the

		<p>management of finances. Sometimes, the principal interprets circulars to SGB members. Other SGBs do not know about the principles and rules of managing finances, but the school principal is trying, by all means, to ensure they know about these rules or principles. Therefore, the school has access to circulars.</p>
4.	<p>The workload of the finance officer</p>	<p>How do they share the workload of the finance officer, and how do they split responsibilities?</p> <p>The finance officer performs duties given by the SGB. In doing so, he/she works with the finance committee, procurement committee, and other stakeholders. The finance officer shares the workload with the treasurer and finance committee. They ensure that they abide by the finance rules and principles.</p>
5.	<p>Availability of registered service providers for schools</p>	<p>Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.</p>
6.	<p>Transfer of norms and standards for school funding</p>	<p>Do schools get funding from the government?</p> <p>A school receives funds from the State in terms of the norms and standards for school funding. The provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.</p>

7.	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise payments after being given the green light by the SGB.
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Observation sheet/schedule in School D: 14-04-2022-20-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide SGB in implementing the constitution and rules.
2.	Finance committee meetings	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government.
3.	Circulars on the management of finances	Access to circulars, reading and interpreting circulars to SGB and finance committees. The school receives all the information and circulars on the management of finances. Sometimes, the principal and the SGB chairperson convene a meeting to discuss and read the content of the circulars. Therefore, the school has access to circulars.

4.	The workload of the finance officer	How do they share the workload of the finance officer, and how do they split responsibilities? The finance officer performs duties given by the SGB. There is a lack of communication and participation between the finance committee and SGB. There is non-compliance; she is finding it difficult to work with the finance committee, procurement committee, and other stakeholders. The finance officer does not share the workload with the treasurer or finance committee. They do not abide by the rules and principles of finance.
5.	Availability of registered service providers for schools	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.
6	Transfer of norms and standards for school funding	Do schools get funding from the government? A school receives funds from the State in terms of the norms and standards for school funding. The provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, the principal and SGB chairperson authorise payments after being given the green light by the SGB.

Observation sheet/schedule in School E: 18-04-2022-22-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the principal chairs SGB meetings and provides reports on general and specific matters. In addition, the principal presides over meetings and advises and guides the SGB in implementing the constitution and rules.
2.	Finance committee meetings	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government. However, this committee is not functional; some members complained that the principal does not involve them in financial matters. Sometimes the principal calls and briefs them about what needs to happen regarding payments. The principal is does the committee's work; the SGB are sometimes not involved in financial issues. There are no meetings, only briefings.
3.	Circulars on the management of finances	Access to circulars, reading and interpreting circulars to SGB and finance committees. The school gets all the information and circulars on the management of finances. Sometimes, the principal does not interpret circulars to SGB members. Other SGBs do not know about the principles and rules of

		managing finances. Therefore, the school has access to circulars.
4.	The workload of the finance officer	How do they share the workload of the finance officer, and how do they split responsibilities? The finance officer performs duties given by the SGB. There is a lack of communication and participation between the finance committee and SGB. There is non-compliance; she is finding it difficult to work with the finance committee, procurement committee, and other stakeholders. The finance officer does not share the workload with the treasurer or finance committee. They do not abide by the rules and principles of finance.
5.	Availability of registered service providers for schools	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.
6.	Transfer of norms and standards for school funding	Do schools get funding from the government? A school receives funds from the State in terms of the norms and standards for school funding. The provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7.	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise the payments and transfers.

4.5 CHAPTER SUMMARY

This chapter outlined the research findings from the five public schools of the Malangeni Circuit in Eastern Cape Province. The data were collected through semi-structured interviews, document analysis, and observation. Most schools had finance and procurement committees that played a significant role in managing school finances. However, only one school principal revealed that their financial systems are not as functional; they could not budget based on the low funds received from the State. However, it emerged during the interviews that the school could not manage funds effectively.

Furthermore, it became evident that the SGBs should establish an effective governance arrangement focussing on issues such as conflicts of interest and whistleblowing. In addition, school principals and finance personnel should set an example to governors and the entire staff regarding financial management.

The study also revealed that many individuals elected to serve on the SGB usually had limited working knowledge, skills or expertise in school finances. It takes time to orientate and provide new members with an understanding of the school's finances, resulting in non-collaboration and little interaction among SMT and SGB members. Chapter 5 summarises the study's findings, presents recommendations for future research, and concludes the study.

CHAPTER 5: RESEARCH FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

The study aimed to explore the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape Province. The researcher interacted with school principals, SGB chairpersons, treasurers, and finance officers when conducting the study. Chapter 4 discussed the study's research design and methodology. Research data were obtained through semi-structured interviews, document analysis, and observation. This chapter provides a discussion of the main findings of the research and recommendations, which are based on the study's key findings. Lastly, the chapter provides an overview of chapters one to four.

To achieve the main objectives of the study and respond to the main question, the researcher developed sub-research questions, which are listed below:

Main research question:

What is the functionality of the finance management systems in public schools of Malangeni Circuit, Eastern Cape Province?

Sub-questions

1. What are the essential characteristics of school financial management systems in public schools?
2. How should school finance personnel implement financial legislation to manage school finances?
3. What are the roles of finance personnel in school financial management?
4. What challenges do public schools experience regarding financial management?

5.2 SUMMARY OF CHAPTERS

Chapter 1 introduced and provided an orientation of the study. Chapter 1 focused on the background, problem statement, research questions, aims and objectives, and the significance of the study. A preliminary literature review and theoretical framework that guided the study were also discussed. Furthermore, it focused on the research methodology and design of the study. It outlined data collection methods and sampling techniques. Limitations and delimitations of the study were also discussed. This chapter also provided the definitions of key concepts and the chapter outline.

Chapter 2 reviewed and critiqued the existing literature on the functionality of financial management systems of public schools. It provided a theoretical framework which underpinned the study. In addition, the literature shed light on the composition of the SGB. The chapter further discussed legislative rules and regulatory framework on school financial management, factors promoting functional financial management systems, and essential characteristics of financial management systems in schools. Moreover, the challenges facing SGBs in financial management and strategies to mitigate challenges were critically reviewed. It was evident from the literature that SGBs still struggle with managing school finances irrespective of the training offered.

Chapter 3 focussed on the research design, research paradigm, and research methodology employed in the study. This study used a qualitative research approach. It further outlined data gathering and sampling methods applied in the study. Five public schools were purposively selected as research sites, and 20 participants were purposively selected to participate in the study, namely four participants from each sampled school. The participants included SGB chairpersons, treasurers, finance officers, and school principals. Data were obtained from 20 participants through semi-structured interviews and observation. Document analysis was another strategy used to gather the data, and the data were analysed using the thematic analysis method.

Chapter 4 presented and discussed the study's findings. The data emerged from semi-structured interviews, observations, and document analysis. The participants selected to participate in the study were interviewed, and the data were further analysed thematically and interpreted. Themes emerged from the presentation of the data. Grouping information into categories and themes assisted the researcher in

accurately analysing data and avoiding the repetition of material between themes. The chapter concluded with a chapter summary.

Chapter 5 provides an overview of all the chapters. This chapter presents and discusses the research findings and suggests recommendations based on the research questions explored in this study. From the presentation and discussion of findings, conclusions were drawn. Finally, this chapter concludes by presenting recommendations for future research.

5.3 SUMMARY OF THE RESEARCH FINDINGS

This section summarises the research findings regarding the reviewed literature and data collected from the five selected schools. The findings were discussed under the following themes: understanding the relationship between management roles and academic performance of MST subjects, the key role of the SMT, curriculum management, challenges in managing MST schools, factors influencing academic performance of MST subjects, improving the academic performance of MST subjects, and the development of staff by the SMT.

Theme 1: Functionality of school financial management system

Leadership considers the degree to which senior officials in the financial management sector influence, motivate and appreciate solid financial management. Leaders recognise and strongly support the need for a better financial management system (Kendie, 2018:12). Leadership is about exercising influence and setting directions; it does not depend on institutional location and can be exercised from any level in an organisation. More than one person can exercise it in an organisation. The data has shown that school principals clearly understand the functionality of school financial management systems. Management of school finances in these schools was sound, and school principals provided leadership in governance. All financial management systems were in place. Most schools had a finance committee and procurement committee that played a significant role in managing school finances. However, only one school principal revealed that their financial systems are not as functional; they cannot budget for anything as they receive inadequate funds from the State. It

emerged that they could not manage finances effectively in this school. It was evident from participants' views that most schools had systems or mechanisms in place for effectively managing school finances. Lastly, participants revealed they had adequate internal controls in place, and their finances were being audited. Auditing is a compliance mechanism in financial management systems designed to ensure that the budget is executed according to the law and effectively delivers an organisation's goals (Michael, 2013).

Theme 2: Essential characteristics of school financial management systems

SGBs should establish an effective governance arrangement covering issues such as conflicts of interest and whistle-blowing. Additionally, school principals and finance personnel should set an example for governors and staff in financial management (Nqatha, 2018). Another characteristic is clear policies and strategies. It was found that only two participants understood the characteristics of school financial management systems. Principal 4 mentioned “*accountability and transparency*”, and Principal 5 stated “*proper internal control and record-keeping.*” It was confirmed that financial record-keeping and reporting are essential elements of an adequate financial management system (Nqatha, 2018). The findings of the study suggest proper record-keeping and reporting. The SGB and SMT must take accountability for all their financial activities by being transparent and responsible in managing school finances (Mokoena, 2013).

