

**THE IMPACT OF PUBLIC FINANCE MANAGEMENT ACT IN ADVANCING THE
ORGANISATIONAL OBJECTIVES OF THE NORTH-WEST DEPARTMENT OF
EDUCATION**

BY

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Research submitted in partial fulfilment of the requirements for the Master's degree in
Business Administration (MBA), North-West University, Mafikeng Campus.

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2016

DECLARATION BY CANDIDATE

I, Nombulelo Xhati hereby declare that the dissertation submitted is my own original work and has not previously been submitted to any other institution of higher education. I further declare that all the sources cited are indicated and acknowledged by means of a comprehensive list of references.

Nombulelo Xhati

Date

ACKNOWLEDGEMENTS

I acknowledge and give my sincere gratitude to the following persons for the success of this research:

God the magnificent who gave me courage, strength, wisdom and the power to keep on in tough times to complete this study.

Prof. W. Musvoto, my supervisor, who was at all times able to challenge me and bring the best out of me. You were a source of my strength. Your guidance made me unleash the potential that was in me. Through your support I realised that there is more that I can give than what I thought. Thank you.

Last but not least, my family, who encouraged me, thank you for believing in me.

ABSTRACT

The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999) is one of the most significant pieces of legislation passed by the democratic government of South Africa. The Act promotes good financial management in order to maximise service delivery through effective and efficient use of limited resources. The purpose of this study is to establish the impact of the Public Finance Management Act on advancing the organisational objectives of the North-West Department of Education

The Public Finance Management Act (PFMA), Act 1 of 1999 emphasises that the executive authorities must ensure that government institutions comply with this Act and the financial policies it prescribe. However, since the adoption of the PFMA, there are challenges of compliance with the Act by public institutions and government departments. In order to determine the impact of the PFMA on advancing the organisational objectives of the North-West Department of Education, a questionnaire was designed and administered amongst a hundred and ten employees of the North-West Department of Education and Sport Development at its Financial Management Services Directorate (head office).

The study revealed that finance policies and practices have a positive impact on advancing organisational objectives and that the finance policies and practices provide direction for the department to reach its goals. However, the PFMA is not yet implemented effectively. This study recommends that the PFMA must be fully complied with and the organisation's objectives must be aligned to the PFMA in order to improve the attainment of departmental goals.

Key words: PFMA, Finance policies and practices, organisational objectives, the North-West Department of Education

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CHAPTER 1: INTRODUCTION

1.1. Background of the study

The transition from apartheid to a democratic government implied several strategies to apportion resources, monitor their distribution and extend the same in a bid to reach a vast population that had been dispossessed and marginalised. According to Sheoraj (2007:14) the past years of democratic rule in South Africa have been characterised by policy-making and legislative reform aimed at meeting constitutional imperatives. One of the crucial programmes in rebuilding the country is the development of human resources. The aim of this study is to establish the impact of the adoption of Public Finance Management Act by the North-West Department of Education on advancing departmental objectives and coming up with possible recommendations for improving their implementation in the Department of education should any shortfalls be identified.

The education system of South Africa is in a state of transformation as the government is dealing with legacies of the apartheid past, whilst balancing risks and opportunities posed by the future (Zewotir & North, 2011). It is important to develop education systems that permit children to go to school and to seek quality education that empowers them to enter the labour market and thus contribute to the economy in a manner that will attract investors (Herbst & Mills, 2012). The majority of South African schools have inherited the legacy of dysfunction (Grant, Jasson and Lawrence, 2010).

The role of the North-West Department of Education is found in its vision statement, that the education process will produce responsible and independently thinking learners who are able to fully take part and contribute to the community. In order to accomplish this goal, the Department has to offer a variety of services and courses so that all individuals can realize their potential. The Department admits that it provides the necessary resources to groom and nurture knowledgeable personnel with expertise, commitment, initiative and independent thinking (North-West Education Department, 1997:7).

According to Makgalancheche, (2012:14) financial matters are handled in predetermined ways in order that public funds can be spent cost-effectively and for the purposes for which they were intended. Naidoo (2010:7) argues that the financial policy of an organization provides direction on how available funds and resources should be utilized optimally for the benefit of the organization. A critical component to enhance the effectiveness of an organization is to evaluate its existing level of functioning, including assessing an organization's level of effectiveness in the achievement of its objectives (Nel, Van Dyk, Haasbroek, Schultz, Sono & Werner, 2011).

The Department of Education has its provincial offices in the capital city of Mafikeng and with the offices in the Garona building. The Department has been decentralised into four districts throughout the province in order to take services to the people. Currently the Department is in charge of 1485 public schools spread over the entire province. However, this number does not include private schools. It is also anticipated that the number of schools will increase since the Department would want to comply with the Constitution of South Africa Section 29 which states that everyone has the right to basic education, including adult basic education (Annual school survey, 2015) and in order to actualise this there is a possibility of increasing the number of schools in the near future.

1.2. Problem statement

According to Naidoo (2010:7-8) the South African education system has undergone fundamental changes in the past decade, but the process of transformation remains far from complete. The Constitution still remains an instrument for promoting transformation, despite the constant efforts to redress imbalances inherited from the previous political dispensation

The North-West Department, as the custodian of public education in the province, has the responsibility to guarantee effective learning and teaching and this requires schools that are fully functional. The Department must ensure that schools are held accountable for their poor academic results. The aim is not to punish management, teachers and learners, but to provide the right combination

of incentives, support and resources that will quicken the changes necessary to advance the quality of education in those learning institutions (Strategic Plan, 2011 - 2014).

Financial management in the government sector and at the national and provincial level must be managed in terms of the Public Finance Management Act 01 of 1999. Finance management focuses on the utilization of scarce government resources to guarantee effective, efficient and transparent utilisation of state money and assets, to accomplish value for money in realising the goals of government in the delivery of services to the society. Sound public financial management ensures aggregate control, prioritization, accountability and efficiency in the management of state resources and delivery of essential services (World Bank, 2005). Such efficient management is required to facilitate the government's initiatives to attain its objectives.

As stipulated in the Public Finance Management Act (PFMA), Act 1 of 1999 the executive authorities must ensure that public institutions comply with this Act and the financial policies. However, since the adoption of the Public Finance Management Act (PFMA), Act 1 of 1999 by the Department of Education, its impact on the organizational objectives are currently not known. This study therefore investigates the impact of the Public Finance Management Act (PFMA), Act 1 of 1999 on the organizational objectives of the North-West Department of Education.

For this research to successfully achieve its intended goals, the following question and sub questions were asked:

Main research question

a) What is the impact of the Public Finance Management Act (PFMA), Act 1 of 1999 on the Departmental objectives of the North-West Department of Education?

Sub- research questions

- b) What is the impact of the implementation of the Public Finance Management Act (PFMA), Act 1 of 1999 on Departmental service delivery?
- c) Are the guidelines of the PFMA effectively implemented?
- d) Do the PFMA guidelines enhance the attainment of specific departmental goals?

1.3. Research aims and objectives

This study seeks to address the caveats posed in the research question in the preceding paragraph. The following are the specific objectives of this study:

Main objective

This study seeks to establish the impact of the Public Finance Management Act (PFMA), Act 1 of 1999 on the North-West Department of Education's goals.

Sub- objectives

Emanating from the critical main objectives, this study also seeks to:

- i) Establish the impact of the implementation of Public Finance Management Act (PFMA), Act 1 of 1999 on the Departmental service delivery.
- ii) Determine whether the guidelines of the PFMA are effectively implemented
- iii) Determine whether the PFMA guidelines enhance the attainment of specific departmental goals.
- iv) Identify mitigating solutions where challenges have been evident.

1.4. Scope of the study

Compliance with the Public Financial Management Act no. 1 of 1999 is a prerequisite for an unqualified audit report. It is hence enticing to study the entire public sector's financial policies and practices to establish if the objectives of government in the delivery of services to the public are met.

However this study is limited to the financial management and practices in the North-West Department of Education. The study focuses on the stake holders in the Department of Education who benefit from the Financial Policies and Practices and those that are responsible for the implementation of these policies.

1.5. Literature Review

The Department runs and administers Basic Education in the province. The Department of Basic Education deals with all the schools from Grade R to Grade 12 and all the adult literacy programmes. The mission of the North-West Department of Education is to provide quality basic education for higher learner achievement through educator excellence and support services (Annual Performance Plan, 2013/14-2015/16:8). Access to education is encouraged by the Department through lifelong education among educators who want to upgrade themselves further (North-West Education Department, 1997:4).

Many developing countries including South Africa still have a problem in achieving quality (African Development Bank Group, 2011; Independent Commission for Aid Impact, 2012) resulting in poor learning outcomes from school children (Organisation for Economic Cooperation and Development (OECD), 2013). Since the transition to democracy in 1994, the South African government has been trying to address the challenge of providing quality education for all children in schools. It is an urgent issue due to South African citizens' "persistently low performance in academic achievement" (DBE Republic of South Africa, 2011c:3), particularly in literacy and mathematics, as compared to national curriculum standards and international assessments (DBE Republic of South Africa, 2011b; Equal Education (EE), 2010; National Education Evaluation and Development Unit (NEEDU), 2013).

Elmore (2000) indicates that South African children receive schooling of a significantly poorer quality than pupils in many of its much poorer neighbouring countries. This is true in all 5 poverty quintiles. A great deal of money should and is being spent improving the infrastructure and facilities in the country's poorest schools. In addition, the route to improved quality requires targeted spending on

well-designed strategies aimed at changing what teachers do in their classrooms, and what principals and officials at every level of the system do in providing guidance and direction to instructional improvement. Taylor (2008) states that improving what teachers do in their classrooms is the key to improving learning.

According to Erasmus (2008:192) the mission of the South African public service is to achieve value-for-money service delivery and to be accountable to its citizens. Legislation and guidelines have been established to achieve these goals but there are still gaps in the system that need to be addressed.

Bisschoff (1997: 155) describes a financial policy as “a statement concerning the manner in which funds will be generated and spent.” He further states that “the starting point of the financial policy lies with the mission statement of the organisation.” Every organisation must formulate its own mission statement and from that create goals. The Oxford Advanced Learners’ Dictionary of Current English (1980:134) describes “policy” as a document containing the rules for prudent conduct indicating the courses of action to be taken by an institution. Mestry (2006:35) indicates that a good policy identifies and articulates the values and basic principles to be applied to the specific needs of the organization.

