STAKEHOLDERS' PERCEPTIONS OF THE EFFECTIVENESS OF THE REKOPANTSWE AREA OFFICE'S ROLE IN SCHOOL FINANCIAL MANAGEMENT

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DECLARATION

I, Oupa Jim Mekgwe, hereby declare that this mini-dissertation for the degree of Masters in Education (Management) with the University of North West as submitted, has not previously been submitted by me for any degree at this or any other university; that it is my own work in design and execution and all materials contained in this study have been acknowledged.

Signed: 

(i)
I would like to thank God Almighty for protecting my life throughout these trying times.

To give thanks to the late Sesedi Daify Raleie (Rekopantswe Area Office Manager), who proposed this topic to me, “may her soul rest in peace”. I believe that I have done justice to the study and I hope she is happy wherever she is.

To thank my colleagues at Renalerona Middle School, who were supportive and assisting with other responsibilities while I was doing the study.

To my family, for being there, supportive and understanding.

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To the Rekopantswe Area Office management, all the principals of schools and EMG coordinator who participated in this study, in particular those who were interviewees, Mr Phelane (Mphoitsile Primary), Ms Molutsi (Ipokeng Middle), Mr Ramadie (Luisdal Primary), Mr Moremane (Medupe Primary). I would like to send special condolences to the Setshedhi family, for the loss of their daughter, Berlinah, who was also an interviewee in this study.

To the workers of North West University library, for helping me to access relevant documents.

A special thanks to the Editor, Prof. Awudetsey.

To you all, I thank you.
DEDICATION

This work is dedicated to my late mother Sophie, for inspiring me from childhood, and also to my wife, Tsholofelo for the support she gave me, and our children, Kgothatso and Kopano.
ABSTRACT

The South African Schools Act (Act No 84 of 1996) and Public Finance Management Act (Act No.1 of 1999) are the most important legislative frameworks in financial school management. Principals and other stakeholders still find it difficult to comply with these Acts and this makes it difficult for them to manage their school finances effectively and efficiently.

The purpose of this study was to explore the extent of the effectiveness of the EMG’s support and training programmes in addressing the challenges that principals are faced with in the management of school finances.

In addition the study aimed at establishing the reasons why schools still find it difficult to manage their finances well and why they are not complying with the relevant Acts.

The empirical study followed a qualitative (interpretive) research approach. The interpretive approach allowed the researcher to interact closely with the participants to gain insight and form a clear understanding as to how effective the EMG is towards addressing the challenges facing principals in the management of school finances.

Firstly, twenty six (26) school principals who were purposefully selected from ninety six (96) schools in the Rekopantswe Area Office participated in the open-ended survey.

Secondly, five (5) school principals from twenty six who participated in the first round of data collection and the EMG, participated in the interviews.

Three school principals were males, two were females and the EMG coordinator was a female. Finally, six participants were interviewed, three males and three females.

Through this study, the researcher established that the Department of Education is not doing enough to address the challenges that principals are faced with in managing school finances. Finance training programmes are not relevant to the schools’ needs. There is a need for a qualified full-time treasurer in all schools.

The general view of stakeholders, particularly principals, is that the Rekopantswe Area Office is not playing an effective role in addressing the challenges facing principals in the management of school finances.
Therefore, it is recommended that training workshops should be based primarily on the areas of concern discovered during the interrogation of school monthly reports and the audited finance statements. The blanket approach to conducting training workshops does not necessarily address challenges that principals are faced with.

With the implementation of focused training workshops, school management and SGB members will be equipped with the necessary competency needed to improve the situation at school and the economy of the country. The study further recommends collaborative work, teamwork and cooperation among schools. Schools should not work in isolation; they should share information amongst the committees for development purposes.
KEYWORDS

ACCOUNTABILITY
BLANKET APPROACH
CHALLENGES OF MANAGING SCHOOL FINANCES
EFFECTIVENESS
FINANCE MANAGEMENT TRAINING PROGRAMMES
SCHOOL FINANCIAL MANAGEMENT
LIST OF ABBREVIATIONS

AG     AUDITOR GENERAL
AO     AREA OFFICE
AFS    ANNUAL FINANCIAL STATEMENT
AGM    ANNUAL GENERAL MEETING
COLT   CULTURE OF LEARNING AND TEACHING
DoE    DEPARTMENT of EDUCATION
EMG    EDUCATION MANAGEMENT AND GOVERNANCE
HOD    HEAD OF DEPARTMENT
ISC    INSTITUTIONAL SUPPORT CO-ORDINATOR
LTSM   LEARNING AND TEACHING SUPPORT MATERIAL
NWED   NORTH WEST EDUCATION DEPARTMENT
OECD   ORGANISATIONS FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
PED    PROVINCIAL EDUCATION DEPARTMENT
PFMA   PUBLIC FINANCE MANAGEMENT ACT
RCL    REPRESENTATION COUNCIL OF LEARNERS
SASA   SOUTH AFRICAN SCHOOLS ACT 84 OF 1996
SGB    SCHOOL GOVERNING BODY
TLO    TEACHER LIAISON OFFICER
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CHAPTER 1
ORIENTATION

1.1 INTRODUCTION

The South African education system has undergone many changes since 1994, the most notable being the promulgation of the South African Schools Act, Act 84 of 1996 which introduced a system of democratic governance into South Africa’s public schooling system. For the first time, in 1997 School Governing Bodies (SGB) were elected for the first time for a three year term.

According to The South African Schools Act No. 84 of 1996, “school governing bodies are mandated to manage the funds of schools. The Act also provides guidelines for the school governing body and the principal on their roles and responsibilities in managing the finances of the school” Bisshoff (2000: 123). However, some members of school governing bodies and principals either have little knowledge of the Schools Act or simply interpret it incorrectly, which results in many schools experiencing financial mismanagement. Although the provincial department of education provides financial management training for school governing bodies, many schools still encounter problems in this area. When financial problems are referred to the department of education, many remain unresolved.

There is an ongoing change in the system of education, for instance there are changes in School Curriculum, School Management and Financial School Management. My interest is on the management of school finances, particularly on the role of principals, the challenges they are faced with, how they are coping and what can be done to assist them in their endeavours to comply with the expectations of the Act.

Organisation for Economic Co-operation and Development, OECD (2008: 366) states that “many schools experience several challenges in the management of finances. Some of them include: Signing of blank cheques; cheque and cash payments were generally made in the absence of payment authority and supporting documents and stock registers were non-existent”.

Prior to 2003, the organizational structure of the Department of Education was much distorted, resulting in a top-heavy organization. The authority was excessively centralized which created a bottleneck in service delivery. In short, schools which needed assistance could not easily be reached because of the gap between top management of the department and schools. One of the most serious problems caused by that structure was the absence of proper mechanisms to support linkage between departmental strategic objectives and actual operational activity. Consultative processes were then entered into to propose an organization structure which can make service delivery to schools more effective and efficient. This process saw the birth of Regions, Area Office and all the sub-divisions within their perimeters.

The school has both internal and external stakeholders who play an important role in its effective and efficient running and management. These stakeholders are directly or indirectly influencing the management of finances of that school. The principal of a school forms an integral part of the internal stakeholders. He is expected to have a better knowledge of management and legislative frameworks related to school funds than anyone in the school. Internal stakeholders for this study will be principal.

Bisschoff (2002:102) agrees that “the school principal must actively draw the external stakeholders into the school’s activities and encourage the support of these activities”. To ensure this on a continual basis, the principal must provide feedback to external stakeholders. In financial management terms this is nothing less than a form of accountability. By so doing, some of the external stakeholders like Area Office will be able to identify challenges and consequently draw up a programme to assist schools.

For this study, the sub-division that I focused on is called Educational Management and Governance (EMG), at the level of Area Office as it forms part of the external stakeholders.

This study therefore, looked at the perceptions of stakeholders, being principals and EMG coordinator on how effective this sub-division is in dealing with the challenges that principals of schools are faced with in the management of school finances.
The rationale here is that, according to South African Schools Act 84 of 1996 (Section 21: 19), School governing Bodies are to perform certain functions particularly on the management of the school funds. Among others the functions are to:

- Maintain and improve school property, and buildings and grounds occupied by the school
- Purchase textbooks, educational materials or equipment for the school;
- Pay for the service to the school.

It is still evident though that many schools experience difficulties in managing their school finances. Principals are regarded as the ultimate accounting officers for the school’s finances. If the support that they are getting from EMG is not effective enough, they are likely to fail in carrying out their responsibilities.

1.2 STATEMENT OF THE PROBLEM

The South African Schools Act 84 of 1996 prescribes how a school should manage its funds. It also provides guidelines for the school governing body and the principal on their roles and responsibilities in managing the finances of the school. According to Bisschoff (2000: 124) “there are school governing bodies and principals that have little knowledge of the contents of the Schools Act or are simply interpreting it incorrectly and this has led to many schools being victims of mismanagement or misappropriation of funds in the form of embezzlement, fraud and theft”.

Mestry, (2006:28) agrees with the above statement when he says that “many principals and SGB members are placed under tremendous pressure to manage their schools’ finances because they are unable to work out practical solutions to financial problems, on account of their lack of financial knowledge, skills and expertise”. In many instances it has been reported that principals and school governing bodies have been subjected to forensic audits by the Department of Education due to the mismanagement of funds through misappropriation, fraud, pilfering of cash, theft and improper control of financial records.
The problem here is that although the Department of Education provides training for school governing bodies in financial management, financial problems in many schools have not abated. The principal or members of the school governing body (SGB) may choose to sweep these financial problems under the carpet for fear of being implicated. In instances where financial problems have been taken up with school districts in the Department of Education, many of these problems remain unresolved.

There are likely to be a vast number of factors inherent in the Culture of Learning and Teaching (COLT) in many of the schools in the Rekopantswe Area Office of the Ngaka Modiri Molema District such as: unionism, nepotism, regard or disregard for one’s moral obligation to perform one’s job adequately, an existent or non-existent code of ethics, capacity or lack of capacity and others, which contribute to or mitigate against public school financial management team’s ability or lack of ability to carry out their Key Responsibility Areas to the best of their abilities.

1.3 RESEARCH AIMS

Primary research aim

The primary research aim for this study is to determine the stakeholders’ perceptions of the effectiveness of the role of Rekopantswe Area Office towards the management of school finances.

In order to achieve the primary aim for this study, the following objectives are stated:

- To determine the extent to which the EMG assist school principals in dealing with the challenges they are faced with in the management of school finances.
- To establish the relevance and effectiveness of the training programmes given to school management and governance structures.
- To determine the extent to which Principals of schools are responding to such training programmes.
1.4 CONCEPT CLARIFICATION

Stakeholders

Jenkins (2009:201) sees stakeholders as ‘an integral part of the organization. They are the end – users or clients, the people from whom the requirements will be drawn, the people who influence the design and ultimately, the people who will reap the benefits of the organization.

In the school situation, stakeholders refer to all the people who make it possible for the school to function well and produce good results. They play an important role in the effective and efficient running of the school. They include, educators, managers (principals) school governing bodies, support structures such as Area Office and other structures of the department. For this study, the stakeholders will be principals of schools and the Educational Management and Governance coordinator.

Accountability

Conradie, Marais, & Moyce (2008: 35) define accountability as follows: “being accountable means you assume responsibility for your actions and decisions, as well as living up your obligation to report, explain and answer for any consequences of non-adherence to policies of the business”.

Furthermore, Hansraj (2003:102) explains accountability as the capacity of the school principal to work with others to demonstrate that the school has indeed been responsive to the needs of the students. The local community and society at large within the particular framework of responsibility of self-management, which applies to the school. In the context of this study, accountability refers to the principal’s ability to take responsibility of the manner in which school finances are managed.
Effectiveness

Drucker (2006:101) explains that ‘effectiveness means the capability of producing an effect, and is most frequency used in connection with the degree to which something is capable of producing a specific, desired effect’.

In management, effectiveness relates to getting the right things done.

The word effective is sometimes used in qualitative way, “being very or not much effective, however it does not inform on the direction (positive or negative) and the comparison to a standard of the given effect. Efficacy, on the other hand, is the ability to produce a desired amount of the desired effect, or success in achieving a given goal.

Contrary to efficiency, the focus of efficacy is the achievement as such, not the resources spent in achieving the desired effect.

In this study, effectiveness means the extent to which the Area office is able to develop the right programmes for training and support to assist schools to manage their finances well.

School Governing Body (SGB)

In the South African Schools Act 84 of 1996 (Section 23:21) define the SGB to be a committee composed of elected parents representatives, educators in that school, co-opted members, learners (for Secondary Schools) and the principal.

Self Managing Schools

Caldwell and Spinks (2000: 104) define Self Managing Schools to be ones for which there has been significant and consistent decentralization to the school level of authority to make decisions related to the allocation of resources. This decentralization is administrative not political, with decisions at the school level being made within a framework of local, state or national policies and guidelines. The School Management Team (SMT) remains accountable to the SGB for the manner in which resources are allocated.
Financial Management

Clarke (2008:111) describes financial management as follows: It is essential that the school principal makes sure that he or she has the knowledge and understanding of the basic processes involved in managing the school's account, the budgeting process and the systems and controls that are necessary to ensure that the school's monies are not misappropriated.

Erasmus (2008:306) explains financial management as a requirement of managers to take responsibility for the actions and achievements in exchange for greater managerial discretion over their inputs. Thus, managers have to take responsibility for their performance.

Van Wyk (2004:84) states that the objective of financial management in the public sector is to support management in the efficiency (and effectiveness) in the delivery of outputs required to achieve desired outcome that will serve the needs of the community (school).

Change

Kimbrough and Burkett (2005:201) defines change as a “deliberate effort to alter the status quo by influencing or modifying the functions, structures, technology and or purpose of an organization”

The goal of change is to make the organization more effective. The aim of change is always improvement. Improvement is a systematic effort to alter the processes in an organization with the sole purpose of attaining the goals of the organization.
Blanket Approach

"Blanket Approach is very broad, it tries to cover everything. The conclusion made in this approach still requires more justification" George, Geen & Littlewood (2005:13). For this study, blanket approach refers to the generalized way or approach in which the EMGD conducts training and workshops in a bid to address challenges facing principals of schools in financial school management. This approach is not addressing specific challenges of individual schools as submitted by schools or raised by external auditors.