Theme 3: Implementation of legislation in the management of school finances

Schools' control over their resources and funds cannot be effective without a clear set of school management regulations. School managers are responsible for ensuring that guidelines or legislation are implemented by relevant personnel (Letsapa, 2021:16). Participants revealed that in their schools, all stakeholders are held accountable for implementing financial rules and policies. Data has shown that there should be monitoring tools or instruments to check the implementation of legislation in managing school finances. The study's findings suggest that all stakeholders should clearly understand the SASA and be able to implement financial legislation effectively.

Theme 4: The roles of finance personnel

According to Ntsele (2014:38), finance personnel are responsible for developing and implementing an SFP adopted by the SGB. They also develop policies and advise on ways of fund-raising. Moreover, finance personnel advise the SGB when preparing the budget and assist in drawing annual financial statements.

The research findings show that finance personnel understood their roles in managing school finances. The data generated from the interviews with the SGB chairpersons, treasurers, finance officers, and principals revealed that some of the key roles of the finance personnel include ensuring that they keep overall control of school money, daily functionality, managing teaching, and monitoring and approving all expenditures. Participants indicated that it is important to ensure effective school finance management in order to achieve good academic performance. In addition, they ensure that procurement (purchasing of goods and services) is done through correct quotation and tendering procedures (Refer to Ch.2 section 2.7.6).

Theme 5: Challenges faced by public schools in financial management

Basson and Mestry (2018:06) revealed that many individuals elected to serve on the SGB usually had limited working knowledge, skills or expertise in school finances and that it takes some time to orientate and provide an understanding of the schools' finances to new members. This has resulted in non-collaboration and very little interaction among the SMT and SGB members. For SGBs to be effective, they must develop moral working relationships with SMT members. Tsuari (2011:55) argues that schools can become effective if SGBs take the necessary steps to develop healthy working relationships with SMT members. It was clear from the data obtained through semi-structured interviews with participants that there is little or insufficient training and illiteracy. The study found that some members of the SGB cannot read and write, and do not understand the SASA and financial legislation. The study also revealed that there is non-cooperation among SGBs, a lack of communication and control over the authorisation of payments, poor document control, and they do not participate in meetings. It was clear that public schools were facing serious challenges in dealing with finances in their schools. Therefore, effective school governance is enhanced through participatory decision-making.

5.4 RECOMMENDATIONS OF THE STUDY

5.4.1 Recommendation 1: Monitoring and support from the Department of Education

The DBE has a considerable role in ensuring adequate management of school funds. The researcher suggested that schools should be regularly visited to offer support. In addition, adequate guidelines must be provided on the development of financial rules and policies in relation to the management of school finances. The DBE must ensure a clear plan to train all stakeholders involved in school governance; this training must be offered by experienced individuals.

5.4.2 Recommendation 2: Ensuring empowerment of the school governing bodies

The researcher suggested that the DBE should focus on SGB capacity-building activities. SGBs should be capacitated through workshops or training to acquire the necessary knowledge, expertise, and skills to improve their performance in managing school finances. Training should focus on the financial policy and regulatory framework and be conducted regularly. The SGB chairperson, treasurer, finance officers, and school principals must be adequately trained in managing school finances.

5.4.3 Recommendation 3: Campaigns and road-shows

The DBE must promote campaigns and road shows to educate people or SGBs about finance management to encourage schools to have adequate financial management systems. Effective finance management can be promoted in schools through road-show and regular meetings. In addition, administrative clerks serving as finance officers should be encouraged to enrol in financial management courses in institutions of higher learning.

5.4.4 Recommendation 4: Collaboration and transparency

The study found a lack of collaboration and transparency amongst the stakeholders involved in managing school funds, allowing corruption and fraud to occur. The DBE must provide on-site support visits and monitoring through circuit managers to capacitate finance personnel on their roles in school financial management. In addition, the DBE should encourage internal workshops for SGBs, so that they can voice their opinions and share experiences and challenges amongst themselves. Participatory decision-making is geared towards enhancing the participation of all stakeholders to ensure that consensus is reached at all levels.

5.4.5 Recommendation 5: Co-opting membership

The SGB may appoint or co-opt community members to serve and support the SGB. Appointment of these community members should be based on their expertise in a particular field, such as financial management. Co-opted members could be of great service or assistance to SGB regarding financial matters.

5.4.6 Recommendation 6: Finance policy and review of the finance policy regularly

The researcher recommended reviewing the finance policy annually to keep up with current developments. The policy review must be consistent with all the legislations, such as the SASA. All stakeholders should be involved in reviewing the finance policy. Moreover, all new developments, regulations and legislations pertaining to finances should be communicated to all stakeholders in schools.

5.5 RECOMMENDATIONS FOR FURTHER RESEARCH

Further research is still needed regarding school financial policy development and implementation in rural public schools. The following topics are recommended for further research:

1. Financial management practices of school principals
2. Exploring the roles of finance personnel in school financial management
3. The impact of financial management on effective school administration
4. What causes financial mismanagement at school
5. Challenges in the financial administration of the school

5.6 LIMITATIONS OF THE STUDY

The study was limited to five public schools due to the nature of the study being qualitative. The research attempted to explore the functionality of financial management systems in public schools. The researcher faced strong resistance regarding analysing the financial documents; it seemed as if there was fear that their financial management systems and financial positions might be exposed to the departmental officials and the public. However, the researcher was granted permission to conduct the research despite these challenges. The findings of this research could not be generalised as different provinces and districts may have different contexts and environments that may yield different outcomes.

5.7 CONCLUSION

This chapter provided the background, problem statement, research questions, aims and objectives, and significance of the research. Further, the study presented a preliminary literature review and theoretical framework which guided the study. It also provided definitions of key concepts and the chapter outline. Furthermore, the study reviewed and critiqued the existing literature on the functionality of financial management systems of public schools. The literature shed light on the composition of the SGB and the roles of finance personnel in school finance management.

Moreover, the challenges facing SGBs in financial management and strategies to mitigate them were critically reviewed. This study employed a qualitative research approach. Data were obtained from 20 participants through semi-structured interviews and observation. Document analysis was another strategy used to gather the data, and data were analysed using the thematic analysis method. Moreover, data from

semi-structured interviews, observations, and document analysis were categorised into themes and presented and discussed. Finally, this chapter presented and discussed the research findings, suggested recommendations, and conclusions based on the study's research questions.

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APPENDIX A: ETHICAL CLEARANCE CERTIFICATE



UNISA COLLEGE OF EDUCATION ETHICS REVIEW COMMITTEE

Date: 2021/09/08

Ref: **2021/09/08/61563471/21/AM**

Name: Mr AS Mafukula

Student No.:61563471

Dear Mr AS Mafukula

**Decision: Ethics Approval from
2021/09/08 to 2024/09/08**

Researcher(s): Name: Mr AS Mafukula
E-mail address: 61563471@mylife.unisa.ac.za
Telephone: 083 728 3011

Supervisor(s): Name: Dr N Ndou
E-mail address: ndoun@unisa.ac.za
Telephone: 012 429 4468

Title of research:

**Exploring the functionality of financial management systems in public schools of
Malangeni circuit, Eastern Cape Province.**

Qualification: MEd Education 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 2021/09/08 to 2024/09/08.

The low risk application was reviewed by the Ethics Review Committee on 2021/09/08 in compliance with the UNISA Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.

The proposed research may now commence with the provisions that:

1. The researcher will ensure that the research project adheres to the relevant guidelines set out in the Unisa Covid-19 position statement on research ethics attached.
2. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.

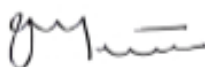


3. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the UNISA College of Education Ethics Review Committee.
4. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.
5. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing.
6. 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.
7. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data requires additional ethics clearance.
8. No field work activities may continue after the expiry date **2024/09/08**. Submission of a completed research ethics progress report will constitute an application for renewal of Ethics Research Committee approval.

Note:

*The reference number **2021/09/08/61563471/21/AM** should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.*

Kind regards,



Prof AT Motlhabane
CHAIRPERSON: CEDU RERC
motlhat@unisa.ac.za



Prof PM Sebate
EXECUTIVE DEAN
Sebatpm@unisa.ac.za

**APPENDIX B: PERMISSION TO CONDUCT RESEARCH AT FIVE PUBLIC
SCHOOLS IN THE MALANGENI CIRCUIT**



P.O. BOX 174
LUSIKISIKI
4820
05 April 2022

The District Director
O.R. TAMBO COASTAL
P.O. Box 1010
Lusikisiki
4820

Dear Sir/ Madam

Request for permission to conduct Med Research in Malangeni circuit schools.

Title: Exploring the functionality of financial management systems in public schools of Malangeni circuit, Eastern Cape Province.

I, Anathi S Mafukula, doing research towards MED at the University of South Africa under supervision of Dr N. Ndou, who is a senior lecturer in the Department of Early Childhood Education. I kindly request you to participate in my study titled: Exploring the functionality of financial management systems in public schools of Malangeni circuit, Eastern Cape Province.

