CHALLENGES FACING SCHOOL GOVERNING BODIES IN THE IMPLEMENTATION OF FINANCE POLICIES IN THE VHEMBE DISTRICT

by

NNDWAMATO NDOU

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SUPERVISOR: DR MBUNYUZA-de HEER MENLAH

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DECLARATION

I declare that "CHALLENGES FACING SCHOOL GOVERNING BODIES IN THE IMPLEMENTATION OF FINANCE POLICIES IN THE VHEMBE DISTRICT" is my own work and all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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N NDOU Date

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ABBREVIATIONS

AFS:	Audited Financial Statements
ANNSSF:	Amended National Norms and Standards for School Funding
ASFP:	Approved School Finance Policy
CD-ROM:	Compact Disc-Read Only Memory
CELP:	Centre for Education Law and Policy
CEO:	Chief Executive Officer
DEECD:	Department of Education and Early Childhood Development
DoE:	Department of Education
EEA:	Employment of Educators Act
ELAA:	Education Law Amendment Act
ETRA:	Education and Training Reformed Act
FINCOM:	Finance Committee
FO:	Finance Officer
HIV/AIDS:	Human Immune Virus/Acquired Immune Deficiency Syndrome
HoD:	Head of Department
HYIA:	High Yield Investment Account
KZN:	KwaZulu-Natal
LRA:	Labour Relations Act
LTSM:	Learner Teacher Support Material
MEC:	Member of Executive Council
NEPA:	National Education Policy Act
NGO:	Non-Governmental Organisation
NNSSFR:	National Norms and Standards for School Funding
OA:	Official Account
PAAA:	Public Accountants and Auditors Act
PDE:	Provincial Department of Education
PFMA:	Public Finance Management Act
PSA:	Public Service Act
PTA:	Parent-Teacher Association
RCL:	Representative Council of Learners Regulation
RSA:	Republic of South Africa
SAR:	School Assets Register
SASA:	South African Schools Act
SBM:	School Boarding Master
SES:	Socio-Economic Status
SGB:	School Governing Body
SMT:	School Management Team
SRAB:	School Resource Allocation Branch

ABSTRACT

The study focused on the challenges facing school governing bodies in the Vhembe district in the implementation of finance policies. Through the provision of the South African Schools Act, 84 of 1996, the school governing body is entrusted with the responsibilities of establishing and managing the school fund. The research was a multi-site case study of the Vhembe district. Purposive sampling of schools was conducted. Semi-structured interviews, observations and document analyses were carried out. The findings suggest that the finance personnel and committees at school level were not well established, trained and thus became dysfunctional. The researcher recommends that finance policies should be amended, finance committees trained and continuous monitoring of finances provided by the circuit and district officials. The study was also characterized by a number of limitations, including difficulties in understanding financial terminology by some participants and fear of handing in financial documents for examination.

KEY WORDS: School Governing Body, finance policies, implementation, school fund, legislation, budgeting, induction, responsibilities, approval, income, expenditure, monitoring, auditing, norms and standards, funding, quintiles.

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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1.Background Information

During the pre-democratic era, the structures that were responsible for school management and governance were referred to as school committees (Mabasa & Themane 2002:112). Later these structures were referred to as school boards in primary schools and management councils in secondary schools (Dlamini 1993:6). These structures did not encourage stakeholders' participation and were dominated by school principals reporting directly to the government officials responsible for education (Mabasa & Themane 2002:112). Dlamini (1993:5) argues that the involvement of parents during the apartheid regime was ill founded because it was not based on a genuine belief in the rights of people to self-determination.

Education worldwide is becoming increasingly accountable to the public and therefore it can be argued that learners should play a role in policy making and implementation, as they constitute a major stakeholder group (Mncube, 2005). Mechanisms to involve learners in the governance of schools are employed globally as a form of democratizing education (Carter, Harber & Serf 2003; Mncube 2005). In South Africa, until 1994, the apartheid state excluded the majority of citizens from genuine and equal participation, and it used education to socialize young people into the status quo of inequalities through conformity to authoritarian structures (Harber & Trafford 1999). In 1996 the South African democratic state published a White Paper on the organisation, governance and funding of schools (RSA White Paper 2 1996) with the aim of fostering democratic institutional management, thereby introducing a school governance structure that involves all the stakeholder groups in active and responsible roles in order to encourage tolerance, rational discussion, and collective decision making. From this White Paper emanated the South African Schools Act, No 84 of 1996 (SASA), which became operative from the beginning of 1997 and mandated that all public state schools in South Africa must have democratically elected School Governing Bodies (SGBs) composed of teachers, non-teaching staff, parents, and learners. Through this Act it became compulsory for all secondary schools to have Representative Councils for Learners (RCLs), democratically elected by learners who have to represent learners on the school governing body. Although all stakeholders are catered for by the Act, it appears that inequalities within the school governing bodies still exists. Cockburn (2006) found that whereas learners' voices are effective when they attend the proposed meetings, they are more effective when they actively take part in shaping the agenda of those meetings.

However, Karlsson (2002) suggests that, rather than preventing the inequalities of the apartheid South Africa, SGBs tend to exacerbate these inequalities of power relations, race, gender and socio-economic class.

The SASA (Act 84 of 1996) gives all stakeholders the mandate to participate in the governance and management of schools. This legislative mandate has presented principals, teachers, parents and learners with the onerous task of turning traditionally authoritarian institutions into democratic centres where every stakeholder participates actively in the decision-making process (Mosoge & Van der Westhuizen 1997:196). According to (Mncube:2008), the extent of participation by various stakeholders is influenced by several factors, such as the type of school (rural, urban, or a township school), the stakeholders themselves (adult and non-adult SGB members), the regularity of attendance of meetings, and gender.

Since the birth of democracy South Africans have had access to fundamental human rights regardless of race, gender, ethnicity, disability or religious affiliation, as guaranteed by the Constitution of the Republic of South Africa, Act 108 of 1996. The new constitution of South Africa ushered in a new educational dispensation, part of which was a new system of education governance and, in particular, public school governance (Beckman and Visser 1999:152). Section 7 of the Constitution of South Africa (Act 108 of 1996) requires the state to uphold the Bill of Rights by performing certain duties.

One of these duties is that the state has to take measures in order to advance the right to education. Public schools, according to the SASA (Act No. 84 of 1996), should be funded from public revenue on an equitable basis in order to ensure the proper exercise of the learners' right to education. The Act further encourages a partnership between the state and local communities. The nature of this partnership is briefly captured in the following preamble to the SASA (RSA Act 84 of 1996:3):

> ...this country requires a new national system for schools which will redress past injustices in educational provision, provide an education of progressively high quality for all learners and in so doing lay a strong foundation for the development of all our people's talents and capabilities, advance the democratic transformation of society, combat racism and sexism and all other forms of unfair discrimination and intolerance, contribute to the eradication of poverty and the economic well-being of society, protect and advance our diverse cultures and languages, uphold the rights of all learners, parents and educators, and promote their acceptance of responsibility for the organisation, governance and funding of schools in partnership with the State;...

This partnership is pursued through a strategy of decentralizing financial and governance functions to school-based structures to improve and encourage self-management of schools. Efficient school-based financial management is a solution to the shortage of state resources because sufficient school finance and the effective management thereof will play a major role in building an effective school (Marishane & Botha 2004:95). It makes sense to commit more resources to schools when schools use resources wisely and justly.

The SASA, Act 84 of 1996, section 16(1) indicates that governance of a public school is vested in its governing body. The school governing body always acts on behalf of the school (and in the name of the school) with the best interests of the school at heart (Davies 1999:60). These political changes have influenced education just as they have affected other aspects of life. Van der Linde (2002:511) purports that these changes are evident from a macro or systems level to the operational level. The National Department of Education is composed of nine provincial Members of Executive Council (MECs) for education who are responsible for the coordination of the education system from national to provincial level. Policies at provincial level are formulated on the basis of the national policies. The provincial structures are also sub-divided into districts, circuit clusters, circuits and schools. One such change is the creation of school governing bodies through the SASA, Act 84 of 1996. The SASA mandates that every public school must establish a governing body consisting of parents, educators at the school, non-educator staff, learners (in case of secondary schools), co-opted members of the community and the principal as an ex-officio member.

Educational reforms to democratize schooling were enacted through a series of legislations, among which was the South African Schools Act (SASA), Act 84 of 1996. The SASA therefore places the governance of every public school in the hands of the governing body [Section 16(1)]. This is based on the notion that the community knows the needs of the school and are in the best position to solve its problems (Calitz, Fuglestad & Lillejord 2000). Section 16(1)(a) of the SASA states that the governing body of a public school must promote the best interests of the school and strive to ensure its development through the provision of quality education for all learners at the school.

School governing bodies have a task to determine policies and rules by which schools are to be organized, controlled and governed. By law, school governing bodies (SGBs) have to include parents. The role of parents in the education of their children is guaranteed by the Constitution (RSA Act 84 of 1996). Section 23(9) of the SASA (RSA Act 84 of 1996) states that the number of elected parent members should comprise one more than the combined total of other members of a governing body, who have voting rights regardless of the size of the school. The SASA also stipulates that only a parent who is not employed at any of the public schools, may be appointed chairperson of the school governing body. The principal of another school may not be appointed as the chairperson but can occupy any other position in the school governing body.

Visser (1997:636) contends that it would in any event be unreasonable to expect parents to make financial contributions to the running of a school without awarding them a reasonable measure of control over how money is spent (as well as over other aspects of the education of their children). However, in spite of being in the majority, many parents serving on governing structures in

South Africa are inactive in their role (Karlsson 2002:332). Karlsson ascribes this to parents' weak understanding of their role, a capacity deficit in the range of skills needed to perform governance functions and irregular attendance of meetings.

Prior to the democratic era the situation in South Africa was such that principals controlled schools with little or no participation from teachers and parents (Looyen 2000:67). According to Potgieter et al. (1997:11), school governance presents a challenge because of its composition. According to Heystek & Paquette (1999:191), the role of other stakeholders in school governance was often merely supportive of principals' initiatives. The principal was responsible for the charging of school fees, drawing up of the budget and generating income and spending the funds in fulfilment of his personal priorities and interests.

The members of the school governing bodies have to be capacitated to perform their duties well. According to Kani (2000:38), the empowerment of the school governing body is meaningful towards their development as well as their individual schools. In support of the above notion, Dean (1995:208) suggests that training for SGBs should be an ongoing process as new governors become involved in the work. She also feels that the school and the governing body must be involved in the induction of new members in the school governing body. Barker, as quoted by Wilkinson and Birmingham (2003:200), in support of the training needs of SGB members, is of the opinion that without the necessary experience and training and without some trust in the professionals to know their business, they will have increased power to do harm.

Kani (2000:40) suggest that the training of the SGBs should take place at the following levels:

- School level. Principals should organise workshops for all SGB members for a particular school.
- Clusters of SGBs representing an area. The circuit managers or deputy managers' governance should organise SGB workshops at cluster levels where representatives from each school participate and report back to the entire SGB in their schools.
- Specific groups of governors according to various portfolios. Workshops may be organized for school principals, treasurers and finance officers who work on day-to-day management of the school.

Heystek (2004:38) is of the opinion that the limited training of the main role-players in the management of schools, coupled with their uncertainty regarding their functions and duties, sometimes makes it difficult for principals and parent governors to work together harmoniously. Although many principals have long years of experience, the participative and democratic experience may prepare them for this changed situation. This poses a serious challenge to the functioning of the SGB because principals are supposed to guide and even train the governing body members in their roles and responsibilities.

In response to this challenge, Van Wyk and Lemmer (2004:140) advise that school principals need intensive training regarding a more participative style of management that will embrace the values of co-operative governance. It does not mean that parents in these SGBs will take over the running of the schools; rather, that all the members will share the policy-making process at the school level.

I am one of the principals in Vhembe district. My participation in school governance has exposed me to issues regarding the management of the school fund as well as to the problems that are experienced by the School Governing Body of the school I head. My interaction with other principals in Vhembe district has convinced me that these problems are common in the area and this stimulated my interest in engaging in research into the matter.

A school governing body cannot work in isolation. An association of the school governing bodies at circuit, district, provincial and national level is essential for sharing and strengthening members of the SGBs on the implementation of the SASA and relevant legislation and policies. For school governing bodies to govern effectively, they have to be open to ideas and suggestions from other similar bodies in the area. A school governing body of a given school should work as a team in the best interests of the school. Legislation and policies have been promulgamated to ensure co-operation among SGB members in the execution of their duties in the school. Dlamini (2001:1) refers to this functioning of the school governing body as internal co-operative governance because it takes place among stakeholders within schools.

Mestry (2004:127) reports that some principals use the information obtained from delegated tasks to usurp power and authority from the school governing bodies by using information to pursue their own objectives at the expense of the school. Principals are supposed to account to the SGB regarding financial and property matters which are not specifically entrusted to them by statute (Mestry 2004:128). In this study I investigated the challenges to, causes of, and impact of different factors on the implementation of finance policies related to the management of school funds in public schools.

1.2. Statement of the Problem

The issue of school governing bodies' lack of capacity in implementing financial policies has developed into a number of challenges in the Vhembe district of the Limpopo Province. Most governors in Vhembe district seem to be uncertain of their financial responsibilities to the school. The procurement procedures on expenditure seem to be conducted differently from school to school even when the prescripts for the management of the finances in Limpopo Province are the same. The school governing bodies are facing challenges in the implementation of financial policies which may be caused by a lack of knowledge related to the management of school funds, poor understanding of financial policies at school level, financial accounting skills, changes in governance structures of the school and absence of monitoring and support by senior departmental officials.

Maluleka (2008:35) warns that while in principle there is a commitment in South Africa to involve “the community” in decision-making about local schools, the constraints in making the principle a reality may include:-

- Perception of lack of power among school staff, and among parents and others in the community.
- Confusion over the varying roles of governing bodies in different categories of schools.
- Rurality and illiteracy of a large proportion of the population and unrealistic educational requirements for membership of school bodies.
- The perception of the heavy burden of responsibility for educational matters among a populace already overworked and underpaid.

These constraints may lead to jostling for power and fighting over territory between the school governors and the school managers, which might cause serious impediments to the performance and development of the school. Van Wyk and Lemmer (2004:140) maintain that although the establishment of democratically elected governing bodies has changed the political structure of schools and the nature of decision-making, principals are in practice often reluctant to relinquish or even share power and authority.

Mashele’s (2009:120) findings reveal that SGBs of previously disadvantaged communities experience many problems that prevent them from governing their schools effectively. These include a lack of knowledge regarding:

- The orientation of newly-elected SGB members;
- The formulation of policies;
- Joint (team) decision making;
- Communication skills;
- Conflict resolution;
- Changing the negative attitudes of both learners and teachers;
- Financial management;
- The fact that schools should be safe places for both teachers and learners.

The approach which requires school-based management necessitates the re-designing of public schools to empower educational stakeholders to develop and improve their schools (Kruger 1994:236). School governing bodies have been introduced and given full responsibility to manage finances at public schools (RSA Act No.84 of 1996:24-28) and school principals are required to assist and support the SGBs to execute their functions. The financial responsibility granted to the SGBs is enormous because the lack of sufficient public funding for education has resulted in a situation where the affluent communities subsidize their children’s education with private resources while the poor communities rely on the state, which has insufficient resources to fund an acceptable level of education provision. Many SGBs which are located within poor communities rely solely on state subsidies for their budgets (Naidu et al. 2008:158). SGBs are required to take reasonable measures within their means to supplement the resources supplied by the state to improve the quality of education offered by the school (Wolhuter, Lemmer & De Wet 2007:39).

From the findings of studies on school governance conducted by previous scholars I have identified some of the challenges experienced by the school governing bodies. Khuzwayo (2007:21) studied the effectiveness of the education reforms involving School Board Members (SBMs) in education. His findings reveal that although principals welcome the support of the SBMs and the important role they play, principals prefer the board members to have a better understanding of their roles, accountability and responsibilities. Most participants expressed uncertainty regarding the roles, responsibilities and accountability of the school board members. This seems to suggest that where roles are not clear, the possibility arises that conflict may occur between parent governors and principals, thus affecting the functioning of the school. Gamage and Sooksomchita (2004:30) report that principals interviewed agreed that it was important for school principals to undergo leadership and management training because "the ability to delegate authority was an essential skill of a principal". Moreover, the SBMs are empowered to make important decisions regarding, among others:

- Managing the school budget;
- Developing policy articulating school vision and goals;
- Composing mission statements;
- Managing performance management.

Mazibuko (2004) studied the role perceptions of SGB and SMT members on school governance. The findings of the study reveal that members of both the school governing body and the school management team indicate a relatively good understanding of their roles and responsibilities in the school. The findings further reveal that poor training hindered all members of the SGB and SMT respectively from performing their roles and responsibilities effectively. The findings seem to suggest that SGBs and SMTs needed to be trained in all areas of their responsibility because the school faced the problem of involving all the stakeholders in the affairs of the school. It should be noted that there is no training aimed specifically at principals and chairpersons.

Bhagowat (2001) conducted an investigation into how democratic school governance has redefined the functions of a secondary-school principal. He reports that the principal did not resist the inclusion of other stakeholders but decided to gradually bring them on board and still had much to attain in this regard. The principal was used to a situation in the school where s/he was in charge and in authority. However, with the introduction of democratic governance the inputs of other stakeholders are to be considered. It is possible that the principal may still regard him/herself as the only authority figure, thus monopolizing power. In view of the fact that democratic school governance includes the participation of other stakeholders, we may find a situation where the SGB chairperson might not accept the principals' domination. For instance, Baloyi (2002:1) discovered that school committees were mainly dominated by principals who had the final say in their proceedings and teachers were mere spectators.

Heystek (2004) studied the relationship between the principal and the parent in the school governing body. He reports that though many principals have long years of experience, the participative and democratic management approaches are new for most of them. He further mentions that not even their experience can prepare them for these changed situations. Since the democratic management approach may be a new experience to some principals, it is possible that they may resist sharing power with other people. Such resistance may result in disagreements between principals and parent governors, thus throwing the school into chaos. However, where the principals are willing to share power with other role players, effective teaching and learning takes place.

While various studies have been carried out on the functioning of school governing bodies in South Africa, much still needs to be done in respect of the management of finances. See, for instance, Van Wyk (1998); Van Wyk (2004); Sithole (1995); Ngidi (2004); Mncube (2007); Mncube (2009).

Section 19 of SASA (RSA Act 84 of 1996) states that provinces must offer a programme of introductory and sustained training for newly-elected governing bodies. This programme must be pursued immediately when the outgoing SGB hands over power to the newly-elected SGB. Maluleka (2008:95) asserts that although reference is made to crucial acts and procedures on financial management, namely the Public Fund Management Act 1 of 1999, Norms and Standards for School Funding of 1998, and the Education Law Amendment Act of 2001, the workshops do not ascertain whether SGB members have any knowledge of these acts.

One of the challenges is the inability to demarcate the role of the state and that of the school governing bodies in school funding. There are school governing bodies that wait for government resources and exercise no effort in supplementing the resources as required by the SASA (RSA Act 84 of 1996) .

As a result of my experience in the SGB in my own school, I had come to realize that school governing bodies experienced problems such as lack of understanding of their roles, powers and liabilities, lack of capacity to fulfil their duties, lack of confidence in managing challenges and lack of legal understanding that informs implementation.

This prompted me to find out from other principals in Vhembe district how their school governing bodies function. I was interested in finding out how financial policies are implemented, the difficulties experienced, and all possible causes of failure. It emerged that the problems are common in all the schools in the area.

It is on this basis that my research seeks to answer the following questions:

- Which challenges do the school governing bodies face in the implementation of financial policies in public schools of Vhembe district?
- Which mechanisms can be put in place to monitor the implementation of financial policies in public schools?
- Which roles can the circuit, district, provincial and national department of education officials' play in empowering the school governing bodies in the performance of their financial responsibilities?
- How can the proposed mechanisms avert the challenges that face school governing bodies in the Vhembe district?

In answering the above questions, this research seeks to, inter alia, review criteria for choosing school governing bodies, capacity building of SGBs, the development of school finance policies and the monitoring tools set to reduce challenges faced by school governing bodies in implementing finance policies in Vhembe district.

1.3. Research Objectives

The study demonstrates the following objectives:

1.3.1. Theoretical objectives

I have reviewed the existing literature in the field and anticipate that the findings of the proposed research will add to the existing theory. The research methodology, selection of the sample and analysis of data followed the approaches of recent researchers such as Tlhapi (2011), Xitlabana (2008), Mahlangu (2008) and Singh (2006). I used a qualitative approach in which interaction with school principals and school governing bodies took place in the collection of data through utilizing interviews, observation and examination of existing documents. The research model also included a number of case studies. The specific research problem of the study was the absence of training of stakeholders, insufficient resources and infrastructure which impact negatively on the management and governance of schools with learners with hearing impairment in the context of the inclusive education model. I believe that the study will contribute to the body of knowledge and that the findings will be studied by forthcoming researchers. I also identify other sub-topics which could stimulate further research that can increase the existing knowledge base in the field. The conclusion and recommendations of the study will form the basis of the development of school finance policies and a set of procedures for effective record keeping and monitoring by school governing bodies.

1.3.2. Practical objectives

The practical objectives of this research study were to:

- Identify the challenges facing the school governing bodies on the implementation of the finance policies on the management of school fund.

- Make recommendations that can help to improve the effectiveness of finance personnel.
- Ensure that there is quality recording and monitoring of finances at schools.
- Suggest ways and means of addressing challenges impacting on the effectiveness of finance management at school.
- Identify the roles of the circuit, district, provincial and national department of education officials in the effective management of school fund.
- To find out ways in which recruitement process of the finance committees of the SGB can be conducted to attract competent candidates with sound knowledge of financial management.

1.4. Formulation of Thesis Statement

- By addressing the challenges faced by school governing bodies pertaining to the management of finances, the Vhembe district in Limpopo Province will improve the infrastructure and the standard of education.
- By proper selection and effective training of school governing bodies, the Vhembe district can benefit from the cooperative governance of schools.
- Monitoring of the SGBs' implementation of finance policies by the departmental officials may bring awareness of the importance of observing financial procedures and guidelines as set up in the prescript for the management of funds in the Vhembe district of the Limpopo Province.

1.5. Research Questions

The main research question was:

What challenges do the school governing bodies face in the implementation of finance policies in the Vhembe district of Limpopo Province*?*

The subsidiary research questions were:

- *What mechanisms can be put in place to monitor the implementation of finance policies in public schools?*
- *What roles can the circuit, district, provincial and national department of education officials' play in empowering the school governing bodies in the performance of their financial responsibilities?*
- *How can the proposed mechanism avert the challenges that face school governing bodies in the Vhembe district?*
- *What recruitment procedures may be implemented in the establishment of school governing bodies that can carry out the mandate delegated to them by the head of the Department of Education in relation to financial management?*

- *What recommendations can be made to ensure effectiveness of circuit, district, provincial and national department of education officials in executing their financial management responsibilities in support of school governing bodies?*

1.6. Delineations and Limitations of the Study

The study was conducted in primary and secondary schools in Vhembe District in Limpopo Province. The implementation of finance policies in primary and secondary schools has many aspects in common because they all operate under the umbrella of the SASA (RSA Act 84 of 1996) and prescripts for the management of school funds in Limpopo Province. Their duties and responsibilities are the same. The only difference that exists is the composition of SGBs in secondary schools, where learners can become members for a period of one year.

The participants in this investigation were the school governing bodies from sampled circuits. There were a number of challenges that could limit me in gathering the most relevant data for this study. The limiting factors included, amongst others, a lack of sufficient funds for interviews. It was anticipated that the respondents might not interpret questions the way that I expected because of differing levels of literacy. Therefore, I used structured interviews consisting of simple and short sentences which are easy to comprehend. The attitudes and religious beliefs of the respondents were also a limiting factor in acquiring the expected relevant data; therefore, I sampled the respondents in a such a manner that a range of different religious beliefs where represented. Fear of the school principals and finance officers to expose the financial position and financial management practices of the school was also a limiting factor. The researcher explained the purpose of the research to the participants ensuring confidentiality and anonymity of their responses to cab their fears.

Furthermore, I worked with data that could not speak for itself and consequently it was possible that I might impose generalizations that were non-existent in the collected data. To overcome this short-coming, I avoided forging links where none were evident in the collected data. The findings could have been influenced by my subjectivity. In order to minimize this possibility, I cited sources from the literature to support personal views. It was possible that participants would in one way or another withhold information from me as the researcher. I therefore assured the participants of confidentiality so that they could openly provide me with information.

1.7. Significance of the Study

The study is significant for the following reasons, amongst others:

- The study will bring along new perceptions on the understanding of how funds should be managed by the School Governing Bodies.
- The causes or factors leading to the mismanagement of school fund either by the principals, finance officers, SGB chairpersons, treasurers and petty cash officers will be identified and possible solutions may be derived from the findings of the study.

- The study will enable readers to compare the financial management systems in schools in South Africa and other countries and these may lead to effective management of school fund in South African Schools.
- The qualitative research methodology, research instruments for data collection and interview schedule questions will fill in the gaps on previous research studies conducted by both national and international scholars on the topics on school financial management. The researcher will make use of case study approach focusing only on the sample of schools from Vhembe district, which is a context different from that of other scholars in the same field.
- The interpretations and recommendations of the research will form a body of knowledge that will be of value to other researchers.
- Findings and recommendations will be made known to the Department of Education and the can be used in the formulation of financial policies for the schools under their jurisdiction.
- The study will also open doors for further research on sub-topics which will be derived from the findings and such research studies may be done in other context with other participants.

1.8. Methodology and Research Design

According to Flick, Von Kardorff and Steinke (2004:146), the research design is a plan for collecting and analyzing evidence that will make it possible for the investigator to answer the questions he or she has posed. McMillan and Schumacher (1993:31) further stipulate that a research design refers to the plan and structure of the investigation used to obtain evidence to answer questions the researcher might have. Mouton (2001:56) argues that research methodology focuses on the research process and the kind of tools and procedures to be used. Mouton (1996:35) defines a research method as the total set of means that researchers employ in their goal of acquiring valid knowledge. Cohen, Manion & Morrison (2003:34), on the other hand, assert that the term research method refers to a range of approaches used in educational research to gather data which is to be used as a basis for interference and interpretation for explanation and prediction. According to Henning (2004:36), "methodology" refers to the coherent group of methods that complement one another to deliver data and findings that reflect the research question and match the research purpose.

According to Fouche (2005:263) a detailed literature study enables the researcher to gain further insight into the purpose and the results of the study. A review of literature serves the following purpose and important functions (Ary, Jacobs, & Razavieh 2006:68-69):

- Defining the research problem
- Planning the study in contextual perspective
- Avoiding unnecessary and unintentional replication
- Relating findings to previous knowledge.

Literature for review includes many types of sources, such as professional journals, scholarly books, government documents and dissertations. It is a review of the available body of knowledge which assists the researcher to see how other scholars have investigated the research problem, what instrumentation they have used and to what extent they have yielded the expected results.

Different research methods contribute positively to the quality of data collected for a research topic. For this study, the principal method of investigation was a qualitative research approach. Typical of this research method is that it produces findings not arrived at by statistical procedures (Strauss & Corbin 1990:17), but focuses on one phenomenon which the researcher selects to understand in depth (McMillan & Schumacher 1993:375). I conducted an empirical study, which is a process of trying to gain a better understanding of the complexities of human interactions. Through systematic means, the researcher gathers information about actions and interactions, reflects on their meanings, arrives at and evaluates conclusions, and eventually puts forward an interpretation (Marshall & Rossman 1995:15).

1.8.1. Qualitative research design

I chose the qualitative approach because it made it possible to interact with the participants in real settings where they could express their views, perceptions or beliefs. Fouche (2007:272) remarks that in qualitative, unlike quantitative, research, the design and or strategy is determined by the researcher's choice and actions. His exploration and description of the phenomenon take place through detailed, in-depth data collection methods, involving multiple sources of information that are rich in context such as interviews, documents, observations or archival records. Data collection methods applicable to qualitative research include interviews which will enable the researcher to collect data which is soft, rich in description of people, places and conversations by the participants (Bogdan & Biklen 2003:3).

Qualitative research is an umbrella concept covering several forms of inquiry that help us to understand and explain the meaning of social phenomena with as little disruption of the natural setting as possible (Merriam 1998:5). According to De Vos (2002:79) the qualitative research paradigm in its broadest sense refers to research that elicits participant accounts of meaning, experience or perception of their reality. The qualitative approach requires a plan for choosing sites and participants (Macmillan & Schumacher 1993:372). This method focuses on individual's social actions, belief, thoughts and perception (Horberg 1999:76). Bogdan and Biklen (2003:3) point out that data collected through qualitative research is termed soft, that is, rich in description of people, places and conversations, and not easily handled by statistical procedures. Flick, Von Kardorff & Steinke (2004:3) argue that qualitative claims to describe life-worlds "from the inside out", that is, from the point of view of the people who participate in the research project; thus it helps the researcher to concentrate on the qualities of human behaviour (De Vos 1998:240).

In this project I employed a case study research strategy as I was interested in studying the challenges facing the school governing body in the Vhembe district. The study was limited to selected primary and secondary schools. A case study is an intensive analysis of an individual unit (e.g. a person, group, or event), stressing developmental factors in relation to context. The case study is common in social sciences and life sciences. Case studies may be descriptive or explanatory. The latter type is used to explore causation in order to find underlining principles. Case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods. Another suggestion is that a case study should be defined as a research strategy, an empirical inquiry that investigates a phenomenon within its real-life context. Case study research can involve single and multiple case studies, can include quantitative evidence, relies on multiple resources of evidence, and benefits from the prior development of theoretical propositions.

Tellis (1997:4) gives several examples of the use of case methodology in the literature. In exploratory case studies, fieldwork, and data collection can be undertaken prior to definition of the research questions and hypotheses. Explanatory cases are suitable for doing casual studies in very complex and multivariate cases; the analysis can make use of pattern-matching techniques. Descriptive cases require that the investigator begin with a descriptive theory or face the possibility that problems will occur during the project. Yin (1994:20) has identified five components of research design that are important for case studies:

- A study question. In this study the question was “What are the challenges facing School Governing Bodies in the implementation of finance policies?”
- Propositions, if any. The propositions included the lack of knowledge on financial matters and the establishment of finance committees as well as the appointment of finance personnel in schools.
- Its units of analysis. In this case, I analysed the data collected through interviews, observations and examination of financial documents.
- The logic in linking the data to the propositions.
- The criteria for interpreting the findings.

Yin has further identified at least six sources of evidence in case studies:

- Documents. In this study, I examined finance files, deposit books, cash books, cheque books, school finance policy and audited financial statements.
- Archival documents. I perused the relevant Acts of Parliament, government gazettes and other official documentation related to school financial management.
- Interviews. I conducted interviews with circuit managers, deputy managers (governance), principals, SGB chairpersons, treasurers, and finance and petty cash officers.
- Direct observation. I participated in SGB meetings as chairperson in other schools and as ex-officio member in my current school.

- Participant-observation. My interactions with SGB members as ex-officio member and SGB chairperson in another school gave me an insight into financial management issues.
- Physical artefacts. Documents could be letters, memoranda, agenda, administrative documents, newspaper articles, or any document that may be germane to the investigation.

1.9. Sampling

As the researcher I had to study small subsets of the population called "samples" Ollenburger (2001:77). From the information derived from the samples, I was able to draw conclusions about the population. A sample is "a group of cases, respondents, or records comprised of part of the target population, carefully selected to represent that population". Breakwell, Hammond and Fife-Schaw (2000:251) define a sample as a set of individuals selected from a population and intended to represent the population under the study. This study used non-probability purposive sampling. Leedy & Ormrod (2001:219) explain that in purposive sampling people are chosen, as the name implies, for a particular purpose. Babbie & Mouton (2001:174) define a sampling frame as a list of elements composing the study population. The sampling frame of this study was made up of selected schools from nine circuits found in six circuit clusters of the Vhembe district. During the collection of data, school governing body members and principals as ex-officio members of the SGB were interviewed. The participants were chosen on the basis of their knowledge and information in connection with the phenomenon under investigation. Eighteen (18) principals and ninety (90) school governing body members were interviewed. I named the participants using sequential alphabetical letters to ensure confidentiality part of research ethics.

1.10. Data Collection Methods and Procedures

I used interviews to collect data from the sampled participants. These interviews were conducted for individuals and groups in a structured, semi-structured and unstructured manner.

1.10.1. Interviews

Fontana & Frey (2005:15) define interviews as a person-to-person encounter in which one person elicits information from another. The interview is a conversation with purpose. Interviews use open-response questions to obtain data from participants about how they conceive of and give meaning to their world and how they explain events in their lives (McMillan & Schumacher 1993:432). According to Ary, Jacob, and Razavieh (2006:480), an interview is a direct one-to-one situation which involves an interchange of views between two or more people on a topic of mutual respect. Open-ended responses permit one to understand the world as seen by the respondents. The purpose of gathering responses to open-ended questions is to enable the researcher to understand and capture the points of view of other people without prior selection of questionnaire categories (Patton 2002:21).

