

**Governing bodies' legal obligations with regard to the financial
management of public schools in Maleboho Central Circuit, Limpopo
Province**

by

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- The Limpopo Department of Basic Education for giving me permission to conduct this research.

DECLARATION

I PHUTI PEGGY CHABA (3215-346-5) declare that

**GOVERNING BODIES' LEGAL OBLIGATIONS WITH REGARD TO THE
FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS IN MALEBOHO CENTRAL
CIRCUIT, LIMPOPO PROVINCE**

is my own work and that all the sources that I have used or quoted have been included and acknowledged by means of complete references.

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

SIGNATURE _____



PHUTI PEGGY CHABA

JULY 2017

ABSTRACT

The researcher investigated the legal obligations of the governing bodies with regard to the financial management of public schools in Maleboho Central Circuit in the Province of Limpopo. I followed the qualitative research approach and used a multiple case study design that enabled me to test and confirm the findings across the cases by comparing or contrasting the cases.

The study revealed that parent governors' understanding of the role and responsibilities pertaining to financial management is not sufficient, and that the financial training that is presented in English hampers its effectiveness. The findings of the study confirm that the governing bodies do not manage the schools' finances effectively and in compliance with their legal obligations.

Key words: school governing body, legal obligations, financial management, public school, Maleboho Central Circuit, Limpopo Province

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LISTS OF ACRONYMS AND ABBREVIATIONS

LDoBE	Limpopo Department of Basic Education
DoBE	Department of Basic Education
PDoBE	Provincial Department of Basic Education
PHoD	Provincial Head of Department
NNSSF	National Norms and Standards for School Funding
HoD	Head of Department

LIST OF ABBREVIATED TITLES OF LAWS AND POLICIES

Constitution of the Republic of South Africa of 1996	Constitution
Limpopo Province Financial Management Prescripts of 2011	Limpopo Prescripts
Preferential Procurement Policy Framework Act 5 of 2000	Preferential Procurement Policy Framework Act
Public Finance Management Act 1 of 1999 (as amended)	Public Finance Management Act
Personnel Administrative Measures of 1999 (as amended)	PAM
South African Schools Act 84 of 1996	Schools Act
White Paper 2: The Organisation, Governance and Funding of Schools of 1996	White Paper 2

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CHAPTER 1

ORIENTATION TO THE STUDY

1.1 Introduction

Before attaining democracy in 1994, the education system in South Africa was based on racial inequality where White learners received the highest share of the State funding (Ndhlovu 2012:29). The situation changed when the democratic government implemented the South African Schools Act 84 of 1996¹ (hereinafter referred to as the Schools Act) (RSA 1996b) and other legislation and policy to redress the inequalities of the past (Heystek 2011:459). The policy framework includes the updated National Norms and Standards for School Funding of 2015² (hereinafter referred to as the NNSSF) (Department of Basic Education 2015) which ensures that public schools receive State funding based on the socio-economic background of learners' parents (Marishane 2013:2).

Devolving power and authority from the central government to school level laid the foundation for democratic school governance (Mafora 2013:97). To implement this practice, the Schools Act mandates all public schools in South Africa to have democratically elected school governing bodies, comprising the principal (in his/her official capacity), educators, non-teaching staff, parents and in secondary schools, also learners (RSA 1996b, s 23). The

1 In this report, the consolidated South African Schools Act 84 of 1996 as amended by the Education Laws Amendment Act (Education Laws Amendment Act 100 of 1997, Education Laws Amendment Act 48 of 1999, the Education Laws Amendment Act 53 of 2000, the Education Laws Amendment Act 57 of 2001, the Education Laws Amendment Act 50 of 2002, the Education Laws Amendment Act 1 of 2004, the Education Laws Amendment Act 24 of 2005, the Education Laws Amendment Act 31 of 2007), and the Education Laws Amendment 15 of 2011 (hereinafter referred to as the Schools Act) was used.

2 In this report, the updated and most recent version of the National Norms and Standards for School Funding of 1998 as amended by Government Notice 17, Government Gazette 383973 of 16 January 2015 (hereinafter referred to as the NNSSF) was used.

rationale behind the establishment of a democratic school governance structure was to address the inequalities of the divided education system of the past, and to ensure that all stakeholders participate actively in the governance and management of schools with a view to providing an environment that will support teaching and learning (Bagarette 2011:220). Mestry (2013:165) states that achieving effective education depends largely on how effective the governing bodies are performing their financial management obligations.

In this chapter, I sketched the context for the research, explained why I have chosen this specific research focus and formulated the research problem and sub-problems. The research problem and sub-problems informed the research question and the research sub-questions respectively. In turn, the research question and research sub-questions framed the aim and the objectives for the study. Lastly, I explained how I conducted the study.

1.2 Background to the study

Prior to 1994, apartheid laws in South Africa provided unequal education based on race. White learners received the highest *per capita* spending while Black learners received the lowest *per capita* spending from the State (Mestry & Naidoo 2009:107). During that time, decisions about schools' financial management were taken at central level (Heystek 2011:456). At school level, principals had all the power to manage the schools, including school fees (Bagarette 2012:102). Parents did not have much say on how the school fees that they were paying were to be used (Naong & Morolong 2011:238). The situation changed when the democratic government implemented the Schools Act (Heystek 2011:457–458).

It is White Paper 2 on Organisation, Governance and Funding of Schools (hereinafter referred to as White Paper 2), which made provisions for the Schools Act. In March 1995, the Minister of Education appointed a Review Committee to review South Africa's patterns of school organisation, governance and funding. Its findings and recommendations resulted in the adoption and implementation of White Paper 2 (Department of Education 1996c). Addressing the past school systems which were based on inequality, divisions and injustices in public schools, White Paper 2 was implemented with the aim of achieving equitable distribution of education provision in such a way that the quality of education in under-resourced areas is raised.

White Paper 2 (Department of Education 1996c, paragraph 1.7) proposes that there should be a new structure of organisation, governance and funding in public schools. To democratise the school governance, it was suggested that parents should play a major role in the education of their children (Department of Education 1996c, paragraph 1.11) and that Learner Representative Councils should be formed in all public schools offering grade 8 and above (Department of Education 1996c, paragraph 3.10; RSA 1996b s 11(1)).

Another proposal by White Paper 2 has been that there should be two broad categories of schools: independent (private) schools and public schools. Independent schools charge school fees but are subsidised by the provincial governments in terms of section 48(1)(2) of the Schools Act. Public schools would be funded totally or largely from the State's resources, that is from provincial departments. It was also suggested that all public schools must have representative governing bodies with significance financial responsibilities. Among these financial responsibilities are raising and

controlling funds, school budget priorities, purchase of textbooks and equipment, payment of services rendered at school levels such as payment of water and electricity accounts, maintaining buildings and reporting schools' finances to the parents (Department of Education 1996c, paragraph 2.10(1)).

A new financial system for public schools was proposed. In terms of this proposal, school-operating costs would be funded partly by income-related school fees that would be obligatory for all parents who could afford them. Poor parents would not pay school fees and no child would be refused admission to school (Department of Education 1996c, paragraph 5.1). The White Paper 2 on Organisation, Governance and Funding of schools (Department of Education 1996c, paragraph 3.10) aims at ensuring that all stakeholders are elected democratically and involved in the running of schools. White Paper 2 formed the cornerstone of the Schools Act and led to an integrated education system that allows broader access and participation as well as quality education (Mncube 2009:30).

The Schools Act shifted the responsibility of decision-making, including decision making with regard to the management of schools' finances, from the principals to the governing bodies (Mestry 2013:168). Several sections in the Schools Act (RSA 1996b), such as sections 36 to 43 allocate specific functions to the management of schools' finances to governing bodies.

As part of their responsibility of financial management, school governing bodies have to maintain school property, purchase additional learning support material and equipment and pay for services, such as water and electricity (RSA 1996b, s 34(1)). To ensure that school governing bodies

could carry out these functions effectively, the allocation of these functions is accompanied by funding from the State (Botha 2010:264).

In “no fee schools” where parents of the learners are exempted from paying school fees, State subsidy is the major source of income. Most rural schools fall into this category (McLaren 2017:66). The NSSF, adopted in terms of section 35(1) of the Schools Act (RSA 1996b), aims at addressing inequalities in the distribution of resources through setting the criteria for school allocations and subsidies to all public schools (Dass & Rinqest 2017:146). It is amended annually.

To manage schools’ funds effectively, governing bodies should understand the legal framework regulating financial school management (Mestry 2013:165). The Ministerial and Department of Basic Education Briefings: Strategic Plans and Budget (2011) lists the following main laws and policies relevant to the financial management of public schools. They are:

- the Constitution of the Republic of South Africa of 1996 (hereinafter referred to as the Constitution) (RSA 1996a)
- the Schools Act of 1996 (RSA 1996b)
- the Public Finance Management Act 1 of 1999 (as amended) (hereinafter referred to as the Public Finance Management Act) (RSA 1999a)
- the Personnel Administrative Measures of 1999 (hereinafter referred to as PAM) (RSA 1999b)
- the Preferential Procurement Policy Framework Act 5 of 2000 (hereinafter referred to as the Preferential Procurement Policy Framework Act) (RSA 2000)

- the Limpopo Province Financial Management Prescripts of 2011 (hereinafter referred to as the Limpopo Prescripts) (LDoBE 2011) and
- the NNSSF of 2015 (Department of Basic Education 2015)

To this list, I added the Policy on the South African Standard for Principalship. Although this policy does not deal with financial management in particular, I included it because it addresses the principal's obligations with regard to financial management.

In chapter 2, the law and policy framework for managing public schools' finances are dealt with in detail. Any research on the financial management of public schools has to consider this legal framework.

1.3 Motivation for the study

As a member of the finance committee of a governing body, I am of the opinion that the committee lacks understanding of our responsibilities with regard to the school's financial management. This lack of understanding in turn results in tension between the governors and the principal, which disrupts the smooth running of the school.

Furthermore, my interest in becoming a principal also motivated me to undertake this study. This study sensitised me to the fact that principals must guard against corrupt practices including personal enrichment. Principals must ensure that schools' finances are managed well, that there is no deviation from the budget and that financial records and statements are accurate.

1.4 The problem statement

Mouton, Louw and Strydom (2013:36) maintain that not all governing bodies manage their financial assets, including government subsidies, effectively. To

ensure quality education, governing bodies have to ensure that there is enough money available and that it is spent wisely (Joubert & Bray 2007:123). Despite attempts by the State to compensate for historical inequities through State funding and devolving financial control to school governing bodies, the quality of basic education for a large fraction of the Black population is still very low (Murtin 2013:2). For example, some schools in the Maleboho Central Circuit are still lagging behind in terms of school improvement and learner performance. In her address on school readiness for 2014, the Mpumalanga MEC of Basic Education acknowledged that the failure of school governing bodies to administer resources in a transparent manner, the lack of accountability with regard to how schools' finances are managed and a failure to adhere to the Schools Act cause unnecessary tension and unrest in schools (Mhaule 2013).

According to Louw (2013), overcrowding and poor infrastructure in public schools often point to dysfunctional governing bodies. Poor financial management manifests in dilapidated school buildings in some schools in the Maleboho Central Circuit. These schools have falling ceilings, leaking water taps and tanks, windows without windowpanes and cracked walls and floors (Yamauchi, 2011:155; Kokwele, 2013:2). The problem of poor school infrastructure is not only experienced by schools in the Limpopo Province. On 23 February 2015, Nyathela (2015) reported that school infrastructure across the country continues to be a huge problem in need of serious attention. In his report dated 29 January 2015, Stanfley (2015) reported that 53 schools in the Northern Province have unreliable water supply and that 21 schools in the same province have unreliable electricity supply.

Poor financial management also manifests in a shortage of learning support material, such as computer software programs, overhead projectors, dictionaries, atlases, maps and stationery in some schools in the Maleboho Central Circuit. Schools that run out of stationery often borrow stationery, such as reams of papers and cartridges for photocopiers from their neighbouring schools. Examinations are sometimes disrupted due to a shortage of stationery (Msila 2012:303, 307).

On 06 February 2014, the *Mail and Guardian* (SAPA 2014) alleged that principals, school governing body members and educators manipulate the school system to enrich themselves. The problems listed, range from abuse of public funds received for infrastructure maintenance and upgrading and for the sourcing of learning materials, to mismanagement of funding earmarked for the feeding scheme. Xaba (2011:206–207) identified failing to balance expenditure and budgeted income, deviation from the budget and the use of incorrect procedures to obtain funds as the main problems with regard to schools' financial management. Bagarette (2011:231) singles out a related problem, namely the misappropriation of schools' funds. This scholar revealed instances where principals and governing bodies are subjected to forensic audits by the Department of Basic Education (hereinafter referred to as the DoBE) due to the mismanagement of funds through misappropriation, fraud, pilfering of cash, theft and improper control of financial records.

The devolution of financial management to school governing bodies can only be successful if all stakeholders fulfil their prescribed roles. Unfortunately, the democratisation of financial management is hampered by problems, such as:

- governing bodies, deputy principals and principals not being familiar with or ignoring the legislative framework that regulates the financial management of public schools, particularly chapter 4 of the Schools Act (Mncube 2010:243)
- adult governing body members not granting learner members an opportunity to participate in crucial issues of finances (Botha 2010:268)
- some parent governing body members, particularly in rural communities, lacking knowledge on how to manage finances (Bagarette 2012:99)
- the limited representation of educators in governing bodies resulting in their inputs being under-valued (Xaba 2011:205)
- principals making it difficult for governing body members to play a meaningful role in meetings and decision making (Onderi & Makori 2013:68).

According to Maree (2012:44), a successful master's degree dissertation requires a "question of compelling interest to the scholarly community and other audiences". Considering the problems relating to schools' financial management discussed above and the fact that effective financial management is essential to a successful school, I formulated my main research question as: Do the selected school governing bodies fulfil their legal obligations with regard to the financial management of their respective schools? To answer the main research question, I asked the following research sub-questions:

- 1 What are the legal obligations of public school governing bodies with regard to the management of their schools' finances?

2. How do the selected school governing bodies fulfil their legal obligations with regard to their schools' financial management?
3. What challenges do the selected school governing bodies experience that hamper the effective execution of their legal obligations in relation to the management of their schools' finances?

1.5 Aim and objectives of the study

Research aim is a statement that indicates the purpose of research project. Normally the research project has only one broad aim (Thomas & Hodge 2010:39). In this study, I aimed to investigate whether the selected school governing bodies fulfil their legal obligations with regard to managing their schools' finances. I defined this aim with several specific research objectives. Farrugia, Petrisor, Farrokhyar & Bandari (2010:280) refer to research objectives as statements about how the study is going to answer the specific research question. The objectives of this study were:

1. To determine the legal obligations of public school governing bodies with regard to the management of their schools' finances.
2. To ascertain how the selected governing bodies fulfil their legal obligations with regard to their schools' financial management.
3. To establish the challenges that the selected school governing bodies experience that hamper the effective execution of their legal obligations in relation to the management of their schools' finances.
4. To formulate recommendations on how the participant school governing bodies can fulfil their legal obligations with regard to the financial management of their respective schools more effectively.

1.6 Theoretical framework

A theoretical framework, which is sometimes referred to as a research paradigm, is a loose collection of logically related assumptions, concepts, or propositions that orient thinking and research (Mackenzie & Knipe 2006:2).

There are a number of research paradigms, such as the positivist, constructivist, interpretive, transformative, emancipatory, critical, pragmatic and deconstructivist paradigm (Shah & Al-Bargi 2013:253). In this study, I used the interpretive paradigm.

Interpretive researchers maintain that what is real is intangible and mentally constructed and is therefore socially and experientially based (Riegler 2012:237). They believe that human beings construct the social world. They therefore seek to investigate how humans perceive and make sense of the world (Phothongsunan 2010:1). According to interpretivists, researchers can never assume a value-neutral stance in interpretive research (Goldkuhl 2012:6) because they (researchers) interact with what is being researched (Castellan 2010:4).

Interpretivists do not start their research with a hypothesis but use open-ended research questions (Phothongsunan 2010:2). Adopting an interpretive approach allows the researcher to give meaning to the way things are, and to identify factors that cannot be described through statistics or generalised across the entire population easily (Bisman & Highfield 2013:6). The purpose of interpretive studies is to explore meaning that the participants place on the social situation under investigation. In this study, what the participants regarded as the challenges that hamper the effective execution of their legal obligations in relation to the management of their schools' finances was investigated.

The following section addresses the significance of this study.

1.7 Significance of the study

The study revealed how school governing bodies are failing to contribute to

improving the quality of education in selected public schools because of a lack of financial management skills. Participating in the research enabled members of the governing bodies to evaluate their financial management practices and it brought the legal obligations with regard to financial management that they fail to fulfil to their attention. Through the selected governing bodies' participation in this study, the governing bodies evaluated their financial management practices and became aware of their failure to fulfil their legal obligations of these practices.

Because all public schools have to manage their finances within the same legal framework, other schools that are interested to evaluate the status of their financial management could use the data collection instruments developed for this study. Investigating this theme broadened my knowledge of schools' financial management and the role and responsibilities of governing bodies in this regard in particular. Because I am in a leadership role in my school, I would be able to use such knowledge to guide my fellow governing body members with regard to the financial management of the school.

1.8 Delimitation of the field of study

I delimited the field of study through an analysis of the most important concepts, a demarcation of the scope of the study, positioning myself as researcher, limitations of the study and by giving the outline of the final report.

1.8.1 Conceptual analysis

To determine what is relevant to the field of study, and what is not, a conceptual analysis was carried out with regard to the following concepts:

school governing body, legal obligations, financial management, public school, Maleboho Central Circuit and Limpopo Province.

1.8.1.1 School governing body

In terms of section 23 of the Schools Act (RSA 1996b, s 23), a school governing body is a democratically elected body. It consists of the principal, elected members who must be parents of learners in the school, educators, and staff members such as administrators, learners in secondary schools, and co-opted members who are non-voting members. This body is vested with certain powers and duties to govern public schools (RSA 1996b, s 16). In this study, **school governing body** refers to the statutory body established in terms of section 23 of the Schools Act.

1.8.1.2 Legal obligations

Quora (2015) refers to the legal obligations as the actions and activities a person is bound to obey by law. They are the legal requirements to fulfil responsibilities. In terms of section 239 of the Constitution (RSA 1996a), public schools are organs of state. Their governing bodies are legally bound to fulfil various responsibilities. Among these responsibilities is to manage schools' finances (RSA 1996b, s 21). The Ministerial and Department of Basic Education Briefings: Strategic Plans and Budget (2011) lists the following main laws and policies relevant to the financial management of public schools. They are the Constitution (RSA 1996a), the Schools Act (RSA 1996b) and the Public Finance Management Act 1 of 1999 (as amended) (RSA 1999a). Added to these laws are policies that regulate the finances of public schools. They include, PAM of 1999 (RSA 1999b); the Preferential Procurement Policy Framework Act 5 of 2000 (RSA 2000); the Limpopo Prescripts of 2011 (LDoBE 2011) and the NNSSF of 2015 (Department of

Basic Education 2015). In this study, **legal obligations** refer to the legal requirements contained in laws and policies that regulate the finances of public schools.

1.8.1.3 Financial management

Financial management is the execution of management actions (regulated tasks) connected with the financial aspects of schools and having the sole purpose of achieving effective education by a person authorised to do so (Joubert & Bray 2007:123). I attached this meaning to the concept of **financial management** in this study. For schools to achieve effective education, all financial decisions, such as planning the schools' finances by budgeting should be made responsibly and with the schools' best interests in mind. In this study, the "management actions (regulated tasks) connected with the financial aspects" include those identified by Naidu, Joubert, Mestry, Mosoge and Nqobobo (2012:168–180). These scholars maintain that the governing body must have a basic knowledge of financial management and the legal framework regulating schools' financial management, put a finance committee in place, and do financial planning (including adopting a financial policy for the school and drawing up a budget). They further argue that the governing body must be able to manage the money and exercise control over the school's finances. Financial management includes implementing policy, managing school fees and raising additional funds and financial control, including monitoring expenditure, procurement, financial records and auditing (cf. chapter 5 for a detailed discussion). In no fee schools, the provincial allocation is the major source of school funds (Dass & Rinqest 2017:146). The governing body manages the provincial allocation as per section 21 of the Schools Act (RSA 1996b, s 21).

1.8.1.4 Public school

Van Deventer (2009:72) defines **school** as an organisation where teaching and learning takes place under the direction of educators. A school may be private or public. Private schools are those schools that private persons or organisations establish and maintain at their own cost (RSA 1996b, s 45). They charge school fees but are subsidised by the provincial governments in terms of section 48(1)(2) of the Schools Act. Public schools are classified in terms of five quintiles and are funded by the government (Dass & Rinquist 2017:146). Quintile 1–3 schools, the “no fee schools”, are mostly poor rural schools where parents are exempted from paying school fees (Marishane 2013:2). All the schools in Maleboho Central Circuit are quintile 1 schools, which mean that they are no fee schools and receive 100% State allocation.

1.8.1.5 Maleboho Central Circuit

According to Wells and Associates (2013:20–21), Maleboho was the chief of the Bahananoa tribe who resisted the intrusion of White settlers in the present area of Maleboho, Limpopo Province. This chief fought the Maleboho-Boer War in the former Northern Transvaal (now Limpopo Province) in 1894. The area of Maleboho, which is named after Chief Maleboho, is one of the areas under the Blouberg local municipality from which two schools in Maleboho Central Circuit were chosen to participate in this research.

1.8.1.6 Limpopo Province

Limpopo is the northernmost province of South Africa. The province’s name originated from the Limpopo River that flows through it. This is the meaning attached to the concept **Limpopo** in this study. The Limpopo River forms the border between Limpopo Province and Zimbabwe and Botswana (Highbeam

Research 2012). The province is divided into five municipal districts, which are subdivided into 24 local municipalities. These districts are Mopani, Capricorn, Vhembe, Waterberg and Sekhukhuni (Limpopo Tourism Agency 2015). Research was limited to the Capricorn District. Various local municipalities form Capricorn District, including Blouberg municipality where Maleboho Central Circuit is located.

1.8.2 Scope of the study

This study focuses on the financial management of two public secondary schools in the rural area of Maleboho Central Circuit in the Capricorn District, Limpopo Province. These two schools are no fee schools, have more or less the same enrolment, and acquired section 21 status (cf. chapter 3 section 3.3). Some structures in these schools are dilapidated. The academic performance of learners in these schools is average. Sometimes the academic performance of learners is below average (Kokwele 2013:2).

The participants in this study are principals, deputy principals, educators, learners and parent members of school governing bodies. Treasurers and finance committee members as key data sources, participated in this study as members of governing bodies. They participated in focus groups. I specifically focused on principals because they are not only members of the governing bodies but also representatives of the Head of Department (hereinafter referred to as the HoD) with specific obligations attached to their roles. The deputy principals were included as participants because they may act in the place of the principals. The principals, deputy principals and the school governing body members have been given the crucial mandate in terms of PAM (RSA 1999b) and the Schools Act (RSA 1996b, s 20) to manage

the schools' finances. These participants are what McMillan and Schumacher (2010:319) call "information-rich" participants.

1.8.3 Positioning myself as researcher

Qualitative researchers must understand the settings being investigated because these settings shape the participants' experiences, behaviour or actions (Bouma, Ling & Wilkinson 2012:133). Before I started the fieldwork, I had already developed friendships with the participants and the people in the villages where I conducted the research. I did this by attending funerals and weddings in the villages, to mention but a few occasions. I had to interact with the participants to understand their feelings, behaviour and beliefs. This means in a qualitative study there is no truly objective position because the researcher interacts with what is being researched (Castellan 2010:4).

During the data collection process, I guarded against my own biases and preconceptions. Dwyer and Buckle (2009:55) warn that researchers' biases and preconceptions could influence what they try to understand from the participants. One way of guarding against my own biases and preconceptions was through self-reflection, which involves considering one's own consciousness (Greene 2014:9). Establishing and maintaining an appropriate degree of social and emotional distance is an important element of the reflective process, which minimises the researcher's subjectivity and preconceptions.

1.8.4 Limitations of the study

The study was conducted in the two selected public secondary schools of Maleboho Central Circuit; hence, the results would be limited to these schools. Participants were required to answer questions on management of

schools' finances, which is a sensitive issue. As a researcher, the participants originally saw me as an intruder. Being regarded as an intruder by participants had a negative impact on my study because the principal in School B refused to make some of the financial documents available to me. To win the trust of the participants and to address this limitation, I kept in touch with them until the time of doing fieldwork. I also assured the participants that the information extracted from the financial documents, interviews, focus groups and questionnaire will be used for academic purposes only.

1.8.5 Outline of the final report

The report consists of six chapters. Chapter 1 orientates the reader to the study. It discusses the background and motivation for the study, the research question, problem statement, aim, objectives and significance of the study. In this chapter, I also explain the meanings attached to the key concepts used in the study, reveal the research methodology and indicate how collected data was analysed and interpreted. In chapter 2, a literature study was used to establish the legal prescripts relevant to the management of public schools' finances. Although chapter 2 in effect contains data extracted via a literature study, it is included early in the report because the legal prescripts (law and policy) frame the rest of the report. For example, clarity on the legal prescripts was required to understand and interpret the literature review. Where required, I thus integrated data obtained through the literature study in the literature review to place existing literature on the topic in context. Another reason why the literature study is inserted early in the report is that the legal prescripts were used to inform the data collection instruments. In chapter 3, I reviewed the relevant literature, which focuses on the establishment and the role of school governing bodies in managing

public schools' finances. Studies of scholars that have investigated the governing bodies' legal obligations with regard to the financial management of schools, including the challenges experienced by the governing bodies while managing the schools' finances, were reviewed in this chapter. The research methodology and fieldwork are discussed in chapter 4. Chapter 5 revolves around presentation and discussion of data obtained through analysis of financial documents, semi-structured interviews, focus groups and qualitative questionnaires. Content analysis was used to analyse collected data. Chapter 6 concludes my study. It presents the findings in the form of comparison between the two case studies, and formulates recommendations that would empower the governing bodies to be more effective in fulfilling their legal obligations with regard to the financial management of their schools.

1.9 Methodological account

Methodological techniques that helped me to conduct this study include research approach, research design, research sampling, data collection instruments, data analysis, and interpretation methods.

1.9.1 Research approach

Creswell (2014:3) refers to research approaches as plans and procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis and interpretation. There are three research approaches, namely; qualitative, quantitative and mixed methods research approaches. In this study, I used a qualitative research approach. A qualitative approach is most appropriate for research where the researcher seeks to study the nature of events, that is, doing an in-depth study of a certain environment, such as communities and organisations, because of

their contextual significance to understand them more fully (Hennink, Hutter & Bailey 2011:8–9). McMillan and Schumacher (2010:322) are of the view that the situational context is very important in understanding behaviour because human actions are influenced by the setting in which they occur. A qualitative approach was the best approach for my study because it helped me to conduct in-depth investigations by learning more about the setting, and the feelings, behaviour and thoughts of the participants. I interacted with the participants during fieldwork, so I was in a good position to know, describe and understand how effective the governing bodies are in executing their legal obligations with regard to the financial management of their schools.

After having discussed the research approach used in this study, it is necessary that I discuss the research design in the next section.

1.9.2 Research design

In this section, I describe how I designed and conducted the study. The purpose of a research design is to specify a plan of action for generating evidence that will be used to answer the research question (Ary, Jacobs & Razavieh 2002:29). Because the qualitative research approach was the best approach for this research, I had to choose a qualitative research design and opted for a multiple case study. A case study is a qualitative research design focused on systematically gathering information about a certain person, social setting, event and group in its context (Newby 2010:253). The goal of case study research is to arrive at a detailed descriptive and understanding of the entity (Zainal 2007:1–2).

Prior to data collection, researchers should decide whether to investigate one case (single case study) or several cases (multiple case study),

depending on which form of case study will address the research question best (Yin 2009:47). The case study design that suits my research question best is a multiple case study because it enabled me to test and confirm the findings across the cases by comparing or contrasting the cases to strengthen research findings from the two public secondary schools in Maleboho Central Circuit.