This is a Qualitative Research Study. The study requires interviewing the principals, SBG Chairperson or deputy chairperson, SGB Secretary, SGB Treasurer and Finance Officers. Interviews will be in the form of focus groups and face-to-face, individually. The expected duration of the interviews will be 30 minutes. Observations will also be done in SGB meetings or finance committee meetings. Overall, it will take a period of two weeks (02-05-2022 to 13-05-2022) to collect data.

Confidentiality and anonymity during the study will be ensured and I will make sure that the data collected will be kept in a safe place upon completion of the study. Participation will be voluntary at all times and participants will be allowed to withdraw from the study at any time without penalty.

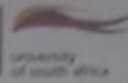
Hoping this letter will be warmly welcome.

Yours sincerely
MAFUKULA A.S (Mr)

(083 728 3011/ 076 144 4664)



APPENDIX C: LETTER TO SCHOOLS

UNISA | 
university
of south africa

P.O. BOX 174
LUSIKISIKI
4820
05 April 2022

The School Principal
Mxhume 5.5
P.O. Box 278
Lusikisiki
4820

Dear Sir/ Madam

Request for permission to conduct Med Research in Malangeni circuit schools.
Title: Exploring the functionality of financial management systems in public schools of Malangeni circuit, Eastern Cape Province.

I, Anathi S Mafukula, doing research towards MED at the University of South Africa under supervision of Dr N. Ndou, who is a senior lecturer in the Department of Early Childhood Education. I kindly request you to participate in my study titled: Exploring the functionality of financial management systems in public schools of Malangeni circuit, Eastern Cape Province.


This is a Qualitative Research Study. The study requires interviewing the principals, SGB Chairperson or deputy chairperson, SGB Secretary, SGB Treasurer and Finance Officers. Interviews will be in the form of focus groups and face-to-face, individually. The expected duration of the interviews will be 30 minutes. Observations will also be done in SGB meetings or finance committee meetings. Overall, it will take a period of two weeks (02-05-2022 to 13-05-2022) to collect data.

Confidentiality and anonymity during the study will be ensured and I will make sure that the data collected will be kept in a safe place upon completion of the study. Participation will be voluntary at all times and participants will be allowed to withdraw from the study at any time without penalty. |

Hoping this letter will be warmly welcome.

Yours sincerely
MAFUKULA A.S (Mr)

(083 728 3011/ 076 144 4664)


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APPENDIX D: OBSERVATION SCHEDULE

OBSERVATION GRID

	Observation		Date	Responsible person (for example, principal)	Description
1.	Finance committee meetings	Committee members		Committee members	Agenda: How they conduct their meetings, reading of previous meeting minutes, etc.
2.	SGB meetings	SGB		Chairperson and other members	Agenda: Main issues, finances, budget and procurement process
					Main issues: Finances
					Formulation of financial policy
					Financial management systems put in place
					Budgeting and procurement processes
3.	Annual General Meeting	SGBs and parents		Treasurer to read financial statements	Discussion on financial statements (financial income and expenditure of the school)
4.	Any notable occurrences	Distinct actions/ occurrences			What is happening during meetings?
					How is the matter addressed?

APPENDIX E: INTERVIEW SCHEDULES

APPENDIX E1: INTERVIEW QUESTIONS: TO PRINCIPALS

1. In which quintile is your school?
2. Have you received any training in school financial management?
3. In which budget bracket is your school this year? Choose from the following options:
 - a) Less than R100 000.00
 - b) Between R150 000 and R200 000.00
 - c) Above R250 000.00
4. Please tell me about the management of school finances?
5. According to your understanding, what is the functionality of the financial management systems in schools?
6. Which aspects or items did you spend the norms and standards funding from the Department of Education?
7. Do you have copies of the following documents?
 - a) Constitution of the Republic of South Africa
 - b) Approved School Governing Body Constitution
 - c) Public Finance Management Act
 - d) South African Schools Act
 - e) Approved School Financial Policy
 - f) School Asset Register
 - g) Approved Transport Claims Policy
 - h) Audited Financial Statements for 2020 and 2021
8. How should school finance personnel implement financial legislation in managing of school finances?
9. What are the essential characteristics of school financial management systems in public schools?
10. How do you ensure financial legislation is implemented by finance personnel?

11. Please explain the role of the school governing body in school governance?.
12. What are the roles of finance personnel in school financial management?
13. What challenges do public schools experience regarding financial management?
14. How do you address these challenges?

APPENDIX E2: INTERVIEW QUESTIONS FOR SGB CHAIRPERSON

INTERVIEW TYPE: FACE-TO-FACE

1. Have you been inducted or trained in school financial management?
2. Who governs the school finances?
3. What is your role in financial management?
4. How do you manage finances in your school?
5. How do you develop or formulate financial legislation or policies?
6. What do you think is the role of the finance personnel?
7. How do you ensure that these financial legislations are put into practice by finance personnel?
8. What could be the challenges facing public schools in financial management?
9. According to your observation, what could have caused these challenges?
10. As the chairperson, how do you deal with these challenges?
11. What ways or better mechanisms have been implemented to solve these challenges?

APPENDIX E3: INTERVIEW QUESTIONS: SGB TREASURERS

1. What are the responsibilities of the SGB treasurer?
2. Which financial documents must be checked by the treasurer prior to the signing of cheques?
3. Could you briefly explain the adjudication process as part of the procurement procedures?
4. How often do you check the financial reports prepared by the finance office?
5. Do you have a financial monitoring tool or checklist?
6. In which circumstances are you legally allowed to sign blank cheques?
7. Which documents must be provided before you sign a payment?
8. Who is responsible for handling educational touring fees for both educators and learners?
9. Which supporting documents must be attached to the financial report for each educational tour?

APPENDIX E4: INTERVIEW QUESTIONS: FINANCE OFFICERS

1. Were you appointed as the finance officer of the school in writing?
2. Did you have a 'financial management' course as part of your current or previous studies?
3. Were you inducted in school financial management when you assumed your duties and responsibilities as finance officer?
4. What are your major duties as a finance officer in the school governing body?
5. Do you provide secretarial duties to the finance committee prior to, during, and after meetings?
6. In one sentence, please tell me what you know about the following financial documents:
 - a) Receipt book
 - b) Cash book
 - c) Electronic funds transfer
 - d) Claim form
 - e) Finance policy
7. Which aspects must be reflected in the monthly financial statement?
8. Who authorises your payments to service providers?
9. Which challenges do you experience in carrying out your duties and responsibilities as a finance officer?
10. Who is responsible for bookkeeping in your school?

APPENDIX F: INFORMATION SHEET AND CONSENT LETTER

Date: 02 May 2022

TITLE: EXPLORING THE FUNCTIONALITY OF FINANCIAL MANAGEMENT SYSTEMS IN PUBLIC SCHOOLS OF MALANGENI CIRCUIT, EASTERN CAPE PROVINCE

DEAR PROSPECTIVE PARTICIPANT

My name is Anathi Sandisiwe Mafukula, and I am doing research towards an MEd degree under the supervision of Dr N. Ndou in the Department of Educational Management at the University of South Africa. We are hereby inviting you to participate in my research entitled; Exploring the functionality of financial management systems in public schools of Malangeni Circuit, Eastern Cape Province.

WHAT IS THE PURPOSE OF THE STUDY?

This study is expected to assist or suggest crucial information that could help school governing body members to find better ways of improving financial management systems in public schools.

WHY AM I BEING INVITED TO PARTICIPATE?

You are invited to participate because you are deemed to be informed about school governance and the management of school finances. The researcher obtained your contact details from the school principal. The study will seek information from the principal and the school governing body members.

WHAT IS THE NATURE OF MY PARTICIPATION IN THIS STUDY?

As a participant, you will be required to participate in a face-to-face semi-structured interview to seek information about how the school manages its finances. Interviews and focus groups will be audio and/or video recorded.

CAN I WITHDRAW FROM THIS STUDY EVEN AFTER HAVING AGREED TO PARTICIPATE?

Participating in this study is voluntary, and you are under no obligation to consent to participate. If you decide to participate, you will be given this information sheet to keep and asked to sign a written consent form. You are free to withdraw at any time and without providing a reason.

WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

Participation in the study is voluntary. Therefore, there are no specific benefits for participants; however, participants may take pride in making the study possible.

ARE THERE ANY NEGATIVE CONSEQUENCES FOR ME IF I PARTICIPATE IN THE RESEARCH PROJECT?

The study will seek information about the school management and school governing body. The possibility of inconvenience and discomfort exists. Participants may endure mocking and derision as a result of voluntary participation.

The interviews will take place at a place where participants are comfortable. Participants' names will not be used in the study as anonymity must be adhered to. The information provided by participants will not be disclosed to anyone. Where participants feel that the information sought is too sensitive to answer, participants have the latitude in choosing not to answer or to withdraw at any time. In addition, participants may ask that questions be rephrased if any question is unclear.

WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?