1.10.2. Focus group interviews

A focus group interview is described as an organized informal group discussion among selected individuals about a specific topic relevant to the situation at hand. The goal of focus group interviews is to create a candid, normal conversation and address a selected topic in depth (Sinagub 1996:4). One of the major advantages of focus group interviews is their "loosening effect". In a relaxed group setting where their experiences are valued, participants are more likely to express their opinions and perceptions openly. Thus the focus group format of interviews facilitates more candid and reflective responses by participants. This justifies the relevance of focus group interviews for this study, as these were used to gather information from a group of school governing body members of selected schools. I chose this research instrument as it creates the occasion for free conversation where the real situation can be studied in its own natural setting without any fear of intimidation.

1.10.3. Individual interviews

De Vos (2000:299) defines in-depth interviews with individuals as one or more face-to-face interactions between an interviewer and interviewee, where the purpose is to understand the interviewee's life experiences or situation as expressed in his or her own words. The same author asserts that the advantage of in-depth interviews is that reality can be reconstructed from the world of the interviewee, which enables the researcher to obtain information emerging from the interview. Thus the rich data which was collected from the principals and circuit managers through this method is important in understanding challenges affecting the School Governing Bodies in the implementation of finance policies in the management of school funds. I visited sampled schools to interview principals and SGB members. The advantage of this research tool is that it caters for individuals who cannot express their feelings well in group settings.

1.10.4. Observation

According to McMillan and Schumacher (1993:40-41), observation is an interactive technique which involves participation in a naturally occurring situation over an extended time, writing extensive field notes and describing what occurs. The researcher does not collect data to answer a specific hypothesis; rather, explanations are inductively derived from the field notes. Cohen, Manion and Morrison (2007:396) state that the distinctive feature of observation as a research data collection technique is that it offers the researcher the opportunity to gather "live" data from naturally occurring social situations. Robson (2002) contends that by using observation, a researcher gets a real-life experience in the real world. This technique was fore-grounded as a method of data collection for this study. Informal observations, i.e. unplanned observations undertaken while I was in the field, also occurred.

1.11. Definition of Terms

1.11.1. School fund

In terms of section 37(1) of the SASA, Act 84 of 1996, the governing body of a public school must establish a school fund and administer it in accordance with directions issued by the Head of the Department of Education. Bisschoff (1997:133) defines the term school fund as the money the school receives from the state, supplemented by the school governing body by encouraging parents of learners to make stipulated contributions and by creating special fundraising mechanisms within its means. In this study, the term school fund refers to all monies collected from different sources and deposited in schools' current accounts opened by the school governing body in a registered bank.

1.11.2. School governing bodies

The concept of a school governing body should be conceived as the legally required board of lay and professional people elected or appointed to govern a school or a college (Oldroyd, Elsner & Poster 1996:27). In the draft document for discussion of the White Paper on Education (RSA White Paper 2, 1996) the term school governing body is used uniformly to describe the structure that is entrusted with the responsibility and authority to formulate and adopt policy for each public school in terms of national and provincial laws and regulations as prescribed within the national norms and standards.

In terms of section 16 of the SASA (RSA Act 84 of 1996), a school governing body is the lawful structure made up of a group of people responsible and accountable to take and implement decisions on behalf of the school community. The school governing body is a statutory body of elected persons to govern the public school as set up by an Act of Parliament to represent the school community (Potgieter et al. 1997:23). In this study the term school governing body refers to the school governance structure elected democratically by relevant stakeholders to perform functions allocated to them in terms of SASA, Act 84 of 1996. Khuzwayo (2007:5) explains that the term school governing body refers to the body elected by the school community to govern the school and composed of parents, educators, non-educators, co-opted members of the community, learners (in cases where the school has grade 8 and above) and the principal as an ex-officio member. The general role of the school governing body is governance, which is defined not simply as the system of administration and control of education in a country, but the whole process by which education policies are formulated, adopted, implemented and monitored.

1.11.3. Finance policies

There are set policies and procedures for any organization so that it can function optimally for the achievement of its vision and mission. Kallaway (1997:165) describes policy as a statement of intent, decisions, courses of action and/ or resource allocation designed to achieve a particular objective. The Oxford Advanced Learners' Dictionary of Current English (1980:134) describes policy as a document containing the rules for prudent conduct indicating the courses of action to be taken by an institution. Mestry (2006:35) indicates that a good policy identifies and articulates the values and basic principles to be applied to the specific needs of the organization.

Loock et al. (2003:85) suggest that the following guidelines should be considered when developing a policy: It must

- be consulted with stakeholders.
- be goal orientated and fall within the framework of different education laws.
- not be inflexible and have long-term validity.
- be in writing and available to all stakeholders.
- give guidelines for task performance.

(Kani 2006:10) defines school policy as an official action taken by the school for the purpose of encouraging or requiring consistency and regularity. The school policy should be related to the vision and mission statements of the school. According to SASA, Act 84 of 1996, the SGB is expected to develop policy regarding the following areas:

- School times;
- Language policy;
- Rules about religious observation;
- Dress code;
- Code of conduct for learners;
- Finance policy.

Bischoff (1997:158) defines finance policy as a statement concerning the manner in which funds will be generated and spent at a specific school. He explains (110) that the finance policy should form an integral part of the school policy, as in the case of subject policy. The finance policy should be seen as a document that can change over time and such a process should at all times be inclusive and transparent.

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

1.11.4. Vhembe district

Vhembe district is one of the five Department of Education districts in Limpopo Province of South Africa. It is situated North of the Limpopo Province adjacent to the Limpopo River which boarders Zimbabwe and spreads over to Malamulele and Makhado areas. It consists of twenty-seven circuits categorized into six clusters, namely Mutale, Thohoyandou, Vuwani, Malamulele, Zoutpansberg and Hlanganani. Its schools are in rural areas where there are both literate and illiterate parents who are members of the school governing bodies.

1.11.5. Management

Khuzwayo (2007:8) regards management as concerned with ensuring the optimum use of resources, determining the direction and adaptability of an organization in changing environments and relating aims and impact to society. Management is a universal and unavoidable personal and organizational process of relating resources to objectives. Paisey further regards management as the organizational process of formulating objectives, acquiring and committing the resources required to reach them and ensuring that the objectives are actually reached. Griffin (1987:24) regards management as the process of planning, organizing, leading and controlling an organization's human, financial, physical and information resources to achieve organizational goals in an efficient and effective manner. Bush and Heystek (2003:45) states that management is a set of activities directed towards efficient and effective utilization of organizational resources in order to achieve organizational goals.

Torkildsen (2005:102) defines management as the act of managing. It is both an active human occupation and a process by people and organizations to achieve results. In this study, management can be construed to mean a social process whereby human resources and organizational processes are co-ordinated to achieve the desired goals of the institution. Put differently, management can be construed to mean getting things done with and through people to achieve the organizational goals.

1.11.6. Finance

Webster's New World Dictionary (2003) defines finance as

(1) Money resources, income, etc.
(2) The science of managing money.

Finance is the management of money. Finance is the set of activities dealing with the management of funds. More specifically, it is the decision of collection and use of funds. It is a branch of economics that studies the management of money and other assets. Finance is also the science and art of determining if funds of an organization are being used properly. Finances are monetary resources or funds, especially those of a government or corporate body.

In this study, finance means the income and expenditure of the schools which are managed by the school governing body for the provisioning of quality education for all learners.

1.11.7. Implementation

Swanepoel, Erasmus and Schenk (2008:144) define implementation as the execution of strategy which entails creating the necessary architectural configuration including structures, systems, processes and policies. According to Fox (2007:272) implementation refers to the tools and techniques which are used for improvement of quality.

In this study, implementation means making use of policies, rules and procedures as set in the Public Finance Management Act (RSA Act No. 1 of 1999, PFMA), SASA, Prescripts for the management of school funds as well as other related acts and finance policies in the management of public finances.

1.12. Assumptions

The study was conducted under the following assumptions. Firstly, it was assumed that school governance was a topical issue among managements both at national, provincial and even at local level, which is the school level. Therefore, attempts to address factors affecting the effectiveness of the school governing bodies, especially the management of finances, were made. Reports by Vhembe districts and teacher formations on cases of mismanagement of funds suggested that there was a problem, which led me to conduct research on management of finances so as to give recommendations and suggest possible solutions to the challenges schools are facing.

During the past era, school governance was the responsibility of the school committees. Parents were elected as members of the school committee and their participation was very minimal in the areas of decision-making and implementation of policies. Most school committee members were illiterate, giving the principal ample opportunity to run school activities as he wished. Principals were considered as the "know-all" individuals. The autocratic leadership style was the order of the day in most public schools.

School committees' chairpersons were used as rubber stamps as they were to sign documents they could not read. Money was spent according to the interests of the principal. Recording and reporting were not transparent. Applicable laws and regulations were known only to the principal. The establishment of school governing bodies as contemplated in the SASA, Act 84 of 1996 introduced new systems of governance. This brought along changes in the recruitment of SGB members, their roles and responsibilities as well as their status as juristic persons who could sue or be sued.

I argue that role changes at local level (school) on participatory governance need to be investigated to broaden the democratic participation of all stakeholders in education.

1.13. Thesis overview

The thesis consists of five chapters, namely:

CHAPTER 1: INTRODUCTION TO THE STUDY

This chapter focuses on background information of the topic, a statement of the problem, research objectives, the formulation of the thesis statement and research questions, delineations and limitations, the rationale of the study, a literature review, methodology, sampling, data collection methods and procedures, definition of concepts, structure of thesis, assumptions and bibliography. I disclose what motivated me to conduct this research and my assumptions on the previous practices in the management of finances in the Vhembe district. The preliminary plan for the selection of samples, data collection techniques and tools, the instruments for data capturing are also discussed. The choice of research design and methodology and reasons for such preferences are also highlighted. The references or citations used in this chapter have been acknowledged in the bibliography.

CHAPTER 2: LITERATURE REVIEW

Relevant sources relating to the topic were chosen and included books, government gazettes, research articles, papers, thesis, newspapers, web-site documents from Internet and CD-ROMS. Concepts such as financial management, finance policies, establishment of the school governing bodies, terms of office bearers, general roles and responsibilities of school governing bodies, reimbursement of school governing bodies, training of SGBs, establishment of school funds, the use of school funds, school budgets, quintiles of schools, financial documents, procurement procedures, banking, fundraising, auditing, record keeping and reporting, school assets, applicable laws and legislations are explored. All sources consulted and cited are acknowledged in the bibliography.

A study and analysis of literature from professional journals, reports and monographs, dissertations, periodicals, school policies and SGB training manuals provided a broad and thorough understanding of the challenges facing the school governing bodies in the implementation of finance policies. Furthermore, knowledge from the literature was used in determining the significance of the problem, developing the research design, relating the results of the study to previous knowledge and suggesting further research.

CHAPTER 3: EMPIRICAL STUDY

Chapter three provides a discussion of the choice of research design, the definition of research, characteristics of qualitative approaches, the roles of the researcher, the advantages of qualitative research, data collection methods, research instruments, reliability and validity of data, sampling procedures or selection of participants, measuring instruments, sources of data, procedures for data collection and statement of ethics.

I used a qualitative approach and the sample was drawn from nine circuits in the Vhembe district. The circuit managers entrusted with the monitoring of the governance of the schools were part of the participants. The school managers, school governing bodies' chairpersons, treasurers, finance officers and petty cashiers from selected schools were interviewed. Individual and group interviews were conducted. Semi-structured interviews were conducted. The interviews were audio and video recorded for the maintenance of quality data recording and interpretations. Data management and analysis are also discussed.

CHAPTER 4: RESULTS

In this chapter data analysis techniques are discussed. The relationship amongst variables are compared against one another, appendices for results and tables are used for data analysis. I discuss problems and limitations experienced during the data collection stage. The findings are presented. The interview results for each respondent or participant are tabled. The participants answered the questions in their mother tongue, after which I transcribed the interview results in English as the medium of the study. Summaries of the results were compiled. Questions and responses from the participants appear as appendices to the last chapter of the dissertation.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

I summarize the main findings, formulate suggestions and conclusions as well as recommendations arising from the study. The summary is done per chapter i.e. Chapter Two, literature review on the functioning of the school governing bodies, Chapter Three on the methodology and research instruments used for the collection of data and Chapter Four on the results of the observation and interviews conducted with participants of the research. I draw conclusions based on findings and make the necessary recommendations. The possible areas which need further research are be highlighted.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

The SASA (RSA Act 84 of 1996) ushered in a new approach to school governance in South Africa. Most significant was the democratic governance of schools through the involvement of all stakeholders (Xaba 2004:313). Lemmer & Van Wyk (2004:126) assert that the main thrust of the SASA is that the state has inadequate financial and organizational capacity to do everything for schools, and all stakeholders, parents, educators, learners and local community members should be actively involved in the organization, governance and funding of schools. The same authors (129) warn that in order to perform their duties and carry out their responsibilities in an effective and efficient way, school governing bodies should have the necessary capacity to do so.

School governance, as it relates to the governing body's functions, means determining the policy and rules by which the school is to be organized and controlled. It includes ensuring that such rules and policies are carried out efficiently in terms of the law and the budget of the school (Potgieter et al. 1997:11). According to Marishane (1999:54), school governance has three dimensions:

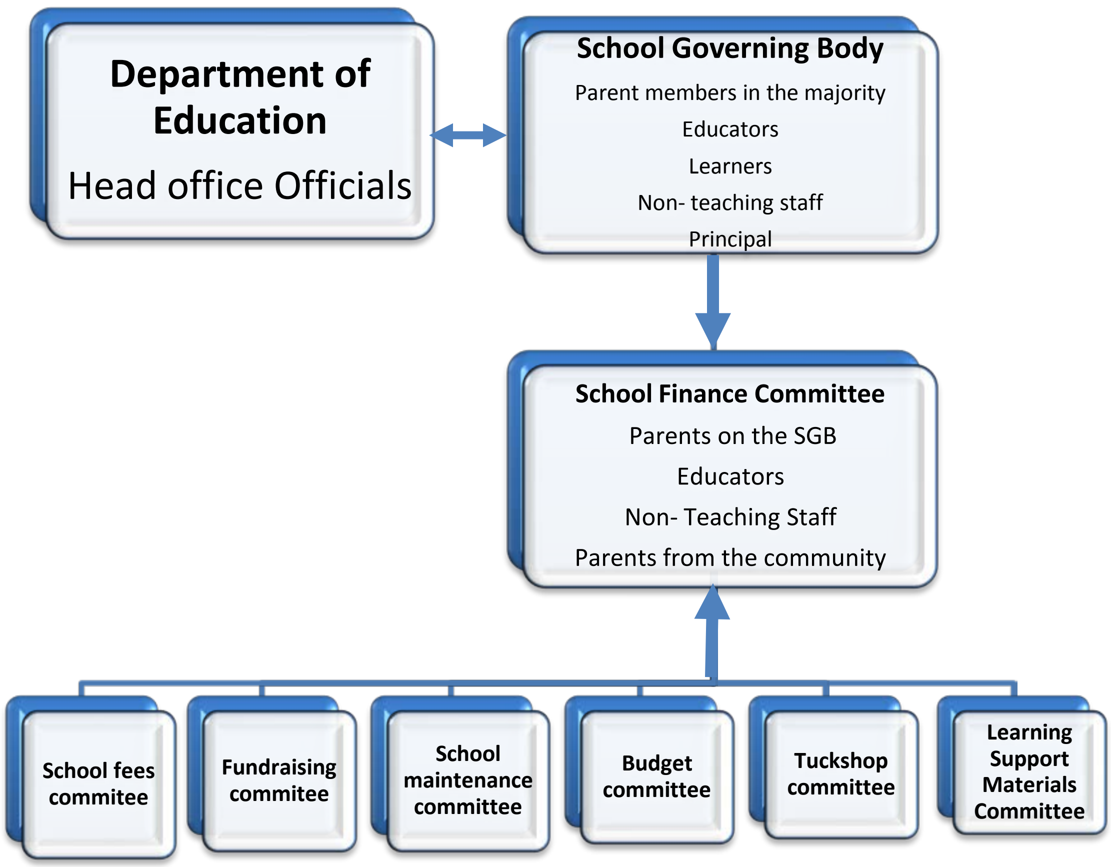
- Sovereign governance - which entails full public accountability for the work of the school as a whole to all interested parties rendered in various forms, including the presentation of the annual report to parents.
- Judicial governance – which entails accountability for meeting all the legal requirements to which the school is subject, including the law relating to finance, employment, the curriculum and health and safety.
- Performance governance – which entails accountability for carrying out the activities of the school through which the vision of the school for providing a service to pupils is put into practice. These dimensions of governance entail specific and legal obligations, which require particular knowledge, skills and expertise.

School governance is regarded as an act of determining policy and rules by which a school is to be organized and controlled to ensure that such rules and policies are carried out effectively in terms of the legislation. Mestry in Maluleka (2008:14) reports that prior to the promulgation of SASA (RSA Act 84 of 1996), every principal was considered an accounting officer and accountable to the Head of Department. Heads of educational institutions were burdened with massive sets of directives about how to do everything from writing a receipt to opening a bank account. The general purpose of the school governing body is to perform its functions effectively and efficiently in terms of the SASA (RSA Act 84 of 1996), on behalf of the school and for the benefit of the community. A governing body is therefore placed in a position of trust by the government to effect proper learning (Nkosana 2003:9 and Xaba 2004:314)

The following systematic model for school financial management is based on that of Mestry (1996:13).

A model for school financial management

Figure 1: A model for school financial management



School governance can be viewed as the story of how ordinary people eventually obtained a say in the running of their school. (Gann 1998:7; Van Wyk 2004:2 and Squelch 1999:127) argue that although there are various reforms in education initiatives, the major feature of the recent education reform agenda is decentralized education governance at the school level. According to

Karlsson, Mc Pharson and Pampallis (2001:141), decentralization in South African schooling is aimed at giving greater control to school governing bodies which have to ensure that decisions are informed by and are more suited to local conditions. Cadwell and Spinks (1988:5) define the self-managing school as a school for which there has been significant and consistent decentralization to the school level of authority to make decisions related to allocations of resources.

Gamage and Sooksomchita (2004:6) attempt to consolidate these types of resources as follows:

- Tangible resources, including human (the staff employed at the school), material (buildings and equipments), and financial (the funds available to the school).
- Intangible resources, including image (the reputation of the school).

Prior to 1994 various systems in education lacked both financial and management accountability owing to problems of over-decentralization of control and limited legitimacy of the political authorities (Bush and Heystek 2003:3) The last seventeen years have seen major challenges in the nature of school governance. As a result of new legislation in South Africa such as the South African Schools Act (84 of 1996), considerably more authority and responsibility of decision-making has been devolved to the school level than was previously the case. There is a move towards self-managing schools which can be described as one for which there has been significant and consistent decentralization to the school level of authority and responsibilities to make decisions related to the allocation of resources, in a system of education having centrally determined goals, priorities and framework of accountability (Cadwell & Spinks 1998:5)

Mothata (2000:246) stresses that although decentralization allows school stakeholders to participate at a level in which they can have direct impact on matters that concern them, it also allows different capabilities and inequalities of power and influence at that level to be expressed more strongly.

In the next section, I look at aspects of school governance such as the legislative framework, establishment of school governing bodies, roles and functions of school governing bodies, finance responsibilities, finance personnel, monitoring, record keeping, control, reporting as well as the development and implementation of finance policies at school level. I also refer to the governance of schools in other countries, taking into consideration the views of African and international scholars on other continents.

2.2. Views of International Scholars on Management of School Finances

According to the School Finance Manual for Victorian Government Schools in the United States of America, the Education and Training Reform Act of 2007 Section 36 (1) stipulates that school councils must ensure that finances are kept in the form determined by the Secretary, proper accounts and records of the transactions and affairs of the school council and any other records necessary to sufficiently explain the financial operations and financial position of the school. The instructions in this manual are in a form determined by the Secretary. The school council must maintain records in a form that will:

- Ensure that all money payable to the council is properly collected;
- Ensure that all money expended in the council's name is properly authorized and expended;
- Ensure that adequate control is maintained over assets held in the name of the council or in the council's custody;
- Ensure that all liabilities incurred in the council's name are properly authorized;
- Ensure efficiency and economy of operations, and avoidance of waste and extravagance, and
- Develop and maintain an adequate internal audit system.

The keeping and maintenance of records in foreign countries are done in more or less the same way as in South Africa. The responsibilities of keeping the records in a safe place lies with the principal as an accounting officer. However, such responsibilities may be delegated to the school finance officer who must be appointed by the principal in writing.

The above manual further stipulates that the Council must ensure that there is an internal control of school finances. Internal control is a combination of measures and methods put in place to ensure that the assets of the school are safeguarded, that the accounting information produced is accurate and complete and the information obtained from the schools' accounting system can be relied upon and used with confidence by all people involved in financial decision making. Internal control ensures:

- Transactions are authorized;
- Transactions recorded are supported by fact;
- Accounting records reflect the current position;
- Safekeeping of assets.

The internal control checklist covers aspects such as purchases and expenses, assets and stores, cash receipts, school level payroll, registers, budgeting, cash payments, and commitment control. Schools may open three types of accounts, namely an Official Account, a High Yield Investment Account and other Investment Accounts. All school council bank accounts must be in the name of the School Council. The Official Account is required to have at least two signatories. One signatory is always the principal and council must designate a school council member to be the second cheque signatory. The business manager, registrar or bursar employed by the school cannot be nominated as a signatory to school accounts, even if that person is a council member.

In South Africa, the deputy SGB chairperson, treasurer and any other SGB member may become signatories. There is flexibility in this stipulation because it allows for any other member of the

SGB irrespective of position to act as signatory in cases where the deputy chairperson has been blacklisted or is not accessible for the signing of the cheques. The norm of three signatories applies in the RSA. Also, in South Africa the principal is prohibited from becoming a signatory for the school account. However, internal financial control is also applicable in South Africa.

In the US, schools may make payments of accounts to suppliers via cheque, direct deposit, Bay and school purchasing card. Approval for payment must be given by the delegated officer. Signatories must ensure that all vouchers submitted for payment are supported by properly authorized purchase orders, certified invoices and correctly endorsed delivery documents before accounts are authorized for payment. The cheque details must be inserted in ink, the cheques must be crossed by having two parallel transverse lines drawn across the face of the cheque. Cheques are to be forwarded to payees accompanied by a remittance advice. Electronic payment of accounts could be made through direct debit or Bay. Bpay is used as an alternative payment to payment by cheque. In South African schools, the only means of payment for any expenditure is by cheques. Electronic payment for accounts to service providers is prohibited.

The US principal, with the permission of the council, may establish a petty cash advance to meet minor payments for purposes other than salary and wages. The limit on any one payment is $200. In accordance with internal control procedures, only one officer is to be the custodian of a petty cash advance and accountable for it. The cash must be kept in a lockable drawer or safe at all times. In contrast, the minimum amount of petty cash in South African Schools is R500.00 per month. The money may be spent for small low-cost items and is kept in a strong room in a safe under lock and key.

The budgetary relationship process must cover aspects such as planning, resource acquisition and usage, recording, reporting, interpreting, analyzing and controlling. The School Resource Allocation Branch of Department of Education and Early Childhood Development (DEECD) has produced a professional development programme in financial management for school leaders entitled "Dollars & Sense" which consists of the following modules:

- Student Resource Package;
- Financial Reporting;
- Financial Benchmarking; and
- Financial Management (incorporating Program Budgeting).

The annual budget, which is the overall financial plan for the school for the following year, should be adopted by the school council not later than December the previous year. The budget must comprise of all anticipated revenue and expenditure (recurrent and capital) required for the operation of programmes and should be soundly based on the evaluations of the operations of each program in the preceding year. The revenue includes cash grants, DEECD and Commonwealth grants, subject contributions, other locally raised funds, cluster funds, regional funds and funds to be brought forward from the previous year. In contrast, the approved school budget must be submitted not later than the first of January together with the name of the appointed auditor each year.

All Victorian Government school councils undergo an independent financial audit at least once every three years. Contract auditors are appointed and paid by the Corporate Planning, Strategy and Audit Division, Office of Planning, Strategy and Co-ordination. The audit contract covers all school council accounts. In South African schools, financial audit is conducted each year and must be submitted to the Head of the Department on or before the 30th of June.

According to Dimmock (1993: Preface, xiii) through Australia and New Zealand, Canada, England and Wales and the US policy makers and politicians are formulating and implementing policies to re-structure and reform school systems. Notwithstanding elements of centralisation within restructuring, the prevailing thrust of reform is towards school-based management. In essence, the aims of the reforms are to devolve more power and decentralise responsibilities to the school level.

According to Blanchard, Lovell and Ville (1989:12) " very few governors, teachers and head teachers understand the way in which education services are funded " The title used for principals or headmasters in countries like England indicates a person that is an expert in classroom management and are concerned with children and not money.

Dean (1995:111) provides a British perspective in stating, "One of the biggest changes that has happened in education over recent years is local management of schools. This has given schools much more freedom inn managing their affairs and opened doors to better ways of managing the money available. However, these changes have posed considerable problems for head teachers and governors for many of whom much of the work of managing finances in this scale is new". This international challenge in managing school finances may be similar to the one experienced by school governing bodies in South African schools.

2.3. South African Scholars and Context

2.3.1. Applicable legislation

According to Chaka (2008:15), the new age of school governance was ushered in by the SASA (RSA Act 84 of 1996), which made many contributions to the new education system. The Act's major contributions can be summarized as follows:

- The establishment of a single, democratic, non-racial and equitable public education system.
- Two categories of schools – public schools and independent schools (private) – replaced the various categories that existed during apartheid era.
- A uniform system of school governance was introduced in all public schools.

- Important powers and functions were decentralized to the level of the school community, drawing on the traditions of democratic anti-apartheid struggles and of the former Model C schools.

A number of amendments have been made to the South African Schools Act as a result of implementation of changes. In addition, some amendments to other legislation have had implications for school governance. The following amendments to SASA were made:

- Education Laws Amendment Act (Act 100 of 1997): Employment of additional staff members. The amendment stipulates that the SGB may not appoint additional educators and administrative staff and pay their salaries using norms and standards funding from the Department of Education. The educator: learner ratio is 1:35; a very large number for one educator to give each learner individual attention.
- Education Laws Amendment Act (Act 50 of 2002): Allocation of educators by provincial departments. The Act provides the model for the allocation of educators to schools as per post-establishment. The review of the post provisioning is conducted every two years. The post-provisioning model is problematic in schools with less than 100 learners but starting from grade R to seven (7). Three educators may be expected to teach more than eight learning areas in four or five grades and thus compromising the quality of education to be given to learners. The model may have negative impact on the provision of quality education to the learners as educators are expected to teach overcrowded classes and it may hinders educators to offer lessons catering for individual diversity.
- Education Laws Amendment Act (Act 1 of 2004): Additional pay for Educators. The amendment prevents the SGB from supplementing the salary of educators and support staff using the norms and standards funding. 60 percent of the total school budget must be set aside for curriculum delivery, i.e. the purchase of stationery, Learner Teacher Support Materials (LTSM) and purchase or leasing of printers and photocopiers. The extra motivational allowances have been withdrawn from educators who do more than what is required.
- Education Laws Amendment Act (Act 24 of 2005): Establishing national poverty quintiles and no fee schools. The schools in all provinces have been categorized into five quintiles on the basis of poverty levels. Quintiles one (1) to three (3) schools are “no fee” schools meaning that they cannot charge school fees. Quintiles 4 and 5 schools may charge school fees to supplement the norms and standard funding but may exempt parents who are unable to pay. The grouping of the schools in section 20 and 21 status determines the manner in which SGBs must manage the finances in their respective schools. I sampled eighteen schools from all quintile categories in order to analyse the challenges facing the SGBs in the implementation of finance policies.
- Education Laws Amendment Act (Act 31 of 2007): Functions of principals and miscellaneous issues affecting SGBs. The amendments transfer some of the powers of the principal to the SGBs and stipulate the level of accountability of principals in both

primary and secondary schools. Clear demarcation between school management and governance has been drawn to reduce conflict that may arise between the SGB chairperson and the principal or between the SMT and the entire School Governing Body.

According to the SASA, Act 84 of 1996, section 38(1) a governing body of a public school must prepare a budget each year according to guidelines determined by the member of the Executive Council which shows an estimated income and expenditure of the school for the next financial year. Section 36 of SASA determines that the governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners.

According to the SASA section 37(1), the governing body of a public school must establish a school fund and administer it in accordance with directions issued by the Head of Department. In terms of Section 44 of the SASA the financial year of a public school commences on the first day of January and ends on the last day of December each year.

The SASA Act, section 39(b) (1996:40), emphasizes that fair rules and procedures must be followed on how parents who are unable to pay will be exempted from paying all or part of the school fees. The Minister of Education has also issued regulations on this issue which must be taken into account by the SGBs. Parents whose gross annual income is less than 30 times the annual school fees charged fall within the exemption category and parents whose gross annual income is less than 10 times the annual school fees charged qualify for partial exemption [SASA, Act 84 of 1996: 136, section 39 (1)]. A person who has the responsibility of a parent of a child placed in a foster home, foster care or a place of safety, qualifies for full exemption (SASA, 1996: 52, section 129). The criteria allowing conditional exemption must be related to special circumstances affecting a parent’s ability to pay the fee. The SGB can encourage all parents, including fee-exempt parents, to render voluntary services to the school, or make a voluntary contribution to the school. Parents who are unhappy with the decision of the SGB have the right to appeal to the Member of Executive Council for Education (SASA, Act 84 of 1996: 18, section 39).The role of the SGB in this regard is to collect data on the poverty level of all the parents in order to make sound motivation and judgment on the type of exemption on payment of school fees. The SGB will determine whether the exemption should be partial, temporary or full, depending on the total income of a particular parent.

Section 41 of the SASA (Act 84 of 1996:18) determines that if a parent refuses or fails to pay school fees or part thereof, the necessary steps must be taken. The SGB has the right to use legal procedures (to obtain a court order) to force the non-paying parent to pay. In most instances this implies that the SGB will be compelled to acquire the services of an attorney to institute proceedings against a non-paying parent.

According to Section 21 of the SASA (1996:22) the state provides funds to public schools. It allocates a certain amount to all public schools based on the quintile system (enrolment, urban and rural schools). The learners who are in rural areas, where electricity, water and other learning materials are scarce, are then allocated more money. The amount provided to schools is also determined by the number of learners in a particular school. The higher the number of learners, the more money will be provided.

In terms of Section 35 of the SASA (1996:28), the Norms and Standards for School Funding of public schools were passed in 2000 and concern public and independent (private) schools. The document deals with:

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

According to the Norms and Standards for Funding of public schools, all public school SGBs are obliged to support their respective schools financially as best as they can. Furthermore, the policy states that every person has the right to establish and register independent schools if they satisfy certain criteria prescribed for the payment of a subsidy.

2.3.2. Establishment of the school governing body

The concept of a "governing body" should be understood as the legally required board of lay and professional people elected or appointed to govern a school or a college (Oldroyd, Elsner & Poster 1996:27). According to the draft document for discussion of the White Paper 2 on Education (Department of Education 1996), the term governing body is used uniformly to describe the structure that is entrusted with the responsibility and authority to formulate and adopt policy for each public school in terms of national and provincial laws and regulations as prescribed within the national norms and standards.

In terms of section 16 of the SASA (RSA Act 84 of 1996), a school governing body is the lawful structure made up of a group of people responsible and accountable for taking and implementing decisions on behalf of the school community. The law mandates the establishment of SGBs in all schools in the country in order to ensure that parents, educators, non-teaching staff and learners (in secondary schools) will actively participate in the governance and management of their schools (Squelch 1999:137). Therefore a school governing body is a statutory body of elected persons to govern the public school as set up by an Act of Parliament to represent the school community (Potgieter 1997:23).

According to the SASA (RSA Act 84 of 1996:18) the membership of SGBs should comprise elected members, the school principal and co-opted members. Elected members of the school governing body shall comprise individuals from the following categories:

- parents of learners at the school;
- educators at the school;

- members of staff who are not educators;
- learners in the eighth grade or higher at the school.

Parents should always hold a majority through 50% plus one member representation. Only a parent who is not employed at the school may be appointed chairperson of the SGB. The governing bodies have the option of co-opting a member or members of the community to the governing body. The principal serves as an ex-officio member by virtue of his or her appointment as head of the school.

According to Chaka (2008:16), the SASA (Act 84 of 1996) embraces inclusivity, that is, its intention is to ensure that everyone has equal access to good quality education. One of the ways that it tries to ensure this is by stating that school governing bodies must be made up of all stakeholders in schools – parents, educators, non-educator staff, learners (in secondary schools) and principals. All the stakeholders who must serve as members of the SGB must be elected with the exception of the principal, who serves on the SGB in his or her official capacity.

2.3.3. Terms of office of the SGB

The term of service of the SGB is three years except for learners, who are elected each year. After their term of office is over, members can stand for re-election or serve as co-opted members. There is no limit to the number of times a member can serve on the SGB or as an office bearer. Of course, when a parent's child completes or leaves a school, that parent is no longer eligible to stand for election to the SGB (Chaka 2008:17). The term of office for office bearers is one year. All members may stand for re-election into their positions in a democratic manner as long as they still have learners in the school.