There are different instances in which the term “case study” is used in qualitative research. Case study is used to refer to the process of conducting an investigation (studying the case), the unit of study (the case that is studied) and the product of this type of investigation (the final written document) (Rule & John 2011:4–5). In this investigation, the case study is the unit of study. Rule and John (2011:5) refer to the unit of a case study as a particular person, a classroom, an institution or organisation, a programme, a country, or any other number of other entities, situation or event that you investigate. I regard the two public secondary schools in Maleboho Central Circuit as cases because I studied them to establish how the governing bodies in these schools manage the schools’ finances in fulfilment of their legal obligations.

1.9.3 Population and sampling

A population is any group of individuals who have one or more characteristic in common that are of interest to the researcher (Singleton, Jr & Strauss 2010:154). In this study, stakeholders (educators, learners and learner parents) of two selected schools formed a population. Due to time and resources constraints, I could not involve all these stakeholders in the study as Rule and John (2011:63) maintain that it is impossible for a case study researcher to consult everyone involved in a case. Instead, I resolved to

study a sample, which is a subset or proportion of the population (Lameck 2013:213). Krathwohl (2009:159) refers to sampling as a selection of a subunit to represent the larger population. It is a process of selecting a small number of individuals for a study in such a way that the individuals chosen will be able to help the researcher's understanding of the phenomenon under study. In this study, the phenomenon is management of schools' finances.

I have used the purposive sampling technique, and sampled homogeneous individuals with similar experiences. A homogeneous sample enables an in-depth and detailed investigation of a particular social phenomenon Matthews & Ross (2010:167). In this study, phenomenon is management of schools' finances. A Purposive sampling is a non-random sampling technique in which the researcher selects people who are knowledgeable and informed about the issue that the researcher is investigating (Floyd 2012:225). For purposes of collecting data, parent, educator and learner members of school governing bodies, as well as principals and deputy principals were selected for the sample. Although the governing body treasurers are key data sources, they were not singled out as participants. Instead, they participated in focus groups. The deputy principals and chairs of the governing bodies were singled out as participants to check whether principals at their respective schools are effective in managing schools' finances. I selected this sample because all the people who constitute this sample are members of the school governing body. They perform various functions, including managing the finances of public schools. By selecting this sample, I ensured that I worked with the relevant people who are supposed to execute their legal obligations with regard to the financial management of public schools and who can benefit from the study directly.

Case study researchers employ a variety of data collection methods in a single study (Rule & John 2011:61). In this study, I used a literature study, document analysis, interviews, focus groups, and a qualitative questionnaire.

1.9.4 Data collection instruments

Data collection instruments are tools such as schedules, observations, checklists and tape recorders that researcher uses to gather and record data, using data collection methods of interviews, focus groups and document analysis to collect data from the sources (Matthews & Ross 2010:181). Table 1 shows the relationship between the objectives, instruments, methods and population.

Table 1: The relationship between the objectives, data collection methods/instruments and population

Objective	Data collection method and instrument	Population
Objective 1: To determine the legal obligations of public school governing bodies with regard to the management of their schools' finances	Literature study of the Constitution, the Limpopo Prescripts, Preferential Procurement Policy Framework Act, Public Finance Management Act, PAM, Policy on the South African Standard for Principalship, and the Schools Act.	N/A
Objective 2: To ascertain how the selected governing bodies fulfil their legal obligations with regard to their schools' financial management	<ul style="list-style-type: none"> • Document analysis (I investigated financial documents, such as monthly and quarterly financial reports, audited financial statements, bank statements, income and expenditure registers, stock registers, finance policies, school budgets, minute books, including agendas and invitations to attend finance meetings, submission book, minutes of the governing body meetings, maintenance committee member lists, procurement committee member lists, finance committee member lists, governing body member lists and attendance registers of governing bodies) • Individual semi-structured interviews: Interview guide for principals • Individual semi-structured interviews: interview guide for deputy principals 	Principals; Deputy Principals; Parent members; Chairs of governing bodies; Learner members; Educator members
Objective 3: To establish the challenges that the selected schools' governing bodies experience that hamper the effective execution of their legal obligations in relation to the management of their schools' finances	<ul style="list-style-type: none"> • Focus groups: Focus group guide for parent members • Individual semi-structured interviews: Interview guide for principals; Interview guide for deputy principals; Interview guide for chairs of governing bodies • Focus groups: Focus group guide for learner members • Qualitative questionnaire: Qualitative questionnaire for educator members of governing bodies 	Principals; Deputy Principals; Parent members; Chairs of governing bodies; Learner members; Educator members

The first objective was to conduct a literature study to determine the legal prescripts that regulate the management of public schools' finances. The legal prescripts assisted me to evaluate whether the selected governing bodies, principals and deputy principals fulfil their legal obligations with regard to the management of their schools' finances. For this purpose, I analysed the schools' financial documents, conducted interviews and focus groups and administered the qualitative questionnaire.

The second objective was to study and analyse the schools' financial documents. The schools' financial documents included, monthly and quarterly financial reports, audited financial statements, income and expenditure registers, finance policies, stock registers, school budgets, minute books containing agendas and invitations to attend financial meetings, bank statements, submission book, finance-related committee member lists (finance, procurement and maintenance committee member lists), governing body member lists and attendance registers of governing body meetings. Analysing documents helped me to determine whether measures used to manage the participant schools' finances comply with the legal prescripts for managing schools' finances.

Individual semi-structured interviews were conducted with the principals, deputy principals and the chairs of the governing bodies. The principals were interviewed to determine whether they are effective in managing their schools' finances. The deputy principals and chairs of the governing bodies were interviewed to check whether principals at their respective schools are effective in managing schools' finances. Data collected from the deputy principals and chairs of the governing bodies enabled me to triangulate the data obtained from the principals. According to Yin (2009:109), individual

semi-structured interviews encourage participants to expand on each topic. Responses from the principals, deputy principals, and chairs of the governing bodies were used to determine the way forward to positive and constructive methods of managing schools' finances.

The third objective focuses on establishing the challenges that the selected school governing bodies experience that hamper the effective execution of their legal obligations in relation to the management of their schools' finances. Parent members of the governing bodies participated in focus groups to determine whether they have sufficient knowledge of governing bodies' legal obligations with regard to the management of schools' finances. Learner members of the governing bodies participated in a focus group to determine the effect that the prescribed composition of the governing bodies has on the financial management of the participant schools. Educator members of the governing bodies completed the qualitative questionnaires to determine whether the prescribed composition of the governing bodies influences the financial management of the participant schools. Document analysis, focus groups and the qualitative questionnaire assisted me to extract data to check whether selected schools comply with the prescribed law and policy when managing their schools' finances.

Governing body members of one school who did not participate in the main study piloted the interview guides, focus group guide and qualitative questionnaire. One deputy principal and one chair of the governing body members piloted the interview guide. Eight parents and three learner members of the governing body were used to pilot the focus group guide. One educator member of the governing body piloted the qualitative

questionnaire. Pilot studies assist researchers to establish whether the study will be feasible and whether it is worthwhile to continue. It suggests whether further refinement of the data collection instruments is needed (Ary *et al.* 2002:141). The main aim of pilot studies is to check on the validity and reliability of the data collection instruments (McMillan & Schumacher 2010:204–205). The findings of this pilot study are discussed in detail in chapter 4 (cf. chapter 4, section 4.2.4.3).

1.9.5 Data analysis and interpretation

Since doing qualitative research is about putting oneself in another person's shoes and seeing the world from that person's perspective (See section 1.9.1 above), the most important part of data analysis is to be true to the participants (Sutton & Austin 2015:277). It is their voices that researcher is trying to hear, so that they can be interpreted and reported on for others to read and learn from them. Analysis involves making interpretations after careful consideration. Corbin and Strauss (2015:66) refer to qualitative data analysis as the process and procedures whereby the researcher moves from the qualitative data that has been collected, into some form of explanation, understanding or interpretation of the people and situation he or she is investigating. During the process of analysis, the researcher turns raw data into concepts. The process of attaching meaning to these concepts involves interpretation (Rule & John 2011:75).

To ensure that data was analysed accurately, I used the data analysis stages as suggested by Briggs, James and Watling (2012:385). They are:

- defining and identifying data
- data entry and storage
- data reduction sampling

- structuring and coding data
- identifying relationships among categories
- developing a report

To address the reliability and validity of the findings, I used content analysis (Bryman 2012:559). This data analysis method is discussed in detail in chapter 4 (cf. chapter 4, section 4.2.5.1).

The data collected by means of literature study, document analysis, interviews, focus groups and qualitative questionnaire was interpreted against the legal prescripts that regulate the management of schools' finances to formulate the findings and to draw conclusions in line with the research objectives.

1.10 Trustworthiness of the research findings

In pursuit of the trustworthiness of the research findings, I considered the following:

- credibility (internal validity), which is concerned with the accuracy or truthfulness of the findings (Ary *et al.* 2002:451)
- transferability (external validity) has to do with description and explanation, and whether or not a given explanation fits a given description (McMillan & Schumacher 2010:330)
- dependability (reliability) concerns the replicability of the findings (Rule & John 2011:104)
- conformability (objectivity), which addresses concerns about the researcher's influences on and biases against the study (Rule & John 2011:107).

Credibility, transferability, dependability and conformability are discussed in detail in chapter 4 (cf. chapter 4, section 4.3).

1.11 Assumptions

Every project must start with some basic points accepted. Assumptions are necessary in this regard. Assumptions are basic beliefs that researchers bring to the study (Lui & Zhang 2015:49) by taking them to be true without checking whether they are true or not (Hofstee 2006:88). Peil (1982:8) maintains that assumptions arise from values and from experience. These include everything that is taken for granted. Because I am investigating governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, I assumed that some governing bodies in selected secondary schools of Maleboho Central Circuit are not fulfilling their legal obligations with regard to managing their schools' finances effectively. These governing bodies are not familiar with the legal prescripts that regulate the finances of public schools, and they lack knowledge, skills and expertise in managing the schools' finances. The financial training that governing bodies receive does not empower them to execute their legal obligations in managing their schools' finances effectively because it is conducted by ill-equipped government officials (Rangongo 2011:143) who do not provide adequate training, and that they only induct the finance committee members and not all the governing body members. These assumptions are true because the participants answered the questions honestly, because I assured them (the participants) that their names and contact details would be kept in a separate file from any data that they supplied and that they would be referred to by pseudonyms. They were also assured that their participation in this study is voluntary; hence, anyone who decided to withdraw was free to do so without any penalty, and

lastly that whatever information they provided would be used for academic purposes only. These assumptions were revisited in chapter six (cf. chapter 6, section 6.3).

1.12 Ethical considerations

I have followed the ethical guidelines as suggested by McMillan and Schumacher (2010:338). These guidelines include obtaining permission and informed consent, avoiding deception, ensuring confidentiality and anonymity, privacy, voluntary participation and adopting a caring attitude. Tables 2 and 3 provide summaries of the precautions that I took to ensure compliance with ethical standards.

Table 2: Summary table on obtaining permission

Obtaining permission			
Obtaining permission to conduct research	Form / Letter requesting permission	Letter granting permission	Appendix
Permission letters: 1. LDoBE 2. Principals	Permission requested to do individual interviews with 2 principals, 2 deputy principals and analysis of relevant documents (monthly financial reports, audited financial statements, income and expenditure registers, finance policies, stock registers, minute books including agendas and invitations to attend financial meetings, finance committee member lists and attendance register of governing body. 1 Letter requesting permission from the LDoBE: <u>Appendix A</u> 2 Letter requesting permission from the 2 principals: <u>Appendix C</u>	1 LDoBE: <i>permission letter</i> to me on an official letterhead <u>Appendix B</u> 2 Permission letters from principals <u>Appendices D and E</u>	<u>Appendices A to E</u>

Table 3: Summary table on obtaining consent and assent

Obtaining consent and assent				
Obtaining consent / assent to participate in the research	Form / Letter requesting consent / assent	Consent / assent granted	Data collection instrument involved	Appendix
2 Principals; 2 Deputy Principals	Letter requesting participation and consent from the 2 principals and 2 deputy principals: <u>Appendix F</u>	Consent letters from the principals and deputy principals: <u>Appendix G</u> (available on request)	Interview guide for Principals: <u>Appendix H</u> Interview guide for deputy principals: <u>Appendix I</u>	<u>Appendices F to I</u>
6 Educator members	Letter requesting participation and consent from 6 educator members: <u>Appendix J</u>	Consent letters from 6 educator members (available on request): <u>Appendix K</u>	<u>Qualitative questionnaire:</u> Qualitative questionnaire instrument for educator members: <u>Appendix L</u>	<u>Appendices J to L</u>
6 Learner members	1 Letter requesting learner participation and consent from parents of underage learners: <u>Appendix M</u> 2 Letter requesting participation and assent from learners: <u>Appendix O</u>	1 Consent letters from parents of underage learners (available on request): <u>Appendix N</u> . 2 Consent letters from learners (available on request): <u>Appendix: P</u>	<u>Focus group:</u> Focus group schedule for learners: <u>Appendix Q</u>	<u>Appendices M to Q</u>
16 Parent members	1 Letter requesting participation and consent from parent members: <u>Appendix R</u> 2 Letter requesting participation and consent from 2 chairs of the governing bodies: <u>Appendix T</u>	1 Consent letters from parents (available on request): <u>Appendix S</u> 2 Consent letter from chairs of the governing bodies (available on request): <u>Appendix U</u> 3 Confidentiality disclaimers for parent and learner governors (available on request): <u>Appendix V</u>	<u>Focus groups:</u> Focus group schedule for parent members: <u>Appendix W</u> <u>Individual semi-structured interviews:</u> Interview guide for chairs of the governing body members: <u>Appendix X</u>	<u>Appendices R to X</u>

Before I commenced with data collection, I sought permission from gatekeepers, such as the Limpopo Department of Basic Education (hereinafter referred to as the LDoBE) and the participating schools. I also requested participation and consent from participants. Learners under the age of 18 required their parents to sign a consent form to indicate their approval of their participation in the study. Learners signed the assent form showing their willingness to take part in the study. For those learners who are older than 18, their parents signed the assent form to allow their children to participate in the study while the learners signed the consent form to show their willingness to take part in the study.

In the introduction letter, I introduced myself, informed the participants of the nature, the purpose and the reason for undertaking the study. I committed myself to respect the rights and interests of the participants and guaranteed their right to privacy and confidentiality. Participants gave their informed consent to the interviews. I assured them that the study would not reveal their identities or identities of their schools. Berg (2009:87–88) contends that participants are at liberty to remain anonymous. In this study, this was possible for those who participated in individual interviews and those who answered the qualitative questionnaire. In the case of focus groups, I could not guarantee anonymity because more than one participant took part in the discussion. Instead, every focus group participant signed a confidentiality disclaimer (Appendix V). I refrained from asking sensitive questions to avoid information that would result in a poor relationship between the participants, the participating schools, the LDoBE and me. Participants were also at liberty to discontinue their participation in the research process at any time without any penalty.

1.13 Conclusion

In chapter 1, I outlined the research problems and research sub-problems, the aim and objectives of the study. The motivation and the significance of the study were also discussed. Lastly, I introduced the methodology used in conducting this research. Chapter 2 deals with the law and policy framework for managing public schools' finances.

CHAPTER 2

LITERATURE STUDY: LAW AND POLICY FRAMEWORK FOR MANAGING PUBLIC SCHOOLS' FINANCES

2.1 Introduction

Governing bodies must be familiar with the legislative framework that regulates the funding of education in South African public schools to manage the schools' finances effectively. The literature study was conducted to determine the legal prescripts for public schools' financial management. Thereafter, the data collected from this literature study was used to inform the data collection instruments and evaluate whether the selected school governing bodies execute their legal obligations with regard to the financial management of their respective schools. Thus, the literature study was used to extract data to achieve the research objective "To determine the legal obligations of public school governing bodies with regard to the management of their schools' finances".

2.2 The Constitution of South Africa and legislation regulating the management of schools' finances

The legal requirements for financial management in South African public schools are found in the Constitution and in the following Acts: the Schools Act, the Public Finance Management Act (as amended) and the Preferential Procurement Policy Framework Act. These Acts were examined to explore their significance for regulating the funding of education in South African public schools. I discuss the Constitution as supreme law first, followed by the Acts and then the relevant policies.

2.2.1 The Constitution of South Africa of 1996

In terms of section 239 of the Constitution (RSA 1996a), public schools are

organs of state. This makes it obligatory for the governing bodies, which are functionaries of such organs of state, to be familiar with the values and principles spelled out in sections 41 and 195 of the Constitution and to act in a manner that upholds these principles and values (RSA 1996a).

As per section 41(1) of the Constitution (RSA 1996a), all spheres of government and organs of state in its sphere must:

(c) provide efficient, transparent, accountable and coherent government for the Republic as a whole, and (g) exercise their powers and perform their functions in a manner that does not encroach on the geographical, functions or institutional integrity of government in another sphere.

Section 195 of the Constitution prescribes the basic values and principles governing public administration. Section 195(1) of the Constitution stipulates that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the principles of promoting economical and efficient use of the resources (RSA 1996a, 195(1)(b)) and fostering transparency by providing the public with timely, accessible and accurate information (RSA 1996a, 195(1)(b)). These principles also apply to the organ of the State as stipulated by section 195 (2)(b) (RSA 1996a).

Section 29(1) of the Constitution, states that everybody has the right to a basic education, including adult basic education and further education (RSA 1996a, s 29(1)). The Constitution prescribes that the State must make education available and accessible to everyone in the country (RSA 1996a, s 29(1)). In terms of section 43 of the Constitution (RSA 1996a, Schedule 4), each province should receive an equitable share of the national revenue to enable them to carry out these provisions. It also gives the national

government and the provinces a joint responsibility for providing education to South African citizens. While the Minister of Basic Education determines norms and minimum standards for school funding as mandated by section 35 of the Schools Act, the provincial education departments make budget allocations for each school in the province. Schools are funded according to their poverty levels (UNESCO-IBE 2010). The principals, the School Management Team members and the governing bodies are all functionaries of public schools as organs of state. They are obliged to be familiar with the values and principles spelled out in sections 41 and 195 of the Constitution and to act in a manner that upholds these principles and values.

In the next section, the Schools Act was studied to determine the legal prescripts it contains that regulate school funding.

2.2.2 The South African Schools Act 84 of 1996

Since 1996, the South African government introduced several reforms in the form of education legislation and policies intended to democratise education and school practice. The most comprehensive of these reforms are prescribed in the Schools Act.

As already averred in chapter 1, the adoption of the Schools Act paved the way for democratic governance of schools. The Schools Act ensures that all stakeholders who are educators, parents, and learners (in secondary schools) participate through the school governing bodies in running the schools (RSA 1996b, s 23). With the introduction of the Schools Act, most of the financial governance provisions and powers were shifted to public schools with the governing bodies receiving greater financial managerial responsibilities (RSA 1996b, s 20). For these goals to be achieved, section 34 of the Schools Act compels the State to fund public schools from public

revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of the past inequalities in education provision. Realising that the State alone cannot fund education, section 36 of the Schools Act (RSA 1996b) prescribes that a governing body of a public school must take all reasonable measures to supplement the resources supplied by the State in order to improve the quality of education. However, the governing body of a public school may not collect money or contributions from the parents to circumvent or manipulate the payment of compulsory school fees in terms of section 37(7)(c) of the Schools Act. Furthermore, section 39(5) of the Schools Act expressly prohibits public schools from charging “any registration, administration or other fee, except school fees”. One can conclude that no fee schools are not permitted to charge any fees. The amended NNSF of 2006 brought about a no fee school policy that relieves poor parents from paying school fees (Department of Education 2006).

Section 30(1)(a) of the Schools Act (RSA 1996b) allows governing bodies to set up sub-committees, such as procurement committees, maintenance committees and finance committees so that various financial tasks are carried out successfully. The role of these committees is addressed by section 21(1)(a)(c)(d) of the Schools Act (RSA 1996b). The procurement committee purchases educational materials or equipment for the school. The maintenance committee maintains and improves the school property, buildings and grounds. It must ensure that school property, such as damaged doors, leaking taps, cracked walls and broken windows are repaired. The finance committee monitors the school’s finances including paying for services to the school. Each committee must be chaired by members of the

governing bodies as per section 30(1)(b) of the Schools Act (RSA 1996b). Committees implement policies.

Sections 39, 40(1) and 41 of the Schools Act are applicable to fee charging public schools. These sections have no bearing on the schools in the Maleboho Central Circuit as all these schools are quintile 1 schools and thus receive a 100% State subsidy. I have indicated above in this subsection that the amended NSSF of 2006 brought about a no fee school policy. In terms of section 39 of the Schools Act, a governing body of a public school may determine school fees while section 40 makes provision for the parents' liability for the payment of school fees. Section 41 of the School Act enforces the payment of school fees at public schools, but none of these sections applies to quintile 1, which are no fee schools.

Sections of the Schools Act that have a bearing on the schools in the Maleboho Central Circuit as no fee public schools are sections 38(1)(2), 42(b) and 43(5). These sections compel the governing bodies of public schools to draw up an annual budget, to draw up annual financial statements no later than three months after the end of each financial year and to report the financial status of their schools to the parents and the State.

Section 16A of the Schools Act (RSA 1996b) stipulates that the principal of a public school should:

(h) Assist the governing body with the management of the school's funds, which assistance must include:

i, the provision of information relating to any conditions imposed or directions issued by Minister, the member of the Executive Council or the Head of the Department in respect of all financial matters of the school contemplated in chapter 4; and

- ii, the giving of advice to the governing body on financial implications of decisions relating to the financial matters of the school
- (i) take all reasonable steps to prevent any financial maladministration or mismanagement by any staff member or by the governing body of the school
- (j) be a member of a finance committee or delegation of the governing body in order to manage any matter that has financial implications for the school
- (k) report any maladministration or mismanagement of financial matters to the governing body of the school and to the Head of Department

The principal is a member of the governing body in his/her *ex officio* capacity, while governing bodies consist of elected members. The Schools Act stipulates the financial management functions of the governing bodies as per section 21, but it does not differentiate between those financial management functions that must be performed by the principals and those that must be performed by other members of the governing bodies.

2.2.3 The Public Finance Management Act 1 of 1999

To use schools' resources effectively, efficiently, economically and transparently, governing bodies must comply with the Public Finance Management Act 1 of 1999.³ This Act requires public entities to perform the financial management within their budgets (RSA 1999a, s 2).

The Public Finance Management Act came into effect in April 2000. Promulgated to regulate financial management in the national government and provincial governments, the Act aims at ensuring that all revenue, expenditure, assets and liabilities of those governments are managed effectively and efficiently, and at providing for the responsibilities of persons entrusted with financial management in those governments (RSA 1999a, s

³ In this report, the consolidated version containing all amendments until date was used. It is available from <http://www.saflii.org/za/legis/consol-act/pfma1999206/>.

47). The object of this Act is to secure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of the institutions to which this Act applies (RSA 1999a, s 2).

Section 38 of Public Finance Management Act (RSA 1999a) stipulates the general responsibilities of the accounting officer, which includes effective, efficient, and transparent use of the resources of public institutions. In terms of section 36(1), every public entity must have an accounting authority. Section 50(1)(a-b) (RSA 1999a) provides for the duties of the accounting officer, which are:

- to exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity, and
- act with fidelity, honesty and integrity and in the best interests of the public entity in managing the financial affairs of the public entity.

In public schools, the accounting officers are the governing bodies, which are entrusted with the financial management responsibilities as mandated by the Schools Act (RSA 1996a, s 20). Neither the principal/deputy principal nor the governing body is an accounting officer. The governing body members are collectively responsible, collectively liable and thus an accounting authority. In *Schoonbee v MEC for Education, Mpumalanga* 2002 (4) SA 877 (T) the court found that the principal is not in charge of the school's finances but the governing body is. The principal and deputy-principal cannot be held accountable for the governing body mismanaging a school's finances. The governing body as entity (all members together) is accountable for mismanaging a school's finances.

The Public Finance Management Act requires the person or body entrusted with financial management responsibilities to act with honesty and in the

best interests of the public institution in managing the finances of the public institution (RSA 1999a, s 50(1)(a-b)).

2.2.4 The Preferential Procurement Policy Framework Act 5 of 2000

Schools' governing bodies also have to comply with the Preferential Procurement Policy Framework Act 5 of 2000, which requires public sector organisations to procure goods and services in a fair, equitable, transparent, competitive and cost-effective manner (RSA 2000, s 2). With the Preferential Procurement Policy Framework Act 5 of 2000, the government intends to modernise procurement of public sectors. Ambe and Badenhorst-Weiss (2012:244) define public procurement as the function whereby public-sector organisations acquire goods, services and development and construction projects from suppliers in the local and international market, subject to the general principles of fairness, equitability, transparency, competitiveness and cost-effectiveness. This is the primary procurement objective as stipulated by section 217(1) of the Constitution (RSA 1996a), which reads:

When the organ of state in the national, provincial and local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system that is fair, equitable, transferable, competitive and cost-effective.

The purpose of this Act is to give effect to subsection 217(3) of the Constitution by providing a legislative framework for the implementation of the procurement policy contemplated in subsection 217(2) of the Constitution; and to provide for matters connected therewith. In terms of this Act, the organ of the State (institution as defined by section 239 of the Constitution) must determine its preferential procurement policy and implement it in terms of subsection 217(2) of the Constitution. According to

this section, subsection 217(1) of the Constitution (RSA 1996a) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for:

- a. categories of preference in the allocation of contracts; and
- b. the protection or advancement of persons, or categories of person, disadvantaged by unfair discrimination.

As organs of state, all public secondary schools in Maleboho Central Circuit are obliged to adhere to this Act. Their governing bodies must meet certain requirements in procuring goods and services for their schools as part of their responsibility in the management of the schools' finances. These requirements as per the Preferential Procurement Policy Framework Act (RSA 2000, s 2) are:

1. Determining its preferential procurement policy and implementing it within the following framework:
 - a. A preference point system must be followed;
 - b. (i) for contract with a Rand value above a prescribed amount of a maximum of 10 points, may be allocated for specific goals as contemplated in paragraph (d) provided the lowest acceptable tender scores 90 points for price;
 - (ii) for contract with a Rand value equal to or below a prescribed amount of maximum of 20 points may be allocated specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points for price;
 - c. Any other acceptable tenderers which are higher in price must score fewer points, on their *pro rata* basis, calculated on their tender prices in relation to the lowest acceptable tender, in accordance with a prescribed formula;
 - d. The specific goals may include –
 - (i) Contracting with a person or categories of persons, historically disadvantaged by unfair discrimination based on race, gender, disability;

(ii) Implementing the programmes of the Reconstruction and Development Programme as published in *Government Gazette* No. 16085 23 November 1994;

e. Any specific goal for which a point may be awarded must be clearly specified in the invitation to submit a tender.

f. The contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer, and

g. Any contract awarded on account of false information furnished by the tenderer in order to secure preference in terms of this Act, may be cancelled at the sole discretion of the organ of state without prejudice to any other remedies the organ of state may have;

2. Any goal contemplated in subsection 1(e) must be measurable, quantifiable and monitored for compliance.

In terms of paragraph 8.6 of the Limpopo Prescripts, (LDoBE 2011), the following processes should be followed when goods and services are procured:

- All procurement should be done on a minimum of three quotations.
- The Finance Committee should serve as a bid adjudicator committee and recommend the appointment of a service provider.
- Factors of price, quality and guarantee to be considered during the adjudication process.
- The recommendation in bullet 2 above should be presented to the governing body for approval, acceptance and appointment. The service provider must be appointed in writing.
- The Circuit Manager must approve any expenditure exceeding R30, 000 for ensuring compliance with the applicable prescripts.
- Under no circumstance may quotes be subdivided to circumvent the above-mentioned threshold.
- No payment shall be done in advance or before a complete service is rendered or goods supplied

- Service providers should be paid within 30 days of receipt of invoice.
- Schools are encouraged to use the Departmental database or must develop their own database of suppliers on a rotational basis.
- Proper procurement records must be kept and made available at all times.

To assist in the implementation of the above legislation, several policies were adopted with regard to the management of finances of public schools in South Africa. These policies are discussed below.

2.3 Policy framework for schools' financial management

The following policies are used to implement the laws that I have referred to above. They are the PAM, the Policy on the South African Standard for Principalship, the Limpopo Prescripts and the NNSSF.