You have the right to insist that your name not be recorded anywhere and that no one, apart from me (the researcher) and identified members of the research team, will know about your involvement in this research. Please note that confidentiality agreements will be sent to the research Ethics Review Committee for consideration. Otherwise, records that identify you will be available only to people working on the study unless you give permission for other people to see the records. Your anonymous data may also be used for other purposes, such as a research report, journal articles and/or

conference proceedings. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

HOW WILL THE RESEARCHER(S) PROTECT THE SECURITY OF DATA?

The researcher will store hardcopies of your interview for a period of five years in a locked filing cabinet at home for future research or academic purposes. Electronic information will be stored on a password-protected computer and in my personal cloud account. Future use of the stored data will be subject to further review by the Research Ethics Review Committee for approval, if applicable. After a period of five years, hard copies will be burned to ashes, and electronic data will be permanently deleted.

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

No payments or incentives will be made available for participants. Participants will incur no costs as data collection will take place at a place chosen by participants, preferably in the natural research setting.

HAS THE STUDY RECEIVED APPROVAL?

This study has received written approval from the Research Ethics Review Committee of the Research Council, UNISA. A copy of the approval letter can be obtained from the researcher if you so wish.

HOW WILL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH?

If you would like to be informed of the final research findings, please contact me. The findings will be accessible for five years. Should you require any further information or want to contact me about any aspect of this study, please do so at 083 728 3011.

Should you have concerns about the way in which the research has been conducted, you may contact the study supervisor. Thank you for taking the time to read this information sheet and for participating in this study.

Signature: _____

Date: _____

APPENDIX G: TABLE 4.1: DEMOGRAPHIC DATA OF RESEARCH PARTICIPANTS

Participants	School code	Quintiles	Gender	Position occupied	Number of years serving in the SGB	Educational qualifications
1	A	1	Male	Principal	10	ACE Management
2	A	1	Female	Chairperson	2	Grade 08
3	A	1	Female	Treasurer	3	Grade 11
4	A	1	Male	Finance officer	8	Diploma Office Administration
1	B	1	Female	Principal	12	BEd (Humanities)
2	B	1	Male	Chairperson	2	Grade 03
3	B	1	Female	Treasurer	1	Grade 08
4	B	1	Male	Finance officer	6	NDip Human Resources
1	C	1	Male	Principal	5	NPDE, ACE Leadership and Management
2	C	1	Male	Chairperson	2	Bachelor of Theology
3	C	1	Male	Treasurer	1	Grade 10
4	C	1	Female	Finance officer	8	NDip Office Administration
1	D	1	Male	Principal	2	BEd (Science)
2	D	1	Male	Chairperson	1	Grade 12
3	D	1	Female	Treasurer	1	Grade 11
4	D	1	Female	Finance officer	10	Bachelor of Public Administration

1	E	1	Male	Principal	5	BEd Hons Management and Law
2	E	1	Male	Chairperson	1	Grade 004
3	E	1	Female	Treasurer	2	Grade 6
4	E	1	Female	Finance officer	7	NDip Office Administration

APPENDIX H: TABLE 4.2: DOCUMENT ANALYSIS TOOL

Documents selected	Data analysed from 15-05-2022 to 27-05-2022
Finance policy documents	Availability of policy documents, usage of policy documents. Formulation and implementation of school finance policies.
Minutes of the SGB meetings	How are they conducting meetings in governance, reading and acceptance of minutes of the previous meeting
Minutes of the finance and procurement committee meetings	Reading and acceptance of minutes of the previous meeting, how they conduct meetings. Their role in managing school finances.
Financial statements and reports	Auditing of financial statements, bookkeeping, and financial recording.
School budgets	Budgeting, implementation of budgeting procedures. Monitoring under-spending and over-spending of school finances.

APPENDIX I: OBSERVATION SHEET/SCHEDULE IN SCHOOL A: 05-04-2022-08-04-2022

No.	Elements observed	
1.	School governing body meetings THEME 1	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide the SGB in implementing the constitution and rules.
2.	Finance committee meetings THEME 1	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government. These committees are fully functional, and all stakeholders are involved in all finance matters.
3.	Circulars on the management of finances THEME 3	Access to circulars, reading and interpreting circulars to SGB and finance committees. There is access to circulars, so they can access all the information. The principal calls a meeting with the SGB and reads and interprets circulars for SGB members. The principal interacted with the finance committee, procurement committee, and the SGB in interpreting and understanding principles and policies.
4.	The workload of the finance officer	How do they share the workload of the finance officer, and how do they divide duties? The

	THEME 4	finance officer performs duties given by SGB. In doing so, she/he works with the finance committee, procurement committee and other stakeholders. The finance officer shares the workload with the treasurer and finance committee. They ensure that they abide by the rules and principles of finance.
5.	Availability of registered service providers for schools THEME 3	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.
6.	Transfer of norms and standards for school funding THEME 2	Do schools get funding from the government? A school receives funds from the State in terms of Norms and Standards for school funding. The provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7.	Availability of SGB chairperson for authorisation THEME 5	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise the payment after being given the green light by the SGB.

Observation sheet/schedule in School B: 11-04-2022-12-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives

		<p>remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide SGB in implementing the constitution and rules.</p>
2.	<p>Finance committee meetings</p>	<p>Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government. These committees are fully functional, and all stakeholders are involved in all finance matters.</p>
3.	<p>Circulars on the management of finances</p>	<p>Access to circulars, reading and interpreting circulars to SGB and finance committees. There is access to circulars, so they can access all the information. The principal calls a meeting with the SGB and reads and interprets circulars for SGB members. The principal interacted with the finance committee, procurement committee, and the SGB in interpreting and understanding principles and policies.</p>
4.	<p>The workload of the finance officer</p>	<p>How do they share the workload of the finance officer, and how do they split responsibilities? The finance officer performs duties given by SGB. In doing so, she/he works with the finance committee, procurement committee and other stakeholders. The finance officer shares the workload with the treasurer and finance committee.</p>

		They ensure that they abide by the rules and principles of finance.
5.	Availability of registered service providers for schools	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.
6.	Transfer of norms and standards for school funding	Do schools get funding from the government? A school receives funds from the State in terms of the norms and standards for school funding. The provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7.	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise payments after being given the green light by the SGB.

Observation sheet/schedule in School C: 14-04-2022-20-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide the SGB in implementing the constitution and rules.

2.	Finance committee meetings	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government. These committees are fully functional, and all stakeholders are involved in all finance matters and briefings.
3.	Circulars on the management of finances	Access to circulars, reading and interpreting circulars to SGB and finance committees. The school gets all the information and circulars on the management of finances. Sometimes, the principal interprets circulars to SGB members. Other SGBs do not know about the principles and rules of managing finances, but the school principal is trying, by all means, to ensure they know about these rules or principles. Therefore, the school has access to circulars.
4.	The workload of the finance officer	How do they share the workload of the finance officer, and how do they split responsibilities? The finance officer performs duties given by the SGB. In doing so, he/she works with the finance committee, procurement committee, and other stakeholders. The finance officer shares the workload with the treasurer and finance committee. They ensure that they abide by the finance rules and principles.
5.	Availability of registered service providers for schools	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender

		for local service providers, and interested service providers will forward their applications to schools for consideration.
6.	Transfer of norms and standards for school funding	Do schools get funding from the government? A school receives funds from the State in terms of the norms and standards for school funding. The provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7.	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise payments after being given the green light by the SGB.

Observation sheet/schedule in School D: 14-04-2022-20-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the SGB chairperson chairs meetings and gives reports on general and specific matters. In addition, the principal does not preside over meetings but is there to advise and guide SGB in implementing the constitution and rules.
2.	Finance committee meetings	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the

		committee. They are merely following policies and rules prescribed by the government.
3.	Circulars on the management of finances	Access to circulars, reading and interpreting circulars to SGB and finance committees. The school gets all the information and circulars on the management of finances. Sometimes, the principal and the SGB chairperson convene a meeting to discuss and read the content of the circulars. Therefore, the school has access to circulars.
4.	The workload of the finance officer	How do they share the workload of the finance officer, and how do they split responsibilities? The finance officer performs duties given by the SGB. There is a lack of communication and participation between the finance committee and SGB. There is non-compliance; she is finding it difficult to work with the finance committee, procurement committee, and other stakeholders. The finance officer does not share the workload with the treasurer or finance committee. They do not abide by the rules and principles of finance.
5.	Availability of registered service providers for schools	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.
6	Transfer of norms and standards for school funding	Do schools get funding from the government? A school receives funds from the State in terms of the norms and standards for school funding. The provincial government deposits funds to schools in

		tranches. These funds are allocated according to quintiles and learner enrolment.
7	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, the principal and SGB chairperson authorise payments after being given the green light by the SGB.