1.5 METHODOLOGY

The study used a literature review and a qualitative empirical research design.

1.5.1 Literature study

The literature study focused on schools’ financial management by principals in Post-Apartheid South Africa; the powers given to the Provincial Department of Education by the National Department, and the shift of financial responsibility to school management and governance structures. It also looked into the other research studies conducted on the topic of school financial management. The findings of those research studies assisted the researcher to direct his study and to move towards achieving the aims he had set.

Focus was on the Department of education’s policies on finances particularly South African Schools Act (SASA) and the Public Finance Management Act (PFMA). In terms of SASA, concentration will be on the Norms and Standards for Funding of Public Schools and also Section 21, which deals with the responsibility of SGB’s in managing school finances.

The literature study on PFMA focused on the SGBs responsibility to budget, implement the budget, and appoint auditors and submission of Annual Financial Statement to H.O.D.
Department of Education’s Approved Micro Organisational Chart and Establishments, 2003, explains the role of EMG to be, “to ensure the implementation and provision of EMG policies and programmes”. It further highlighted the following functions:

(i) Implement institutional governance policies.
(ii) Identify training needs.
(iii) Render capacity building programmes
(iv) Resolve conflicts in schools.

The literature review also focused on the report by Auditor General for the past two years which indicates that there is serious finance mismanagement in the department of education. The specific focus was on the findings of the Auditor General in the manner in which schools (principals in particular) failed to properly manage and account for the allocated funds.

The purpose of this literature study was to establish the extent to which schools adhere to the Department’s Acts, policies and guidelines on management of finances. The roles of the EMG will allowed the researcher to establish the effectiveness of capacity building activities from the side of the department and also the reasons behind the failure of many school managers and governance structures in executing their expected duties.

1.5.2 Empirical investigation

1.5.2.1 Research design

Research design refers to a plan for selecting subjects, research sites and data collection procedures to answer the research questions. The empirical study follows a qualitative (interpretive) research approach. The interpretivist approach allows the researcher to interact closely with the participants to gain insight and form a clear understanding as to how effective the EMG is towards addressing the challenges facing principals in the management of school finances.

Firstly, twenty six principals from the selected schools participated in the open – ended survey. There are no guidelines for determining the size of purposeful samples.
Secondly, five (5) principals from the 26 who participated in the first stage were selected for in-depth interviews. EMG co-ordinator was also be interviewed to enable the researcher to have the views of all affected parties on this matter. The total number of all participants in the final round of interviews was six.

In-depth interviewing involves asking open-ended questions, listening to and recording the answers, and then following up with additional relevant questions. On the surface this appears to require no more than knowing how to talk and listen. Beneath the surface, however, interviewing becomes an art and science requiring skill, sensitivity, concentration, interpersonal understanding, insight, mental acuity, and discipline.

1.5.2.2 Data collection

Data collection was done through open-ended questions and interviews. The researcher formulated a set of questions to use with a sample of 26 schools to express their views about the way they value the support from EMG in the Area Office. The second group of participants’ from the five schools were also sampled from the first 26 schools will participate in interviews.

Furthermore, a tape recorder was used to record participants’ views during interviews. This will enabled the researcher to be accurate in the verbatim quoting of participants. It also assisted him in the instances where he might have forgotten what was said.

1.5.2.2 (a) Qualitative open-ended survey

Qualitative open-ended written response questions were designed and personally presented to principals and SGB chairpersons of 26 randomly sampled schools with the aim to obtain their perception about the effectiveness of the Institutional Management and Governance unit in addressing the problems they experience in the management of school’s finances.
Du Plooy (2009:54) explains that open-ended questions are those in which the content or nature of the answer or response is not specified. He further explains that participants are asked to formulate their own answer(s) without prompting from the question(s).

Silverman (2004: 184) emphasizes that open-ended and flexible questions are likely to get a more considered response than closed questions and therefore provide better access to interviewees’ views, interpretation of events, understandings, experiences and opinions.

1.5.2.2(b) Semi-structured Interviews

For the five school principals and the EMG co-ordinator participating in the second stage of interviews, a semi-structured interview was used to seek in-depth information regarding the stakeholders’ perceptions of the effectiveness of the Rekopantswe Area office’s role in school finance management. The interviewer’s role was to facilitate the flow of information during the interviews. Non-verbal reactions were also observed to get a sense of feelings of participants.

Silverman (2004: 184) asserts that qualitative interviewing is particularly useful as a research method for accessing individual’s attitudes and values, things that cannot necessarily be observed or accommodated in a formal questionnaire.

1.5.2.3 Data analysis

Qualitative content analysis was used to analyse the transcribed interviews. A coding frame was drawn up, to provide for verbatim reporting where applicable. The researcher also used preset coding, that was identified whilst doing the literature review for this study. Related codes were organized into preset categories. These preset categories were also be identified whilst doing literature review. After the researcher completed categorisation, he re-read the transcriptions to check whether he had captured all the important insights that had emerged from the data.
In qualitative research, a member checks, also known as informant feedbacks or respondent validation, is used. This is a technique used by researchers to help improve the accuracy, credibility, validity and transferability of the study.

In this study, the interpretation and report was given to members of the sample in order to check the authenticity of the work. This was done at the conclusion of the study. It allowed the participants to critically analyse the findings and comment on them.

1.6 POSSIBLE CONTRIBUTIONS OF THE STUDY

This study may contribute towards identifying the needs of support mechanisms for principals in their execution of their duties as financial managers in their schools. It is envisaged that the outcome of the research will lead to a clearer understanding of the roles and challenges the principals are faced with in the management of the section 21 school finances. Furthermore, among other this study will:

- Determine whether the EMG does assist school principals in dealing with the challenges they are faced with in the management of school finances.
- Determine whether school principals and their governing bodies have been sufficiently trained and capacitated to manage schools' finances.
- Develop guidelines which would be able to assist school principals and school governing bodies to manage schools' finances efficiently, effectively and economically.
- Develop strategies and make recommendations which will assist school principals and school governing bodies in transforming their schools into self-reliant schools.

1.7 DELIMITATION OF THE STUDY

The study falls within the field of management in education and focused more specifically on the management of finances in public schools. There are many stakeholders who are responsible for the management of school finances but only principals and EMG coordinator were used as key role players. The investigation took
place within Rekopantswe Area Office which represents the schools in Ngaka Modiri Molema District.

1.8 LIMITATION OF THE STUDY

Management of school finances is the responsibility of different stakeholders at school and outside the school. It is important to include all of the in the investigation in order to get a wide range of views to make the study totally complete and without loopholes. Focus on principals and EMG coordinator only, may limit the extent of information as there are other stakeholders like SGB, teachers and sponsors.

1.9 LAYOUT OF THE STUDY

Chapter 1: Introduction

Chapter 1 provided a general overview to the study, including an introduction and rationale for the study. This chapter also contains the research problem, research questions, and purpose of the research and definition of concepts.

Chapter 2: Conceptual framework

This chapter outlines the conceptual framework for the study by providing a literature exploration with regard to information on the organisational structure of the department of education adopted in 2003, particularly the roles that EMG plays. It also looks at literature on school finances e.g. South African Schools Act and Public Finance Management Act.
Chapter 3: Research design and methodology

The third chapter describes the research process in depth, including the research design and methodology to be followed in the study.

Chapter 4: Presentation of findings

This chapter presents the raw data, an analysis of the data and the findings of the study. Results will be presented qualitatively.

Chapter 5: Summary

In chapter 5 the researcher will summarise the results of the study and will present conclusions drawn from the study. Implications and recommendations for additional research are also to be discussed.

1.10 SUMMARY

Many schools in the North West province experience serious challenges in managing their finances. In the Rekopantswe Area Office in particular, there have been reports that a large percentage of schools experience such problems. This study will identify those problems and evaluate how effectively is the Area Office through the EMG has managed to address them.

The following chapter will reflect on the literature review. It will focus on the sources of information that relate to the topic and necessarily helping the researcher to move towards achieving the research aims.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter, focused on the orientation of the study. It included the introduction to the topic, statement of a problem and a layout of items with a brief explanation on how the different chapters of the study will be structured and what they will entail. In this chapter, the focus is on the legislative frameworks that guide stakeholders about the management of school finances, the role of EMG and how effective it is and the findings of previous studies related to this study.

The first part of this chapter presents role of principal through an overview of legislative frameworks on the role and responsibilities of stakeholders, particularly as outlined in SASA 84 of 1996 and the Public Finance Management Act of 1999 (PFMA). The second part of the chapter presents an overview of previous studies conducted on this topic.

Schools are expected to always maintain their primary function namely to deliver effective teaching and learning. The whole responsibility is to school managers. A school cannot continue to fulfill its mission if it fails to preserve and enhance its financial base. Schools should adjust their expectations, planning and assumptions to the current climate in which they are competing for quality education. For the school to have quality education there should be effective financial management.

2.2 What is school finance management?

Department of Education (2009:121) defines School Finance Management as 'a process that ensures that the school has the money/funds and other resources that it needs in order to reach its developmental goals and vision'.
It is also the performance of the management actions connected with the financial aspects of the school, with the main aim of achieving effective education, and carried out by a person in the position of authority.

It is a process of ensuring that school governing bodies and management teams’ plan, organize, delegate and control the funds of schools in such a way that it achieves its goals.

Bisschoff (2000:8) points out that School Financial Management is the fundamental way of preparing and equipping school principals with financial skills and competencies. These competencies will enable the school managers to be responsible and accountable for funds that have been received for specific school objectives. The financial school management also equips school managers with managerial skills and competencies. The managerial skills enable the school managers to make a contribution towards the improvement of the overall productivity of the school.

2.3 The role of the principal in school finance management

Kruger (2000: 33) states that ‘the principal is the key figure at the school. He or she has to demonstrate his or her roles as the key figure”. Here are some of the roles according to Kruger (2000:33) that the principal has to play as a financial manager:

2.3.1 Principal as a school finance controller

According to Kruger (2000:33) control in finance sense has to do with all the measures that relate to the planning and organization of financial records. The principal must ensure that each person who performs financial functions does the right thing.

Kruger (2000:33) further states that in order to be successful in financial control, the principal must have financial knowledge and skills. He or she must at least be knowledgeable about: Procedure for regular reporting, regular balancing of books, regular punctual maintenance of all records, documentation and books, regular stock taking and prescribed audit inspection.
2.3.2 The principal as a school finance monitor

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

According to Kruger (2000:34) monitoring involves the following:

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

As a manager of the school, the principal must ensure that the necessary control measures are taken as prescribed. It is also important to take corrective measures where deviation occurs.

2.3.3 The principal as a school finance reporter

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

2.3.4 The principal as a collaborative and decision maker in school finance

According to SASA, all the financial responsibilities are vested upon the hands of SGB. The principal as the member of SGB cannot make decisions on his or her own. He or she has to consult with all stakeholders in relation to the finances of the school. This results in collaborative and participative decisions making.

If the principal is not accustomed to such forms of decision making he or she should change the manner of management to suit the present changing circumstances.
2.3.5 Principal as an accounting officer

In Bosch (2005:25), Mullins asserts that 'accountability is interpreted as meaning ultimate responsibility and cannot be delegated'. The concept of accountability is therefore an important principle of financial management. The principal remains accountable to the department of education not just for the work carried at personally, but also for the total operation of the school.

The PFMA confers the following specific responsibilities of accounting officers:

- The operation of basic financial management, including internal controls in departments and by any entities they control.
- To ensure that departments do not overspent their budget.
- To respond on a monthly and annual basis, including the submission of annual financial statements two months after the end of a financial year.
- To publish an annual report in a prescribed format, this will introduce performance reporting.

Accounting officers who are negligent and make no effort to comply with these responsibilities will face strict disciplinary actions including dismissal.

According to PFMA, every department and every constitutional institution must have an accounting officer. In the school situation, a principal is an ultimate accounting officer. When a principal is absent or on leave, the deputy principal, Departmental Head or Senior Educator must perform the functions of accounting officer.

Hellriegel…et al (2004:214) states that accountability is the expectations that employees will accept credit or blame for the results of their work. Accountability is the point at which authority and responsibility meet and is essential for effective performance.
2.4 The need of in-service principles to encourage responsibility and accountability in school finance

In Kebadilwe (2005:23), Levadic stressed that the prime responsibility for financial management will in most cases rest with the principal. The principal is seen as the key figure in the school. He or she will always remain accountable for misuse of funds. To show his or her accountability, it is vital that in-service training programmes are given to all principals.

2.5 Legal frameworks for financial school management

Although financial management is a specialized field, financial school management is based on elementary accounting principles. Some principals may not have depth knowledge of financial matters, but they should at least be familiar with the South African School Act of 1996, and other legislation relating to financial school matters. They should also have an understanding of the various key control functions in managing the finances of the school efficiently.

By virtue of the schools Act, the SGB is required to take control of the finances and manage them effectively. The community served by the school should ensure that at least one or two members elected on the SGB have sufficient knowledge of financial management. It is also the responsibility of the Provincial Education Department to provide training to the SGB on all matters including affairs of finances.

2.5.1 The views of South African Schools Act 84 of 1996 (SASA) as amended in school financial management

Bisshoff (2000:124) states that “a stakeholder should understand that SASA is a legal framework for financial management of schools”. The stakeholder should be able to demonstrate sufficient knowledge and understanding of the Act, (SASA) to manage the financial matters of schools effectively.
SASA only provides for two types of schools, viz public and independent schools. All schools except private schools under previous dispensation are public schools. For the purpose of financial management, it is important to realize that a school is a juristic person, with the legal capacity to perform its functions in terms of the School’s Act.

Section 15: Status of public schools

“Every public school is a juristic person, with legal capacity to perform its functions in terms of this Act” SASA (1996:11).

In law, a “person”, does not only refer to human being, but also to a group of natural persons or an association forcing a new kind of person that exists independently from its members. As a juristic person, a public school exists separately from the school buildings, school grounds, learners, educators and parents. This means that the school has right and duties in its own management as if it were a natural person.