Ryan (1994: 25) suggests that a good financial policy should identify and articulate the values and the basic principles to be applied to specific needs in an organization. It should spell out to an administrator what is required and it should set out the broad objectives that should be achieved in managing the school’s finances. An effective policy should not only set direction but should also give direction. Administrators must be left to apply that policy with the discretion required by circumstances and their own professional judgment.

Every country has legislation governing procedures for the efficient and effective management of public money. The PFMA lays down the basic rules for public financial management and complies with Section 216 of the 1996 Constitution which provides for treasury control. The details of the regulations for the use of allocated funds are found in the Treasury Regulations that came into effect on 5 June 2000. They range from internal control to planning, budgets, assets and

liability management, banking and cash management, accounting and reporting among other things (Pauw, Woods, Van De Linde, Fourier & Visser, 2000:42).

The new challenges of governing seems increasingly complex, including the fast paced economic and social changes, the growing complexity of policy issues, the need for a simpler and more transparent political process, the multiplication of controls, too many procedures that impede change, low morale of public servants, low public administration productivity, growing financial constraints, and citizens' lack of confidence in the public service (Laegreid, 2001:2). Change furthermore takes place rapidly, placing governments and public administrations in situations that are probably quite different from those they knew before. Today, developing countries, such as South Africa, need to find answers geared to today's needs in order to clear up ambiguities concerning some of the basic principles by which it is governed (Van Wyk, 2003:15).

1.6. Definition of concepts and terminology

1.6.1. Finance policies

Mokoena (2013:11) defines a finance policy as a set of rules and regulations that promote good financial management and administration practices to be applied to all the financial affairs of the organisation. According to Ryan (1994:25) a good policy identifies and articulates the values and the basic principles to be applied to specific needs in an organization. It sets the broad objectives that should be achieved in managing the school's finances and informs the administrator of what is required. An effective policy sets and gives direction. In this case the PFMA sets out the rules that should be followed by the North-West Department of Education in this specific research.

1.6.2. Public Finance Management Act (PFMA), Act No.1 of 1999

The Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999, as amended by Act 29 of 1999) is one of the most significant statutes passed by the democratic government in South Africa. This Act promotes the objectives of good financial management in order to maximize service delivery through the effective and efficient use of limited resources (Moagi, 2009).

1.6.3. Objectives

Objectives are statements that describe a result to be achieved. They assist with clarifying intentions; for planning, for guiding activity towards the desired result, and for assessing achievement (Sass, 2003).

1.7. Research method

As indicated by McMillan & Schumacher (1993: 9) research is referred to as a systematic process of gathering and logically analysing information for a certain purpose. Research methods comprise the methods that a researcher uses to collect and analyze data. Research methods are systematic and purposeful. Processes are arranged to yield data on a specific research problem, and are not just haphazard activities. More specifically it refers to a design whereby the researcher selects data gathering and analysis procedures to investigate a specific research problem. Adams, Khan, Raeside and White (2007) indicate that research method “is the science behind all research.”

In this study, a quantitative research method was applied. Gathering of primary data was done through a questionnaire, distributed to employees working in the Department of Education’s finance management service. The data gathered from the questionnaire was analysed to form an objective opinion about the impact of Public Financial Management Act no. 1 of 1999 on advancing the organisational objectives of the North-West Department of Education.

1.7.1 Research design

Mouton (2001:49) indicates that the research design answers a central question of what kind of study is conducted in order to give adequate answers to the research problem or question. In this study the method is quantitative in nature. Quantitative research is theoretically more objective and less interpretive. Wiersma (1991:86) points out that quantitative methods attempt to quantify variables and, to the extent possible, partition them according to a range of sources or causes. This is supported by Leedy (1997:104) who argue that quantitative study is an “inquiry into social or human problems.” This study is quantitative in nature based on the questionnaire that was used.

1.7.2. Population

According to Tsebe (2011:34) a population is defined as a collection of objects, events or people with common aspects that the researcher is interested in studying. A population covers the aggregate collection of all members, cases or elements about which the researcher wishes to reach conclusions on. In this study the population is 146 North-West Department of Education and Sport Development employees working under the Financial Management Services Directorate (head office).

1.7.3. Sampling method

The primary data in this study was collected using a structured questionnaire. Sampling can be described as the method of selecting units, for example, individuals or items from a population of interest so that by studying the sample the study may reasonably generalise the outcome back to population from which they were selected (Trochim, 2006). As indicated by Fink (1995) sampling implies taking selected parts of the population to represent the entire population.

One hundred and ten employees were sampled from the Financial Management Services Directorate using a judgment sampling approach. According to Mugo (2002) judgment sample is chosen according to the good judgment of somebody who is familiar with the relevant characteristics of the population.

1.7.4. The research instrument

In this study data was gathered using a questionnaire designed by the researcher.

1.7.4.1. Questionnaire

In this study data was collected by means of questionnaires. Babbie and Mouton (2001:95) state that a questionnaire is a tool that is developed for a specific purpose with pertinent items to establish the link, cause or result between variables in order to create the present or possible position of matters in respect of the uniqueness of the subject that is researched.

The questionnaire was found to be the only appropriate tool used in this study because the participants were given time to think and respond to the questionnaire (Brynard & Hanekom, 2006: 46). The questionnaire was distributed to one hundred and ten employees. The researcher used the questionnaire to measure some characteristics or opinions of the respondents (May, in Nong, 2007: 48). Furthermore, this questionnaire was used to determine the views of the employees regarding the impact of PFMA on advancing the departmental objectives.

1.7.4.2. Reliability and validity of the study.

According to McNabb (2002:273) scientific research is described by two elements, that is reliability and validity. Validity means that the research study should be able to measure what it is supposed to measure. As indicated by Moagi (2009) in contextualizing validity, the truthfulness or trustworthiness of the findings are observed from the response of the research questions. This study must respond to the research question by reaching a conclusion that can be trusted when evaluated. To enhance validity of the research findings, the responses of the participants are captured in an excel spread sheet, and are analysed and interpreted against the literature on prudent financial management.

Reliability suggests that the same matter that is examined constantly by the same or different individuals must provide the same outcome (McNabb, 2002:273). Fowler (1993:258) described the meaning of reliability as equated to consistency. Reliability, as described above, is the extent to which test scores are accurate, consistent or stable. A test score's validity is dependent on the score's reliability since if the reliability is inadequate, the validity is also poor. It is, therefore, important to determine a score's reliability before one examines its validity.

1.7.5. Ethical considerations

Andrews (1985:35) defines ethics as the standards which guide the behaviour and actions of employees in public institutions, and which may be referred to as moral values. Ethics is more concerned with an individual's personal beliefs

regarding right or wrong behaviour, acceptable or unacceptable behaviour, can vary from one person to another, are relative and not absolute, social norms and values are the building blocks; provide sensitivity about responsibility and accountability; provides the basis for humanity in society; and determine how authorities serve their people.

The data for this research is to be obtained from wide range of stakeholders who benefit, are affected by, contribute to the effectiveness of the financial systems within the Finance Directorate of the North-West Department of Education. A questionnaire was submitted for ethical clearance and Permission obtained from the Head of Department of North-West Department of Education to conduct the research. Information gathered from both the Department of Education and its officials was kept confidential. This is also supported by Tsebe (2011) who emphasises that information given during the study should be kept confidential.

1.8. Layout of the study

Chapter 1: Introduction

This is an introductory chapter which outlines the background of the study, the brief discussion of finance policies and practices, problem statement, significance of the study and research methods.

Chapter 2: Literature review

This chapter deals with literature review to provide a conceptual theoretical framework necessary to understand and establish the impact of financial policies and practises in advancing the departmental objectives.

Chapter 3: Research methodology

This chapter explains the methods used during quantitative study. The design of the questionnaire, data collection method, population covered by the study and sampling method is discussed.

Chapter 4: Research results and analysis

This chapter consists of analysis and interpretation of the results of the study.

Chapter 5: Conclusions and recommendations

In the final chapter, the findings of the study are summarized and linked to the aims and objectives of the study. The study is concluded with recommendations.

2. CHAPTER 2 LITERATURE REVIEW

2.1. Introduction

This chapter reviews literature and research conducted by other scholars and academics on financial policies and practices and how such instruments have an impact on achieving the Departmental objectives. It is mainly focused on the theoretical review insights of such research work already done on the underlying tenets of financial policies and practices in South Africa.

2.2. The Department of Education in South Africa

Education is one of the priorities of the government. As indicated by Dlamini (2015) at about 7% of gross domestic product (GDP) and 20% of overall state expenditure, the government spends more on education than on any other sector. South Africa has a high rate of unemployment and this is ascribed to an absence of expertise and skills in the staffing of the education department as indicated in the National Development Plan Commission Report (2011). Education is fundamental to South Africa's long-term growth. It enables people to define their identity, take control of their lives, raise healthy families, take part confidently in adding to a just society, and assume a powerful part in the politics and governance of their communities (National Development Plan, Nov 2011, p261).

According to Schultz (1961) developing people is partly a matter of individuals and communities enhancing their own lives and taking greater control of them. Education is extensively utilized as a tool for social change. Furthermore this contention is taken up by Harbison and Hanushek (1992) who battle that a nation which is not able to advance the skills and knowledge of its society and to use them successfully in the economy will not be able to achieve anything else. Furthermore, as indicated by Psacharopoulos (1985:5), education is broadly viewed as the road to economic wealth, the key to scientific and technological improvement, the means to battle unemployment, the basis of social equity, and that it energises the spread of political socialization and cultural vitality. Balancing

the well-being of the society is thus a vital current goal of the South African government.

South Africa has a centralised education framework, which is structured and managed by the National Department of Education and the nine provincial government institutions. Statutory bodies making up the national department of education comprise the Council of Education Ministers, Heads of Education Department's Committee, General and Further Education and Training Quality Assurance Council, South African Qualifications Authority, Council on Higher Education, South African Council for Educators, National Board for Further Education and Training, Education Labour Relations Council and the National Student Financial Aid Scheme (Ramdass, 2009:119).