Observation sheet/schedule in School E: 18-04-2022-22-04-2022

No.	Elements observed	
1.	School governing body meetings	How do SGBs conduct their meetings? Who is the chairperson of the meeting, and who gives remarks and reports? In this school, the principal chairs SGB meetings and provides reports on general and specific matters. In addition, the principal presides over meetings and advises and guides the SGB in implementing the constitution and rules.
2.	Finance committee meetings	Establishment of the finance committee. How do they conduct meetings? According to the SASA, SGBs must ensure committees are established. The principal should guide the SGB in establishing a finance committee and who should serve on the committee. They are merely following policies and rules prescribed by the government. However, this committee is not functional; some members complained that the principal does not involve them in financial matters. Sometimes the principal calls and briefs them about what needs to happen regarding payments. The principal does the committee's work; the SGB are sometimes not

		involved in financial issues. There are no meetings, only briefings.
3.	Circulars on the management of finances	Access to circulars, reading and interpreting circulars to SGB and finance committees. The school gets all the information and circulars on the management of finances. Sometimes, the principal does not interpret circulars to SGB members. Other SGBs do not know about the principles and rules of managing finances. Therefore, the school has access to circulars.
4.	The workload of the finance officer	How do they share the workload of the finance officer, and how do they split responsibilities? The finance officer performs duties given by the SGB. There is a lack of communication and participation between the finance committee and SGB. There is non-compliance; she is finding it difficult to work with the finance committee, procurement committee, and other stakeholders. The finance officer does not share the workload with the treasurer or finance committee. They do not abide by the rules and principles of finance.
5.	Availability of registered service providers for schools	Is there a database where service provider information is shared? The school does not have a database where they can select a suitable service provider. Instead, they advertise a tender for local service providers, and interested service providers will forward their applications to schools for consideration.
6.	Transfer of norms and standards for school funding	Do schools get funding from the government? A school receives funds from the State in terms of the norms and standards for school funding. The

		provincial government deposits funds to schools in tranches. These funds are allocated according to quintiles and learner enrolment.
7.	Availability of SGB chairperson for authorisation	Is the SGB chairperson available for authorisation? In this school, only the principal can authorise the payments and transfers.

APPENDIX J: DISCUSSION OF THE FINDINGS

Theme 1: Functionality of school financial management system

The researcher posed the following question to the principals: Please tell me about the management of school finances.

Principal 1: "The finance committee is assisting us with financing. We also have a procurement committee and payment by confirming signatories etc."

Principal 2: "To hold meetings monthly and procurement for every transaction to be processed."

Principal 3: "To hold meetings monthly and procurement for every transaction to be processed. School finances are managed through the school finance committee; other sub-committees work with the mother body, which is the finance committee. The finance committee works with the procurement committee; they work hand in hand. To manage school finances, we have a bank account as the school; all the transactions are recorded, ensuring everything is correctly done. So expenditure is controlled and also avoiding unnecessary expenditure."

Principal 4: "To manage school finances, as the school, we need to open a school bank account, ensure that all the transactions are recorded, following proper procedures. School finances are managed through the school finance committee and procurement committee, these committees need to hold meetings and develop policies, and there must be minutes of the meetings. That is how we do things in our school."

Principal 5: "School finances are managed through the school finance committee and procurement committee, these committees need to hold meetings and develop policies, and there must be minutes of the meetings. To manage school finances, as the school, we need to open a bank account, ensure that all the transactions are recorded, and follow proper procedures. We are avoiding unnecessary expenditure."

Financial management can be described as the performance of management actions related to school finances to realise effective education (Mestry & Basson, 2019:2). It was evident that school principals were able to talk about financial management. For

example, Principal 4 opined that “to manage finances, you need policies.” Most of the responses mentioned committees, such as the finance committee. This was confirmed by Nqatha (2018:38), stating that for schools to manage their finances effectively, they must develop a finance policy that all the stakeholders should adopt. The finance policy must clearly outline the roles of the finance committee; treasurer, finance officer, and school principal (see Ch.2 section 2.7.1).

The researcher posed the following question to the principals: According to your understanding, what is the functionality of the financial management systems in schools?

Principal 1: “It is to have plans and mechanisms in place to ensure control or use of funds transferred by the State to the school.”

Principal 2: “Not so functional because the school receives lesser funds; you cannot even budget.”

Principal 3: “We have a functional financial management system in place, and it is perfect because we have a procurement committee and a finance committee. These committees have the responsibility of managing finances under the SGB treasurer. Independent auditors audit financial statements. Internal controls are in place and being implemented. We follow the correct channels to approve the expenditure, starting with procurement and then finance. Record-keeping is done regularly.”

Principal 4: “Record-keeping is done. It is to have proper internal controls in place and ensure they are enforced. To ensure the functionality of our systems, we follow the correct channels to approve the expenditure, starting with procurement and then going to finance.”

Principal 5: “Proper internal controls in place. To ensure the functionality of our systems, we follow the correct channels to approve the expenditure and procurement together with the finance committee sit down in a meeting following correct procedures in making payments. There is accountability. Invoices and quotations are some of the documents needed. Record-keeping is done frequently.”

Basic functionality is when an SGB can function effectively and efficiently to realise its goals. The emphasis is more on the effectiveness of the legislative framework and policies, how the SGB is meeting its own goals, and how the parents and educators respond positively to the SGB. The school's basic functionality indicates that it can realise its educational and social goals. However, the school's policies and procedures must be in place to enable it to run smoothly. As the accounting authority, SGBs must look at the policies, procedures, regulations etc., to assess whether they are appropriate and implemented successfully. The willingness of SGBs to implement these policies (the finance policies and procedures) and the impact this has on school improvement must be assessed regularly. The school must have effective procedures for managing school finances.

The researcher posed the following question to the principals: Please explain the role of the SGB in school governance.

Principal 1: "Their role is to ensure that the school is governed according to the laws and policies by SGB."

Principal 2: "To ensure that funds are spent properly following prescribed rules, legislations, and a policy, school is running smoothly."

Principal 3: "To ensure that funds are spent properly following prescribed rules, legislations and a policy, school is running smoothly. They are governors of the school as a whole; they must ensure that they develop policies, not only finance policies and put them in place. They govern with policies. These policies must be based on the South African constitution, the South African Schools Act and all other available education legislations and policies of the Department of Education. Governors must develop policies like codes of conduct and admission policies. That's their role."

Principal 4: "Their role is to develop policies and rules governing the school. Governors must develop policies like the code of conduct and admission policies. These policies must be based on the South African constitution, South African Schools Act and all other available education legislations and policies of the Department of Education."

Principal 5: "Their role is to develop policies and rules for governing the school. Policies like language and admission policies."

The SGB is responsible for the everyday management of the school. It must decide on and carry out school policies that suit the school. SGBs must have policies that protect and promote learners' rights regarding school discipline, language, religion, and culture. The SGB must not interfere in the professional management of the school, but should support academic staff in executing their duties. The SGB should also encourage partnerships with people with expertise to assist the school (Basic Education Rights Handbook-Education on rights in South Africa: 2017). All school principals concurred on the role of SGBs in school governance. They must develop policies and legislation to govern schools. SGBs start and administer school funds and prepare annual budgets to present to parents for approval. They must open and maintain a bank account and keep financial records (Kruger, 2021).

The researcher posed the following question to the SGB chairperson: Who governs the school finances?

SGB chairperson 1: "School principal together with school governing body."

SGB chairperson 2: "School principal, treasurer, SGB chairperson, and finance officer."

SGB chairperson 3: "School principal and SGB chairperson."

SGB chairperson 4: "School governing body as a whole."

SGB chairperson 5: "School governing body, with the finance and procurement committees."

Letsapa (2021) is of the view that SGBs must take complete control of school finances and manage them. All stakeholders are encouraged to work together to manage school financial resources, participate in shared leadership, and maintain accountability through SGBs. All the respondents are clear on who is governing school finances except for SGB chairperson 3.

The researcher posed the following question to the SGB chairperson: How do you manage finances in your school?

SGB chairperson 1: “We manage finances by following and implementing financial and procurement policies. We make payments according to budget.”

SGB chairperson 2: “We make payments according to budget. Authorising and approving every transaction.”

SGB chairperson 3: “We make payments according to the budget, authorising and approving every transaction. Our rule is that there must be committees, such as finance and procurement. We have policies in place and follow-up, so we do not deviate from government policies. If we are going to make a payment, there must be a quotation or invoice. The treasurer and chairperson should approve payment. The person being paid must have a bank account.”

SGB chairperson 4: “We have policies in place, and we follow up so that we do not deviate from government legislations and policies. If we are going to make a payment, there must be quotations. The SGBs should approve payments. The finance and procurement committees should hold their meetings regarding managing the school's finances.”

SGB chairperson 5: “We have policies in place, and we follow up so that we do not deviate from government legislations and policies. If we are going to make a payment, there must be quotations. The SGBs should approve payments. The finance committee and procurement committee should hold meetings with regards to managing the school finances.”

Clearly, they managed finance by developing policies (i.e. a finance policy). This policy was created to ensure that money was adequately managed; there was no evidence of corruption or fraud. SGBs formulate and adopt financial policies in their respective schools (RSA, 1996). The main duty is to manage school finances and ensure a school budget is drawn and should cater for all the school's needs.

Theme 2: Essential characteristics of school financial management systems

The researcher posed the following question to the school principal: In which quintile is your school?

Principal 1: “Thank you for asking; this school is in Quintile 2.”

Principal 2: "This school is in Quintile 1."

Principal 3: "Our school is in Quintile 1."

Principal 4: "This school is in Quintile 1."

Principal 5: "This school is in Quintile 1."