Section 21: Allocated functions of governing bodies

“Subject to the Act, a governing body may apply to the Head of Department in writing to be allocated any of the following functions:

- To maintain and improve the school’s property, and buildings and grounds occupied by the school, including school hostels, if applicable;
- To determine the extra-mural curriculum of the school and the choice of subject options in terms of provincial curriculum policy;
- To purchase textbooks, education materials or equipment for the school;
- To pay for services to the school” SASA(1996:12)

The state’s allocations are paid into the bank account of schools that apply to provincial Head of department for the allocated functions under section 21 of the Act. In the North West province, many schools are given section 21 status. This is due to the assumption
that schools are in a good position to comply with the regulations as stipulated in the South African Schools Act.

The advantages of schools being granted section 21 status are that schools can negotiate the best prices, discounts and delivery dates for learning support materials from suppliers. The state’s allocation that has not been utilized in that financial year can be used in the next financial year and the allocation is not lost because the money is in the school’s bank account.

Funding of Schools

The South African Schools Act imposes responsibilities on the state with respect to the funding of public schools. This basic principle of state funding of public schools is based on the Constitutional guarantee of equity and redress. According to Section 34 [Responsibility of the State] and Section 35 [Norms and Standards for Funding of Public Schools] of the South African Schools Act:

- “The State must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of past inequalities in education provision.
- Subject to the Constitution and this Act, the Minister must determine norms and minimum standards for the funding of public schools after consultation with the Council of Education Ministers, the Financial and Fiscal Commission and the Minister of Finance” SASA (1996: 16).

According to the National Norms and Standards for School Funding (200:8)schools are viewed as cost centres and funds are allocated at the level of the provinces to types of costs:

- personnel costs – which includes salaries of educators and non-educators. These costs are paid by the PED.
- non-personnel costs – which includes the cost of textbooks, stationery, maintenance, municipal services, and so on. These monies are paid into the
current banking account of schools in the case of a Section 21 school or paid to the service providers on behalf of schools in the case of Non-Section 21 schools” NNSSF(2000:8).

Regardless of whether the school is Section 21 or Non-Section 21 the allocation (the amount the school will receive) is the same as it is based on the number of learners enrolled at the school and the quintile in which the school is ranked. The National Norms and Standards budget allocation does however have limitations and restrictions to its use.

“Guidelines for the Apportionment of the Allocation” and the recommended fund split is 60% for Learning, Teaching Support Materials (LTSM) and 40% for Non Learning, Teaching Support Materials (Non LTSM). Even though a “fund split” guide is given schools are compelled to abide by the guidelines and these funds are said to be “Rind Fenced” for their intended purpose/s.

The 60% LTSM funds must be split as follows:

30% for textbooks
18% for stationery
12% for other LTSM

The 40% Non LTSM funds must be split as follows:

20% for materials, furniture and equipment
10% for domestic account payments
5% for security services
5% for minor repairs and maintenance

Section 36 - Responsibility of the governing body
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.
Section 37- School funds and assets of public schools

- "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 subsection (3), all money received by a public school including school fees and voluntary contributions must be paid into the school funds.
- The school funds, all proceeds thereof and any other assets of the public school must be used only for:

(a) educational purposes, at or in connection with such school;
(b) 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;
(c) the performance of the functions of the governing body; or
(d) another educational purpose agreed between the governing body and the Head of Department" SASA(1996:16)

School fees
Most of the schools in S.A are no–school–fees schools. This means that learners are not supposed to pay any school fees particularly quintile 1 and 2 schools
- Financial control (audit or examinations).
- The books of a public school must be either audited or examine annually

Section 42

Financial records and statements of public schools

The governing body of a public school must-
"keep records of funds received and spent by public school and its 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" SASA (1996: 17).

Audit or examination of financial records and statement

Section 43

- The governing body of a public school must appoint a person registered as an
  accountant and auditor in terms of the Public Accountants and Auditors in terms
  of the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991), to audit
  the records and financial statements referred to in section 42
- If the audit referred to in subsection (1) is not reasonably practicable, the governing
  body of a public school must appoint a person to examine and report on the records
  and financial statements referred to in section 42, who-
  (a) is qualified to perform the duties of an accounting officer in terms of section
      60 of the close Corporations Act, 1984 (Act No. 69 of 1984); or
  (b) is approved by the Member of the Executive Council for this purpose.
- No person who has a financial interest in the affairs of the public school may be
  appoint under this section.
- If the Member of the Executive Council deems it necessary, he or she may
  request the Auditor-General to undertake an audit of the records and financial
  statements of a public school.
- A governing body must submit to the Head of a Department, within six months
  after the end of each financial year, a copy of the annual financial statements,
  audited or examined in terms of this section.
- (6) At the request of an interested person, the governing body must make the records
  referred to in section 42, and the audited or examined financial statements referred
  to in this section, available for inspection.
2.5.2 Public Finance Management Act of 1999, as amended.

This Act adopts an approach to financial management that focuses on outputs and responsibilities. The Act assumes a gradual phasing-in approach towards improving the quality of financial management in the public sector.

Implementation of the of the first phase focuses on the basics of financial management, such as the introduction of proper financial management systems, appropriation control, and the accountability arrangements for the management of budgets.

There are some important considerations to be noted. The public finance management Act (No 1 of 1999) must be read together with PFMA amended Act (No 29 of 1999), and by virtue of the fact that the Dept of Education is a government institution a public school will also be considered a government institution and therefore some sections of the Act will be applicable to public schools. According to PFMA, and pertaining to “the appointment of accounting officers “(section 36.)

2.6 The role of EMG.

On its establishment in 1994, the post – Apartheid government of Republic of South Africa inherited an educational system beset by a host of problems. A fundamental issue was structured inequality that was embedded in the system, OECD (2008: 366). Added to this were weaknesses, such as major infrastructural deficits, inadequate financing, lack of democratic procedures, imbalanced curricular policy, poor teacher education, very unsatisfactory provision of teaching materials. Thus, the new government was facing the daunting task of building an education system based on altogether different ideological principles, with a basis in human rights and equality of treatment. Within the first years of its existence, the government was able to positively deal with vast number of issues.

OECD (2008: 367) further states that “gaps exist in all countries between policy aspirations and their full implementation”. In the case of South Africa, in the context of the compresses time-span, the magnitudes of on-the-ground problems were dealt with, but some still existed.
Prior to 2003, the organizational structure of the Department of Education was much distorted, resulting in a top-heavy organization. The authority was excessively centralized which created a bottleneck in service delivery. In short, schools which needed assistance could not easily be reached because of the gap between top management of the department and schools. One of the most serious problems caused by that structure was the absence of proper mechanisms to support linkage between departmental strategic objectives and actual operational activity.

Consultative processes were entered into to propose an organization structure which can make service delivery to schools more effective and efficient. This process saw the birth of Regions, Area Office and all the sub divisions within their perimeters. The sub-division which forms an integral part of this study is the EMG, which focuses mostly in supporting and developing school management and governance structures.

Figure 2.3.1 as captured in the North West Department of Education (2008:4), displays the organizational structure of EMG from Regional to Area Office level.

In terms of its job description, EMG has to train and support both Management and Governance of the school.
2.6.1 With regard to Governance Structures the North West Department of Education states that:

- "A schedule of training workshops for SMT’s, SGB’s, RCL’s and TLO’s is developed before the start of the school year.
- A schedule of institutional follow up support and mentoring visits is developed in conjunction with the training schedule.
- Budgets are reviewed and aligned with the training schedule.
- EMDG policies and procedures are implemented.

Monthly reports are submitted on progress against the planned schedule” NWDE (2008:3).

2.6.2 With regard to School management the North West Department of Education state that:

- "Critical governance development needs are identified in collaboration with the ISC and the school principal in order to prioritise course work emphasis.
- School Improvement Plans are reviewed for development and learning opportunities.
- Workshops are conducted according to National governance development guidelines.
- Training workshops are facilitated with the application of best practice learning approaches including the contextualisation of workshop content for the learners.
- Workshop evaluations are conducted with the participants at the end of each workshop.
- A database of participants is maintained and updated at least once a month.
- Progress reports are submitted by the prerequisite times and within the prescribed format.
- Institutions are notified of training workshops at least one school in advance.
- Changes and postponements are communicated within 48 hours” NWDE (2008:4).
Non compliance gaps and development concerns are reported to the relevant Institute Support Coordinator (ISC) (formerly known as inspector), within a minimum of two weeks of the institution visit.

2.7 Auditor General’s findings in the manner in which the Department of Education in North West manage their finances.

As it is a matter of procedure for all departments of government to be audited, the Department of Education has also been audited for all the past financial years. What has been apparent is that for a four financial years, the Department of Education has been receiving a qualified report. There are many contributory factors to these qualified reports from schools up to the office of the Head of Department (HOD). The Auditor-General’s finance report for 2008/9 captured several findings as to how schools contribute to the qualified reports of the Department. Below are some of the findings:

- Item 13. Contrary to Section 43(5) of the South African Schools Act, 245 (14%) schools had not submitted the financial statements by 30 June as prescribed.
- Item 14. Three hundred and thirty-nine schools (20%) were identified where annual financial statements submitted by schools were not compiled by an appropriate accredited individual as required by South African Schools Act.
- Item 16(16). No adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.
- Item 23. The Department of Education’s strategic plan did not include all the measurable objectives, expected outcomes, programme outputs, indicators and targets of the entity’s programmes, consistently in annual performance plan and quarterly reports as required by Treasury Regulation 5.2.3. (d).
- Item 24. The source of information or evidence provided to support the reported performance information with regard to the Public Primary Schools and Public Secondary Schools Programmes did not adequately support the accuracy and completeness facts” NWDE (2009:61).
On the basis of the above stated findings, it is very much evident that failure of schools to manage their finances well and to comply with the relevant Acts contributed a lot in the qualified reports that the Department of Education received.

2.8 Related studies

The following section looks at some of the studies related to the present one and present key findings thereof. A Responsibility Survey based on school finance management, which was carried out over several years in the United Kingdom by the National Association of Governors and Managers, consistently found that “the weight of responsibility is too great, the task too onerous, the distinction between the role of the headteacher and the responsibilities of “the school” unclear, and the delegation of responsibility of governors for a variety of professional tasks, inappropriate” (Adams, 2004:96).

In the light of the above statement, it clearly shows that the problem of school finance management is widespread. In the United Kingdom, the government policies do not clearly spell out the responsibilities of the “headteacher” in our case the principal. This kind of situation leaves the principal to do a lot of work which finally increases his or her workload. Even though there are problems in schools, one should not blame the principals but rather the inconsistency in the departmental policies and lack of support from the department itself.

Bisschof (2002:100) states that ‘planning or organizing school finances requires the guidance of the school manager (principal)’. The principal should cultivate healthy relations on financial matters with both the internal and external stakeholders. He or she must provide feedback to all stakeholders, as this is in financial terms nothing less than a form of accountability.

According to Hellriegel et al (2004:64) feedback is information about the system’s status and performance. In a school situation, feedback may take a form of financial report in staff, SGB or parents meetings and also the monthly and annual reports submitted to the Area Office.
In relation to this study, Bisschof and Hellriegel highlight the importance of stakeholders in school finance management. They further agree that continuous feedback can ease the pressure on a principal if he or she is suspected to be mismanaging the school funds.

Correira et al (2003:4) states that ‘financial management does not take place in a vacuum, it occurs in the context of a specific national and international economy’. In a school financial planning, the scarce resources are financial capital and therefore the principal is tasked with the responsibility of making the best use of this resource and his or her success in this responsibility is measured.

Financial planning is useful for providing information regarding the future. It works towards target figures yet needs to retain the flexibility to react to unforeseen circumstances and to take advantage of opportunities. Also very important is that these targets should be clearly defined, and should be at the forefront of managerial decision making. Financial plans are only truly meaningful if they are integrated and interrelated with other plans of the organization.

Correira et al (2003:20) further explains that ‘financial planning should form part of the strategic plans of the organisation’. The school operates in a very complex environment and decisions taken must take cognisance of the environment.

From the above study by Correira, it is clear that a principal as a school finance manager must always make sure that there is proper planning in the school finances. Therefore there is a need for well informed or literate stakeholders to assist in proper planning and implementation of such a plan.

Mistry (2006:27) in his study on the “The functions of school governing bodies in managing school finances” identified the following problems: Firstly, that the South African Schools Act provides that the governance of public school is vested in the governing body that stands in the position of trust towards the school. However, the decentralized model of governance proposed in White Paper 2 (South Africa, 1996a) is not without problems. Chisholm, Motala and Vally (in Mistry, 2006:30) assert 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
capacities and inequalities of power and influence at that level to be expressed more strongly.

Mestry (2006:30) identified the fact that, many principals and SGB members are placed under tremendous pressure to manage their schools' finances because they are unable to work out practical solutions to financial problems, on account of their lack of financial knowledge, skills and expertise. In many instances it has been reported that principals and school governing bodies have been subjected to forensic audits by the Department of education due to mismanagement of funds through misappropriation, fraud, pilfering of cash, theft and improper control of financial records. The department of education seems to be more interested in finding the principals guilty of mismanagement of school finances and lack of compliance with legislative frameworks and policies. Little is done in terms of capacitating principals with knowledge and skills on how to manage the school finances.

Furthermore, Mestry (2006:32) presented the following findings in his study:

- The functions of the principal and the SGB in school finances
  Principal is the chief accounting officer and that he/she should be solely responsible for the finances of the school.

- The role of the department of education in school finances
  Department of Education showed very little interest in schools' finances.

- Lack of collaboration among stakeholders
  There is a lack of collaboration between the principal and the members of the school governing body.

- Absence of an effective school financial policy or the ineffective implementation of the financial policy
  A school finance policy must be developed, adopted by all relevant stakeholders and implemented accordingly.

- Lack of organisational structures in financial management.
Some principals and SGB chairpersons decide on their own without involving other members of the finance committee.

- Lack of effective financial control measures

Mechanisms should be in place to control the school funds.

The above-mentioned findings on Mestry’s study on “The functions of school governing bodies in managing school finances”, shows that schools are financial management responsibilities increases accordingly. However if sound principles in this regard are not formulated and implemented, many schools could be heading for situations that could ultimately affected their schools’ educational aims negatively.