2.3.1 The Personnel Administrative Measures of 1999

The PAM is a document that regulates the terms and conditions of the employment of educators as determined in terms of section 4 of the Employment of Educators Act (RSA 1999b).⁴ It describes the duties and responsibilities of educators (RSA 1999b). For the purposes of this study, I examined the duties and responsibilities of the principal and the deputy principal regarding the management of schools' finances. The principals serve in the schools' governing bodies in their *ex officio* capacity, while deputy principals assist the principals, among other things with the management of the schools' finances.

The PAM stipulates that principals are responsible for executing the financial administrative duties and responsibilities. Principals must keep their schools' accounts and records safe and make the best use of funds for the benefit of

⁴ The amended PAM as updated to Government Notice 170, *Government Gazette* 39684, 12 February 2016 was used in this report.

the learners in consultation with the appropriate structures (RSA 1999b, chapter A, Annexure A7, paragraph 3.1.3). Deputy principals' financial duties and responsibilities are to assist the principals, or if instructed, to be responsible for the schools' finances and maintenance of services and buildings, such as planning and control of expenditure, allocation of funds, resources, repairs of the school and its furniture and equipment, and supervising annual stock-taking exercises (RSA 1999b, chapter A, Annexure A6, paragraph 3.1.2).

The PAM (RSA 1999b, chapter A, Annexure A7) sets out criteria for assessing the principals in managing the schools' finances. The criteria are:

Establishing and servicing the representative body. This criterion deals with whether the principal has established and serviced the school governing body, Learner Representative Council and the parent governors. The principal must ensure that democratic procedures are followed during the establishment of organisations and encourage stakeholders to serve on various committees (RSA 1999b, chapter A, Annexure A7, paragraph 3.6.1.3).

Servicing the governing body. The principal must ensure that the governing body is increasingly empowered to take major decisions for the school. He/she must supply the governing body with proposals, reports, and position papers that enable the governing body to take decisions, which create the best possible learning and teaching environment in the school. The principal keeps the governing body fully informed of the national, provincial and local educational developments and of their implementations. He/she must also help the governing body to make policy decisions and ensure that these policy decisions are implemented and managed well (RSA 1999b, chapter A, Annexure A7, paragraph 3.6.1.3).

Record keeping. The principal must establish an efficient storage and retrieval system. All school meetings must be recorded and reports retained. He/she must be able to produce complete reports at short notice. Financial records must be complete and always up to date (RSA 1999b, chapter A, Annexure A7, criterion 3.1.3).

Strategic planning and transformation. The principal is assessed on whether the use of resources (human, physical, financial) is guided by goals and strategic priorities to facilitate teaching and learning, and the transformation of education (RSA 1999b, chapter A, Annexure A7 paragraph 3.3.1.2).

Financial planning and management. As part of strategic planning, the principal must undertake any financial activity within the constraints of the budget (RSA 1999b, chapter A, Annexure A7, criterion 3.3.1.2).

The next policy I studied was the Policy on the South African Standard for Principalship.

2.3.2 Policy on the South African Standard for Principalship of 2016

As is emphasised in paragraph 1 (RSA 2016), this policy focuses strongly on shared leadership and the fact that principals should work with the school management teams, governing bodies, representative councils of learners, as well as with the wider communities. Two core values dealing specifically with financial management are:

- f) integrity and fairness in all dealings with people and in the management and deployment of financial and other resources
- g) adherence to departmental SGB-developed policies in the management and deployment of financial and other resources (RSA 2016, paragraph 1).

The principal is expected to work with the school's management team and governing body to ensure "the school's operational budget is managed carefully and responsibly so that the school has enough money for all its programs and activities" (RSA 2016, paragraph 5.1.1.5). Several specific financial obligations are highlighted (RSA 2016, paragraph 5.1.3), namely that the principal should:

b) manage the school's financial and material resources and all assets efficiently and effectively in accordance with departmental and SGB policies to achieve educational priorities and goals

g) monitor, evaluate and review the quality and use of the school's available resources to ensure ongoing improvement of the quality of teaching and learning.

Moreover, in terms of paragraph 5.1.6 (RSA 2016) principals must ensure that governing body members budget for extramural activities.

2.3.3 The Limpopo Province Financial Management Prescripts of 2011

The Limpopo Prescripts is a document that controls and manages public schools' finances in Limpopo Province. The prescripts are rules and regulations drawn up by the LDoBE to guide governing bodies in Limpopo Province when executing their duties with regard to the financial management of schools' finances (LDoBE 2011, paragraph 1(1.6)). It *inter alia* provides guidelines on how and where the financial records should be kept (LDoBE 2011, paragraph 10.2.3). The Limpopo Prescripts also guide the governing bodies on how and why a budget should be drawn up. These guidelines are stipulated in paragraph 10.5 (LDoBE 2011):

- The governing body of a public school must prepare a budget each year that is linked to the School Improvement Plan and Academic Performance Improvement Plan that indicates the estimated revenue and expenditure of the school for the following financial year.

- A 3-year School Development Plan must be provided in line with the term of office of the governing body and be ratified by the parents in a formal meeting.
- The governing body must present the budget to a general meeting of parents for consideration and approval by the majority of parents present and with voting powers. The budget should be accompanied by a list of learners exempted from paying school fees.
- The proceedings of the meeting and the number of votes obtained on each motion must be recorded in the minutes.
- An attendance register signed by each parent who attended the meeting must be attached to the minutes.
- Parents should be given at least 30 days' notice before the day of said general meeting.
- The approved budget together with the name of the auditor, as per section 43 of the Schools Act, approved by the governing body must be submitted to the Head of Department by 31 January of each year.
- No expenditure should be incurred before the approved budget is endorsed by the Circuit Manager.

As all schools in Maleboho Central Circuit are classified as quintile 1 and receive 100% State allocation, their governing bodies are not allowed to charge school fees as defined in the Schools Act (RSA 1996b, s 35). They may open one bank account into which the State allocation will be deposited. A second account for investment may be opened with the permission of the HoD. Paragraph 8.4.1 of the Limpopo Prescripts is in line with this. In terms of the Limpopo Prescripts (LDoBE 2011, paragraph 6.4), the governing bodies of no fee schools have to perform the following functions to show that they are functional:

- 60% of the total allocation must be spent on curriculum needs
- Schools must be permitted to use funds for sporting activities/equipment but should not exceed 10% of the total allocation

- Transport budget should not exceed 5% of the total allocation
- Ablution facilities should not exceed 8% of the total allocation
- Provide for proper security fencing
- Provision of clean water or borehole
- Annual service of fire equipment
- Repair all broken windows and doors, electrical and gas fittings, fill cracks and paint
- Pay for the operational expenses of the school, such as water, electricity and telephone
- Eradication of termites and other pests every three years
- Quarterly cleaning, weeding and maintenance of gutters, channels and other drains to prevent flood damage to school facilities
- Annual maintenance of ablution blocks including the speeding up of sewage and emptying toilets.
- Annual repair and maintenance of roofs to prepare for the rainy seasons and treating roof trusses
- Annual painting and treatment of equipment to prevent rust

In the next section, the implementation of the NNSF was examined to explore its significance to regulating the funding of education in South African public schools and to evaluate whether the selected principals, deputy principals and governing bodies fulfil their legal obligations with regard to the management of the schools' finances.

2.3.4 The National Norms and Standards for School Funding of 2015

Since 1994, the government's educational policies have focused on equity and redress. Redressing historical imbalances and achieving equity are fundamental policy mechanisms in an attempt to restructure South African education. This aspiration is demonstrated in many education policy considerations, such as no fee schools, exemptions from school fees,

financial responsibilities assigned to principals and governing bodies and the NNSF (Mestry & Ndhlovu 2014:1).

The NNSF was implemented to help the State to fulfil its obligation of funding public schools. The NNSF ensures that public schools are funded on an equitable basis. The policy determines how the Provincial Education Departments allocate resources to public schools to ensure equality, equity and redress, and the right to basic education as guaranteed by the Constitution. To ensure equal funding to all schools Provincial Education Departments are required to rank all its schools according to quintiles and to allocate funds accordingly (Department of Basic Education 2015, paragraph 112).

The Minister of Basic Education is responsible for setting norms and minimum standards that guide funding of public schools. These norms and minimum standards are amended from time to time to sustain the process of closing the existing inequality gap. This is done by targeting schools in poorer communities for more funding than the schools in wealthy communities. The amended NNSF of 2006 gave rise to a no fee school policy (Department of Education 2006). This policy relieves poor parents from paying school fees in an attempt to address the financial barriers and to form an integral part of other policies designed to develop an inclusive education system. The policy would also assist the parent governors who are marginally literate to acquaint themselves with the content of the departmental documents. According to paragraph 124 of NNSF of 2006, the DoBE is supposed to provide policy implementation manuals in all official languages and to make it available on their website (Department of Education 2006).

To ensure fair and equitable distribution of state-allocated funding to public schools, public schools are classified into 5 categories known as quintiles, based on the financial means of the parents, poverty level of the school and the area in which the school is located. In 2015, learners in quintile 1 were allocated R1, 116 while those in quintile 5 were allocated R193 (Department of Basic Education 2015, paragraph 110). Limpopo has the largest percentage of schools in quintile 1, about 28.2% (Department of Basic Education 2015, paragraph 112). This implies that learners in Limpopo Province live in poverty. The national targets table and the national poverty distribution table are used to assess schools' eligible for funding (Department of Basic Education 2015, paragraph 111). Table 4 below shows the national poverty distributions among the nine provinces of South Africa in 2015.

Table 4: National poverty distribution table

Quintiles						
%	1 poorest	2	3	4	5	Total
EC	27.3	24.7	19.6	17	11.4	100%
FS	20.5	20.9	22.4	20.8	15.4	100%
GP	14.1	14.7	17.9	21.9	31.4	100%
KZN	22.1	23.2	20.2	18.7	15.8	100%
LP	28.2	24.6	24.2	14.9	8	100%
MP	23.1	24.1	21.5	17.7	13	100%
NC	21.5	19.3	20.7	21.4	17.1	100%
NW	25.6	22.3	20.8	17.6	13.7	100%
WC	8.6	13.3	18.4	28	31.7	100%
SA	20	20	20	20	20	100%

Source: Department of Basic Education, 16 January 2015

The Minister of Basic Education, Mrs Angie Motshekga, declared that all learners in quintile 1–3 schools, which nationally represent 60% of learners in public schools, are eligible for no fee status (Department of Basic Education 2015, paragraph, 111). In these schools, the State pays 100% of the fees allocated per learner. Most no fee schools are situated in rural areas. The categories of quintiles are determined by considering factors, such as physical facilities and the level of poverty of the community where the school is situated.

“No fee schools” do not receive a State allocation automatically every year. The Provincial Legislature communicates the final school allocation for the current year to schools following the finalisation of the Provincial Education Department budget. Provincial Education Departments should ensure that the final allocation communicated to schools deviates as little as possible from the provincial figures provided on 30 September of the previous year (Department of Education 2006, paragraph 121).

In addition, the DoBE, PDoBE and schools must report on the usage of the school allocation. The DoBE and PDoBE must furthermore report on the determination of the school allocation in their respective annual reports. Reports produced by schools must explain how the spending of the school allocation supports the school development plan, quality education and learner performance (Department of Education 2006, paragraph 122).

As all schools in Maleboho Central Circuit fall under quintile 1, the principals, deputy principals and governing bodies of these schools are obliged to execute the legal obligations with regard to the management of their schools' finances.

2.4 Conclusion

Law and policies that regulate the management of schools' finances are important because they guide the governing bodies of public schools in managing their finances. This implies that the governing bodies of public schools must follow common rules and regulations i.e. generally accepted accounting practice when managing their schools' finances. Schools are thus able to seek assistance from neighbouring schools on how to draw up a budget, for example. The following chapter 3 explores the views of scholars on how school governing bodies execute their legal obligations with regard

to the financial management of public schools and the challenges they experience.

CHAPTER 3

GOVERNING BODIES' LEGAL OBLIGATIONS WITH REGARD TO THE FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

3.1 Introduction

The first chapter of this report contained the background and motivation for the study, as well as the methodology. The second chapter outlined the legislative framework that regulates the finances of public schools. In this third chapter, I review the literature that underpins my study.

Whittaker (2012:24) defines a literature review as a comprehensive and critical appraisal of the literature that is relevant to the research topic. It assumes that knowledge accumulates and that we learn from and builds on what others have done (Neuman 2000:445). The aim of reviewing literature is to show the reader that a researcher has read, and has a good grasp of the main published work concerning the research topic. One of the purposes of the literature review is to highlight the weaknesses and gaps in the existing research (Gould 2011). To ensure coherency and a clear understanding of governing bodies' legal obligations with regard to the financial management of public schools, I integrated data from the literature study where necessary.

3.2 The establishment and the role of school governing bodies

Before 1994, fifteen education ministries existed in South Africa: the Department of National Education, which was responsible for national norms and standards, ten Bantustan departments and four racially defined departments for Africans, Coloureds, Indians and Whites outside the Bantustan (Van Rooyen 2013:29). Each department had its own school model, funding formula and relationship to the then Department of National

Education and parents, and they all charged school fees (McLaren 2017:48). School structures known, as school boards, school committees or management councils existed wherein parents were represented (Tsotetsi, Van Wyk & Lemmer 2008:386).

The introduction of the Bantu Education Act of 1953 led to opposition to the apartheid education system. The opposition was strengthened when the democratic anti-apartheid organisations established the National Education Crisis Committee in the mid-1980s. The National Education Crisis Committee urged schools to establish parent-teacher structures (O'Malley 1991). Subsequently, many secondary schools established Parent Teacher Student Associations to manage conflict among the different constituencies at school level. Parents, educators and learners were represented in Parent Teacher Student Associations (Bagarette 2012:97). Like the previous school structures, Parent Teacher Student Associations had no significant decision-making powers. Furthermore, they focused more on the resistance against apartheid and less on the governance of schools.

With the unbanning of the liberation movements in the 1990s, it became clear that a democratic South Africa was inevitable. The government was under pressure to influence the social structure of a future South Africa. It began to restructure various social institutions including the education system. In the early 1990s, Model C schools were established (Dass & Rinquist 2017:153). Model C schools were State-aided schools run by school committees and principals (Heystek 2011:457). The Model C school system was intended to ensure that control of white schools remained with white parents rather than to be taken over by the then new Department of Education in the run up to the transitional Government of National Unity

(Ndhlovu 2012:30–31). While admission at Model C schools was done on the basis of race (Moloi 2007:468), these schools marked an important step in increasing parental involvement in the running of schools. With the attainment of democracy in 1994, Parent Teacher Student Associations suggested a strong desire among many communities to develop a system of democratic school governance to give previously disadvantaged communities a voice in the provision of education (Heystek 2011:457). Parent Teacher Student Associations and the Model C school system laid the foundation upon which school governance was democratised (Dieltiens 2005:9).

It is in this context that White Paper 2 was published in 1996 (Department of Education 1996c). White Paper 2 proposed that there should be a new structure of school organisation, governance and funding (Department of Education 1996c, paragraph 6.4). This paper laid the foundation upon which principals together with parents, educators and learners in secondary schools, participate in the governance of schools including the management of schools' finances. White Paper 2 aims at achieving equitable distribution of education provision in such a way that the quality of education in under-resourced areas is raised (Department of Education 1996c, paragraph 1.3). Included in the list of objectives that the then Department of Education wanted to achieve with the new organisational structure, governance and funding was, to:

- enable representatives of the main stakeholders of schools to take responsibility for school governance
- enable school governing bodies to determine the mission and character of their schools

- ensure that the decision-making authority assigned to school governing bodies is coupled with the allocation of an equitable share of public resources, and the right to raise and manage additional resources
- ensure both equity and redress in funding from public funds and the elimination of backlogs caused by past unequal treatment
- improve efficiency in school education through the optimum use of public financial allocation, and publicly-funded resources (Department of Education 1996c, paragraph 1.7).

In so doing, the State aimed at fostering democratic school governance by introducing a structure that involves all the stakeholder groups in active and responsible roles to encourage tolerance, rational discussion and collective decision-making (Rapcan 2014). From White Paper 2 emanated the 1996 Schools Act that mandates that all public schools in South Africa must have democratically elected governing bodies comprising principals, representatives of educators, non-teaching staff, parents and in secondary schools, also learners (RSA 1996b, s 23) (cf. chapter 2, section 2.2.2).

The democratic government assumed that because these stakeholders are part of the school community, they are in the best position to understand the historical, social, cultural and financial problems schools face and find solutions (Heystek 2011:456). One of the significant changes introduced by the Schools Act is that the previous method of determining funding of public schools in the four racially defined departments for Africans, Coloureds, Indians and Whites differently, ceased to exist. Public schools are no longer divided according to race, and the criterion for all public schools is the same, that is, the poverty levels of learners' parents and not race (Department of Basic Education 2015, paragraph 111).

The Schools Act and other legislation adopted after democracy was aimed at addressing past exclusions and supporting the ideal of inclusive participation and representations in schools (Naong & Morolong 2011:242). To achieve these aims, the Schools Act provides for the decentralisation of power from central to school level through the establishment of governing bodies in public schools (RSA 1996b, s 16). Decentralisation of power is aimed at reducing inequalities (Bray 2009:465) through local financing, promoting participation and improving the quality of education (Naong & Morolong 2011:239).

The devolution of power to schools intended to make governing bodies more effective, accountable and to move towards collaborative decision making involving principals, educators, parents and learners (Mafora 2013:97). The management of schools' finances is one of the responsibilities that the Schools Act assigns to the governing bodies of Section 21 schools, which receive funding from the State (RSA 1996b, s 21). Xaba (2011:209) notes that most of the financial functions require highly skilled knowledge in areas such as, *inter alia*, financial accounting, facility maintenance, policy development and formulation.

3.3 The financial matters of Section 21 schools

Financially speaking, the Schools Act identifies two kinds of public schools, namely Section 20 and Section 21 schools. Section 20 schools are schools that do not receive a State allocation in cash, but are required to draw up a budget and submit it to the DoBE. Purchases are then made against the budgeted items and the Provincial Department of Basic Education (hereinafter referred to as the PDoBE) procures goods and services on their behalf, according to existing departmental arrangements (RSA 1996b, s 20).

Section 21 schools are self-managing schools with autonomy and decision-making powers with regard to the schools' finances and property (RSA 1996b, s 21).

In terms of section 21 of the Schools Act, schools may apply to the Provincial Head of Department (hereinafter referred to as the PHoD) for additional functions, such as purchasing learning support material, paying for services such as water and electricity, and seeing to the maintenance of the premises. The PHoD will approve this application if it is satisfied that the school governing body is capable of performing these functions (RSA 1996b, s 21). On approval, the money is deposited into the school's bank account and the governing body is then required to spend this money as prescribed by the PHoD (Mestry & Naidoo 2009:108). When government awards section 21 status to a school, it expects the school governing body to be financially accountable in executing the functions allocated to it. The DoBE has to train the governing body members so that they are able to handle the government allocation (RSA 1996b, s 19). With money deposited into the schools' accounts, it is easy for Section 21 schools to procure goods because they manage their own funds.

The advantage of being a Section 21 school is that the school has financial flexibility. The school can negotiate best prices, discounts and delivery dates for additional learning support material directly with the supplier (Hansraj 2007:9). Money not used in the current year is not forfeited, but carried over to the next financial year. However, care should be taken that the school works within the government allocation as failure to comply with this will force such school to supplement the government allocation (Govindasamy 2009:26). For the government, the advantages are that it is not involved as a

major role player. Reparation of the school's infrastructure, procurement of additional learning support materials and maintenance of school's property become the responsibility of Section 21 School, to mention but a few responsibilities. The DoBE has to do less administrative work and consequently, it has fewer costs (Thenga 2012:32).

It is important for schools to establish committees that will implement the policies such as finance, maintenance and procurement policies. These finance-related policies will help governing bodies to use the schools' funds and resources effectively. In terms of section 30(1)(a) of the Schools Act, schools are required to develop finance committees to monitor their finances. The health of a school's finances will thus depend on the expertise of the finance committee members and on how honest and fair they execute their duties (Mestry & Naidoo 2009:109). As the custodians of the school funds, finance committee members are compelled to develop and implement the school's finance policy, to mention but a few financial functions.

Effective financial management requires that schools develop finance-related policies. Policies provide a road map for actions tailored towards meeting specific goals (Ekundayo 2010:189). An appropriate finance policy is essential because it provides a clear guideline on how to use funds and resources. Louw (2013) refers to the finance policy as a document that sets out the regulations, practice and procedures necessary for the prevention of fraud. These policies should cover the procedures for handling school fees, donations, and authorisation for cheque payments, signatories to the bank account, bank overdrafts documentation, recording transactions, and every aspect related to the school's finances (Louw 2013). Schools must draw up a

clear set of rules to regulate the collection of school fees and communicate the rules to the parents. According to Clarke (2007:284), the school's finance policy should provide for:

- internal checks
- clear separation of duties
- safe storage of cash
- banking of money received
- keeping of proper accounting records
- safeguarding documents in support of transactions
- monthly reconciliation of the cash book with the bank statement
- managing and safeguarding assets
- monthly report of income and expenditure at school level
- monthly report of income and expenditure to the circuit office
- quarterly report of income and expenditure to the district office
- the system of authority to approve the various kinds of financial transactions

Effective financial management is important to attain quality education (Chidiebere 2011:123). For schools to attain quality education, money must be available to run the expenses of schools. Funding schools is essential in this regard.

3.4 The importance of effective financial management to quality education

For schools to achieve improved education, all financial decisions, such as planning the schools' finances by budgeting should be made responsibly and with the schools' interest in mind. As Motsamai, Jacobs and De Wet (2011:106) correctly conclude, effective financial management is imperative because it enables the school to achieve better education. The success of any school depends upon the resources available to it. Money is essential because with it, all other vital elements in the school, such as resources and

equipment are acquired and running expenses are covered. Chidiebere (2011:123) is of the view that to create a suitable environment for teaching and learning and produce the materials and equipment for teaching, financial outlay is a necessity

As stated in chapter 1, schools' financial management is the execution of management actions (regulated tasks) connected with the financial aspects of schools and with the sole purpose of achieving effective education by a person authorised to do so (Joubert & Bray 2007:123). Ayeni and Ibukun (2013:41) state that in a bid to translate the educational objectives into reality, school governing bodies must promote public accountability in the use of resources that are provided for quality development of the learners' potentials.

Mismanagement of funds often leads to a shortage of critical resources in schools, as money is not available for the purchasing of necessary equipment. This often results in the unsatisfactory performance of educators and learners (Motsamai *et al.* 2011:106). These scholars give the example of what happened in Lesotho in 2006 where educators and learners of a high school in the district of Qacha's Nek went on strike because of the scarcity of resources. It appeared that learners were given poor quality food and that there was a lack of maintenance of buildings and facilities, such as printing machines because the school's finances were not managed properly. Educators and learners negatively affected effective learning and teaching because of the strike.

Efficient management of school's physical facilities is mandatory to make schools pleasant, safe, and comfortable centres that will increase learners' attendance, motivation and willingness to participate adequately in

curricular and co-curricular activities. Learners learn best when facilities, such as buildings, comfortable seats for learners, equipment, electricity and water supply, are available. Poor maintenance of these facilities is a threat to curriculum delivery and learner academic performance (Chidiebere 2011:123). Dilapidated or poor infrastructure and overcrowded classes often point to public funds that are diverted into the wrong hands (Ayeni & Adelabu 2012:62; Louw 2013). Ayeni and Adelabu (2012:63) indicate that available resources should be directed to the maintenance of learning facilities, and that existing buildings must be maintained and made functional.

Quality schooling is only possible if the finances of schools are managed and controlled well (Motsamai *et al.* 2011:106). Mestry and Naidoo (2009:110) refer to financial control as a process of monitoring activities to determine whether each individual, department and the school are utilising resources effectively and efficiently to accomplish their mission and objectives and, where this is not being achieved, implement corrective measures. Financial control is essential to minimise opportunities for mismanagement, dishonesty and fraud (Clarke 2007:291) and to protect all those who work with the schools' money from charges of financial mismanagement and fraud. It ensures that the schools' money is used for the purpose for which it is intended, that payments are made only to *bona fide* employers and suppliers, and for goods and services received.

3.5 Challenges encountered in fulfilling financial management obligations

There are challenges that governing bodies encounter in fulfilling their financial management obligations. Mestry and Naidoo (2009:113), Moabelo and Uwizeyimana (2013:111), Xaba and Ngubane (2010:140), Ambe and

Badenhorst-Weiss (2012:249), as well as Wildeman and Jogo (2012:249), list the challenges. They include:

- failure to comply with the legislative framework that regulates the management of public school funds
- inadequate financial training of governors
- the low education levels of parent governors
- inadequate financial management skills
- overlapping responsibilities of governing bodies and principals with regard to the management of schools' funds
- adherence to autocratic management styles

The school governing bodies are unfamiliar with the legislative prescripts regulating schools' financial management and this makes them less effective in executing their legal obligations in that regard (Serfontein 2010:99). Mncube (2010:243) found that school governing bodies lack knowledge of the Public Finance Management Act 1 of 1999 (as amended) and Preferential Procurement Policy Framework Act of 2000. Other scholars, such as Ambe and Badenhorst-Weiss (2012:249) and Xaba (2011:209) identified a lack of knowledge of the relevant sections of the Schools Act and various provincial educational Acts, as well as departmental regulations and circulars that hampers school governing bodies from using schools' resources effectively, efficiently, economically and transparently. Xaba (2011:209) notes that interpreting national and provincial policies and translating them into school policies require knowledge and skills, which the governing bodies that participated in his study have not yet acquired.

Financial training can empower governing bodies to understand their financial roles and responsibilities. Section 19 of the Schools Act (RSA 1996b)

makes the provision of initial and continuous training by provincial departments of basic education compulsory. Mncube and Mafora (2013:20) question the training that is provided by government officials. They maintain that training is unlikely to be beneficial if it is not taken seriously by the department and conclude that parent governors are not trained sufficiently to participate in governing bodies.

Tsotetsi *et al.* (2008:391) maintained that it is of concern that all written materials provided by the provinces are available in English only and this has an effect of marginalising many African language speakers. This also inhibits the participation of many black parents in school governance. The provincial departments provide a one-off induction for all governing body components at the same time. Tsotetsi *et al.* (2008:391) state that it is difficult for governing bodies to grasp a great deal of information during the one day that training is offered. They also point out that during training sessions; the government officials do not address areas in which governing bodies lack knowledge and competence. They further maintain that parent governors feel uncomfortable to be trained in front of learner governors because they are unfamiliar with the legislative framework that the facilitators refer to during training.

The term of office for governing body members is too short for members to learn and master the execution of governance functions in a way that engenders continuity (Xaba 2011:210). As per section 31(1)(2) of the Schools Act, the term of membership for parent governors and educator governors is three years and that of learner governors one year. The Schools Act does not require any minimum education level from parent governors to serve on the governing body. The only requirement is that the parent governors must

have children at the specific school where they are governors (RSA 1996b, s 29(2)). This is a huge challenge for the previously disadvantaged schools where most parent governors are unable to execute the financial management of schools' finances effectively due to low education levels (Xaba 2011:209). Mestry and Naidoo (2009:109–110) contend that although the Schools Act envisions democratic governance, the fact that many parents in rural areas are marginally literate defeat this vision, especially if they must participate in the establishment and formulation of finance-related committees and policies respectively. Chidiebere (2011:123) maintains that failure to establish finance-related committees and policies affects the achievement of educational goals and objectives.

The majority of previously disadvantaged schools are no fee schools (Marishane 2013:1) but their governing bodies are required to spend the State allocation as prescribed by the HoD of the provincial government (Mestry & Naidoo 2009:108). They are also required to prepare a budget that will help them to monitor and control income and expenditure as per section 38(1) of the Schools Act. Ndou (2012:39) refers to a budget as a management tool by means of which the management team of the school can estimate and plan, utilise and coordinate, control and evaluate the human and other resources of the school in financial terms.

Preparing a budget, presented a challenge for the governing bodies included in a study conducted by Xaba (2011:203) because these governing bodies lack financial management skills and accountability. Problems of mismanagement of funds or inappropriate fund allocation or not spending the funds effectively may occur when less competent people are responsible for managing the budget (Heystek 2011:462). This scholar notes that school

management teams and school governing bodies do not always consider the level of competence required for effective monitoring of the budget because they lack financial management skills themselves. Heystek (2011:466) indicates that many parents in no fee schools lack financial management skills and that renders them less capable of providing the necessary infrastructure and equipment for high quality education.