It was evident that most schools are in the Quintile 1 category. According to Letsapa (2021), schools are categorised into five quintiles based on their location and the poverty level of the households around them (see Ch.2 section 2.3.1). It may be concluded that the sampled schools were in rural areas where most parents may not be employed. Schools in Quintiles 1 and 2 should comply with mandatory expenditure items determined by the provincial education departmental policies and the PFMA.

The researcher posed the following question to the school principal: In which budget bracket is your school this year? Choose from the following options: less than R100000, between R150 000 and R200 000, or above R250 000.

Principal 1: "It is above R250 000."

Principal 2: "It is less than R100 000."

Principal 3: "It is more than R250 000."

Principal 4: "It is less than R100 000."

Principal 5: "It is less than R100 000."

Section 34 of the SASA mandates the State to provide funds to public schools from the government revenue on an equitable basis. This guarantees learners' basic right to education and rectifies the historical educational disparities (RSA,1996:34). From the responses cited above, all the schools received funding from government revenue. However, some schools did not receive much. For example, one of the participants stated that "the money that is below R100 000."

Furthermore, according to the NNSSF, as set out in section 39, the distribution of funds to schools is done to bring about balance and equity in funding the schools to improve the quality of school education (RSA, 1998:8).

The researcher posed the following question to the school principal: What are the essential characteristics of school financial management systems in public schools?

Principal 1: "SGB chairperson, treasurer, finance officer, and the principal."

Principal 2: "SGB chairperson, treasurer, finance officer, and the principal."

Principal 3: "SGB chairperson, treasurer, finance officer, and the principal. Follow school policies, using the relevant committees, and ensure records are available."

Principal 4: "Accountability and transparency, follow school financial policies using the correct appointed structures, and ensuring that there are records in place."

Principal 5: "There is proper internal control in place. There is accountability and transparency. Follow school policies using the correct elected or appointed structures. There are records in place."

Schools' control over their resources and funds cannot be effective without a clear set of school management regulations. School managers must ensure that the relevant personnel implement guidelines or legislation (Letsapa, 2021:16). All respondents clarified that there should be plans or systems in place to check the adequate implementation of legislation and tools to measure it. They should follow all the policies and legislation put in place.

Theme 3: Implementation of legislation in the management of school finances

The researcher posed the following question to the school principal: Which aspects or items did you spend the norms and standards funding from the Department of Education?

Principal 1: "We spend money on maintenance of school properties. We are buying stationery and machines for the school. We are paying for electricity."

Principal 2: “We spend the money on the payment of SGB educators, we buy papers for photocopying, pay xerox for servicing our machines (service plan), we also buy electricity because the machines cannot function without electricity, and buy extra stationery for the office.”

Principal 3: “We are funded by the Department of Education. We are funded according to our quintile and learner enrolment. Government is allocating according to cost centres when they are funding us, such as cash payment, non-education consumables, education consumables, nutrition, municipal services, maintenance, and learner-teacher support material and stationery.”

Principal 4: “We spend money according to cost centres such as cash payment, non-education consumables, education consumables, nutrition, municipal services, maintenance and learner-teacher support material and stationery.”

Principal 5: “We are getting money from the government according to learner enrolment. We spend money according to cost centres such as cash payment, non-education consumables, education consumables, nutrition, municipal services, maintenance, and learner-teacher support material and stationery.”

Based on the discussions with the principals, it was revealed that the State allocates school's funds. These allocations are done according to cost centres; for example, education consumables cost centre and non-education consumables cost centre. School funds are regulated by the NNSF and must be managed accordingly. The NNSF policy provides a statutory basis for funding public schools, namely that schools located in poorer societies should receive more funds from government revenue than schools serving better-off communities (RSA, 1998). During the interview, Principal 2 revealed they are paying for SGBs-employed educators using the NNSF public schools. This act has shown that they are following guidelines and regulations and implies a challenge in spending the funds. Mestry (2014) asserts that the allocation for different budget items is fixed, and principals and SGBs face difficulties in how they should be disbursed. For example, allocations for municipal services are usually insufficient, and SGBs are unsure how to access more funds or redirect funds received from provincial education departments.

The researcher posed the following question to the school principal: Do you have copies of the following documents? Constitution of the Republic of South Africa, Approved School Governing Body Constitution, Public Finance Management Act, South African Schools Act, Approved School Financial Policy, School Asset Register, Approved Transport Claims Policy, and Audited Financial Statements for 2020 and 2021.

Principal 1: "Yes, we have all the above documents except for the approved transport claim policy."

Principal 2: "Yes, we have all of them besides the transport claim policy; we do not have it."

Principal 3: "Yes, we have all of the above documents."

Principal 4: "Yes, we have all of the above documents except for the approved transport claim policy."

Principal 5: "Yes, we have all of the above documents... besides the approved transport claim policy, we do not have that one."

According to Nqatha (2018:43), public schools are State organs. Thus, the functioning of their SGBs as accounting authority, in particular, their policy-making function, requires an understanding of the constitution's founding values which form the basis of the legislative provisions for school policies. Accordingly, all the principals have the Constitution of South Africa and other policies, with the exception of the transport claim form.

The researcher posed the following question to the principal: How should school finance personnel implement financial legislation in managing school finances?

Principal 1: "By following proper procurement procedures and legislations."

Principal 2: "By following proper procurement procedures when holding meetings."

Principal 3: "By following proper procurement procedures when holding meetings. School finance personnel must ensure that everything they do is in accordance with finance policies and legislation. They are using correct structures, such as school

finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that the expenditure was approved by the correct people or structures, and the bank statement must agree with invoices. Let's say if the expenditure was based on quotations, there need to be a motivation or reasons why they chose a certain quotation over the other ones."

Principal 4: "By following proper procurement procedures when convening meetings. They are using correct structures, such as school finance in SGB and procurement committees. The bank statement must agree with invoices or quotations."

Principal 5: "By following proper procurement procedures when holding meetings. They are using correct structures, such as school finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that expenditure was approved by the correct people or structures, and bank statement must agree with invoices."

According to Letsapa (2021), financial legislation, including the finance policy, must clearly explain how school finances should be managed in a specific school. However, it was evident from the interactions with school principals that they knew how financial legislation should be implemented to control the use and spending of the funds. Therefore, the school must act according to policies, especially financial management. Policies direct school managers and SGBs to behave when managing school finances (Refer to Ch2, section 2 2.7).

The researcher posed the following question to the school principal: How do you ensure financial legislation is implemented by finance personnel?

Principal 1: "By ensuring that payments are made according to the budget and procurement procedure."

Principal 2: "By ensuring that payments adhere to policies and relevant procedures."

Principal 3: "The finance committee should have a supervision questionnaire sort of...whereby they look at policies that must be followed when spending school

finances. In each transaction, one should check whether procedures were followed according to the questionnaire used. For example, let's say we need to buy something; the procurement committee should sit down in a meeting and procure. There must be minutes of the meeting written down. We must ensure that we have all the tools to measure the whole process. Like we check procurement committee held meeting, we need a tool to check whether, in that meeting, they adhered to correct procedures."

Principal 4: "We need to ensure that we have all the tools to measure the implementation of legislation. Like we check procurement committee held meeting, we need a tool to check whether in that meeting, they adhered to correct procedures."

Principal 5: "We need all the internal controls to ensure the implementation of legislation. Ensure that committees adhere to correct procedures."

Schools' control over their resources and funds cannot be effective without a clear set of regulations for managing schools. School managers must ensure that guidelines or legislation are implemented by relevant personnel (Letsapa, 2021:16). All respondents made it clear that there should be clear plans or systems in place to check the adequate implementation of legislation and tools to measure it. They should follow all the policies and legislation put in place.

The researcher posed the following question to the SGB chairperson: How do you develop or formulate financial legislation or policies?

SGB chairperson 1: "Policies are drafted by SGB and tabled to the parents for endorsement."

SGB chairperson 2: "Finance committee will have to convene a meeting, then draft or develop policies which will be presented to SGBs for endorsement."

SGB chairperson 3: "Finance committee will have to convene a meeting, then draft or develop policies which will be presented to SGBs for endorsement. We hold meetings as SGB to develop policies; we do this following the constitution."

SGB chairperson 4: "Policies in our school are developed by the SGB. Principal and teacher components are assisting us with the information needed for drafting laws.

These policies should be based on the constitution of the land, the South African Schools Act, and government legislation. The policies will be approved by the SGBs.”

SGB chairperson 5: “Policies in our school are developed by SGB. The principal and teacher components are assisting us with the information needed for drafting laws. These policies should be based on the constitution of the land, the South African Schools Act, and government legislation. The policies will be approved by the SGBs.”

The responsibility of managing the school finances lies within the SGB. The SASA provides for the SGB to develop financial legislation that assists in monitoring and controlling the process. The financial policy must be developed, adopted, and implemented by all the stakeholders. This legislation or policy should be formulated within the parameters of the law, national policies, and circulars of the provincial department (Letsapa, 2021). It was revealed that financial legislation was developed and adopted by the SGB, which is assisted by the principal or teachers knowledgeable and skilled in policy making.

The researcher posed the following question to the school principal: How do you ensure that these financial legislations are put into practice by finance personnel?

SGB chairperson 1: “By having procurement meeting to ensure what is going to be paid is what has been agreed upon.”