In relation to the current study, Mestry’s study assisted the researcher to be able to start coding of data. This process is further analysed in Chapter four of this study.

In his other study of “challenges facing principals in managing school finances” Mestry (2006:242) found out that there is a perception amongst many parents, educators and principals that a principal is the accounting officer of the school. He or she is thus accountable to the Department of education for the school finances. In some schools the principal and the SGB did not work collaboratively with each other in managing school’s finances. The SGB are not effectively trained to manage the school’s finances effectively. Some of the principals objected to the cascading model of training and found the contents of workshops to be too theoretical. There are some trainers who do not have a sound financial background. Department of education has no mechanism in place to support the schools on financial issues and problems.

Another study by Phakoa (2001:13) on the role of Learners Representative Council in school financial management, revealed that the learners were restricted in the involvement of financial decision making in their schools. They felt that they had no right to vote when financial decisions were made and therefore became powerless members of the SGB, SASA fails to reflect learners’ interests and needs, and the language used in the act is beyond their comprehension.
From the foregoing discussion, it appears that there are serious challenges facing principals in the management of school finances. The most common are the inability to carry out the role and responsibilities by different stakeholders as stipulated in the South African Schools’ Act 84 of 1996 and failure by principals to adhere to procedures of accountability as guided by Public Finance Management Act of 1999. From his findings Mestry (2006:242) emphasized that the Department of education did not provide adequate training and support to relevant accounting officers. He further indicated that there was a lack of proper mechanisms in place to support the schools on financial issues and problems.

The present study also seeks to establish if the Department of education in Rekopantswe Area Office provides training and support to schools on the management of finances.

Phakoa’s (2001:15) submission from his findings shows that other stakeholders such as learners are not given the chance to play their role in the decision making processes as provided by the Act.

### 2.9 SUMMARY

The South African Schools’ Act and Public Finance Management Act are the most important legislative frameworks in financial school management. Principals and other stakeholders still find it difficult to comply with these Acts and this makes it difficult for them to manage their school finances effectively and efficiently.

Previous studies on related topics also reveal the challenges that principals are faced with in management of school finances. EMG division in the Area Office does not execute their roles as expected and that leaves principals to try on their own to battle with their responsibilities. Other stakeholders such as Learners’ Representative Councils are not given chance to play their role in decision making processes as provided by SASA.

Principals view the responsibility of managing school funds as a burden as it increases their work load of teaching, curriculum management and administrative duties.
CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter presented an overview of legislative frameworks as provided by SASA and PFMA and previous studies conducted on this topic. This chapter outlines the method of investigation employed in this study, the selection of participants, how the data was collected, and the measures taken to ensure trustworthiness of the study.

Research aims are an integral part of the study. They are guiding principles on what the study intends to establish and more importantly how the study will be conducted.

3.2 RESEARCH AIMS

Primary research aim

The primary research aim of this study is to determine the stakeholders’ perceptions of the effectiveness of the role of Rekopantswe Area Office towards the management of school finances.

In order to achieve the primary aim of this study, the following objectives are stated:

- To determine the extent to which the EMG assist school principals in dealing with the challenges they are faced with in the management of school finances.
- To establish the relevance and effectiveness of the training programmes given to school management and governance structures.
- To determine the extent to which Principals of schools are positively responding to such training programmes.
3.3 RESEARCH APPROACH

The empirical study follows a qualitative (interpretive) research approach. Creswell (2007:37) states that ‘qualitative research begins with assumptions, a worldview, possible use of a theoretical lens, and the study of research problems inquiring into the meaning individuals, or groups ascribe to a social or human problem’. To study this problem, the qualitative researcher used an emerging qualitative approach to inquiry, the collection of data in a natural setting sensitive to the people and places under study, and data analysis that is inductive and establishes patterns or themes.

The research was based on the interpretive paradigm. This enabled the researcher to have a better understanding of how participants feel and to be able to observe their reactions as they responded to questions which gave the researcher the advantage of interpreting non-verbal reactions.

The researcher approached the study with the assumption that principals of sampled schools would cooperate in terms of responding to questions in the questionnaires and also would avail themselves for interviews at a later stage of the research.

Mouton (2001: 402) proposes that once the research question has been formulated, the next step is to select an appropriate research design. What kind of study is envisaged? What kind of study will answer the question which has been formulated? Since it would be difficult to separate the phenomenon under study from the context of the specific school, a qualitative case study within the interpretive paradigm was chosen as a research design.

Babbie & Mouton (2001:325) assert that qualitative researchers always attempt to study human action from the insider’s perspective. The goal of research is defined as describing and understanding rather than the explanation and prediction of human behavior. The emphasis is on methods of observation and analysis that ‘stay close’ to the research subject.
The interpretivist approach has been chosen for this study because it allowed the researcher to interact closely with the participants to gain insight and form a clear understanding as to how effective the EMG is towards addressing the challenges facing principals in the management of school finances. For instance, to what extent are principals aware of their roles? Are they able to practice those roles as expected? What are the challenges that they are faced with?

Qualitative researchers tend to collect data in the field at the site where participants experience the issue or problem under study. In the natural setting, the researchers have face to face interaction over time. In this study, the five principals were interviewed at their respective schools during school hours and the EMG co-ordinator was interviewed at his/her office in the Area Office.

3.4 SELECTION OF PARTICIPANTS

Purposeful sampling was used to select participants from primary, middle and high schools of Rekopantswe Area Office. The participants were chosen from a specific target group whose opinions and ideas were of specific interest to this study. Rekopantswe Area Office is comprised of Kopano, Montswiwa – Stad, Lothakane and Makgobistad clusters. The researcher used the information from the Area Office which shows the list of schools which are identified to be having serious challenges in terms of management of their finances. This list was compiled after the schools had submitted their Annual Financial Statements to the Area Office and the audit opinion for every school had been studied.

Twenty six principals from the selected schools participated in the qualitative open-ended survey. Secondly, five principals from the twenty six who participated in the first stage were selected for in-depth semi-structured interviews. The EMG coordinator was also interviewed to enable the researcher to have views from other affected parties on this matter. The total number of all participants in the final round of interviews was six.
3.5 DATA COLLECTION

The study used qualitative open-ended survey and semi-structured interviews to collect data.

3.5.1 Qualitative open-ended survey

Du Plooy (2009:54) explains that open-ended questions are those in which the content or nature of the answer or response is not specified. He further explains that participants are asked to formulate their own answer(s) without prompting from the question(s).

Silverman (2004:184) further emphasises that open-ended and flexible questions are likely to get a more considered response than close questions and therefore provide better access to interviewees’ views, interpretation of events, understandings, experiences and opinions.

In this study, qualitative open-ended surveys were used for 26 purposefully selected principals. These surveys were aimed at getting the overall picture and feeling of the way stakeholders perceived the role of Rekopantswe Area Office, particularly the EMG unit in addressing the challenges that principals are faced with in the management of school finances. (Annexure C).

3.5.2 Semi-structured Interviews

Semi-structured interviews were used to gather information from principals and from the EMG coordinator. Mertler (2009:10) explains that ‘when gathering truly qualitative data, interviews are probably best conducted following semi-structured or open-ended formats’. In semi-structured interviews, the researcher asks several “base” questions but also has the option of following up a given response with alternative, optional questions that may or may not be used by the researcher, depending on the situation.
The researcher had for the five school principals used in the second stage of interviews, set in-depth questions to get more information as compared to those used in the 26 schools. **Annexure D.** These questions were structured in a way that they prompted a deeper response than those that were used in the first stage. The EMG coordinator at the Area Office was also a participant during the interview. The interviewer did not participate in the discussion but rather facilitated the flow of information from the respondents. The main aim here was to see if there is a correlation between how the participants have responded in questions and what they say in the interview. Non-verbal reaction was also observed to get to see the feelings or frustrations of participants.

Silverman (2004: 184) asserts that qualitative interviewing is particularly useful as a research method for accessing individual’s attitudes and values. Things that cannot necessarily be observed or accommodated in a formal questionnaire.

Gillham (2009:70) agrees with Mertler about semi-structured interviews, he further states that ‘semi-structured interview is the most important way of conducting a research interview because of its flexibility, balanced structure and the quality of the data obtained’.

In this study semi-structured interviews were conducted whereby the same questions were posed to all those involved. Each participant was allocated an hour to respond to questions. Secondly, probes were used according to the interviewer’s judgment of whether there was more to be disclosed at a particular point in the interview.

**3.6 DATA ANALYSIS**

Data analysis was done according to Tesch’s method of open coding in order to identify themes and categories. This method, described in Creswell (1994:155), involves several steps used in the analysis of data. A coding frame was drawn up, also to provide for verbatim reporting where applicable. The researcher used preset coding, that was identified whilst doing the literature review for this study. Related codes were thereafter
organized into preset categories. After the researcher completed his categorisation process, the transcripts were re-read to check whether all the important insights that emerged from the data were captured.

The identification of emergent themes allowed the information to be analysed and related to literature.

The coding of data, (data reduction), led to new ideas on what should go into the matrix (data display). Weaver & Atkinson (1994:31) emphasise that “the primary purpose of coding in qualitative research is to structure and facilitate analysis. More specifically, coding is the strategy whereby data is segmented and tagged according to the researcher’s definition of units of meaning, so that those segments which have common or related meaning can be drawn together in one place for analysis”. Entering the data requires further data reduction. As the matrix fills up, preliminary conclusions are drawn, but they lead to decisions, for example, to add another column to the matrix to test the conclusions.

In this view qualitative data analysis is a continuous, interactive enterprise. Issues of data reduction, of display and of conclusion drawing or verifying will now be evident one after the other as analysis episodes follow each other.

3.7 MEASURES TO ENSURE TRUSTWORTHINESS

It is important that in any study trustworthiness is established. In a qualitative study much depend on the perspective of the research. All researchers have certain biases. Qualitative researchers use a number of techniques, therefore, to check their perceptions to ensure that they are not being misinformed that they are in fact seeing and hearing what they think they are. These procedures for checking on or enhancing validity and reliability include the following:

- Using variety of instrument to collect data.
- Learning to understand and where appropriate, speak the vocabulary of the group being studied.
- Writing down questions asked (in addition to the answers received).
- Documenting the sources of remarks wherever possible and appropriate.
• Drawing conclusions based on one's understanding of the situation being observed and acting on these conclusions.
• Analyses negative cases.

In this study, criteria such as true-value, transferability, applicability, dependability and neutrality were employed in order to ensure trustworthiness. Krefting (1996:206) argues that the aspects of credibility and transferability are analogous to internal and external validity of the study. True value refers to whether the researcher has established confidence in the credibility of the research findings. Transferability is the extent of applicability of the research findings in another context. Neutrality is the degree to which the research findings would be confirmed by another researcher and dependability refers to whether the research findings would be consistent if the study was repeated with similar research subjects in a similar context.

In this study therefore, true value was determined as the researcher made sure that the findings are real and can easily be implementable. There are many problems in the management of finances in schools; the findings of this study therefore may then be transferred to address the problems in other Area Offices of Ngaka Modiri Molema region.

3.8 ETHICAL CONSIDERATIONS

Fraenkel and Wallen (2008:287) argues that “In-depth interviews ask participants to reveal much about their lives. Participants need to be protected against any vulnerability. Furthermore, interviewers also need to be protected against misunderstandings on the part of the participants as to the nature and purpose of the interview itself”. This means that, it is important for the interviewees to sign an informed consent form.

There must be a serious ethical consideration in every study. Among other things to be considered are to avoid research sites where participants may feel coerced to participate in the research, to honour your participants’ privacy and to treat participants with respect and seek cooperation with them throughout the research process.
3.8.1 Informed consent

The researcher had a meeting with the Area Office Manager of Rekopantswe to request the permission to sample schools for the study (Annexure A). A letter confirming that the researcher is a student at the University of North West was also sent to the Area Office manager and school principals together with both Annexure A and B. (Annexure F). The Area Office Manager was also be requested to give her consent in writing for this study to be conducted in her Area Office. (Annexure E).

3.8.2 Confidentiality and anonymity

Unless otherwise agreed to, the participants’ identity should be protected so that the information that you collect does not embarrass or in other ways harm them. To ensure confidentiality and anonymity in this study, the researcher assured the participants that their names or schools would not be reflected in the study. (Annexure B). Furthermore, the recorded materials would be destroyed once the study was completed.

3.9 Summary

This chapter presented the method of investigation employed in this study, the selection of participants, how the data was collected, and the measures taken to ensure trustworthiness of the study.

Chapter four will present the findings of the study in the form of raw data, followed by an analysis and interpretation of the findings.
CHAPTER 4

PRESENTATION OF FINDINGS

4.1 INTRODUCTION

The previous chapter presented the method of investigation employed in this study, the selection of participants, how the data was collected, and the measures taken to ensure trustworthiness of the study.

This chapter presented raw data from the participants both during the open-ended questions and semi-structured interviews. This data was further be transformed into something meaningful by analysing them and making inferences from separate pieces of information.

This chapter further gives the presentation of findings of the empirical investigation conducted to determine the principals' and EMG coordinator's perception of the effectiveness of Rekopantswe Area Office in addressing challenges of school finance management. The qualitative data collected is summarised and discussed in this chapter.

4.2 REVIEW OF PARTICIPANTS' RESPONSES

Responses for the first phase of data collection which was done through open-ended questions were received from the twenty-two school principals. All the five principals and EMG coordinator participated in the second phase of data collection which was done through interviews.

4.3 METHODS OF ANALYSIS

The purpose of this study was to empirically determine the perception of stakeholders in the effectiveness of Rekopantswe Area Office in school finance management. The stakeholders used for the first round of data collection were 26 principals of schools. Participants were given 10 open-ended questions in the first phase of data collection.
The researcher carefully studied the responses from all participants. Systematic coding and categorisation of data was done to explore all written responses from the 22 principals. This was a large amount of written information, so it was important for coding to be done in order to ascertain the trends and patterns of words used, their frequency, their relationships and the structure. All the collected data was displayed and qualitative content analysis was used in the transcripts. A coding frame was drawn up, also to provide for verbalism reporting. After the researcher had completed his categorisation, he re-read the transcripts to check whether he had captured all important insights that would have emerged from the data.