Various authors commented that role confusion affects financial management. Serfontein (2010:96) and Heystek (2011:459) alluded to the fact that the delineation of the management and governance functions and duties in the Schools Act is not as clear as intended. There is uncertainty about the exact functions of principals and governing bodies as the Schools Act does not provide enough clarity on their roles pertaining to the financial management of public schools. The uncertainties that ensue as a result may create tension between governance and management structures with regard to a school's finance policy, assets, funds and budget. The absence of clear-cut roles and responsibilities of principals and governing bodies is complicated by a lack of financial management skills. The most important aspect of managing a school's finances is to be clear about who is responsible for what (Clarke 2007:280). Clarke (2007:280) argues that overstepping responsibilities needs to be minimised, because areas of overlap are likely to be areas of conflict. The fact that there is uncertainty about the exact functions of principals and governing bodies might result in principals dominating governing bodies (Mncube & Mafora 2013:21). Botha (2010:263) contends that this was indeed the case in some rural schools, where principals overplay their role.

Bagarette (2011:223) contends that principals of public schools play a dual role, firstly as employees of a PDoBE and secondly as members of the governing body. This places them in a powerful position. In many instances, principals chair the governing body meetings and sub-committees of the governing body including the finance committee (Mncube & Harber 2013:12).

Serfontein (2010:99) asserts that some principals unilaterally take decisions about their schools' finances. Some principals of rural schools take advantage of the low literacy levels of parent governors and draft school policies and draw up budgets themselves without any consultation (Heystek 2011:461). Xaba and Ngubane (2010:147) support this view. They found that the governing bodies that participated in their study drew up budgets to comply with the department regulations and to adhere to departmental submission requirements. They did not really focus on the needs of schools when they budgeted, which increased the possibility of financial mismanagement by principals (Xaba & Ngubane 2010:150). These scholars reveal that at some of the schools where they conducted studies, the principals spent money without consulting the governing bodies and on things that were not budgeted for. Supporting this view is the revelation by Corruption Watch (2015:22) that in 9 out of 10 investigations into allegations of corruption in schools that it conducted during 2014, the main culprits were the principals who utilised school funds to enrich themselves.

The aims of decentralisation of power to school level, namely rational discussion and collective decision-making, have not been attained. Both Xaba (2011:205) and Ndou (2012:36) found that educator governors felt marginalised and unable to make meaningful contributions in matters

relating to their schools' finances because their representation in the school governing bodies forms a numerical minority. According to the DoBE (2014:17), a maximum of three educators serve on the governing body.

Not only are educator members of governing bodies marginalised in the democratic school governance, learner members also encounter the same challenge of marginalisation because of lack of capacity and the fact that they are the youngest members of the governing bodies.

3.6 The implications of limited capacity of learners for democratic school governance

Since 1994, numerous laws (such as the Schools Act) have been passed that expressly recognise and promote the right of children to participate in the making of decisions in homes, schools, community, and government (Murtin 2012:1). The Schools Act makes provision for children's participation in the governance of schools as per section 16 (RSA 1996b).

In South Africa, an electoral model of school governance allows for the limited participation of children as representatives of learners enrolled at secondary schools (RSA 1996b, s 11(1)). Learner Representative Councils should be established at every public school that enrolls learners in grade eight and higher. Some members of this council are elected to serve on governing bodies, thereby providing learners with a legitimate role to play in school governance (Duma 2011:72) and creating the opportunity for learners to be represented and for their voices to be heard. While there has been considerable legislative development recognising the rights of children to participate in decisions that affect them, there is a disjuncture between the intent and the actual implementation and outcomes of the laws in question (Murtin 2012:3).

Mabovula (2009:228), Mbunyuza-de Heer Menlah (2013:74), Moses (2008:333–334), Mncube and Harber (2013:4) and Pendlebury (2010:43) indicate that as members of the school governing bodies, learner representatives are also required to participate actively in the execution of the school governing body's financial functions. Unfortunately, learner members are not provided the opportunity and guidance they need to make a meaningful contribution in this regard. Their capacity to be part of a governing body and to have their views heard is often constrained.

Not all children participate in decisions that affect them. The Schools Act does not make provision for the Learner Representative Council to be established at classes lower than grade eight. Learners in these grades do not have a structure through which they can voice their views.

Moses (2008:330) argues that meaningful representation of learners on governing bodies presents a challenge. Even when enabling conditions for meaningful representation are present, representation remains a limited and exclusive form of participation. Logically, learners are the youngest members of governing bodies. The way in which childhood is conceptualised in South Africa has an impact on the way in which power functions in adult-child interactions (Moses 2008:331). This scholar argues that this impact closes the spaces that are opened up for children to participate in public decision making such as having opportunities to articulate their opinions and to have their input and opinions taken seriously.

Power relations coupled with misconceptions about children's capacities result in adult governors not affording learners the opportunity to participate in making crucial decisions (Murtin 2012:3). This scholar contends that adult governors believe that the traditional African culture

does not allow them to have discussions with children. Black South African children are brought up to believe that they should remain silent in the presence of an adult. Hence, the child may be hesitant to speak, while the adult is uncomfortable with a child who expresses an opinion (Mncube & Harber 2013:19). Chemutai and Chumba (2014:581) maintain that when adults think of learners, they think of them as potential beneficiaries of change. They rarely think of them as participants in the process of school change and organisational life. Adults assume that they know what children want and need.

It is a challenge to adult governing body members to accept learner representatives as equal partners who are competent to contribute to decisions and joint action, but who may need additional time, resources and information to enable them to participate meaningfully (Pendlebury 2010:47). Power relations coupled with misconceptions about children's capacities result in adult governors of governing bodies not holding learner members' suggestions in high esteem, seeing them as not having the necessary knowledge and skills to make meaningful contributions (Moses 2008:334). Consequently, decisions relating to the governance of schools are taken without any form of consensus, which Serfontein (2010:96) describes as a key principle of democratic school governance. Democratic school governance requires that decisions should be based on consultation, collaboration, cooperation, partnership, mutual trust and participation of all affected parties.

Learners are faced with barriers that undermine their abilities and hinder meaningful learner participation, such as little evidence of democratic participation and engagement in the structure of school governance, and the

lack of communication among school governors (Mabovula 2009:230). These deep structural issues affect the functioning of school governing bodies and consequently the participation of learners in these settings (Rapcan 2014) and, of course financial management.

The Schools Act, which portrays a sketchy conception of participatory democracy, intensifies the problem of learner participation (Serfontein 2010:96). Limited and exclusive form of participation influence learners' participation in the governance of schools negatively. Learner governors improve the functioning of the school and promote democratic values (Phaswana 2010:105). Participation teaches children skills such as knowing how to contribute ideas, listen to others and synthesise new information. Witt and Associates (2011:3) are convinced that these skills are valuable for schools and future employment. However, Pendlebury (2010:45) explains that learners' tenure in office does not give them the necessary experience to achieve these skills, as they may not be in office for more than one year. Xaba (2011:209), Heystek (2011:484), Mncube (2009:38), Mncube and Mafora (2013:19) are convinced that the three-year-term for other school governors is still not enough to learn and master the execution of the complex responsibility of managing schools' finances. Learners' short tenure has a negative impact on their contribution to financial management because there is no continuity in their membership of governing bodies. This gives them very little time to become familiar with the proceedings to take an active and confident role in school governance.

While the Schools Act encourages learner governors to participate in democratic school governance, it puts some restrictions on the role that minor governors may play on the governing body. For example, minors may

not contract on behalf of the public school; minors may not vote on resolutions of a governing body, which impose liabilities on third parties or on the school; and minors incur no personal liability for any consequences of their membership of the governing body (RSA 1996b, s 32). Although there are legitimate reasons for these restrictions, Pendlebury (2010:45) points out that sometimes this section of the Schools Act is misused to exclude learners from deliberations on the issues of finances that adult members consider sensitive.

The implication of section 32 of the Schools Act is that minor governors of the governing body have limited legal capacity to act. This section protects minor governors from their inability to make mature judgements (Bray 2009:473). Learners require the consent or assistance of their parent or guardian to participate in legal transactions (Schäfer 2011:13). The assistance of the parent or guardian has to make good their lack of experience that might result in an inability to assess a particular situation (Boezaart 2009:24).

Even though learner governors are minors with limited legal capacity, they have the right to at least, voice their opinions on financial matters. Schools have the obligation to promote the democratic rights of learners and assist them to participate fruitfully in deciding matters that affect them (Mbunyuza-de Heer Menlah 2013:80). Empowering learners contributes to effective school governance (Duma 2011:73). Mncube and Harber (2013:3) contend that schools should create opportunity, attendance and engagement prospects to capacitate learners to be active participants in school governance.

Pendlebury (2010:45) attests that participation in collective decision-making and joint action can enhance learners' capacities and provide opportunities for them to develop social competence and shared responsibilities. This can contribute to an improved functioning of the school, as noted by Mncube and Harber (2013:7). These scholars aver that involving learners in financial matters assists in the functioning of the school to become more transparent. They explain that if learners at school are aware of resources, and how these resources are used, they are likely to have fewer problems as far as financial issues are concerned. They maintain that a lack of transparency in the schools' finances is likely to provoke learners to cause unrest and boycotts, which may result in vandalism and theft of school property.

3.7 Conclusion

The governing body has an important role to play in overseeing the financial management of the school's funds and any other money paid into the school's bank account. The governing body must utilise these funds prudently and effectively to provide the necessary infrastructure and equipment for high quality education. However, there are reservations about governors' abilities to manage the large amount of money that they receive. Among the contributory factors are a lack of capacity of governors to execute their financial obligations, which include planning, reviewing, controlling, reporting and approving the school's budget that meet the school's goals and objectives. This factor motivated me to explore financial documents, conduct interviews and focus groups and to request participants to answer a qualitative questionnaire in selected public secondary schools of Maleboho Central Circuit to determine the extent to which the governing body members execute their legal obligations with regard to the financial management of their schools.

In chapter 4, I address the methodological techniques that I employed to conduct the study in more detail.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

In chapter 4, I present my study's research design and methodology.

4.2 Methodological account

In chapter 1, I introduced the research design and methodology of my study and provided reasons for choosing the research approach and the, data collection instruments, which included a literature study, document analysis, semi-structured interviews, focus groups, and a qualitative questionnaire. I also indicated how I intended to analyse the data by means of content analysis and the data interpretation methods, which I viewed as most appropriate for this specific case study.

4.2.1 Research approach

A qualitative research approach was selected to answer the study's research questions and to address the research problem, because of its suitability to investigate social issues and to gain an in-depth understanding of a phenomenon as it occurs in the natural setting (Hyett, Kenny & Dickson-Swift 2014:2). Bouma *et al.* (2012:133) state that the main objective in qualitative research is to understand and interpret the meanings that underlie human behaviour or action. This means the researcher studies people in their natural settings to identify how their experiences and behaviour are shaped by the context of their lives, such as the social, economic, cultural or physical context in which they live (Hennink *et al.* 2011:9).

Conducting a qualitative study enabled me to investigate the phenomenon

of schools' financial management and to understand this phenomenon from the perspectives of the principals, deputy principals and school governing body members. In qualitative research, the goal is to understand the situation under investigation primarily from the participants' and not the researcher's perspective (Hancock & Algozzine 2011:9).

I visited two public secondary schools in Maleboho Central Circuit to explore the phenomenon which is schools' financial management using a purposive homogenous sample of the principals, deputy principals and school governing body members who are responsible for the financial management of schools. By conducting an in-depth case study of these schools, I learnt more about the setting and the feelings, behaviour and thoughts of the participants. I established a trust relationship with the participants and kept in touch with them before doing fieldwork. That trust put me in a better position to know, describe and understand whether the school governing bodies are effective or not in executing the financial management functions in their schools. I also examined the financial documents of these schools whereby I observed the situation in the real setting because the documents gave evidence of the financial management in practice. This helped me to compare what the participants claim to be doing in practice with what was evident from the financial documents.

Because two schools participated in this case study, I chose a research design that enabled me to test and confirm the findings across the two cases.

4.2.2 Research design

I used a multiple case study design. A multiple case study enables a researcher to conduct an in-depth analysis of participants' thoughts,

behaviour, actions and feelings (Hammersley 2012:398). It enables the researcher to examine different aspects in relation to each other. It also allows for comparison and contrast between the cases as well as looking deeper at each case (Meyer 2001:333; Rule & John 2011:21). The multiple case study design allows testing and confirming findings across cases, which strengthen research findings (Vissak 2010:374). Because I wanted to understand the weaknesses and failures of the governing bodies in executing their legal obligations with regard to financial management in two schools without aggregating the results to all the schools in Malehobo Central Circuit, a multiple case study design was thus most suitable to my study.

The governing bodies and deputy principals of two secondary schools were sampled from Malehobo Central Circuit to participate in this study. These people are legally bound to manage the finances in public schools.

4.2.3 Population and sampling

As mentioned in chapter 1, I opted for purposive sampling because qualitative research requires participants that are information rich. The sample that was the best suited to help me understand the phenomenon of schools' financial management is the governing bodies. This sample was chosen from the population that is constituted by all stakeholders (educators, learners and learner parents) of selected schools.

The sample size was limited to two schools. Because the sample is small, all school governing body members from these schools, including principals and deputy principals (thirty-two participants) formed the sample. One principal, one deputy principal and one chair of the governing body from each school were interviewed individually. Six learner governors from two schools participated in one focus group. Eight parent governors from each school

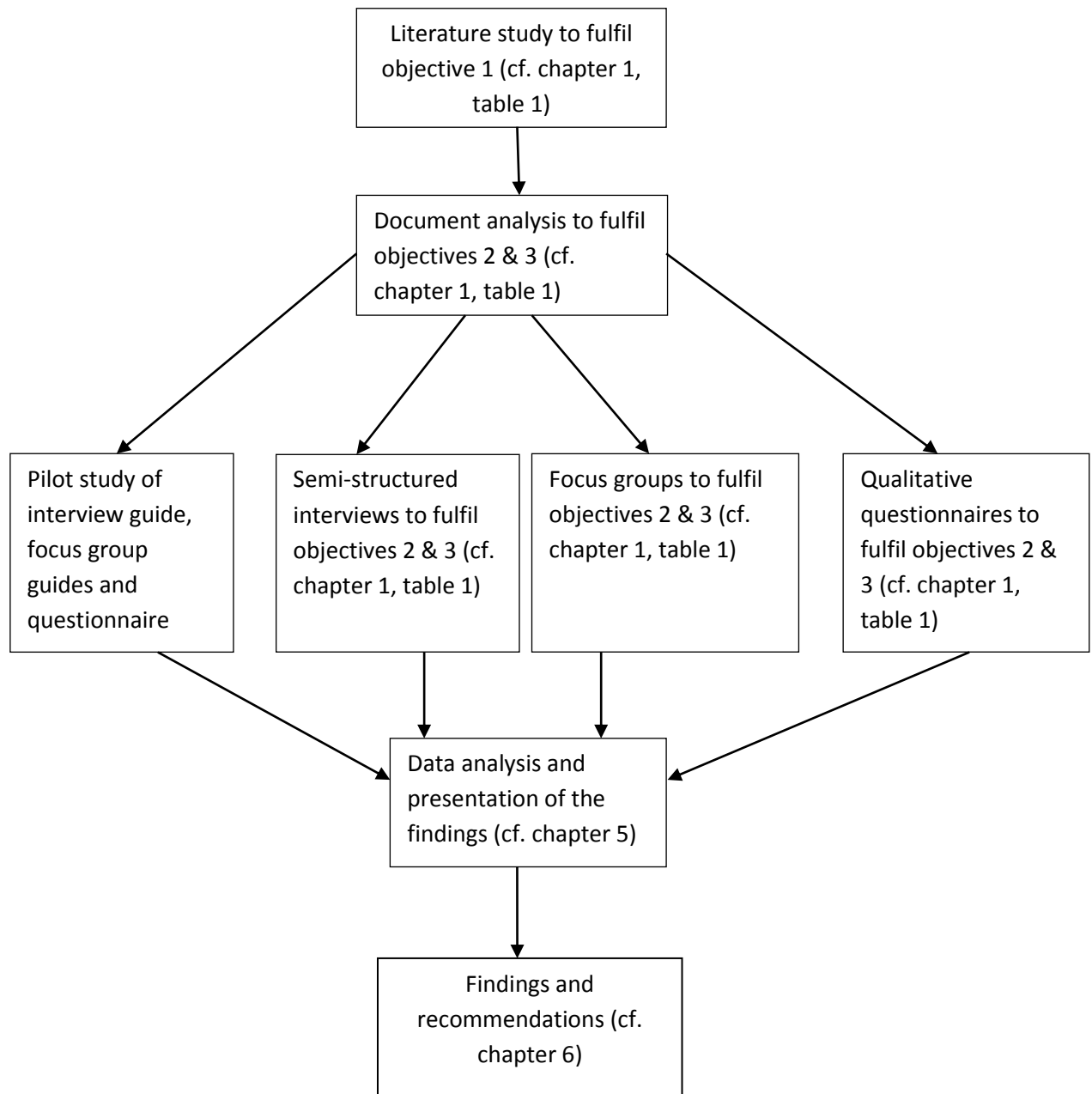
participated in separate focus groups. These parent governors included the treasures, which are key data sources. Six educator governors from two schools answered a qualitative questionnaire. This means I had six individual semi-structured interviews, one combined focus group for learner governors of both schools, two separate focus groups for parent governors, and six educator governors who answered a qualitative questionnaire.

4.2.4. Data collection

Data collection started with the first phase, namely a literature study to establish the legal prescripts that guide the financial management of public schools. The second phase was a document analysis to evaluate whether the selected schools' governing bodies fulfil their legal obligations with regard to their schools' financial management. I used the prescribed law and policy that regulate the financial management of public schools to guide this analysis. The third phase of the data collection was interviewing the principals. The interviews allowed me to identify and determine how the principals approach the financial management of their schools. The interviews were followed by two focus groups after which I distributed the questionnaire to educator governors. Both focus groups and the qualitative questionnaire enabled me to:

- establish whether the role and responsibilities that the members of the governing bodies are executing with regard to management of the schools' finances are aligned with the prescribed law and policy
- ascertain principals' effectiveness with regard to the financial management of their schools.

Figure 1: Flow diagram of data collection order



4.2.4.1 Literature study

The purpose of the literature study was not to analyse but to study the law and policy documents in order to identify firstly, the laws and policies that regulate school financial management and secondly, the school governing

bodies' and principals' obligations in relation to the management of schools' finances. I used the scholarship from the literature study together with the data I collected during the fieldwork and then analysed it to formulate the findings, to draw conclusions and to make recommendations on the management of schools' finances of selected schools in Maleboho Central Circuit.

The following Acts and policies contain the legal requirements for financial management in South African public schools: the Constitution, the Schools Act, the Public Finance Management Act, the Preferential Procurement Policy Framework Act, the PAM, and the Policy on the South African Standard for Principalship, the Limpopo Prescripts and the NNSF (cf. chapter 2). I studied these Acts and policies first because I wanted to establish the legal prescripts so that I could use that to check whether the financial documents and what the participants claim to be doing are aligned with the prescribed laws and policies.

4.2.4.2 Document analysis

Document analysis is a form of qualitative analysis that requires researchers to locate, interpret, analyse and draw conclusions about the evidence presented (Fitzgerald 2012:298). Rule and John (2011:67) argue that the documents of a case will usually include a variety of documents such as reports, newsletters, minutes and correspondence.

In this study, I analysed the financial documents of the selected public secondary schools in Maleboho Central Circuit. They included the monthly financial reports, quarterly financial reports, audited financial report, school budget, finance policy, stock/asset register, income and expenditure register, procurement committee lists, finance committee lists, maintenance

committee member lists, school governing body member list, invitations to attend governing body meetings, minute books that contained agendas, attendance, apologies and minutes of the governing body meetings.

Through the analysis of financial documents, I managed to obtain an integral perspective of the operation and organisation of these schools, and I was able to check whether there was evidence of failure of the governing bodies in managing the schools' finances and the possible reasons for such failure. Document analysis assisted me to evaluate the schools' financial documents and determine whether they are aligned with the prescribed legislative framework that regulates the management of public schools' finances.

Some of the criteria I used when I analysed the financial documents were to check:

- the purpose of the document
- the compliance of the document to legal prescripts regulating financial management
- the relevance of the document to school's financial management
- whether the document contains the information about the assets of the school, and
- whether the document was adopted by the people who were supposed to adopt it

4.2.4.3 Data collection instruments

The following sub-sections deal with the development, piloting and implementation of the data collection instruments, such as interview guides, focus group guides and a qualitative questionnaire.

4.2.4.3a Pilot study

I piloted the interview guides with the deputy principal and chair of a non-participating school. I requested the participants in the pilot study to answer the questions in English. However, I discovered that some of them struggled to convey their views in English. When they could not express themselves in English, I allowed them to use their home language, *Sepedi*.

I used the same school to pilot the focus group guide with parent and learner governors during which the severity of the language barrier was brought to the fore. I solved this problem by reading the question to the participants first in English, after which I translated it into their home language, *Sepedi* and allowed them to respond in their home language, *Sepedi*. I followed the same route during the main study.

Educator governors were used to pilot the qualitative questionnaire. One question included in all the data collection instruments (question 8 in the focus group guide for parent governors, questions 10 and 15 in the interview guide for deputy principals and principals and question 14 in the questionnaire for educator governors) presented problems and was reformulated. The first part of question 8 in the focus group guide for parent governors, which read “who are the signatories...” was rephrased. Instead of giving me school governing body components, parent governors mentioned names of people. This part was rephrased to read: “from which school governing body components (principal, educators, parents, learners) ...” I then changed the same question (10) for deputy principals, (14) for educator governors and (15) for principals even though I did not encounter the same problem in these instances. The participants did not encounter problems with other questions.

The pilot study revealed a low education level among the parent governors and showed that learner governors struggle to understand some of the English concepts, as they are young and still at secondary schools and use English as First Additional Language. The pilot study also revealed that the issue of finance is sensitive, as all the participants were hesitant to talk about it. I thus had to be patient and probe the participants when they were not forthcoming with answers during formal fieldwork.

4.2.4.3b Interviews

Interviewing has long been the most popular method in qualitative research and it is often used in case studies. Interviewing gives an opportunity to get to know people and how they think and feel (Hancock & Algozzine 2011:44). Johnson and Christensen (2008:178) refer to interviews as a two-way conversation in which the interviewer asks participants questions to collect data and to learn about the ideas, beliefs, views, opinions and behaviour of the participants. In this study, I conducted individual, semi-structured interviews with the principals, deputy principals and chairs of the governing bodies to determine whether what they claim to be doing is aligned with prescribed law and policy.

Individual, semi-structured interviews allow the researcher to ask predetermined but flexible worded questions, the answers to which provide tentative answers to the research question (Ary *et al.* 2002:27). In addition to posing predetermined questions, researchers using semi-structured interviews ask follow-up questions designed to probe more deeply into issues of interest to participants (Hancock & Algozzine 2011:45). I used probing to obtain additional information. In this manner individual, semi-structured interviews enabled me to see the world through the eyes of the

participants, and to understand their life experiences or situations as expressed in their own words.

Interviewing is an appropriate data collection method to determine participants' feelings, thoughts and intentions that are not directly observable (Ary *et al.* 2002:434). I could not observe how school governing bodies organised the words and meanings they attach to what goes on in the world unless I asked them questions about those things. It also helped me to obtain rich data that enabled me to understand the participants' construction of knowledge and reality.

The most important consideration in selecting participants is to identify those persons in the research settings who have the best information with which to address the study's research question (Hancock & Algozzine 2011:45). I therefore interviewed two principals, two deputy principals, and two chairs of the governing bodies to understand their perspectives on and experience of the manner in which they manage their schools' finances. Interviews were recorded, transcribed and coded, and responses were reported verbatim.

Prior to the interviews, I notified the participants to check whether they were available for the interviews. To strengthen my relationship with the participants in order to build trust, I kept in touch with the participants until the day of the interviews. Participants were at liberty to choose an interview place that was conducive to them. I interviewed the principals and deputy principals at their schools' premises after 15h00 and chairs of the governing bodies in their homes. Before the interviews commenced, I compiled the biographical information of the interviewees. The biographical information assisted me to check gender equity in the governing bodies; and whether

the qualifications of school governing body members are appropriate for the management of finances. Each interview took approximately one hour. I used a voice recorder and a notebook to capture the data.

I used the following interview guide for the individual, semi-structured interviews with principals (*Appendix H*)

Principals' perspectives on their legal obligations

1. What does being a Section 21 school mean for the financial management of the school?
2. Which laws and policies regulate the way in which the finances of Section 21 schools should be managed?
3. What would you say are the legal obligations of principals with regard to the financial management of the school?
4. What would you say is the governing body's role and functions in the school's financial management?
5. How do you distinguish between your legal obligations as a member of the governing body on the one hand and as a representative of the provincial HoD on the other hand?

How principals manage finances in fulfilment of their legal obligations

6. What measures do you take to ensure transparency in terms of the school's financial status?
7. What measures do you take to ensure that your school does not encounter the problem of over expenditure?
8. What information or reports with regard to the school's financial management are you required submitting to the department?
9. Do you submit this information and reports as required?

10. Who is responsible for drawing up a budget and what is your role in this regard?
11. To what extent does the budget reflect the school's goals and objectives?
12. How are goods purchased at your school?
13. How do you ensure that financial records are kept and maintained?
14. How many bank accounts does the school have, and what is the purpose of this/these account/s?
15. From which school governing body components (principal, educators, parents and learners) were signatories to the school's bank account appointed?
16. What criteria are used to appoint a signatory?
17. What steps are followed when paying for goods delivered and services rendered to the school?
18. Which policies and committees were developed at school level to assist in the management of the school's finances?
19. How are the parents informed of the school's expenditure?

Challenges with regard to financial management

20. Explain any aspects of the school's financial management that in your opinion, are not done in line with the legal prescripts?
21. What impact do the education levels of parent governors have on the management of the school's finances?
22. In terms of the literature, some schools regard the prescribed composition of governing bodies as problematic. In this regard:
 - 22.1 How does the fact that the parent governors must be in the majority affect the financial decisions taken by the governing body?

22.2 What role, if any, are learner governors allowed to play when the governing body considers financial matters?

22.3 Explain any instance where a power struggle developed between you and the chair of the governing body with regard to a financial matter.

23. How would you describe the role that the deputy principal plays in the financial management of the school?

24. Explain any corruptive practices that you are aware of in relation to the school's finances.

25. Are there any other challenges that you encounter in fulfilling your financial management functions, and how are these challenges addressed?

I used the following interview guide for the individual, semi-structured interviews with the deputy principal (*Appendix 1*)

Deputy principals' perspectives on their legal obligations

1. What are the roles and legal obligations of deputy principals with regard to the school's finances?

2. To what extent are you involved in the school's financial decisions?

3. How can one distinguish between the legal obligations of the governing body and that of the deputy principal?

Current financial management practices

4. In your opinion, does the principal manage the school's finances well?

5. Is there anything that you would do differently to improve the manner in which the school's finances are managed?

6. What measures are in place to ensure that the school does not overspend?

7. To what extent does the budget reflect the school's goals and objectives?

8. What does the principal do to ensure that financial records are kept and maintained?
9. How many bank accounts does the school have, and what is the purpose of this/these account/s?
10. From which school governing body components (principal, educators, parents and learners) are signatories to the schools' bank account appointed and which criteria are used to appoint them?
11. What steps are followed when paying for goods delivered and services rendered to the school?
12. Which policies and committees were developed at school level to assist in the management of the school's finances?
13. How are the parents informed of the school's expenditure?
14. What in your opinion is the role of the principal in the financial management of the school?

Challenges with regard to financial management

15. Explain any aspects of the school's financial management that in your opinion, are not done in line with the legal prescripts?
16. What impact does the education level of parent governors have on the management of the school's finances?
17. In terms of the literature, some schools regard the prescribed composition of governing bodies as problematic. In this regard:
 - 17.1 How does the fact that the parent governors must be in the majority affect the financial decisions taken by the governing body?
 - 17.2 What role, if any, are learner governors allowed to play when the governing body considers financial matters?
 - 17.3 Has a power struggle ever developed between you and the chair of the governing body with regard to a financial matter?