National Department of Basic Education directs education from Grade 0 (R) through to Grade 12. The North-West Department of education runs and administers education at the provincial level. That said, it does so within the policy frameworks of the National Department of Basic Education. The provincial department is not an autonomous entity: it is bound by the policies and resolutions taken at national level and this means that the national department sets the tone for the provinces. The Department of Basic Education, guided by the needs as set by the national government, has developed a strategic plan 2011-2014 and enhancing quality of basic education is integral to this strategic plan, (Strategic Plan 2011-2014).

Schools assume a vital part as institutions for education to take place. They are the building block for learning and socialisation. The values learnt at school pervade society. The quality of the education provided affects fundamentally further education, college, higher education and society's ability to innovate (NDP Commission Report 2011). This assertion makes this study imperative in the sense that the strategic plan 2011-2014 recognises that a well organised educational system offering high quality education to its citizenry will address issues of poverty, inequality, unemployment, and improve the national economy.

The school system plays a very central role in addressing these maladies of the modern South African society.

The Department of Basic Education has arranged schools into quintiles as indicated by levels of poverty in the community where the school is located. Quintiles are statistical values that divide a frequency distribution into five parts, each containing a fifth of the population. The Department of Basic Education uses these quintiles to decide the level of poverty in that community. Schools falling under quintiles 1 and 2 are viewed as the poorest and poor respectively, schools in quintiles 3 and 4 are better and best respectively. The schools in quintile 5 are viewed as independent and have the best infrastructure and parents of the children who attend schools falling under quintile 5 can afford paying school fees. The schools in quintiles 1–3 were later declared and classified as no-fee schools. This implies that parents whose children attend such schools are exempted from paying school fees. As a result of these new improvements and the good fruits of democracy offering free education, government allocates huge sums of money into non-fee paying schools (Republic of South Africa, 1996, Sec 98).

According to Hindle (2007:148) school education is financed by provincial departments of education, which in turn are funded by the provincial treasury. National tax revenues are disbursed to provinces using a formula that takes various socio-economic variables into consideration, including education variables. However, the manner in which funds are disbursed across social sectors is a provincial prerogative. This implies that per learner expenditure is uneven across provinces, with wealthier provinces capable of investing more into individual learner education compared to poorer provinces.

The cost efficient and effective utilisation of financial resources is fundamental to the objective of enhancing the quality of education. South African education system is currently ineffective and wasteful. It is characterized by duplication of expenses and underutilization of financial resources. There is a lot of corruption and misappropriation of funds in most schools (African National Congress, 1995: 40).The Department of Education has a crucial leadership, policy-making and

monitoring responsibility in enhancing the quality of learning and guaranteeing the constant provision of quality education across the education sector. The department strives to advance, sustain and support a South African education system which is in accordance with the educational demands of the 21st century. It is tasked with providing leadership relating to districts and schools in the establishment of an effective South African Education system (GCIS, 2013:169).

The obligation for education is shared by the department of basic education and department of higher education and training. Regardless of challenges, there is a steady advancement in education, with government systematically addressing the weaknesses that have hindered progress before. The Department settled on a broad turnaround plan for enhancing the quality of learning and teaching in schools called *Action Plan 2014: Towards the Realization of Schooling 2025*. The purpose of the action plan is to advance teacher employment, learner enrolment, school funding, mass literacy and numeracy and overall quality of education. The action plan sets out 13 objectives to be accomplished, regarding learning and enrolment. It also sets out 14 areas in education that should be enhanced to achieve these objectives. Ensuring that all South Africans get quality education is a pressing need. *Schooling 2025* gives a clear vision of how to accomplish this goal (GCIS, 2013:171).

According to Wang (2013:72), the SA government has recognized that education is in a crisis and that it must be made more competitive for benchmarking against world standards. He further indicates that it is not just a matter of increasing funding; it is also about the manner in which funds are distributed and used within the context of a comprehensive national plan for quality education. For this plan to have any kind of effect, the Department of education would have to foreground basic teacher subject knowledge, capacity to teach reading and other basic literacy skills in the vernacular and the language of teaching and classroom management within schools which are equipped with suitable (ICT) information and communications technology.

Since democracy in 1994, there has been a major update of government policy which is used as a guideline to deliver services to the society on an equitable basis. The improvement of an inclusive education system can be traced back to the Constitution of the Republic of South Africa, Act No. 108 of 1996 (Republic of South Africa 1996). The provision of education for learners with disabilities has been part of that process of addressing inequalities. Section 29 (the Bill of Rights) states that everyone has the right to basic education, including basic adult education; and to further education, which the state, through reasonable measures, must make progressively available and accessible. It further states that government may not discriminate directly or indirectly against anyone on one or more grounds, including disability (Dalton, McKenzie & Kahonde, 2012).

With a huge share of the North-West Province's R26, 2 billion budget to the department of education and sport development, the North-West Provincial government is confident that everyone will have access to learning in accordance with the national development plan and the Freedom Charter. The department received R13.4 billion, which is 39.4 per cent of the provincial budget in the 2015/16 financial year, to provide quality basic education for high learner achievement through educator excellence, as well as sport development. The departmental portion comprise of an amount of R408.2 million for Learner Teacher Support Materials, R39.2 million for Grade R implementation, R52.5 million for inclusive education and R43.2 million for employee development. Investment in education is justified and the results are there for everyone to see. The province prides itself regarding the overall Grade 12 results where it came second nationally for two consecutive years (2015/2016 Budget Speech).

As indicated by Annual Performance Plan (2013/14-2015/16:8) the strategic goals of the department are to advance financial management systems, human resource strategies, internal and external communication strategies, security systems and internal audit processes. The plan seeks to ensure that every learner has access to the minimum set of textbooks required as per the national policy and that schools are funded using the rates determined nationally and that funds are used transparently and effectively. The Department aims to attract a

new group of young, motivated and appropriately trained teachers every year and improve professionalism, teaching skills and subject knowledge of teachers, strive for a teacher workforce that is healthy and enjoys a sense of job satisfaction. This is directed at ensuring that learners cover all the topics and skills area and that they have access to a wide range of pedagogic media, including computers.

Therefore in accordance with the Annual Performance Plan (2013/14-2015/16:8) the Department intends to expand inclusive education. It also seeks to ensure that all independent schools, including home schools, are registered and that all subsidized schools are supported and monitored to ascertain compliance and for quality assurance purposes. The department aims to strengthen special schools in accordance with relevant policy, enhance access to relevant and responsive vocational, occupational and skills education and training programmes within a modern and vibrant FET College system. The department's strategic goal is to expand adult literacy and Training and Early Childhood Development Services, apply life skills and HIV and AIDS programmes and structures in schools to manage the impact of HIV and AIDS in the school system, ensuring in the process that the physical infrastructure and environment of every school motivate learners and teachers and maintain a well-managed and monitored School Based Assessment (SBA) to improve teaching and learning.

2.3. Problems in the education system of South Africa

There are numerous challenges facing the South African education system. Since the establishment of democracy, the emphasis has been on the review of the inequalities of the past. Government designed a programme of rebuilding the education system on principles of equity, human rights, democracy and sustainable development. Changes that took place incorporated a unified, national education system, more democratic system of school governance, new standards and qualifications authority, redistribution of financial and human resources, higher education reforms and the re-orientation to outcomes-based education. Against these advances, there are still major challenges in the South African education system, with political instability at the forefront. This is

particularly true in terms of the tension between implementing changes that need both time and considerable resources to work their way through, and the propinquity of issues that need to be addressed at the sites of implementation that is, in the schools / universities / technikons and particularly, in the lives of human personnel (Ramdass:2009).

There is a major skills shortage in different parts of the South African economy (Pandor: 2007). Maria Ramos, CEO of Transnet pointed out that there is a severe, potentially incapacitating skills challenge as South Africa attempts to build sustainable higher levels of economic growth with shared benefits. She indicated that South Africa is not the only country in this predicament; other developing countries have similar skills shortages. Internationally, some projections indicated that fifty percent of firms in developing countries are also facing a skills shortage. (Ramos: 2008). Possibly one of the reasons for this quandary is the short-sightedness of government in the restructuring of teacher training colleges. The beneficial aspect in the apartheid era was the teacher training colleges that produced teachers for the primary and secondary sector (Ramdass: 2009).

According to Antonie, (2010) South Africa has various challenges in its education system. The poor quality of the system replicates racial and class inequalities in society and makes it difficult for the country to provide internal infrastructure promises or to achieve competitive levels in a cut-throat globalised world. Therefore there are unsafe implications for long-term improvement and stability in the country.

The quality of education is extremely poor, and the output rate has not changed much. In addition, classrooms are still overcrowded: the proportion of teachers to learners is 1:32 in South African public schools. The dropout rate is high, and literacy and numeracy levels are low. Other challenges include: poor teacher training; unskilled teachers; teachers' lack of commitment to teach; poor support for learners at home; and a shortage of resources in education regardless of the large budgetary commitments by government. In light of the above, it is

necessary to enhance the quality and functionality of South African education (Modisaotsile, 2012:2)

Apartheid policies have left a legacy of large school infrastructure backlogs in what were formerly black areas while provision in formerly white schools appears relatively lavish, with schools provided with well-equipped laboratories and irrigated sports fields. The Department of Education has created policies and funding norms that aim to address past inequalities. This will be accomplished by focusing disbursed funds on backlogs. On the other hand, the government needs to ensure that schools with good provisions do not deteriorate and that all school infrastructures continue to be enhanced and is up-to-date (Gibberd: 2007). A high number of South African schools still do not have critical learning resources and facilities such as libraries, laboratory material and books. The lack of learning materials negatively affects the standard of education. Most teachers prefer not to teach at schools with shortages of learning material or old resources, as it hampers their performance and that of the learners (Modisaotsile, 2012:4).

Human capital which has been viewed as low has been addressed by attempting to change the South African education system to be more comprehensive and accessible to all citizens. There are, however, several gaps in the education system which are related to learners who have not acquired functional numeracy and literacy skills. There are also inequalities of educational outcomes amongst the different schools; there are challenges with the level of qualification of primary school mathematics teachers and there are challenges associated with retention of both teachers and learners up to matriculation (Van der Berg, Taylor, Gustafsson, Spaul & Armstrong, 2011; Spaul, 2013). These educational gaps have led to utilisation divides (Guomundsdottir, 2005). Utilisation divides are characterised by a lack of basic computer skills. This in turn has a knock-on effect on the adoption of e-Government services.