2.3.4. School governing bodies' sub-committees

In terms of Section 30(1) of SASA (RSA Act 84 of 1996), a governing body may establish committees, including an executive committee, and appoint persons who are not members of the governing body to such committees on the grounds of expertise, but a member of the governing body must chair each committee. The finance, admission, safety and security and HIV/AIDS committees are mandatory committees. The SGB may establish other committees on the basis of the needs of the school and may include discipline, nutrition, recruitment, sports, arts and culture, marketing and excellence award committees that will assist in the effective governance of the school.

2.3.5. General roles and responsibilities of the SGB

Oosthuizen (2003:197) and Section 20 of SASA set out the functions to be performed by the SGBs which, amongst others, include the promotion of the best interests of the school and striving to ensure its development through the provision of quality education; developing a constitution and the mission statement of the school; adopting a code of conduct for learners; supporting the principal, educators, and other staff in the performance of their professional functions; determining times of the school day consistent with any applicable conditions of employment of staff at the school, administering and controlling the school property, buildings and the grounds occupied by the school, including school hostels if applicable; encouraging parents, learners, educators and other staff to render voluntary services to the school; recommending to the Head of Department the appointment of educators , subject to the Employment of Educators Act (1998) and the Labour Relations Act (1995); recommending to the Head of Department the appointment of non-educator staff, subject to the Public Service Act (1994) and the Labour Relation Act (1995); allowing the reasonable use, under fair conditions determined by the Head of Department, of the facilities of the school for educational programmes not conducted by the school itself; at the request of the Head of Department, discharging all other functions imposed upon the governing body by or under the Act; discharging other functions consistent with the Act as determined by the Minister by notice in the Provincial Gazette.

The School Governing Body, having the necessary capacity to manage the school, may apply for functions in terms of Section 21 of the SASA (RSA Act 84 of 1996). These functions include the maintenance and improvement of the school's property, buildings and grounds occupied by the school, including school hostels, where applicable; determining the extramural curriculum of the school and the choice of subject options in terms of provincial curriculum policy; purchasing textbooks, educational materials or equipment for the school, payment of services to the schools, e.g. water, electricity and telephone; promotion of the best interests of the school, developing the mission statement of the school, which refers to what the school wants to achieve; supporting the principal, educators and other staff in carrying out their professional functions, recommending and advising the Provincial Head and Department of Education on the appointment of educators and non-educator staff; keeping the financial records of the school; meeting and consulting the parents, learners and educators where required by the SASA, (RSA Act 84 of 1996); provision of adult basic education and training classes or centres subject to any applicable law and legislations; and the execution of other functions consistent with this Act, the Public Finance Management Act (RSA Act No. 1 of 1999) or any other applicable provincial law.

2.3.6. The roles of the principal as an accounting officer

In South Africa principals serve as ex-officio members of the SGB and may not chair the meetings of this body. However, research referred to by Karlsson (2002:332) shows that principals still play a dominant role in meetings and decision-making. This is attributed to the principal's position of power within the school, level of education in contrast to members, first access to information issuing from education authorities, and because it is the principal who executes the decisions taken (Van Wyk 2004:134). The principal should therefore serve as a resource person for the effective functioning of the SGB.

According to Parker & Leithwood (2000:4), the dual nature of the role played by the principal is controversial and problematic. On the one hand, principals are expected to account to SGBs as accounting officers; on the other, they are accountable to the education department as the employee. In essence, school principals have a remarkable capacity to derail decentralized governance structures by retaining control for themselves or to ensure the success and effectiveness of these structures. The role played by the principals of schools in their SGBs is pivotal in the sense that they are obliged to liaise with the education department as well as other departments and agencies regarding all matters pertaining to the well-being of the school in the same way that a Chief Executive Officer (CEO) of a company operates. School principals must be in the position to market their schools together with SGBs to the outside world for the benefit of their school.

In terms of the Prescripts for Management of school funds in public schools in Limpopo Province (2009:22) the obligations of school principals in the management of school funds are:

- The principal must maintain a complete set of the statutory provisions, prescripts and the departmental directives relating to the finances and financial management of the public school.
- The principal must ensure that he/she and staff members under his or her control appointed to assist the governing body in the execution of its duties, are acquainted with all statutory provisions and prescripts and departmental directives of which he/she must have knowledge to enable him/her to assist the governing body in the execution of its duties.
- The principal must ensure that all statutory provisions, prescripts and departmental directives are observed by him or her and by employees under his or her supervision without fail.
- The principal should maintain and retain sufficient documented evidence and make such documentation available for inspection.
- The principal shall avoid fruitless, wasteful and unauthorized expenditure when spending school funds as stipulated by the PFMA (section 45)
- Value for money principles should be observed at all times.
- The principal as an accounting officer must assist the school governing body in prioritizing the projects or activities and monitor expenditure where quality and the lowest quote are considered for service or purchases.

The constitution of the Republic of South Africa and the SASA mandate the Minister of Basic Education to determine Norms and Standards for the public schools and to fund public schools out of public revenue. Because the public (taxpayers) fund schools, schools are accountable to the public (taxpayers) in terms of the PFMA (2000:28), which implies that the accounting officer of the school (the principal) must:

- Maintain a system of financial control.
- Use a manual or computerized accounting programme for monitoring the finances on a daily basis.

- Maintain a system of internal audits.
- Ensure that the finance committee meets on monthly basis and examines the monthly financial statement prepared by the finance officer.
- Maintain appropriate procurement procedures.

The treasurer must do three quotations for goods or services. The finance committee must meet and adjudicate the quotations and select the service provider based on price and quality. The service provider must be paid by cheque after the delivery of goods or the rendering of services to the school. The payment must be approved by the principal and authorized by the SGB chairperson.

- Account for and control revenue
  The budget control system indicating voted funds, actual and variances on expenditure must be compiled to avoid negative variances or over expenditure.
- Take responsibility for the maintenance and safeguarding of assets
  An assets register must be maintained at all times and reports should be given to the auditor annually during the finance audit.

The general responsibilities of accounting officers in terms of the PFMA 1 of 1999 are outlined in section 38(1) as follows:

The accounting officer for a department, trading entity or constitutional institution :

(a) must ensure that the department, trading entity or constitutional institution maintains
  (i) effective, efficient and transparent systems of financial and risk management and internal control;
  (ii) a system of internal audit under the control and direction of an audit officer and instructions prescribed in terms of section 76 and 77;
  (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective;
  (iv) a system for properly evaluating all major capital projects prior to a final decision on the project.

(b) is responsible for the effective, efficient, economical, transparent use of the resources of the department, trading entity or constitutional institution;

(c) must take effective and appropriate steps to
  (i) collect all money due to the department, trading entity or constitutional institution;
  (ii) prevent unauthorized, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct; and
  (iii) manage available working capital efficiently and economically.

(d) is responsible for the management including the safeguarding and the maintenance of the assets, and for the management of liabilities of the department or constitutional institution.

2.3.7. Roles of parents

The role of parents in the education of their children is guaranteed by the Constitution of South Africa (Act 108 of 1996). Section 23(9) of the SASA (RSA Act 84 of 1996) states that the number of elected parent members should comprise one more than the combined total of other members of a governing body, who have voting rights-regardless of the size of the school. The SASA also stipulates that only a parent who is not employed at the school may be appointed chairperson of the SGB.

Visser (1997:636) contends that it would in any event be unreasonable to expect parents to make financial contributions to the running of a school without awarding them a reasonable measure of control over how the money is spent (as well as over other aspects of the education of their children). However, in spite of being in the majority, many parents serving on governing structures in South Africa are reticent and rely on the principal and educators for leadership and guidance in decision-making (Karlsson 2002:332). Karlsson ascribes this to parents "weak understanding of their role, a capacity deficit in the range of skills needed to perform governance functions and irregular attendance of meetings".

2.3.8. Roles of educators

The educator governors represented on the SGBs form a numerical minority. Research has shown that educators have the greatest participation in decision-making after the principal and play a far greater role than members representing non-educator staff, parents and learners (Karlsson 2002:320). Mabasa and Themane (2002:115) agree, adding that the principals and teachers dominate SGB meetings and expect their recommendations to be accepted by all members without any further discussion. Educators may be appointed by the principal in writing to serve as financial and petty cash officers to assist the SGB in executing their financial obligations.

2.3.9. Reimbursement of members of SGB

In terms of section 27(1) of SASA (RSA Act 84 of 1996) necessary expenses incurred by a member of a governing body in the performance of his or her duties may be reimbursed by the governing body. No member of a governing body may be remunerated in any way for the performance of his or her duties [SASA section 27(2)].

2.3.10. Training of the school governing body

According to the SASA (1996:11 Section 19) the Provincial Legislature (the Provincial Department of Education) must establish a programme to provide introductory training for newly elected SGB members to enable them to perform their functions. The provincial Head of Department must also enable them to assume additional functions. After the election of the SGB, there must be training intervention. The SGB's responsibilities should be highlighted during their training.

SGB members must have skills to deal with the finances of the school. The Gauteng Education Act (1995:9) maintains that members of an SGB who do not have the required skills to perform their functions will not be able to complete their work effectively. The training itself should provide sufficient knowledge for the SGB members to acquire the ability and responsibility to handle the functions allocated to it by the SASA (RSA Act 84 of 1996).

The SGB has to form structures that will assist them to perform their duties with ease. According to Oosthuizen (2003:145), for the SGB to work smoothly within the structure that has been established, the structure should:

- Be given specific activities and functions;
- Report regularly and be accountable to the SGB;
- Understand what the other structures are doing so as to avoid duplication and a confusion of roles;
- Support each other and not fight over SGB resources. They must be aware of the priorities of the school at all times.
- Have a chairperson who is a member of the SGB and who will direct, guide and report on its activities.

2.3.11. School fund

2.3.11.1. Establishment of school fund

In section 37(1) of SASA (RSA Act 84 of 1996), the governing body of a public school must establish a school fund and administer it in accordance with directions issued by the Head of Department. Subject to sub-section (3), all money received by a public school including school fees and voluntary contributions must be paid into the school fund. The school governing body of a public school must open and maintain a banking account. Money or other goods donated or bequeathed to or received in trust by a public school must be applied in accordance with the conditions of such donation, bequest or trust. The school governing body must declare all donations received in the form of money or physical property to the district in writing every academic year.

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

- Educational purposes, at or in connection with such school;
- Educational purposes, at or in connection with another public school, by agreement with such other public school and with the consent of the head of Department;
- The performance of the functions of the governing body; or

- Another educational purpose agreed between the governing body and the Head of Department.

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

2.3.11.2. Sources of income for the school

According to the prescripts for management of school funds at public schools in Limpopo Province (2009:3), the School Revenue may take different forms as follows:

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

The state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and redress of past inequalities in education provision (SASA section 34(1). The state must, on an annual basis, provide sufficient information to public schools regarding funding referred to in subsection (1) to enable public schools to prepare their budgets for the next year. A governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners at the school (SASA section 36(1).

2.3.11.3. Banking of the school fund

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

2.3.11.4. The use of school fund

According to the prescripts for management of school funds in public schools in Limpopo Province (DoE, Limpopo Province 2009:4) the use of school funds at a public school must be guided by the following general guidelines:

- For educational purposes at or in connection with such school activities;
- For educational purposes at or in connection with another schools. There should however be an agreement between the two schools and permission should be obtained from the Head of Department.
- Performance of school governing body functions;

- Educational purposes agreed to between Governing Body and the Head of department
- Payment of expenses towards repairs and maintenance of school property; and
- Payment of security services related to the running of the school.
- Monies received with specific conditions should be applied in accordance with those conditions only, e.g. Government allocations are meant for specific recurrent cost items and must be used accordingly. The SGB should therefore spend school funds on items prescribed and in accordance with the percentages indicated in the 2009 prescripts for the management of school funds in ordinary public schools.

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

2.3.11.5. Budget

According to Oosthuizen (1998:300), a budget is a management tool or mechanism by means of which the management team of the school can estimate and plan, utilize and co-ordinate, control and evaluate the human material and other resources of the school in financial terms. The school has the function of providing a foundation for planning and implementing a financial strategy for the school as well as providing an operational cost-effective framework for the implementation of school programmes. Discipline is an important principle of budgeting. Therefore, when dealing with the budget, the elements of the budget such as income, cost, assets and liabilities should be reflected.

The school budget is informed by the School Improvement Plan (SIP) for one year and School Development Plan (SDP), which may be projected for a period of three years. When drawing up the annual budget, the school manager and the financial committee must consider the following range of purposes, as highlighted by Bischoff (2002:67).

A budget can:

- assist in systematic planning to guide the activities of an academic financial year;
- be used in qualifying objectives and identifying priorities. The school needs are prioritised by focusing on activities that may lead to the realization of the vision and mission of the school. The principle of value for money will apply in all expenditures incurred.
- assist in co-ordinating activities and communicating plans within the organization;

- be used to motivate and increase the accountability of middle management;
- be used as a tool for the authorization of expenditure and activities within an institution;
- be used for controlling, monitoring and analyzing expenditure; and
- can be used as a means of evaluating performance at the end of the financial year to ascertain whether the budget objectives and priorities of an organization have been achieved or not.

It is important that all stakeholders must participate in the budgeting process so that they can own it. In this study, the budget of the school will be determined in terms of the expected income and expenditure for the dates starting from the 1st of January to the 31st of December each year.

The principal of the school is responsible for monitoring the budget. According to (Glover 1996:3) monitoring the budget is the continuous process that goes on throughout the year. It involves keeping a check on the differences between the planned financial status of a school at a given time and the actual financial status at the time. Monitoring the budget involves checking expenditure against the budget allocations, checking that the resources that are mobilised effectively, evaluating, and re-organising if and where necessary.

2.3.12. Finance personnel

2.3.12.1. Finance officer

In accordance with the prescripts for the management of school funds at the public schools in Limpopo Province (2009:13), the finance officer should:

- Keep proper 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.
- Keep vouchers in a safe for audit purposes.
- Present all payments and supporting vouchers at the next Finance Committee meeting, i.e. before the School Governing Body's meeting.
- Maintain a cash-flow statement prepared on a monthly basis.
- Present a Financial Report for ratification at the next School Governing Body meeting.
- Provide monthly bank reconciliations.
- Develop a filing and recordkeeping system.
- Provide secretarial duties for the Finance Committee.

The finance officer must be appointed in writing and a statement of consent must be received in return. The appointment letter must include a detailed explanation of the roles and responsibilities of the finance officer.

2.3.12.2. The treasurer

The treasurer shall:

- Chair all meetings of the Finance committee.
- Monitor all the financial affairs of the school.
- Present a report to the SGB.
- Develop a Finance Policy for the school.
- Ensure that the Finance Policy is adhered to at all times.

Therefore the SGB treasurer must work hand and glove with the principal to ensure compliance with the finance policies by all other school finance personnel.

2.3.12.3. Petty cashier

The official delegated to administer the petty cash shall perform the following in terms of the petty cash book:

- Keep the impress amount in custody at the beginning of the month.
- Make out payments from petty cash upon submission of authorized supporting documents.
- File all supporting documents in files specially reserved for such purposes.
- Restore the impress amount at end of each month.
- Record all petty cash movements in the petty cash journal and post to the general ledger account.
- Do a reconciliation of petty cash vouchers on a monthly basis before the float amount is restored.

2.3.12.4. The auditor

According to PFMA 1 of 1999, section 58(1), the annual financial statements of a public entity must be audited annually by –

(a) the Auditor-General; or
(b) a person registered in terms of section 15 of the Public Accountants and Auditors Act, Act 80 of 1991, as an accountant and auditor, and engaged in public practice.

(1) A public entity may appoint, as its auditor, a person referred to in subsection (1)(b) only if the audit is not performed by the Auditor-General.
(2) A public entity must consult the Auditor-General on the appointment of an auditor in terms of subsection (2).

In accordance with Section 60(1) of the PFMA, an auditor appointed in terms of section 58(1)(b) must perform the functions of office as auditor in terms of section 20 of the Public Accountants and Auditors Act, 1991(Act 80 of 1991).

(2) In exercising the powers and performing the duties as auditor of a public entity the auditor –
  (a) has access at all reasonable times to accounting records, including all books, vouchers, documents and other property of the public entity:
  (b) may require from the accounting authority for the public entity information and explanations as are necessary for the purpose of the audit and proper application of sound economic, efficient and effective management.

2.3.13. Quintiles of schools in South Africa

Policy brief number 7 of August (DoE, Limpopo Province 2009:1) indicates that because of wide disparities in fiscal capacity amongst South Africa's nine provinces, there is an unequal gap between the amount of tax revenue each province can raise and the amount of money it needs to fulfil its responsibilities for basic services, including education. Recognizing this, a portion of nationally raised revenues is distributed to provinces and local governments through the equitable share formula based on demographic and social criteria. Another mechanism aimed at improving equity in education financing is the National Norms and Standards, which require that provincial departments rank each school into one of five quintiles with Quintile 1 being the poorest and Quintile 5 the least poor based on rates of income, unemployment and illiteracy within the school catchment area.

The 2006 Education Law Amendment Act replaced the provincial quintiles with national ones. The National Norms and Standards declared schools in quintiles 1 and 2 to be no fee schools, compensating these schools with higher allocation for non-personnel, non-capital expenditure. The Amended National Norms and Standards for School Funding (ANNSSF) which came into effect on January 2007 deals specifically with public funding of both public and independent (private) schools as well as with school fee exemptions policies. NQ 1 and 2 are no fee schools and so receive larger allocations. No fee schools receive 100% allocations for all the learners. Schools in such quintiles are not allowed to charge school fees or any other stipulated contributions to parents.

Chaka (2008:26) contends that SGBs in quintile 3, 4 and 5 schools are under pressure to supplement the funding provided by the state and tend to focus more on fundraising and less on making decisions about matters of education. SGBs serving in poor communities are left to struggle, not only in terms of fees but also in terms of capacity.

All public schools which have been declared "No fee schools" must not charge mandatory school fees from any learner as defined in the SASA as amended. Prescripts for the management of school funds in public schools (2009:5) set out minimum standard prerequisite facilities for "No fee schools" as follows:

- Schools have to prioritise allocations to pay for the running of the school, i.e. all operational expenses, e.g. leasing of copiers, water and electricity, telephone, etc.

- Proper security fencing.
- Provision of clean water or borehole.
- Repair of all broken windows and doors, electrical and gas fittings , filling of cracks and painting and other repairs.
- Annual servicing of fire equipment.
- Eradication of termites and other pests every three years.
- Quarterly cleaning, weeding and maintenance of gutters, channels and other storm water drains to prevent flood damage to foundations and other facilities.
- Annual repairs and maintenance of roofs to prepare for the rainy season, treating of roof trusses and replacement of gutters.
- Annual painting and treatment of outdoor equipment to prevent rust damage to metal work.
- Supplement LTSM to address curriculum needs, e.g. teaching aids, educational toys, charts, Science kits, etc.
- Schools could be allowed to erect ablution facilities but have to ensure that compliance certificates by the Department of Health are presented to the Department. The Department may assist schools with the specifications of such structures. The norm is 1 toilet seat per classroom.
- Schools should be permitted to use funds for local sporting activities equipment but this should not exceed 10% of the total allocation.
- As contemplated in paragraph 99 of the amended Norms and Standards, the school's allocation cannot be used to cover the cost of personnel and new buildings, e.g. classrooms or administration blocks.
- Extra-mural curriculum and choice of subject options in terms of Provincial Curriculum policy.
- Travel claims should be minimized and rates claimed should not exceed the applicable Government rates.

All public ordinary schools declared "no fee schools" are allocated part section 21 status (Section 21(a) and 21(d)

2.3.14. Financial documents

There are many financial documents which are essential for controlling the school fund cheque account. According to Oosthuizen (1998:66), controlling means to monitor, take action and be able to forecast on the available information. As stipulated in the Basic Financial Management for School Training Manual (1999:16-163), the following financial documents must be kept by the finance officer in a safe place:

- Budget – an expected income and expenditure for the next financial year.

- Cashbook – a record of actual income and expenditure for a particular month. It is also known as payment cash book.
- Receipt book – a proof of payment received from a person or group or institution offering a particular service.
- Cheque book- a financial book which is issued by the bank when the SGB opens the current account. All payments of goods and services rendered to the school are paid using a cheque book except for small items which are paid from petty cash.
- Cheque requisition form – a form or document which is prepared by the service provider on request for service rendered or goods delivered.
- Bank statement – a detailed exposition of deposits, withdrawals and bank charges for each month of the year.
- Deposit book – a book issued by the bank consisting of proof of deposit slips.
- Tender document – a financial document with specification of the service to be rendered and payment thereof.
- Quotation document – a written statement from the supplier indicating the amount to be paid for goods or services to be rendered to the school.
- Delivery note – a document which is handed to the school indicating a proof of supply of goods or service rendered.
- Invoice – a document which shows how much a school owes the supplier. It may also include the tax or VAT amount to be paid.
- Class register – a record book which carries the information about the amount of school fees paid by the learner and the receipt number issued by the finance officer.
- Petty cash book – a book where the impress amount is recorded and the supporting vouchers are attached.
- Remittance registers – a record of money received by the school through the post.
- Annual financial statement – a finance statement with income and expenditure compiled by the finance officer at the end of the financial year.
- Statement of debt outstanding – a record of people owing the school money and the amount they are expected to pay to settle their accounts.
- Cheque – a source document constituting a written order to a bank to pay an amount to another person.
- Receipt – a source document indicating that an amount has been paid.
- Balance sheet – a written statement to show the difference between the total amounts of assets and liabilities of the school.
- Financial policy – a statement concerning the manner in which funds will be generated and spent at a specific school.

2.3.15. Monitoring and control of school fund

Clarke (2008:278) describes financial management as follows: “It is essential that the (school) principal makes sure that she/he has the knowledge and understanding of the basic processes involved in managing the school accounts, the budgeting process and the systems and controls that are necessary to ensure that the school's monies are not misappropriated." Swanepoel, Erasmus and Schenk (2008:402) explain financial management as a requirement of managers to take responsibility for the actions and achievements in greater managerial discretion over their inputs. Thus, managers have to take responsibility for their performance.

Van Wyk (2004:411) states that the objective of financial management in the public sector is to support management in the allocation of limited resources with the purpose of ensuring economy, efficiency and effectiveness of the service in the delivery of outputs required to achieve desired outcomes that will serve the needs of the community (school). Bischoff states that for sound financial school management it is important to have an accurate system for recording financial transactions. Picus, Lawrance, Odden and Fermanich (2003:205) define financial education management as the distribution and use of money for the purpose of providing educational services and producing student achievement. This implies that the SGBs should use the money at their disposal for learners' achievement. In order for a school to manage its finances effectively and efficiently, a school finance policy must be developed, adopted by all the relevant stakeholders and implemented accordingly (Mestry 2004:1).

Furthermore, Bisschoff & Mestry (2005:12) indicate that the SGB needs to bear in mind the following aspects which constitute good financial management:

- All income due to the school should be identified and all collections should be receipted, recorded and banked promptly.
- The responsibilities of the SGB, its committees (especially the finance committee), the principal and staff should be clearly established.
- The budget should reflect the school's prioritized educational objectives.
- The school should control the use of petty cash.

The petty cashier must be appointed in writing and a statement of acceptance must be received from the petty cashier. All members of the finance committee must be appointed in writing.

The SGB is a juristic person which is entrusted with the powers to monitor and control the use of school funds. Monitoring the budget is the continuous process that goes on throughout the year. It involves keeping a check on the difference between the planned financial status of the school at a given time and the actual financial status at the time (Glover 1996:3). Control measures should be implemented in respect of budgeting expenditure, receipts, petty cash, bank reconciliation, investments, school funds, creditors, suppliers and movable and fixed property. According to the SASA (Act 84 of 1996: 18 Section 42), the management of schools must comply with certain criteria regarding the monitoring and control of financial resources. The SGB must at least be knowledgeable about the procedures for regular reporting and regular balancing of books, regular and punctual maintenance of all records, documentation, books and regular stocktaking and prescribed audit inspection (Oosthuizen 2003:216).

Berhout (1992:75) regards budget control as a specific multiple control duty and suggests that the following five functions should be performed where necessary and pertinent:

- Comparison between the amounts and the results achieved;
- Analysis and interpretation of discrepancies;
- Audit and calculation;
- Accounting and reporting;
- Implementing corrective measures.

Schools organize and manage their financial operations differently depending on such factors as the size of the school, administrative structure and staffing. The principal of the school must set internal control systems in place. The meetings of the finance policies reporting to the SGB must be held at least once a month.

Consistent with the prescripts for the management of school funds in public schools in Limpopo Province (2009:12), the SGB must:

- at each school meeting check all expenditure incurred since its previous meeting.
- inspect supporting vouchers to ensure that they are in line with all prescripts or other Departmental directives.
- satisfy itself that expenditure is in accordance with the approved budget and Public Finance Management Act (PFMA) regulations.

Monthly expenditure and a Financial Report for the period against budget (variance report) should be reported to the Finance Committee and SGB on a monthly basis.

Quarterly reports should be submitted to the circuit before the 7th of the following month.

All financial records including bank statements must be audited annually by a person registered as an accountant and auditor in terms of the Auditing Profession Act 26 of 2005. If not practicable, the SGB may appoint a person qualified to perform the duties of an accounting officer in terms of section 60 of the Close Corporations Act, 1984 (No. 69 of 1984). A copy of the annual financial statements must be submitted to the Head of Department on or before 30 June of the following year

In line with the Public Finance Management Act 1 of 1999, section 39(1), the accounting officer for a department is responsible for ensuring that-

(a) Expenditure of that department is in accordance with the vote of the department and the main divisions within the vote; and

(b) Effective and appropriate steps are taken to prevent unauthorized expenditure.

(2) An accounting officer, for the purpose s of subsection (1) must –

(a) Take effective and appropriate steps to prevent any overspending of the vote of the department or main division within the vote.

(b) Report to the executive authority and the treasury any impending

(i) Under collection of revenue due;

(ii) Shortfalls in budgeted revenue; and

(iii) Overspending of the department's vote or a main division within the vote;

(c) Comply with any remedial measures imposed by the treasury in terms of this Act to prevent overspending of the vote or a main division within the vote.

In this study, the principal is the accounting officer. He may delegate responsibilities to other people but he remains accountable. The principal gives advice to the school governing body and serves as a resource person for the implementation of applicable legislations in finance management.

2.3.16. Record keeping and reporting

The SASA (RSA Act 84 of 1996:19) section 42 states that the SGB of a public school must keep record of funds received and spent by the public school and all assets, liabilities and financial transactions and as soon as practicable, but not later than three months after the end of each financial year, draw up annual financial statements in accordance with the guidelines determined by the Member of the Executive Council of Education in the Province. Mbigi (1997:105) emphasizes that internal reporting is the same as external reporting. Reporting should be in the form of rituals and ceremonies to celebrate performance breakthrough. A school can use the following methods of reporting of financial matters:

- Circulars to parents;
- Parents meetings;
- The school newsletter.

Effective financial school management can be done without a computer, but computers can ease the burden of routine tasks (Bischoff, 2002:144). It is the duty of the SGB to keep written records of everything that deals with the money or property of the school. Potgieter et al. (1997:50) and Davidoff & Lazarus (1997:117) indicate that the central point to the successful management of resources in a school is to identify the need for resources, obtain the resources and create an effective stocktaking system. The school has to secure, maintain and distribute resources effectively and fairly.

In terms of PFMA 1 of 1999, section 40 (1), the accounting officer for the department, trading entity or constitutional institution –

(a) must keep full and proper records of the financial affairs of the department trading entity or constitutional institution in accordance with any prescribed norms and standards;
(b) must prepare financial statements for each financial year in accordance with generally recognized accounting practice;
(c) must submit those financial statements within two months after the end of financial year to –
   (i) the Auditor-General for auditing; and
   (ii) the Treasury to enable that treasurer to prepare consolidated financial statements in terms of section 8;
(d) must submit within five months of the end of the financial year to the treasury and in the case of the department or trading entity, also to the executive authority responsible for that department or trading entity –
(e) an annual report on the activities of that department, trading or constitutional institution during the financial year.

2.3.17. Development of school finance policy

Kallaway (2002:165) describes policy as a statement of intent, decisions, courses of action and/or resources allocation designed to achieve a particular goal or resolve a particular problem. The Oxford Illustrated Dictionary (1976) defines policy as a document containing the rules for prudent conduct indicating the courses of action to be taken by an institution. Mestry (2006:35) indicates that a good policy identifies and articulates the values and the basic principles to be applied to specific needs of the organization. It should not only set direction but should also give direction. Bischoff (1997:158) defines finance policy as a statement concerning the manner in which funds will be generated and spent at a specific school. The financial policy should either form an integral part of the school policy or be a separate policy as in the case of the subject policy. It is therefore essential that all stakeholders be directly involved in the drafting and implementing of all school policies.

In South Africa SGBs are tasked with drawing up the mission statement of the school. The governors should also ensure that the policy is so clear, consistent and reasonable that it can be implemented and that all the staff comply with it in the performance of their duties (Marishane 1999:84). However, this calls for sound knowledge of schooling, good writing skills and the ability to verbalize the content to others in an effective manner - skills which many school governors do not have (Gallagher 1992:28). The finance policy should be seen as a document that can change over time and such a process should at all times be inclusive and transparent.

2.4 Conclusion

The management of finances in the United States of America differs in many respects from that of South Africa. In South Africa, the SGB is responsible for opening the school account, three signatories are appointed (and the principal cannot be one of the signatories), payments of accounts is only done by cheques except for petty amounts, and an audit is conducted by the school annually and registered auditors are appointed by schools and paid from school coffers, whereas in other countries the School Council is responsible for establishing the school, two signatories are appointed (and the principal must be one of them), and payments may be done by means of five methods, namely cheques, direct deposits, Bpay, petty cash and school purchasing card. The external audit is conducted every three years and auditors are appointed on contract and audit all school council accounts.

South Africa has made considerable strides in transforming its post-apartheid governance system from one characterized by exclusion and fragmentation to one characterized by inclusion, democracy and uniformity (Chaka 2008:31).The development and implementation of finance policies is still a challenging factor which needs attention by all stakeholders in education. There is a need for the government to attend to the training of SGBs for the effective and efficient performance of their obligations in the governance of all public schools. The availability and utilization of resources in all public schools need further attention for improvement in a democratic manner.

The next chapter provides a discussion of the choice of research approach, the definition of qualitative research, the characteristics of the qualitative approach, and its advantages and disadvantages. The research instruments, sampling procedures or selection of participants, validity and reliability will be discussed. The code of ethics will be outlined for an effective, transparent and healthy relationship with the research participants or sample.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

The previous chapter furnished the literature study, a theoretical background on aspects such as finance policies, budgeting, procurement procedures, the roles of finance personnel, assets control, record keeping, monitoring and reporting of financial matters. This chapter will introduce the concept of research design, provide a brief explanation of the theory underpinning the method of data collection instruments, choice of research methodology, qualitative research, case study, sampling, data collection methods, data collection, analysis of information and ethical clearance.

The research design and method I chose was a qualitative approach. Mouton (1996:107) asserts that a research design is a set of guidelines and instructions to be followed in addressing the research problem. Huysamen (1994:20) defines the research design as the plan or blueprint which specifies how research participants are going to be obtained and what is going to be done to them with a view to reaching conclusions about the research problem. According to McMillan & Schumacher (1993:22), a research design indicates the general plan of the research. This includes when, from whom and under what conditions the data is obtained. It indicates how the research is set up, what happens to the subjects and what methods of data collection are used. Kumar (2005:84) asserts that a research design is a procedural plan that is adopted to answer research questions objectively, accurately and economically. The research should correspond with the research problem which links the collected empirical data to the study's initial questions and leads to the study's conclusions (Jones, Wahba & Van der Heijden 2007:212).

The research design aims to achieve a research study which can yield results that contribute to the theory and form part of the body of knowledge which other researchers can study. Research can be defined as a systematic inquiry aimed at providing information to solve problems. Burns and Grove (1993:19) describe research as a systematic investigation whereby data is collected, analyzed and interpreted in an effort to understand or predict a phenomenon and the research is influenced by the researcher's theoretical framework.

Methodology refers to the rationale and psychological assumptions that underline a particular study relative to the scientific method used with a view to explaining the researcher's ontological and epistemological views (Patton, 2002:69). Mouton (1996:35) defines research method as the total set of means that researchers employ in their goal of obtaining valid knowledge. According to Henning (2004:36), methodology refers to the coherent group of methods that complement one another to deliver data and findings that reflect the research questions and suit the research purpose. In qualitative research, the design or strategy is determined by the researcher's choices and actions. A major distinguishing attribute of the qualitative approach is that it requires the researcher to go into the field and move close enough to the people and circumstances there to capture what is happening (Patton, 2002:48). As stated by Cohen, Manion and Morrison

(2003:415), a qualitative research approach is an approach which attempts to understand human behaviour and the meaning people attach to their settings. In this project, in my role as the researcher I wanted to know the perception of and attitudes towards the implementation of finance policies. To this end I gave the participants the opportunity to express their views on existing policies and the challenges they were facing on the implementation of such policies. Qualitative research sets out to provide an impression: to tell what kinds of "something" there are, to tell what it is like to be, do or think something (Gary 2000:165).