18. Are you aware of any corruptive practices in relation to the school's finances?

19. Are there any other challenges that you encounter in fulfilling your financial management functions, and how are these challenges addressed?

I used the following interview guide for the individual, semi-structured interviews with the chair of the governing body (*Appendix X*)

Governing bodies' legal obligations with regard to financial management

1. Please, comment on the value of the training that you have received in relation to the school's financial management. What suggestions would you make to improve the training?

2. Of which departmental law in respect of financial matters of the school did the principal inform the governing body and how?

3. Can you give me an example where the principal has advised the governing body on financial implications of a decision that the governing body made?

4. What problems do the parent governors experience with regard to the interpretation of relevant provisions of the Schools Act and other departmental circulars?

5. Which goods and services are purchased and rendered using the State allocation?

6. How are the income and expenditure reported to parents?

7. Which policies and committees does your school have to assist in the management of the school's finances?

8. Why is it important for the school to have a finance policy?

9. Can you mention a few items that one may find in the stock register?

Challenges with regard to financial management

10. Explain any aspects of the school's financial management that in your opinion, are not done in line with the legal prescripts?

11. What impact do the education levels of parent governors have on the management of the school's finances?

12. To what extent are you confident that the principal performs the financial management tasks according to the regulations as laid down by the government?

13. In terms of the literature, some schools regard the prescribed composition of governing bodies as problematic. In this regard:

13.1 How does the fact that the parent governors must be in the majority affect the financial decisions taken by the governing body?

13.2 What role, if any, are learner governors allowed to play when the governing body considers financial matters?

13.3 Has a power struggle ever developed between you and the principal with regard to a financial matter?

14. How would you describe the role the deputy principal plays in the financial management of the school?

15. Are you aware of any corruptive practices in relation to the school's finances?

16. Are there any other challenges that you encounter in fulfilling your financial management functions, and how are these challenges addressed?

4.2.4.3c Focus groups

Johnson and Christensen (2008:209) refer to focus groups as a type of group "interview" in which the researcher leads a discussion with a small group of individuals to examine in detail how they think and feel about the topic. Focus groups create a social or group environment, which increases the

quality and richness of data. During focus groups, one participant may raise an issue, which another participant may challenge. This may lead to the other participant attempting to justify the issue, to provide examples or elaborate his or her point and in the process providing rich data (Hennink *et al.* 2011:136).

In this study, sixteen parent members and six learner members of school governing bodies from two public secondary schools in Maleboho Central Circuit participated in this discussion to express themselves on how they think and feel about the way in which they manage the finances in their respective schools. Eight parent members of each school participated in two separate focus groups. Six learner members from two schools formed one focus group for learner governors.

Due to the nature of focus groups, I could not guarantee complete confidentiality. To ensure confidentiality as best as I could under the circumstances, participants were required to sign a confidentiality disclaimer (Appendix V). The disclaimer prohibits participants from identifying other participants to non-participants and from discussing what they have revealed during the focus groups to anybody else.

Prior to the focus group discussions, I phoned the participants to verify whether they were available for the focus group discussions. I kept in touch with the participants until the day of the focus group discussions. One-hour focus group discussions were conducted after 15h00 at the school where I teach. I reimbursed the participants' travelling costs. Before I commenced with the focus group discussions, I compiled the biographical information of the participants. Biographical information of participants assisted me to check which gender dominates the parents and learner governors, verify the

education levels of the parent members and determine whether all the participants took part in the focus groups or not. During the discussions, I used a voice recorder and a notebook to capture data.

I used the following focus group guide for the focus groups with the parent governors (*Appendix W*)

Governing bodies' legal obligations with regard to financial management

1. How are parents informed of the school's finances?
2. Which policies and committees were developed at school level to assist in the management of the school's finances?
3. Which departmental circulars and policies does the school have to assist in the management of the school's finances?
4. Please, comment on the value of the training that you have received in relation to the school's financial management.
5. What suggestions would you make to improve the financial training that you received?

How the governing body fulfils its obligation with regard to management of school finances

6. Who is responsible for the appointment of a finance officer, and what is your role in this appointment?
7. How is the budget drawn up at your school?
8. From which school governing body components (principal, educators, parents and learners) were signatories to the school's bank account appointed and which criteria were used to appoint them?
9. If there are some goods that the school needs to purchase, what processes are followed before these goods are purchased?

10. Upon delivery of goods, what needs to be done to verify that the order complies with the purchased goods?
11. What does the governing body members do to prevent theft or misuse of the school's assets?
12. Which committee is responsible for keeping the school infrastructure in a good condition?
13. Who is responsible for presenting the budget at the annual general meeting of the parents?

Challenges with regard to financial management

14. What problems do you experience with regard to the interpretation of relevant provisions of the Schools Act and other departmental circulars?
15. What problems does the governing body experience when trying to fulfil its obligations in relation to the school's financial management?
16. What impact does the education level of parent governors have on the management of the school's finances?
17. In terms of the literature, some schools regard the prescribed composition of governing bodies as problematic. In this regard, how does the fact that the parent governors must be in the majority affect the financial decisions taken by the governing body?
18. What challenges are you facing with regard to the financial management of the school's finances and what does the school do to address these challenges?

I used the following focus group guide for the focus group with the learner governors (*Appendix Q*)

Governing bodies' legal obligations with regard to financial management

1. How often are you invited to governing body meetings that deal with the

school's finances?

2. If you are invited to school governing body meetings that deal with the school's finances, what contribution do you make?

3. What measures do you take to ensure that 60% of the school's finances are used for the curriculum?

5. Can you think of an instance where your opinion on financial matters was listened to and considered?

How the governing bodies fulfil their obligations with regard to the management of school finances

6. What contribution did you make to the drawing up of the budget?

7. Comment on whether you are informed when goods are purchased at your schools.

8. To what extent were you involved in the establishment of policies and committees that were established at your schools to assist in the management of school's finances?

Challenges with regard to financial management

9. Your term of office in the governing body may not exceed one year. How does this impact on learners' execution of financial obligations?

10. What do you do to ensure that the school's finances result in effective teaching and learning at your school?

11. What impact does the education level of parent governors have on the management of the school's finances?

12. In terms of the literature, some schools regard the prescribed composition of governing bodies as problematic. In this regard:

12.1 How does the fact that the parent governors must be in the majority affect the financial decisions taken by the governing body?

12.2 What role, if any, are learner governors allowed to play when the governing body considers financial matters?

4.2.4.3d Qualitative questionnaires

A questionnaire is a tool that is used to obtain self-report information from the participants about their understanding, beliefs, conceptions and attitudes (Harris & Brown 2010:2). A questionnaire with twenty-two questions was administered to educator governors of the sampled schools. The questionnaire consisted of four parts: demographic information, governing bodies' legal obligations with regard to financial management, how the governing bodies fulfil their legal obligations with regard to the management of the schools' finances and challenges with regard to financial management. The questions were open-ended to allow the participants to express their views freely. McMillan and Schumacher (2010:195) contend that a questionnaire can consist of statements or questions, but in all the cases, the participants have to respond to something written for specific purposes.

Using a questionnaire to collect data has strengths and weaknesses. A questionnaire is relatively economical, has the same questions for all subjects and can ensure anonymity (McMillan & Schumacher 2010:196). This means the participants are free to express themselves without anyone linking their responses to them. The weakness of the questionnaire is that the researcher does not have an opportunity to probe particular responses further (Rule & John 2011:66). These scholars argue that a careful construction of a set of clear, unambiguous questions can overcome this weakness. To ensure this, I paid careful attention to the formulation of the questionnaire questions and piloted the questionnaire.

Six educator governors from two schools participated in this study. Conducting individual interviews with them would have been time consuming. Requesting them to participate in a focus group would also have been a challenge. They reside far from each other that would have made finding a suitable venue and arranging focus groups outside school hours very difficult. Using a questionnaire was more appropriate as they could answer the questions in their own time.

I contacted the participants to introduce myself, explained the study and why it was being conducted, revealed why the person was selected for the study and the intended use of the results. Participants were assured that no harm would come to them because of their participation and that they have the right to anonymity.

The following qualitative questionnaire was administered for educator governors (Appendix L)

As I explained in the letter requesting participation and consent, the purpose of this study is to evaluate the extent to which the governing body members execute their legal obligations with regard to the financial management of public schools. The information you give will be kept anonymous. I will be the only person able to identify the source of the information. Please answer all the questions to the best of your knowledge. Let me know if you have completed the questionnaire so that I can arrange to collect it.

To ensure anonymity, you are requested not to write your name or the school's name on the questionnaire.

Demographic information

Please fill in your gender and qualifications in the space provided

1. Gender _____
2. Diploma _____
3. Degree _____
4. Senior degree _____
5. Degree in financial management _____

Governing bodies' legal obligations with regard to financial management

6. How often are you invited to the governing body meetings that deal with finances?
7. What efforts do you make to ensure that the school complies with the departmental policies when authorising the school's finances?
8. What financial plans and inputs do educator governors bring to the school governing body?

How the governing bodies fulfil their legal obligations with regard to the management of the school's finances

9. What role do you play to ensure that the budget addresses the school, staff and curricular needs of your school?
10. What tool serves as a control measure to monitor current expenditure against projections?
11. When does the budget become binding?
12. How are you informed of the school's current financial position?
13. What do you do if you are unhappy with the state of infrastructure at your school?
14. From which school's governing body components (principal, educators, parents and learners) were signatories to the schools' bank account appointed and on which education levels were they appointed?

15. Comment on the contributions that you have made in the development of policies and committees that assist in the management of the school's finances.

Challenges with regard to financial management

16. In your view, what effect does the prescribed composition of governing bodies have on the financial management of the school?

17. How does a shortage of learning support material impact on effective teaching and learning and how do you address this problem?

18. How does the number of educators on the governing body affect the decisions on financial matters at your school?

19. Comment on whether there are any aspects of the school's financial management that in your opinion, are not done in line with the legal prescripts.

20. Comment on any instance where you were listened to or not listened to when proposing that the schools governing body performs the financial management tasks according to the regulations as laid down by the government.

21. Why do you think the South African Schools Act 84 of 1996 places more responsibilities on parents' involvement in managing the school's finances?

22. Which challenges are you facing with regard to the financial management of the school's finances?

Data collected was analysed using a content analysis method.

4.2.5 Data analysis

Johnson and Christensen (2008:531) refer to data analysis as the process of sorting data to ensure its accuracy. The process entails summarising and ordering the data by identifying themes, concepts, propositions, and

theories. The process can be broken down into three interrelated tasks of organising information and identifying patterns, developing ideas and drawing and verifying conclusions (Singleton & Straits 2010:385). In qualitative studies, this process begins with the data collection and continues during data collection and beyond. I followed the stages of data analysis as identified by Briggs *et al.* (2012:385). They are defining and identifying data, data entry and storage, data reduction and sampling, structuring and coding of data, identifying relationships among categories and developing a report. These stages are discussed below.

- Defining and identifying data: The researcher makes a justifiable choice about what data to include and what to leave out, that is weighing up the value of data and deciding whether or not they are likely to count in the research (Briggs *et al.* 2012:386).
- Data entry and storage: Collected data is now transcribed into a typed text that is transferring data from a less usable to a more usable form. After data is transcribed, the original data is kept safe (Briggs *et al.* 2012:388–389).
- Data reduction and sampling: Not all data that were collected will be included in the final report. The intended purpose of the project determines which data is left out and which should be included in the final report (Briggs *et al.* 2012:390).
- Structuring and coding of data: Hennink *et al.* (2011:216) refer to codes as topics discussed by participants and identified through reading data. These topics are divided into meaningful segments, which are labelled with category names to identify those segments for further use. (Briggs *et al.* 2012:391). Hennink *et al.* (2011:217) add that another purpose of identifying codes is to allow the researcher to

identify the range of issues raised in the data, and to understand the meaning participants attach to these issues.

- Identifying relationships among categories: I identified relationships among categories with the aim of understanding the links between various aspects of peoples' situations, beliefs and actions. Among the techniques that can be used to identify these relationships is data triangulation. Researchers use triangulation to compare different sources, situations and methods to see whether the same pattern recurs (McMillan & Schumacher 2010:378).
- Developing a report: During this stage, the researcher drafts the final report (Briggs *et al.* 2012:394).

I used content analysis to analyse the data.

4.2.5.1 Content analysis

Content analysis is a carefully detailed systematic examination of a particular body of material in an effort to identify patterns, themes, biases, and meanings (Berg 2009:338). After I examined the documents, I distilled themes from the data, which I then revised several times as informed by Bryman (2012:559). Content analysis allows a researcher to be systematic and analytic but not rigid (Berg 2009:559).

In qualitative research, words or phrases are analysed rather than counted (Hennink *et al.* 2011:286–287). Rather than focusing on the number of participants who mentioned phrases as informed by Berg (2009:234) and Hennink *et al.* (2011:286–287), I analysed phrases and described the detail and context of the information or explained why it was problematic for participants. Instead of counting the frequency or distribution of phrases, I focused on the range of phrases raised by the participants, identifying

categories of phrases or identifying patterns. After reading through the raw data, I labelled all data segments, categories, and themes through coding.

Sutton and Austin (2015:228) refer to coding as the identification of topics, issues, similarities and differences that are revealed through participants' narratives and interpreted by the researcher. This process enables the researcher to begin to understand the world from each participant's perspective. Sutton and Austin (2015:228) mention two methods of coding, namely: by hand or using qualitative research software. In this study, I personally coded data and implemented an inductive approach during which more general themes and conclusions emerged from the data rather than being imposed prior to data collection. Elo, Kääriäinen, Kanste, Pölkki, Utriainen and Kyngäs (2014:2) refer to inductive data analysis as the process through which qualitative researchers synthesise and make meaning from the data, starting with specific data and ending with categories and patterns or themes. I started coding data by highlighting and naming sections of raw data in a hard copy of transcript in order to establish segments. Segments that contained similar information were given one code. Similar codes were then grouped together to form categories. A single category was used to give meaning to codes that were combined. From the categories developed themes that were used as attributes, descriptors, elements and concepts. Themes are the main products of data analysis that produce results in the field of study (Vaismoradi, Jones, Turunen & Snelgrove 2016:101). These themes were presented, analysed and interpreted in chapter 5 (cf. chapter 5 sections 5.3.1-5.4.2.9). To establish confidence in the truth of the findings, I used four criteria of trustworthiness: which are credibility, transferability, dependability and conformability (See section 4.3 below).

Research sites were given pseudonyms; for example, School A and School B. Learner governors were requested and reminded to mention the pseudonym of their school first when answering questions because they participated in one focus group. This was done to differentiate their responses.

I used the following pseudonyms for participants from School A:

Principal	PR1
Deputy Principal	DE1
Chair	CH1
Parent governors	PA1
Educator governors	ED1
Learner governors	LE1

I used the following pseudonyms for participants from School B:

Principal	PR2
Deputy Principal	DE2
Chair	CH2
Parents governors	PA2
Educator governors	ED2
Learner governors	LE2

Categories and themes that were used in the discussion of the inquiry emerged from the data collected and they formed the basis of the argument to agree or disagree that schools' governing bodies in our public schools are able to execute their legal obligations with regard to the management of the schools' finances. Content analysis enabled me to check the relationship between categories, the themes and the research question.

4.3 Trustworthiness of the findings

In pursuit of trustworthiness of the research findings, various strategies were employed to ensure credibility (internal validity), transferability (external validity), dependability, and conformability (Meyer 2001, Sutton & Austin 2015:299).

4.3.1 Credibility

Credibility involves a deductive process in which the researcher must examine systematically how each of the threats to internal validity, which constitute rival alternative hypotheses, may have influenced the results (McMillan & Schumacher 2010:264). Method triangulation, ethical considerations and member checking helped me to enhance the credibility of the findings.

During the triangulation process, I used supporting data from documents to help explain the attitudes and behaviour of those in the group under scrutiny. Method triangulation assisted me to understand the phenomenon, which is the financial management of schools, and to increase the reliability and validity of the findings. Maree and Van der Westhuizen (2009:35–36) refer to triangulation as the practice of using different methods of data collection and instruments, such as observations, interviews and document analysis. Comparing sources of evidence determines the accuracy of information or phenomenon (Bryman 2012:717). By combining multiple research methods, researchers aim to overcome the weakness and the problems that come from studies that use only a single data collection method (Yeasmin & Rahmann 2012:154). The literature study helped me to establish the legal prescripts. I used the findings from the financial documents to test whether the sampled schools comply with the prescribed

law and policy. The focus groups and questionnaire enabled me to evaluate whether the participant schools manage their finances in accordance with the legal prescripts. Interviews assisted me to establish whether the principals of the sampled schools are effective in managing their schools' finances and whether what the participants claim to be doing, are aligned with the legislative framework that regulates the management of public school finances. The data collected by means of these data collection instruments were then interpreted, verified and analysed to find out how they relate to each other. Because single method studies might result in biases (Ghrayeb, Damodaran & Vohra 2011:96), comparing findings from multiple methods produces different insights about the topic of interest and increases the credibility of findings (McMillan & Schumacher 2010:331).

I conformed to standards of conduct such as voluntary participation. The assumption is that those participants who are willing to take part in the study will offer data freely. I made it clear to them that they are at liberty to withdraw from the study at any time without penalty. Participants could verify the accuracy of what has been written about them through member checking.

4.3.2 Transferability

Transferability is concerned with the extent to which the findings of one study can be extended to the population under study (Shenton 2004:69). Triangulation can enhance transferability. The findings of this study are limited to two selected public secondary schools. Because the same legal framework regulates the financial management of all public schools, other schools would find the findings of this study informative.

4.3.3 Dependability

Dependability allows findings to be repeated under different circumstances (Ary *et al.* 2002:227). In this study, dependability was enhanced by structuring the questions in such a way that they are easy for participants to understand. I guarded against ambiguity. Dependability was also ensured by including detailed descriptions of the phenomenon under study. Shenton (2004:69) maintains that thick description of the study conveys the actual situations that have been investigated and the context that surround them.

4.3.4 Conformability

Conformability refers to the quality of the data produced by procedures that either guard against bias or take subjectivity into account (McMillan & Schumacher, 2010:9). I achieved this by making original transcriptions of interviews, focus groups, and financial documents available to Unisa for examination. As I served on the school's governing body, I was able to observe how a governing body functions in terms of managing the school's finances. I assured the participants that my experience in serving on the school governing body would not have any impact on the research findings and that only their responses matter in this regard.

4.4 Ethical considerations

Ethical considerations involve moral principles and values that have to be practised when dealing with social sciences (Rule & John 2011:111–112). Those moral principles and values include voluntary participation, no harm to the participants, anonymity, confidentiality and no deception (McMillan & Schumacher 2010:338). Human subjects have inherent values and dignity that need to be respected. When they are engaged in the study, their consent to participate must be sought. The purpose of the study and the role

they are expected to play must be explained to them (Maree & Van der Westhuizen 2009:37). In this study, permission was obtained from the LDoBE (Appendix A) and the principals of the participating schools (Appendix B). Consent was requested from the participants, such as principals (Appendix G), deputy principals (Appendix G), chairs of the governing bodies (Appendix U), educator members (Appendix K), learner members (Appendix S), learner parents (Appendix N) and parent members (Appendix T) of the schools' governing bodies. The purpose of the study was explained and it was pointed out that the information obtained would be for academic purposes only.

I applied the following ethical measures to ensure that the values and dignity of the participants were respected:

- Informed consent

The participants were requested to sign the form to indicate that they understand the purpose of the research and their freedom to participate in and withdraw from the study without any penalty. Consent forms were prepared in duplicate. One copy was given to the participants. I kept the other copy for record keeping.

- Confidentiality and anonymity

I kept interviewees' names anonymous to ensure confidentiality and observe their right to privacy. I could not guarantee confidentiality in the instances of focus groups as the participants may talk to each other about what other members have said during the focus groups. Those who participated in focus groups were required to sign a confidentiality disclaimer.

- Securing data

I kept the book that I used to collect data and the device that was used to record the interviews and focus groups in a safe place to which only I had

access. I personally analysed and interpreted data to observe the participants' right to privacy.

- Approval

I sought approval for conducting the research from the LDoBE and the participating schools.

- Honesty

I refrained from being subjective and bias when I interpreted the data.

- Feedback

Feedback is available on request for all participants who are interested in the findings and recommendations of the study. Other interested parties can access the research report at university libraries.

4.5 Limitations of the study

The two participating schools were not representative of all the schools in Maleboho Central Circuit. This tells us that the findings of the study are limited to or applicable to the two participating schools. Coleman (2012:259) maintains that it is impossible to generalise from qualitative study because the researcher does not attempt to control or exert influence on the cases under study, but attempts to understand them in their context. The study was conducted in the two selected public schools of Maleboho Central Circuit; hence, the results would be limited to these schools. The participants were busy with their work so that at times, it was not possible to honour the set appointments, and those were rescheduled. Not having a car also aggravated the problem. This hampered the movement from one place to another. Participants perceived me as an intruder and were cautious when they provided me with information. Participants were required to answer questions on the management of schools' finances, which is a sensitive issue. They might have left out some important information when they were

answering. Despite my assurance that the information gathered from these documents is for academic purposes only, School B did not make the audited financial statement and bank statements available. When I asked for previous documents, the principal told me that they have been misplaced. Failure to make them available for examination might be due to the sensitivity of their content.

4.6 Conclusion

In this chapter, I explained how I implemented the research methodology while conducting fieldwork. The data collection instruments that I used were document analysis, semi-structured interviews, focus groups, and a qualitative questionnaire. Although there were limitations and challenges in conducting the study, the sample chosen through a purposive sampling included knowledge rich participants who are involved in the management of schools' finances in public schools and data saturation was reached. The data collected through the qualitative research techniques used can be deemed adequate to address the research question and objectives of the study within the constraints of reliability, validity, and credibility. These are demonstrated in chapter 5 (cf. chapter 5) where the data collected were analysed and interpreted.

CHAPTER 5

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

5.1 Introduction

This chapter deals with the presentation, analysis and interpretation of data collected from two selected public secondary schools. I used the following data collection methods: literature study, document analysis, individual semi-structured interviews with the principals, deputy principals, and chairs of the governing bodies, two separate focus groups with parent governors, one focus group with the learner governors, and the educator governors completed a qualitative questionnaire. Before the data was presented, analysed and interpreted, I compiled summaries of the legal obligations of the principals, deputy principals and governing bodies with regard to the management of the schools' finances.

5.2 Summaries of the legal obligations with regard to the management of public schools' finances

I conducted the literature study first because it was essential that I first explore what the principals, deputy principals and the governing bodies are supposed to do in executing their legal obligations with regard to the management of their schools' finances before I could evaluate whether what they are doing complies with these requirements.

5.2.1 Principals' legal obligations with regard to the management of public schools' finances

The principals are representatives of the HoD at school level; as a result, they must ensure that schools' finances are used properly. They are responsible for financial administration in terms of section 16A of the Schools Act. The responsibility of financial management is delegated to the

principals formally and in writing by governing bodies' concerned. That is why in *Schoonbee v MEC for Education, Mpumalanga*, the court found that all governing body members are responsible for mismanaging the school's finances. The principals are, *inter alia*, responsible to ensure that schools' accounts and records are properly kept as per paragraph 10.2.3 of Limpopo Prescripts (LDoBE 2011) and chapter A, Annexure A7, criterion 3.1.3 of PAM (RSA 1999b), that funds are used for the benefit of learners and that the required consultation takes place (cf. chapter 2, sections 2.3.3 and 2.3.1).

As per the Basic Financial System for Schools (Western Cape Education Department, 2008), the Schools Act (RSA 1996b), the Limpopo Prescripts (LDoBE 2011), PAM (RSA 1999), Policy on the South African Standard of Principalship (RSA 2016) (cf. chapter 2, sections 2.3.3, 2.2.2, 2.3.1 and 2.3.2), the principal must:

1. Maintain and retain sufficient financial documentary evidence and make such documentation available for inspection only with permission of the school governing bodies.
2. Avoid fruitless, wasteful and unauthorised expenditure.
3. Assist the governing body with their financial functions.
4. Support and guide expenditure in consultation with the governing body.
5. Administer the process of budgeting for costs and manage the budget if delegated to him/her by the governing body.
6. Manage the drawing up of the annual financial budget if delegated to him/her by the governing body.
7. Ensure controls are in place and operating for cash collection.
8. Know the requirements of the provincial manual.
9. Monitor compliance.

- 10 Act on any non-compliance detected.
11. Advise on textbook, educational material and equipment to be bought by the governing body.

5.2.2 Deputy principals' legal obligations with regard to the management of public schools' finances

As stated in PAM (RSA 1999), deputy principals assist principals or if instructed to do so, are responsible for the school's finances. The responsibility of financial management is delegated to the deputy principals formally and in writing by governing bodies' concerned. This is evidenced in *Schoonbee v MEC for Education, Mpumalanga*, where the court found that all governing body members are responsible for mismanaging the school's finances. The deputy principals are also responsible for the maintenance of services and buildings, such as planning and control of expenditure, allocation of funds, resources, repairs to the school and its furniture and equipment, and supervising annual stock-taking exercises (cf. chapter 2, section 2.3.1).

5.2.3 Governing bodies' legal obligations with regard to the management of public schools' finances

School governing bodies are responsible for financial control. They have to ensure the effective, efficient, economical and transparent use of school resources. Their responsibilities are described in various sections of the Schools Act, such as sections 20, 21, 38, 37(3 &7), 42, and 43(1) (RSA 1996b), section 38(b) of the Public Finance Management Act (RSA 1999a) and paragraph 4 of the Limpopo Prescripts (LDoBE 2011). The financial legislative framework was discussed in more detail in chapter 2 (cf. chapter 2, sections 2.2.2, 2.2.3 and 2.3.3).

Among the financial obligations of the school's governing body as prescribed by the financial legislative framework is that the governing body should:

- 1 Meet with the Finance Committee once per month to execute its responsibilities, such as making payments.
- 2 Establish and administer the school fund.
- 3 Open and maintain a school bank account.
- 4 Prepare an annual budget and submit it to parents for approval.
- 5 Keep records of funds received and spent.
- 6 Appoint an auditor to audit the records and financial statements.
- 7 Submit the audited annual financial statements to the Provincial Department of Basic Education.
- 8 Ensure effective, efficient and transparent systems of financial risk management and internal control.
- 9 Ensure an appropriate procurement and provisioning system that is fair, equitable, transparent, competitive and cost effective.
- 10 Take effective and appropriate steps to:
 - 10.1 Prevent unauthorised, irregular, fruitless, and wasteful expenditure and losses resulting from criminal conduct.
 - 10.2 Manage available working capital efficiently and economically.
- 11 On discovery of any unauthorised, irregular or fruitless and wasteful expenditure, the governing body must immediately report in writing, particulars of the expenditure to the relevant treasurer and in case of irregular expenditure involving the procurement of goods or services, also to the tender board.

Because two cases were studied, a report from each case study was presented separately according to objectives 2 and 3 formulated in chapter 1 (cf. chapter 1, section 1.5), which are:

2. To ascertain how the selected governing bodies fulfil their legal obligations with regard to their schools' financial management.
3. To establish the challenges that the selected schools' governing bodies experience that hamper the effective execution of their legal obligations in relation to the management of their schools' finances.

5.3 Case study: School A

I interviewed the principal, the deputy principal and chair (all males) individually. The principal and deputy principal are both in possession of an Honours Degree in Education Management. The chair did not pass grade 12. Three educator governors (two females and one male) completed a qualitative questionnaire. Two hold Secondary Teachers' Diplomas while one has an Honours Degree in Education Management. Five parent governors (one holds a Secondary Teachers' Diploma and the rest did not pass grade 12) and three learner governors participated in different focus groups. I did not cross question the participants responses based on their qualification. Instead, I accepted and recorded whatever answers the participants gave me.

5.3.1 Presentation, analysis and interpretation of data emerging from School A's participants

In the following sections, I present, analyse and interpret the data, which emerged from School A's participants' responses to questions regarding legal financial management obligations. The headings in this sections emerged after I inductively analysed raw data using a content analysis method.