SGB chairperson 2: “By rejecting or disapproving transactions if they do not adhere to finance policies.”

SGB chairperson 3: “We hold quarterly meetings to check whether policies are being followed or not. Not authorising payments if they are transgressing.”

SGB chairperson 4: “According to the SGB constitution, we are expected to hold meetings quarterly to ensure finance personnel abide by the rules. They check if the policies are being followed or not.”

SGB chairperson 5: “According to the SGB constitution, we are expected to hold quarterly meetings to ensure finance personnel abide by the rules. They check if the policies are being followed or not.”

Schools' control over their resources and funds cannot be effective without a clear set of regulations for managing schools. School managers must ensure that guidelines or legislation are implemented by relevant personnel (Letsapa, 2021:16). All respondents clarified that there should be plans or systems in place to check the adequate implementation of legislation and tools to measure it. In addition, they should follow all the policies and legislation put in place.

Theme 4: The roles of finance personnel

The researcher posed the following question to the school principal: Have you received any training in school financial management?

Principal 1: "Yes, I was trained in financial management. I attended workshops and training several times. Each year all newly appointed principals receive training in financial management."

Principal 2: "Yes, I was trained in school financial management. I attended workshops organised for school management teams."

Principal 3: "It's zero; there was no training in school financial management."

Principal 4: "No training."

Principal 5: "There was no training in school financial management."

Principals 1 and 2 mentioned that they were trained in school financial management; however, Principals 3, 4, and 5 did not receive any training. It was evident from participants' responses that there was a need for training. Nqatha (2018:50) confirms this by asserting that training in financial management is vital because it develops and capacitates the school principal and SGBs with financial management knowledge, expertise, and competencies (Refer to Ch.2 section 2.9.5). In conclusion, school managers from these schools must be equipped with financial skills, which will empower them to manage the schools' finances better.

The researcher posed the following question to the SGB chairperson: How should school finance personnel implement financial legislation in managing school finances?

Principal 1: "By following proper procurement procedures and legislations."

Principal 2: “By following proper procurement procedures when holding meetings.”

Principal 3: “By following proper procurement procedures when holding meetings. School finance personnel must ensure that everything they do is in accordance with finance policies and legislation. They are using correct structures, such as school finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that the expenditure was approved by the correct people or structures and the bank statement must agree with invoices. Let’s say, if the expenditure was based on quotations, there need to be a motivation or reasons why they chose a certain quotation over the other ones.”

Principal 4: “By following proper procurement procedures when convening meetings. They are using correct structures such as school finance in SGB and procurement committees. The bank statement must agree with invoices or quotations.”

Principal 5: “By following proper procurement procedures when holding meetings. They are using correct structures, such as school finance in SGB and procurement committees. They ensure that every committee convenes a meeting and that minutes are made available. If there is an expenditure, there must be source documents indicating and supporting that expenditure was approved by the correct people or structures, and bank statement must agree with invoices.”

According to Letsapa (2021), financial legislation, including finance policy, must clearly explain how school finances should be managed in a specific school. It was clear from the interactions with school principals that they know how financial legislation should be implemented to control the use and spending of the funds. Therefore, the school must act according to policies, especially in financial management. Policies direct school managers and SGBs to behave accordingly when handling school finances (Refer to Ch2, section 2.2.7).

The researcher posed the following question to the school principal: Please explain the role of the SGB in school governance.

Principal 1: “Their role is to ensure that the school is governed according to the laws and policies by SGB.”

Principal 2: “To ensure that funds are spent properly following prescribed rules, legislations and a policy, school is running smoothly.”

Principal 3: “It is to ensure that funds are spent properly following prescribed rules, legislations, and a policy. School is running smoothly. They are the governors of the school as a whole; they must ensure that they develop policies, not only finance policies and put them in place. They govern with policies. These policies must be based on the South African constitution, the South African Schools Act and all other available education legislations and policies of the Department of Education. Policies like codes of conduct and admission policies need to be developed by governors. That’s their role.”

Principal 4: “Their role is to develop policies and rules governing the school. Policies like code of conduct and admission policies must be developed by the governors. These policies must be based on the South African constitution, South African Schools Act and all other available education legislations and policies of the Department of Education.”

Principal 5: “Their role is to develop policies and rules for governing the school. Policies like language and admission policies.”

The SGB is responsible for the everyday management of the school and must decide on and carry out school policies that are suitable for the school. SGBs must have policies that protect and promote learners’ rights regarding school discipline, language, religion, and culture. The SGB must not interfere in the professional management of the school, but should support academic staff in executing their duties. The SGB should also encourage partnerships with people with expertise to assist the school (Basic Education Rights Handbook-Education on rights in South Africa). All school principals agree on the role of the SGBs in school governance. They must develop policies and legislation to govern schools. Moreover, the SGBs must start and administer school funds and prepare an annual budget to present to parents for approval. They must open and maintain a bank account and keep financial records (Kruger, 2021).

The researcher posed the following question to the school principal: How do you ensure financial legislation is implemented by finance personnel?

Principal 1: "By ensuring that payments are made according to the budget and procurement procedure."

Principal 2: "By ensuring that payments are made adhering to policies and relevant procedures."

Principal 3: "Finance committee should have a supervision questionnaire sort of...whereby they look at policies that must be followed when spending school finances. In every transaction, one should check whether procedures were followed according to the questionnaire used. For example, let's say we need to buy something; the procurement committee should sit down in a meeting and procure; there must be minutes of the meeting written down. We need to ensure that we have all the tools to measure the whole process. Like we check procurement committee held meeting, we need a tool to check whether in that meeting, they adhered to correct procedures."

Principal 4: "We need to ensure that we have all the tools to measure the implementation of legislation. Like we check procurement committee held meeting, we need a tool to check whether, in that meeting, they adhered to correct procedures."

Principal 5: "We need all the internal controls to ensure the implementation of legislation. Ensure that committees adhere to correct procedures."

Schools' control over their resources and funds cannot be effective without a clear set of school management regulations. Therefore, school managers must ensure that guidelines or legislation are implemented by relevant personnel (Letsapa, 2021:16). All respondents clarified that there should be plans or systems in place to check the adequate implementation of legislation and tools to measure it. In addition, they should follow all the policies and legislation put in place.

The researcher posed the following question to the SGB chairperson: What is your role in financial management?

SGB chairperson 1: "To ensure that funds are used according to budget. To ensure that as the SGB, we follow finance policies and procurement procedures."

SGB chairperson 2: “To ensure funds are used according to budget. I have to see that every transaction is done after the finance committee and procurement committee hold their meetings on a monthly basis.”

SGB chairperson 3: “My role is to ensure that there is no corruption in school and that committees follow proper procedures when procuring and paying. If there are no policies, I ensure that we develop them.”

SGB chairperson 4: “My role is to ensure that there is no fraud or corruption in school. Make sure committees adhere to proper procedures when procuring and making payments.”

SGB chairperson 5: “My role is to ensure that SGB follows laws and legislations regarding financial management. I make sure committees adhere to correct procedures when making payments.”

The role of the chairperson is to ensure that school finances are appropriately administered and that all stakeholders share in the decision of the SGB. In addition, the SGB chairperson should advocate for a system of governance which would be transformative, inclusive, and democratic in order to accommodate the different contexts in which the school operates.

The researcher posed the following question to the SGB chairperson: What do you think is the role of the finance personnel?

SGB chairperson 1: “It is to keep good financial records on income and expenditure, ensuring they follow legislation rules and policies.”

SGB chairperson 2: “It is to keep good financial records on income and expenditure, ensuring they follow legislation rules and policies.”

SGB chairperson 3: “It is to keep good financial records on income and expenditure, ensuring they follow legislation rules and policies.”

SGB chairperson 4: “Their role is to keep financial records. Finance personnel ensures that they follow legislation rules and policies. Ensures that committees adhere to rules and abide by them.”

SGB chairperson 5: Their role is to keep financial records. Finance personnel ensures that they follow legislation rules and policies. Ensures that committees adhere to rules and abide by them.

According to Ntsele (2014:38), finance personnel must develop and implement an SFP adopted by the SGB. They also develop policies and advise on ways of fund-raising. Moreover, finance personnel advise the SGB when preparing the budget and assist in drawing annual financial statements. They keep overall control of school money. They monitor and approve all expenditures. Finance personnel ensure that there is no overspending and also maintain accounting documents and records systematically and accurately.

The researcher posed the following question to the finance officer: What are your major duties as a finance officer in the school governing body?

Finance officer 1: "Record-keeping and financial reporting."

Finance officer 2: "Initiate payments, must be a part of the finance committee, filling all the documents which are expenditure approval form, Record keeper and financial report."

Finance officer 3: "Initiate payments, record-keeping. Taking minutes, data capturing and photocopying."

Finance officer 4: "Initiate payments, Record-keeping. I look after the finance file. The finance officer takes minutes in SGB meetings, data capturing, and photocopying."

Finance officer 5: "Looking after school finance, data capturing and record-keeping."