Qualitative research is the collection, analysis and interpretation of comprehensive narrative and visual data in order to gain insights into a particular phenomenon of interest. The purposes of qualitative research are broad in scope and centre around promoting a deep and holistic or complex understanding of a particular phenomenon, such as an environment, a process or even belief (Gay, Mills and Eurasian 2006:399). Furthermore, qualitative research involves mostly non-numeric data, such as extensive notes taken at a research site, interview data, videotape and audiotape and audiotape recordings and other non-numerical artefacts. I took notes on the financial documents from sampled schools that I examined and analyzed and also conducted interviews with circuit managers, principals, SGB chairpersons, SGB treasurers, finance and petty cash officers.

Qualitative research often involves the simultaneous collection of a wealth of narrative and visual data over an extended period of time and data collection occurs, as much as possible, in a naturalistic setting. My role as an ex-officio member of the SGB in the school where I am the principal also allowed me to collect data through participant observation. In simple terms, qualitative research means a non-numerical data collection or explanation based on the attributes of the graph or source of data. A major distinguishing attribute of qualitative approach is that it requires the researcher to go into the field and move close enough to the people and circumstances there to capture what is happening (Patton 2002:48). In this research project, I visited eighteen schools, both primary and secondary, from nine of the twenty-seven circuits which are part of the Vhembe district.

For this study, cross-sectional research design, which is exploratory, descriptive and interpretive, was carried out to gain insights into the theme of the research. Information on exploratory research can be collected through observation, questionnaires and interviews. The study used the interactive mode of enquiry, employing face-to-face data collection techniques to construct an in-depth understanding of the participants (informants) perspectives. Interviews of one –on-one and focus group interviews were conducted to collect data. Observation and document analysis were conducted to complement and strengthern data through critical analysis, comparison of information gathered and thus reaching conclusions. The researcher used a combination of approaches because it would help him to access diverse information from the participants. (Shurink, 2003:2-14) Merriam (1998) points out that the purpose of interviewing is to find out what is in someone 's thought, since this cannot be directly observed or measured, the interviewer ask questions in such a way as to obtain meaningful information. Spark, Winberg and Pointer (1994:3) state that it is not just, what you ask that is important, it is also how you ask the questions. If you seem to be aggressive, pushy, insensitive or rude, you will get very little co-operation from the interviewees and might cause some hostility towards project. So the researcher was extremely careful on how the interview questions were being posed to the participants to avoid misunderstandings and unnecessary conflicts. Interview schedules were conducted on time and venues suitable to the participants.

The study adopted an interpretive qualitative methodology to examine the school financial management system with the aim of identifying challenges in the implementation of finance policies. According to Babbie and Mouton 2004, Valadez and Bamberger 1994, Guba 1990, interpretative qualitative methodology entails getting close to the research subjects in their natural setting in order to describe and understand the world through their eyes. It focuses on the process rather than outcome, the actor's perspective is emphasised and its primary aim is in-depth description and understanding of actions and events.

According to Valadez and Bamberger (1994:331) "qualitative methods can also be justified on ethical grounds. Because many programmes produce major challenges in the lives of the population (not all of which are positive) planners have a moral obligation to understand how people feel about these programmes and how they affect them. Not to try to understand the point ofa community resident 9who will perhaps suffer if the project does not go as expected) is tantamount to ignoring democratic principles of social participation. Although qualitative methods can describe some of the behavioural changes that occur, they usually cannot reveal what people feel about these changes."Direct face-to-face contact with the affected population may often be the best way to find out.

By using interpretative qualitative methods, the study seeks to expose the different views and perceptions of the financial management responsibilities of the school governing bodies. Participants will be able to look at the successes and challenges they experienced in when managing school fund. The adoption of interpretative qualitative approach in this study entails using data collection methods to gather information, namely participant observation, interviews and analysis of financial documents.

I used case studies within the qualitative design. Mothata (2000:23) explains that a case study is a qualitative detailed examination of one setting, one subject, one single depository of document or one particular event. Henning (2004:21) concurs, adding that case studies are intensive descriptions and analyses of a single unit or bounded system such as an individual, a program, event, group intervention or community. Case studies provide opportunities for delving into things in more detail and discovering things that have not become apparent through more superficial research. David & Sutton (2011:165) argue that case studies are in-depth studies of specific units such as individuals, organizations, events, programmes or communities.

Yin (2009:2) suggests that case study research can seek to explain an individual, outcome, event or community situation; it may seek to explore or 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.

Guthrie (1986:66-67) is of the opinion that the case study method takes a situation as given and tries to find out what it means to the participants in particular. Commonly, case studies are associated with qualitative research but often they combine different research techniques. Guthrie (2010:67) further asserts that a particular strength of case studies is that they allow in-depth illustration of different examples of the population under study. The more systematically cases are chosen, the more likely they are to illustrate population patterns. The case being studied is a subset of the whole population. A case study is an intensive analysis of an individual unit. This project was a case study of the Vhembe district. The sampled schools in Vhembe district represented the population under study and participants were drawn from both ordinary primary and secondary public schools. Eighteen (18) out of four hundred and twenty two (422) schools were sampled and participants ranges from circuit managers, school principals, SGB chairpersons, treasurers, finance and petty cash officers.

3.2. Characteristics of Qualitative Research

Maykut & Morse (1994:43-46) outline the following eight characteristics of qualitative research:

- An exploratory and descriptive focus;
- Emergent design;
- A purposeful sample;
- Data collection in a natural setting;
- Emphasis on human-as-instrument;
- Qualitative methods of data collection;
- Early and ongoing inductive data analysis;
- A case study approach to reporting research outcomes.

In this study I visited schools to explore the reality, thus becoming an instrument of data collection and using a purposive sample of the school governing bodies who were responsible for financial management of schools. I attended meetings of the finance committees and observed the situation in real settings. In order for me as the researcher to reach accurate results, a purposeful sample was applied in the investigation of how participants viewed the implementation of finance policies in their respective schools (Jones 2007:235).

Woods (1992:22) argues that qualitative research is strong for the following reasons:

- The attention to detail, the ability to embrace both verbal and non-verbal behaviour, to penetrate fronts, discover meanings, and reveal the subtlety and complexity of cases or issues.
- Portraying perspectives and conveying feelings and experiences.
- Encompassing processes and natural environments.
- Actions are contextualized within situations and time.
- Theory is generated from the empirical data, and consequently there is closeness of fit between theory and data.
- Participants own their own self-experience, disposition and interests related to the research and provide the researcher with opportunities to advance the work.

The difficulties and weaknesses of qualitative research are the following:

- Single qualitative studies cannot provide grounds for generalizing across cases.
- Immersion in the depth of a qualitative study can lead to either or both "going native" and "macro blindness".
- Qualitative research can be a high risk, low-yield enterprise.
- Qualitative studies are often accused of being impressionistic, subjective, biased, idiosyncratic and lacking in precision.

The present researcher overcame these limitations by comparing the data collected through interviews and examination of financial documents to identify the similarities and differences so as to verify the quality of data.

Gary (1992:401) outlines some of the commonly utilized qualitative research approaches, namely case study, ethnography, ethnology, ethno-methodology, grounded theory, phenomenology, symbolic interaction and historical research. Atkinson et al. (1998:2) argue that there are seven different approaches used in British educational research deriving from symbolic interactionist, anthropology, sociolinguistics, ethno-methodology, qualitative evaluation, neo-Marxist ethnography, and feminism. However, most qualitative approaches have:

- A focus on natural settings;
- An interest in meanings, perspectives and understandings;
- An emphasis on process;
- A concern with inductive analysis and grounded theory.

The central focus of qualitative research is to provide an understanding of social setting or activity as viewed from the perspective of the research participants. Qualitative researchers spend a great deal of time with participants and are immersed in the research setting. The focus of qualitative research is on individual, person-to-person interactions. Qualitative research avoids making premature decisions or assumptions about the study and remains open to alternative explanations. Qualitative data is analyzed inductively. Qualitative research reports include clear and detailed descriptions on the study that include the voices of the participants. Qualitative research methods produce information only on the particular cases studied, and more general conclusions are only hypotheses (informed guesses). In qualitative research, cases can be selected purposefully, according to whether or not they typify certain characteristics or contextual locations. Qualitative data analysis may take a wide variety of forms.

Qualitative research approaches analysis holistically and contextually. Qualitative research is often used for policy and programme evaluation research since it can answer certain important questions more efficiently than quantitative approaches. A qualitative approach allows for more diversity in response as well as the capacity to adapt to new development or issues during the research process itself. Qualitative research produces more succinct, cost-efficient and timely results.

3.3. Data Collection Methods in Qualitative Research

According to Maluleka (2008:5), the qualitative research approach has various data collection strategies such as interviews, observation, diaries, photographs, official documents and newspaper articles. Babbie & Mouton (2001:490) regard qualitative data analysis as all forms of analysis of data that was gathered using qualitative techniques regardless of the paradigm used to govern the research. Creswell (1994:153) asserts “data analysis requires that the researcher be comfortable with developing categories and making comparisons and contrasts”. Qualitative research may use different approaches in collecting data, such as the grounded theory practice, narratology, storytelling, classical ethnography, or shadowing.

Qualitative methods are also loosely present in other methodological approaches such as action research or actor network theory. The forms of data collected may include interviews and group discussions, observation and reflection field notes, various tests, pictures and other materials. The present researcher used interviews, participant observation and analysis of data to collect data on the implementation of finance policies in the designated district. The reason for choosing the combination of these methodologies was to validate and verify the data and assure quality and reliability.

3.4. Observation

3.4.1. Participant observation

De Vos et al. (2000:280) define participant observations as 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. The degree of the researcher’s involvement should depend “on the objective of the study, available resources and the needs of field work” (De Vos, 1998:280). In contrast, Johnson & 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

Cohen, Manion and Morrison (2000:115), observation allows the investigator to see things that might otherwise be unconsciously missed or discover things that the participant may not freely talk about in an interview situation. Denscombe (2003:192) corroborates this point when arguing that observation draws on the direct evidence of the eye to witness events first hand, rather than rely on what people say they do, or what they say they think. There is a need for observation in obtaining first-hand information and this may be possible through participant observation as it enables the researcher to obtain people's perceptions on reality expressed in their actions and expressed as feelings, thoughts and beliefs.

In this study, the researcher was the participant observer. Saunders, Lewis and Thornhill (2000:219) define participant observation as a situation where the researcher attempts to participate fully in the lives and activities of subjects and become a member of their group, organization or community. This enables them to share their experiences by not only observing what is happening but also feeling it, without changing the situation. The researcher used Vhembe district for his purposive sample because he is the principal in one of the schools under the jurisdiction of that particular district. As an ex-officio member of the school governing body he thus attended several SGB meetings, read many directives from the Department of Education through circulars and submitted the required accounting documents such as compliance certificates and audited financial statements. The researcher was the chairperson of the SGB in one of the primary schools in Vhembe district and participated in SGB meetings and workshops where he experienced several challenges in the implementation of finance policies, especially at school level, and hence was in an ideal position to become a participant observer. The researcher attended five (5) and three (3) SGB meetings in both primary and secondary schools respectively. The researcher also chaired thirteen SGB and finance committee meetings as ex-officio member of SGB in his current school.

Woods (1992:9) maintains that the qualitative researcher aims to be as unobtrusive as possible, so that neither research presence nor methods disturb the situation. This is why participant observation is one of the favoured approaches. The researcher adopts a recognized role within the institution or group. Thus researchers may become, amongst other things, teachers, gang-members, pupils, nudists, hippies, bread salesmen, and medical students. In this study, the researcher was already in such a role in the context he was investigating. Hence the researcher was able to gain access to examine confidential finance documents such as school cheque books, deposit books, monthly financial statements and audited financial documents.

According to Woods (1992:9) the advantages of participant observations are:

- blending with natural activities,
- access to the same places, people and events as the subjects, confidential documents, records and reports, first-hand information,
- facilitating the use of mechanical aids such as tape recorders and cameras.

- Finally, it makes a worthwhile contribution to the life of the institution (Woods 1992:9).

Despite the advantages accompanying participant observation, there are some limitations, which include difficulty on the side of the researcher to make the situation "strange", especially if one is a member of the institution before starting the research; it adds to the demands of the researcher as he or she must be part of the group; and there is a possibility of conflict between one's role as participant and one's role as researcher.

This researcher therefore attended to all the steps to be taken in each situation, considered the type of audience, and avoided conflict by behaving as participant. I tried to avoid overlapping of the dual role of the researcher during the study.

The following is a list of themes explored during participant observation by the researcher:

- Banking of school fund
- Availability of registered service providers to schools
- Transfer of norms and standard funding to schools
- Writing of crossed cheques
- Interpretation of financial management prescripts
- The workload of the finance officer
- Availability of SGB chairperson for authorization
- Functionality of school finance committee

3.4.2 Interviews

Johnson & Christensen (2011:178) define an interview as a data collection method in which the interviewer asks questions from an interviewee. Interviews are comprised of open response questions to obtain information from participants about how they conceive of and give meaning to their world and how they explain events in their lives. Gubrium and Holstein (2002:85) add that qualitative interviewing is a kind of guided conversation in which the researcher listens carefully in order to hear the meaning of what is being conveyed. Patton (2002:21) concurs, explaining that the open-ended responses permit one to understand the world as seen by respondents. The purpose of gathering responses to open-ended questions in this study was to enable the researcher to elicit more knowledge, perceptions and understanding from the participants on the implementation of finance policies and the subsequent functioning of the schools.

Gay and Airasian (2003:209) describe an interview as a purposeful interaction between two or more people focused on one person trying to obtain information from the other person. According to Guthrie (1986:118), interviews are very common in case studies and surveys and often combine with other data collection techniques. Guthrie (1986:119-123) gives definitions, types and characteristics of unstructured, semi-structured and structured interview.

In this research, individual semi-structured interviews were utilized in the collection of data from nine circuit managers sampled from twenty-seven circuits in the Vhembe district. These semi-structured interviews allowed for the research problem to be discussed more openly and provided participants with an opportunity to freely express their ideas (Esterberg, 2002:87).The questions and the order of presentation had been previously determined (see interview schedule, Appendix A).

The rationale for the choice of the guided interview approach is that it provides topics or subject areas within which the interviewer is free to explore, probe and ask questions that will elucidate and illuminate the research topic. There is a number of techniques researchers use in the natural course of the conversation to aid clarity, depth and validity. Woods (1992:13) gives the following guidelines to obtain data through interviews:

- Check on apparent contradictions, non sequiturs, imbalance, implausibility, exaggerations, or inconsistencies. The researcher posed the same questions to different participants from the same residential areas and working stations.
- Search for opinions. The researcher set questions that were able to provoke the thoughts of the participants, e.g. “In your opinion, what are the roles of the treasurer in the effective functioning of the school governing body?”
- Ask for clarification. The researcher posed follow-up questions for further clarity and understanding.
- Ask for explanations, pose alternatives. The researcher asked other sub-questions related to the main question.
- Seek comparisons. Questions such as “Do you think the schools are complying with the prescripts on the management of the school fund” were posed to the circuit managers.
- Pursue the logic of an argument. Questions such as “what are the possible reasons for the signatories to sign ‘blank’ cheques against the school finance policy?” were posed to encourage the participants to give justification for their actions.
- Ask for further information. Participants were given the opportunity to add information to questions raised in areas of their interests.
- Aim for comprehensiveness.
- Put things in different way. The researcher re-phrased questions on some occasions.
- Express incredibility or astonishment.
- Summarize occasionally and ask for corroboration.
- Ask hypothetical questions.
- Play devil’s advocate.

The researcher used Wood's guidelines to conduct interviews that could yield quality data from which meaningful conclusions and recommendations could be drawn. The research questions consisted of main questions and sub-questions to enable the participants to give more information in order to arrive at answers to the research questions posed in Chapter One. The researcher sought clarification on concepts, and comparisons in order to arrive at a logical presentation of data.

Semi-structured interviews were designed based on interview schedules which encompassed questions that were selected from various sources covering all the variables of the research questions. The advantages of the semi-structured interviews include providing insight into declarative knowledge used, clarification of other related concepts, maintenance of focus on a given issue, provision of structural relationships of concepts and provision of detailed information on a given issue. However, semi-structured interviews have some limitations, including closing the opportunities of gathering other information on other concepts related to the topic under investigation. The researchers' ability to structure the questions may also impact on the information to be collected from the participants. During the interviews circuit managers, principals, SGB chairpersons, treasurers, finance officers and petty cash officers responded to pre-formulated questions as listed in the interview schedules. Rapport with the participants, according to Patton (2002:343), is essential and established through the phrasing of questions that facilitates mutual understanding.

The interview schedule involved the translation of the research objectives into the questions that make up the main body of the schedule (Cohen, Manion & Morrison, 2005:274). Each interview question related to the following specific research questions of the study:

- What mechanisms can be put in place to monitor the implementation of finance policies in public schools?
- What roles can the circuit, district, provincial and national Department of Education officials play in empowering the school governing bodies in the performance of their financial responsibilities?
- How can the proposed mechanism avert the challenges that face school governing bodies in the Vhembe district?
- What recruitment procedures may be implemented in the establishment of school governing bodies that can carry out the mandate delegated to them by the head of the Department of Education in relation to financial management?

The following are list of themes explored during interviews:

- Roles and responsibilities of circuit managers
- Availability of finance legislations and policies
- Training of finance personnel
- Establishment of school finance committee

- Monitoring and support to SGB by the Circuit Managers
- Submission of quarterly financial statements
- Irregularities of financial management
- Quintiles of schools
- Budget brackets for schools
- Training of school principals on financial management
- In-school workshops to SGBs
- Appointment of finance and petty cash officers
- Keeping the financial records of the school
- The use of norms and standard funding in schools
- Procurement procedures in spending school fund
- Challenges facing school principals on the implementation of finance policies
- School’s internal finance control system
- Experience of SGB chairpersons
- Induction of the SGB chairpersons
- Criteria for authorization of expenditure by SGB
- Monitoring of finance documents by SGB chairpersons
- Development of SGB constitution and policies
- Signatories of the school’s bank account
- Financial reporting to parents by SGB
- Conditions that may lead to the signing of blank cheques
- Handling of educational touring fees
- Level of education of the finance officer on financial matters
- Provision of secretariat to the finance committee
- Aspects which must be reflected on monthly financial statement
- The amount of petty cash to be kept by petty cash officer
- Reconciliation of petty cash vouchers
- Availability of petty cash policy

3.4.3 Unstructured, semi-structured and structured interviews

Gubrium and Holstein (2002:324) describe unstructured interviews as a research strategy that permits the participants being interviewed to tell their stories at their own pace, in their own ways and within their own timeframe. The authors add that when setting up the appointments for the interview, the researcher informs the interviewee about the purpose of the interview, how long it will take, and that the interview will, for example, be tape-recorded. The authors further indicate that the researcher tells the respondents that when the interview is completed, it will be transcribed word for word and that part of what the respondent has said may appear in articles, but that all respondents‘ individual identities will be protected. The authors state that unstructured interviewing is a technique for collecting data through group interaction on a topic determined by the researcher (141). Group interviewing is a widely accepted research method which owes its popularity to the fact that it is a flexible data gathering technique. Guthrie (1986:119-123) asserts that unstructured interviews generate qualitative data by raising issues in conversational form. The interviewer can go in-depth into a topic and this is appropriate for obtaining sensitive information. Unstructured interviews require a general plan, but the interviewer may ask open-ended questions flexibly to maintain the flow.

Semi-structured interviews use guides so that information from different interviews is directly comparable. Interview guides usually have standard introductions and conclusions, but allow flexibility to vary the order of interviewing questions to provide a natural flow (Guthrie, 1986:120) Structured interviews use formal, standardized questionnaires. All interviews are conducted the same way to generate reliability by using set questions and set response codes. (Guthrie, 1986:122).

The current researcher used semi-structured and structured interviews to collect data from the participants. A list of guiding interview schedules was drawn up and during the interviews follow-up questions were posed to respondents for in-depth understanding of the topic under investigation.

3.4.4 Individual interviews

De Vos (2000:299) defines in-depth interviews with individuals as one or more face-to-face interactions between an interviewer and interviewee where the purpose is to understand the interviewee’s life experiences or situation as expressed in his/her own words. Furthermore, De Vos (2000:300) asserts that the advantage of in-depth interviews is that reality can be reconstructed from the world of the interviewee, which enables the researcher to obtain an “insider view” of the social phenomenon as well as to explore other avenues of research emerging from the interview. In the present study nine (9) circuit managers, eighteen (18) school managers, ten (10) SGB chairpersons, nine (9) school governing bodies’ treasurers, nine finance officers and six (6) petty cash officers were interviewed individually and tape-recorded and the audio-tapes were clearly marked and stored to safeguard collected data.

3.4.5 Focus group interviews

A focus group interview can be described as an organized informal group discussion among selected individuals about a specific topic relevant to the situation at hand. De Vos et al. (2000:206) define a focus group interview as a planned discussion designed to obtain perceptions on a defined area of interest in a permissive non-threatening environment. De Vos et al. (2000:291) assert that this method is meaningful if one wants to explore thoughts and feelings and not just research behaviour. De Vos et al. (2000:305) define it as a means of understanding better how people feel or think about an issue, product or service, whereas Mahlangu (2008:76) typifies it as an opportunity to investigate what cannot be observed visually and to obtain alternative explanations for what is observed visually.

One of the major advantages of focus group interviews is their loosening effect in a relaxed group setting where the participants sense that their opinions and experience are valued and hence are more likely to express their opinions and perceptions openly.

The goal of focus group interviews is to create a candid, normal conversation that addresses a selected topic in depth (Vaughn 1996:4). Synagub (1997:2) identifies three basic uses of focus groups in current social sciences research:

- They are used as a self-contained method in studies in which they serve as the principal source of data.
- They are used as a supplementary source of data in studies that rely on some other primary method such as a survey.
- They are used as multi-method studies that can combine two or more means of gathering data, in which case no one single primary method determines the use of the others.

In this study the researcher used the following interview protocol:

- Appointment letters of consent were distributed to the participants.
- Dates, venues and times for the interviews were set.
- I sought permission from the participants to use a tape recorder.
- Verbatim transcriptions of the tape recordings were used as a basis of data analysis.
- The participants were assured that their names as well as those of their schools and responses would remain confidential from the public.

The data collection steps followed those advocated by Creswell (1994:142). These can be summarized as follows:

- Collection and recording of data;
- Managing data;
- Reading, memorizing;
- Describing, classifying and interpreting;
- Representing and visualizing.

Some of the data collected have been presented as tables as summarized versions of the responses of the participants. Five (5) out of eighteen (18) schools responded to the interview questions as a group in a discussion form.

3.5 Document Analysis

Saunders, Lewis and Thornhill (2000:190) define documents as raw data sources as well as a storage medium for compiled data. These documents may include the minutes and agendas of meetings, financial records and annual reports.

According to Rembe (2005:102):“documents fall into several sets of categories . The first set depends on how official or public the documents are. Official or public documents are those produced by the government for their own purposes. Such documents are also produced by non-governmental institutions like churches, voluntary associations, international organisations, academic institutions etc. There are also private or unofficial documents produced by individuals , independent workers, journalists etc. The second set of categories depends whether the documents are primary or secondary. Primary documents are those which are produced in the course of the routine activities of social organisations or in the daily lives of individuals, for an example , notes, diaries, agenda etc. Secondary sources include documents such as books, articles, census reports, development plans and so forth.”

In this research project, I examined and analyzed official or public financial documents of six (6) sampled schools within Vhembe district and such documents includes are cheque books, deposits books, financial statements, budgets, income and expenditure files in order to gather information about the implementation of finance policies. The researcher also analysed field notes collected during interviews with the participants and wrote findings and conclusions based on such priary documents. Finance committee and SGB meeting minutes formed part of the data. The main aim for examining the financial documents was to ensure validity and reliability by comparing the interview responses with the actual financial documents managed by SGBs. The data also supplemented the one collected during interview with individual participants and focus groups.

The following is a list of themes explored through document analysis

- Handling of petty cash by petty cash officer
- Submission of audited financial statement
- Budget control system
- Handling of deposit and cheques books
- Financial record keeping
- Receipt books

3.6 Sampling

3.4.1 Sampling procedures

Sampling is the process of drawing a sample from a population. A sample is a set of elements taken from a larger population (Burke & Larry 2011:216-217). Gary and Airasian (2003:102) define the population as the group of interest to the researcher, the group to which the results of the study will ideally be generalized. Ollenburger (2001:3) explains that population does not necessarily mean a body of people and indicate that the term population refers to all cases about which a researcher wishes to make inferences. The researcher’s interest in studying certain variables is connected to specific people who have some of the variables or characteristics that they want to know about. The researcher, according to Ollenburger (2001:77), has to study small subsets of the population, called “samples”. A sample is a group of cases respondents, or records comprised of part of the target population, carefully selected to represent the population. Breakwell, Hammond and Fifeschaw (2000:251) define a sample as a set of individuals selected from a population and intended to represent the population under the study. According to David & Sutton (2011:227), one of the key requirements of sampling is that the selected sample is not biased by either over- or under-representing different sections of the population. In purposive or theoretical sampling, the units are selected according to the researchers’ own knowledge and opinion about which ones they think will be appropriate to the topic area.

According to David & Sutton (2011:233) the quality of the final sample will depend on the following:

- A well-defined research problem.
- A clearly defined and identifiable population to be researched.
- The availability of a suitable sampling frame that holds an accurate list of the sampling units in the population.
- Identifying a sample size large enough to gather enough evidence on the target group and any subgroups of interests.
- Identifiable bias in the response and non-response in the sampling units.
- Other as yet unidentified forms of bias in the research process.

A smaller sample size, with careful attention to the accuracy of the sample frame and sampling techniques, may be more representative than a large sample selected without consideration of the sampling frame and sampling techniques.

In this study, I was interested in the challenges facing school governing bodies in the implementation of finance policies. I therefore chose the number of individuals according to predetermined criteria with a view to arriving at a valuable contribution that will increase the knowledge in relation to the topic in question.

Where qualitative research is seeking to generalize about general issues, representative or naturalistic sampling is desirable. A representative sample is a sample that resembles the population, whereas a biased sample is a sample that is systematically different from the population (Burke &Larry 2011:217). Representative sampling cannot always be achieved in qualitative research because of: (a) the initially largely exploratory nature of the research, (b) problems of negotiating access, and (c) the sheer weight of work and problems of gathering and processing data using only one set of eyes and ears.

Burke and Larry (2011:230) classify non-random sampling techniques into the following categories:

(a) Convenience sampling – people who are available, volunteer or can be easily included in the sample.
(b) Quota sampling – the researcher determines the appropriate sample sizes or quotas for the groups identified as important and take convenience samples from those groups.
(c) Purposive sampling – the researcher specifies the characteristics of the population of interest and locates individuals with those characteristics.
(d) Snowball – each research participant is asked to identify other potential research participants.

This researcher used, from amongst an array of possible sampling procedures, purposive non-random sampling because the participants who could provide the relevant information were those finance personnel who were part of the staff managing the school fund. Purposive sampling, as described by Babbie (2008:204), is a type of non-probability sampling in which the units to be observed are selected on the basis of the researcher's judgement about which one will be the most useful or representative. In this study I selected circuit managers, principals, SGB chairpersons, treasurers, finance and petty cash officers on the basis of their knowledge and the fact that they were from different circuit clusters in the Vhembe district with the assumption that they would be the most representative of Vhembe district. Schools from different quintiles were selected so that it would be easy to compare their ways of managing school funds. Both primary and secondary schools with and without hostels which are categorized as "fee paying " and "no fee" paying schools were sampled. The spending of norms and standards funding in different quintiles is not the same and therefore the results from a comparison of financial management systems may be different.

3.6.2 The size of the sample

Gay, Mills & Airasian (2006:125) identify several basic issues that need to be considered in determining sample size:

- The type of research approach to be used (quantitative or qualitative).
- The number of variables to be controlled, i.e. the more the variables controlled the larger the sample will have to be.
- The representation of the sample with respect to the community.
- The amount of time, money and effort of the researcher.

In this study, budgetary and time constraints allowed me to interview sixty-one participants drawn from nine circuits and eighteen schools within the Vhembe district.

3.6.3 Characteristics of the sample

Sampling is the process of selecting a small number of individuals for a study in such a way that the individuals chosen will be able to help the researcher understand the phenomenon under investigation. The purpose of qualitative sampling is to choose participants who will be good "key informants" who will contribute to the researcher's understanding of a given phenomenon. In this study, Vhembe District was chosen for the following reasons:

- An abundance of multicultural schools representing most ex-departments of education as they were demarcated in the previous, apartheid era.
- A range of schools ranked in all five funding quintiles, implying differing levels of funding and specifications on the expenditure and minimum facilities those schools must have according to the prescripts for the management of school funds in ordinary public schools.
- Schools with different levels of infrastructure – dilapidated buildings as well as advanced well-built classrooms.
- A range of schools, from schools producing excellent academic results to schools, which have been classified as academically dysfunctional by Limpopo Department of Education.
- Differing levels of school governing body participation (ranging from total apathy to full participation).
- Schools with and without hostels for learners.

3.7 Data Collection Instruments

The criteria for good measuring instruments are validity and reliability. Validity is the degree to which a test measures what it is supposed to measure and consequently permits appropriate interpretation of scores. Validity is best thought of in terms of degrees, namely highly valid, moderately valid, and generally invalid. Content validity is the degree to which a test measures an intended content area. Content validity requires both item validity and sampling validity. Sampling validity is concerned with how well the test samples the total content area being tested. Concurrent validity is the degree to which scores on one test are similar to the test administered in the same time- frame at a different time. Predictive validity is the degree to which a test can predict how well an individual will do in a future situation.

Some qualitative researchers are not concerned about validity as it is commonly understood, preferring to aim for "understanding", which might be achieved by "rigorous subjectivity". Validity or rigour in qualitative research commonly depends on:

- Unobstructive measures;
- Respondent validation;
- Triangulation.

According to Leedy (1989:27) validity looks at the end results of the measurement. It asks the question: " Are we really measuring what we think we are measuring? Validity may be categorised as internal or external. According to MacMillan and Schumacher (2006:472) external validity is the extent to which the results can be generalised to other subjects, conditions and situations.in other words it refers to the degree to which findings can be generalised to the other population from which the population were drawn.In this study , the participants were education departments officials, principals, educator component of the school governing bodies, treasurers, petty cash and finance officers who were experience and had knowledge of what is happening in the schools.

Ary, et al (1190:434) state that the other variable that influence the validity of the questionnaire or interview questions are:

- How important is the topic to the resopondents?
- Does the questionnaire or interview schedule protect the respondents' anonymity?

In this study the topic was very important to the respondents who were circuit managers, SGB chairpersons, treasurers, finance and petty cash officers who are experiencing challenges in the implementation of finance policies in their respective institutions.

Ary et al (1990: 311) further state that anything that contributes to the control of a design contributes to the control of design contributes to its internal validity. Schumacher and MacMillan (1993: 391) define internal validity as the degree to which research findings can be distorted by extraneous factors. The study was validated by conducting both one-to-one interviews and group interviews to all the SGB members from the sampled schools.

I asked the same questions to different respondents so that their responses could be compared for verification purposes. Questions posed to the circuit managers were also directed at the principals in order to compare their views.

The concept of reliability also adds value to the trustworthiness of the research study. Reliability deals with the accuracy of the instrument employed. According to McMillan and Schumacher (2006: 183-189), reliability refers to the consistency in the results of an assessment. It can also refer to the extent to which measurement is fair in terms of assessing what is to be learned. Reliability asks the question; how accurate is the instrument that is used in making the measurement? Leedy (1989: 28) defines reliability as the degree of consistency that the instrument procedures or demonstrates. The research instruments need to be tested before applied to the respondents. According to Ary et al, (1990: 428) pre-testing helps researchers to identify ambiguities, misunderstandings, or other inadequacies in the questionnaire or interview questions. In this study , the researcher gave interview questions to his colleaques who were familiah with the study in order for them to examine the questions and give their opinions on whether the instrument will help to obtain the derived data or whether there were many problems that were overlooked by the researcher.After the feedback the researcher made some adjustments and then administered the interview schedules personally and individually to a small group of persons drawn fro the population of the study.

Reliability in the study was ensured through a logical link between formulated interview questions and the aims of the study. Questions were worded in a language that was easy for the respondents to understand and comprehend. The researcher guarded against ambiguity and the risk of differing interpretations by the participants (Kumar, 2005:156-157). In this qualitative study, I was part of the data-collecting process and captured things that actually took place. I captured data including a great deal of pure description of activities, interactions and settings (Patton, 2002:14-28). My personal values and beliefs suspended, as far as possible, to ensure objectivity or conformability in the study (Denscombe 2003:300-302).

3.8 Sources of Data

Documents are a useful source of data in qualitative research, but they have to be treated with care. The most widely used are official and personal documents. Official documents include registers, timetables, minutes of meetings, planning papers, lesson plans and notes, confidential documents on pupils, school handbooks, newspapers and journals, school records, files and statistics, notice boards, exhibitions, official letters, textbooks, exercise books, examination papers, work cards, black board work and photographs. Any of these might give useful information, but they do not all provide an objective truth (Woods 2006: 16).