4.4 THE VIEWS OF PRINCIPALS AS STAKEHOLDERS

4.4.1 Analysis of data collected through open-ended questions:

**Item 1. Finance training workshops for newly appointed principals.**

Most participants indicated that in the past years, newly appointed principals were not taken for induction workshops after their appointment. Principals were left to use the knowledge they acquired when they were still Departmental Heads or Deputy principals or members of SGB to manage school finances. One elderly principal said:

"For the first time I did not receive any training. I was using my knowledge I gained as a teacher". The shortest answer given was: "I have not been trained in financial school management". In agreeing with others another principal stated that: "A formal training had never been conducted. What the department had done was to orientate school principals as far as financial school management is concerned".

Few who were appointed in 2010, explained that the Rekopantswe Area Office took them through an induction workshop. This workshop addressed a variety of issues including management of finances.

The response from one of these few principals was: "Yes, I received little training about the management of school finances. I was only shown how to complete NWED/OT3(I)"
and NWED /OT3 (E)”. the other one who agrees with him said: Yes, financial policy, banking, budgeting”.

These responses clearly indicate that there is a need to train newly appointed principals to save them from making mistakes by applying their own knowledge acquired when they were still teachers because that might be wrong or inadequate. Furthermore, for those who received training, the indication was that it did not address key areas of financial management and these had let to failure to comply with the relevant Acts such as SASA and PFMA.

**Item 2. In-service training workshops**

Most participants who received in-service training workshops by the EMGD were based on key areas of school financial management as stipulated by the South African Schools Act 84 of 1996, i.e. the roles of SGB, election of finance committee, reporting, budgeting and preparation of finance documents for audit. Some of the responses were as follows:

“Nevertheless I received quite a number of workshops”

“Firstly I depended on documents I read and later there was a finance workshop”.

I strongly believe that it is good idea to conduct in – service training workshops because there is a need to do so. Many principals have serious knowledge gap in most aspects of school finance management.

**Item 3. The success of training workshops**

Most participants outlined that the facilitators are not in a position to satisfactorily respond to many of their questions during the training workshops. The following are their responses:

“The EMG workshops to be frank, did not address real challenges at school level. Bear in mind that problems of schools differs. Financial strength of schools differ too. it would be better for EMG to study reports of schools and deduce challenges and tackle them head on”
The workshops were not much successful. They focused on general issues of school finances such as completing of expenditure and income registers, banking, receipting of received funds and budgeting.

These responses and many others show that training workshops were not very successful in addressing the challenges that they are faced with in the management of school finances.

Item 4. Blanket approach applied by the EMG in their training and support programmes.

All participants generally agree that this approach is not effective. They indicate that schools must be trained based on their needs and the challenges that they are faced with. One of the common responses went: “This approach is not assisting many schools. Most of the problems that schools experience remain unaddressed. In most cases when you try to raise them you are told that you are out of order”.

Item 5. Advantages and disadvantages of same training session.

Most principal explain that the advantage of having both the principal and SGB in the same training session is that information given to both will be the same and can likely be uniformly interpreted or understood. One of such responses was: “It is good to include SGB members and school principals in the same training session so that all the participants can know exactly what is expected of them”.

Contrary to that, it must be noted that the nomination of SGB members is not based on any educational qualification or work experience. Schools situated in more affluent areas however tend to have SGB members who are more literate than schools in less affluent areas. This principal had this to say: Training material are written in English and some SGB members are not conversant with the language”. Another added that: “Many SGB members are not well literate, therefore they may not understand English well and they might fail to interpret the presentation correctly. Training workshops may take longer that expected because of SGB’s slow pace to understand”.

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Most of the respondents in this study are principals from remote areas of the Area Office and this implies that most SGB members are illiterate.

Item 6. Frequency of training workshops.

All participants believe that training workshops must be conducted as frequent as possible. One principal was quoted saying that "they must be conducted continuously as money is used daily at schools". Other principals were specific that it should be on quarterly basis. Another added that; "Training programme can be conducted once a term so that the participants track their progress on finances and give feedback on what they have been trained on".

The overwhelming number of respondents think that a three month interval is an ideal period for the frequency.

Item 7. Views on full time treasurer.

All participants believe that if schools can have full time treasurer it will be a very good move from the Department of Education. The following are some of the responses:

"it will alleviate lot of confusion and that all payments and expenditures will be correctly done and also training must be done on finances".

'Good move, so long as the treasurer masters his/her job.'.

"it is a good idea to have a full - time treasurer so that the school money can be monitored frequently. the principal must only supervise."

They further indicated that the treasurer must be well trained and professionally qualified.

Item 8. The extent to which the department shows interest in assisting schools.

All the participants agreed that the Department of Education showed very little interest in schools' finances. Here are some of the responses: "They only show interest when there is a fraud. They do not give feedback on monthly financial returns to the AO".
"Not enough, what the Department is doing is to wait for the principal to make a fault and charge him or her. As far as the challenges faced by principals the department is not assisting at all". The other principal added that: "To a very minimum extent, however we cannot put blame on the department even though it is the department’s responsibility to do so, because they have incompetent officials in this very important area".

The principals are of the opinion that financial statements were not important to the department, and they received no support from this department. The department is using threats to try and force principals to comply with relevant Acts and other policies instead of conducting effective training workshops or even visiting schools that had indicated that they needed assistance.

**Item 9. Involvement of stakeholders.**

From the responses, it has been discovered that principals mostly gives feedback during parents’ meetings particularly Annual General Meetings. One such response was: *I involve other stakeholders by reporting to them about the financial situation at school during meetings. With teachers, on monthly basis, but with parents is on quarterly basis*.

The workshops are not successfully addressing the challenges that principals are faced with in the management of school finances. The Department of Education receives monthly returns which shows the financial position of the school, but nothing is done about it. In many institutions stakeholders are not taken on board in financial planning, but they are given feedback on a quarterly basis. One principal indicated that: *It is not important to involve educators in particular as they do not show sufficient interest in matters of school finances*.

It is important for principals and other accounting officers to take all stakeholders on board during planning and also to report regularly on monthly basis. Records of such reports and feedbacks must be kept safe to avoid being charged with non-compliance with PFMA.
Item 10. Finance management policy.

All participants indicated that their schools do have finance management policies. Committees were elected to draft policies and present them in meetings where they were adopted by all stakeholders. One such response was: "Yes, the SGB, parents and educators were involved in drawing the policy, guided by the DoE policy".

Participants also agreed that one of the reasons for the mismanagement of funds and for confrontations between SGBs and principals is the absence of an effective school financial policy or the ineffective implementation of the financial policy where it exists. All systems including schools need policies. The Schools Act stipulates that SGBs should develop and implement various policies such as those pertaining to religion, code of conduct for learners, admission and language. Therefore, in order for a school to manage its finances effectively and efficiently, a school finance policy must be developed, adopted by all relevant stakeholders and implemented accordingly. The governing body should be in at the start and at the end of each process creating or reviewing a policy or a procedure.

From the responses received during the first round of data collection, it was rare to find complete opposing views on a particular item. Principals seem to be at the same level of frustration in a manner at which the challenges they are faced with are attended to by the department through EMG division based at the Area Office.

4.4.2 Analysis of data collected through interviews

The second round of data collection was through interviews. Five principals were purposely sampled and were visited at their various schools. The EMG coordinator was also visited at the Area Office. The participants' work stations are very important because they create an atmosphere which influences the mood during interview sessions. The following items and discussions were created based on their responses and expressions.
Item 1. Mismanagement, embezzlement and fraud in school finances.

All participants made some inputs on this item. Not all of them see things the same. Below are inputs of principals and also that of EMG co-ordinator:

Participant 1. Most of the principals do not implement the PFMA policy, and sometimes you may find that there are newly appointed principals, (that) the department takes time to induct. these newly appointed principals ended up in mismanaging of school’s funds and some of them do not involve SGB treasurer, they are just signatories of cheques. You may find that this is happening in the North West province. (laughs) Principals will send a learner to the village to give to the treasurer to sign an empty or blank cheque, and the treasurer will do that because she / he is not educated and might be afraid of the principal”.

Participant 2. “One of the reasons is that principals do not get proper training on management of finances both the principal and the Admin. Assistant. And again I think principals concentrate more on curriculum management, hence they spend less time on finances, so they are as well very important part of their duty. The other challenge I think it would be the monitoring of department as far as finances are concerned. They are not consistent and is not on-going and if it were the case, some of the problems would be realised long in advance and attended to and most of them are only realised after the submission of AFSs (Annual Financial Statements) hence the irregularities could take time, fraud and everything, the other thing I think is because, SGB are made responsible for the finances. Sometimes maybe principals might take advantage that I am not duly responsible but I am just an accounting officer and they get away with murder. But I think mainly, is lack of proper training, lack of support and monitoring”.

Participant 3. “Most if not all principals are in positions of principalship and they are expected to manage school finances and most of them do not have any qualification in financial management”.

...” the department should give good training to principals to ensure that they will be able to manage school finances but unfortunately this is not done”.

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"The other issue could be maybe, that principals should be given people that can help to manage and run finances but unfortunately, people that are said to be at the forefront is the SGB who are not at school most of the time.

"...principals will find themselves on the wrong side of the law because the department has given or has developed policies, for example, PFMA which many a times reference is made unto it that school finances must be run in accordance with the PFMA, but unfortunately even in the workshops that are done only reference is made to the document."

Participant 4. "Lack of skills from your subordinates as principals, lack of support by your senior, unprofessionalism of stakeholders by not observing protocol".

Participant 5: "Most of the training is done by professionals who do not have a fundamental background of accounting and auditing skills and cannot offer any skills with regard to what should be done to avoid or avert misappropriation or mismanagement of school finances".

Participant 6: "Ya... (sighs), I think it is because most do not follow the policies of the department. they do things haphazardly without checking what the policies or Acts says, some go to the extent of writing cheques in their names but fail to produce proof of payments".

Most of the participants (four out of six) believe that principals are not well trained to manage school finances. They agree that the type of training which some refer to as induction workshop does not equip principals with necessary knowledge and skills. One principal agree with the EMG coordinator that it is because principals do not implement policies well and it is their problem.

I think it is important for the EMG unit to consider the types of finance training they conduct for principals and try to come up with the strategy as to how best they can address the challenges that principals have in the management of school finances.
Item 2. Is SASA user-friendly? Role of EMG in familiarizing stakeholders with the Act on finance issues.

The South African Schools Act 84 of 1996 is one of the most important pieces of legislative frameworks which govern schools. It deals with a variety of issues of management and mostly governance of schools. The following are views of participants on this issue:

Participant 1: "SASA explains different policies clearly and straightforward. The language used is really simple and straightforward. Normally the EMGD will invite stakeholders to the workshop and elaborate clearly what is stipulated in different policies."

Participant 2: "Ya, I think SASA is really not user-friendly to us as principals and whoever deals with finances. It can even indicate that training with regard to that is not enough for principals and school financial managers."

"I think even the EMG is not doing enough to train us on the Act, because what usually happens is that principals and parents members of the SGB are workshoped at the same time forgetting their differences on knowledge base and comprehension of the stakeholders."

Participant 3: "I think unfortunately not only principals but even SGB’s, the problem is that the language is not familiar with what they are talking about."

Participant 4: "I am sorry in that one, allow me not to comment."

Participant 5: "SASA 84 of 1996 is biased in that it only hold the principals accountable for the misuse or mismanagement of funds, which is a literal translation of PFMA of which such Act is silent on whose responsibility for authorising the funds but only pronounce the accountability part of it."

Participant 6: It is very user-friendly. The language is simple and can be easily understood. As EMG, we sometimes make presentations in their mother tongue to try to accommodate everyone."

Three out of five principals who responded to this question raised the issue of the language as the key aspect which makes SASA not to be user-friendly. One principal
decided not to comment on this question for the reasons known to him alone. the EMG coordinator and one principal think that the Act is user-friendly. My interpretation is that many principals do not have a problem with the content of the Act. They only raise the issue of language used in the document as an obstacle. I think they suggest that there is a need for all these government policies to be written in all official languages, more especially the language which is commonly used in that particular area or province.

Item 3. Ways in which the EMG identifies problem areas in schools’ finance management.

As a structure which deals with governance and management, the EMG needs to know what is taking place in schools, the challenges, abilities so that they are able to give support to schools as soon as possible. Principals again had different views on this problem.

Participant 1: “EMG officials usually visit schools and identify problem areas. They normally use monitoring tools and that is very effective and thereafter they consolidate their findings and come up with a strategy of addressing those particular areas by means of workshops”.

Participant 2: “Honestly I would say they really do not take pains to identify problems in schools. They only become aware of challenges when they are highlighted to them by principals, seeking assistance...”.

Participant 3: “Unfortunately...ever since I become a principal until now, I think from 1998, till now is more that 10years, I have not really seen the EMG trying to identify problem areas in schools, it has never happened. EMG is not or does not show if they want to identify problems such that they can be resolved”.

Participant 4: “EMG still needs human resource who are fully trained and knowledgeable to trace and track problems if they are there, they are not enough. The education system is not stable while the EMG unit with what they can, here comes another issue, Is like repairing the bus while running”.

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Participant 5: *The EMG is a reactionary unit, in that they only act when the report from the Auditor-General or the external auditors have some grey areas*.

Participant 6: *Yes, we do. At the beginning of each year we send templates in which school principals indicate policies that they have. We take it for granted that if they can draw a policy for finances, then they can manage or implement it well. We then ask them to draw a monitoring tool to see if they do exactly what we supposed to be done with regard to finance management*.

The EMG coordinator stated that they use template to identify challenges at schools. It does not only cover issues of finances but also of management in general. The monitoring tool that one principal referred to is used only during monitoring not to identify problems but to check how far schools are implementing a particular policy. Four other principals indicated that this unit is not doing anything to identify problem areas at schools. One further indicated that there is a need for more human resource in this unit.

**Item 4. EMG coordinators visit to schools.**

In order to develop a relevant finance training and support programme, it is important for the EMG unit to visit schools to verify submitted information or the findings of auditors in terms of how schools manage their finances. This will assist them to have first-hand information and know the extent of the problem or challenges.

Participant 1: *Yes, yes, they normally visit schools, by using the monitoring tools* (after follow-up question). *They also consolidate and come up with training programmes*.