According to Antonie (2010:6) lack of state supervision of teachers' performance, parent-less households and families in which parents are illiterate and

innumerate are some of the deeper social problems contributing to the parlous state of South African education. And the quality of education is deeply flawed. In both the 2001 Trends in International Mathematics and Science Study (TIMSS) and the 2006 Progress in International Reading Literacy Study (PIRLS), South Africa was placed last out of all participating countries.

The McKinsey Report (2007) indicated that on successful education systems the quality of a school system cannot exceed the quality of its teaching force. Low teacher effort is often viewed as a singling factor amongst challenges in the South African education system, perhaps even bigger than weak teacher content knowledge and pedagogical skills to successfully teach the curriculum.

There are a range of challenges and obstacles facing children and their families, teachers, communities and government: poverty is one of the significant challenges (UNICEF, 2009). Majority of children in South Africa live in severe poverty which violates their rights as set out in the Constitution of the Republic of South Africa (Du Plessis & Conley, 2007). Poverty and inequality in South Africa are pitched at alarming levels (Du Plessis & Conley, 2007). Children living in poverty are defenceless and frequently discriminated against and isolated. Majority of children in South Africa do not have access to an early development programme as some of parents and/or families cannot afford to pay for school fees. According to UNICEF (2009) it is important that government institutions work together to improve the accessibility of early childhood education programmes for young children.

Wildeman & Nomdo (2007) indicated that the implementation of inclusive education in South Africa is slow and only partial. The purpose behind this are various problems that have an effect on the education system as a whole, the role of special schools, and other support structures and conditions of poverty, amongst others (Stofile & Green 2006; Engelbrecht 2006). Programmes of training educators are not adequately addressing this need, resulting in stress for teachers and lack of progress of learners with disabilities (Engelbrecht, Swart,

Eloff, 2001; Chataika, McKenzie, Swart, & Lyner-Cleophas, 2012; Engelbrecht 2006).

Ramdass (2009:112-113) indicates that a huge number of school-aged children do not attend school beyond the primary level (presently eighty-seven percent attend at the secondary level and only twenty percent at the tertiary level), and HIV/AIDS poses a threat to the infrastructure supporting education as it ravages many administrators, teachers. HIV Aids has a major impact in the world at large, not only in South Africa. It reduces the supply of qualified educators and may interrupt schooling for a whole generation of children. Over a period of time, the fading investment in human capital may delay social and development of the economy.

2.4. Legislative framework for public financial management

2.4.1. Constitution of the Republic of South Africa

According to Cloete (1992:79) the constitution is the “first policy statement of the state” which derives the development, processes and procedures, and mandates of government institutions. The Constitution of the Republic of South Africa, 1996, is the supreme law of the country. This constitution was written by the Constitutional Assembly and reaffirms South Africa as a constitutional state. No other law or government action can replace the provisions of the constitution. In terms of Section 40 (1) of the constitution, the government of South Africa is divided into three distinctive spheres of government, namely, local, provincial and national government. Each sphere of government has a distinctive financial obligations and/or functions which must be fulfilled.

According to subsection 29(2) of the Constitution of the Republic of South Africa, 1996, everyone has the right to receive education in the preferred official language at a public school where such education is reasonably practicable. In order to ensure the effective access to, and implementation of this right, the State must consider all reasonable educational alternatives, including single medium institutions, taking into account equity, practicability, and the need to redress the past inequalities. Subsection 6(4) requires of the State to use all official

languages to a point that they are applied in a fair and equal manner (Serfontein, 2013:15).

In terms of the Constitution of the Republic natural, human, financial and information resources should be administered and managed to the benefit of the country and the society. Rights that the society enjoys as set out in the Constitution can be negatively affected if the resources are exploited and utilized indiscriminately. Government is responsible for insuring that the human rights contained in the Bill of Rights, in chapter two of the Constitution are protected and that the society enjoys them. Procedures regarding the exploitation and utilization of state resources must be prescribed. It is important that government institutions ensure that there are measures in terms of which the regulatory functions have to be executed (Toit, Waldt, Bayat & Cheminals, 1988:40-41).

The Constitution of the Republic of South Africa of 1996 imposes strict requirements for a democratic financial policy. Public accountability, transparency and public participation in financial decision-making should be adhered to. Parents and the community at large should participate in the education of their children (Van der Waldt et al.2005:12). According to Makgatho (2013:1) non-compliance to legislation, especially in the public service, is a concern among the general public and in the government. The Constitution states that all spheres of government must promote transparency, accountability and effective financial management.

2.4.2. Public Finance Management Act

According to Nkoana & Bokoda (2009) The PFMA was initially executed in April 2000 and, until the end of 2010, was subjected to a progression of corrections reflecting significant policy and legislative amendments. The PFMA cancelled the then Exchequer Act (No. 66 of 1975) that governed public financial management previously in South Africa. Du Toit, *et al* (2002:124) indicates that the most important legislation to direct and grace the halls of public institutions in the public institution is the Public Finance Management Act No. 1 of 1999. This Act is a primary reference source for any accounting officer. All public servants should

take note of the Public Finance Management Act in order to ensure that their conduct is within the statutory boundaries of the Act.

The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999) was passed by the first democratic government in South Africa. The Act advances the objective of good financial management to maximise service delivery through the effective and efficient use of limited state resources. The key objectives of the Act are to modernise the system of financial management in the public sector; empower managers of the public sector to manage, but at the same time be held more accountable; ensure the timely provision of quality information; and eliminate the waste and corruption in the use of public resources (Moagi:2009).

Government funds are managed through a range of principles that have been acknowledged as standard practice within a democratic system. Key records which establish such principles, and have developed the foundation for promulgation of the Public Finance Management Act, consist the King Committee's Report on Corporate Governance and the Constitution of the Republic of South Africa, 1996. The King Report, published in November 1994 and revised during March 2002, indicated that PFMA compliance in public institutions would contribute to effective corporate governance practices (Maude, 2007:306).

All officials within the organization are required to comply with the Public Finance Management Act in order to provide effective services. They need to follow the correct processes to secure finances for their organizations in order to carry out their mandate. Managers who have knowledge of the financial decision-making process are in a better position to address financial concerns and therefore more often get the resources they need to accomplish their own goals (Gitman, 2003:8-9).

Moagi (2009:20) states that Public managers are accountable and responsible for their activities and need to utilize assets of the government to provide goods and services to the public (people). In the public financial management context, all

assets must be safeguarded; utilized economically, efficiently and effectively; recorded appropriately and accounted just like money in its liquid form. Abedian (2004:18) indicates that the PFMA places more prominence on accountability for results (outputs and outcomes). The overarching goal of the Public Finance Management Act is to improve the operational efficiency of government spending, referred to as the value-for-money concept.

According to Maude (2007:309) compliance with the PFMA is a challenge. For instance, the PFMA states that under-spending and over-spending are both viewed as financial misconduct. However, a lot of money is returned to the National Treasury in light of the fact that government institutions have not fully utilised these funds. This situation has a negative impact on service delivery. Kanyane (2004: 47) points out that every financial year most governments institutions exceed their budget allocations as each ministry spends beyond its limits, the directors-general still cannot satisfactorily explain this in detail before the Parliamentary Committee on Public Accounts. PFMA emphasises economic, effective and efficient financial management, yet compliance remains a challenge nationally and provincially. Numerous government institutions are struggling to comply with the PFMA and it has been concluded that they lack efficiency in performance, which has negatively dented on their service delivery efforts.

Maude (2007:310) indicates that line managers and cost centre managers in government institutions usually originate from different backgrounds, and have a tendency to have a variety of educational qualifications in non-financial fields. Interpreting and applying financial procedures poses a challenge to these managers. Most managers are not trained in financial management. A study by Van Wyk (2004: 414) identified, amongst others, the following factors:

- Lack of experienced, knowledgeable, skilled and qualified staff
- Outdated accounting and information systems
- Inadequate knowledge of the Public Financial Management Act, 1 of 1999
- The transformation from financial control/ administration to financial Management. Inadequate control systems and a lack of knowledge of

accrual accounting and Generally Recognized Accounting Practices (GRAP).

According to Moagi (2009:20) the Public Financial Management Act 1 of 1999 (as amended) places immense responsibilities on Accounting Officers. The Act vests four key responsibilities, namely, the operation of basic financial management systems, including internal controls in departments and any entities they control; ensure that government institutions do not overspend their budgets; report on a monthly and annual basis, including the submission of annual financial statements two months after the end of a financial year; and publish annual reports in a prescribed format, which introduces performance reporting.

2.5. The importance of a financial policy in an organization

Moagi (2009:19) indicated that finance is broad and dynamic. It directly affects the lives of individuals and organizations globally. Finance and economics cannot be isolated as they are closely related to each other. In the public sector, economics involves the study of public finance, government policies and its role in the industrial sector of the economy. Financial managers and executive managers must be able to understand and use the economic theories as guidelines for efficient and effective financial management. This view is supported by Gitman (2003:10) when stating that “financial managers must understand the economic framework and be alert to the consequences of varying levels of economic activities and changes in economic goals”.

According to Makgalancheche (2012:7) policy-making is the umbrella process regarding which a progression of functions are carried out or it is a plan of action to achieve certain goals. Du Toit *et al* (1998:42) stated that the policy-making process concerns a series of consecutive actions undertaken with the purpose of finding a way of addressing a particular need or problem. Public institutions represent the society and govern with objective of improving the welfare of society. The government has to determine policies in terms of which it intends to achieve its objectives. Regulating and protecting the state assets is the method of protecting the welfare of the society. Therefore there are different policies in South Africa whose objective is to regulate the misuse and usage of state assets.