In this study, I used minutes of the finance committee meetings, school financial records and audited financial statements. I requested financial documents from six of the eighteen sampled schools and analyzed them, checked similarities and differences, and then drew conclusions.

3.9 Procedure for Data Collection

I wrote letters to Vhembe district managers and submitted them to the circuit office. The circuit manager submitted the letters to the district senior manager for approval. I received the approval letter from the district through the circuit office (See Appendix A). I distributed letters personally to nine sampled circuit offices for approval of the research activities within the areas of their jurisdiction. All letters were in duplicate for record purposes. I contacted circuit managers telephonically to find out when approval letters were ready for collection. Appointments for collections were made and all sampled circuits granted me the opportunity to conduct research in schools within their circuits (see appendixes B, C, D, E, F, G, H). The circuit managers in two circuits gave me verbal approval and indicated that the approval letter from the district could be used for access to schools within their circuits. Appointments to deliver letters of request to conduct the research study were made telephonically with the sampled schools. The researcher personally visited eighteen (18) sampled schools and submitted the letters. Appointments for interview schedules were made. Letters of consent were distributed to the sampled participants and were signed before and on the days for interviews (see appendix I). The contents of the letter disclosed the aims of the study, the ethical code of the researcher and the freedom of the participants regarding their willingness to participate in research interviews and their right to withdraw from the study at any time. The dates, venues and times for each research schedule were arranged well in advance. The most convenient interview time for each participant was established. Interviews were tape-recorded and data was then transcribed and analyzed. During the scheduling of the interviews, the researcher requested finance documents from the principals of the sampled schools. Six (6) of the eighteen (18) schools responded positively and handed over their financial documents for examination. As a principal of one of the schools in Vhembe district and chairperson of the school governing body of a primary school within the same district, my interaction with other principals and governing bodies gave me the opportunity to observe the functioning of school governing bodies at first hand and share some of the challenges with them.

3.10 Statement of Ethics

Saunders, Lewis and Thornhill (2000:130) define ethics as the appropriateness of the researcher's behaviour in relation to the rights of those who become participants of the research or who are affected by it. (White, 2003:57) defines ethics as a set of moral principles, as is suggested by an individual or group, which offers rules and behavioural expectations about the most correct conduct towards experimental subjects and respondents. In most dictionaries and in common usage, ethics is typically associated with morality, and both deal with matters of right and wrong (Babbie, 2008:66). According to Webster's New World Dictionary, ethical is defined as "conforming to the standards of conduct of a given profession or group". Babbie (2008:67-72) explains that the most important ethical agreements that prevail in social research are voluntary participation, no harm to the participants, anonymity, confidentiality and no deception. Research ethics provide researchers with a code of moral guidelines on how to conduct research in a morally accepted way. In this case, permission was requested from the Department of Education, Vhembe district. Permission was also obtained from circuit managers, principals, SGB chairpersons, treasurers, finance officers and petty cash officers.

According to Saunders, Lewis and Thornhill (2000:36-37), the researcher refrains from making any value judgment about participants' points of view by stating that "there are no right or wrong answers", even if their viewpoints are in conflict with those of the researcher. I adhered to this moral stance and assured participants that the entire interview would remain confidential and that the information obtained would be used for research purposes only.

In line with Segwapa's (2008:62) advice that the participants must be told that they are free to withdraw at any time if they feel uncomfortable with the research process, I applied ethical considerations which included privacy, informed consent, anonymity and confidentiality. Anonymity in the process was insured by means of utilizing numbers or codes instead of the real names of the participants and the information was treated as confidential (Schulze, 2002:18). The participants signed letters of consent where the researcher signed a declaration of confidentiality and anonymity of the respondents.

The main ethical debates in qualitative research revolve around the tensions between covert and overt research and between the public's right to know and subjects' rights to privacy. Dean

(1995:233) states that a person becomes accepted as a participant observer more because of the kind of person he turns out to be in the eyes of the field contacts than because of what the research presents to them. Field contacts want to be reassured that the research worker is a "good guy" and can be trusted not to "do them dirt" with what he finds out. Researchers should observe the "non-negotiable" values of "honesty, fairness, respect for persons and beneficence". In practical terms, this means, for example , not harming the institution or the persons one is researching, if possible leaving them in better rather than a worse condition, protecting their identities in disseminating the research (through, for example, the use of pseudonyms), obtaining permission to view and film activities, record interviews, and to use documents owned by others. Respondent validation can be seen to have an ethical dimension.

Ethical practices and informed consent to the examination of relevant documents were handled in a similar manner to that of the interviews where the finance personnel first had to give permission to the researcher to access finance documents. The reason for this approach was that documents may take a private or confidential form because they may refer to or implicate people other than their owners or keepers (Mason, 2002:118). The researcher observed the following code of ethics:

3.10.1 Informed consent

The participants were requested to sign the form that indicates the understanding of the research, its aims and their free choice of participating in the study and freedom to withdraw from participating. Consent forms were prepared in duplicate and the participants who were willing to take part in research study signed both. A copy was given to the participant and the researcher as part of evidence filled the other copy.

3.10.2 Confidentiality and anonymity

The personal particulars of the participants were not disclosed by the researcher. The researcher used symbols or letters of the alphabet as pseudo names such as Principal A, Circuit Manager D, etc. to avoid making the names of the participants known to the readers of the study. Names of the school were also kept anonymous to comply with the aspect of privacy as part of ethical code for the researcher. The statement that confidentiality will be made was part of the invitation letter for participation in interviews. The researcher also reminded the participants about privacy shortly before the commencement of each interview and examination of documents section.

3.10.3 Securing data

Data collected from the participants were kept in a safe place to prevent them from falling into the wrong hands and the researcher will not carelessly discuss such information with any other person. The audio cassettes and findings from the analysis of documents were kept in locked cupboard. The researcher did the analysis and interpretation of data personally.

3.10.4 Approval

The researcher obtained approval for conducting the research from Vhembe district officials, nine circuit offices and eighteen schools. Letters of consent were given to all sixty one (61) participants who willingly participated in the research. (Refer to copies of approval and consent letters as appendixes)

3.10.5 Feedback

The researcher will give feedback to all participants interested in the findings and recommendations based on the collected research data. The researcher will distribute copies of Compact Disk (CD) to the eighteen (18) schools that participated in the research study. The respondents will also be able to access the research articles in universities, public libraries and on the internet.

3.10.6 Honesty

The researcher has reported the findings exactly from the data collected. No intentional, subjective and biased interpretation of data was done by the researcher. Under no circumstances did the researcher fabricate data to support a particular opinion. The challenge of schools that did not appoint petty cash officers were reported in chapter 4 exactly as it was when the researcher conducted field work.

3.11 Conclusion

The research design, methodology, choice of the sample, choice of research instruments and ethical considerations have been discussed in this chapter. The next chapter focuses on data presentation, transcription of raw data and analysis of the data obtained from interviews and from the financial documents from six sampled schools. The data serves as a source for the conclusions and recommendations for Chapter five of this study.

CHAPTER 4: RESULTS

4.1 Introduction

Chapter Three provided information on the research design and methodology, the theory underpinning the method, data collecting instruments as well as data analysis procedures.

In this chapter the results are discussed in the light of the theoretical framework. I present and analyze the collected data from the sixty-one (61) participants in order to provide evidence on the challenges facing the school governing bodies in the implementation of finance policies in the Vhembe district.

The findings are grouped in the following categories:

- Data collected from interviews with circuit managers, school principals, SGB chairpersons, SGB treasurers, finance officers and petty cash officers.
- Data collected through participant observations.
- Analysis of financial documents from sampled schools.

The main and sub-questions for interviews cover the following financial management aspects:

- The roles of finance personnel;
- The induction and empowerment programmes for SGBs;
- Finance record keeping and monitoring;
- The establishment and roles of finance committees;
- Procurement procedures when spending school funds;
- The handling and use of financial documents.

The examination and analysis of official financial documents from the schools were conducted in order to supplement data from focus group interviews. The said documents were also utilized to contextualize, verify and clarify the data obtained from the interviews. Therefore, for the purpose of the study the following documents from sampled participating schools were analyzed:

- The deposit book;
- The cheque book,
- The petty cash journal,
- Claim forms;
- Procurement quotation adjudication forms;
- Finance committee meetings' minutes.

According to Ary, Jacob, and Razavieh (2006:490), data analysis involves reducing and organizing the data, synthesizing, searching for significant patterns and discovering what is important (see 3.1 to 3.6). In this study the analysis of the collected data was performed manually and according to the predetermined research elements or categories. As typically happens in qualitative research, (Cohen, Manion and Morrison et al. 2007:147; Mouton 1996:38) a preliminary data analysis began while the interviews were still underway. Data in this study was then organized, coded, organized and interpreted. The process of data analysis was performed according to the following qualitative steps (De Vos 2002:334):

- Data collection and preliminary analyses;
- Organizing the data;
- Coding the data;
- Generating categories, themes and patterns;
- Testing the emerging trends;
- Searching for alternative explanations; and
- Presentation of the data (writing the report).

Data from the transcription of interview responses and examined financial documents were organized and analyzed in order to trace significant patterns that were interpreted and grouped according to different categories.

4.2 Participants in Research Interviews

The participants sampled for interviews are shown below.

Table 1: Statistics of participants in research interviews

Positions or designation of participants	Number participated
Circuit managers	9
Principals	18
Chairpersons of the School Governing Bodies	10
Treasurers of the School Governing Bodies	9
Finance officers	9
Petty cash officers	6
Total number of participants	61

The researcher identified nine out of twenty-seven circuits in the Vhembe district. One primary and one secondary school per circuit participated in the research. Nine (9) circuit managers, eighteen (18) principals, ten (10) SGB chairpersons, nine (9) SGB treasures, nine (9) finance officers and six (6) petty cash officers participated in the interviews. Only six (6) of the sampled schools have petty cash officers. The researcher uses a qualitative approach in data collection. Selection of the sample was purposive in nature. Focus group and individual interviews were conducted. Interview questions were structured with the main question and sub-questions as follow up questions for the collection of more data. Of the eighteen schools visited, the financial documents of the six schools were examined in order to verify and supplement data collected through interviews.

4.3 Presentation and Interpretation of Data Collected Through Interviews

4.3.1 Data collected from interviews with circuit managers

4.3.1.1 Roles and responsibilities of circuit managers

The researcher asked the circuit manager the following questions "What are your roles and responsibilities in the effective functioning of the school governing bodies?" The purpose of the question was to find out the contributions of the circuit managers to the running of the SGBs. Two of the nine circuit managers responded as follows:

Circuit manager B: "*Eish, what can I say? In short, my responsibility is to assist the principals in empowering the school governing body by giving them information so that they can do their job well.*"

Circuit Manager D: "*Mine is to monitor compliance to the Acts, legislations, prescripts and directives from higher authorities through departmental circulars. I am also available for all the SGBs that are experiencing challenges when carrying out their responsibilities.*"

The other seven participants supported the views that the major roles of the circuit managers are to monitor compliance with the finance policies and give support where needed. It seems as if many circuit managers are aware of the expected roles although some expressed it in general terms. The core business of the circuit managers as raised by participants is to monitor and support the principals and SGBs when executing their duties in management and governance.

4.3.1.2 Availability of finance legislation and policies

Table 2: Availability of finance legislation and policies

Circuit managers	A	B	C	D	E	F	G	H	I	TOTAL (YES)
2.1. **Constitution of RSA**	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	6
2.2. **SASA**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	7

2.3. **PFMA**	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	6
2.4. **2009 Prescripts**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	8
2.5. **2011 Prescripts**	Yes	No	Yes	Yes	No	No	No	No	No	3
2.6. **2011 Adopted budget**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9

The researcher posed the following question: "Do you have copies of the following documents?" The purpose of the question was to ascertain whether the circuit managers have the necessary information and tools for giving support to the principals and the school governing bodies. The majority of the circuit managers had copies of South African Schools Act, the 2009 prescripts for the management of school funds, and the adopted school budget for 2011. Three (30) circuit managers were without the PFMA and six (6) were without the 2011 prescripts for the management of school funds.

It seems as if information from the district to circuit offices is taking too long to reach some circuits. The implementation date for 2011 prescripts for the management of school funds in ordinary public school was May 2011 and there were circuit managers who were still implementing the 2009 prescripts.

4.3.1.3 Training of finance personnel

Table 3: Training of finance personnel

Circuit managers	A	B	C	D	E	F	G	H	I	Total (yes)
Workshops conducted	Yes	Yes	No	No	No	No	No	No	Yes	3

The researcher's question was: "Did you conduct workshops for the school governing bodies on financial matters in 2010/2011?" The purpose of this question was to find out if finance personnel have been empowered with financial management knowledge or not. The level of understanding of the finance policies may impact on the implementation of such policies on the handling of fees. Only three out of nine (9) circuit managers responded "yes". It may suggest that the finance personnel within the school governing bodies do not have sufficient knowledge of the legislature and this may affect their performance in the field of school financial management. It seems as if the circuit managers are not performing their monitoring and support to the SGB as part of their roles and responsibilities.

4.1.1.4 Establishment of school finance committee

Table 4: Establishment of school finance committee

Circuit managers	A	B	C	D	E	F	G	H	I	Total (yes)
Functional finance committee present, yes, no or not sure	Yes	No	No	No	Yes	Yes	No	Not sure	No	3

The question asked by the researcher was: "Do all schools in your circuit have well-established functional finance committees?" The question aimed at finding out how the finance committees were constituted in line with the requirement as per the 2009 prescript on the management of school funds in ordinary public schools and the 2011 prescript as amended. Section 4.1. (iv) of the 2009 prescripts for the management of school funds states that a finance committee must be established with the following as members: the principal, the school governing body chairperson, treasurer and a finance officer. The number of members should not exceed nine and members from the parent component must be in the majority. The question further seeks to ascertain whether those established committees are functional or are there just for compliance purposes.

Three (3) circuit managers responded that the committees were well established and submitted to the circuit office. They further indicated they were not aware of their functionality as they had nothing in place to monitor their performance.

Circuit manager F responded as follows: "*I am not sure of the compliance. It seems as if some schools are implementing the policies when it comes to the establishment of the finance committee.*"

Circuit manager E: "*Yes, but they were just established for compliance and they are not functional. When I visit schools I requested for finance committee meetings minutes and received only excuses that they were not recorded*".

Circuit manager F supported the views of Circuit manager E when saying "*I am not sure of their compliance to correct membership but they are there in some schools. There is no evidence of their functionality because when I visited schools with a checklist, I discovered that there are no minutes of the finance committee.*"

Circuit manager A partly agreed that school finance committees were there but they were not constituted according to the directives from South African Schools Act, Act 84 of 1996, which stipulates that the members of the school finance committee must be seven (7) or (9) depending on the enrolment of the school. The components of such committees are the principal, SGB chairperson, SGB treasurer, Finance officer and 3 or 5 parents who are not members of the SGB. The majority of the members of the finance committee must be parents.

One of the circuit managers responded "*Yes, finance committees are there but some are composed of educators only. Parents were elected only for compliance but are not involved in financial management of the school. There are no finance committee meetings.*"

4.3.1.5. Monitoring and support to SGB by circuit managers

The question was "How often do you visit schools for SGB evaluation and support?" The objective of the researcher was to find out whether the SGBs are receiving the necessary support on their governance activities or not.

Circuit Manager A responded: "*I have no fixed schedule. I visit those schools with problems only.*"

It seems as if schools that report problems are benefiting by receiving support from the circuit managers and those without reported problems may reach the end of their term of office without any form of assistance. They are in the position where they can mismanage the funds for a period of three years or more without intervention of any nature.

Circuit Manager B responded "*Once per quarter as on my operational plan but it was too difficult for me to implement and some schools were not visited for the whole year.*" This view suggests that the willingness of the circuit managers to support SGBs is there but the workload is too heavy, with the result that they cannot implement their year plan accordingly.

Circuit Manager H supported the views of Circuit Managers A and B when she responded as follows: "*My dear researcher, I am in the position of having a very good plan for monitoring and evaluation of schools but the implementation is very difficult because of the heavy workload that I must carry on a daily basis.*"

Circuit Manager F raised the issue of prioritization in delegated duties and responsibilities. It seems as if he was aware of the support that he was supposed to give to the SGB but governance issues were of less importance in comparison with the curriculum delivery to the learners. The high academic performance of the learners must receive first preference. This can be deduced from this response "*I focus on curriculum delivery. I responded to the request for assistance on admission of learners in one of the secondary schools. I usually attend three to four meetings per week and my workload cannot allow for such governance monitoring and support.*"

4.3.1.6 Submission of quarterly financial statements to circuit managers

The question was "Did you receive quarterly financial statements from all schools in your circuit during the past three quarters of 2011?" The purpose of the question was to check if the circuit managers were in the know regarding the financial positions of the schools within their area of jurisdiction and also to verify the compliance on the part of the school principals who are expected to submit the quarterly financial statement prepared by the finance officer on a quarterly basis. Nine (9) circuit managers confirmed that they received quarterly financial statements from schools. The response may suggest that most principals were aware of the submission of financial statements policy and they were implementing it. However, there were circuits where the minority of the schools were not submitting the quarterly financial statements, as stated by Circuit Manager B: "*Yes but some schools did not submit for all quarters*."

4.3.1.7 Irregularities on financial management reported to circuit managers

Then the question posed was: "Which irregularities on the implementation of the finance policies by the SGBs were reported to your office during the past three years?" The aim of the question was to find out the extent to which funds were mismanaged in both primary and secondary schools within circuits and the Vhembe District. Section 15 of the 2009 prescripts for the management of school funds at public schools state that the governing body, the principal, or any other person must immediately report all suspected irregularities with regard to the management of school funds to the Head of Department and the South African Police Services. Six circuit managers reported that no case of financial misconduct was reported to their office except the rumours that there were principals who were spending school funds for their personal benefits.

Circuit Manager H responded as follows "*No irregularity was reported in our circuit. I just heard people talking of the secondary school principal who it is alleged that he squandered school funds for his personal projects at home. It is also rumoured that he is paying water and electricity bills for his home using school cheques. I am planning to go for monitoring so that I can collect evidence and open charges if such misconduct is a reality*.".

Three circuit managers indicated the reported cases as follows:

Circuit Manager A "*Two principals in my circuit spent more than fifty thousand rand without authorization by the SGB chairperson. One principal wrote a cheque for R15000-00 and persuaded the signatories to sign and promised them the incentives of R1000.00 for each one of them*."

Circuit Manager B: "*The finance officer was cashing R500.00 for petty cash of the school but such amount was being shared amongst the signatories and himself on monthly basis for a period of two and half years*."

Participant C: "*The principal paid for the goods and services without three quotations and did not involve the finance committee for adjudication. One service provider was paid four times the charged amount with the promise of kick-back to the finance officer*."

One can assume that there may be other cases of mismanagement of school funds but the fact that circuit managers were not making the issues of governance a priority might cause school finance personnel who were misusing funds to take advantage of the fact that no monitoring by circuit managers would take place.

4.3.2 Data collected from interviews with principals

4.3.2.1 Quintiles of schools in South Africa

The question was: "In which quintile is your school?" The purpose of this question was to know the categories to which schools belonged so that the researcher could ascertain the finance policies relevant to a particular quintile. All schools in quintiles 1, 2 and 3 are classified as "no fee schools" and there are minimum requirements set for them to comply on expenditure using norms and standards funding. Section 4.4. of the 2009 prescripts for the management of school funds at public schools stipulates minimum requirements for all "No fee schools" they are to have minimum facilities which can be summarized thus: operational expenses, fencing, borehole, repairs, fire equipment, eradication of termites, quarterly cleaning, maintenance of ablution blocks, annual painting, supplementing of LTSM and erecting low-cost ablution blocks, local sporting activities, extramural curriculum and travel claims. Table 5 below is a summarized version of the principals' responses to the question.

Table 5: Quintiles of schools in South Africa

Schools	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Quintiles	2	3	2	4	3	3	3	3	3	3	4	5	3	3	3	3	3	3

Two (2) of the sampled eighteen (18) schools fall under quintile 2. Thirteen (13) schools fall under quintile 3. Both quintile 2 and 3 schools are "no fee" schools and are located in areas where the unemployment and poverty levels are high. According to the norms and standards funding criteria, schools in these categories are not permitted to charge school fees because most parents are unemployed and could not afford to pay stipulated contributions. Two schools fall under quintile 4, which is a "fee paying" category where they may charge school fees to supplement norms and standard funding. One school falls under quintile 5, where the majority of the parents are employed and their houses are well-built and this may suggest that their standard of living is high. They pay stipulated school fees in monthly instalments and those few individuals who are unable to pay may apply for exemption from paying school fees. Schools under quintile 4 and 5 may appoint support staff such as SGB paid educators and administrative staff.

4.3.2.2 Budget brackets for schools in 2011

The question was "In which budget bracket is your school this year?" The question aimed at finding out the amount in which school governing bodies were accounting. The amount allocated to schools and the capacity of the SGBs on financial management may correlate or have no relationship. The response of the 18 principals may be summarized in Table 6 below. The numbers 1, 2 and 3 represent figures as indicated thus: 1= less than R100 000,00; 2= between R100 000,00 and R200 000,00; 3= above R200 000,00

Table 6: Budget brackets for schools in 2011

Schools	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**	**K**	**L**	**M**	**N**	**O**	**P**	**Q**	**R**
Budget brackets	1	2	1	3	3	2	2	3	2	3	2	2	3	2	3	2	2	3

Two (2) schools have projected budgets of less than R100 000,00. Nine (9) schools fall in budget bracket 2. Seven (7) schools fall in budget bracket three (3), which is above R200 000,00.This category is composed of schools of high enrolment, mostly above 600 learners.

4.3.2.3 Training of school principals on financial management

The question asked of the principals was "Did you receive any training in school financial management?" The question seeks to understand the type of support the principal received in fulfilling their financial responsibilities as accounting officers.

The inclusion of the principal in the school governing body is supported by the SASA (Act 84 of 1996) which, according to Mestry (2004:129), prescribes that the responsibility of principals is to assist SGBs in the execution of their duties that include the management of finances. Principals are accounting and resource persons for the SGB and must therefore have advanced knowledge on financial matters so that they can advise the school governing bodies appropriately. Table 7 is a summary of the responses of the principals.

Table 7: Training of school principals on financial management

Principals	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**	**K**	**L**	**M**	**N**	**O**	**P**	**Q**	**R**	**Total**
Yes		Y	Y	Y	Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	15
No	N					N	N												3

Fifteen (15) of the eighteen (18) sampled principals responded that they had received training on financial management. Three (3) principals had not received training. Two (2) of the three (3) principals who had not received training were from the same circuit.

One may conclude that principals generally have the necessary basic information on financial management and may be able to give sound advice to the school governing body to ensure that finance policies are implemented.

4.3.2.4 In-school workshops for SGBs by principals

The researcher asked the question "Did you conduct internal workshop/s for the SGB on financial management?" The researcher wanted to know if the principals transferred the knowledge they received from circuit and district workshops to the SGB. The SGB members may perform their financial management responsibilities when they know what is expected of them. The responses of the principals in this regard are summarised in Table 8.

Table 8: In-school workshops for SGBs by principals

Principals	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	Total
Yes	Y	Y	Y		Y		Y	Y		Y	Y			Y	Y	Y	Y	Y	13
No				N		N			N			N	N						5

Thirteen (13) principals conducted workshops for their SGBs and five (5) did not. Three (3) of the principals who did not conduct the workshops were those who had not been inducted on financial management by the circuit managers. Two of the five (5) principals were inducted but did not transfer knowledge to the SGB members. One of the reasons given for the failure to conduct workshops was the workload and tight work schedules and responsibilities entrusted to them.

The responses of the principals suggest that workshops were not conducted for SGBs and the reason seems to be common to all principals, i.e. a lack of capacity to capacitate others.

4.3.2.5 Appointment of finance and petty cash officers

The question posed was "Did you appoint financial and petty cash officers for 2011 in writing?" The question aimed at finding out the number of principals who implemented the policy of appointing finance and petty cash officers in writing and those who just did it verbally without any evidence. The official appointment of these officers gives them the opportunity to declare that they fully understand their duties and responsibilities and their level of accountability. Section 8.3., subsection 8.3.2. of the provincial prescripts states that the petty cash officer should be appointed in writing and should accept the appointment in writing. The numbers of finance and petty cash officers that were appointed in writing are summarized in Table 9 below.

Table 9: Appointment of finance and petty cash officers

Schools	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	Total
Finance Officer	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	N	Y	Y	14
Petty Cashier	N	N	N	N	N	N	Y	N	Y	N	Y	Y	N	N	N	N	N	Y	5

Fourteen (14) of the eighteen (18) finance officers were appointed in writing. Five (5) petty cash officers were appointed in writing. Thirteen (13) schools had no petty cash officers. Three (3) of the thirteen (13) schools that did not have petty cash officers did not handle petty cash. All their expenditure transactions were done through cheques. There are SGB treasurers acting as petty cash officers in two of the schools. This was evident when Participant Q said: "*Our school did not appoint a petty cash officer. The treasurer is the one who handles the petty cash of R500-00 and use it for petty expenses such as repairs of padlocks, purchase of CD for exams and which cost less than R100-00.*"

4.3.2.6 Composition of finance committee

The question to the participants was "Who are the members of the finance committee in terms of their positions or designation?" The researcher wanted to know if the principals advised the SGB on the components of the finance committee correctly as prescribed in SASA (Act 84 of 1996) and the Prescripts on the management of school funds. Finance committees are established in accordance with the provisions of Section 30 of the SASA (Act No. 84 of 1996), which allows SGBs to establish sub-committees in order to handle school finances on a day-to-day basis (Bischoff, 1997:92). Responses of the participants are summarized in Table 10 below.

Table 10: Composition of finance committee

	Parents	Principal	Chairperson of SGB	Treasurer of SGB	Finance officer	Secretary of SGB	Petty cashier
A	✓ 3	✓	✓	✓	✓		
B		✓	✓	✓	✓	✓	

C		✓	✓	✓	✓	✓	
D	✓ 3	✓	✓	✓	✓		
E	✓ 3	✓	✓	✓	✓		
F		✓		✓	✓	✓	
G		✓		✓	✓		✓
H		✓		✓	✓		
I		✓	✓	✓	✓		✓
J		✓	✓	✓	✓		✓
K		✓	✓	✓	✓		✓
L		✓	✓	✓	✓		
M		✓		✓	✓	✓	
N		✓		✓	✓		
O		✓		✓	✓		
P		✓		✓	✓		
Q	✓ 5	✓	✓	✓	✓		
R	✓ 5	✓	✓	✓	✓		

Principals A, D and E, indicated that their finance committees were composed of three (3) parents, SGB chairperson, principal, SGB treasurer and finance officer. The total finance committee membership was seven (7). The parent component was four(4) against three (3) educators which is one of the requirements for lawful composition of finance committee as prescribed in the 2009 prescripts for the management of school funds in ordinary schools in the Limpopo Province. Participants Q and R's finance committees consisted of nine (9) members where there were six (6) parents and three (3) educators. The enrolment of schools for participants Q and R are above 1000 learners, hence the finance committee membership was higher than that of Principals A, D and E. The exclusion of parents in finance committees is against the prescript. The inclusion of a petty cash officer and a secretary in the finance committee is against the 2009 prescripts on the management of school funds.

4.3.2.7 Person responsible for the keeping the school's financial records

The question was "Who is responsible for keeping the financial records in your school"? The objective of the question was to find who would be held accountable for the safe keeping of the financial records of the school. According to the prescripts for the management of school funds (2009:13), section 6.8.2, the finance officer must keep vouchers in a safe for audit purpose. The participants' responses varied, as indicated in Table 11 below.

Table 11: Person responsible for keeping the school's financial records

Schools	Finance officer	Treasurer	Principal	Others
A	✔			
B	✔			
C	✔			
D	✔		✔	
E				
F		✔		
G		✔		
H		✔		
I			✔	
J	✔			
K	✔			
L			✔	
M				✔
N	✔			

O	✓			
P	✓			
Q	✓ ✓			
R			✓	

The finance officers were responsible for keeping financial records in ten (10) schools. Three (3) principals indicated that such responsibility had been assigned to the SGB treasurers. Four (4) principals indicated that they were responsible for the safe keys where financial records were kept in their respective schools. Only one (1) principal indicated that the financial records were kept by the SGB employed administrative officer. It seems as if the accountability of keeping financial records is a matter of choice by the school principal. I may quote the response of Principal F: "*I have chosen the treasurer as he is good in handling money.*"

One can deduce that the preference based on certain criteria set by the principal was the determining factor for who would become responsible for keeping the financial documents of a school.

4.3.2.8 The use of norms and standards funding in schools

The question was "On which aspects or items did you spend the norms and standards funding from the Department of Education?" The purpose of this question was to find out if the norms and standards funding is spent for the prescribed purposes or not. According to the provincial circular No.: 17/P dated 08 December 2009, the allocation for other running costs may be used as per paragraph 115 and 116 of the National Norms and Standards for School Funding Regulation as amended. Schools may utilize the funds to defray expenditure for the following purposes:

- Payment for minor improvements and repairs on immovable property.
- Purchase of educational materials and equipments for the school, excluding those that are supplied by the department.
- Non-personnel recurrent items.
- Minor repairs and maintenance to all physical infrastructures, e.g. replacement of window panes, light bulbs and preventative maintenance.
- Consumable items for educational purposes, e.g. chalk, printing paper, stationery of learners, etc.
- Office stationery.
- Payment of leasing charges such as photo copiers, fax machines, internet, etc.
- Equipment for educational purposes.

- Other services such as TV licenses, postage, water, electricity, audit fees, etc.

The interviews conducted with principals revealed that most principals were spending funds on the items listed above. Thirteen principals responded in more or less the same way, although they differed in the wording and order of the items they purchased using the norms and standards funding. Principals A, D, E, G, H, I, J, L, N, O, P, Q and R have many things in common when they said: "*60% was spent on curriculum delivery, the remaining percentage was spent on maintenance of infrastructure, printers, photocopiers, repairs and salaries and stipends of SGB employees such as gardeners and security officers, telephone bills, electricity and municipal levies.*"

However, Principal B added some items when he said: "*Affiliation for sports, payment for common examinations, upgrading of school ground, buying toys for grade R, transport for principal and educators, stationery for office and learners*."

Principal M stated different items: "*To pay educators from other schools who are teaching our learners on Saturdays and holidays, to subsidize the educational tours for the learners*."

Principal F's response: "*Building of toilets, kitchen for NSNP, payments of food handlers, transport for educators, transporting learners to sporting activities, for grade R graduation ceremony and grade 7 farewell functions*."

Principal K's response: "*Building of classrooms where there is a need, maintenance of infrastructure, purchase of stationery*."

Principal M stated: "*To pay educators from other schools who are teaching our learners on Saturdays and holidays, to subsidize educational tours, to purchase stationery, to buy polish and soap for cleaning the classrooms*."

The majority of the principals spent the norms and standards funding as prescribed in the 2009 prescripts for the management of school funds. In terms of the financial management prescripts for 2011 in Limpopo Province, the following items cannot be purchased or services paid using norms and standards funding: payment of educators, subsidizing educational tours, building of classrooms, graduations and farewell functions.

4.3.2.9 The availability of financial legislation and policy documents at school

The question was "Do you have copies of the following documents?" The objective of asking this question was to find out if the principals had the essential financial documents which must be used as a guide for effective financial management of the school. These documents could answer some of the questions and difficulties they may come across when executing their duties. Table 12 gives us the summary of the researcher's findings:

Table 12: The availability of financial legislation and policy documents at school

Schools	RSA Constitution	SGB constitution	2009 Limpopo prescripts for finance	2011 approved budget	PFMA	SASA	Finance Policy	Asset Register	Transport claims policy	Audited Financial Statement	Total (yes)
A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	9
B	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10
C	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	7
D	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	9
E	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	9
F	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10
G	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	7
H	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	8
I	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	8
J	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	8
K	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	8
L	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	8
M	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	8
N	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	8
O	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	8
P	No	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	7
Q	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	9

R	No	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	7

Of the eighteen (18) principals, eight (8) had no copies of the RSA constitution, seven (7) had no copies of the Public Finance Management Act (RSA Act No. 1 of 1999), twelve (12) had no copies of school finance policies. According to Clarke (2007:281), the finance policy in a school serves as a control procedure which establishes how transactions are processed, and provides for internal checks, the delegation of responsibility and a system of authorization. Schools without the finance policy may not easily achieve fair judgment on their performance in this regard. Principals also confirmed that although a copy of the finance policy was there, it was still difficult for parents to interpret it correctly because of their level of education. All principals had copies of the SASA, an Assets register, SGB constitution and Audited financial statements and 2011 approved budgets. Four principals in possession of a total of seven (7) out of ten (10) documents are running short of three financial documents from different categories. The unavailability of documents may suggest that some decisions on the management of funds are taken based on common sense as there may be no reference of the legislature or policies.

4.3.2.10 Procurement procedures in spending school funds

The researcher asked "As an accounting officer, can you briefly explain the procurement procedures when spending school funds?" This question sought to understand the steps that must be adhered to when purchasing goods or advertising tenders for the provision of the service to the school.

Principal A responded: "*Normally we get three quotations from the shops or service providers, decide which one is the cheapest, we select and wait for delivery of goods, the service provider fills in the claim form and the finance officer write the cheque*."