Participant 2: *I would not say they make follow-ups or verify information because we are not even getting feedback on our monthly returns or submissions. If they were doing so or checking on them, problems would be identified earlier and recurrence of mismanagement would be avoided*.

Participant 3: *(laughs), once again..... I have indicated No, if this happens I don’t know in which schools because really the coordinators should visit schools, to verify*
information. I said to you that the information is sent to the Area Office but there is nothing that comes from the EMG”.

Participant 4: “I think the answer to the third question will tell a lot. My answer to that question can tell you a lot. Lack of enough human resource is one of the problems. I am not sure about it but I think if you can ask the relevant unit. Ask them how frequent they visit schools you will get correct or relevant answer”.

Participant 5: “Big No. Their report is based on submitted reports by individual school and cannot be justified for further training. we need field workers and not office-based officials, who only go out when there is a conflict at schools with no distinctive difference to the police officer”.

Participant 6: “Yes, we sometimes visit schools. It is not very often because we have problems of cars in the office. We do not necessarily go to verify information submitted, we also look at other issues of management, not only finances”.

Most of the participants agree that EMG does not visit schools for the purpose of verifying information and subsequently be able to plan and develop relevant training and support programmes. They stated it clearly that EMG comes only when there are conflicting situations.

**Item 5. Effectiveness of training and support programmes.**

The EMG unit is conducting training programmes to address a number of management challenges to managers and other stakeholders. These questions aimed at checking the extent of the effectiveness of theses training workshops in terms of addressing those challenges.

Participant 1: Yes, yes, yes, they are definitly effective, because all the problems are addressed at the workshops and individuals are also given the opportunity to raise their challenges at school”.

Participant 2: “(sigh) I wouldn’t talk about effectiveness because I was appointed in 2010 as a principal but so far I was never trained on financial management. Though in our
principals' conferences, the item would always feature on finances but unfortunately mainly presenters don't pitch up. the question of yourself (you) teaching yourself on finances but not from the EMGD”.

Participant 3: “There are no training and support programmes really from the EMG, as I said, they cannot be effective. What is happening as I said is only workshops and they are not effective’.

Participant 4: “I think the answer to the third question will tell a lot. My answer to that question can tell you a lot. Lack of enough human resource is one of the problems. I am not sure about it but I think if you can ask the relevant unit. Ask them how frequent they visit schools you will get correct or relevant answer”.

Participant 5: “Like I said above, their training can be characterised as a clause to finding principals on the wrong side of the law and cause of confusion between the SGB and principals of schools. Parents spend 90–98% at home and are not curriculum versatile which is one aspect that always cause a conflict when it comes to prioritising curriculum needs and immediate response by principals when needs arises”.

Participant 6: “Yes, the report we get from schools is that they are effective. I think it is only by choice that people (principals) mismanage school finances”.

All school principals except one conceded that training programmes by EMG are not very effective. These workshops deal only with the issues that the coordinator feels that he or she wants to address or is comfortable in presenting. The principals are of the idea that intensive training programmes on finances by relevant and qualified personnel can be the answer to most if not all problems.

Item 6. Aspects to be improved.

It is important that participants must suggest solutions to areas where there must be improvement so that they too become part of the solution to the challenges they have raised or identified.
Participant 1: Finance, because if you check most of the schools at the end of the year, when they submit their finance books to the auditors, they normally get at the end unqualified (wanted to say qualified) report. So I think the finance workshops will really assist us in order for schools not to receive that report.

Participant 2: I think the first one is to start by conducting workshops on finances because there are none; hence I cannot again talk about effectiveness. But I would like to suggest that in their workshops, they should be a bit practical when it comes to day to day keeping of finances and intense training is needed for Admin. Assistants as well as principals as they are mostly the ones who deal with daily finance issues.

Participant 3: “I think EMG unit should develop a questionnaire for example, that will identify problem areas in schools, such as the one you have now... they need to look at the submissions that we send to the A.O. They need to check or study them and identify where there are gaps... Issues of budget for example is one areas which needs to be improved so that we learn and address the problems we are faced with”.

Participant 4: “I think they should develop a questionnaire or report that will tell them about the challenges for principals so that we learn and address the problems we are faced with”.

Participant 5: Auditing to be done on quarterly basis by the EMG officials and not wait for the auditors. A common template of budget be supplied to schools after it has been thoroughly explained to schools. Roles and responsibilities of stakeholders without harnessing the feelings of others and avoiding confrontation”.

Participant 6: “We are open for inputs from school principals. I think so far we are doing well but cannot say that we are perfect”.

A number of suggestions were made by all participants such as conducting workshops on finances, developing open-ended questionnaires to get variety of responses, auditing to be done on quarterly basis.

One principal, who stated that she is happy with all the efforts of the department, could not differentiate between unqualified and qualified reports. This says to me that she also needs intensive training just like the rest of others who have stated that there is a need for
such training. What is also key is that there is a will from the EMG to improve wherever there is a need.

Phakoa (2001:13) stated in his findings that the language used in the SASA is not user-friendly as it is difficult for other stakeholders in Finance Management to comprehend. Most participants agree with this finding. The issue of language barrier has been raised on several occasions. Furthermore, one principal indicated that SASA itself is not without problems. He agrees with Chishol et al, as quoted in Mestry (2006:20, who asserted that participation of stakeholders at different levels may have negative influence because not all of them are capable or have got knowledge of managing finances.

According to the North West Department of Education (2008:3) one of the roles of EMG is to draw a schedule of training workshops for SMT’s, SGB’s and RCL’s and TLO’s before the start of the school year.

Furthermore, with regard to school management, the North West Department of Education (2008:4) states the EMG has to see to it that the needs of schools are identified and addressed in collaboration with ISC and school principals.

Most of the participants indicated that there is no feedback from the Area Office in respect of the submitted AFS’s and monthly returns. If feedback was given, it would be easy for EMG to develop relevant training and support programmes with the involvement of principals and ISCs.

4.5 SUMMARY

This chapter presented data from the empirical investigation conducted on the stakeholders’ perceptions on the effectiveness of Rekopantswe Area Office in school financial management. Stakeholders in this study were principals of schools and the EMG coordinator. Their views were recorded verbatim and an attempt was made to interpret the views where relevant. The general view by stakeholders, particularly principals, is that the Rekopantswe Area Office is not playing an effective role in addressing challenges facing principals in the management of schools finances.
The next chapter presents the summary of the study, synthesis of findings, conclusions and recommendations.
CHAPTER 5
SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

The purpose of this chapter is to give a summary of the study, to recommend suggestions in some of the issues and to come to a conclusion. This is the final chapter of mini-dissertation. The recommendations made are informed by the findings of the study in the previous chapter.

5.2 SUMMARY OF CHAPTERS

Chapter 1 focused on the statement of the problem and also outlined the aims of the study. The chapter further outlined the methods of research which included literature study, population sampling and lastly data analysis.

Chapter 2 surveyed the literature study on issues of financial management and accounting processes. Focus was on the South African Schools Act and Public Finance Management Act and also related studies on the topic. The literature was consulted to reveal what is known about the causes of mismanagement of school finances by school principals, other people's perceptions about the role that the Department of Education plays in addressing the challenges facing principals in the management of school finances and what remains to be learned in the field.

Chapter 3 reflected on the methods that the researcher used to collect and analyse the empirical data. Data was collected in two phases, firstly through open-ended questions given to 26 school principals and secondly through interviewing five school principals and EMG coordinator.

Chapter 4 presented data from the empirical investigation conducted on the stakeholders' perceptions on the effectiveness of Rekopantswe Area office in school financial management. Stakeholders in this study were principals of schools and the EMG.
coordinator. Data was further analysed and interpreted. The findings show that there is a lot that needs to be done to capacitate school principals and other accounting officers in school finance management.

The present chapter 5 presents summary of chapters, findings from literature and empirical studies, conclusions and recommendations.

5.3 FINDINGS

5.3.1 Presentation of findings from the literature study
The literature review identified key areas that still appear to be problematic in financial school management in most schools. Specific sections with the provision of SASA and PFMA which relates to the roles and responsibilities of stakeholders in school finance management were explored. The Department of education shows little interest in assisting schools which experience challenges in managing their finances. (cf 2.8)

The Department of education is more interested in finding principals guilty of mismanagement of school finances and lack of compliance with legislative frameworks and policies.

Most of the DGB members cannot comprehend the contents of SASA which results in them having difficulty in knowing their roles correctly. (cf 2.8)

5.3.2 Presentation of findings from the empirical study
The empirical study followed a qualitative (interpretive) research approach. An open-ended survey was conducted with twenty six school principals for the first phase of data collection.

Open-ended questions afforded principals the opportunity to express their views in detail. They had the advantage of bringing in other aspects which were not directly indicated in the questions but they remained within the context of the study.

The following are key issues that emanated from the findings from open-ended questions with the twenty six school principals:

- Most principals except the recently appointed ones, did not receive any training after their appointments as principals.
• In-service training workshops do not directly address the specific needs of individual schools.
• Principals are not taking other stakeholders on board when dealing with issues of finances at school.
• EMG coordinators are not well resourced to travel to schools in a bid to address the challenges that school principals are faced with.
• There is a need for a continuous training workshop for all stakeholders.
• The department of education should appoint full time treasurers in all schools.

One of the most important issues that found expression was that section 21 allocations are not deposited as expected in the beginning of every semester to enable smooth running of the schools throughout the year.

However, the participants (particularly those who participated in the first phase of data collection through open-ended questions) seemed to have been limited in their responses by the fact that they were writing down instead of verbally responding to questions. This had necessitated interviews as a follow-up with some of the principals from the first phase of data collection together with the EMG coordinator. Corbetta (2003:264) defines qualitative interviews as “the verbal counterpart to participant observation, the former involving questioning and the latter involving observing”. Through interviews the researcher was able to see the world through the eyes of the participants. It also made it possible for him to understand their interpretations, perceptions and feelings and the motives underlying their actions. Principals, who participated in the interviews together with the EMG coordinator, gave a very good and detailed account of their frustrations and disappointments in the manner in which the Department of Education is addressing their challenges. To them, what matters most for the Department are threats to charge them with non-compliance and incapacity rather than to capacitate. The following are key findings that emanated from the interviews:

• The EMG unit is receiving reports and updates from schools through reports, questionnaires or forms which are sent to schools. It is apparent that schools do not get enough assistance that directly addresses issues that are raised by
reports to the Area Office. The only way that the EMG unit interacts with schools in trying to address their challenges is when workshops are arranged and all schools are invited.

- Generally, all workshops that the EMG unit conducts are relevant to the needs of schools. Participants in these workshops are taken through the same training irrespective of the special needs of their schools. This suggests that these workshops are not very effective as they are not directly addressing the specific needs of individual schools.

- Many principals explain that they do not see the importance of attending the trainings workshops as facilitators focus on issues that they already know. There is also lack of continuous consultation by principals with other stakeholders except reporting in an Annual General Meeting (AGM).

The EMG coordinator felt that they are doing everything as the department to assist schools where possible. She further conceded that lack of enough resources and funds from their side makes it difficult to conduct training workshops as often as they want to.

5.3.3 Synthesis of findings

The literature study established the extent to which schools are expected to adhere to the Department’s Acts, policies and guidelines on the causes of mismanagement of school finances. It also identifies the findings of other researchers on the causes of mismanagement of school finances by principals. It became clear that schools do not implement policies as required. The roles of EMG, as prescribed by the North West Department of Education (2008:3), allowed the researcher to establish the effectiveness (or lack of) of the capacity building activities from the side of the department and also the reasons behind the inability of many school principals and governance structures in executing their expected duties.

Through open-ended questions, the researcher was able to get the general view about the situation in many schools and also that challenges related to management of school finances still exist in many schools. Findings revealed the wishes of many principals in
terms of the frequency of finance training workshops and the content they had to cover. Furthermore, interviews enabled the researcher to observe the frustrations of principals in managing school finances. This made it possible for the study to establish that the Department of Education in the North West Province through the EMG unit is not doing enough to address challenges that principals of schools are faced with in the management of school finances. Training workshops that are conducted are not necessarily relevant to the needs of schools at that particular moment.

5.4 CONCLUSIONS

This study established that management of schools’ finances is one of the most sensitive areas in schools. It further revealed that financial management practices cannot be improved in schools unless school principals, SMT and SGB members are fully and continuously trained in financial matters.

Training workshops are not based primarily on the areas of concern that were identified during the interrogation of schools' monthly returns and the audited finance statements. Blanket approach to training workshop does not address challenges that principals are faced with.

With the implementation of focus, training workshops, school management and SGB members will be equipped with necessary competency needed to improve the situation at school and economy of the country. The study further promotes collaborative work, teamwork and cooperation at schools. Schools should not work in isolation; they should share information amongst the committees for development purposes.

5.5 RECOMMENDATIONS

5.5.1 Recommendations based on findings from open – ended questions.

From the summary of findings during the analysis of data from principals in the first round of data collection, the following recommendations are made:
5.5.1.1 Planning for in-service workshops for management of school finances should be based on findings from finances’ monthly returns and Annual Financial Statements from auditors for all schools.

5.5.1.2 EMG coordinators to be resourced with subsidised cars to enable them to visit schools as and when there is a need to do so.

5.5.1.3 There should be enough money budgeted for training workshops every three months to enhance and sustain compliance by all schools.

5.5.1.4 The Department of Education should appoint qualified personnel to handle school finances.

5.5.2 Recommendations based on findings from the interviews.

During the second round of data collection, five principals of schools and the EMG coordinator were participants. The following are recommendations from the findings that were made during the interviews:

5.5.2.1 Recommendation 1.

**Resourcing the EMG division.**

The EMG division must be well resourced so that they are able to visit schools and assess the nature of the challenges that principals are faced with. Since management of school finances is the integral part of effective school management, this study finally encourages that the Department of education should also ensure that there is sufficient funding for training workshops.

It is important for the EMG division to assist and support schools which has indicated their needs through Annual Finance Statement (AFS), monthly reports, questionnaire or forms.