5.3.1.1 Section 21 schools

PR1 indicated that his school is a no fee school. The governing body manages the money that the school receives from the State, e.g. a 100% State allocation. This is how he answered, “I think we are [a] no-fee school, the department gives us money. Before we use this money, there must be authorisation by the principal and the chairperson.” The response, “I think...” raises concern whether PR1 is sure of whether the school is a no fee school or not. However, suggestions that the State allocation be increased and that sometimes the school has to borrow stationary from neighbouring schools because the State allocation is deposited late, confirm that there is no other funds with which the school can run unless the State deposit money (See 5.3.2.7 below).

By giving Section 21 status to the schools, the government expects the schools’ governing bodies to be financially accountable in executing the functions that are being allocated to them (cf. chapter 3, section 3.3). The response of PR1 supports paragraph 111 of NSSF of 2015 that maintains that all quintiles 1–3 schools are eligible for no fee status and receive 100% State allocation (cf. chapter 2, section 2.3.4).

5.3.1.2 Laws and policies

PR1 is familiar with some of the laws and policies that regulate the finances of Section 21 schools. He answered, “The Schools Act and [the] Limpopo Prescripts.” He failed to mention other laws and policies that regulate the financial management of the school’s finances, such as the Constitution, the Public Finance Management Act, the Preferential Procurement Policy Framework Act, PAM, White Paper 2 and the NSSF. The responses from the parent governors show that the principal does not inform the governing

body members of the departmental laws and policies that regulate the finances of public schools. PR1 is familiar with the Limpopo Prescripts but none of these parent governors mentioned it. One parent governor responded, “In most cases South African Schools Act guides us.” CH1 responded, “We received a copy of South African Schools Act during a financial workshop.” The principal should have familiarised the governing body members with the departmental documents as per paragraph 3.6.1.3, chapter A, Annexure A7 of PAM (cf. chapter 2, section 2.3.1). It is clear that the principal is failing to fulfil this obligation.

5.3.1.3 Roles and responsibilities

PR1 was able to identify his role, responsibilities, and that of the governing body with regard to the financial management of the school as stipulated by legal prescripts such as the Limpopo Prescripts and PAM (cf. chapter 2, sections 2.3.3 and 2.3.1).

This is how he responded, “The principal is the accounting officer of the school’s finances and the governing body members are just watchdog of the school’s finances.” DE1 understands his financial responsibility but he failed to identify that of the governing body. He said, “I should manage the school’s finances if the principal is absent from school.”

5.3.1.4 Financial decisions

DE1 is not involved in the school’s financial decisions. This is how he responded, “I have got nothing to do with any finances of this school. Things are just done by the school governing body.” The comments of PR1 and CH1 support the statement that DE1 is not involved in the financial management. PR1 said, “The deputy principal is in charge of the school infrastructure and school development.” When I asked PR1 what the role of the deputy principal is as per PAM, he

said, "I have never come across it; is only the school governing body." Failure to engage the deputy principal in financial management of the school is a violation of paragraph 3.1.2 of chapter A, Annexure A6 of PAM, which stipulates the financial responsibilities of the deputy principals (cf. chapter 2, section 2.3.1).

CH1 pointed out that the deputy principal should decide on the financial management of the school but indicated that he is not always involved. He thus confirmed the deputy principal's response to my question whether the financial activities should stop when the principal is absent from school. He responded, "The deputy principal does not have [the] power to decide on financial matters, the school governing body will decide."

5.3.1.5 Financial reporting

The governing body is bound to report to the parent, Circuit and the State, the financial status of the school in terms of section 42(b) and 43(5) of the Schools Act (RSA 1996b). Reporting the financial status to the parents can be in the form of providing financial statements at the parents' Annual General Meeting or issuing special newsletters and circulars on a regular basis. Reporting the financial status to the Circuit is in the form of submitting the quarterly reports on or before the seventh of the following month as stipulated by paragraph 8.7.5 of the Limpopo Prescripts. In the case of reporting to the State, the governing body must submit a copy of the annual audited financial statements to the PDoBE by 30 June each year. The principal and parent governors indicated that parents were informed of the school's finances during the parent meetings. PR1 said, "During the parent meetings." One parent governor answered, "We invite the parents to a meeting where we will be telling them about the income and to draw [up] the budget based on

the State allocation.” All three-educator governors answered this way, “During the finance meetings.”

DE1 was unable to confirm that the governing body reported on the financial status of the school during parent meetings. He responded, “I am not a member of the school governing body, so I cannot tell.” The document analysis did not provide any evidence of any reporting of the financial status to either the parents or the Circuit; thus supporting the deputy principal’s statement.

Failure by the governing body members to report on the school’s financial status to the parents and the State is a violation of paragraph 122 of NNSFF of 2006 (cf. chapter 2, section 2.3.4) and sections 38(1)(2) and 43(5) of the Schools Act (cf. chapter 2, section 2.2.2) which oblige such reporting. The DoBE is not supposed to allocate funding for the next year if there are problems with the previous year’s expenditure. This can only be determined if the financial reports are submitted. One can thus conclude that the PDoBE does not follow up when it does not receive the necessary financial reports, because it allocates money for the next year irrespective of the fact that reports for the previous year were not submitted.

5.3.1.6 Advise governing body

CH1 indicated that the principal advises on the financial decisions that the governing body must take. He responded, “Before we do anything, the finance committee meets with the principal and the school governing body and agrees on what need [sic] to be done. The principal advises them when quotations are made so that they do not exhaust the money in the school’s account.” This statement implies that the procurement committee is not functional because the governing body performs its functions. The principal’s reference to staff members who are sent to town to obtain quotations supports this conclusion. The school does

not comply with the Preferential Procurement Policy Framework Act, which requires the procurement committee to obtain three quotations (cf. chapter 2, section 2.2.4).

5.3.1.7 Finance meetings

LE1 are not invited to governing body meetings that deal with finances. One LE1 answered, “No, we were never invited to the school governing body meetings that deal with finances.” PR1, CH1 and PA1 confirmed this. PR1 stated, “For confidentiality purposes, learner governors are excluded when financial decisions are taken.” CH1 said, “Whatever that relates to finances, learners are not involved. They are engaged when dealing with sport activities.” When I probed PA1 to find out whether financial decisions are taken by all governing body members, one PA1 responded, “Eer, sometimes when we discuss issues that affect learners.” To my question whether they ever discuss issues that affect learners, the other PA1 responded, “To be honest, we look at the time of holding a meeting.” The reason given was that they exclude learner governors because they will miss lessons.

Learner participation is essential to ensure representative democracy (cf. chapter 3, section 3.6). If learner governors are not invited to the governing body meetings that deal with finances, the implication is that they do not know how the finances in their schools are managed. In the same vein, they do not have a say in managing the school’s finances.

LE1 indicated that they are only involved when they help educators to keep discipline when other educators are absent (for example, to attend workshops). They indicated that they wish to be part of the meetings when the governing body members discuss finances but could not agree on a time that suited them and the governing body members. Two of LE1 maintained

that they could not attend governing body meetings during school hours. One responded, “Those meetings should be held after school so that we do not miss [a] lesson.” The third learner governor saw no problem of attending the governing body meetings during school hours. She said, “I will ask the subject teacher (educator) to tell me what he/she was teaching during my absence.” If learners at school are not aware of the utilisation of the resources at school, they are likely to strike because they may think that the State allocation is used for personal enrichment and not to benefit them (the learners).

ED1 differed on their attendance of governing body meetings that deal with finances. This is how they responded, “Three to four times a month”, “Twice per term”, “Once per quarter.” Different responses suggest that only some of these educator governors might be involved in the management of the school’s finances on a regular basis while the others are called only on an *ad hoc* basis. Hence, they do not have any financial plans and inputs that they bring to the school governing body. Educator governors feel that they make a minimum contribution in matters relating to the school’s finances because they are represented poorly in the governing body (cf. chapter 3, section 3.5).

5.3.1.8 Budgeting

The governing bodies of public schools are bound to draw up the budget annually as per the Schools Act (cf. chapter 2, section 2.2.2). PR1 said, “All governing body members are responsible for the drawing [up] of the budget.” One-parent governors commented, “As school governing body, we meet and make a list of items that are in shortages. We also seek advises from the parents on how to draw [up] a budget.”

The schools' goals and objectives emanate from the mission and vision of the schools. If the school wants its learners to perform well in their formal and informal tasks (objectives) for example, it must ensure that 60% of the State allocation is budgeted to buy additional learning support material as per the Limpopo Prescripts (cf. chapter 2, section 2.3.3), such as dictionaries, computers, photocopiers, and shelves for books, to mention but a few.

DE1 is not sure whether the budget reflects the school's goals and objectives because he stated that he has not seen the budget. He responded, "I cannot say yes or no because I have not seen it (the budget)." An educator governor indicated that in order for the budget to address the goals and objectives of the school, "The drafting of the budget must become inclusive to all the stakeholders." Two ED1 did not answer the question on the budget. LE1 indicated that they are not involved at all in the drawing up of the budget because they are not invited to meetings that deal with finances. One learner governor answered, "We just see governing body members attending meetings but we are not invited to those meetings." When I asked them one by one whether they know what the budget is, all answered, "No, we do not know it (the budget)." The comments of DE1, ED1 and LE1 suggest that not all stakeholders are consulted when the budget is drawn up.

The 2016 budget, endorsed by the school's stamp, was drawn up on 11 January 2016. It was signed by the principal, chair and finance officer. Items on the budget list were not allocated money as per the Limpopo Prescripts; for example, 55% was allocated for the curriculum instead of 60% as per paragraph 6.4.29(i). School development was thus allocated 17%, ablution 8%, transport 5%, curriculum development 4%, extra-curricular activities 10%, SCO 3%, culture 3%, NSNP (national school nutrition programme)

support and other running cost 1% and 4% for sporting activities. As stipulated by paragraph 6.4.2(iii) of the Limpopo Prescripts, money to be allocated for sporting activities should not exceed 10% of total allocation. The Limpopo Prescripts is silent on the percentages of money to be allocated to other items (cf. chapter 2, section 2.3.3). The NNSF of 2006 does not prescribe how the State funds should be allocated to items in the budget. It only indicates, as per paragraph 133, those governing bodies that have been allocated Section 21 status may carry out their procurement and may deal with suppliers and contractors for the relevant budgeted items in accordance with standard procurement procedures.

When calculating the total percentage of money allocated for these items, it exceeds 100%, and comes to 110%. Failure by the school to limit its percentages of money to 100% shows that the school will have an over expenditure of the State allocation. This implies that School A drafted its budget only to comply with departmental regulations and to adhere to the submission requirements rather than to distribute money in relation to the needs of the school. This increases the possibility of financial mismanagement by the principal. In this school, curriculum and curriculum development needs were allocated separate percentages 55% for curriculum and 4% for curriculum development instead of combining them. The problems of mismanagement of funds or inappropriate funding allocation or not spending the funds effectively may occur when less competent people are responsible for drawing up and managing the budget (cf. chapter 3, section 3.5).

5.3.1.9 Collective decision-making

DE1 believes that the principal does not manage the school's finances well,

“Because if he [the principal], were managing the finances well, he would work with me, together with the school management team including all members of staff and not with a particular group of people.” He believes that collective decision-making can improve the manner in which the finances are managed. These are his views, “If I was given a green light to do so, I would work hand in glove with the educators, we should prioritise together as members of the staff. What has been prioritised has to be given to the school governing body which must work towards the improvement of this school.”

5.3.1.10 Purchases and procurement

All schools that have acquired Section 21 status must procure their own goods in compliance with the Preferential Procurement Policy Framework Act 5 of 2000 (cf. chapter 2, section 2.2.4). PR1 responded, “The staff members go to town to obtain quotations, which they then present to the governing body.” One parent governor responded, “We sit down and make a list of goods that need to be bought, and then present the list to the procurement committee to make quotations. After it is done, we sit down as school governing body and assess those quotations.” Either the principal is unaware of who obtains quotations or only the educator members of the finance committee are used to obtain quotations.

When I asked PA1 how many quotations are obtained, all of them agreed that three quotations are obtained. However, one educator governor answered this way, “Procurement is not always done as per [the] three quotation system[s].” Contradictory comments on the process of obtaining quotations imply that the procurement committee is not functional especially if the procurement committee list is not signed. It is not clear who obtains the quotations, but it seems that educator members of the finance committee may obtain quotations.

CH1 indicated that they use the State allocation to repair things such as the photocopier machine and buy timber to repair desks and chairs. With money deposited into the schools' bank accounts, it becomes easy for Section 21 schools to repair and procure goods because the governing bodies manage their funds (cf. chapter 3, section 3.3). LE1 stated that they are not informed when goods are purchased in their school. One learner governor responded, "We just see people repairing windows at school." When I asked these learner governors, what their role is in the governing body, they stated that they do not know. One learner governor added, "We just see parent governors coming to meetings, but we are not informed of or invited to those meetings."

To verify whether the order complies with the purchased goods, one parent governor said, "Firstly we look at our list, check whether the supplier delivered what was agreed upon." One added, "We also check whether the supplier has delivered overload or the correct number of goods that we agreed upon."

5.3.1.11 Record keeping

PR1 and DE1 indicated that the financial records are kept safely in the principal's office. I could confirm this because I collected the monthly and quarterly financial reports, the income and expenditure book, and the most recent audited annual financial report from the principal's office. I only analysed the financial documents for 2015 and first quarter of 2016. If the financial documents for 2016 were not available as was the case for School B's 2016 budget where I analysed the 2015 budget, I requested the previous financial documents. From the financial reports, I checked the money that the school received and spent monthly. I then checked whether the monthly financial reports were transferred to the quarterly financial report tri-monthly. The last inscription in the quarterly report is dated December 2015. I checked whether all the money used and spent for recent years was

recorded in the income and expenditure book (cashbook). The last inscription in the cashbook is dated December 2014. The school thus failed to transfer the quarterly financial reports for the 2015 financial year to the income and expenditure register. I checked the audited financial report to ascertain whether the money used corresponds with the money deposited, and whether there was an opening balance or deficit. The auditor's report indicated that the school received a clean financial audit for the 2015 financial year.

Unfortunately, I found that the auditor's conclusion was not supported by the financial documents that I had analysed because those were not up to date and the cashbook with income and expenditure entries were only up to December 2014. The auditor signed the report on 29 January 2016. The principal, chair and the finance officer did not sign the audited financial report. Failure to sign the audited financial report at school level implies that the governing body members do not know about the income and the expenditure of their school.

5.3.1.12 Bank account

PR1 mentioned that the school has two bank accounts. He responded, "One bank account is for [the] feeding scheme and the other account is for activities of the school." DE1 is not aware of the two accounts. He indicated that the school has one bank account. He responded, "One account. The purpose is for money to be banked into the account, money from the department and learners if they shall have paid for trips." Keeping a separate account for the feeding scheme, does not comply with section 37(3) of the Schools Act because this section allows for a second account if it is an investment account and only if permission to open it was granted. The Limpopo Prescripts contains a similar provision to give effect to the Schools Act. The Schools Act allows schools to open a

second account (investment account) with the permission of the Member of Executive Council while the Limpopo Prescripts allows schools to open a second account (investment account) with the permission of the HoD. Although the Schools Act allows for one account, there is a need, as School A has shown, to have another account for the feeding scheme.

Signatories to these bank accounts are not appointed as per the Limpopo Prescripts. Two parent governors and one educator governor are signatories to the school's bank accounts. The educator governor was appointed as a signatory because the parent governors are marginally literate. One parent governor stated that all signatories are supposed to be chosen from the parent component of the governing body. However, because "we encounter the problem of low levels of education amongst the parents, we decided that let the secretary be the teacher so that when the department officials come, she must be able to explain some of the things that we have agreed upon." The Limpopo Prescripts does not support participant's opinion that all three signatories to the school's bank account must all be parent governors. As per paragraph 8.5.2 of the Limpopo Prescripts, "The school governing body's treasurer, the deputy chair and a third member shall be appointed as signatories. Under no circumstances shall the school principal, the school governing body chair and the finance officer be appointed as signatories" (LDoE 2011, paragraph 8.5.2). The Schools Act is silent on who must be appointed the signatories to the school's bank account. The parent governors misinterpreted paragraph 8.5.2 of the Limpopo Prescripts. There is no law or policy that says the treasurer and the deputy chair must be parent governors, which means that it is possible for educator governors to be appointed as the treasurer and the deputy chair, and thus appointed as signatories to the school's bank account (except where an educator governor is a finance officer).

5.3.1.13 Committees and policies

Effective financial management requires that schools develop finance-related committees and policies as stipulated by the Schools Act. In terms of section 30(1)(a) of the Schools Act (cf. chapter 2, section 2.2.2), schools have to establish committees. Finance-related committees implement policies, which should cover the procedures for handling school fees, donations, and authorisation for cheque payments, signatories to the bank account; bank overdrafts documentation, recording transactions, and every aspect related to the school's finances.

From the document analysis, it was clear that School A has three finance-related committees, namely the procurement, maintenance and finance committees. The document analysis thus confirmed PA1's and CH1's references to the existence of the school's finance committee and procurement committee respectively. In answer to the question, "Which policies and committees were developed at school level to assist in the management of the school's finances?" three parent governors stated, "Finance committee." One parent governor added, "Procurement committee." When the same question was asked to DE1, he indicated that he was not sure of the existence of the policies and the committees. He said, "I have not seen policies and committees." He might be correct, because the findings of the document analysis confirmed that various committees, such as the finance committee, the procurement committee and the maintenance committee were established with no guideline on how they should function.

None of the procurement, maintenance and finance committee member lists was signed. The fact that the procurement, maintenance and finance committee member lists were not endorsed implies that the parent and

learner governors were not involved in the development of finance-related committees, that these committees were developed for the sake of formality and that they are not functional.

Appended signatures to these committee lists would have confirmed that all the governing body members participated in the election of these committees. The fact that these lists were not signed may explain why parent and learner governors do not know which committee is responsible for keeping the school's infrastructure in a good condition. One parent governor responded, "The development committee, assisted by other members of the governing body" is responsible for keeping the school's infrastructure in a good condition. None of PA1 mentioned the maintenance committee.

When I asked PA1 whether the school has finance-related policies, one parent governor responded, "Eish, I have forgotten them." CH1 said, "I am not sure." No PA1 mentioned the finance-related policies, such as the finance, procurement and maintenance policies although the finance policy was examined during document analysis. It was, however, not duly endorsed because it was not signed and did not contain the school's stamp. It was just a typed document. The finance policy contains guidelines on how the money should be used. No other finance-related policies were available for analysis and considering the parent governors' ignorance about the related committees one can safely conclude that these policies were not adopted. LE1 stated that they are not involved in the establishment of policies and committees that assist in the management of the school's finance.

5.3.1.14 Infrastructure

ED1 differed on where or how to raise their concerns if they are not happy with the state of infrastructure in their school. One educator governor

answered, “During a governing body meeting.” The other one stated, “Whatever infrastructure that needs to be repaired should be budgeted for.” The third one indicated, “I inform the educator governor who is in the executive committee about the state of the infrastructure.” The 2016 budget of this school, allocated 17% of the State allocation for the school development (see section 5.3.1.8 above), which must take care of the school infrastructure, such as repairing and painting of the school’s buildings, to mention but a few.

5.3.1.15 Finance officer

PA1 understand that the principal appoints the finance officer and understand that their role in this regard is to approve or reject the appointment. One parent governor responded, “I think our role is to support the principal in the appointment of the finance officer.” When I asked them what they do if they feel that the person is not capable of executing that task, one parent governor added, “Let me say, we are fortunate because our principal is not a dictator or an autocratic [sic]. We work out things collectively. Before he appoints a finance officer, he will let us know as the school governing body. We will urge him to appoint the person who understands.” The statement “We will urge him to appoint the person who understands”, makes it clear that the governing may approve or reject the appointment. The findings of the document analysis confirm that the finance officer is a parent governor. The name appears in both the finance committee list and the governing body member list. The governing body member list and the finance committee list indicate whether a member is an educator or a parent, and includes their portfolios. The response from parent governors implies that the school complies with paragraph 5.1(v) of the Limpopo Prescripts, which deals with the appointment of the finance officer by the principal (cf. chapter 2, section 2.3.3).

5.3.1.16 Assets

The school does not have effective mechanisms in place to prevent theft of the school's assets. One parent governor responded, "We try to look at the school assets by checking whether the school fence has not been cut off." When I asked PA1 whether the school's assets have been marked, they indicated that they are marked but they are not sure whether all assets have been marked. One parent governor commented, "Some of the school properties have been marked, but if you are not one of the stakeholders of our school, you cannot notice that mark, but not all properties have been marked. But item such as laptops have been marked." When I examined the asset register of this school, I found that only the computers, printers and copiers were recorded. One of the allocated functions of the governing bodies as prescribed by the section 21(1) of the Schools Act is that they must maintain and improve the schools' property and buildings (cf. chapter 2, section 2.2.2). The governing body does not execute this allocated function effectively.

5.3.2 Challenges that School A's governing body experienced

School A's governing body experienced several challenges that hamper the execution of its legal obligations in relation to the management of the school's finances.

5.3.2.1 Managing finances in line with the legal prescripts

PR1 indicated that the school's finances are managed in line with the legal prescripts. He said, "We are guided by the South African Schools Act when managing the school's finances." CH1 responded, "There is nothing that the principal can do without informing us." However, DE1 and ED1 had different views. DE1 stated that he is not sure whether the school's finances are managed in accordance with the legal prescripts. He responded, "I cannot say there are aspects of the financial management which are not done as per the legal prescripts because I have not

seen them (aspects of the financial management which are not done as per the legal prescripts).” If he were involved in the financial management, he would have seen those aspects of the school’s financial management, which are not carried out in line with the legal prescripts. He indicated that he is side-lined when the school’s finances are dealt with. One educator governor responded, “Procurement is not always done as per [the] three quotation system[s].”

5.3.2.2 Education levels

All participants admitted that the low education level of parent governors has a negative impact on the management of the school’s finances. PR1 stated, “Seventy percent (70%) of the parent governors are unable to manage the school’s funds due to low education levels. One educator governor must be with them.” Among the parent governors, only one parent governor is in possession of a Secondary Teachers’ Diploma. The rest did not pass grade 12. One educator governor answered in this way, “Educator governors in the governing body assist the parents on their transactions because some financial terms need to be well understood.” The deputy principal responded, “Parent governors cannot think of things that are in shortage to develop the school. Every time they repair and repair.”

According to parent governors, the low education levels of parent governors do not have a negative impact on the management of the school’s finances. However, their responses show that it does have a negative impact on the management of the school’s finances. This is how one parent governor responded, “As long as I know that the money must be used for the benefit of learners and I am not working alone in the school governing body, I do not have a problem of [sic] my low education levels.” CH1 indicated that parent governors manage the finances, not because they have skills in financial management, but because they have been workshopped. He responded, “They manage the finances according to the training that they receive not because they are knowledgeable in

financial management.” One learner governor said, “They are our parents. With little education, they cannot manage the finances of such a big school.”

The Schools Act does not require any specific education level from parent governors to serve on the governing body. The only requirement is that the parent governors must have children at the specific school where they are governors (cf. chapter 3, section 3.5). This places a huge challenge to the previously disadvantaged schools where most parent governors are unable to execute their financial management obligations due to low education levels.

5.3.2.3 Interpreting departmental documents

PA1 acknowledged that they are unable to interpret departmental documents. They need the assistance of educators to translate them into their home language, which is *Sepedi*. CH1 maintained, “Our secretary is an educator governor who translates English into *Sepedi*.” When I probed the parent governors about the challenges, they experience when trying to interpret the Schools Act and other departmental documents, one parent governor responded, “The principal will translate them into *Sepedi* so that we understand them.” One parent governor added, “Sometimes we ask teachers to help us to interpret these circulars for us.”

PR1 confirmed that parent governors are unable to interpret departmental documents because of their low education levels and that they need the assistance of educator governors. One educator governor answered this way, “Educator governors in the governing body assist the parents on [sic] their transactions because some financial terms need to be well understood.” The problem of the parent governors’ inability to interpret the departmental documents is exacerbated by the failure of PDoBE to make policy implementation

manuals available in all official languages as required by paragraph 124 of NNSSF of 2006 (cf. chapter 2, section 2.3.4).

5.3.2.4 Representation in financial decision-making

According to PA1 and PR1, it is not a problem that the number of parent governors on the governing body exceeds that of the educator governors and learner governors. One parent governor commented, “We do not work on majority rule and that all governing body members are equal in terms of taking financial decisions.” This is how PR1 responded, “Eer, jaa, we have never reached a stage where we are voting.” This contradicts the views of LE1, DE1, and ED1. They maintained that the governing body members of the various components (stakeholders) are not equal in terms of taking financial decisions.

One learner governor said, “Being in [the] majority matters most.” DE1 indicated that the educators need additional learning support material but the material has not been bought, although it was budgeted for. He added, “If they listen to each other, important things should have been long bought which means the needs of educators are not taken into consideration. They buy things that they think are important to them ... for example, ever since I came here I do not have [sic] a table. I am sitting on someone’s table, but it was long budgeted for.”

One educator governor pointed out, “I was not listened to when indicating that that the approval of the principal’s claim forms is not valid.” The school pays the expenses, such as travelling costs incurred when the principal attends meetings as per paragraph 6.4.2 (xviii) of the Limpopo Prescripts. The circuit manager and chair of the governing body must approve the claim form. Another educator governor commented, “The parent governors see themselves as the ones who are taking a major role in managing the school’s finances.”

ED1 believe that section 32(9) of the Schools Act gives parent members greater membership in the governing body and this marginalises other governing body members from participating actively in the management of the school's finances. There is no law or policy, which prevents educator governors from being influential regarding the financial matters of their schools. The only clause that marginalises the educator governors from making a meaningful contribution in matters relating to schools' finances is that a maximum of three educators serve on the governing body (cf. chapter 3, section 3.5). The limited representation of the educator governors in the governing body makes it easy for them not to be listened to regarding the financial matters of their schools. This is a challenge that educator governors experience with regard to the financial management of the school's finances.

Learner governors are not considered when the governing body members take financial decisions. PR1, PA1 and CH1 confirmed this. (See section 5.3.1.7 above)

5.3.2.5 Power struggles

DE1 indicated that there is no power struggle between him and the chair. He responded, "I am not involved in the financial management of the school". There seems to be a power struggle between the principal and the governing body over the management of the school's finances. PR1 commented, "There is [a] little confusion over who should be in charge of the school's finances because the government officials announced in the meetings that the governing bodies should manage the finances and that the principals are the accounting officers." When I asked him how this confusion is addressed, he stated, "We ended up working together."

5.3.2.6 Mismatch

To find out whether the school's finances are utilised in a proper way, PR1 responded, "It is difficult to calculate the true kilometres for educators who have attended workshops so that we can refund their travelling costs." The school might over or underpay those educators. DE1 indicated he is not sure whether there are corruptive practices because "[I]t is not easy to examine financial records. They are not accessible."

5.3.2.7 Insufficient funds

PA1 stated that the State allocation is not enough and suggested that it must be increased. This problem hampers them from executing their obligations in relation to the school's financial management. One parent governor said, "Eer, you will find that we have credit because the money is deposited late. This forces us to borrow stationery from the neighbouring schools." The problem of insufficient funds raises concerns as to whether the school sticks to the budget. The budget allocation of this school is more than 100%. It also implies that there might be irregular expenditure.

PR1 and CH1 complained that educators' demands for additional learning support material are too high. PR1 stated, "Science apparatus, costing R15 000, and I ended up not agreeing." He continued: "The State allocation is not enough and is deposited late in halves." CH1 said, "Study guides for science costing R5 000.00. We do not agree rather we offer for fewer [sic] prices." When I asked CH1 how he addressed this problem, he responded, "Let the department gives [sic] us enough money." This confirms the concern by DE1 that the governing body members are not willing to buy additional learning support material for educators even though they were budgeted for. This can affect effective teaching and learning negatively. It also raises the question of what happened to the money that was budgeted for this additional learning support material.

5.3.2.8 Training

According to PA1, the training that they received in relation to financial management is good. One parent governor responded, “It makes us to use the money properly to help the learners.” CH1 indicated that the financial training is moderate. He responded, “The training is conducted by different people who say different things.” When I asked both PA1 and CH1 how often they are invited to training in relation to financial management, they said they are trained three times a year and suggested that the training should be improved. CH1 said, “They must stick to one thing and not change.” One parent governor responded, “I am personally happy with the training, but let the workshops be held every quarter. This can make us to be more knowledgeable on the use of the school’s finances.” Financial training is unlikely to be beneficial if the department does not take it seriously (cf. chapter 3, section 3.5). Suggestions for improvement imply that the parent governors are dissatisfied with the financial training they received.