Principal B: "*Claim form, three quotations; check quality of goods or service to be rendered to the school*."

Principal K: "*We call finance committee and SGB meeting, check the collected three quotations with the same description, select the lowest; if the lowest quote is above R30 000.00 we submit to the circuit manager for approval.*"

The majority of the principals responded the same way although the presentation differs in logical arrangement. One school manager, Principal F, differed greatly from the others when he responded "*I normally buy in one stationery shop where I can take some items on account. I feeel it is better to support the stationery shop that can assist us when the department of education delays to transfer norms and standard funds into school account*."

One may argue that all the principals knew the procurement procedure and could only deviate from them because of a particular reason, as given by Principal F.

4.3.2.11 School's internal finance control system

The question was "Do you have an internal finance control system in your school?" The purpose of the question was to find out if the principals have a monitoring tool for income and expenditure as reflected on the projected budget and actual expenditure. The internal monitoring system may make it easier for independent and external audit as well as guiding and avoiding negative variance and deviations from budget when spending school funds.

Principal A's response: "*Yes. It is done manually by the finance officer*."

Principal D: "*Yes. We use a computerized system*" Principal J: "*Yes. We are using a computerized internal control system*"

Ten (10) of the eighteen (18) principals were using manual finance control systems. Eight (8) principals were using computerized finance monitoring programmes. All principals had their way of monitoring finances. The question of whether the monitoring system was good or not may be judged against the clean financial records as audited by qualified registered practitioners.

4.3.2.12 Challenges facing school principals on the implementation of finance policies

The question posed was "Which challenges are you facing with regard to the implementation of the finance policies in your school?" The purpose of the question was to give the principals time to identify areas where they were struggling to comply with the requirements of the legislature or finance policies as accounting officers. I quote the transcribed views of six of the 18 principals interviewed because the remaining twelve (12) raised the same concerns.

Principal A: "*Service providers who cannot read or write, we fill claim forms for them*."

Principal B: "*Shortage of money because of late transfers of norms and standard by department*."

Principal C: "*We purchase in one shop that can give [an] open credit amount when the department delays with transfers of norms and standard allocations*."

Principal D: "*We are not well conversant with the financial issues. The orientation we got on finance is not enough*."

Principal E: "*Shortage of three quotations as we have only one big stationery shop nearby. High transport expenditure when doing quotations and purchasing goods. SGB chairperson is not easy to access for authorization of expenditure as he works too far from the school. Lack of understanding of the prescripts on the management of school fund. The delay of transfer amount to school to have debt which is against the policy*."

Principal F: "*Ordinary people with skills cannot service schools because they did not register their companies or close corporations.*"

4.3.3. Data collected from interviews with SGB chairpersons

4.3.3.1. Experience of SGB chairpersons

The question posed was: "How long have you served in the school governing body?" I wanted to check if the length of experience in serving SGBs has any relationship with the implementation of the finance policy. Table 13 is a summary of the experience of SGB chairpersons.

Table 13: Experience of SGB chairpersons

SGB chairpersons	A	B	C	D	E	F	G	H	I	J
Experience in SGB	2	2	5	1	2	5	1	2	2	5

Three (3) of the ten (10) SGB chairpersons had served in the SGB for five years, which is relatively a long period to have acquired sufficient experience in governance responsibilities. One of the above three principals states: "*When I started serving in the SGB in 2001, I was elected the chairperson of the governing body. I was re-elected after the 2003 elections and recently I have been elected again, which marks the beginning of my third term in office". This shows that parents have confidence in me*."

In terms of SASA (Act 84 of 1996), Section 31, subsection 3, the term of office of the SGB is three years and the term of office of an office bearer of the school governing body may not exceed one year. Five of the ten served in SGBs for two years. Two SGB chairpersons served in SGBs for 1 year only. The term of service for SGB membership is three years. The fact that three (3) chairpersons served in the SGB for five years is an indication that they were re-elected into office for two terms. This may suggest that their service was pleasing and parents needed continuity for the provisioning of good governance.

4.3.3.2 Induction of the SGB chairpersons

The question posed was "Have you been inducted or trained in school financial management?" The purpose of the question is to find out the level of financial knowledge or awareness on about financial matters and the influence of workshops on the financial management of the school. The expected responses would also reveal the fulfilment of roles and responsibilities of the principal and circuit managers in empowering of SGBs and acting as resource persons for the effective functioning of SGB members. The participants' responses are summarized in Table 14 below:

Table 14: Induction of SGB chairpersons

SGB chairperson	A	B	C	D	E	F	G	H	I	J
Induction	No	Yes	No	Yes	No	No	Yes	No	Yes	Yes

Five (5) chairpersons responded positively while five (5) indicated that they were never inducted. These results indicate that half of the sampled SGB chairpersons were expected to perform their roles and responsibilities without the necessary knowledge and skills. There is a possibility of mismanagement of funds because authorizing and monitoring may be done on the basis of common sense rather than in accordance with the legislative framework or prescripts on the management of school funds.

4.3.3.3 .The views of SGB chairpersons on the role of principals

The question was "What, in your opinion, is the role of the principal in financial management?" The question aimed at finding out the expectations of SGB treasurers from the principals and to check if they could demarcate their responsibilities and those of the principals in financial management. The obligation of school principals as outlined in section 14.1.of the prescripts for management of school funds is to maintain a complete set of the statutory provisions, prescripts and departmental directives relating to finances and financial management; in addition, other duties include:

- Appointment of finance personnel;
- Monitoring of observance of statutory provisions;
- Maintenance and retention of sufficient documentary evidence;
- Avoidance of fruitless, wasteful and unauthorized expenditure;
- Ensuring that the value for money principles are observed at all times.

The interviews revealed that most SGB chairpersons saw principals as resource persons who were more knowledgeable than they were and who could lead the SGB on generating income and monitoring expenses. This is evident in the following responses:

Chairperson B: "*To give us advice on how the funds must be utilized by law, we need knowledge from prescripts and principals assist us with the interpretations of the policies.*

Chairperson C: "*To draw up the budget in good way, to pay salaries to two gardeners and two cleaners, to transport us to the workshops with his car and to purchase stationery and building materials for all the school projects*."

Chairperson G: "*To workshop us on governance and financial matters of the school. To give us guidance on the choice of auditors and service providers such as security, plumbers, electricians for projects and maintenance*."

Chairperson I: "*To authorize payments, to keep deposit and cheque book in his office for safety purpose and to organize parents meetings for financial reports*."

There were principals who took the roles of the SGB chairpersons in their own hands and did both management and governance at the same time. There was a notion that the payments of SGB employees rested on the shoulders of the principal. The organization of parent meetings is the responsibility of the SGB chairperson but it would seem as if the parents met only when they were called by the principal. The views of the SGB chairperson may be evaluated in contrast with the roles of the SGB chairpersons as prescribed in the 2009 prescripts for financial management in ordinary public schools.

4.3.3.4. The views of SGB chairpersons on the use of norms and standards funding.

The question was "Which goods or services must be purchased or rendered using norms and standards funding respectively?" The aim was to find out if the SGB chairpersons were authorizing the use of norms funding based on the relevant budget section or not and to ascertain if the norms and standards funding was utilized as contained in SASA (Act 84 of 1996). According to the Limpopo Department of Education provincial circular dated 19 May 2011, reference number 17/2/1/P (DoE, Limpopo Province 2011), the allocation of norms and standards school funding for other running costs may be used as per paragraph 114 and 116 of the SASA (Act 84 of 1996) as follows:

- Payment for improvements and repairs on immovable capital;
- Payment of services;
- Purchases of educational materials and equipment for the school, excluding those that are provided by the Department.

SGB chairperson A: "*To give quality education to the learners by buying stationery for both learners and educators. It is also used for the payment of services such as electricity, telephone, water and security services. To supplement furniture for educators and learners.*"

SGB chairperson D: "*60% goes to curriculum needs, 10% to maintenance, 8% to transport and the remaining percentages to all other activities of the school. We can say all general running of the school except scholastic stationery.*"

Principal G: "*For the welfare of the educators and learners and the development of the schools in terms of infrastructure, maintenance and improvements. For the payment of services rendered to the school and purchase of stationery*."

The responses have three things in common on the use of school funds, i.e. purchase of stationery, payment of services and maintenance of infrastructure. Schools spend their norms and standards funding for other, different purposes depending on circumstances or the environment in which they find themselves. This kind of practice violates the guiding budget allocations as stipulated in the 2011 prescripts for the management of school funds in Limpopo Province (DoE, Limpopo Province 2011).

4.3.3.5. Criteria for the authorization of expenditure by SGB chairpersons

The question was "Which criteria do we use when authorizing expenditure?" The aim of the question was to check if the chairperson's authorization was objective or not. The question would also reveal the financial monitoring knowledge of the chairperson and his role in safeguarding the use of school funds. The following conditions for approval were given by respondents:

Chairperson A: "*I check whether the work was done correctly or not. I also check the budget for this academic year.*"

Chairperson C: "*I check three quotations and see if the lowest quotation was chosen and then I authorize.*"

Chairperson F: "*I check the approval of the principal and then sign.*"

Chairperson E: "*I normally just approve fully completed claim forms during finance committee meeting after purchases have been made. The principal just approve[s] and purchase[s] because I am working too far from the school and I am available only one weekend per month.*"

Chairperson G: "*What kind of documents are you referring to? I am sometimes called to sign some papers by the principal for workers during month-end.*"

There are SGB chairpersons who authorize payments based on budget, three quotations and fully completed claim forms. There are also those who just approve without even becoming aware of what they are approving. Lack of knowledge of financial documents such as claim forms remains a challenge to those who cannot read or comprehend what they are reading.

4.3.3.6. Monitoring of finance documents by SGB chairpersons

The question asked by the researcher was "How often do you monitor financial documents for your school?" According to Clarke (2007:227-228) the most important responsibility entrusted to the SGB is financial control, particularly the preparation and approval of the annual budget. Other related and general financial functions for the SGB are prescribed under section 37 of the SASA (Act No.84 of 1996) and include the following:

- Establish a school fund
- Collect and administer school fees

- Keep financial records
- Draw up annual financial statements
- Supplement state resources.

Table 15 presents a summary of the responses by SGB chairpersons on monitoring.

Table 15: Monitoring of finance documents by SGB chairpersons

Chairperson's response	Annually	Quarterly	Monthly	Per semester	Sometimes (not regularly)
A		✔			
B			✔		
C			✔		
D			✔		
E					✔
F			✔		
G			✔		
H			✔		
I				✔	
J					

4.3.3.7. Access to finance documents by SGB chairpersons

Table 16: Access to finance documents by SGB chairpersons

Chairpersons of SGB	SASA	2011 Approved Budget	2011 prescript for management of school fund	Approved school finance policy
A	✔	✔	✔	✔

B	✔	✔	✔	✔
C	✔	✔	✔	x
D	✔	✔	✔	✔
E	✔	✔	✔	✔
F	✔	✔	✔	x
G	✔	✔	✔	x
H	✔	✔	✔	✔
I	✔	✔	✔	x
J	✔	✔	✔	x
Total	**10**	**10**	**10**	**5**

The question was "Do you have copies of the following financial documents?" The aim of the question was to find out if the SGB chairperson was in full control of the school finances as delegated responsibilities by the SASA. The participants responded as in Table 16. The legislation and policies on financial management are the guiding documents for approval of expenditure of school funds. It is evident that all ten (10) SGB chairpersons had SASA, a budget and prescripts for the management of school funds.

The availability of 2011 budgets in ten schools leads us to believe that schools have estimated plans on how to generate income and how they can spend it profitably for the provision of education. Lekalala (2006:32) defines a budget as a management tool or mechanism by means of which the SMT can estimate, plan and utilize, coordinate, control and evaluate the human material and other resources. In addition, Mbatsane (2006:27) defines it as a guide to spending the school funds, while Bischoff and Mestry (2005:65) define it as the mission statement of the school expressed in monetary terms. In this research, a budget is a plan of income and expenditure for the following year. It is evident from the definitions of the budget that it will be difficult to monitor the cash flow of school finances without a copy of the budget. It seems as if the challenge lies in the availability of the school finance policy where only five chairpersons had copies. The procedure for the approval of expenses without policy may differ greatly as the issue of maintenance of constancy may be difficult to implement.

4.3.3.8. Participation of SGB chairpersons in the development of the SGB constitution and finance policy of the school

The question posed was "Did you participate in the development or amendments of the SGB's constitution and finance policy?" The purpose of the question was to find out if they owned the finance policy or whether it was just imposed on them by the principal. The broader aim of this question was to find out how school governing bodies draw up policies, which will be acceptable to all stakeholders. Van Deventer and Kruger (2003:91) state that in a school situation, a policy refers to the general plan of action that is designed to achieve the school's vision and mission. It mainly contains guidelines regarding how the stakeholders should make decisions and exercise their powers. These guidelines contained in policies always serve as a directive and corrective measure when problems are encountered during operations.

Table 17: Participation of SGB chairpersons in the development of SGB constitution and finance policy of the school

Chairpersons	A	B	C	D	E	F	G	H	I	J	Total
Yes			Y					Y			2
No	N	N		N	N	N	N		N	N	8

Two SGB chairpersons responded that they were involved in the development of school policies. Eight (8) chairpersons indicated that they had never participated in the formulation of such policies. The policies were drawn up by the principal and handed to the SGB for implementation.

It is evident that most SGB members had not participated in the development of their SGB constitution and finance policies and one may conclude that they did not own such documents.

4.3.3.9. The responsibility of appointing service providers

The question was "Who is assigned with the responsibility of choosing the service providers in your school? It aims at verifying the role of finance committee in the adjudication process. The responses may be summarized as follows:

Table 18: The responsibility of appointing service providers

Chairpersons	Person assigned
A	Finance committee
B	Chairperson of SGB

	Principal
C	Finance committee
D	Finance committee
E	Principal
F	Finance committee
G	Finance committee
H	Finance officer
I	Principal
J	Principal

Four (4) SGB chairpersons indicated that service providers in their schools were appointed by the school principal. Five (5) SGB chairpersons indicated that they were selected by the finance committees. One (1) responded that he was responsible for the appointment of service providers as chairperson of the SGB.

The responses suggest that schools were using different approaches in appointing service provides. According to SASA, the finance committee is responsible for the adjudication of tenders. Their decisions should be based on the quality of service and the registration of the business and should consider the lowest quotation. One may assume that procurement procedures were not respected when using school funds.

4.3.3.10. Signatories of the school's bank account

The question was "Who are the signatories in the school's bank account in terms of their positions or designation?" The purpose of the question is to find out whether the appointment of the signatories was in line with the requirements of SASA and prescripts. The prescripts for the management of school funds stipulate that the deputy chairperson of SGB, the treasurer and any other member of the SGB may become the signatories of the school bank account. The participants' responses are summarized in Table 19 below.

Table 19: Signatories of the school's banking account

School	Signatories of the school's banking account

A	Deputy chairperson of SGB	Treasurer	Secretary
B	Deputy chairperson	Treasurer	Finance officer
C	Deputy chairperson of SGB	Treasurer	Secretary
D	Deputy chairperson of SGB	Treasurer	Secretary
E	Deputy chairperson of SGB	Treasurer	Secretary
F	Deputy chairperson of SGB	Treasurer	Secretary
G	Deputy chairperson	Treasurer	Additional member
H	Chairperson of SGB	Treasurer	Secretary
I	Deputy chairperson of SGB	Treasurer	Secretary

4.3.3.11. Financial reporting to parents by the SGB

The question was "As leader of the SGB, how often do you give financial reports to the parents?" The purpose of the question was to find out if the parents who were receiving norms and standards funding from the department of education were being updated on the use of funds or not. According to SASA, the finance officer must prepare financial statements on a quarterly basis for the treasurer of the SGB to read during the parents' meetings.

Chairperson A reported: "*We normally report in the beginning and end of the year. We also report on emergency meetings where the agenda is affecting the budget.*"

Chairperson B: "*Every quarter.*"

Chairperson F: "*In each and every parent meetings.*"

Chairperson J: "*In each and every parent meeting.*"

Six (6) of the ten (10) participants reported that they gave financial reports to parents on a quarterly basis.

4.3.4 Data collected from interviews with SGB treasurers

4.3.4.1. The responsibilities of the SGB treasurer

The question was "What are the responsibilities of the SGB treasurer?" The objective of the question was to find out if the treasurers were aware of the expectations of the mandate given to them by SASA. Section 6.9. of the prescripts summarizes the responsibilities of the treasurer as follows: chair all meetings of the finance committee, monitor all the financial affairs of the school, present a report to the SGB, develop a finance policy for the school and ensure that the finance policy is adhered to at all times. The functionality of the School Finance Committee rests on the effectiveness of the SGB treasurer as the chairperson of such committee. The knowledge of their roles and responsibilities may impact on the implementation of the finance policies of the school. The participants responded as follows:

Table 20: The responsibilities of the SGB treasurer

SGB Treasurer	SGB Treasurer Responsibilities
A	To write cheques for expenditure.
B	To sign cheques for expenditure.
C	To sign cheques for expenditure.
D	To sign cheques for expenditure.
E	To write cheques for expenditure. To collect and bank all monies.
F	To write cheques for expenditure.
G	To do 3 quotations for each expenditure. To monitor finance records which are kept by the finance officer. To serve as one of the signatories of the school account. To give report to the SGB and parents on financial matters.

SGB treasurer G listed his duties as prescribed in SASA and the prescripts and he gave answers very quickly. One may guess that he had attended a workshop on his duties or else he was literate enough to read on his own. Most SGB treasurers can easily spell out that they are responsible for signing the cheques; it seems as if the main responsibility of the SGB treasurer is to sign the cheques. Treasurer E was performing the task of the finance officer as the principal had not appointed the finance officer.

4.3.4.2Prerequisite documents to be checked before signing a cheque

The question was "Which financial documents must be checked by the treasurer prior to the signing of cheques?" The participants had different views pertaining to the conditions set for signing cheques.

SGB treasurer A: "*I check claim forms and invoices*."

SGB treasurer: "*There must be (three) 3 quotations and claim form where the principal and SGB chairperson signed*."

SGB treasurer C: "*Delivery note documents, claim forms and the quality of work done*."

SGB Treasurer D: "*I check the budget and balances available at the bank*."

SGB treasurer E: "*The principal just give me the cheque book to sign. Most of the time I sign five cheques which will be used when I am at my own work.*"

SGB treasurer F: "*I check if the other signatory who is an educator has signed and do the same*."

Treasurer G: "*I check the budget and balance on school account*."

Treasurer H: "*I check the names of the owner of the cheque and the amount written*." SGB Treasurer: I "*I just sign the cheque as requested by the principal.*"

SGB Treasurer J: "*I check the work done if we employed somebody to do the work for us*."

The responses of the participants reveal that SGB treasurers had various perceptions regarding conditions for the signing of cheques and they worked under different conditions when serving in the school governing bodies. There were those who signed the cheque in the dark with no understanding of what they were signing for. They could not account for the cheques they had approved. Treasurer B knew the correct conditions that must be met prior to the signing of cheques as prescribed in the 2011 prescripts for the management of school funds.

4.3.4.3The adjudication process as part of procurement procedure

The researcher asked the question "Could you briefly explain the adjudication process as part of the procurement procedures?" The purpose of the question was to ascertain whether the treasurers knew the procedures for expenditure on school finances and to measure to what extent they were implementing such procedures. The responses might also show us whether the principle of value for money and the avoidance of fruitless expenditure were adhered to or not. Section 6.6. of the prescripts for the management of school funds, subsection 6.6.3, states that "The finance committee should serve as a bid adjudication committee and recommend the appointment of service providers. Factors of price, quality and guarantee are to be considered during adjudication process." The finance committee is encouraged to choose the lowest quote for purchase. Here is an extract from the responses given by eighteen (18) principals:

Treasurer A: "*The Principal always decide where to buy stationery or where to get services*."

Treasurer B: "*The principal and SGB chairperson agree on what to buy and from which shop*."

Treasurer F: "*The Finance committee chooses the lowest quote*."

Treasurer G: "*The principal and SMT identify the need of the school that must be addressed. The treasurer does three quotations from the different service providers. The quotations must be of the same specification and quantity. The finance committee recommends the lowest quotations. The SGB ratify the recommendations done by the finance committee*."

Treasurer J: "*The finance committee record three quotations and choose the cheapest but they consider even the quality of goods or services*."

It is evident that finance committees in many schools were adjudicating the service providers in terms of the prescripts. We cannot overlook the reports that there were principals and SGB chairpersons who took the work of the finance committee into their own hands. The decisions on the choice of the service provider were the sole discretion of the principal or SGB chairpersons in some instances. If something should go wrong with the quality of service provided to the school, other SGB members cannot be held accountable as they were never involved in the adjudication of tenders for particular projects.

4.3.4.4Monitoring of financial records by SGB treasurer

The question was "How often do you check the financial reports prepared by the finance officer?" The aim of the question was to check the time devoted to monitoring of financial documents as one of the core businesses of the SGB treasurer. The question could also prompt the participants to disclose the commitment of the SGB treasurers in monitoring finances on a monthly basis as part of their responsibilities. The responses of the SGB treasurers interviewed are captured in Table 21 below:

Table 21: Monitoring of financial records by the SGB treasurer

SGB treasurer	Monitoring period
A	Monthly
B	I know only to sign cheques
C	Once per quarter
D	Not on regular intervals
E	Monthly
F	Monthly

G	I was not told to do monitoring.
H	Once per semester
I	I saw the books only once during the SGB meeting.

Three (3) of the nine (9) treasurers monitored financial records on a monthly basis. One (1) treasurer monitored once per semester while another one did it once per quarter. Two treasurers could only see financial documents in passing during the SGB meetings and could not claim that they were monitoring the work of the finance officer. Some treasurers did not know that the monitoring of financial documents was one of their delegated tasks. This was confirmed by treasurer G who reported: "*I was not told to do monitoring.*" These responses also reflect that the absence of workshops by the circuit managers and principals on the financial management roles of the principal may affect the performance of the SGB treasurers in executing their duties.

4.3.4.5The availability of a financial monitoring tool for the treasurer

The question was "Do you have a financial monitoring tool or checklist?" The objective of the question was to diagnose the effectiveness of financial monitoring by the treasurers. The researcher wanted to know the impact of the quality of the tool or checklist on encouraging proper financial record keeping by the finance officer.

Table 22: The availability of a financial monitoring tool for the treasurer

Treasurer	A	B	C	D	E	F	G	H	I	Total
Yes				Yes	Yes					2
No	No	No	No			No	No	No	No	7

Two (2) of the nine (9) treasurers used checklists for finance monitoring. Seven (7) treasurers did not have tools or checklists for monitoring. One may assume that they did not have specific criteria or performance standards that would determine the effective financial management in their institutions.

4.3.4.6Conditions that may lead to the signing of blank cheques

The question was "In which circumstances are you allowed by law to sign blank cheques?" The aim of the question was to find the reasons why signatories may sign blank cheques although it is against the policy on expenditure of public funds. Section 6.5.4 of the prescripts stated clearly that under no circumstances must blank or cash cheques be issued. No blank cheques are allowed to be signed and kept for future use. The principal will be held personally accountable for any contravention in this regard. The responses were, amongst others, characterized by the following views:

Treasurer A: "*I never signed blank cheque*."

Treasurer B: "*When quotations are to be done far away and you need to purchase at the same time*."

Treasurer C: "*We are not allowed by law to sign blank cheques*."

Treasurer D: "*When there is an urgent need and you are not sure of the supplier or the shop where you will purchase goods*."

Two (2) of the nine (9) treasurers were in line with the provision of the law and they indicated that they never signed blank cheques. Two (2) of the nine treasurers could not understand the terminology "blank " cheque" but after further explanation by the researcher, it was discovered that they had approved the signing of blank cheques on several occasions. Treasurers who reported that blank cheques were permitted in their schools, provided different reasons for such misconduct. The reasons to substantiate their answers revealed that they knew the prescripts but were forced by circumstances to over look them.

4.3.4.7The views of the treasurer on the roles of finance officer

The question was "What, in your opinion, are the roles of the finance officer?" The question was aimed at finding out the expectations of the SGB treasurer from the finance officer and to be able to draw a demarcation line between their spheres of operation. Some of the treasurers responded as follows:

Treasurer A: "*To record income and expenditure. To keep all financial records in safe place. To provide secretariat to the finance committee. To prepare monthly financial statement*."

Treasurer B: "*To write cheques.*"

Treasurer C: "*To make quotations before all purchases*."

Six (6) of the nine (9) treasurers knew the roles of the finance officers as prescribed by SASA and the prescripts. Two of the nine treasurers saw the finance officer as an official delegated for writing cheques only. One treasurer was of the view that the finance officer was responsible for making quotations. One may deduce that there are finance officers who are doing the work of the treasurers, namely that of inviting three or more quotations prior to expenditure.

4.3.4.8Handling of educational touring fees

The question was “Who is responsible for the handling of educational touring fees for both educators and learners?” The purpose of the question was to find out whether accountability on touring expenditure had been vested in the right personnel or not. The nine (9) participants responded as in Table 23 below.

Table 23: Handling of educational touring fees

SGB treasurers	Person responsible for touring fees
A	Treasurer
B	Tour organizer
C	Treasurer
D	Principal
E	Tour organizer
F	Principal
G	Treasurer
H	Any teacher accompanying learners
I	Treasurer

Four (4) SGB treasurers saw the financial responsibilities on educational tours as theirs. Two (2) treasurers believed that the most suitable personnel were the tour organizers. Two saw the principal as the most accountable officer for touring funds. Some treasurers raised the perception that any person who accompanied the learners could assume financial responsibilities at that particular time.

4.3.4.9Supporting documents to be attached to educational tour report

The question was “Which supporting documents must be attached to the financial report for each educational tour?” The aim of the question was to analyse the reporting system of the finance officer and evidence of purchase or payment of services rendered during educational tours. The SGB treasurers responded as follows:

Treasurer A: “*The invoices for accommodation, catering and entrance fees into places of visits*”.

Treasurer B: “*The list of all items bought during the trip*.”

Treasurer C: "*The invoices and travelling route to and fro*."

Treasurer D: "*I am not sure because I had never ever saw report for educational tour. This question may best be answered by the principal and finance officers*."

One may suggest that the majority of the treasurers were monitoring the use of school funds. However, some could not execute this work because of the powers in the hands of the principals.

4.3.5 Data collected from SGB finance officers

4.3.5.1 *The appointment of the finance officer in writing*

The question was "Were you appointed as finance officer in writing?" The finance officers responded as indicated in table 24 below:

Table 24: The appointment of the finance officer in writing

Finance officer	A	B	C	D	E	F	G	H	I	Total
Yes	Yes	Yes	Yes	Yes				Yes	Yes	6
No					No	No	No			3

Six (6) finance officers were appointed in writing. This is in line with the provision of SASA and Prescripts for the management of school funds in public schools. Three finance officers were appointed verbally and assumed their duties and responsibilities. Challenges may arise with mismanagement of funds or when records are not kept well by those finance officers who did not accept the appointment in writing. The accountability will still rest on the shoulders of the school manager.

4.3.5.2 *Level of education of finance officers in financial matters*

The question was "Did you have a financial management course in your previous or current studies?" The purpose of this question is to ascertain whether the criteria used for selecting the finance officer from staff members had considered the fact that such a person was required to be an administrative officer or an educator with financial management courses in his or her years of teaching. The participants' responses are reflected in Table 25 below.

Table 25: Level of education of finance officers in financial matters

Finance officer	A	B	C	D	E	F	G	H	I	Total
Yes		Yes	Yes						Yes	3

No	No			No	No	No	No	No		6

Three (3) of the nine (9) finance officers had had financial management courses at secondary and tertiary levels. Six (6) finance officers had no financial management courses in their years of schooling. These findings are an indication that the guidelines in SASA and the Prescripts had been overlooked or circumstances in different school environment had dictated to principals to appoint randomly as no one was appropriately qualified. The effectiveness of the finance officer may be hampered by his or her level of understanding of financial aspects. The preparation and presentation of financial statements with large amounts of money may need certain levels of expertise and the lack thereof, may impact negatively on the effectiveness of the finance officer in exercising his or her responsibilities.

4.3.5.3 *Induction of finance officers in financial management*

The question was "Were you inducted in school finance management when you assumed your duties and responsibilities as finance officer?" The participants' responses are summarized in Table 26 below:

Table 26: Induction of finance officers in financial management

Finance officers	A	B	C	D	E	F	G	H	I	Total
Yes	Yes	Yes	Yes			yes	Yes	Yes	Yes	7
No				No	No					2

Seven (7) of the nine (9) finance officers were inducted in financial matters by their principals and those who preceded them in the same positions. Two (2) finance officers reported that they were struggling on their own, doing whatever they thought was right, but the work was too difficult for them.

4.3.5.4 *The major roles of SGB finance officers*

The question was "What are your major roles in the SGB as finance officer?" The purpose of this question was to measure the level of understanding of the expectations in their positions as finance officers. According to the 2009 prescripts on the management of school funds (DoE, Limpopo Province 2009) finance officers are expected to perform stipulated duties. Participants responded differently although some had one or two things in common.

Finance officer A: "*My duty is to compile financial statement. Write requisition form, cheque, collections of funds. I write receipts to make sure money is spent well*."

Finance officer B: “*Collect money, issue receipt, issue cheques to the service providers.*”

Finance officer C responded: “*Capturing of data, presentation of budget*”.

Finance officer D responded: “*To record income and expenditure*”.

Finance officer E answered: “*To keep all financial records in a safe place. To provide secretariat to the finance committee. To prepare monthly financial statement.*”

Finance officer F replied: “*To record income and expenditure. To keep all financial records in a safe place. To provide secretariat to the finance committee. To prepare monthly financial statement.*”

Finance officer G: “*To record income and expenditure. To keep all financial records in safe place. To provide secretariat to the finance committee. To prepare monthly financial statement.*”

Finance officer I responded as follows: “*To keep financial document in a safe place.” To record income and expenditure. To keep all financial records in safe place. To provide secretariat to the finance committee. To prepare monthly financial statement.”*

Finance officer J: “*To record income and expenditure. To write cheques.*”

Finance officer F listed four basic functions of the finance officer. Some finance officers gave one or two aspects which were the major tasks they performed on a daily basis.

4.3.5.5 *Provision of secretarial duties to the finance committee*

The question was “Do you provide secretarial duties to the finance committee prior, during and after the meeting?” The question aimed at determining the number of finance officers who were performing secretarial duties as one of their delegated responsibilities. The fact that the finance officers must do the financial record keeping makes them the most suitable candidates for the secretariat for finance committee meetings. The findings are summarized in Table 27 below:

Table 27: Provision of secretarial duties to the finance committee

Finance officer	A	B	C	D	E	F	G	H	I	Total
Yes			Yes	Yes	Yes	Yes	Yes	Yes		6
No	No	No							No	3

Six (6) of the nine (9) finance officers provided secretarial duties to the finance committees. Three (3) finance officers were just additional members of the finance committee and in one of the schools the SGB secretary was serving as finance committee secretary, which is contrary to the 2009 prescripts for the management of school funds in public ordinary schools (DoE, Limpopo Province 2009).

4.3.5.6 *Knowledge of the basic financial documents*

"Can you briefly tell me what you know about the following financial documents?" The question aimed at finding out the depth of the knowledge of financial documents which were very useful in the performance of their task.

Table 28: Knowledge of the basic financial documents

Finance officer A	
Documents	**Explanations on the use of such document**
6.1. Receipt book	*To issue receipts of income*
6.2. Cash book	*Write income and expenditure*
6.3. Cheque book	*To write cheques for paying service providers*
6.4. Claim form	*It is used by service providers to request for payments*
6.5. Finance Policy	*Guidelines and procedures on how money should be spent*
6.6. Balance sheet	*The reconciliation of income and expenditure at the end of the month so that we can see the balance on account.*
Finance officer: E	
6.1. Receipt book	*To issue receipts of income*
6.2. Cash book	*Write income and expenditure*
6.3. Cheque book	*To write cheques for paying the service providers*
6.4. Claim form	*It is used by service providers to request for payments*
6.5. Finance Policy	*Guidelines and procedures on how money should be spent*
6.6. Balance sheet	*It is a new concept to me*

Finance officer: G	
6.1. Receipt book	*To issue receipts of income*
6.2. Cash book	*I don't know it*
6.3. Cheque book	*To write cheques for paying service providers*
6.4. Claim form	*It is used by service providers to request for payments*
6.5. Finance Policy	*Guidelines and procedures on how money should be spent*
6.6. Balance sheet	*It is a summary of expenditure*

The table above represents a summary of the responses of the nine (9) finance officers interviewed. Two (2) of the nine (9) participants knew all the financial documents and could easily give their uses in more easy terms. The balance sheet was the least known financial document by the finance officers. The second document which was unfamiliar to the finance officers was the cash book. Most finance officers knew about the recording of income and expenditure in ordinary exercise books. The contents of their recording are the same as those that appear in the cash journal.