Financial management is more than keeping accounting records. It is a crucial component of organizational management and cannot be seen as an isolated task to be left to finance officials. Management finances include planning, organizing, controlling and monitoring financial resources in order to accomplish organizational goals and involve a range of financial tactics. Effective financial management can be achieved provided there is a sound organizational plan in place. A plan in this context implies having set objectives and having agreed, developed and evaluated the policies, strategies, tactics and actions to accomplish these objectives. Sound financial management will require an organisation to have long-term strategic planning, and short-term operations planning. Financial planning should be part of organization's ongoing planning process. Sound financial management is one of the most important policy development and monitoring areas of management (Summer, 2011).

Sound financial management requires high level management skills to drive the operation, and effective political management to guarantee that policies developed are applied. Actually, the machinery is premised on the assumption that service delivery is best left for professionals who understand objectives of the organisation and has the technical skills. Challenges in capacity weaken effective service delivery resulting in an over-reliance on consultants, a lack of application of administrative due process and regulations, privatization and poor decision-making. Management and leadership appear as key issues for the system to deal with and there is a general and stressing tendency to create systems of support to get the job done. The challenge with patronage appointments is that no matter how committed the person appointed, if the technical expertise is missing, service delivery will be negatively affected. Regardless of attempts to advance professionalism, patronage and corruption are interfere (PSC, 2008b).

Du Toit *et al* (1998:43) proposed that large amount of money is required to finance the activities of the government. With a specific end goal to produce the required funds and to manage them appropriately and effectively, policies in

terms of which income for the government can be generated and the generated revenue can be controlled are required. A good policy is simply understood and written in plain, has a specific purpose for its development and is linked to the organisational strategy, can adapt to change and is appropriate to the culture of the organization and it is developed through the contribution of employees and interested stakeholders and it is communicated to all relevant people (Summer, 2011).

Without a policy with an intention and which empower officials and institutions to achieve objectives, no one or institution can achieve an objective. According to Du Toit *et al* (1998:75) it is the policy that determines what should be done to address the society's needs. As indicated by Foley (2008) the following are key principles and some basic systems and processes for small and mid-sized organizations to consider. Key principles:

- A set of policies should be adopted by the board and senior personnel clearly stating the organization's expectations for transparency and accountability for all finance-related functions.
- Procedure manuals ought to record financial procedures to advance good internal controls and board members and senior personnel must ensure procedures are being followed. Manuals must be specific, indicate who is responsible for each activity, and require every recorded financial transaction be matched to sufficient supporting documentation. The manual should be updated regularly. It is important to have written financial procedures manual for good risk management. It guarantees how your organization operates.
- Sufficient investment in infrastructure must be made to empower employees to carry out financial operations effectively. This incorporates recruiting skilled personnel with satisfactory training in non-profit finance and accounting practices, and acquiring and maintaining up-to-date accounting software and hardware.

According to Kagan (2010) the following are four good reasons why all organizations need to implement financial policy and procedures:

- Direction – Having a Clear Path to Follow

The presence of finance policies and procedures imply better understanding of the basics of the financial components that make up business. With direction in all aspects of your finances from payroll to petty cash there will be a clear path to follow. Step by step instructions can be written so that any new employee can easily see how the systems work.

- **Setting out Rules and Regulations**

With reference to these rules and regulations in a financial policy all employees of the finance unit will know what they are required to do. Incorporate the company's policies and update them on a regular basis so that the information is always current.

- **Effective Management**

Effective management originates from having sound control over all areas of the organisation. Ensuring the finance unit operate at its full capacity is important to the ongoing success of the organisation. Carefully laid out procedures and policies will prepare management for challenges that may need additional consideration.

- **Strategic Planning – Future Issues**

Strategic planning can recognize future issues that may arise. For example in debt collecting section it is important to know what will be included in the company's policy for how long to leave an outstanding account before handing the matter over to a collection company or what are the general trading terms.

2.6. Summary

In brief, this chapter provided the theoretical framework of financial management practices and its impact on achieving Departmental objectives. The Department of Education has a responsibility to improve the quality of learning and to ensure constant provision of quality education in the entire education sector. The department utilizes scarce government resource to achieve value for money in meeting the objectives of government in the delivery of services to the public. This study is of the view that effective implementation of PFMA is essential to achieve Departmental objectives. Therefore all officials within the organization

are required to comply with the Public Finance Management Act in order to provide effective services.

The study revealed that the quality of education is poor, classrooms are overloaded, dropout rate of learners is high and literacy and numeracy levels are extremely low. Furthermore there is a shortage of resources in education sector, poor education training, unskilled educators and lack of teacher's commitment HIV/AIDS has a negative impact on teaching and learning as it reduces the supply of qualified educators and interrupts education of learners.

3. CHAPTER 3 RESEARCH METHODS

3.1. Introduction

The purpose of this study is to establish the impact of finance policies and practices in advancing the organisational objectives at the North-West Department of Education.

This chapter outlines the methods that were followed in conducting this study. It includes research design, population, sample, sampling method, data collection method and data analysis procedures. The theoretical framework as provided in chapter two and the purpose of the study as stated in chapter one were the guiding parameters in this study.

3.2. Research methods

According to Rajasekar, Philominathan & Chinnathambi (2013:5) research methods can be defined as systematic ways to resolve a problem. Research methods constitute an empirical science of studying how research is to be conducted. Fundamentally, the procedures that researchers use in their work of describing, explaining and predicting phenomena are called research methods. It is also defined as the study of methods by which knowledge is acquired. Its objective is to give detailed plans of a specific research project. According to Brynard & Hanekom (2006: 36) methodology focuses on the process of research and decisions that the researcher has to take to perform the study. In this study quantitative methodology was used.

3.3. Research design

The approach adopted in conducting this study is quantitative in nature. The quantitative approach was adopted as the study involved gathering information that was then arranged, classified, converted into statistical data and measured objectively with the collected data being accurately described by a set of rules and procedures that make the analysis of the information individual judgments.

According to Kumar (2011:94) research design is a procedural plan adopted by the researcher to respond to questions accurately, objectively and economically.

Through a research design you choose for yourself and communicate to others your choice concerning the research design you intend to use, the way in which data is going to be collected from respondents, how the researcher is going to choose respondents, how the information to be collected is going to be analysed and how findings are presented. The rationale and justification need to be in detail in the research design for each choice that shapes the researcher's answers (to the 'how' of the research journey).

As indicated by Babbie (2004:87), research can serve many purposes. There are three most common and useful purposes namely: exploration, description and explanation. In order to reach the goals of the research, the researcher has to use a particular process. Brynard and Hanekom (2006:36) state that the research design or method of gathering information requires thorough planning, structuring and execution of the research in order to comply with the demands, truth, objectivity and validity of the phenomenon investigated.

The research design laid a foundation for the whole research study. The design assisted the researcher to perform the chosen assignment simply and in a systematic way. When the research design was finalised the actual research work started. The initial step was to learn the facts relating to the problem. Particularly, theoretical methods, numerical techniques, experimental techniques and other applicable information and instruments needed for the present research study had to be gathered and learnt (Rajasekar, Philominathan & Chinnathambi, 2013:22).

3.3.1. Population

Goddard & Melville (2001:34) indicate that population is any group that is the subject of research interest. Huysamen (1981:2) define population as the overall collection of people who are potentially accessible for observation and who have common attributes. Davies (2007:55) points out that in the survey, the term population refers to the set of people (or animals or objects) that the researcher intends to write his or her report and from which the research plans to draw a sample.

The population in this study included 146 North-West Department of Education and Sport Development employees at the Financial Management Services Directorate (head office). Head office was chosen because it is accessible and manageable as the researcher is attached to the very same directorate of the department, which made it easy for the respondents to interact with the researcher and thus gave timeous responses to the questionnaire. The researcher clarified matters not clearly understood in the questionnaire.

3.3.2. Sampling method

It is usually impossible to cover the overall population in a single study, and the two main restrictions are time and cost. As a result, in most of the studies, particularly where population that is being studied is fairly large, a researcher resorts to sampling. Since the goal of a survey is to utilise the sample to learn about the entire population, it is very important for the sample to be selected in such a way that it is representative enough to allow valid generalisation of the research results to the population. Sampling theory has been developed to suggest ways of selecting samples, that is, samples that are random and representative of the population and whose results can tell more about the population in general (Maree, 2007:10).

As indicated by Kumar (2011:192) in quantitative research the researcher attempts to choose a sample in a manner that it is fair and represents the population from where it is chosen. The aim of sampling in quantitative study is to draw inferences about the group from which you have chosen the sample. The sample was chosen randomly to avoid unfairness and the sample was selected in a manner that it represented the Financial Accounting and Management population in this specific research study.

The primary data sources included one hundred and ten employees that were sampled from Financial Accounting and Management Services Chief Directorate. The sampling method used in this study is judgment sampling. The sampled employees included state accountants, assistant directors deputy directors, directors, and chief directors. The researcher distributed questionnaires to

employees to complete and they were requested to complete all the three sections of the questionnaire and return the completed questionnaire with answers to the researcher.

3.3.3. The research instrument

The tool that was used to collection data in this study was structured questionnaires designed by the researcher. The researcher ensured that the research objectives, questions and research problems formulated were tailored to offer insights into the research question. It is significant to note that it is the specific characteristics of the respondents that are measured, not the individuals themselves. As a result it is the interpretation and understanding of the respondent that is measured, not the quality of the respondent. Therefore the questionnaire instrument for measuring the defined attributes should be valid and reliable (Huysamen, in Brynard and Hanekom, 2006:47). Reliability and validity are used to test the reliability of data collection methods.

3.3.3.1. Questionnaire

Brynard and Hanekom (2006:46) state that one of the benefits of using questionnaires is that the respondent has sufficient time to respond to questions asked in the questionnaire and a huge number of respondents can be reached. The disadvantage of using a questionnaire is that the researcher is not there to clarify uncertainties. According to Baker (1994:480), a questionnaire can be defined as a written set of questions used to survey respondents. A questionnaire is one other research tool the researcher applied in the research project.

According to O'Leary (2004: 154-155), the questionnaire has more advantages over other research techniques in the sense that its distribution is relatively cost-effective in terms of time, money and travel. The researcher can send questionnaires to a wider geographical area such that the respondents can complete them when it is convenient for them. The use of the questionnaire affords participants the opportunity to respond anonymously and openly, particularly on controversial issues (Nong, 2007: 49).