5.3.2.9 Management skills

To find out whether the governing body members have acquired financial management skills, one educator governor complained about overlapping financial responsibilities of governing body members. She responded, “The blurring of the treasurer’s duties with that of the finance officer.” This implies that the responsibilities of the treasurer and the finance officer are overlapping and it is caused by a lack of knowledge of financial management skills (cf. chapter 3, section 3.5). Overlapping responsibilities are likely to cause tension.

The content analysis and interpretation of the data clearly demonstrate that the governing body of School A does not fulfil its legal financial management obligations as required, and that it experiences challenges that hamper the

effective execution of its legal obligations in relation to the management of the school's finances.

5.4 Case study: School B

I conducted individual interviews with the principal (female), deputy principal and chair (males). The principal and deputy principal are in possession of Honours Degrees in Education Management. The chair did not pass grade 12. Two educator governors (male and female) completed a questionnaire. One has an Honours Degrees in Education Management while the other one is in possession of Bachelor of Art in Education. Six parent governors (two males and four females) and three learner governors participated in two different focus groups. None of them passed grade 12. I did not cross question the participants responses based on their qualification. Instead, I accepted and recorded whatever answers the participants gave me.

5.4.1 Presentation, analysis and interpretation of data emerging from School B's participants

This section establishes whether School B's governing body complies with the legal financial management obligations.

5.4.1.1 Section 21 school

PR2 indicated that the school receives money from the department. She responded, "Oor, eer, it means this school is classified as quintile 1 ... money is allocated according to the enrolment of the school and this money is managed by the school governing body." This response shows that PR2 has knowledge of some of the procedures for the financial management of a Section 21 school (cf. chapter 2, section 2.3.4).

5.4.1.2 Laws and policies

PR2 is familiar with some of the laws and policies that regulate the finances of Section 21 schools. She answered, “There are the Schools Act, the Limpopo Prescripts and PAM” (cf. chapter 2, sections 2.2 and 2.3). She failed to mention other laws and policies that assist in the financial management of schools’ finances, such as the Constitution, the Public Finance Management Act, the Preferential Procurement Policy Framework Act and the NNSSF.

PA2 responded that they do not have access to departmental documents that assist in managing the school’s finances. Their responses show that PR2 does not inform all the governing body members of the departmental laws and policies that regulate the financial management of public schools, as she is required to do in terms of PAM and the Schools Act (cf. chapter 2, sections 2.3.1 and 2.2.2). She only informs the chair. CH2 said, “The principal makes [sic] me aware of some of the sections of the South African Schools Act. I will then tell other governing body members of how the finances should be used.” It is not the chair’s responsibility to inform the governing body members of the financial legislative framework but the principal’s. It was evident that the parent governors do not have access to departmental documents.

The reason might be that these documents are written and published in English and the parent governors are marginally literate. One parent governor stated, “The financial statements and audited financial reports are departmental documents.” When I asked PA2 whether they have any prescripts or documents that guide them on how to manage the school’s finances, one parent governor responded, “They are available in the principal’s office, but the finance committee did not sit down and look at them.” None of PA2 knew about the Limpopo Prescripts and other legal prescripts.

5.4.1.3 Roles and responsibilities

PR2 and DE2 were unable to distinguish their roles, responsibilities, and that of the governing body with regard to the financial management of the school as stipulated by the Limpopo Prescripts and PAM. PR2 said, “The principal is the accounting officer of the school’s finances and that [sic] the governing body members are the overseers of the school’s finances.” DE2 responded, “I know that if she is absent, I should take care of the school’s finances.” None of them mentioned their roles, responsibilities, and that of the governing body with regard to the financial management of the school as stipulated by the legal prescripts, such as the Limpopo Prescripts, PAM and the Schools Act (cf. chapter 2, sections 2.3.3, 2.3.1 and 2.2.2).

5.4.1.4 Financial decisions

PR2 stated that the deputy principal is involved in the financial decisions of her school. She said, “If the principal is absent from school, the deputy principal takes over, so the principal must inform the deputy principal about the school’s finances.” This statement contradicts the version of DE2 who indicated that he is not involved in the management of the school’s finances. This is how DE2 responded: “I know that if she is absent, I should take care of the school’s finances, but unfortunately in our case the deputy principal is not involved in financial management, only the principal and the school governing body, so I know nothing about the finances. I was never involved in finances.” CH2 indicated that the deputy principal could decide on the financial management of school. Paragraph 3.1.2, chapter A, annexure A6 of PAM (cf. chapter 2, section 2.3.1) supports CH2 response.

5.4.1.5 Financial reporting

The governing body is bound to report to the parents, the Circuit and the State, the financial status of the school in terms of sections 42(b) and 43(5) of the Schools Act (RSA 1996b). PR2 and PA2 stated that the school informs

the parents about the school's expenditure during parent meetings. PR2 responded, "...we call the parent meeting where financial report is reported to them." PA2 said, "During parent meetings." One educator governor stated, "I am informed of the school's financial position during finance meetings." This educator governor is the secretary of the governing body and a member of the finance committee. Another educator governor stated that she accesses the school's financial report by examining the bank statements. These statements were not made available to me for scrutiny during document analysis. This implies that only educator governors who serve on the finance committee are updated on the school's financial status.

DE2 mentioned that parent meetings were held. He stated that he is uncertain whether the financial status of their school is reported to the parents during those meetings because he is not invited to those meetings. This is how DE2 answered, "Eer, sometimes they call parents to parent meeting [sic], so I am not sure whether during those meetings parents are informed of the expenditure." The findings from the document analysis indicate that parents were invited to parent meetings, but the minute book did not have any evidence that financial matters were addressed during such meetings. Parents must be informed of the finances of the school not later than three months after the end of the financial year that ends on the last day of December each year as prescribed by sections 42(b) and 43(5) of the Schools Act (cf. chapter 2, section 2.2.2). This school was behind schedule in submitting annual financial reports to the parents as confirmed by the findings from the document analysis that were extracted in April 2016. The budget that is supposed to be approved by the parents was also not drawn up for the 2016 academic year. According to the findings of the document analysis, the school uses the 2015 budget.

The principal made the excuse that she was waiting for the financial report from the auditors before she can compile a budget, but during the course of the interviews, she maintained that she submits the monthly financial reports and audited financial statement to the Circuit. However, there is no evidence that this was indeed the case; for example, the school could not provide me with any monthly and audited annual financial reports. Besides, it is the quarterly and not the monthly report that must be submitted to the Circuit as per paragraph 8.7.5 of the Limpopo Prescripts. This indicates that the principal does not submit the financial report.

Failure by the governing body members to report the expenditure of the school is a violation of paragraph 122 of NNSF of 2006 (cf. chapter 2, section 2.3.4) and sections 38(1)(2) and 43(5) of the Schools Act (cf. chapter 2, section 2.2.2), which require schools to report the usage of the school allocation. The DoBE is not supposed to allocate funding for the next year if there are problems with the previous year's expenditure. This can only be determined if the financial reports are submitted. Thus, the PDoBE does not follow up when it does not receive the necessary financial reports.

5.4.1.6 Advise governing body

The principal advises the governing body to use the State allocation effectively. CH2 stated, "The principal advises us that we must first know how much we have in the school's accounts before we can start projects such as repairing windows because the State allocation is not enough." Inadequate State allocation might not be the main reason for the shortage of funds. The school failed to supplement the State allocation. Section 36 of the Schools Act allows the governing bodies to supplement the State allocation (cf. chapter 2, section 2.2.2) but it seems that this school does not raise funds to supplement the

State allocation. Instead, the school manipulates the payment of compulsory school fees by requesting learners to bring along a ream of paper, (such as Typek) as one parent governor commented, “Sometimes at school, we are forced to buy stationery out of our own pocket.” (See subsection 5.4.2.7 below.)

5.4.1.7 Finance meetings

LE2 indicated that they are not invited to governing body meetings that deal with finances. This implies that they do not know how the finances in their school are managed. One learner governor responded, “We are only invited to the meetings when the governing bodies discuss about [sic] buying T-shirt [sic] for grade 12 learners.” PR2 indicated that when the school had a problem, and needed to appoint an additional educator in terms of section 20(4) of the Schools Act to teach physical science, “Learner governors were invited to the meeting because the meeting had to decide on how much each learner in the school had to contribute towards the salary of such educator.” This implies that learner governors are invited to the governing body meetings, only when the adult governors want learners to pay money. In this case, PR2 violated section 37(7)(c) of the Schools Act and NNSSF if she made this contribution compulsory because this school is a no fee school.

Supplementing the State allocation as per section 36 of the Schools Act (cf. chapter 2, section 2.2.2) does not translate into asking parents to pay extra money. Section 37(7)(c) of the Schools Act and NNSSF prohibit a no fee school from collecting any money or contribution from parents because that can be regarded as manipulating the payment of compulsory school fees (cf. chapter 2, sections 2.2.2 & 2.3.4). Section 39(5) of the Schools Act prohibits public schools from charging any registration, administration or other fee, except school fees. Because this school is a no fee school, it was not

supposed to remunerate the physical science educator by obliging learners to pay money.

According to LE2, there will be no problem if they attend the governing body meetings during school hours because after the meetings they can ask their classmates what transpired during their absence.

ED2 differed on the number of the finance meetings of the governing body that they attended. One educator governor said, "None at all," while the other said, "Mostly." An educator governor who indicated that he mostly attends finance meeting is the secretary of the governing body and a member of a finance committee. PR2 failed to service the representative bodies in this regard (cf. chapter 2, section 2.3.1). If educator governors and learner governors are not involved in the financial management of their school, they cannot submit their financial plans and inputs to the school governing body.

5.4.1.8 Budgeting

According to PR2, they review the budget quarterly or at every sitting of the finance committee because of unforeseen circumstances. This is how PR2 responded,

"The key issue here is the budget. If the school does not have the budget, definitely, the school will experience the problem, so if we have the budget, the budget is reviewed after every term or in [sic] every sitting of the finances committee we review the budget. We can have some unforeseen circumstances, maybe due to the heavy rainfall. We can have infrastructures that need money, maybe that need to be repaired even though it is not there in the school development plan, but if it is urgent, it is then that we can revisit the budget to check if the money is eer enough so that we can continue with the project. If the money is not enough, some of the projects will be stopped so that there is effective teaching and learning, eer for example the school can ran [sic] short of

stationery such as Typek [paper] because the money has been utilised for other projects.”

What PR2 said contradicts the views of PA2 and findings from the document analysis. PA2 indicated that no budget has been drawn up for the 2016 academic year. One parent governor said, “The budget is drawn up by the finance committee, but for this year no budget was drawn up because of disagreement here and there.” Another commented, “The problem of not drawing up the budget is that they say the books have been sent to the auditors.” When I enquired how they buy goods for the school without having a budget, one parent governor responded, “We rely on the budget that was drawn up last year.” The responses of parent governors concur with the findings of the document analysis. The budget that I have analysed was dated 2015. It was not signed as required. When I asked, the parent governors how the 2015 budget was drawn up, they responded that they do not have information on that. One added, “But for the sake of teaching and learning, things were bought while still waiting for the budget to be drawn up.”

If no budget is drawn up, the school’s goals and objectives will not be met. The deputy principal pointed out that the budget is a tool that can prevent over-expenditure, but he is not sure whether the budget reflects the school’s goals and objectives because he stated that he has not seen the budget. DE2 responded this way: “Eer, (*he laughed*) I do not know what to say because we may just write things which must be bought, they may be bought, and they may not be bought. They tell us that money is insufficient, so, eer, we were told that the money belongs to the principal and the school governing body, so we know nothing.” Because the learner governors are not invited to the meetings where financial matters are discussed, they are not involved in compiling the

budget. When I asked LE2 whether they know what a budget is, all answered in the negative.

It appears that some principals of rural schools misuse their position as the representatives of the HoD, and the low education levels of parent governors to draft school policies and draw up the budgets themselves without any consultation. This irregularity increases the possibility of financial mismanagement by principals. School management teams do not always consider the level of competence required for effective monitoring of the budget and school governing bodies because they lack the skills to manage the schools' finances themselves (cf. chapter 3, section 3.5).

Failure to draw up an annual budget:

- Is in conflict with section 38(1)(2) of the Schools Act (cf. chapter 2, section 2.2.2).
- Creates financial uncertainty because the State allocation is determined by the enrolment of the school (cf. chapter 2, section 2.3.4).
- May imply that the money is not used to benefit the learners.

ED2 do not know what a budget is. One educator governor did not answer the question on the budget. The other one indicated that a budget is a prescript.

5.4.1.9 Collective decision-making

DE2 believes that PR2 does not manage the school's funds well. He pointed out: "She [PR2] does not involve all the stakeholders when taking financial decisions." He believes that collective decision-making can improve the school's financial management. When I asked him what he would do to improve the

school's financial management, this is how he responded, "I will consult with my colleagues before any financial decision is taken."

5.4.1.10 Purchases and procurement

All schools that have acquired Section 21 status procure their own goods because they are self-managing schools. However, they have to comply with the Preferential Procurement Policy Framework Act 5 of 2000 (cf. chapter 2, section 2.2.4). PR2 stated, "The governing body prioritises the items that they need and request the procurement committee to get three quotations. When the committee is done, it presents the quotations to the finance committee. The finance committee will then check whether there is enough money in the school's account. After that the process of buying will proceed."

What PR2 said contradicts what PA2 said. The responses of PA2 showed that they do the work of the procurement committee. One parent governor commented, "The governing body members make a list of what they need. They then seek people who can buy those goods and to [sic] organise the transport for those goods." One added, "Teachers who are in the school governing body buy together with us because we cannot know what teachers want." When I asked PA2 what the work of procurement committee is, one responded, "[It] is to help in the school so that we do not have shortages in the school." The procurement committee in this school is not functional, and the Preferential Procurement Policy Framework Act is not complied with (cf. chapter 2, section 2.2.3) because the governing body members usurped the functions of the procurement committee.

CH2 indicated that they use the State allocation to buy stationery, but he did not specify the kind of stationery the school buys. Section 21 of the Schools Act allows governing bodies to buy additional learning support material including stationery (cf. chapter 3, section 3.3). To verify whether the order complies with the purchased goods, one parent governor said, "We compare

the list of what we wanted against the delivered goods to check whether the supplier has delivered the correct number of goods and to check whether the delivered goods are those that we ordered.”

5.4.1.11 Record keeping

PR2 confirmed that not all the financial records are kept in her office. She said, “The finance officer is responsible for keeping the financial records and the educator librarian is keeping the library records, but finally they must be submitted to the office of the principal.” When I asked PR2 whether those records are finally submitted to her office, she responded, “Not all of them. When I took over this post, I found the situation as it is. The school has been operating like this for long, but I think we must engage the Circuit Manager in this regard.”

When I requested the governing body’s minute book and income and expenditure register, it became evident that educators kept them and they were not kept in the principal’s office as required. PR2 showed negligence in this regard. When I asked the audited financial report, PR2 indicated that the financial reports were still with the auditors. When I requested the previous reports, the principal told me that they have been misplaced. PR2 is responsible for this misplacement because she is the one who must keep all the financial registers and financial records in a safe place as per paragraph 10.2.3 of Limpopo Prescripts and chapter A, annexure A7 criterion 3.1.3 of PAM (cf. chapter 2, sections 2.3.3 and 2.3.1). Section 42 of the School Act does not indicate how the financial records should be kept. The PAM and Limpopo Prescripts requirement that records be kept in the principal’s office (safe custody) though not supported by law, it is a common practice supported by policy.

School A does not have a monthly financial register. I had to analyse loose pieces of paper stapled in the quarterly financial register to obtain

information on the income and expenditure. The quarterly financial register had information of the money deposited and spent until November 2015. The school is supposed to submit the quarterly financial report to the Circuit as per paragraph 8.7.5 of the Limpopo Prescripts. However, there was no evidence of reporting this information to the Circuit as confirmed by the findings of the document analysis.

DE2 stated that the financial reports must be kept safely in the principal's office but indicated that in his school, he does not know where the financial records are kept. This is how he answered, "Unfortunately because we are not involved in the finances, I cannot tell. Maybe the finance officer, the treasurer and the principal may know, with me [sic] I do not know where they are kept."

5.4.1.12 Bank account

PR2 maintained that the school has two bank accounts. She said, "Eer, at our school we are having two accounts. One is for [the] national school nutrition programme; one is for normal functioning of the school. The purpose is that the school is not a safe place for keeping money." DE2 is not aware of the two accounts. This is how he responded, "I think they are having one. The purpose is that when the department deposits money, they must have [an] account so that the department can deposit the money in the correct account."

Keeping a separate account for the feeding scheme does not comply with section 37(3) of the Schools Act. This section allows for a second account if it is an investment account and only if permission to open it was granted. The Limpopo Prescripts contains a similar provision to give effect to the Schools Act. The Schools Act allows schools to open a second account (investment account) with the permission of the Member of Executive Council while the Limpopo Prescripts allows schools to open a second account (investment account) with the permission of the HoD. Although the Schools Act allows

for one account, there is a need, as School B has shown, to have another account for the feeding scheme.

Three parent governors were appointed as signatories to the school's bank accounts. All the participants believe that this arrangement is in line with the Limpopo Prescripts. One parent governor said, "Whoever parent who can read and sign was appointed the signatory." This is not in line with the Limpopo Prescripts. As per paragraph 8.5.2 of the Limpopo Prescripts, "The school governing body treasurer, the deputy chair and a third member shall be appointed as signatories. Under no circumstances shall the school principal, the SGB chair and the finance officer be appointed as signatories." The Schools Act is silent on who must be appointed signatories to the school's bank account. The parent governors misinterpreted paragraph 8.5.2 of the Limpopo Prescripts. There is no law or policy that says the treasurer and the deputy chair must be parent governors, which means it is possible for educator governors to be appointed as treasurer, deputy chair or signatories to schools' bank account (except where an educator governor is the finance officer).

5.4.1.13 Committees and policies

DE2 and CH2 mentioned that the finance committee and finance policy assist in the management of the school's finances. PR2 mentioned the finance and procurement committees. PA2 mentioned the finance committee. They (PA2) also indicated that they know what the procurement committee is but the explanation of one parent governor implies the opposite. She said, "Teachers who are in the school governing body buy together with us because we cannot know what teachers want." When I asked CH2 about the committee that is responsible for obtaining quotations, he responded, "The finance committee, but we have never sat down with the finance committee to discuss financial matters." PR2 has failed to make the governing body aware of various

finance-related committees and policies, and their purpose of regulating the school's finances (cf. chapter 2, section 2.3.1). The financial responsibilities of the procurement committee are compromised in this school.

None of PA2 knows which committee is responsible for looking after the school's infrastructure. The principal must ensure that the governing body is empowered increasingly to take major decisions for the school by involving the members to establish various committees and help them to make policy decisions to ensure that these policy decisions are implemented and managed well as per PAM (cf. chapter 2, section 2.3.1).

One parent governor stated, "The principal must ensure that every Friday chairs and desks are brought into classrooms because she spends most of her time at school." None of PA2 mentioned the maintenance committee. The lists of procurement, finance and maintenance committees were examined during the document analysis, but none of them was signed or was officiated by the school's stamp. The problem of not endorsing the finance-related committee lists indicates that School B established these committees for the sake of formality.

No mention was made of the finance-related policies, such as the finance, maintenance and procurement policies. During document analysis, only the finance policy was made available for examination but the parent governors did not mention it (the finance policy). PA2 were unaware of the existence of the finance policy, most probably because they were not involved in the drafting of this policy. School B drafted the finance policy solely for the purpose of compliance with departmental regulations (cf. chapter 3, section 3.5). It is not implemented at all.

DE2 stated that he is not sure whether the school has finance committees and a finance policy because he is unaware of them. The findings of the document analysis confirmed that various committees were formed with no guidelines on how they should function except the finance policy, which is not implemented.

LE2 indicated they are not involved in the compilation and adoption of policies and development of committees that assist in the management of the school's finances because they are not invited to governing body meetings that deal with finances. They (LE2) are also not informed when goods are purchased at their school. One learner governor responded, "We just see a truck delivering goods at school". When I asked LE2, what their role is in the governing body, they said they do not know. LE2 stated that they just see parent governors coming to meetings; they are neither informed nor invited to those meetings. Another learner governor added, "Even when we try to ask permission to hold [a] meeting with learners, we are denied permission."

The fact that learner governors are not involved when financial decisions are taken suggests that they are not considered true members of the governing body. This appears to be the reason why they were not mentioned in the governing body member list that was signed by the principal only. These participants might have been left out when these committees were formed. What was meant to promote participatory democracy at school level, turned out to be an exercise of marginalisation and silencing (cf. chapter 3, section 3.5).

5.4.1.14 Infrastructure

ED2 differed in the way to raise their concerns if they are not happy with the state of the infrastructure at the school. One educator governor said, "I alert

other governing body members about the conditions of the infrastructure of the school,” while the other one stated, “Through the normal processes.” The latter is the secretary of the governing body and a member of the finance committee but he did not elaborate on those normal processes. Although problems are brought to the governing body’s attention, nobody takes action to resolve these problems.

5.4.1.15 Finance officer

PA2 know that the principal appoints the finance officer but they do not know their roles in this regard. When I asked them what they do if they feel that the finance officer is incapable of executing his or her tasks such as reconciling bank statements, ensuring completion of monthly and quarterly reports and compiling annual statements, one parent governor responded, “We will appoint the one we think can be the finance officer.” This response implies that the governing body members are executing the responsibility of the principal. Overlapping responsibilities are likely to cause tension (cf. chapter 3, section 3.5). It also implies failure to comply with paragraph 5.1(v) of the Limpopo Prescripts, which deals with the appointment of the finance officer by the principal in consultation with the governing body (cf. chapter 2, section 2.3.3). The role of the governing body in the appointment of the finance officer is to approve or reject the appointment.

5.4.1.16 Assets

The school does not have effective mechanisms in place to prevent theft of the school’s assets. This omission appears to be the reason why parent governors indicated that the State allocation is insufficient. One parent governor responded in this way: “That one we do not know because we do not stay at school full time so we cannot see them.” When I asked PA2 whether the

school's assets are marked, they indicated that they are marked but they are not sure whether all assets have been marked. The stock register contained items, such as reams of paper and staplers. Other school property, such as computers, photocopiers, chairs and tables for learners and educators were not recorded. Items that are not recorded cannot be traced should they be lost or stolen. One of the allocated functions of the governing bodies as prescribed by section 21(1) of the Schools Act is that governing bodies must maintain and improve the schools' property and buildings (cf. chapter 2, section 2.2.2). Clearly, this is not happening.

5.4.2 Challenges that School B's governing body experienced

School B's governing body experienced several challenges that hamper the effective execution of its legal obligations in relation to the management of the school's finances.

5.4.2.1 Managing the finances in line with the legal prescripts

According to PR2, financial management is done in line with the legal prescripts. She said, "Eer, what I can say is that at our school we did not experience anything that is insufficient or in shortage." During the interviews, PR2 contradicted herself by stating that cheques are signed every time the electricity is finished. In this way, the principal violated paragraph 4.6 of the Limpopo Prescripts that allows cheques to be signed once per month (cf. chapter 2, section 2.3.4).

DE2, CH2 and ED2 had different views. They indicated that there are aspects of the financial management that are not done in line with the legal prescripts. CH2 responded, "Things are bought and as chair I am not informed or given invoices. I am just surprised to see items on the financial statements that are sent to the auditors when I am urged to append the signature." When I asked him

whether he is forced to append his signature, he responded, “I am threatened that if I do not sign, the government will not deposit money.” According to DE2, the process of buying goods for the school is not carried out as per the Preferential Procurement Policy Framework Act. This is how he responded, “Those who are relevant to the financial activities say that the process of buying goods for the school does not follow the correct procedures where three quotations need to be done.” One educator governor answered, “The money is used without following the correct processes especially when tendering.” The other educator governor commented, “The school’s funds are used to prepare a meal for the governing body members during every governing body meeting irrespective of the duration of the meetings.” The responses of these participants suggest financial mismanagement, and failure to comply with section 43(6) of the Schools Act and paragraph 8.6.1 of the Limpopo Prescripts (cf. chapter 2, sections 2.2.2 and 2.3.3).

5.4.2.2 Education levels

PR2 does not agree that the low education level of parent governors has a negative impact on the management of the school’s finances. She stated, “All the parent governors who are in the finance committee have passed Grade 12, and can thus read and understand some of the documents.” Her statement differs from the participants’ biographical information that indicates that no parent governor has passed Grade 12. Other participants admitted that the low education level of parent governors has a negative impact on the management of the school’s finances. One learner governor said, “Negatively so because parents did not go far with education, parents may end up using the money not in a proper way.”

CH2 said, “Parents are responsible for funds in their home, so to manage the school’s finances has got nothing to do with the education levels.” During the interviews, CH2 contradicted himself. He responded, “School governing body members are parents,

[the] majority of whom did not go to school,” thus acknowledging the importance of education levels on managing the school’s finances. One parent governor answered this way, “With the education that we have, we ensure that effective teaching and learning takes place.” The Schools Act does not require any education levels from parent governors who are elected to serve on a governing body. Parent governors, who are marginally literate, tend to manage schools’ finances in an improper way (cf. chapter 3, section 3.5).

5.4.2.3 Interpreting departmental documents

PA2 acknowledged that they are unable to interpret departmental documents. They need the assistance of educators to translate documents into their home language, *Sepedi*. One parent governor responded, “If they explain what the circulars say, but if they can just tell us this is an invitation, we may not understand it ... circulars are sent to the principal’s office so she must explain what it is contained [sic] in the circular or prescripts.” CH2 indicated that during workshops, circulars and other prescripts are given to the principals, not the governing bodies. On my probe whether they are able to interpret and understand the departmental documents even if they are written in English, one parent governor responded, “It will be difficult to understand them. We will need someone to translate them into *Sepedi*.” CH2 answered, “We can try.” Printed materials provided by the provinces are available in English, which marginalises many African language speakers. It also deters many black parents from participating in school governance (cf. chapter 3, section 3.5). The inability to understand and interpret the departmental documents is exacerbated by the low education levels of parent governors. The biographical information of parent governors indicates that none of the parent governors in this school passed Grade 12. The low education level of parent governors affects the execution of their obligations in managing the school’s finances

negatively. The person who translates the departmental documents could easily leave out important information that may assist the parent governors in managing the school's finances effectively. The DoBE's failure to translate departmental manuals into all official languages as required per paragraph 124 of NNSF of 2006 (cf. chapter 2, section 2.3.4) exacerbates the problem of governing body members being unable to interpret and understand the departmental documents.

5.4.2.4 Representation in financial decision-making

PR2 stated that it was not a problem that parent governors formed the majority of governing body members. This is how PR2 responded, "What I have noticed is that I do not think being in majority has such an impact because all people are equal in the school governing body. All school governing body members, including educators, and learners are considered equally, no problem, no argument." During the interview, PR2 contradicted herself on the role that the learner governors play in the governing body. She indicated that governing body meetings are held during school hours and those learner governors would miss lessons if they attend, thereby acknowledging learner governors do not attend governing body meetings. The views of PA2, LE2 and ED2 and those of the DE2 contradict PR2's statement of equal representation on the governing body. Responses from PA2 show that not all governing body members take part in the financial decisions of the school. One parent governor responded, "It is difficult for us because financial decisions first start with the finance committee." This implies that the views of governing body members who are not finance committee members are not considered because the finance committee would already have taken decisions. The statement "It is difficult for us..." suggests that the financial decisions taken by the finance committee are final and that other parent governors who are not members of the finance

committee cannot reverse those decisions. CH2 confirmed this. He said, "...but we have never sat down with the finance committee to discuss financial matters".