5.5.2.2 Recommendation 2.

**Effectiveness of finance training workshops.**

The contents of training workshops must be influenced by special needs of individual schools. Schools which are found to be performing well on a particular aspect of finance management may be used to facilitate on that item to encourage sharing of good practice.
5.5.2.3 Recommendation 3.

**Principals’ response to training and involvement of other stakeholders.**

Principals should always show leadership by being part of all the training workshops irrespective of whether they find them effective or not. Prior to workshops, they should forward items to be addressed during the workshop to the EMG timorously to address the issue of their relevance and effectiveness.

The principal as head of the school should aim at improving the quality and effectiveness of the SGB, and other stakeholders. This can be possible through teamwork. No one owns the school; it belongs to all stakeholders. The principal and SGB should work together to minimize problems that could be encountered.

5.6. Suggestions for further research

This study had its own limitations which need to be addressed in future. Management of school finances is the responsibility of school finance committees as internal stakeholders and the communities around which schools are found, sponsors and officials of the department of education as external stakeholders. It is therefore suggested that for further study, all these stakeholders must be included in the investigation to get a wider range of views of all people concerned.

Furthermore, it is also recommended that the study must be conducted across at least two Area Offices to determine if there is uniformity by EMG coordinators in addressing the challenges that principals are faced with in the management of school finances. At the Area Office, circuit managers must also be included in the population of the study. This is because they usually visit schools to monitor management in general including finances. This will enable the researcher to establish their roles and level of support they give schools as expected of them.
5.7. CONCLUDING REMARKS

For many years the Auditor General has given the Department of Education in the North West Province a disclaimer for its management of finances. Part of the reasons for this audit opinion is that schools in the province receive qualified reports every year. This is a clear indication that the schools find it difficult to manage their finances.

The study had identified the challenges and evaluated the effectiveness of the Rekopantswe Area Office through EMG in addressing them. The South African Schools Act 84 of 1996 and Public Management Act No. 1 of 1996 are the most important legislative frameworks in financial school management. This study had established that compliance to these Acts by many schools is still a problem. The views of other researchers on related topics were explored to get their experiences and findings which assisted the researcher to achieve the objectives of this study.

From this study it is evident that the EMGD unit is doing very little to assist schools in dealing with the challenges that school principals are faced with. The finance training workshops are insufficient and their contents are not effectively responding to the specific challenges of different schools.
REFERENCES


Cape Town: Kagiso Publishers.

Cape Town: Kagiso Publishers.


To: Area Office Manager  
Rekopantswe Area Office

From: Mr. O.J. Mekgwe  
Renalerona Middle School

Request for consent to conduct a study.

I hereby request permission from your office to conduct a study in some of the schools in your Area Office for my Master degree in Education.

My topic is: Stakeholders’ perceptions of the effectiveness of the Rekopantswe Area Office’s role in school financial management.

The aim of this study is to explore the extent of the effectiveness of the EMG’s support and training programmes in addressing the challenges that principals are faced with in the management of school finances.

In addition the study aims to establish the reasons why schools still find it difficult to manage their finances well and why they are not complying with the relevant Acts.

I wish to target school principals and the EMG coordinator as participants in the study.

I promise not to disclose names of schools or any participant.

I am looking forward to your positive response.

Yours truly,

Mekgwe O.J.
The Principal

Dear Sir / Madam

I am conducting a study for my Master’s Degree in Education and kindly request your participation as interviewee.

My topic is: Stakeholders’ perceptions of the effectiveness of the Rekopantswe Area Office’s role in school financial management.

The aim of this study is to explore the extent of the effectiveness of the EMG’s support and training programmes in addressing the challenges that principals are faced with in the management of school finances. In addition the study aims to establish the reasons why schools still find it difficult to manage their finances well and why they are not complying with the relevant Acts.

I wish to target school principals and the EMG coordinator as participants in the study.

I promise not to disclose names of schools or any participant.

I am looking forward to your positive response.

Yours truly,

Mekgwe O.J.
ANNEXURE C

Open-ended questionnaire for school principals for the first round of data collection.

1. Were you ever trained in financial school management? If yes, can you explain to what extent you were equipped with knowledge of financial school management when you became a school principal?

2. If you did not receive any training prior to becoming a principal, what sort of in-service training if any did you receive in financial school management?

3. How successful were the training and support workshops by EMG in addressing challenges facing schools in the management of school finances?

4. What can you say about the blanket approach that the EMG apply in their training and support programmes?

5. What are the advantages and disadvantages of including SGB members and school principals in the same training session?

6. In your view, how frequent must the training programmes be and why?

7. What is your view about schools having full time treasurer? Please elaborate.

8. To what extent do you think the department of education shows interest in dealing with challenges faced by principals in school finance management?

9. How do you as a principal involve other stakeholders in financial matters of the school?

10. Does your school have a school finance management policy? How did you go about developing that policy at school?
ANNEXURE D

Interview Questions: 5 principals and EMG coordinator.

1. We often hear of cases where principals are found guilty of mismanagement, embezzlement and fraud in school finances, why do you think these things happen?

2. To what extent do you think that the South African Schools Act 84 of 1996 is user friendly? How does the EMG strive to familiarise stakeholders in Education with this Act?

3. According to you, how does the EMG unit identify problem areas in schools? Do you think that it is effective? Please elaborate.

4. Does the coordinator visit schools to verify information presented to the Area Office to develop relevant training programmes?

5. Do you think the current training and support programmes of EMG are effective? Please elaborate.

6. What aspects of the training and support programmes of EMG would you like to be improved so that they are effective?
ENQUIRIES: MR B.A. ITUMELENG

DATE: 15 August 2011

TO: PRINCIPALS OF SCHOOLS
EDUCATORS
SGB’s
REKOPANTSWE AREA OFFICE

FROM: THE ACTING AREA MANAGER
REKOPANTSWE AREA OFFICE

SUBJECT: REQUEST TO COLLECT DATA FOR ACADEMIC RESEARCH PURPOSES – MEKGWE O.J.

The above mentioned educator has been granted permission to collect data from schools in the Rekopantswe Area Office for research purposes.

Collection of data must be arranged in such a way that teaching and learning is not compromised.

Your co-operation and support in this regard will be highly appreciated.

Yours sincerely,

BOITUMELO ITUMELENG
ACTING AREA MANAGER
TO WHOM IT MAY CONCERN

RE: MR OJ MEKGWE – STUDENT NO: 22079874

I wish to confirm that Mekgwe, OJ Student No: 22079874 is currently registered for Masters (MEd) in Educational Management at the North West University, Mafikeng Campus.

Mr Mekgwe needs to collect data for his research studies from various schools in Rekopa Area Office in Kgaka Modiri Molema Districts. I therefore, request that he be given the necessary assistance in this regard.

Thank you in anticipation of your cooperation and assistance.

[Signature]
PROF. JH DEBERIA
DIRECTOR: SCHOOL OF POSTGRADUATE STUDIES

2011-08-03
### ANNEXURE G

**MATRIX FOR CODING OF DATA RECEIVED THROUGH OPEN-ENDED QUESTIONS**

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>PARTICIPANT</th>
<th>RESPONSE</th>
<th>CODED DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Were you ever trained in financial school management? If yes, can you explain to what extent you were equipped with knowledge of financial school management when you became a school principal?</td>
<td>Principal 1</td>
<td>We were not trained for less than a day especially on how to handle finance</td>
<td>These responses clearly indicate that there is a need to train newly appointed principals to save them from making mistakes by applying their own knowledge acquired when they were still teachers because that might be wrong or inadequate. Furthermore, for those who received training, the indication was that it did not address key areas of financial management and these had led to failure to comply with the relevant Acts such as SASA and PEMA.</td>
</tr>
<tr>
<td></td>
<td>Principal 2</td>
<td>A formal training had never been conducted.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 3</td>
<td>I would call it orientation or briefing session on what is expected of me in the handling of school finances than training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 4</td>
<td>No, I never received any training in the management of finances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 5</td>
<td>I would say yes I have been trained on financial management when I was studying for my B Ed (Hons)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 6</td>
<td>Yes, financial - Banking - Budget</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 7</td>
<td>For the first time I did not receive any training I was using my knowledge I gained as a teacher.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 8</td>
<td>Yes, only on common practice like what are the roles and responsibility of the principal in as far as financial management is all about.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 9</td>
<td>Yes, I received very little information about the management of school finances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 10</td>
<td>Yes, I was trained how to budget and to stick on the budget and also to have a finance committee where they will meet once a month to process school finances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 16</td>
<td>At first, I depended on documents I read and later there was a finance management workshop conducted by EMGD. Signatories and principals of schools were invited to that workshop.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 3, 7, 12, 14</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 4</td>
<td>None, prior to becoming a principal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 6</td>
<td>We learn through trial and error, as well as mentorship. No formal workshops or training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 11</td>
<td>The duration is very short in a way that you cannot master everything.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal</td>
<td>School based workshop on how to manage school finances and they welcome our invitation if one need their assistance with regard to finances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 7</td>
<td>These are just refresher workshops as the EMGD just come with the skeleton and principals are expected to do the rest</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 8</td>
<td>The workshop to be frank they did not address real challenges at school level. Bear in mind that problems at schools differs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 6</td>
<td>Workshops conducted did little since the facilitators did not even understand the nomenclatures of finances. Our experience saw us through the management of finances. No support or follow ups were done</td>
<td>These responses and many others show that training workshops were not very successful in addressing the challenges that they are faced with in the management of school finances.</td>
</tr>
<tr>
<td></td>
<td>Principal 15</td>
<td>I would say the success is so limited in the sense that when addressing the problems we face as school they usually generalise, not taking into cognisance the fact that as principals the challenges we are faced differ from one school to the other.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 18</td>
<td>It was successful as the following aspects were treated: Income and expenditure, Banking, Budget</td>
<td></td>
</tr>
<tr>
<td>12. If you did not receive any training prior to becoming a principal, what sort of in-service training if any did you receive in financial school management?</td>
<td>Principal 3, 7, 12, 14</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal 4</td>
<td>None, prior to becoming a principal</td>
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<td>Principal 18</td>
<td>It was successful as the following aspects were treated: Income and expenditure, Banking, Budget</td>
<td></td>
</tr>
</tbody>
</table>

78
### 4. What can you say about the blanket approach that the EMG applies in their training and support programmes?

<table>
<thead>
<tr>
<th>Principal</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal 16</td>
<td>This approach is not assisting many schools. Most of the problems that schools experience remain unaddressed. In most cases when you try to assist them you are told that you are out of order.</td>
</tr>
<tr>
<td>Principal 17</td>
<td>It is good for all stakeholders are involved and they are empowered.</td>
</tr>
<tr>
<td>Principal 4</td>
<td>It is not addressing the unique challenges experienced by individual institutions, each institution should be attended to based on its financial audit report.</td>
</tr>
<tr>
<td>Principal 22</td>
<td>EMG should first ensure to individual schools to what exactly do they need training and support. Training must be according to the needs of schools.</td>
</tr>
<tr>
<td>Principal 20</td>
<td>They did little value to the understanding of finances, especially to newly appointed principals.</td>
</tr>
<tr>
<td>Principal 19</td>
<td>Advantage: Information is cascaded to all in the same and may be understood as such. Disadvantage: Many SGB members are not welliterate, therefore they may not understand English well and they might fail to interpret the presentation correctly.</td>
</tr>
<tr>
<td>Principal 6</td>
<td>Advantage: It is proper for the SGB to be together with the principals so that they can see that together they form a team. Disadvantage: SGB members tend to regard these workshops as if they are not theirs.</td>
</tr>
<tr>
<td>Principal 1</td>
<td>Advantage: Some can hear what is expected of them. Different duties will be clarified. Disadvantage: Not all SGB members are able to cope with the language used.</td>
</tr>
<tr>
<td>Principal 10</td>
<td>Advantage: A common understanding between the SGB and Principals can be promoted. Questions and concerns raised by SGB about principals can be shared and discussed. Disadvantage: This can bring boredom as a result of knowledge gap.</td>
</tr>
<tr>
<td>Principal 8</td>
<td>Advantage: Principals can try to explain terms to SGB members. Disadvantage: The language used can be a problem to many SGB members.</td>
</tr>
<tr>
<td>Principal 15,22</td>
<td>Every Quarter, to stop being having problems during audit at the end of the year and to check whether we are on track. Every Six months.</td>
</tr>
</tbody>
</table>

### 5. What are the advantages and disadvantages of including SGB members and school principals in the same training sessions?

<table>
<thead>
<tr>
<th>Principal</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Principal 8</td>
<td>I support full-time treasurer since the parent component do not have the level of education and skills needed to manage finance records.</td>
</tr>
<tr>
<td>Principal 12</td>
<td>It is the most welcomed opinion. He or she must be professionally qualified to do the work.</td>
</tr>
<tr>
<td>Principal 15</td>
<td>Schools will be better serviced as treasurers will deal specifically with finance matters. It will also ease the work for principals.</td>
</tr>
<tr>
<td>Principal 19</td>
<td>Having a full-time treasurer will stop many problems like shortage, purchasing materials, invoices, It will save time and will not disturb teaching time.</td>
</tr>
<tr>
<td>Principal 22</td>
<td>My view is that all schools should have full-time treasurer so that he or she can report to the principal and reduce his or work load.</td>
</tr>
</tbody>
</table>

### 6. In your view, how frequent must the training programmes be and why?

<table>
<thead>
<tr>
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<th>Comments</th>
</tr>
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<td>Principal 15</td>
<td>Schools will be better serviced as treasurers will deal specifically with finance matters. It will also ease the work for principals.</td>
</tr>
<tr>
<td>Principal 22</td>
<td>All participants believe that training workshops must be conducted as frequent as possible. The overwhelming number of respondents think that a three month interval is an ideal period for the frequency.</td>
</tr>
</tbody>
</table>

### 7. What is your view about schools having full time treasurers? Please elaborate.

<table>
<thead>
<tr>
<th>Principal</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal 22</td>
<td>My view is that all schools should have full-time treasurer so that he or she can report to the principal and reduce his or work load.</td>
</tr>
</tbody>
</table>

All participants generally agree that this approach is not effective. They indicate that schools must be trained based on their needs and the challenges that they are faced with. Most of the respondents in this study are principals from remote areas of the Area Office and this implies that most SGB members are illiterate. All participants believe that training workshops must be conducted as frequent as possible. The overwhelming number of respondents think that a three month interval is an ideal period for the frequency. All participants believe that if schools can have full-time treasurer it will be a very good move from the Department of Education. They further indicated that the treasurer must be well trained and professionally qualified.
8. **To what extent do you think the department of education shows interest in dealing with challenges faced by principals in school finance management?**

<table>
<thead>
<tr>
<th>Principal</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal 1</td>
<td>The department is not interested as much as it should. They are only visible when the principal or a teacher has to be charged.</td>
</tr>
<tr>
<td>Principal 4</td>
<td>The department shows very little interest. They only send circulars to schools.</td>
</tr>
<tr>
<td>Principal 7</td>
<td>The department is committed to fixing problems however, they could do better if they can change their strategy of addressing the problems.</td>
</tr>
<tr>
<td>Principal 10</td>
<td>Ours is a reactionary department which comes only when there are problems.</td>
</tr>
<tr>
<td>Principal 2</td>
<td>Department shows very little interest because many school principals are still faced with a lot of financial problems at their schools.</td>
</tr>
</tbody>
</table>

The principals are of the opinion that financial statements were not important to the department, and they received no support from this department. The department is using threats to try and force principals to comply with relevant Acts and other policies instead of conducting effective training workshops or even visiting schools that had indicated that they needed assistance.