Cummings (in Ravhura, 2006: 33) views a questionnaire as an efficient and effective way of data collection because it can be administered to large numbers of people at the same time. The responses given by the participants over the questionnaire could be easily summarised and quantified.

The two most major rules to remember in a questionnaire are that questions should be interesting so that respondents are encouraged to complete the questionnaires, and the second rule that questions which the respondent may be reluctant to answer (such as questions about income or race) should come near the end of the questionnaire. This serves not to discourage respondents from completing the questionnaire (Baker, 1994:182)

The data needed for the study was collected using a structured questionnaire. Van der Westhuizen (2005:85) indicates that the advantage of using structured questionnaires is that information can be obtained from a huge target population; it is a reasonable way of gathering data and is not time consuming and it offers a high degree of anonymity. Maree (2007:158) point out that questionnaire design is a very important part in the research study since this is where the data is gathered. He further indicates that when the questionnaire is designed, the researcher has to bear in mind the type of data that is generated by the questions and statistical techniques that are utilised to analyse it. The designing of a questionnaire requires the researcher to give attention to the following:

- ❖ Appearance of the questionnaire
- ❖ Question sequence
- ❖ Wording of questions
- ❖ Response categories

For the purpose of this research, a questionnaire was chosen to establish the impact of financial policies and practices on advancing organisational objectives in the North-West Department of education because a questionnaire is one of the most efficient ways to gather data as it can be directed to many people concurrently. The statements were designed properly for all employees to easily understand them. The data necessary for the study was gathered using a

structured questionnaire survey. Brynard and Hanekom (1997:95) indicate that the advantage of using a structured questionnaire is that information can be acquired from a large target group, which is an inexpensive way of collecting data that is not time consuming and it guarantees a high degree of anonymity.

The questionnaire was specifically formulated to ensure that the questions only focus on the goals of the research. The utilisation of structured questions was to ensure the comparability of responses. The questionnaire was self-administered. Data analysis was done by grouping the data into categories. The questionnaire has three sections, the first section of the questionnaire seeks to determine whether the guidelines of PFMA are aligned to the departmental objectives of the North-West Department of Education, whether they help the department to achieve its objectives, whether they are in line with the PFMA, whether they accelerate service delivery, assist the department to avoid unauthorized, fruitless and irregular expenditure. The section also sought the extent to which they help the department to ensure that funds are used transparently, effectively and financial policies and practices ensure improvement of learner performance.

The second section focuses on the Department finance policies and practices to test whether PFMA guidelines are implemented effectively. The extent of training received, whether finance processes involve many stakeholders and long protocol, and whether there is regular assessments of newly implemented financial policies to track progress made the major questions in this segment. The third section focuses on the attainment of specific strategic goals of the Department. This section determined whether there is effective and efficient governance and management support system, if every learner has access to the minimum set of textbooks, all schools are funded at least at the minimum per learner levels determined nationally, department attract a new group of young, motivated and appropriately trained teachers into the teaching profession each year, all learners are treated equally, there are no barriers for learners with special needs, the department has improved the quality of early childhood development, Life skills and HIV/AIDS programmes implemented and physical infrastructure is provided and maintained in the education system as planned.

Questionnaires were distributed and filled by the respondents and the process was expected to be ethical. Questions were asked in a closed format, which required the respondent to mark their answer clearly with X. In a questionnaire, the same questions are asked to all respondents to ensure anonymity and consistency.

3.3.3.2. Reliability and validity of questionnaires

Mouton (2005:275) indicates that scientific research is described by two components that are reliability and validity. Reliability means that the same topic that is investigated constantly by the same or different researchers must give the same outcome. The questionnaire technique should be in accordance with this criterion to an acceptable degree, but is not infallible, as it is not possible to control the environment in which the questionnaire is answered. The mood of the respondent may, for instance, influence his or her answers to the questionnaire. Such environmental factors also have an impact on other research methods.

Furthermore Mouton (2005:276) indicates that validity means when conducting a research the researcher should be able to measure what he or she is supposed to measure and all reasonable measures should be taken to ensure internal validity of the research. Formulation of questions must be done in a manner that is simple and unambiguous. The questionnaire must be simple and accurately designed. For the researcher to address various dimensions of the questionnaire, two scales, namely the Likert and the semantic differential scale should be utilised. The Likert scale creates the degree of agreement or disagreement with statements for instance strongly agree, agree, unsure, disagree and strongly disagree. These scales can be used to establish the impact of Public Finance Management Act on advancing the organisational objectives at the Department of Education.

3.5. Ethical considerations

According to Du Toit et al. (2002: 110) ethics refer to “the general application of systems of moral principles.” They are related to what is right or wrong when research is conducted (Brynard & Hanekom, 2006: 84). The researcher is

committed to the code of ethics and demonstrated acceptable behaviour throughout the research process. The information gathered from both the Department of Education and its officials was kept confidential at all times.

Before collecting data the researcher presented all applicable information relating to the purpose and nature of the research to respondents to obtain 'informed consent'. After obtaining the necessary permission respondents naturally became part of the research study. Ethics required the researcher to ensure that reasonable care was taken. The participants were guaranteed confidentiality therefore respondents were assured that information remained confidential throughout (Smith, 1975).

The ethical measures as stated by McMillan and Schumacher (1993:182) were taken into consideration in this study. The approval from the head of Department to conduct research was obtained. The participants were informed that filling in the questionnaire was voluntary they had a choice to complete the questionnaire. The study assured the participants that confidentiality was guaranteed.

When conducting a research study, the researcher must consider all ethical principles. It is crucial that partakers know their task in the study and they take part willingly without being forced. Babbie (2004:63) points out that ethics are usually linked with morality, which defines what is right and wrong. He further outlines the following as significant pillars of ethics in social research:

- **Voluntary participation**

Participation of respondents usually requires them to take some time in responding to the questions and should be voluntary. Thus, the researcher must clearly indicate the role of the respondents so that the respondent can understand their role and the need for them to participate. It is extremely important for respondents to understand all facts in place and the purpose of the study in order for them to contribute freely.

- **Anonymity and Confidentiality**

The researcher should guarantee the participants that they treat respondents as anonymous in the study whereby neither the researcher nor the readers of the

findings can recognize given answers from any one given respondent. Confidentiality is the safeguarding of information obtained, whereby the researcher has to protect participants by not identifying with them in public. The researcher must at all times guarantee confidentiality. All the aspects that are mentioned above were considered when this study was conducted.

3.6. Conclusion.

The research methodology and design followed in this study is quantitative in nature. The primary data was collected by means of a questionnaire designed by the researcher. The population of the study is one hundred and ten employees of North-West Department of Education - Financial Management Services Directorate (head office) and forty was the sample selected using judgment sampling. The ethical considerations have been discussed as ethical measures were taken into consideration in this research and approval for conducting this study was granted by the Head of Department of North-West Department of Education. The study guaranteed the participants that they were treated as anonymous respondents in the study

CHAPTER DATA ANALYSIS

4.1 Introduction

In this chapter the data that was collected is presented and analyzed. The responses were obtained from self-administered questionnaire from the officials of North-West Department of Education.

Table 4.1.1. The alignment of PFMA with departmental objectives

This table presents the responses of the officials of Department of Education regarding the alignment of PFMA with departmental objectives.

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Departmental finance policies and practices are aligned to the organizational objectives	31.82%	65.45%	2.78%	0%	0%
Financial policies and practices help the department to achieve its objectives	29.09%	62.73%	8.18%	0%	0%
Financial policies are in line with the PFMA	35.455	62.73%	0.91%	0.91%	0%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Financial processes provide a quality service to end-users	20.91%	64.55%	10.91	3.64%	0%
Financial policies and practices accelerate service delivery	21.82%	64.55%	10.91%	0.91%	1.82%
Financial policies and practice help the department to avoid unauthorized, fruitless and irregular expenditure	20.91%	60.00%	13.64%	4.55%	0.91%
Financial policies and practices help the department to ensure that funds are used transparently,	24.55%	67.27%	5.45%	1.82%	0.91%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
effectively and efficiently					
Financial policies and practices ensure access to high quality learning materials	19.09%	52.73%	23.64%	4.55%	0%
Financial policies and practices strive for a teacher workforce that is healthy and enjoys a sense of job satisfaction	10.91%	38.18%	31.82%	15.45%	3.64%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Increased access amongst learners to a wide range of media, including computers, which enrich their education	10.91%	41.82%	14.50%	12.73%	20.00%
Financial policies and practices ensure improvement of learner performance	11.01%	65.14%	16.51%	4.59%	2.75%

65.45% of the respondents agree that departmental finance policies and practices are aligned to the organizational objectives, while 31.82% strongly agree, this means that finance policies and practices are aligned to the departmental objectives. 62.73% of the respondents indicated that financial policies and practices help the department to achieve its objectives, 29% strongly agree, this implies that finance policies and practices assist the department to reach its objectives. 62.73% stated that financial policies are in line with the PFMA and 35.45% strong agree, therefore according to the respondents finance policies and practices are in line with the PFMA. Majority of the officials, that is

64.55%, are of the view that financial processes provide quality service to end-users. 64.55% of the respondents indicated that financial policies and practices accelerate service delivery. This is supported by Ryan (1994: 25) who indicates that a financial policy should identify and communicate the values and the basic principles to be applied to specific needs in an organization. It should outline what is required and set the organizational goals that should be accomplished in managing finances.

According to (Hendrik, 2003:16) government must provide services equitably, efficiently, effectively and affordably, and these ought to be consistent with the principles of service delivery such as universal coverage and environmental sustainability. 60% of the respondents are of the opinion that financial policies and practice help the department to avoid unauthorized, fruitless and irregular expenditure while only 4.55% disagree. This is supported by the PFMA, which states that an official within a government institution must take effective and applicable steps to avoid, within that official's area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. More than 50% of the respondents confirm that financial policies and practices help the department to ensure that funds are used transparently, effectively and efficiently and that they ensure access to high quality learning materials. 38.18% stated that financial policies and practices strive for a teacher workforce that is healthy and enjoys a sense of job satisfaction, while 31.82% are unsure. This implies that employees are not satisfied with the environment that the teachers work in. 41.81% agree that there is increased access amongst learners to a wide range of media, including computers, which enrich their education while 20% disagree. Based on the results above it means that some of the learners still do not have access to computers. 65.14% stated that financial policies and practices ensure improvement of learner performance and this means that finance policies and practices play an integral part in improving learner performance.