According to the prescripts for the management of school funds at public schools in Limpopo Province (2009:3), the finance officer should keep adequate documentation reflecting the name of the person to whom payment is to be made, the amount to be paid, and the nature of the goods supplied or services rendered. They also present all payments and supporting documents at the next Finance Committee meeting, i.e. before the SGBs meeting. Moreover, they are to maintain a cash-flow statement prepared on a monthly basis, present a financial report for ratification at the next SGB

meeting, provide monthly bank reconciliations, develop a filing and record-keeping system, and provide secretarial duties for the finance committee.

Theme 5: Challenges faced by public schools in financial management

The researcher posed the following question to the school principal: What challenges do public schools experience regarding financial management?

Principal 1: “Poor training of SGB members, finance committee and procurement committee.”

Principal 2: “Poor training of finance committee. We don’t have enough money; that is a challenge on its own.”

Principal 3: “Poor training of the finance committee. We don’t have enough money; that is a challenge on its own. Challenge number 1 people entrusted with the responsibility of governing schools do not know. In other words, they are illiterate. They do not know how to read and write. The second challenge is political interference in school finances and corruption.”

Principal 4: “Challenge is people entrusted with the responsibility of governing schools; they do not have the knowledge. In other words, they are illiterate. They do not know how to read and write. The second challenge is the act of corruption.”

Principal 5: “We don’t have enough money; that is a challenge on its own. The second challenge is that people entrusted with the responsibility of governing schools do not know. In other words, they are illiterate. They do not know how to read and write. The third challenge is the act of corruption.”

SGBs serving in poorer communities may be illiterate and unable to interpret the legal framework (Letsapa, 2021:55). Principals 3, 4, and 5 agree that the biggest challenge is illiteracy amongst SGBs, stating that they cannot read and write. It was evident from the interviews that illiteracy is a challenge for SGBs, and they do not understand policies and other finance prescripts. Mestry (2018:388) concurs that illiterate parents from rural communities cannot read and write. This makes them ignorant of the laws used in handling school finances, such as the SASA and the PFMA. Managing school finances requires SGBs to possess certain skills and knowledge to effectively manage

school funds. Illiteracy compromises their capacity to manage and administer school finances effectively.

The researcher posed the following question to the school principal: How do you address these challenges?

Principal 1: "By organising a training workshop for finance committee members. By getting information on financial management and equipping finance committee members."

Principal 2: "By organising a workshop for training finance committee members. Also, hold meetings and explain to the teachers, then go to the SGB, that is, the parent component and parents at large."

Principal 3: "By organising a workshop for training finance committee members. Also, hold meetings and explain to the teachers, then go to the SGB, that is, the parent component and parents at large. We are unable to address the illiteracy challenge because, according to the SASA, governance is the responsibility of the SGB, including finance. However, there are no instructions or suggestions that a finance committee must have well-educated personnel. You use any person elected to that committee. In some cases, you can co-opt people with skills and knowledge about finance but be careful about being accused of being corrupt and using other people, overlooking them, stating that you do not trust them (elected SGB members), you are approaching your friends, you want to use them for financial benefits, so it is difficult to address this challenge. Corruption can be addressed by ensuring committees adhere to the prescribed policies and procedures. Corruption activities must be reported and investigated. Governors should not allow corruption at all costs and should be condemned in the strongest words."

Principal 4: "By organising a workshop for SGB members to be trained. Also, hold meetings. In some cases, we can co-opt people with skills and knowledge about managing finances. Corruption activities must be reported and be investigated by law enforcers."

Principal 5: “In some cases, we can co-opt people with skills and knowledge about managing finances. Corruption activities must be reported and be investigated by law enforcement agencies.”

All the school managers agreed there was a need for workshops and training for SGBs and principals. They need skills and expertise in managing school finances. Principals 3, 4, and 5 cited the importance of reporting corrupt activities to relevant authorities. According to Nqatha (2018), “it is of great importance that SGBs receive training that assists them in managing finances in their respective schools.” The SASA section 19(1) provides that the provincial HoD must develop a programme to train newly elected SGBs. This training must be continuously offered so that they execute their duties effectively (Letsapa, 2021:59).

The researcher posed the following question to the SGB chairperson: What could be the challenges facing public schools in financial management?

SGB chairperson 1: “Poor training in financial management. e.g., workshops.”

SGB chairperson 2: “Illiteracy, lack of knowledge about managing school finance, and less funding.”

SGB chairperson 3: “We are not knowledgeable about managing school finances because we are not educated.”

SGB chairperson 4: “Illiteracy and corruption.”

SGB chairperson 5: “Illiteracy.”

It was revealed that illiteracy is the biggest challenge in financial management. SGBs serving in poor communities may be illiterate and unable to interpret the legal framework (Letsapa, 2021:55). Principals 3, 4, and 5 agree that the biggest challenge is illiteracy amongst SGBs, stating that they cannot read and write. It was evident from the interviews that illiteracy is a real challenge for SGBs, and they do not understand policies and other finance prescripts. Mestry (2018:388) concurs that illiterate parents from rural communities cannot read and write. This makes them ignorant of the laws used in handling school finances, such as the SASA and the PFMA. Managing school finances requires SGBs to possess certain skills and knowledge to effectively manage

school funds. Illiteracy compromises their capacity to manage and administer school finances effectively.

The researcher posed the following question to the SGB chairperson: According to your observation, what could have caused these challenges?

SGB chairperson 1: "Miscommunication between stakeholders."

SGB chairperson 2: "Miscommunication or poor communication amongst stakeholders. There are differences between parents and teachers."

SGB chairperson 3: "Just illiteracy."

SGB chairperson 4: "Lack of financial management expertise, knowledge and skills."

SGB chairperson 5: "Lack of financial management skills and knowledge." Thus, it can be said that SGBs serving in poor communities may be illiterate and unable to interpret the legal framework (Letsapa, 2021:55). The researcher posed the following question to the SGB chairperson: As

SGB chairperson 1: "We try to organise meetings and training in school. We hold meetings with them to solve the challenges."

SGB chairperson 2: "We hold meetings with them to solve the challenges. By explaining to parents, teachers give them bank statements so they can see for themselves."

SGB chairperson 3: "We call on the government to assist us with skills and knowledge."

SGB chairperson 4: "Government should equip us with necessary skills and knowledge. We can defeat these challenges if we get more training and knowledge."

SGB chairperson 5: "Government should equip us with problem-solving skills and knowledge."

The SASA section 19(1) provides that the provincial HoD must develop a programme to offer training to newly elected SGBs. This training must also be continuously offered so they can execute their duties effectively (Letsapa, 2021:59).

The researcher posed the following question to the SGB chairperson: What ways or better mechanisms have been implemented to solve these challenges?

SGB chairperson 1: “By consulting senior managers and my colleagues who are currently or who have been chairperson in the past, who receive training.”

SGB chairperson 2: “I think there must be transparency. A bank statement must be available. The treasurer and chairperson should receive emails or SMS (inContact). They must all be involved and made aware of every transaction.”

SGB chairperson 3: “By engaging all the stakeholders in the school, try to solve the challenges. We also call on the education department to help us with people with more experience and expertise in problem-solving or conflict management.”

SGB chairperson 4: “Training must be organised.”

SGB chairperson 5: “Workshops for SGBs to deal with challenges. Training may be conducted twice a year.”

Nqatha (2018) opined that “it is of great importance that SGBs receive training that assists them in managing finances in their respective schools.” The SASA section 19(1) provides that the provincial HoD must develop a programme to offer training to newly elected SGBs. This training must also be continuously offered so they can execute their duties effectively (Letsapa, 2021:59).

The researcher posed the following question to the finance officer: Which challenges do you experience in carrying out your duties and responsibilities as a finance officer?

Finance officer 1: “Late submission of invoices and non-cooperation from other stakeholders.”

Finance officer 2: “Late submission of invoices and non-cooperation from other stakeholders. Unforeseen expenditures sometimes lead us to not follow the policy. For

example, lack of participation from the parent component, not attending meetings, stating that they do not get compensation.”

Finance officer 3: “Non-cooperation from other stakeholders.”

Finance officer 4: “Lack participation from the parent component, not attending meetings, stating that they do not get compensation.”

Finance officer 5: “Lack of communication and non-cooperation from SGB and principal.”

There is no cooperation, communication, or participation in meetings among SGBs. Another challenge is a lack of control over the authorisation of payments and poor document controls. In addition, finance officers are experiencing challenges in their meetings. Effective school governance is enhanced through participatory decision-making, which is geared towards enhancing the participation of all stakeholders to ensure that consensus is reached at all levels (Nqatha, 2018).

APPENDIX K: EDITORIAL CERTIFICATE

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Editorial Certificate

To Whom It May Concern,

This certificate confirms that the dissertation entitled; **EXPLORING THE FUNCTIONALITY OF FINANCIAL MANAGEMENT SYSTEMS IN PUBLIC SCHOOLS OF MALANGENI CIRCUIT, EASTERN CAPE PROVINCE** by **Anathi Sandisiwe Mafukula** was edited by an expert English editor with a PhD. The following issues were corrected: grammar, spelling, punctuation, sentence structure, phrasing, and formatting.

Signed on behalf of NIM Editorial by:

A handwritten signature in black ink, appearing to be 'N.I. Mabidi', written over a horizontal dotted line.

Dr N.I. Mabidi

Founder & Chief Editor