4.3.5.7 *Aspects which must be reflected on monthly financial statement*

The question was "Which aspects must be reflected in the monthly financial statement?" One of the finance officers responded: "*The income and expenditure for those particular months. The source of income and the date received must be shown. When it comes to expenditure, the date, the cheque number, the payee , the nature of service rendered and the amount must be reflected on monthly financial statement*." The majority of the respondents responded in support of the first respondent. This is evidence that the contents of the finance statement were known to the finance officer. One may conclude that their reporting role was being carried out successfully on a monthly basis.

4.3.5.8 *Authorization of expenditure to the finance officer*

The question was "Who often authorises you to write a cheque to the service provider?" The purpose of the question was to find out whether procurement procedures were followed or not. The majority of the respondents supported the first respondent, who said: "*The principal and the SGB chairperson*." Three participants indicated that "*Expenditure is authorized by the principal. The SGB chairperson is very difficult to find her. She usually approves after expenditure*." The violation of the policy is not done intentionally but purposive for the running of the school.

4.3.5.9 *Safe-keeping of deposit and cheque books*

The question was "Who is responsible for keeping the deposit and cheque books in your school?" The question aimed at checking the allocation of responsibilities to the finance personnel. The participants responded as indicated in Table 29 below:

Table 29: Safe-keeping of deposit and cheque books

Participant	Person responsible
A.	Treasurer and finance officer
B.	Principal
C.	Finance officer
D.	Finance officer
E.	Finance officer
F.	Finance officer
G.	Finance officer
H.	Principal
I.	Principal

Five (5) of the nine (9) participants indicated that the finance officer was responsible for keeping the deposit and cheque books. Three (3) responded that the principal is the one who keeps the books and one respondent indicted that it was the joint responsibility of the finance officer and the principal.

4.3.6 Data collected from SGB petty cash officers

4.3.6.1 *Appointment of petty cash officers in writing*

The question was "Were you appointed as petty cashier in writing?" The purpose of asking this question was to check the compliance with the 2009 prescripts which prescribe that the principal must delegate the responsibility to the petty cashier in writing (DoE, Limpopo Province 2009). This question was also posed to the principals to verify and confirm data. The petty cash officers responded as follows:

Table 30: Appointment of petty cash officers in writing

Petty cash officers	A	B	C	D	E	F	TOTAL
Yes	Yes	Yes					2
No			No	No	No	No	4

Two (2) of the six (6) petty cash officers were appointed in writing. The remaining four (4) were just appointed verbally by the principal. There is no evidence of acceptance of the responsibility of handling the petty cash.

4.3.6.2 *Induction of petty cash officers*

The question was "Were you inducted when you assumed your duties?" The question aims at checking the level of empowerment of petty cash officers on financial matters. The findings may be summarized as in Table 31 below:

Table 31: Induction of petty cash officers

Petty cash officer	A	B	C	D	E	F	TOTAL
Yes	Yes	Yes	Yes	Yes			4
No					No	No	2

Four (4) responded that they had received an orientation programme when they started serving as petty cash officers. Two (2) responded that they did not receive any training when appointed as petty cash officers.

4.3.6.3 *Amount of petty cash to be kept by petty cash officers*

The question was "How much petty cash are you keeping on a monthly basis?" The prescribed amount in terms of the prescripts is a maximum of R500-00 per month. Schools that intend to keep more than R500.00 per month may apply to the Head of Department Education in writing.

Table 32: Amount of petty cash to be kept by petty cash officers

Petty cash officer	A	B	C	D	E	F
Amount	R500.00	R500.00	R500.00	R500.00	R500.00	R500.00

All the petty cash officers are keeping an amount of R500.00 which is in accordance with the finance policy of Limpopo Province, Department of Education.

4.3.6.4 *The cashing of cheques for petty cash*

The following question was posed: "Who is responsible for cashing cheques for the petty cash in your school?" The objective of the question was to find out which official was authorized to restore the impress amount for the school. The provincial policy is silent on the designation of the official who is responsible for this function. The participants responded as follows:

Table 33: The cashing of cheques for petty cash

Petty cash officer	Person responsible for cashing the cheque for the petty cash
A	Petty cash officer
B	Treasurer
C	Petty cash officer
D	Clerk or messenger
E	Principal
F	Petty cash officer
G	Petty cash officer
H	Petty cash officer
I	Petty cash officer and treasurer

The delegation to cash the cheques for petty cash differs from school to school. The majority of the schools write cheques to the petty cash officer to cash it and keep it for spending on small items that may not warrant a cheque. Twelve of the eighteen sampled schools did not keep petty cash.

4.3.6.5 *Aspects which must be reflected in the petty cash journal*

The question was "Which aspects must be reflected in the petty cash journal or register?" The purpose was to check to what extent the petty cash officer was able to manage the petty cash and keep required financial records as prescribed in the prescripts. Participants responded as indicated below.

The description of items purchased and the amount used.

Who, for what, amount, signature of person who is taking money.

Description, amount, payee.

The stationery or any other small items purchased the amount and date.

A person who is taking money must sign and indicate the date in which money is to be spent.

I don't know about such book.

One of the petty cash officers did not know about the petty cash journal. This reveals that there are instances where records are not kept on the use of the petty cash. The majority of the petty cash officers were recording the names of people, dates and descriptions of the use of such cash amounts.

4.3.6.6 *Approval for the use of petty cash*

The question was "Who approves the use of petty cash?" Four participants responded that the principal was the one who authorized the use of petty cash. One participant showed a different position when stating that the treasurer authorized expenditure and participant E indicted that the SGB chairperson was the one who authorized. Their responses may be summarized as follows:

Table 34: Approval for the use of petty cash

Petty cash officer	Authorization of payment
A	Treasurer
B	Principal
C	Principal
D	Principal
E	SGB chairperson

F	Principal

4.3.6.7 *Reconciliation of petty cash vouchers*

The question was "How often do you reconcile the petty cash vouchers?" The purpose of the question was to find out the intervals between topping up the petty cash amount. The first four participants indicated that they usually reconciled the petty cash once per month. One petty cash officer indicated that the petty cash was recharged anytime when it was less than R500.00. The respondents differed with respect to the time for adding the petty cash but all agreed on the impress amount of R500.00. The responses may be summarised as follows:

Once per month

Once per month

Once per month

Once per month

Any time when it is less than R500-00

First three days of the month

4.3.6.8 *Availability of school petty cash policy*

"Do you have a copy of the approved petty cash policy for your school?" The purpose of the question was to find out if there were procedures and regulations set out in each school on the use of petty cash. Only two schools responded that the policies were there in written form. Four participants agreed that they were just spending the petty cash using their common sense, with no fixed binding rules.

4.4 Data collected from participant observations

Saunders, Lewis and Thornhill (2000:219) define participant observations as a situation where the researcher attempts to participate fully in the lives and activities of subjects and become a member of their group, organization or community. This enables them to share their experiences by not only observing what is happening but also feeling it, without changing the situation. De Vos et al. (2000:280) define participant observations as a qualitative research procedure that studies the natural and everyday set-up in a particular community or situation. The degree of the researcher's involvement should depend on the objectives of the study, available resources and the needs of field workers. I was the chairperson of the school governing body for two and half years. I served as school finance officer in the primary school for a period of six years. I was also an ex-officio member of the SGB in a primary school with an enrolment of less than 280 learners for six years. In addition, I served as an ex-officio member of the SGB in my capacity as principal of a school of with an enrolment of more than 600 learners for two years.

My exposure to the school governing body activities enabled me to gather first-hand experience as I interacted with other school governing body members. I also attended SGB and finance committee meetings of other schools and listened to their discussions. As the researcher, I was always at the site of the study through my attendance of the SGB meetings in all my various designations. All the schools where I served as an SGB member are in the Vhembe district and from three different circuits and circuit clusters. I was therefore actively involved in the site whilst assuming a participant-observer role. I recorded field notes of the situations in which I found myself throughout the investigation. Field and Morse in Mashele (2009:27) describe these field notes as written accounts of the things the researcher hears, sees, experiences and thinks in the course of collecting data obtained during the study. I became aware of a number of challenges regarding the implementation of the management of school funds in all the schools where I have served throughout all my years of service. I discuss these challenges in the next section.

4.4.1 Banking of school fund

In terms of SASA and the prescripts for the management of school funds, banking of any collected fees for the school must be done on a daily basis where applicable. The findings were that banking was not done on the days when money was collected. In such cases schools may be in danger of theft and it may become an offence as prescribed in the 2011 prescripts for the management of school funds in Limpopo Province (DoE, Limpopo Province 2011).

4.4.2 Availability of registered service providers to schools

According to SASA/prescripts all schools must use the database from the district or establish their own databases for service providers. The service providers must be registered in terms of the Close Corporations Amendment Act (RSA Act No. 25 of 2005) or the Companies' Act (RSA No. 71 of 2008). In all the schools where I served, only one had established its own database. The rest of the schools just did quotations to any service provider within their reach. The most determining factor on the choice of service providers was the lowest quotation received from service providers or suppliers.

4.4.3 Transfer of norms and standards funding to schools.

According to the 2009 prescripts for the management of school funds, transfers of norms and standards funding must be done in two tranches on the 15th of May and November each year (DoE, Limpopo Province 2009). The certificate of assurance and compliances must first be submitted to the financial manager at the district office. The school where I serve as manager only received the transfers on norms and standards funds in August. The school was forced to purchase stationery on credit. The finance committee paid more than half of their existing allocations to settle the account. In addition, the transfer from the National School Nutrition Programme for the food handlers must be effected in the first week of the beginning of each quarter but the Department of Education did not allocate such funds.

According to the 2009 prescripts for the management of school funds in public ordinary schools, all cheques must be written to the rightful supplier or service provider and must be crossed or endorsed as “not transferrable” (DoE, Limpopo Province 2009). I observed that in all the schools I served checks were crossed to the big retailers or stationer shops only. All individual service providers and support staff received cheques that were not crossed. One of the reasons for none-compliance with these directives was that most local service providers had no active bank accounts where they could deposit the cheques and wait for about seven days for clearance. They even struggled with transport to the bank twice for one cheque. The other challenge was the local bus companies whose policy was that their buses could not depart from their premises without payment of the full amount for tours and that the cheques had to be cashed to ensure that they did not encounter problems during and after the tour.

4.4.4 Interpretation of financial management prescripts

The role of the principal as an accounting officer is to ensure that prescripts on the management of school funds are implemented correctly. The absence of school-based workshops for school governing bodies on financial management results in poor understanding of the prescripts. The principal often manages finances according to his or her own understanding without any assistance or advice from other SGB members.

4.4.5 The workload of the finance officer

In the five years I served as a finance officer, I had forty-seven periods of contact time with learners for curriculum delivery per week. The role of the finance officer as prescribed in the 2009 prescripts on the management of school funds in public schools demand more hours for effective management of school funds. As per 2009 prescripts, section 6.8. (DoE, Limpopo Province 2009), the finance officer must perform the following duties:

- Maintain proper documentation reflecting the name of payee, amount and type of goods purchased or services rendered to the school.
- Keep vouchers in safe in strong room.
- Prepare cash flow statement on a monthly basis.
- Present all payments and supporting documents.
- Develop a financial filing and record keeping system.
- Provide secretarial duties to the finance committee.

4.4.6 Availability of SGB chairperson for the authorization.

The SASA requires that approval for expenditure be made by the school principals and authorization of payment by the SGB chairpersons. SGB chairpersons are parents who are outside the school premises and most of them work far away from the school. It is difficult to reach them on a daily basis for approval of cheques and the need to spend school funds arises almost on a daily basis. In most cases, SGB chairperson signs all the claim forms once per month during the finance committee meetings after the purchases or payments of service providers.

4.4.7 Functionality of school finance committee

According to the 2009 prescripts for the management of school funds the school finance committee must meet once per month and report to the SGB once per month for the ratification of their suggestions or recommendations (DoE, Limpopo Province 2009). The year plans for such meetings are available in schools but there are challenges in the implementation of such plans. Most finance committee members who are expected to attend meetings on a monthly basis are in permanent fulltime employment. When meetings were called, it was difficult to form a quorum and this often led to postponement. According to the SASA, SGB members are not to be remunerated. They can be reimbursed for transport and catering during the execution of their duties. The workload for serving in the SGB is heavy and provides no reasonable acceptable compensation for either educators or parent components.

4.5 Data collected through document analysis

Saunders, Lewis and Thornhill (2000:190) define documents as raw data sources as well as a storage medium for compiled data. These documents may include minutes and agendas of meetings, financial records, and annual reports. In this research, I examined financial documents of the sampled schools within Vhembe district. For the purposes of this study, when I studied the official documents, it was of cardinal importance to evaluate the authenticity, validity and reliability of the documents. The reason for this lies in the fact that some authors of these documents tend to have ulterior motives, as explained by Cohen, Manion and Morrison (2003:240).That is why it is important to compare the relevant documents with other written documents containing data that have been collected in various other ways. White (2003:40) recommends designing and presenting a study in such a way that it allows verification so the results can be confirmed or revised in follow-up research.

In this study, the analysis of official documents was used to verify the data obtained through participant observations and interviews. Verification entailed going through documents such as deposit books, cheque books, cash journals, petty cash journals, claims and tender adjudication forms, finance policies and files for finance record keeping.

4.5.1 Handling of petty cash by petty cash officer

I examined three petty cash journals from two primary schools and one secondary school. There are conditions for keeping the petty cash and the manner in which petty cash must be utilized as per the SASA. The maximum amount of R500.00 petty cash was not maintained. In one school, an amount of R1500.00 was used as petty cash in February and R2500.00 in March. The petty cash used was only recorded when cashed by the finance officer but there were no dates or descriptions of the expenditure and amount. There were instances where R400.00 was spent at once. This may indicate that the petty cash officer was not acquainted with the proper use of petty cash. The amount of R400.00 may be done through the use of cheques. There was no evidence of monitoring by the treasurer or the principal nor that the money was used for the benefit of the learners or for personal gain. One may assume that petty cash officers lacked knowledge on the use of petty cash.

4.5.2 Submission of audited financial statement

Of the five schools where I requested the 2009 and 2010 audited financial statements, all the financial statements were declared to reflect the actual position of those schools. All statements were prepared before the due dates for submission to the HOD as stipulated in the SASA. The SGB chairpersons had signed the audited statements in confirmation of the financial position of the schools. A nil report was written in all statements of debt owing to service providers. This may suggest that all the finance personnel in schools were implementing the policy that the school may not have an overdraft on its account or apply for services on credit.

4.5.3 Budget control system

I requested to see the budget control of three primary and three secondary schools. Of the six schools, only two had computerized budget control systems. The projected income and expenditure together with variances were indicated. There were instances where negative variances of above 8% of the amount prevailed in particular voted funds. According to The Public Finance Management Act (RSA Act No. 1 of 1999), the negative variances must not exceed 8% of the budgeted amount.

4.5.4 Handling of deposit and cheque books

I examined five deposit books and three cheque books. I found that deposits were done for garden sales and casual days in three “no fee” schools. There was no single deposit in the other two schools. Cheque books have counter foils were the names of the payee and purpose of such cheque are indicated. Some counterfoils were blank. There were cancelled cheques endorsed “cancelled” in between parallel lines. The dates for the issue of each cheque were indicted on the counterfoil. In all the five cheque books the section on the balances on account were not indicated.

4.5.5 Financial record keeping

I went through three financial record files. The common documents in those files were quotations, invoices, claim forms and retained cheques from the bank. Some of the claim forms were without the school date stamp. The claim forms in most instances were approved and signed by the principal alone. Two quotations were approved for some of the purchases made. Copies of the 2011 approved budget were in all files. Two finance record files were kept by the finance officer and one file by the treasurer of the SGB. Two schools had strong rooms and safes to keep all their financial records. The financial records in one other school were kept in a steel cabinet in the principal’s office.

4.5.6 Receipt books

Of the five (5) receipt books checked, three (3) of them had the name of the school and a serial number. They were written from a certain number of receipts to the next. The stamp appeared in duplicate. The dates of issue and the school stamp were not the same in many instances. This may lead us to conclude that the stamp was not used on the date of issue of receipt. The finance officer, in one of the schools used correction pen on the names of the learners who had paid for an educational tour. This is an indication that the handling of the receipt book as an official financial document did not receive attention during induction sessions and there are evident pitfalls that may not pass the test of proper handling of finance documents.

4.6 Conclusion

The quality and validity of data collected and analyzed was ensured through the combination of interview results, participant observations and document analysis. The responses of the participants were verified by examining the financial documents. My conclusions emerged from a combination of my perusal of the documents and the similarities and contrasts amongst the views of the participants as expressed in interviews. There was a great correlation between data collected through interviews and evidence obtained from the examination of the finance documents. The researcher received similar report on the lack of financial management knowledge, incorrect composition of finance policy, unlawful appointment of finance officers and incorrect procurement procedure. The next chapter provides a summary of the findings, as well as my conclusions and recommendations. The researcher also highlight areas which may call for further research.

CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter was characterized by the presentation of raw data collected from interviews, participant observations and document analysis and the interpretations based on the findings. The literature review and financial documents examined served as a means of verification for the validity and reliability of the data collected. In this chapter I summarize the findings of each chapter, draws conclusions and make recommendations while also identifying topics for further research.

5.2 Summary of the Findings

Chapter 1 gave us the background of the research study and the aspects that prompted me to embark on the project. Theoretical as well as practical objectives of the study were discussed. I was interested in finding out the difficulties facing school governing bodies in the implementation of financial policies in the Vhembe district. The chapter provided an explanation of key concepts such as school funds, school governing bodies, finance, Vhembe district, management, finances and implementation. The chapter concluded with a brief explanation of the research method, choice of research instruments and selection of the sample.

Chapter 2, the literature review, addressed aspects of financial management, traced historical developments regarding on school finances, and compared the work of some international as well as African scholars who have contributed to the body of knowledge on school governance. The chapter focused on the legislative framework and policies applicable to schools in Limpopo Province and Vhembe district in particular. It looked at the establishment of the finance committee, roles and functions of finance personnel, procurement procedures, record keeping and financial control. Citation of sources, including books, journals articles, published and unpublished thesis, Acts of Parliament and prescripts added depth to the survey. The existing literature served as a point of departure for the collection of relevant data that could provide answers to the main research question and sub-questions of the project. In Chapter 3 I discussed the research design and methodology. A qualitative case study approach was chosen to investigate the challenges facing the SGBs in the Vhembe district. Selection of the sample, its size and characteristics were detailed. The data collection instruments I chose were focus group interviews, participant observation and document analysis. The chapter detailed the characteristics of qualitative research, the role of the researcher, and advantages of focus group interviews. I sampled eighteen schools from nine circuits of the twenty-seven circuits from the Vhembe district. The circuit managers, principals, SGB chairpersons, SGB treasurers, finance officers and petty cash officers were interviewed and tape-recorded. Ethical consideration was given to the participants in the form of consent letters.

Chapter 4 focused on data presentation and analysis. Information gathered from participants was transcribed verbatim in some cases. I compared the responses of different participants in order to draw conclusions on findings. Procedures for the preparation and administration of interviews to the respondents were indicated. Comparison of participants within the same group or people of the same designation were conducted. The data collected was also coupled with quotations from Chapter 2 literature as well as other relevant written sources.

In Chapter 5 I summarise the findings, draw conclusions and make recommendations based on the research questions posed in Chapter 1. These revolve around the challenges facing SGBs in the implementation of financial policies, monitoring of implementation, defining the roles of circuit, district and provincial officials in the Department of Education and the ways in which such challenges can be averted. The areas which need further research are indicated to attract more researchers to the field.

5.3. Conclusions

5.3.1 Roles and responsibilities of circuit managers

The majority of the circuit managers reported that they are aware of their responsibilities of empowering the principals and the school governing bodies through workshops and school visits. They contended that they are unable to execute these responsibilities because of the workload they are faced with. They indicated that their hands were full and their programmes and daily routines were tight.

Recommendation #1

In Chapter 1 of this study, I refer to the view of Marishane & Botha (2007:139) that efficient school-based financial management is a solution to the shortage of state resources because sufficient school finances and the effective management thereof will play a major role in building an effective school. It makes sense to commit more resources to schools when schools use resources wisely and justly. I therefore recommend that the human resource directorate in Vhembe district must ensure that there is provision of deputy circuit managers who will be responsible for the governance matters in all schools within the circuit. The job description must include, amongst others, organising and conducting workshops for the SGBs and principals especially in financial management.

5.3.2 Availability of finance legislation and policies

Most circuit managers had copies of the Constitution of the RSA, SASA, PFMA, and the 2009 prescripts for the management of school funds (refer to 3.1.2 in chapter 4). Very few principals were in possession of the 2011 prescripts for the management of school funds in public school which were to be implemented as from May 2011 (DoE, Limpopo Province 2011).

Recommendation# 2

Vhembe district must develop an advanced communication system for the flow of important information to all the stakeholders in education. Government gazettes, circulars and other departmental directives must be in soft copies such as CDs, and transferred electronically through e-mail, notebook and fax to all schools. These may save time and money for photocopying and transportation of such documents. Implementation of common financial policies for all schools may enhance uniformity and make monitoring easier and less time consuming.

5.3.3 Training of finance personnel

Only three (3) of the nine (9) circuit managers conducted workshops for finance personnel in schools. According to the SASA (1996:11 section 19) the provincial legislature (the Provincial Department of Education) must establish a programme to provide introductory training for newly elected SGB members to enable them to perform their functions. The Provincial Head of Department must also provide continued training to SGBs not only to promote the effective performance of their functions but also to enable them to assume additional functions. According to Lekalakala (2006:82), the objective of the training is to provide SGBs with the necessary skills, including financial management skills, to enable them to function effectively. The findings suggest that school finance personnel have little or inadequate knowledge of school financial management. SGB treasurers, finance and petty cash officers received inadequate training except the “micro-waved” induction they received immediately after their appointment or assumption of duties.

Recommendation #3

Vhembe district Department of Education should conduct workshops for SGBs. Kani (2000:40) suggests that the training of the SGBs should take place at school, circuit and cluster levels and must cater for principals, treasurers and finance officers. This is supported by Heystek (2004:38), who is of the opinion that the limited training of the main role players in the management of the school, coupled with uncertainty regarding their functions and duties, sometimes makes it difficult for principals and parent governors to work harmoniously. The major themes for discussion at such workshops must include effective governance and financial management. Schools must be encouraged to initiate partnerships with the local business community, NGOs and schools from developed countries for funding. According to the SASA, (RSA Act 84 of 1996), any parent or guardian of a learner in a particular school may be elected as a member of the school governing body. The act is silent on the criteria to be considered for electing the most suitable candidate for such huge responsibilities. I therefore recommend that the election policies, rules and procedures for the election of new SGBs should provide criteria for the contestants to be literate in order for them to understand the policies governing them. The minimum qualification should be grade twelve (12). The school governance documents must be in the home language of the members of school governing body.

5.3.4 Establishment of school finance committee

The majority of the schools in the Vhembe district have finance committees although some were not well established as per legislature (see 3.1.4. in chapter 4 of this study). According to the prescripts on the management of school funds the finance committee must be constituted by the principal, SGB chairperson, treasurer, finance officer and three parents who are not members of the school governing body. The number of parents must always be more than the total number of the other components. The finance committee must be chaired by the SGB treasurer. The research findings revealed that most finance committees were not functional as they did not meet on a monthly basis for the preparation of monthly financial statements. The minority of the schools which sometimes met could not produce accurate financial reports as they lacked knowledge on financial matters.

Recommendation #4

The circuit managers should draw up election plans for all the schools within the area of jurisdiction. The election process and procedures must be monitored to ensure compliance with the legislative framework. The role and responsibilities must be listed to ensure that the most suitable candidates occupy their rightful positions. The criteria for selection must take into cognisance the literacy level and availability of the candidate.

5.3.5 Submission of quarterly financial report.

The majority of the schools submitted quarterly financial statements to the circuit office. The most common challenge was that statements reflected negative variances, expenditure on items not budgeted for and each school had its own format of reporting. School funds were not spent according to voted funds and appropriate procurement steps to be followed at all times. In terms of the 2011 Limpopo Department of Education prescripts for the management of school funds which bind Vhembe district, a financial statement must be prepared on a monthly basis and submitted to the circuit on a quarterly basis (DoE, Limpopo Province 2011).

Recommendation# 5

Districts must develop and implement a common format for all circuits and schools. Guidelines for the completion of such forms must be illustrated and all finance personnel must be trained on the filing of the financial reporting documents. Communication of due dates must be done well in advance. Checklists should be developed and made available to all principals of schools to ensure quality reporting and compliance with financial policies.

5.3.6 Irregularities in school financial management

Six (6) circuit managers indicated that they did not know of any irregularities in financial management in schools but they had heard of rumours that there were some principals who were misusing the funds and violating the principles and procedures for governing the use of school funds. However, three circuit managers reported that irregularities and mismanagement of funds were reported to their offices and they were conducting investigations into the matters. Section 17 of the Labour Relations Act stipulates that mismanagement of school funds is a dismissible offence as it is regarded as serious misconduct.

Recommendation #6

The Department of Education in Vhembe district should develop monitoring tools for financial management in schools to safeguard school funds and to prevent irregularities. The finance personnel must sign a declaration of their understanding and commitment to abide by rules and regulations. The district officials must conduct planned and unannounced visits to schools to monitor compliance with the prescripts. The Deputy Manager, governance personnel, must give continuous support to the finance committees of all the schools within their area of jurisdiction.

5.3.7 Quintiles of schools

Most schools in Vhembe district fall under quintiles 1, 2 and 3, which are known as “no fee schools”; the majority are in quintile 3. There are minimum requirements for the spending of norms and standards funding (refer to chapter 4.4 of the 2009 prescripts). The poverty level of the parents based on statistical reports and municipal demarcations were used to categorize the schools into quintiles.

Recommendation# 7

The district officials should support the “no fee” schools in drawing up school development and school improvement plans so that their priorities should match the minimum requirements for “no fee” schools. Monthly reports on income and expenditure should be monitored and feedback given to all “no fee schools”. Partnerships with the Department of Public Works must be reinforced for the improvement and maintenance of the physical infrastructure of the schools.

5.3.8 In-school workshops to SGBs by the principals

Thirteen (13) of the fifteen (15) principals indicated that they had conducted workshops. Principals are resource and accounting persons who must impart knowledge on financial policies to other finance officers. According to the 2011 prescripts on the management of school funds the principal is charged with the responsibility of ensuring that the Finance Act and prescripts are adhered to at all costs. There are schools where the SGBs are not empowered in terms of financial management but are still expected to excel and to implement the policies they cannot understand and interpret correctly.

Recommendation# 8

In-school training of the SGB members must be part of the basic functionality of the school. A minimum number of workshops per annum must be conducted. Evidence in the form of attendance registers, programmes and summary notes on topics covered during the workshops must be submitted to circuits and district. However, the district officials have the responsibility to equip principals with the knowledge and skills required for competent financial management.

5.3.9 Appointment of finance officers and petty cash officers.

The majority of the schools in the Vhembe district had finance officers who were appointed in writing. Evidence of declaration signed by the finance officers on acceptance of the responsibility were kept in school finance files. The responsibilities of finance officers as set out in these declarations were in line with the Limpopo Province Department of Education 2009 prescripts for the management of school funds. Most schools had no petty cash officers and those that did had not appointed them in writing.

Recommendation# 9

The department of education in Vhembe district should compile a database of the membership of SGBs every three years after elections of the school governing bodies. Copies of appointment letters of finance officers and petty cash officers must be submitted to the district via the circuit offices. The criteria and guidelines for the nomination of finance and petty cash officers must be part of the prescripts for the management of school funds in public schools. Circulars on the submission due dates must be issued to all schools as part of departmental directives.

5.3.10 Keeping of financial records

My findings were that financial records were kept by finance officers in many schools in the Vhembe district. The majority of such finance officers were educators who had done accounting and other financial management courses, although some were just appointed without considering their knowledge and understanding of financial matters. The majority of the schools had strong rooms and safes for keeping financial records. There were schools in which financial documents such as cheque books were kept by the principal in locked steel cabinets to which the treasurer had access at any time.

Recommendation #10

According to the 2011 prescripts for the management of school funds in public schools of Limpopo Province, all financial records must be kept in a strong room under lock and key under the care of the finance officer appointed in writing by the principal. The Department of Education in Vhembe district must ensure that each school has administrative block with strong rooms to cater for valuable items of the school. The use of norms and standards funding in schools in particular, must make provision for funds to build administrative blocks with strong rooms in each school. Principals must receive training on fundraising strategies to supplement school funds for the provision of school offices.

5.3.11 The use norms and standards funding in schools

The majority of schools in Vhembe district are spending norms and standards funding as prescribed in departmental circular number 17/P dated 08 December 2009 and as per paragraph 115 and 116 of the National Norms and Standards for school funding regulation, as amended. However, some schools are utilizing such funds on other items such as building of classrooms, purchase of furniture, and payment of additional educators and administrative staff, which is against the guidelines for norms and standard funding.

Recommendation #11

The district officials must monitor the use of norms and standards funding by checking expenditure compliance on a monthly basis when schools submit their reports. An annual assets audit must be conducted in all schools to comply with policies and apply corrective measures to schools that are misusing the school funds. The quintile categories of the schools should be revised to ensure that funds are distributed equitably to learners residing in similar communities in terms of poverty levels.

5.3.12 Availability of financial legislature and policy documents at school

The majority of schools had no school financial policies. They were managing their funds guided by PFMA, SASA and 2009 prescripts for the use of school funds. These documents provide only the guidelines, not the specifics for the particular circumstances of particular schools. According to the SASA, every school must have its own school financial policy based on the Public Finance Management Amendment Act (RSA Act 1 of 1999). The policy must be signed by the principal, SGB chairperson and the treasurer of the SGB.

Recommendation #12

The Department of Education in Vhembe district should compile general formats and guidelines for school financial policy as in the case of the SGB constitution, where minimum requirements have been set out for all schools to have a standard constitution with limited loopholes. Submission of the SGB constitution and financial policy must be compulsory for all public schools. A certificate of compliance must accompany the school financial policy for the school to receive the first trench allocations of norms and standards funding on the 1st of January each year. This may assist the school to function effectively and to implement their budget at the beginning of each financial year.

5.3.13 Schools' internal financial control systems

The majority of schools control their budget manually on a monthly basis. They have budget analysis books and cash journals which are kept by the finance officer. All transactions are recorded and budget variances indicated. There are schools with computerized internal financial control system. The income and expenditure transactions are captured and data processed by computer programme and variances are calculated after each transaction. The finance committee may be able to stop spending school funds immediately where negative variances appear in the report.

Recommendation# 13

All schools should have computerized financial control systems to minimize over-expenditures on items in the budget. The errors on totals which are done manually may be minimized and thus quality financial records will be kept at all schools. Training in financial monitoring programmes must be conducted to all financial committees in public schools.

5.3.14 Challenges facing school principals in the implementation of finance policies

Challenges raised by most of the principals were the following:

- Illiterate SGB members who were expected to govern schools based on Acts and legislation;

- Difficulty in obtaining three quotations for each item to be purchased;
- Minimum number of service providers who registered their Close Cooperation or companies;
- Lack of administrative blocks with strong rooms and safes for keeping financial records;
- Heavy workload for the finance officers who were educators.

Recommendation #14

The constitution of the Republic of South Africa and the SASA mandate the Minister of Basic Education to determine Norms and Standards for the public schools and to fund public schools out of public revenue. When the public (taxpayers) fund schools, schools are accountable to the public (taxpayers) in terms of the Public Finance Management Act (2000:28), which implies that the principal as accounting officer of the school must maintain a system of financial control and internal audits. I therefore recommend that:

- acts and policies must be translated into the first language of each member of the SGB to make it easy for them to understand, interpret and implement.
- three quotations for each expenditure must have exceptions in cases where the service or product is offered by one or two suppliers only in such communities.
- norms and standards funding must allow for the construction of strong rooms in schools.
- the Department of Education must provide adequate funds for the appointment of administrative staff in all primary and secondary schools.

5.3.15 Authorization of expenditure

Most schools reported that the School Governing Bodies' chairperson was working far away from the school and was very difficult to access for authorization. Principals approved expenditure and spent the funds before the authorization of such expenditure by the chairpersons. The relevant claim forms were not filled in prior to the issuing of cheques.

Recommendation#15

According to the Public Finance Management Act 1 of 1999, section 39(1), the accounting officer for a department (the principal in case of primary and secondary schools) is responsible for ensuring that expenditure of the department is in accordance with the vote of the department and the main divisions within the vote and also ensuring that effective and appropriate steps are taken to prevent unauthorized expenditure. The criteria for authorization should be spelt out clearly so that sound decisions on authorization may be taken. Reasonable flexibility on the appointment of authorization may be used to ensure that two or more people approve and authorize expenditure. All supporting documents for proposed expenditure must be handed to the delegated parent for authorization. The forms should preferably be in the home language of the SGB members.

5.3.16 Handling of educational touring fees

The majority of the principals indicated that they wrote cheques to tour organizers and cashed them. The tour money was spent in cash for transport, catering and entrance fees as most companies offering services to schools need cash for rendering such services. According to the prescripts for the management of school funds, no advance cheque may be issued prior to the execution of the service to the SGB.