Table 4.1.2. The Implementation of PFMA guidelines

The table below seeks to evaluate the implementation of PFMA guidelines

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Department finance policies and practices are implemented effectively	13.64%	53.64%	10.00%	20.00%	2.73%
Financial policies are clear and to the point	27.27%	57.27%	10.91%	4.55%	0%
Financial policies are easy to apply and implement	20.91%	48.18%	20.00%	10.00%	0.91%
All employees are trained in financial policies and practices	10.91%	30.91%	14.55%	28.18%	15.45%
Finance processes involves many stakeholders and long protocol	10.91%	47.27%	12.73%	18.18%	10.91%
Financial policies and processes are transparent	24.55%	58.18%	10.00%	6.36%	0.91%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Finance unit ensures that transactions done comply with finance policies and practices	23.64%	58.18%	10.00%	5.45%	2.73%
Financial processes are done with integrity	23.64%	50.00%	17.27%	5.45%	3.64%
There is regular assessment of newly implemented financial policies to track progress	10.91%	32.27%	15.45%	18.18%	18.18%
Through finance policies and practices the department ensures a credible outcomes-focused planning and accountability system	12.73%	47.27%	21.82%	12.73%	5.46%
Finance policies are reviewed	5.45%	35.45%	23.64%	10.91%	24.55%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
annually					

Table 4.1.2 presents an evaluation of the implementation of Departmental finance policies and practices. 53.64% of the respondents indicated that Department finance policies and practices are implemented effectively while 20% disagree and 10% are unsure. This implies that finance policies and practices are not yet implemented effectively. More than 50% of the respondents that is 57.27% stated that policies are clear to the point and 48.18% indicated that policies are easy to implement, 20.91 strongly agree. Therefore it can be concluded that finance polices are written in a manner in which majority of the employees understand. Only 30,91% agree that employees are all trained in policies and practices, while 28.18% disagree and 15.45% strongly agrees; therefore it is evident from the responses of the participants that not all employees are trained on finance policies and practices and this may result in non-compliance with laws and regulations due to lack of facilitated training and expert knowledge. 47.27% of the respondents indicated that finance processes involve many stakeholders and long protocol; this implies that employees are not satisfied with the long processes. Majority of the respondents, that is 58.18%, stated that financial policies and processes are transparent, 23.64% strongly agree and 58.18% agree that finance unit ensures that transactions done comply with finance policies and practices, while 23.64 strongly agree. This means that the finance policies and practices are consistent with the PFMA and the Constitution of the Republic, which emphasizes that government institution, must use the state resources in a transparent manner. According to 50% of the respondents processes are done with integrity, 23.64% strongly agree. This is supported by Akyaa (2011) who highlights that it is important that an organization's financial policies are applied in the most effective and efficient manner. As a result, it is crucial that management of government institutions

ensure that there are adequate financial controls to safeguard the assets of the state.

Fiszbein, Ringold, & Rogers (2011:6) emphasized that good measurement and evaluation of governance and service delivery is significant to track progress. 32.27% of the respondents indicated that there are regular assessments to track progress, 18.18% disagreed and 18.18% strongly disagreed, this implies that there is lack of monitoring. 47.27% agree that through finance policies and practices the department ensure a credible outcomes-focused planning and accountability system. 35.45% agree that policies are reviewed annually, 24.55% strong disagreed, and this means that the department does not review its finance policies annually.

Table 4.1.3. Attainment of specific strategic goals by North West Department of Education

This table presents the responses of the officials of Department of Education regarding the attainment of specific strategic goals by the Department

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
There is effective and efficient governance and management support system	16.36%	61.82%	17.27%	3.64%	0.91%
Every learner has access to the minimum set of textbooks	11.82%	60.00%	21.82%	6.36%	0%
All schools are funded at least at the minimum per learner	20.00%	54.55%	18.18%	4.55%	2.73%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
levels determined nationally					
Department attracts a new group of young, motivated and appropriately trained teachers into the teaching profession each year.	10.91%	42.73%	20.00%	24.55%	1.80%
Department continuously improves professionalism, teaching skills and subject knowledge of teachers throughout their entire careers.	11.82%	43.64%	22.73%	19.09%	2.73%
Department continuously expands inclusive education	10.91%	54.55%	25.45%	6.36%	2.73%
All learners are treated equally, there are no barriers for learners with special needs	9.09%	52.73%	30.00%	7.27%	0.91%
All independent schools, including home schools are registered	14.55%	50.00%	32.73%	1.82%	0.91%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
All subsidized schools are supported and monitored to ascertain compliance and for quality assurance purposes	9.09%	64.55%	22.73%	2.73%	0.91%
There is increase access to relevant and responsive vocational, occupational and skills education and training programmes within a modern vibrant FET college system.	9.09%	76.36%	11.82%	2.73%	0%
There is continued expansion of the adult education and training programme	16.36%	70.00%	10.91%	2.73%	0%
The department has improved the quality of early childhood development	18.18%	67.27%	11.82%	2.73%	0%

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Life skills and HIV/AIDS programmes and structures in schools are implemented to deal with the impact of HIV and AIDS in the school system	23.64%	58.18%	16.36%	0.91%	0.91%
Physical infrastructure is provided and maintained in the education system as planned	14.55%	66.36%	15.45%	3.64%	0%

More than 61.82% indicated that there is effective and efficient governance and management support systems, this implies that there is improved financial management, human resource strategies, security systems and internal audit processes. 60% of the respondents agree that learners have access to the minimum set of textbooks, according to 54.55% of the respondents schools are subsidized at at the minimum per learner levels determined nationally, 20% strongly agree with this statement. 42.73% of the respondents stated that department attracts young, motivated and properly trained teachers into the teaching profession each year, while 20% are unsure and 24.55% disagreed, this means that the department does not motivate and train teachers appropriately. According to 43.64% of the respondents Department continuously improve professionalism, teaching skills and subject knowledge of teachers throughout their entire careers, 22.73% said they are not sure, 19.09% disagreed, therefore some of the teachers lack education skills .

Majority of the respondents that is 54.55% agreed that Department continuously expand inclusive education, while 25.45% are not sure. 52% indicated that all learners are treated equally, 30% said they are unsure. As indicated by 52.73% of the respondents there are no barriers for learners with special needs, 30% stated that they are not sure. 50% of the respondents pointed out that independent schools, including home schools, are registered, while 32.73% are unsure. Majority of the respondents that is 64.55% agreed that subsidized schools are supported and monitored to ensure compliance and for quality assurance purposes. 76.36% indicated that there is increase access to applicable and responsive vocational, occupational and skills education and training programmes within a modern vibrant FET college system. 70% of the respondents stated that there is continued development of the adult education and training programme. Majority of the respondents that is 67.27% is of the view that the department has improved the quality of early childhood development. 58.18% agreed that life skills and HIV/AIDS programmes and structures in schools are implemented to deal with the impact of HIV and AIDS in the school system, 24.64% strongly agree. 66.36%, which is majority of the respondents, indicated that physical infrastructure is provided in education system and maintained as planned.

4.2. Conclusion

This chapter presented results from respondents. The data was analysed quantitatively through tables and percentages for each self-administered questionnaire. The researcher is satisfied that the questionnaire and the good response rate are sufficient to validate this study and can therefore be relied upon. In section A which investigated the Impact of PFMA on advancing departmental objectives, the findings indicate that PFMA has a positive impact in advancing the organisational objectives and further revealed that Departmental finance policies and departmental practices are aligned to the PFMA. This alignment ensures that the NWP department of education meets its organizational objectives. Majority of the respondents are of the view that financial policies and practices help the department to achieve its objectives.

Section B of the questionnaire evaluated whether PFMA is implemented effectively at North-West Department of Education. The findings revealed that finance policies and practices are not implemented effectively in the current status and this paucity affects service delivery negatively. As a result the Department was not able to achieve its goals as planned. This study showed that not all employees are trained on how to apply PFMA guidelines and recommendations. It was also established that there are no regular assessments to track organizational progress and adherence to PFMA guidelines.

Section C of the questionnaire focused on the attainment of specific goals of the department and the study revealed that there is an effective and efficient governance and management support system to enable the department to achieve its goals. The findings show that the Department does not attract a new group of young, motivated and appropriately trained teachers into the teaching profession each year.

CHAPTER 5

5.1. Introduction

The aim of this study was to establish the impact of PFMA in advancing organisational objectives of the North-West Department of Education. Quantitative data were collected from a total of 110 employees of Department of Education. This chapter presents conclusions and recommendations.

5.2. Findings from the study

Based on the data analysis, the study noted that finance policies as articulated in the PFMA play an important role in advancing organisational objectives. This finding is also confirmed in the literature, specifically Chimombo (2005:131) who observes that despite all milestones achieved towards Education for All, there are challenges and dilemmas linked to the broad national initiatives of ensuring that learners go to school and that they get quality basic education. The results from the respondents revealed a number of factors that compel the NWP Department of Education to achieve its goals where finance policies must be aligned with the organisation's objectives and the policies and practices must be implemented effectively.

The results from the study revealed that Departmental finance policies and practices which are developed for strategy are not implemented effectively. It emerged from this study that not all employees are trained in policies and practices, and this results in accounting officials not having knowledge of rules and regulations governing some key transactions. From the literature review, Fiszbein, Ringold, & Rogers (2011:6) highlight that good measurement and evaluation of governance and service delivery is important to track progress. Taking cue from both the findings and this literature, it is critical for the Department to ensure there is consistent evaluation that complements the statutory obligations and procedures that are enshrined in the PFMA document. 32.27% of the respondents indicated that there are regular assessments to track progress, 18.18% disagreed and 18.18% strongly disagreed, and whereas this implies that there is lack of monitoring, it is quite indicting that a mere 32.7% recognize this gap.