9. **How do you as a principal involve other stakeholders in financial matters of the school?**

<table>
<thead>
<tr>
<th>Principal</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal 1</td>
<td>It is through meetings that involve other stakeholders.</td>
</tr>
<tr>
<td>Principal 10</td>
<td>By arranging monthly meetings with SGB and Parents on quarterly basis.</td>
</tr>
<tr>
<td>Principal 13</td>
<td>I involve other stakeholders by reporting to them during meetings.</td>
</tr>
<tr>
<td>Principal 19</td>
<td>There is a finance committee which deals with finance issues on regular basis. Other stakeholders are involved during meetings.</td>
</tr>
<tr>
<td>Principal 21</td>
<td>During Annual general meetings we give annual report and plan for the year ahead.</td>
</tr>
</tbody>
</table>

From the responses, it has been discovered that principals mostly gives feedback during parents’ meetings particularly Annual General Meetings. It is important for principals and other accounting officers to take all stakeholders on board during planning and also to report regularly on monthly basis. Records of such reports and feedbacks must be kept safe to avoid being charged with non – compliance with PFMA.

10. **Does your school have a school finance management policy? How did you go about developing that policy at school?**

<table>
<thead>
<tr>
<th>Principal</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal 22</td>
<td>Yes, it was developed at the school’s board.</td>
</tr>
<tr>
<td>Principal 18</td>
<td>Yes, I involved all role players and visit the plan from time to time.</td>
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<td>Principal 16</td>
<td>Yes, the school has a finance management policy. The policy guides all the financial activities in the school.</td>
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<td>Principal 8</td>
<td>Yes, by using the policy document provided by the department.</td>
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<tr>
<td>Principal 6</td>
<td>Yes, the SGB and parents and educators were involved in drawing the policy, guided by the DoE policy.</td>
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</tbody>
</table>

All participants indicated that their schools do have finance management policies. Committees were elected to draft policies and present them in meetings where they were adopted by all stakeholders.
ANNEXURE H
MATRIX FOR CODING OF DATA RECEIVED THROUGH INTERVIEWS

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>PARTICIPANT</th>
<th>RESPONSE</th>
<th>CODED DATA</th>
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<tbody>
<tr>
<td>Most of the principals do not implement the PPMA policy, and sometimes you may find that there are newly appointed principals (that) the department takes time to induct these newly appointed principals ended up in msnanaging school's funds and some of them do not involve SGB treasurer, they are just signatories of cheques. You may find that this is happening in the North West province. (laughs) Principals will send a learner to the village to give to the treasurer to sign an empty or blank cheque, and the treasurer will do that because she/ he is not educated and might be afraid of the principal.</td>
<td>Participant 1</td>
<td>Most of the participants (four out of six) believe that principals are not well trained to manage school finances. They agree that the type of training which some refer to as induction workshop does not equip principals with necessary knowledge and skills. One principal agree with the EMG coordinator that it is because principals do not implement policies well and it is their problem. I think it is important for the EMG unit to consider the types of finance training they conduct for principals and try to come up with the strategy as to how best they can address the challenges that principals have in the management of school finances.</td>
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<td>One of the reasons is that principals do not get proper training on management of finances both the principal and the Admin. Assistant. And again I think principals concentrate more on curriculum management, hence they spend less time on finances, so they are as well very important part of their duty. The other challenge I think it would be the monitoring of department as far as finances are concerned. They are not consistent and is not on-going and if it were the case, some of the problems would be realised long in advance and attended to and most of them are only realised after the submission of AFN (Annual Financial Statements) hence the irregularities could take time, fraud and everything. The other thing I think is because, SGB are made responsible for the finances. Sometimes maybe principals might take advantage that I am not duly responsible but I am just an accounting officer and they get away with murder. But I think mainly, is lack of proper training, lack of support and monitoring.</td>
<td>Participant 2</td>
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<td>Most if not all principals are in positions of principalship and they are expected to manage school finances and most of them do not have any qualification in financial management. &quot;The department should give good training to principals to ensure that they will be able to manage school finances but unfortunately this is not done&quot; &quot;The other issue could be maybe, that principals should be given people that can help to manage and run finances but unfortunately, people that are said to be at the forefront is the SGB who are not at school most of the time. &quot; principals will find themselves on the wrong side of the law because the department has given or has developed policies, for example, PPMA which many a times reference is made unto it that school finances must be run in accordance with the PPMA, but unfortunately even in the workshops that are done only reference is made to the document.</td>
<td>Participant 3</td>
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<td>Lack of skills from your subordinates as principals, lack of support by your senior, unprofessionalism of stakeholders by not</td>
<td>Participant 4</td>
<td></td>
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<tr>
<td>Participant</td>
<td>Statement</td>
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<td>Participant 5</td>
<td>Most of the training is done by professionals who do not have a fundamental background of accounting and auditing skills and cannot offer any skills with regard to what should be done to avoid or avert misappropriation or mismanagement of school finances.</td>
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<td>Participant 6</td>
<td>Ya... (sighs), I think it is because most do not follow the policies of the department. They do things haphazardly without checking what the policies or Acts says. Some go to the extent of writing cheques in their names but fail to produce proof of payments.</td>
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<td>Participant 1</td>
<td>SASA explains different policies clearly and straightforward. The language used is really simple and straightforward. Normally the EMGD will invite stakeholders to the workshop and elaborate clearly what is stipulated in different policies.</td>
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<td>Participant 2</td>
<td>Ya, I think SASA is really not user-friendly to say as principals and whoever deals with finances. I can even indicate that training with regard to that is not enough for principals and school financial managers. I think even the EMG is not doing enough to train us on the Act, because what usually happens is that principals and parents of SGBs are workshopped at the same time forgetting their differences on knowledge base and comprehension of the stakeholders.</td>
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<tr>
<td>Participant 3</td>
<td>I think unfortunately not only principals but even SGB’s, the problem is that the language is not familiar with what they are talking about.</td>
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<tr>
<td>Participant 4</td>
<td>I am sorry in that one, allow me to comment.</td>
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<tr>
<td>Participant 5</td>
<td>SASA 84 of 1996 is biased in that it only hold the principals accountable for the misuse or mismanagement of funds, which is a literal translation of PFMA of which such Act is silent on whose responsibility for authorising the funds but only pronounce the accountability part of.</td>
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<tr>
<td>Participant 6</td>
<td>It is very user-friendly. The language is simple and can be easily understood. As EMG, we sometimes make presentations in their mother tongue to try to accommodate everyone.</td>
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2. To what extent do you think that the South African Schools Act 84 of 1996 is user-friendly? How does the EMG strive to familiarise stakeholders in Education with this Act?

Three out of five principals who responded to this question raised the issue of the language as the key aspect which makes SASA not to be user-friendly. One principal decided not to comment on this question for the reasons known to him alone. The EMG coordinator and one principal think that the Act is user-friendly. My interpretation is that many principals do not have a problem with the content of the Act. They only raise the issue of language used in the document as an obstacle. I think they suggest that there is a need for all these government policies to be written in all official languages, more especially the language which is commonly used in that particular area or province.

3. According to you, how does the EMG unit identify problem areas in schools? Do you think that it is effective? Please elaborate.

Unfortunately, ever since I become a principal until now, I think from 1998, till now is more than 10 years, I have not really seen the EMG trying to identify problem areas. EMG officials usually visit schools and identify problem areas. They normally use monitoring tools and that is very effective and thereafter they consolidate their findings and come up with a strategy of addressing those particular areas by means of workshops.
areas in schools, it has never happened. EMG is not or does not show if they want to identify problems such that they can be resolved.

Participant 4

EMG still needs human resources that are fully trained and knowledgeable to trace and track problems if they are there, they are not enough. The education system is not stable while the EMG unit with what they can, here comes another issue, Is like repairing the bus while running.

Participant 5

The EMG is a reactionary unit, in that they only act when the report from the Auditor-General of the external auditors have some grey areas.

Participant 6

Yes, we do. At the beginning of each year we send templates in which school principals indicate policies that they have. We take it for granted that if they can draw a policy for finances, then they can manage or implement it well. We then ask them to draw a monitoring tool to see to it that they do exactly what we supposed to be done with regard to finance management.

Participant 1

Yes, yes, they normally visit schools, by using the monitoring tools (after -follow-up question). They also consolidate and come up with training programmes.

Participant 2

“I would not say they make follow-ups or verify information because we are not even getting feedback on our monthly returns or submissions. If they were doing so or checking on them, problems would be identified earlier and recurrence of mismanagement would be avoided”

Participant 3

(laughs), once again , I have indicated No, if this happens I don’t know in which schools because really the coordinators should visit schools, to verify information, I said to you that the information is sent to the Area Office but there is nothing that comes from the EMG”.

Participant 4

I think the answer to the third question will tell a lot. My answer to that question can sell you a lot. Lack of enough human resource is one of the problems. I am not sure about it, but I think if you can ask the relevant unit Ask them how frequent they visit schools you will get correct or relevant answer.

Participant 5

Big No. Their report is based on submitted reports by individual school and cannot be justified for further training. We need field workers and not office - based officials, who only go out when there is a conflict at schools with no distinctive difference to the police officer.

Participant 6

Yes, we sometimes visit schools. It is not very often because we have problems of cars in the office. We do not necessarily go to verify information submitted, we also look at other issues of management, not only finance.

Participant 1

Yes, yes, yes, they are definitely effective because all the problems are addressed at the workshops and individuals are also given the opportunity to raise their challenges at
5. Do you think the current training and support programmes of EMG are effective? Please elaborate.

<table>
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<tr>
<th>Participant</th>
<th>Response</th>
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<tbody>
<tr>
<td>Participant 2</td>
<td>I wouldn't talk about effectiveness because I was appointed in 2010 as a principal but so far I have never trained on financial management. Though in our principals’ conferences, the item would always feature on finances but unfortunately mainly presenters don't pitch up, the question of yourself (you) teaching yourself on finances but not from the EMG.</td>
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<tr>
<td>Participant 3</td>
<td>There are no training and support programmes really from the EMG, as I said, they cannot be effective. What is happening as I said is only workshops and they are not effective.</td>
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<td>Participant 4</td>
<td>I think the answer to the third question will tell a lot. My answer to that question can tell you a lot. Lack of enough human resource is one of the problems. I am not sure about it but I think if you can ask the relevant unit. Ask them how frequent they visit schools you will get correct or relevant answer.</td>
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<tr>
<td>Participant 5</td>
<td>Like I said above, their training can be characterised as a clause to finding principals on the wrong side of the law and cause of confusion between the SGB and principals of schools. Parents spend 90% - 98% at home and are not curriculum versatile which is one aspect that always cause a conflict when it comes to prioritising curriculum needs and immediate response by principals when needs arises.</td>
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<tr>
<td>Participant 6</td>
<td>Yes the report we get from schools is that they are effective. I think it is only by choice that people/principals mismanage school finances.</td>
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6. What aspects of the training and support programmes of EMG would you like to be improved so that they are effective?

| Participant 1 | Finance, because if you check, most of the schools at the end of the year, when they submit their finance books to the auditors, they normally get at the end unqualified (wanted to say qualified) report. So I think the finance workshops will really assist us in order for schools not to receive that report. |
| Participant 2 | I think the first one is to start by conducting workshops on finances because there are none; hence I cannot again talk about effectiveness. But I would like to suggest that in their workshops, they should be a bit practical when it comes to day to day keeping of finances and intense training is needed for Admin Assistants as well as principals as they are mostly the ones who deal with daily finance issues. |
| Participant 3 | I think EMG unit should develop a questionnaire for example, that will identify problem areas in schools, such as the one you have now... they need to look at the submissions that we send to the A.O. They need to check or study them and identify where there are gaps. Issues of budget for example is one areas which needs to be improved so that we learn and address the problems we are faced with. |
| Participant 4 | I think they should develop a questionnaire or report that will tell them about the challenges for principals so that we learn and address the problems we are faced with. |
| Participant 5 | Auditing to be done on quarterly basis by the EMG officials and not wait for the auditors. |

All school principals except one conceded that training programmes by EMG are not very effective. These workshops deal only with the issues that the coordinator feels that he or she wants to address or is comfortable in presenting. The principals are of the idea that intensive training programmes on finances by relevant and qualified personnel can be the answer to most if not all problems. A number of suggestions were made by all participants such as conducting workshops on finances, developing open-ended questionnaires to get variety of responses, auditing to be done on quarterly basis. One principal, who stated that she is happy with all the efforts of the department, could not differentiate between unqualified and qualified reports. This says to me that she also needs intensive training just like the rest of others who have stated that there is a need for such training. What is also important is that there is a will from the EMG to improve wherever there is a need.
A common template of budget to be supplied to schools after it has been thoroughly explained to schools. Roles and responsibilities of stakeholders without harnessing the feelings of others and avoiding confrontation.

| Participant 6 | We are open for inputs from school principals. I think so far we are doing well but cannot say that we are perfect. |