Recommendation #16

The notion that all expenditure out of school funds must be in cheques except for stipends for staff members must be amended to include educational tours. There is a need for networking and coordination between the Department of Education and school service providers on the payment of services. The issue of advanced payments demanded by the service providers is in contradiction to the statement in the prescript that “No advanced payment must be made out of school funds.” There is a need for a feasibility study of the implementation of financial policies in schools.

5.4. Recommendations for Further Studies

I recommend the following research topics for further research:

- The impact of educational qualifications on the effectiveness of finance personnel in school financial management
- The influence of norms and standards funding in Quintiles 1,2 and 3 schools on the provision of quality education
- A case study on the development of school financial policies in rural primary schools.
- An investigation into the empowerment of school finance committees in the management of school funds.
- Creating the culture of financial accountability amongst the school finance officers in the South African context.

5.5. Limitations of the Study

I experienced a number of challenges, especially during the data collection process. McMillan & Schumacher (1993:23) recognize that knowledge acquired through research is limited by nature of educational practice and research methodological limitations and the complexity of educational practices.

Logistical difficulties

I wrote letters to circuit managers requesting permission to conduct research in schools within their area of jurisdiction. Three (3) out of nine responded within one week. The majority of the circuit managers responded after three weeks, only after several follow-up calls. I started collecting data one month later than what was planned. There were six circuits with no deputy managers who were responsible for governance. It was difficult for those circuits to provide me with relevant practical information as they did not deal with school governance only but focused also on curriculum delivery in schools. I intended to interview eighteen petty cash officers but managed to interview only six (6) because twelve (12) of the eighteen (18) schools had not appointed petty cash officers and the responsibilities of the petty cash officer were delegated to the finance officers and the treasurers. It was difficult for me to interview the SGB chairpersons as they were parents who lived a distance away from the schools and some working far away from their homes and might only be available once per month.

Issues of trust

I faced strong resistance when it came to the examination of the financial documents. It seemed as if there was fear that their financial management systems and financial positions might be disclosed to the senior departmental officials. It seemed as if their understanding of my code of ethics for confidentiality could not be trusted in the case of finances. I was able to work despite these challenges and interviewed and examined those documents available and analysed them as reflected in Chapter Four (4) of this study.

5.6. Conclusion

The research I conducted yielded the expected results. I managed to address all the research questions raised in Chapter One of this study.

The question "*Which mechanism can be put in place to monitor the implementation of finance policies in public schools?"* was addressed by recommending the monitoring service of the Deputy Manager Governance in schools on a monthly basis using a common monitoring tool for all schools within the Vhembe district.

The question "*Which roles can the circuit, district, provincial and national department of education officials' play in empowering the school governing bodies in the performamce of their financial responsibilities?"* was addressed when I recommended continuous training of SGBs by Department of Education officials at district, circuit and school level and giving them support through school visits.

The question on recruitment procedures for the establishment of school governing bodies was addressed when I recommended that criteria for membership in school governing bodies should be set in order to ensure maximum participation of members on governance of the school.

The challenges facing school governing bodies have been identified. These include, amongst others, lack of training in school financial management, inadequate facilities for safe-keeping of financial documents, mismanagement of school funds by principals, inefficient financial reporting systems and disfunctionality of finance committees in schools. The causes of these challenges have been identified through observation, interviews and examination of the financial documents from sampled schools. The procedures for data collection were set and permission was granted to me by the district, circuit offices and schools. Participants signed letters of consent before they participated in the research study. Data collected has been analysed and interpreted by the researcher. Most aspects of the data collected were represented in the form of tables.

Recommendations based on findings have been given as possible solutions to the challenges experienced by the school governing bodies in the Vhembe district. The recommendations covered aspects of training, reporting, implementation of policies, procurement procedures, internal finance control system, monitoring of finances by district officials as well as the authorization of expenditure.

I have highlighted topics which may be subject to further research. These include investigation on correlation of SGB members and their educational qualifications with respect to financial management. The research had certain limitations such as the unwillingness of some participants to give financial information to me, difficulty in understanding financial terminology and unavailability of some participants such as finance and petty cash officers. The research study will be available for the readers as a published dissertation and may also serve as reference for other scholars.

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Appendices

Appendix A: Permission letter to conduct research study in Vhembe district

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION
VHEMBE DISTRICT

REF: 14/7/R

ENQ: MAGUGUMELA J

CONTACT: 0159621029

DEPARTMENT OF EDUCATION
VHEMBE DISTRICT
DSM'S OFFICE
2011 -07- 04
PRIVATE BAG X2250 SIBASA 0970
TEL. 015 962 1313/4
LIMPOPO PROVINCE

SECTOR 02
2011 -10- 11
THOHOYANDOU POLICE STATION
LIMPOPO PROVINCE

Mr. Ndou N
P.O.Box 1539
Lwamondo
0985

PERMISSION TO CONDUCT RESEARCH STUDY

1. The above stated matter refers.
2. Your request to conduct a Masters Degree research on the topic; CHALLENGES FACING SCHOOL GOVERNING BODIES IN THE IMPLIMENTATION OF FINANCE POLICIES IN THE VHEMBE DISTRICT; is acceded
3. The District office has noted that your research study will be conducted in the following circuits:
   - 3.1 Dzindi
   - 3.2 Vhuronga one
   - 3.3 Mutshundudi
   - 3.4 Mvudi
   - 3.5 Nzhelele East
   - 3.6 Soutpansberg East
   - 3.7 Niani
   - 3.8 Malamulele central
   - 3.9 Hlanganani North
4. Kindly be advised that your research activities should be conducted after school hours to avoid any disruption of teaching and learning.
5. The relevant Circuit managers and school principals should be informed in advance before research activities commence especially on the schools to be used, dates, times etc.
6. The District office wishes you a successful study.

0X85512-1 MATSHUSA A-C

2011 / 07 / 04

SENIOR MANAGER   DATE

Thohoyandou Government Building, Old Parliament, Block D, Private Bag X2250, SIBASA, 0970
Tel: (015) 962 1313 or (015) 962 1331, Fax: (015) 962 6039 or (015) 962 2288

The heartland of southern Africa - development is about people!

Appendix B: Permission letter to conduct research study in Dzindi circuit

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF EDUCATION

DZINDI CIRCUIT

Ref : 30618576
Enq: Ramanyimi N.R
Cell: 078 943 7993

21 October 2011

Ndou N.
Box 1539
Lwamondo
0985

APPLICATION TO CONDUCT RESEARCH AT DZINDI CIRCUIT:YOURSELF

1. The above matter refers.
2. Your application to conduct research at Dzindi Circuit schools have been approved on the following condition that:

2.1. Schools will not be disturbed for effective teaching and learning.

2.2. Research must be done after 14h30.

2.3. Be at your school till after 14h30 for your research.

3. You are further requested to make prior arrangements with educators for your research for the smooth running of our schools.
4. Wishing you all the best on your research.

TJ Nkazeni
CIRCUIT MANAGER: DZINDI

21/10/2011
DATE

DEPARTMENT OF EDUCATION
PRIVATE BAG X 1406
2011 -10- 21
LWAMONDO 0985
DZINDI CIRCUIT OFFICE

Appendix C: Permission letter to conduct research study in Malamulele Central circuit

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF EDUCATION
VHEMBE DISTRICT
MALAMULELE CENTRAL CIRCUIT

Private Bag X 9133
Malamulele
0982
Tel: 015 851 7919
015 851 7920
015 851 7921

Ref: 30618576
Enq: Chauke T.R.
Cell: 076 567 0943

18 October 2011

Ndou N.
Box 1539
Lwamondo
0985

APPLICATION TO CONDUCT RESEARCH AT MALAMULELE CENTRAL CIRCUIT: YOURSELF

1. The above matter refers.

2. Your application to conduct research at Malamulele Central Circuit schools has been approved on the following condition that:

2.1. Schools will not be disturbed for effective teaching and learning.
2.2. Research must be done after 14h30.
2.3. Be at your school till after 14h30 for your research.

3. You are further requested to make prior arrangements with educators for your research for the smooth running of our schools.

4. Wishing you all the best on your research.

(CIRCUIT MANAGER)

Malamulele Central Circuit
Department of Education
18 OCT 2011
Telefax: (015) 851 0936
P/Bag X 9133 Malamulele 0982
· LIMPOPO PROVINCE ·

Appendix D: Permission letter to conduct research study in Mvudi circuit

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION
VHEMBE DISTRICT

ENQ: RAMOVHA N
CELL: 071 675 2205

MVUDI CIRCUIT
PRIVATE BAG X2166
SIBASA
0970

RE:PERMISSION TO CONDUCT ACADEMIC RESEARCH: YOURSELF.

1. The above matter refers.
2. This circuit office has no objection on your proposal to conduct research in schools within my area of jurisdiction; however you need to take into cognisance that you do not interrupt with the normal teaching hours.
3. School managers of the targeted schools are expected to ensure that this research adheres to the above directive.
4. Wishing you the best of luck in your studies.

Hoping you will find the above in order.

CIRCUIT MANAGER (MVUDI)

17/10/2011
DATE/STAMP

THE CIRC[illegible] MANAGER
MVUDI C[illegible] OFFICE
2011 -10- 17
[illegible]AG X2166
[illegible]ASA 0970

Thohoyandou Government Building, Old Parliament, Block D, Private Bag X2250, SIBASA, 0970
Tel: (015) 962 1313 or (015) 962 1331. Fax: (015) 962 6039 or (015) 962 2288

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Appendix E: Permission letter to conduct research study in Soutpansberg East circuit

Limpopo
PROVINCIAL GOVERNMENT

Soutpansberg East Circuit
P/Bag X2009
MAKHADO
0920
015 516 1289
015 516 3494/5
65 Munnik Street

DEPARTMENT OF EDUCATION

SOUTPANSBERG EAST CIRCUIT

Ref: 14/7/R
Enq: Netshia P.K
Cell: +2782 810 4400
Date: 24 October 2011

DEPARTMENT OF EDUCATION
SOUTPANSBERG EAST CIRCUIT
REGION 3
2011 -10- 24
P/BAG X 2009 MAKHADO 0920
LIMPOPO PROVINCE

The District Senior Manager
Vhembe Education Department
Private Bag X2550
SIBASA
0970

TO MR. NDOU.

PERMISSION TO CONDUCT RESEARCH: YOURSELF.

1. The above matter refers.
2. Kindly be informed that permission has been granted for Mr. Ndou to conduct research at our schools.
3. Kindly assist him.

24/10/11

....
The Circuit Manager (Soutpansberg East Circuit) Date
/mmp

SOUTH AFRICAN POLICE SERVICE
2011 -10- 24
COMMUNITY SERVICE CENTRE
SUID-AFRIKAANSE POLISIEDIENS

Appendix F: Permission letter to conduct research study in Niani circuit

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

Ref: 14/7/R
ENQ: NETSHANDAMA T.E
CELL: 082 458 9857
TEL: 015 977 8440

DEPARTMENT OF EDUCATION VHEMBE DISTRICT
NIANI CIRCUIT

2011- 10- 18

TO: NDOU N
P.O. BOX 1539
LWAMONDO
0985

SIR

APPLICATION FOR CONDUCTING RESEARCH IN NIANI CIRCUIT AND SCHOOLS: NDOU NNDWAMATO.

1. The above matter refers.

2. Your request to conduct research at Niani Circuit Office, Hanyani Secondary and Tshipise Primary Schools on the topic: CHALLENGES FACING SCHOOL GOVERNING BODIES IN THE IMPLEMENTATION OF FINANCE POLICIES IN THE VHEMBE DISTRICT has been accepted.

3. Kindly be advised that your research should be conducted after school hours so that there are no disruptions of teaching and learning.

4. You are again requested to inform us in good time of your research schedule i.e. date and time.

T.E Netshandama
CIRCUIT MANAGER: NIANI

DEPARTMENT OF EDUCATION
NIANI CIRCUIT
2011 -10- 18
P/BAG X1195
MUTALE 0956
TEL: (015) 9670 873

Appendix G: Permission letter to conduct research study in Hlanganani North circuit

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF EDUCATION
VHEMBE DISTRICT
HLANGANANI NORTH CIRCUIT

Ref: Fal/Res 001/2011
Cell: 0727244440

The Principal

PERMISSION TO CONDUCT RESEARCH: NDOU NDWAMATO.

Please note that the above mentioned applicant has been given permission by the Circuit office to conduct research at your school.

The researcher will supply you with details of how the research is to unfold. Terms and conditions have been set by the District office.

Looking forward to your co-operation.

Circuit Manager.
Baloyi Falaza

Signature

17/10/2011
Date

Appendix H: Interview schedules

H1: Interview questions to circuit managers

1. What are your roles and responsibilities in the effective functioning of the school governing bodies?
2. Do you have copies of the following documents?
   2.1. Constitution of the Republic of South Africa
   2.2. South African School Act
   2.3. Public Finance Management Act
   2.4. 2009 Prescripts for the management of school funds in public schools in the Limpopo Province.
   2.5. 2011 Prescripts for the management of school funds in public schools in the Limpopo Province.
   2.6. Copies of 2011 adopted budget from all the schools in your circuit.
3. Did you conduct workshops to School Governing Bodies on financial matters in 2010 or 2011?
4. Are all schools in your circuit in possession of well-established functional finance committees?
5. How often do you visit schools for SGB evaluation and support?
6. How do you monitor compliance to the financial management policies of the schools in your circuit?
7. Did you receive quarterly financial statements from all schools in your circuit during the past three quarters of 2011?
8. Which irregularities on the implementation of financial policies by the SGBs were reported to your office during the past three years?
9. Which recommendations can you make to schools on effective management of school funds?

H2: Interview questions to school principals

1. In which quintile is your school?
2. In which budget bracket is your school this year? Choose from the following budget brackets: Less than R100 000.00, between R101 000 and R200 000.00, above R200 000.00.
3. Have you received any training in school financial management?
4. Did you conduct internal workshop/s for the SGB on financial management?
5. Did you appoint the finance personnel for 2011 in writing?
6. Who are the members of the finance committee in terms of their position or designation?
7. Who is responsible for keeping financial records in your school?
8. On which aspects or items did you spend the norms and standards funding from the Department of Education?
9. Do you have copies of the following documents?
   - 9.1. Constitution of the Republic of South Africa
   - 9.2. Approved SGB constitution
   - 9.3. 2009 and or 2011 prescripts for the management of school funds in public schools of the Limpopo Province
   - 9.4. 2011 approved budget
   - 9.5. Public Finance Management Act
   - 9.6. South African Schools Act
   - 9.7. Approved School Financial Policy
   - 9.8. School Assets Register
   - 9.9. Approved transport claims policy
   - 9.10. Audited Financial Statements for 2009 and 2010.
10. As an accounting officer, could you briefly explain the procurement procedures when spending school funds?
11. Do you have an internal financial control system in your school?
12. How often do you control financial records of your school?
13. Which challenges are you facing with regard to the implementation of the financial policies in your school?

H3: Interview questions to SGB chairpersons

1. How long have you served in the School Governing Body?
2. Have you ever been inducted or trained on school financial management?
3. What, in your opinion, is the role of the principal in financial management of the school?
4. Which goods or services must be purchased or rendered using norms and standards funding respectively?
5. Which criteria do you normally use when authorizing expenditure?
6. How often do you monitor financial documents of your school?
7. Do you have copies of the following documents?
   7.1. South African Schools Act.
   7.2. Approved 2011 school budget.
   7.3. 2009 or 2011 prescript on the management of school fund in public school of the Limpopo Province.
   7.4. Approved school finance policy.
8. Did you participate in the development or amendments of the SGB's constitution and financial policy?
9. Who is assigned the responsibility of choosing the service providers in you school?
10. Who are the signatories of the school's bank account in terms of their position or designation?
11. As leader of the SGB, how often do you give financial reports to the parents?

H4: Interview questions to 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 allowed by law to sign blank cheques?
7. Which documents must be given to you before signing a cheque?
8. What, in your opinion, are the roles of the financial officer?
9. Who is responsible for the handling of educational touring fees for both educators and learners?
10. Which supporting documents must be attached to the financial report for each educational tour?

H5: Interview questions to SGB finance officers

1. Were you appointed as finance officer of the school in writing?
2. Did you have any "financial management course" as part of your previous or current studies?
3. Were you inducted in school financial management when you assumed your duties and responsibilities as finance officer?
4. What are your major roles in SGB as a finance officer?
5. Do you provide secretarial duties to the finance committee prior, during and after the meetings?
6. Please tell me, in one sentence, what you know about the following financial documents:
    - 6.1. Receipt book
    - 6.2. Cash book
    - 6.3. Cheque book
    - 6.4. Claim form
    - 6.5. Finance policy
    - 6.6. Balance sheet.
7. Which aspects must be reflected in the monthly financial statement?
8. Who most often authorizes you to write a cheque to the service provider?
9. Which challenges are you facing when carrying out your duties and responsibilities as finance officer?
10. Who is responsible for keeping the deposit and cheque books in your school?

H6: Interview questions to SGB petty cash officers

1. Were you appointed as petty cashier in writing?
2. Were you inducted when you assumed duty as petty cashier?
3. How much petty cash do you keep on a monthly basis?
4. Who is responsible for cashing the cheque for the petty cash in your school?
5. Which aspects must be reflected in the petty cash journal or register?
6. Who approves the use of petty cash?
7. How often do you reconcile the petty cash vouchers?
8. Do you have a copy of an approved petty cash policy for your school?

Appendix I: Application letter to school requesting for permission to conduct research

REF	: 30618576	P.O.BOX 1539
ENQ	: NDOU N	LWAMONDO
CELL	: 078 708 5295	0985
	078 104 3684	24 October 2011

The Principal and School Governing Body

APPLICATION FOR CONDUCTING RESEARCH: PRINCIPAL AND SGB

The above matter refers.

I hereby request for conducting research with the principal and school governing body on the topic "Challenges facing school governing bodies in the implementation of finance policies in the Vhembe district." My supervisor is Dr NMM Mbunyuza-De Heer Menlah who may be contacted at 012 429 4441 or 072 649 5731.

The purpose of the study is to investigate the challenges that are affecting SGBs in the implementation of finance policies and to suggest possible solutions that may improve the functionality of the school governing bodies in the Vhembe district.

The school principal, SGB chairperson, treasurer, finance officer and petty cash officer will be requested to participate in the interviews. The venues, dates and time for the focus group and individual's interviews will be communicated well in advance.

The results of the study will be used for academic purpose only and may be published as an academic journal. I will provide you with the summary of the findings on request.

I hereby declare to abide to all ethical code of conduct and that all information will be used only for the research study. Letters of the alphabet will be used to represent the participants to ensure anonymity e.g. School principal A. Interviews will be tape-recorded to ensure the quality of data capturing.

Hoping that you will find this in order.

Yours truly

____

Ndou Nndwamato

Appendix J: Letter of consent to participant in research interview

REF	: 30618576	P.O.BOX 1539
ENQ	: NDOU N	LWAMONDO
CELL	: 078 708 5295	0985
	078 104 3684	24 October 2011

The School Principal:

Mr/Mrs/Ms/Dr ____

RE: INVITATION TO PARTICIPATE IN RESEARCH STUDY: YOURSELF

The above matter refers.

You are kindly requested to participate in academic research study interviews on the following topic "Challenges facing school governing bodies in the implementation of finance policies in the Vhembe district." My supervisor is Dr NMM Mbunyuza-De Heer Menlah who may be contacted at 012 429 4441 or 072 649 5731.

The purpose of the study is to investigate the challenges that are affecting SGBs in the implementation of finance policies and to suggest possible solutions that may improve the functionality of the school governing bodies.

The venue, date and time for interview will be communicated well in advance.

The interview sessions may be tape-recorded to ensure the quality of data capturing. The results of the study will be used for academic purpose only and may be published in an academic journal. I will provide you with the summary of the findings on request.

I hereby declare that anonymity of the participant and confidentiality of the information will be adhered to as part of code of ethics for the researcher.

Yours truly

____

Ndou Nndwamato (Student Number: 30618576)

Acceptance consent: I (surname & initials) ______________________________ hereby accept that I will participate in the research study under the conditions indicated above for the period of the study and will give true and correct information to the best of my knowledge.

Signature: ______________________________ Date: __________________

Appendix K: Interview transcripts

K1: Interview questions to circuit managers

Introduction: Good morning or afternoon (Mr, Mrs, Ms, Miss A, B, C ….) Thank you for granting me permission to interview you. I would like to assure you that I will stick to all the ethical codes of conduct with regard to the conducting of research as stated in my application letter and your letter of informed consent. Feel free to use the language you could understand better and do not hesitate to ask for clarity in case there is a need. May I tape-record the interviews for the quality of data collection and interpretation? Thank you, we may start.

Researcher: What are your roles and responsibilities in the effective functioning of the school governing bodies?

Circuit Manager A: *I am responsible for the monitoring and support of the School Governing Bodies within our circuit. I conduct workshops on the formulation and implementation of school policies and assist when there are problems or disputes*.

Researcher: Do you have copies of the following documents?

Circuit Manager A:

- Constitution of the Republic of South Africa *No*
- South African School Act *Yes*
- Public Finance Management Act *Yes*
- 2009 Prescripts for the management of school funds in public schools in the Limpopo Province. *Yes*
- 2011 Prescripts for the management of school funds in public schools in the Limpopo Province. *No*
- Copies of 2011 adopted budget from all the schools in your circuit. *Yes*

Researcher: Did you conduct workshops to School Governing Bodies on financial matters in 2010 or 2011?

Circuit manager A: *Yes but for very short period of time*.

Researcher: Are all schools in your circuit in position of well-established functional finance committees?

Circuit manager A: *Partly yes. The majority of the schools do not have well-established functional committee and do not even have such committee at all.*

Researcher: How often do you visit schools for SGB evaluation and support?

Circuit manager: *At least once per quarter in principle but the reality is that very few schools were visited this year*.

Researcher: How do you monitor compliance to the financial management policies of the schools in your circuit?

Circuit manager A: *Principals submit monthly report to the circuit office*.

Researcher: Did you receive quarterly financial statements from all schools in your circuit during the past three quarters of 2011?

Circuit manager A: *Yes*

Researcher: Which irregularities on the implementation of finance policies by the SGBs were reported to your office during the past three years?

Circuit manager A: *I did not receive any report on irregularities. I just heard rumors that some principals are using school fund for their own benefits.*

Researcher: Which recommendations can you make to schools on effective management of school fund?

Circuit manager A: *Many effective workshops must be conducted. People with knowledge or experience must be co-opted to add value to the existing SGB. Deputy circuit managers must be appointed to focus on governance issues. Quarterly SGB reports must be analysed to identify the short comings and intervention strategies must be put in place and implemented accordingly*.

Thank you for your time. Your responses will be part of the data and interpretation of the research study. You may get the summary of this study should you wish it. Have a nice day.

K2: Interview questions to school principals

Introduction: Good morning or afternoon (Mr, Mrs, Ms, Miss A, B, C ….) Thank you for granting me permission to interview you. I would like to assure you that I will stick to all the ethical codes of conduct with regard to the conducting of research as stated in my application letter and your letter of informed consent. Feel free to use the language you could understand better and do not hesitate to ask for clarity in case there is a need. May I tape-record the interviews for the quality of data collection and interpretation? Thank you, we may start.

Researcher: In which quintile is your school?

Principal A: *3*

Researcher: In which budget bracket is your school this year? Choose from the following budget brackets: Less than R100 000.00, between R101 000 and R200 000.00, above R200 000.00.

Principal A: *Above R200 000.00*

Researcher: Did you receive any training in school financial management?

Principal A: *Yes but it was just a microwave-like workshop*.

Researcher: Did you conduct internal workshop/s to SGB on financial management?

Principal A: *Yes. It was in the form of reporting meeting from the workshop I attended*.

Researcher: Did you appoint the finance and petty cash officers for 2011 in writing?

Principal A: *No. I just delegated them to assist the SGB on financial matters*.

Researcher: Who are the members of the finance committee in terms of their position or designation?

Principal A: *There is no finance committee. The treasurer and finance officer assist me on financial management*.

Researcher: Who is responsible for keeping financial records in your school?

Principal A: *Finance officer*

Researcher: On which aspects or items did you spend the norms and standard funding from the Department of Education?

Principal A: *Stationery, maintenance of buildings, SGB activities, payment of telephone and electricity bills, salaries for gardeners , cleaners and security guards.*

Researcher: Do you have copies of the following documents?

Principal A:

- Constitution of the Republic of South Africa. *Yes*
- Approved SGB constitution *Yes*
- 2009 and or 2011 prescripts for the management of school funds in public schools of the Limpopo Province. *Yes*
- 2011 approved budget. *Yes*
- Public Finance Management Act. *No*
- South African Schools Act. *Yes*
- Approved School Finance Policy. *No*
- School Assets Register. *Yes*
- Approved transport claims policy. *No*
- Audited Financial Statements for 2009 and 2010. *Yes*

Researcher: As an accounting officer, could you briefly explain the procurement procedures when spending school funds?

Principal A: *Three quotations, I select the cheapest one. I approve for payment and the SGB chairperson authorize it. The finance officer write the cheque to the claimant*.

Researcher: Do you have an internal financial control system in your school?

Principal A: *Yes*.

Researcher: How often do you control the financial records of your school?

Principal A: *Once per month*.

Researcher: Which challenges are you facing with regard to the implementation of the finance policies in your school?

Principal A: *It is difficult to get three quotations for each purchase or service needed*.

Thank you for your time. Your responses will be part of the data and interpretation of the research study. You may get the summary of this study should you wish it. Have a nice day.

K3: Interview questions to SGB chairpersons

Introduction: Good morning or afternoon (Mr, Mrs, Ms, Miss A, B, C ….) Thank you for granting me permission to interview you. I would like to assure you that I will stick to all the ethical codes of conduct with regard to the conducting of research as stated in my application letter and your letter of informed consent. Feel free to use the language you could understand better and do not hesitate to ask for clarity in case there is a need. May I tape-record the interviews for the quality of data collection and interpretation? Thank you, we may start.

Researcher: How long have you served in the School Governing Body?

SGB chairperson A: *Five and half years.*

Researcher: Have you ever been inducted or trained on school financial management?

SGB chairperson A: *No.*

Researcher: What, in your opinion, is the role of the principal in the financial management of the school?

SGB chairperson A: *To decide what to purchase at school and to help us on how to spend school fund and to offer transport for the goods purchased*.

Researcher: Which goods or services must be purchased or rendered using norms and standards funding respectively?

SGB chairperson A: *Payment of electricity, telephone, purchase of stationery and maintenance of buildings.*

Researcher: Which criteria do you normally use when authorizing expenditure?

SGB chairperson A: *I check if the work has been completed. I check three quotations and choose the lowest quotation*.

Researcher: How often do you monitor the financial documents of your school?

SGB chairperson A: *Once per month and when needs arise.*

Researcher: Do you have copies of the following documents:

SGB chairperson A:

- South African Schools Act. *Yes*
- Approved 2011 school budget. *Yes*

- 2009 or 2011 prescript on the management of school funds in public school of the Limpopo Province. *Yes*
- Approved school financial policy. *No*

Researcher: Did you participate in the development or amendments of SGB's constitution and finance policy?

SGB chairperson A: *Yes. I participated on SGB constitution only*.

Researcher: Who is assigned the responsibility of choosing the service providers in you school?

SGB chairperson A: *Finance committee.*

Researcher: Who are the signatories of the school's bank account in terms of their position or designation?

SGB chairperson A: *Treasurer, deputy chairperson and secretary of SGB.*

Researcher: As leader of the SGB, how often do you give financial reports to the parents?

SGB chairperson A: *Once per quarter except on special request or special meetings.*

Researcher: How often do you monitor financial records?

SGB chairperson A: *Once per quarter*.

Thank you for your time. Your responses will be part of the data and interpretation of the research study. You may get the summary of this study should you wish it. Have a nice day.

K4: Interview questions to SGB treasurers

Introduction: Good morning or afternoon (Mr, Mrs, Ms, Miss A, B, C ….) Thank you for granting me permission to interview you. I would like to assure you that I will stick to all the ethical codes of conduct with regard to the conducting of research as stated in my application letter and your letter of informed consent. Feel free to use the language you could understand better and do not hesitate to ask for clarity in case there is a need. May I tape-record the interviews for the quality of data collection and interpretation? Thank you, we may start.

Researcher: What are the responsibilities of the SGB treasurer?

SGB treasurer A: *To monitor the use of funds and to sign cheques*.

Researcher: Which financial documents must be checked by the treasurer prior to the signing of cheques?

SGB treasurer A: *Claim forms and service rendered.*

Researcher: Could you briefly explain the adjudication process as part of the procurement procedures?

SGB treasurer A: *The principal tell us where we can get quality goods and we write cheque*.

Researcher: How often do you check the financial reports prepared by the finance officer?

SGB treasurer A: *Once per quarter*.

Researcher: Do you have a financial monitoring tool or checklist?

SGB treasurer A: *No.*

Researcher: In which circumstances are you allowed by law to sign blank cheques?

SGB treasurer A: *When we do not know the names of the payee well or when are not show of the shop in which we want to purchase*.

Researcher: Which documents must be given to you before signing a cheque?

SGB treasurer A: *Claim forms completed by payee*.

Researcher: What, in your opinion, are the roles of the finance officer?

SGB treasurer A: *Banking and writing of cheques*.

Researcher: Who is responsible for the handling of educational touring fees for both educators and learners?

SGB treasurer A: *The finance officer or delegated educator accompanying the learners*.

Researcher: Which supporting documents must be attached to the financial report for each educational tour?

SGB treasurer A: *Invoices for the payment of bus, catering, accommodation and entrance fees*.

Thank you for your time. Your responses will be part of the data and interpretation of the research study. You may get the summary of this study should you wish it. Have a nice day.

K5: Interview questions to SGB finance officers

Introduction: Good morning or afternoon (Mr, Mrs, Ms, Miss A, B, C ….) Thank you for granting me permission to interview you. I would like to assure you that I will stick to all the ethical codes of conduct with regard to the conducting of research as stated in my application letter and your letter of informed consent. Feel free to use the language you could understand better and do not hesitate to ask for clarity in case there is a need. May I tape-record the interviews for the quality of data collection and interpretation? Thank you, we may start.

Researcher: Were you appointed as finance officer of the school in writing?

Finance Officer A: *No. The principal told me that I will be the finance officer of the school for this year.*

Researcher: Did you have a financial management course as part of your previous or current studies?

Finance Officer A: *No.*

Researcher: Were you inducted in school finance management when you assumed your duties and responsibilities as finance officer?

Finance Officer A: *Thirty minutes orientation was done by the principal.*

Researcher: What are your major roles in the SGB as a finance officer?

Finance Officer A: *To collect money, deposit it and write cheques.*

Researcher: Do you provide secretarial duties to the finance committee prior, during and after the meetings?

Finance Officer A: *No.*

Researcher: Could you, in one sentence, tell me what you know about the following financial documents:

Finance Officer A:

- Receipt book. *To write money received*
- Cash book. *I do not know this book*
- Cheque book. *To pay for goods or services*
- Claim form. *To request payment from the finance officers.*
- Finance policy. *I don't know it well.*
- Balance sheet. *It is a new concept to me.*

Researcher: Which aspects must be reflected in the monthly financial statement?

Finance Officer A: *Income and expenditure, receipt number and cheques number.*

Researcher: Who most often authorizes you to write a cheque to the service provider?

Finance Officer A: *The principal.*

Researcher: Which challenges are you facing when carrying out your duties and responsibilities as finance officer?

Finance Officer A: *The principal sometimes instruct me to write blank cheques, the SGB chairperson works too far from the school and is difficult for him to come and authorize payment.*

Researcher: Who is responsible for keeping the deposit and cheque books in your school?

Finance Officer A: *The finance officer.*

Thank you for your time. Your responses will be part of the data and interpretation of the research study. You may get the summary of this study should you wish it. Have a nice day.

K6: Interview questions to SGB petty cash officers

Introduction: Good morning or afternoon (Mr, Mrs, Ms, Miss A, B, C ….) Thank you for granting me permission to interview you. I would like to assure you that I will stick to all the ethical codes of conduct with regard to the conducting of research as stated in my application letter and your letter of informed consent. Feel free to use the language you could understand better and do not hesitate to ask for clarity in case there is a need. May I tape-record the interviews for the quality of data collection and interpretation? Thank you, we may start.

Researcher: Were you appointed as petty cashier in writing?

Petty cash officer: *No.*

Researcher: Were you inducted when you assumed your duties as petty cashier?

Petty cash officer: *No. It was just short explanation of what I must do*.

Researcher: How much petty cash are you keeping on a monthly basis?

Petty cash officer: *R500.00*

Researcher: Who is responsible for cashing the cheque for the petty cash in your school?

Petty cash officer: *The finance officer and sometimes the principal.*

Researcher: Which aspects must be reflected in the petty cash journal or register?

Petty cash officer: *The amount of the money used and items purchased*.

Researcher: Who approves the use of petty cash?

Petty cash officer: *The principal.*

Researcher: How often do you reconcile the petty cash vouchers?

Petty cash officer: *Once per month.*

Researcher: Do you have a copy of the approved petty cash policy for your school?

Petty cash officer: *No. We are just guided by the prescript for the management of school fund from the province*.

Conclusion

Thank you for your time. Your responses will be part of the data and interpretation of the research study. You may get the summary of this study should you wish it. Have a nice day.