Finance policies are not reviewed annually and the Department of Education does not continuously improve professionalism, teaching skills and subject knowledge of teachers throughout their entire careers. This is supported by Shrestha (2013) who indicates that in many countries with low income - where education systems have expanded quickly - teachers may not have enough subject knowledge or suitable expertise as a result of poor quality or lack of training of educators. Regularly, this is compounded by reduced qualifications for entering into the teaching profession. Lack of qualification or subject knowledge poses educators with problems in understanding the curriculum for learners. It restricts their self-confidence and consequently their teaching and the learning results for children. Findings revealed that the Department of Education does not attract a new group of young, motivated and appropriately trained teachers into the teaching profession each year. Respondents are not satisfied with the environment that the teachers work in. The other gap that the researcher identified based on results from the respondents is that most of the learners do not have access to computers.

5.2.1. Findings from the literature

- Policy making is the umbrella process whereby functions are carried out to achieve organisational goals, therefore finance policies and practices have a positive impact on advancing organisational objectives (Bisshoff, 1997)
- The study by Naidoo (2010:105) revealed that financial policies give a clear direction on how the Department uses its funds and resources.
- According to Erasmus (2008) the primary objective of the Public Finance Management Act, Act 1 of 1999 (PFMA), is to regulate financial management in the national and provincial governments of South Africa (SA 2000:1), therefore finance policy at the provincial departmental level must be in line with the Public Finance Management Act.
- Shrestha (2013) indicates that educators should be equipped with knowledge and teaching skills that can empower them to give applicable direction in order to promote effective teaching and support. Poor education and training of necessity implies that educators graduate from universities and colleges without the core subject knowledge and

academic skills to deliver quality education for all learners. From such a scenario, there are complicating factors where even though accounting officers might execute duties to the letter and spirit of PFMA, the delivery of quality education is sorely compromised by the effete quality of the teachers. Recruiting well-trained and effective educators should be a priority. Educators should not only be rewarded with financial incentives, as they indicated that they are also motivated when they are well supported by school management and have opportunities such as professional development with sufficient teaching and learning resources, their voices are heard and they work in a safe environment. These aspects are extremely important in satisfying educators' professional identities, their job satisfaction, and commitment to the profession.

- Factors such as poverty, fees, low achievement, HIV/AIDS, poor health and nutrition, and other negative experiences as well as their own, their parents' and their educators' motivations, commitments, expectations and resources, or lack thereof, tend to make junior secondary learners to drop out.

5.3. Answers to research questions

The findings reveal that finance policies and practices have a positive impact on advancing departmental objectives. Majority of the respondents i.e. 65,45% indicated that Departmental finance policies and practices are aligned to the organizational objectives; 67.73% are of the view that Public Finance Management Act helps the department to achieve its objectives. According to the respondents finance policies and practices are not effectively implemented, as a result this dents service delivery.

5.4. Conclusion

Based on the results from this study, educational access is an essential component of efforts to arrive at a more equitable, just, prosperous, sustainable and harmonious world order. In South Africa, a small number of children have never been to school, and the rates of enrolment begin to decline after basic or compulsory education has been completed (Motala, 2006). The study revealed

that finance policies play an integral part in providing direction for the organisation to achieve its goals.

5.5. Recommendations

Without strong finance policies and practices no organisation can perform well. Finance policies and practices have impact on all the resources, liabilities, revenue and expenditures and every aspect of operations of an organisation. The aim of financial policies is to give direction for management of government institutions to achieve its goals. Based on the findings and conclusions made, the researcher recommends the following:

- The North-West Provincial Department of Education must comply with Section 29 (the Bill of Rights) that stresses that everyone has the right to basic education, including basic adult education; and to further education, which the state through reasonable measures must make progressively available and accessible. It further states that the government may not discriminate directly or indirectly against anyone on one or more grounds, including disability (Dalton, Mckenzie & Kahonde, 2012).
- Finance policies and practices must be implemented effectively.
- North-West Department of Education must ensure that policies are reviewed annually and that they are inline with the PFMA.
- There should be regular assessments on the performance of the employees and the organisation as a whole to track progress.
- Proper training is required for the finance officers in order to improve service delivery. It was established that officials of the Department of Education are not all trained on how to apply finance policies and practices. The majority of the respondents indicated that no training was provided.
- Educators should be acknowledged and remunerated satisfactorily by the state. Improved encouragement such as incentives should be given to educators, particularly those who teach in rural areas. This would improve their commitment to their work. Government should also ensure good working conditions, sufficient resources and support, as job satisfaction is multi-faceted (Modisaotsile, 2012:6).

- It is recommended that North-West Department of Education must ensure that life skills and HIV and AIDS programmes and structures implemented in schools deal with the impact of HIV and AIDS in the school system, as HIV/AIDS create a severe threat to the quality of schooling in North-West and South Africa in general.

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7.1. Appendix 1: Questionnaire

Questionnaire for academic research

The aim of this questionnaire is to establish the impact of Public Finance Management Act on advancing the organisational objectives of the North-West Department of Education. The study is for academic purposes. Respondents will remain anonymous in the analysis of data, presentation of results and discussion of the outcomes.

Instructions:

- i) Please answer each question honestly and from your perspective in your current working environment.
- ii) Please mark your answer clearly with a **X**.

Section A: The alignment of PFMA with departmental objectives

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Departmental finance policies and practices are aligned to the organizational objectives					
Financial policies and practices help the department to achieve its objectives					
Financial policies are in line with the PFMA					
Financial processes provide a quality service to end-users					

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Financial policies and practices accelerate service delivery					
Financial policies and practice help the department to avoid unauthorized, fruitless and irregular expenditure					
Financial policies and practices help the department to ensure that funds are used transparently, effectively and efficiently					
Financial policies and practices ensure access to high quality learning materials					
Financial policies and practices strive for a teacher workforce that is healthy and enjoys a sense of job satisfaction					

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Increased access amongst learners to a wide range of media, including computers, which enrich their education					
Financial policies and practices ensure improvement of learner performance					

Section B – Implementation of PFMA guidelines

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Department finance policies and practices are implemented effectively					
Financial policies are clear and to the point					
Financial policies are easy to apply and implement					
All employees are trained in financial policies and practices					
Finance processes involves many stakeholders and long protocol					
Financial policies and processes are transparent					

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Finance unit ensures that transactions done comply with finance policies and practices					
Financial processes are done with integrity					
There is regular assessment of newly implemented financial policies to track progress					
Through finance policies and practices the department ensures a credible outcomes-focused planning and accountability system					
Finance policies are reviewed annually					

Section C: Attainment of specific strategic goals by North West Department of Education

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
There is effective and efficient governance and management support system					
Every learner has access to the minimum set of textbooks					
All schools are funded at least at the minimum per learner levels determined nationally					
Department attracts a new group of young, motivated and appropriately trained teachers into the teaching profession each year.					

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Department continuously improves professionalism, teaching skills and subject knowledge of teachers throughout their entire careers.					
Department continuously expands inclusive education					
All learners are treated equally, there are no barriers for learners with special needs					
All independent schools, including home schools are registered					
All subsidized schools are supported and monitored to ascertain compliance and					

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
for quality assurance purposes					
There is increase access to relevant and responsive vocational, occupational and skills education and training programmes within a modern vibrant FET college system.					
There is continued expansion of the adult education and training programme					
The department has improved the quality of early childhood development					

	STRONGLY AGREE	AGREE	UNSURE	DISAGREE	STRONGLY DISAGREE
Life skills and HIV/AIDS programmes and structures in schools are implemented to deal with the impact of HIV and AIDS in the school system					
Physical infrastructure is provided and maintained in the education system as planned					

7.2. Appendix 2: Approval letter / permission to conduct research



Education and Sport Development

Department of Education and Sport Development
Departement van Onderwys en Sport Ontwikkeling
Lefapha la Thuto le Tlhabololo ya Metshameko
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DIRECTORATE: INTERNAL AUDIT SERVICES

**TO : DR. I.S. MOLALE
HEAD OF DEPARTMENT**

**FROM : MS N.P. XHATI
STATE ACCOUNTANT: IRREGULAR EXPENDITURE**

DATE : 09 OCTOBER 2015

**SUBJECT : REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN FINANCIAL
MANAGEMENT SERVICES (HEAD OFFICE)**

I am currently working for North West Department of Education as a **State Accountant (Contract worker)**, I started working for the department in 2013 in Internal Audit Directorate as Anti-Corruption Investigator under the supervision of Ms. M.E. Modiadie.

I have enrolled for Masters in Business Administration (MBA) at North West University (Mafikeng Campus) in 2014. I am now in my second year of studies and part of the requirements is to complete my mini dissertation.

Kindly allow me to conduct research in Financial Management Services (Head office) for the purpose of fulfilling the requirements of Masters in Business Administration. My research topic is "Impact of financial policies and practices in advancing organizational objectives. The respondent's information will be treated with utmost confidentiality and your office will be provided with research findings.

Your approval to conduct this study will be greatly appreciated.

Yours faithfully;

**MS N.P. XHATI
STATE ACCOUNTANT: IRREGULAR EXPENDITURE**

**DR. I.S. MOLALE
HEAD OF DEPARTMENT**

7.3. Appendix 3: Certificate of editing



NORTH-WEST UNIVERSITY
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1st December 2015

TO WHOM IT MAY CONCERN

CERTIFICATE OF EDITING

I, Muchativugwa Liberty Hove, confirm and certify that I have read and edited the entire dissertation **THE IMPACT OF PUBLIC FINANCE MANAGEMENT ACT ON ADVANCING THE ORGANISATIONAL OBJECTIVES OF THE NORTH-WEST DEPARTMENT OF EDUCATION** by **NOMBULELO XHATI, STUDENT NO: 18012744.**

This dissertation is submitted in partial fulfilment of the requirements for the Master's degree in Business Administration (MBA) at the North-West University (Mafikeng Campus).

Nombulelo was supervised by **Professor Wedzerayi Musvoto** of North-West University.

I hold a PhD in English Language and Literature in English and am qualified to edit academic work of such nature for cohesion and coherence.

The views and research procedures detailed and expressed in the thesis remain those of the author(s).

Yours sincerely

Dr M.L. Hove

Original details: Dr M.L.Hove(22055215) C:\Users\22055215\Desktop\CERTIFICATE OF EDITING.docm
1st December 2015

File reference: Dr M.L.Hove