One learner governor responded, "The fact that parent governors are in [the] majority in the school governing body will result in them overpowering others when financial decisions are made because [the] majority rule." ED2 responded that the limited representation of educator governors on the governing body results in their contributions being under-valued when the governing body members take decisions. One educator governor answered this way, "Application of majority rule prevails, because of less number of educators in the school governing body, contribution and decisions of educator governors are being undermined." He added, "The Schools Act places more responsibilities on parent's [sic] involvement in managing the school's finances because their number in the governing body is always higher than that of educator governors." He continued, "I was not listened to when alerting the governing body members on [sic] curriculum-related matters." He pointed out that the availability of money and collective decisions are not considered when planning for the use of money. The other educator governor stated that the educator governors question the financial decisions taken during governing body meetings but because there are fewer of them on the governing body, they are not listened to (cf. chapter 3, section 3.5). She said, "There is abuse of power by certain governing body members because educator governors have little say on financial matters." She added that because the educator governors do not have influence on the governing body, the school's finance is used for personal matters.

The implication here is that uncertainty exists about the manner in which the school's finances are managed and that the educator governors are powerless to question this. Other governing body members do not take the contributions of educator governors regarding financial decision making

seriously. The limit placed on the number of educator governors that must serve in the governing body, suggests that the prescribed composition of the governing body prevents educator governors from participating actively in the school's financial management. A maximum of three educators serve on the governing body (cf. chapter 3, section 3.5). The overall challenge that educator governors on governing bodies face is the absence of collective decision-making.

When the governing body takes financial decisions, learner governors are excluded. PR2 has already indicated that governing body meetings are held during school hours and those learner governors would miss lessons if they attended. DE2 stated, "I have never seen any governing body meetings where learner governors are attending or to have their own meetings so that they can submit a report to the Learner Representative Council." This response concurs with that of one learner governor who indicated that learner governors are denied permission to hold meetings with other learners.

5.4.2.5 Power struggles

DE2 indicated that there is no power struggle between him and the chair because he is not involved in the school's financial management. If he were engaged in financial management, he would question some of the financial matters with which he is unhappy. CH2 maintained that there is no power struggle between him and the principal, but he commented that they are denied access to departmental documents that assist in the management of the school's finances. It is the principal's responsibility to make departmental documents available to the governing body members as per PAM (cf. chapter 2, section 2.3.1). CH2 continued to respond, "Things are bought and as chair I am not informed or given invoices. I am just surprised to see items on the financial statements that are sent to the auditors when I am urged to append the

signature.” During the interview, CH2 indicated that PR2 is threatening him to sign the financial statements even if she did not tell him when the school purchased goods. He said, “I am threatened that if I do not sign, the government will not deposit money.” The complaints and threats CH2 is talking about imply that a power struggle between him and PR2 exists indeed.

5.4.2.6 Mismatch

To find out whether there are corruptive practices in relation to the school’s finances; PR2 indicated that the school’s buildings and other infrastructure are dilapidated. She said, “Sometimes the power of electricity [sic] may finish, so we invite the top executive to come and sign a cheque to buy electricity in an urgent meeting.” The Limpopo Prescripts indicate that cheques must be signed once per month (cf. chapter 2, section 2.3.3). The Limpopo Prescripts’ requirement that the finance committee must meet once a month to make payments is not supported in the Schools Act but it is a good practice.

DE2 maintained that it is not easy to access financial reports. When I probed whether he has observed that money is not used in a proper way, he responded, “I did not observe that. You may hear the hearsay talking about that... rumours go around that this one was supposed to be purchased like this [sic] but it was not.” CH2 stated that things are bought without him or the governing body being informed thereof, but when the financial statement is ready, they want him (CH2) to append his signature to the statement. He added, “Sometimes things are bought but we do not see them. We are just told that things were bought.” The responses of DE2 and CH2 suggest that PR2 misuses her position as representative of the DoBE and takes financial decisions alone (cf. chapter 3, section 3.5). Failure to show purchased goods to other governing body members could mean that there is financial mismanagement taking place at this school.

5.4.2.7 Insufficient funds

PA2 responded that the State allocation is insufficient and suggested it must be increased. This problem hampers their efforts to fulfil their obligations in relation to school's financial management. One parent governor responded, "You may find that at school there is no water and chairs and all these need to be done with the money from the government." Another parent governor said, "Sometimes at school, we are forced to buy stationery out of our own pocket [sic]." This statement supports what PR2 indicated that sometimes the school runs out of stationery because the money has been used for other projects. One parent governor concluded, "We as school governing body members are of the opinion that the department can give us chance to talk about the challenges that we encounter at schools because this thing of buying papers out of our own pocket [sic] is a problem because as parents we are unable to afford them."

The amount of money that the department allocates to each school is determined by the enrolment of learners (cf. chapter 2, section 2.3.4). This school is a no fee school that receives 100% State allocation. If learners' parents buy reams of paper, it raises a red flag to gross financial mismanagement. Parents having to buy reams of paper violates section 37(7)(c) of the Schools Act and NSSF that prohibit no fee schools from collecting any money or other contribution from parents to manipulate the payment of compulsory school fees (cf. chapter 2, section 2.2.2 and 2.3.4). Supplementing the State allocation as per section 36 of the Schools Act (cf. chapter 2, section 2.2.2) does not translate into asking parents to pay extra money in the form of buying reams of paper.

5.4.2.8 Training

According to PA2, the training in school financial management that they received was informative and they learnt a great deal but still feel that the

training should be improved. They mentioned that the training gave them a guiding principle, namely that any money the school receives must always be applied to the benefit of the learners.

One parent governor commented that when financial training is held, not all governing body members are invited. She added, “That is why sometimes we are so quite [sic] when you ask questions. They only invite the treasurer, the chairperson, the secretary and the principal. That is why we know nothing about how the finances should be used.” One parent governor continued, “You will be surprised when they say books were sent to the auditors. When they come back they tell us, but we do not know what auditing means, so it becomes useless for us. Recently we were told that books were sent to auditors but we do not know the reason for sending those books to auditing [sic].” The audited financial report was not available for examination during document analysis. PR2 indicated that the financial reports were still with the auditors.

When I asked the parent governors about their roles on the governing body, some parent governors indicated that they do not know. One parent governor added, “Those who attend financial training will tell us what transpired in the training,” confirming that not all governing body members attend financial training. When I asked them how often they are invited to the financial training, their responses varied. Three parent governors indicated that they were trained once a year. One said, “They train us once or twice a year, next year we shall have forgotten what they told us last year.” The provincial departments provide a once-off induction for all governing body components but it is difficult for governing bodies to grasp the vast quantity of information imparted to them during this one-day training. This inadequate training practice deviates from section 19 of the Schools Act, which makes the provision of initial and continuous training by PDoBE compulsory (cf. chapter

2, section 2.2.2 and chapter 3, section 3.5). The problem of once-off training is exacerbated by the term of office for governing bodies. The term of three years for adult governors and one year for learner governors is too short for them to learn and master the execution of governance functions in a way that engenders continuity (cf. chapter 3, section 3.5). All of the governing body members asked that they be trained four times a year and that they all be invited to attend the training. Regular training will familiarise them with sound school financial management.

CH2 indicated that he was trained twice a year. He added, “School governing body members are parents, [the] majority of whom did not go to school. School governing body members are urged to sign something that was written in English, and those people do not translate English into our home language.” The contradicting sessions of training show that not all governing body members are invited to attend the training that deals with finances. Suggestions by the parent governors include:

- departmental documents should be translated into their home language
- government officials should conduct the financial training in their home language
- all governing body members should be invited to the financial training
- the training should be held four times a year

These suggestions imply that the financial training does not empower the governing bodies sufficiently to manage their school’s finances.

5.4.2.9 Record keeping

PR2 and CH2 responded that educators keep some of the financial documents. This questionable practice hampers their obligations of fulfilling

their financial management functions. PR2 maintained that the school has been operating like this for an extended period. CH2 indicated that when they want to check for something, one might say, “I do not have time, I will look for them.” He continued, “These records are not readily available.” He added that when they were elected, they found the financial records in various places. When I asked him how he addressed the problem, this is how he answered: “The signatories and the finance committee must sit down and come out [sic] with a solution.”

The findings that emerged from the content analysis and interpretation of the data indicate that the governing body of School B does not fulfil its legal financial management obligations as required, and that it experiences challenges that hamper the effective execution of its legal obligations in relation to the management of the school’s finances.

5.5 Conclusion

Twenty-eight out of thirty-two participants took part in the study. Two parent governors from School A did not participate in the focus group due to family commitments. One parent governor from School B had resigned from being a governing body member. Bi-elections that would have resulted in the participant being replaced, were not yet conducted during the time of doing fieldwork. One educator from School B did not bring back the questionnaire. Those who participated in the study provided sufficient data that enabled me to analyse and interpret it and to derive valid findings. Different themes from the content analysis of the data have been presented, analysed and triangulated. From the findings, I deduced that the governing body members of both School A and School B do not execute their legal obligations in managing their school’s finances effectively, as required by the

financial legislative framework that regulates the financial management of public schools. In chapter 6, I compare the findings between the two schools, and draw a conclusion based on the findings, followed by my recommendations that will assist governing bodies in executing their legal obligations to improve financial management in public schools.

CHAPTER 6

FINDINGS, CONCLUSIONS AND RECOMMENTATIONS

6.1 Introduction

In this chapter, I present a summarised comparison between the two schools. I summarised the findings in accordance with research objectives 2 and 3 (cf. chapter 1, section 1.5).

6.2 Similarities and differences between the two schools

The study revealed more similarities than differences in the manner in which schools A and B manage their finances. In the sections that follow, I shall discuss the similarities first followed by a discussion of the differences between schools A and B.

6.2.1 Similarities between schools A and B

The analysis revealed similarities pertaining to the fulfilment of obligations and challenges with regard to how both schools manage their finances.

6.2.1.1 Fulfilment of obligations

Procurement committees in both schools are dysfunctional (cf. chapter 5, sections 5.3.1.6, 5.3.1.10, 5.3.1.13 and 5.4.1.10). The governing bodies procure goods for their schools on behalf of the procurement committees and that they do not follow the correct procedures of procurement. There is evidence of failure to obtain three quotations before purchasing goods for the schools (cf. chapter 5, sections 5.3.2.1, 5.4.2.1, 5.3.1.10 and 5.4.1.10).

Schools' policies and documents, such as budgets were developed merely for the sake of compliance and as a formality because they are evidently not adhered to. There is evidence of irregular expenditure in both schools, which results in a shortage of funds. Both schools deplete their bank accounts to

such an extent that they need to borrow stationery from neighbouring schools (in School A's case) (cf. chapter 5, section 5.3.2.7) and request parents of learners to buy stationery (reams of paper) out of their own pockets (in School B's case) (cf. chapter 5, section 5.4.2.7).

The measures being implemented to prevent theft of the schools' assets are ineffective. The stock registers in both schools were incomplete. In School A, only computers, printers and the photocopiers were recorded (cf. chapter 5, section 5.3.1.16) and in School B only reams of paper and staplers were recorded (5.4.1.16). Parent governors in both schools were unsure whether all the school's assets were marked (cf. chapter 5, sections 5.3.1.16 and 5.4.1.16). Neglecting to record all the schools' assets in the stock register and to mark them can result in them being taken for personal enrichment or stolen without being able to trace them, especially because no stocktaking is done.

The LDoBE and the governing bodies failed to monitor the income and expenditure in School A and School B. Regular visits by the department to monitor the schools' finances could have ensured that these schools update their financial records. Income and expenditure registers in both schools were outdated. The governing bodies at these schools manage their schools' finances as they wish. In School A, the financial report was only compiled up to December 2014 (cf. chapter 5, section 5.3.1.11). In School B, the financial information was recorded up to November 2015 (cf. chapter 5, section 5.4.1.11). There was no information recorded or available for the first quarter of 2016. Because the LDoBE did not take corrective measures to ensure that the financial reports were up to date, it failed to execute its duties as outlined in section 12(1) of the Schools Act. Failure by the LDoBE to

monitor the schools' finances confirms that the LDoBE is not doing nearly enough to empower members of governing bodies to execute their financial management functions effectively. This shirking of responsibility has resulted in poorly formulated minutes and incomplete financial records in these two schools.

The importance of the budget as a tool to prevent over-expenditure is not taken seriously. These schools are no fee schools and receive 100% State allocation. The State allocation is not fixed or rigid. It fluctuates depending on the enrolment of learners for each academic year. In School A, the drawing up of the budget did not comply with the Limpopo Prescripts when money is allocated for the curriculum needs of the school (cf. chapter 5, section 5.3.1.8). In School B, no budget was compiled for the 2016 academic year (cf. chapter 5, section 5.4.1.8). These findings indicate that both schools had irregular expenditure for the 2016 academic year and by implication, financial mismanagement.

Not all documents were duly signed and authenticated with the schools' stamps. In both schools, the procurement, maintenance and finance committee member lists, and finance policy were unsigned. Only the auditor signed the recently audited financial report of School A (cf. chapter 5, section 5.3.1.11). In School B, the principal only signed the governing body member list (cf. chapter 5, section 5.4.1.13).

6.2.1.2 Challenges

The principals of both schools regard themselves as superior to other governing body members. They share a common view that they are the legitimate decision makers who should influence decisions, as they are finally accountable to the DoBE. This view suggests that the principals

unilaterally decide what is in the best interests of their schools, which undermines the principle of democratic governance and decision-making. Both schools established finance-related committees but the participants did not mention some important committees, such as the maintenance committee, at all. Furthermore, the documentation supporting the establishment of these committees was not authenticated and signed (cf. chapter 5, sections 5.3.1.13 and 5.4.1.13). The member lists of finance-related committees that are not signed and endorsed with the schools' stamp also gives evidence of a lack of participatory democracy as financial decisions are not taken collectively. Although educator governors could question the dominance of principals in financial decisions, their contributions would be under-valued because they form the minority of governing body members.

The principals, deputy principals and governing bodies in both schools are unfamiliar with the financial legislative framework, such as the Constitution, the Public Finance Management Act, the Preferential Procurement Policy Framework Act, White Paper 2 and the NSSF that could assist them in the management of schools' finances. Those financial legislative frameworks, of which they are aware, such as the Schools Act, PAM and the Limpopo Prescripts, were not complied with fully. The following findings confirm this:

- Failure to report the financial status to the parents and the State (cf. chapter 5, sections 5.3.1.5 and 5.4.1.5)
- Deputy principals and learner governors are excluded from the management of schools' finances (cf. chapter 5, sections 5.3.1.4, 5.3.1.7, 5.4.1.4 and 5.4.1.7)

- Opening of the second bank account for the feeding scheme (cf. chapter 5, sections 5.3.1.12 and 5.4.1.12) whereas the second account was supposed to be used to invest surplus money
- The belief that only parent governors should be signatories to the schools' bank accounts (cf. chapter 5, sections 5.3.1.12 and 5.4.1.12)
- Cheques are signed as per the needs of the schools and not as guided by the Schools Act and the Limpopo Prescripts (cf. chapter 5, sections 5.3.2.4 and 5.4.2.6)

Several questionable financial management practices came to the fore, particularly in school B. Unlike school A, financial records in School B are inaccessible. The principal's claims for travelling costs to attend principals' meetings in School A, are not paid as per the kilo meters agreed by the governing body members (cf. chapter 5, section 5.3.2.4). In School B, the governing body members are not given receipts or invoices for purchased goods (cf. chapter 5, section 5.4.2.1). Those members who are supposed to sign the financial reports, do so uninformed and under duress. The processes for purchasing items in both schools did not comply with the three quotations rule. (cf. chapter 5, sections 5.3.2.1, 5.4.2.1, 5.3.1.10 and 5.4.1.10). Information regarding income and expenditure in both schools is not disclosed to all the members of the governing body.

The findings also revealed that the financial training does not empower governing bodies adequately to manage their schools' finances. The use of English by government officials and in departmental documents makes it difficult for parent governors to understand the content of those documents and they need the assistance of educators to interpret financial law and

policy (cf. chapter 5, sections 5.3.2.8 and 5.4.2.8). The use of English also inhibits their participation in school governance.

Most parent governors served on governing bodies for the first time and lacked experience. Their lack of experience is exacerbated by their low education levels. The Schools Act places parent governors in a powerful position to manage schools' finances because they are represented in larger numbers on governing bodies than any other group of governing body members. However, because of low education levels, they are unable to read and interpret financial documents that would enable them to manage schools' finances efficiently.

Parent governors in both schools responded that the State allocation is insufficient. Having insufficient funds hampers them in the execution of their obligations in relation to their schools' financial management (cf. chapter 5, sections 5.3.2.7 and 5.4.2.7). Inadequate State allocation was not identified as a factor in the literature review. Neither of these schools attempted to raise additional funds. There is evidence of gross financial mismanagement that has contributed to the shortage of funds.

The analysis also revealed the formation of groupings (cliques) on the governing bodies of both schools. Those who were involved in the financial management of the schools' finances formed their own group and excluded the rest of the members. The formation of groupings weakens the unity of a governing bodies and leads to dysfunctionality. Scholars whose scholarship I reviewed did not identify the presence and effects of formation of groupings (cliques) as a factor.

6.2.2 Differences between schools A and B

The study revealed differences pertaining to fulfilment of obligations and challenges in relation to how the two schools manage their finances.

6.2.2.1 Fulfilment of obligations

The chairs of both schools differed in respect of the financial management responsibilities of deputy principals. CH1 believed that the deputy principal should not be involved in the school's financial management (cf. chapter 5, section 5.3.1.4), while CH2 believed that the deputy principal should manage the school's finances in the absence of the principal (cf. chapter 5, section 5.4.1.4).

In School A, the financial records were kept safely in the principal's office (cf. chapter 5, section 5.3.1.11), while in School B the minute book of the governing body and income and expenditure register were kept by educators (cf. chapter 5, section 5.4.1.11).

The principal, chair and the finance officer signed the 2016 budget at School A (cf. chapter 5, section 5.3.1.8), while School B used the 2015 budget that was not signed (cf. chapter 5, section 5.4.1.8).

6.2.2.2 Challenges

A power struggle was noted between the principal and chair in School B. The chair responded that he is not informed when financial decisions are taken. As chair of the governing body, he is supposed to be informed when financial decisions are taken. I did not identify power struggles between principals and chairs of school governing bodies in the literature I reviewed. In school B, the chair is manipulated and bullied into signing the financial statements (cf. chapter 5, section 5.4.2.1). He also complained that the

principal refuses to grant them access to departmental documents. In School A, the principal informs the chair of all financial decisions that he takes (cf. chapter 5, section 5.3.2.1). Therefore, there is no power struggle between them.

Parent governors in School A, understood their role in the appointment of the finance officer is to approve or reject the appointment made by the principal (cf. chapter 5, sections 5.3.1.15), while those in School B believed they are authorised to appoint the finance officer (cf. chapter 5, section 5.4.1.15).

6.3 Assumptions

The findings confirmed all the assumptions I made in chapter 1 (cf. chapter 1, section 1.11). The governing bodies of both schools did not execute their legal obligations with regard to managing their schools' finances effectively. The findings confirmed that the LDoBE does not provide adequate support in terms of monitoring the State allocation, as financial records were not kept up to date in both schools, yet they continued to receive funding for the following years. Inadequate financial training does nothing to empower governing bodies to gain knowledge, skills and expertise in managing schools' finances. Those members who are not involved in the management of the schools' finances are just there on the governing bodies for the sake of formality. They do not contribute to financial decision-making.

The findings also supported my assumption that communicating in English by government officials and in departmental documents marginalises parent governors in their efforts to manage schools' finances and inhibits their participation in school governance. My assumption is confirmed further by governing bodies' reliance on the assistance of educator governors to

translate documents and conversations in workshops, so members can understand the content.

6.4 Conclusion of the research

The study investigated whether the selected governing bodies fulfil their legal obligations with regard to the management of schools' finances. The study revealed that the governing bodies in both schools A and B do not understand their legal obligations with regard to the management of the schools' finances adequately. Thus, they do not fulfil their legal obligations effectively when managing their schools' finances and they encounter challenges that hamper the effective execution of their legal obligations in relation to the management of their schools' finances. The PDoBE needs to take significant steps to empower governing bodies, so they may acquire knowledge and skills that will enable them to manage schools' finances in fulfilment of their legal obligations.

Data collected from the two case studies enabled me to formulate recommendations that can assist governing bodies of the participating schools in executing their legal obligations to improve financial management.

6.5 Recommendations

I recommend that the following steps be taken that will assist governing bodies in executing their legal obligations to improve financial management in public schools. To the department, these recommendations will ensure that schools utilise the State allocation as per the financial legislative framework to minimise financial mismanagement and ultimately to improve the quality of education in schools located in the Maleboho Central Circuit, Limpopo Province.

- **Translating departmental documents into home languages**

The PDoBE should make a concerted effort to translate departmental policies and training manuals into African languages and to distribute them to school principals and during training sessions to ensure that the message contained in these documents is conveyed to the governors.

- **Support and monitoring of the State allocation**

To ensure that the State allocation is used to benefit the learners and not for personal enrichment, governing bodies and the PDoBE must monitor the State allocation. At school level, governing bodies firstly need to draw up accurate budgets to control and monitor income and expenditure to meet their financial obligations. The PDoBE should also monitor the utilisation of the State allocation, and take corrective action where problems exist, particularly in uncooperative schools where irregular practices are suspected. The department can do this by monitoring budget processes, by ensuring that all finance-related committees and policies are established and functional and by deploying officials who have the prerequisite financial skills that qualify them to conduct financial training. The PDoBE must also monitor that schools compile monthly, quarterly and annual reports and that these reports are made available to all relevant stakeholders. Schools must be forced to have financial reports readily available and accessible.

- **Monitor feeding schemes**

The DoBE must amend laws and policies to allow schools to open a bank account for the feeding scheme. Because the department funds this scheme, it must monitor these funds the way it is supposed to monitor the State allocation for the normal functioning of the school to ensure that learners receive nutritious, high quality meals.

- **Take financial reporting seriously**

The governing body is legally bound to report the financial status of the school. The fact that the departments do not lead by example and disregard financial reporting creates an impression that reporting is not important. There exists an urgent need to hold provincial departments accountable for failure to report the finances of schools.

- **Support regarding procurement and budgeting processes**

PDoBEs should, at circuit levels organise awareness campaigns during which governing bodies must be made aware of the importance of a budget and procedures to follow when procuring goods. During these awareness campaigns, governing bodies from various schools should share ideas on how they draft their budgets and procure goods.

- **Asset management needs serious attention**

Each school must establish an asset committee, which must take care of the school's property and buildings. This asset committee must record all goods purchased using the State allocation or that the State supplied to the school in the asset register. All the school's property needs to be marked clearly. This committee, which could be assisted by learners, must count all the property on a quarterly basis; e.g. do stocktaking.

- **Regular convening of financial training**

The PDoBE should convene financial training at least once per quarter. All governing body members must be invited and all the governing body members must participate actively, to empower them to make informed and sound financial decisions. Thus, financial-decision making at schools will improve and the formation of cliques would be reduced which, in turn, would make the mismanagement of funds more difficult.

- **Familiarity with the financial legislative framework**

Government officials must familiarise governing bodies with all the legal prescripts that regulate financial management of public schools, rather than simply emphasise the Schools Act and the provincial prescripts. As representatives of the department at school level, principals must make sure all members of the school governing body are provided with the financial legislative framework that will enable them to manage the school's finances effectively. They must keep the governing body fully informed of the national, provincial and local educational developments and how, to implement them in schools.

- **Roles and responsibilities of the governing bodies**

The Schools Act should clearly stipulate the role of learner governors when financial decisions are taken at schools.

- **Membership of governing bodies**

Schools should co-opt financial experts to be members of the finance committees. I suggest that the DoBE strongly consider making this compulsory.

6.6 Suggestions for further research

It became apparent from this study that there are specific areas or topics that require more research. Those are:

6.6.1 Investigating the leadership role of principals to ensure effective management of schools' finances would be important.

6.6.2 It would be worthwhile to investigate the importance of committees and policies for the effective management of schools' finances.

6.6.3 An in-depth study on budgeting to meet the schools' goals and objectives is imperative for members of school governing bodies.

6.7 Conclusion

The study investigated governing bodies' legal obligations with regard to financial management of public schools in the Maleboho Central Circuit, Limpopo Province. The findings that emanated from this study clearly indicate that for governing bodies to execute these obligations effectively, they must have acquired skills and knowledge in financial management. The Provincial Department of Basic Education needs to empower school governing bodies in the Maleboho Central Circuit, Limpopo Province urgently with skills and knowledge of financial management and to familiarise them with the financial legislative framework that will enable them to use the schools' finances in the most efficient, effective, economic and transparent manner possible. Empowerment will ensure that the schools' finances are utilised to improve the quality of education for learners, and not for personal enrichment.

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Appendices

Appendix A

Letter requesting permission from Limpopo Department of Basic Education

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 459
Bochum
0790

Limpopo Department of Basic Education
Polokwane
0700

Sir/Madam

REQUEST TO CONDUCT RESEARCH

The above matter refers.

My name is Phuti P Chaba. I am currently a student of University of South Africa in pursuit of a Master of Education degree in Education Management.

I am requesting permission to conduct a research study on the topic of my dissertation shown in the above paragraph.

I would like to conduct recorded interviews with the principals, the deputy principals and chairs of the school governing bodies. Learner members and parent members of the governing bodies would be requested to participate in separate focus groups. Educator governors will be required to complete a qualitative questionnaire. The findings from the interviews, focus groups, and questionnaire will be used for academic purposes only. Both interviews and focus groups will take place after the normal school hours and take approximately one hour. Educator governors will complete a qualitative questionnaire in their own time. All participants will be asked questions on the management of school finances.

I would also like to see the schools' finance documents such as stock register, finance policy, finance committee list and any other documents that are relevant to school finances. I undertake not to divulge the information from the participants and the finance documents.

I intend to protect the anonymity and the confidentiality of the schools as well as that of all participants. Although the participation of the schools in this research project is very important to me, it is voluntary.

Should you have any queries, please feel free to contact me.

Warm regards

Mrs Phuti P Chaba

Cell: 082 5160 682

e-mail: 32153465@mylife.unisa.ac.za



**DEPARTMENT OF
EDUCATION**

Enquiries: Dr. Makola MC, Tel No: 015 290 9448. E-mail: MakolaMC@edu.limpopo.gov.za

P O BOX 459

BOCHUM

0790

CHABA PP

RE: Request for permission to Conduct Research

1. The above bears reference.
2. The Department wishes to inform you that your request to conduct a research has been approved- **TOPIC "EXPLORE THE EXTENT TO WHICH THE SCHOOL GOVERNING BODIES EXECUTE THEIR LEGAL OBLIGATIONS WITH REGARDS TO THE MANAGEMENT OF SCHOOL FINANCE "**.
3. The following conditions should be considered
 - 3.1 The research should not have any financial implications for Limpopo Department of Education.
 - 3.2 Arrangements should be made with both the Circuit Offices and the schools concerned.
 - 3.3 The conduct of research should not in any way disrupt the academic programs at the schools.
 - 3.4 The research should not be conducted during the time of Examinations especially the fourth term.
 - 3.5 During the study, the research ethics should be practiced, in particular the principle of voluntary participation (the people involved should be respected).
 - 3.6 Upon completion of research study, the researcher shall share the final product of the research with the Department.

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4. Furthermore, you are expected to produce this letter at Schools/ Offices where you intend conducting your research as an evidence that you are permitted to conduct the research.
5. The department appreciates the contribution that you wish to make and wishes you success in your investigation.

Best wishes.



Mashaba KM

Acting Head of Department

2014/10/23

Date

Appendix C

Request letter to conduct research at the schools

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 459
Bochum
0790

Dear Principal

My name is Phuti P Chaba. I am currently a student of University of South Africa in pursuit of a Master of Education degree in Education Management. The Limpopo Department of Basic Education has given me permission to conduct research on the topic named above.

I am requesting permission to conduct a research study on the topic of my dissertation shown in the above paragraph. I picked your school to take part in this study because it has acquired Section 21 status. You might find this study informative as it will assist the governing body members of your school to be more knowledgeable on the legal prescribed procedures that are followed with regard to the management of the State funds that are allocated to no fee schools.

I would like to conduct recorded interviews with you as the principal, and with the deputy principal and chair of the school governing body. I would also request permission for 3 learner members and 8 parent members of the governing body to participate in separate focus groups. Three educator governors will be required to complete a qualitative questionnaire. Learner governors will be combined with learner governors of another school to participate in a focus group. Parent governors from each school will have their own focus groups. The findings from the interviews, focus groups, and questionnaire will be used for academic purposes only. Both interviews and focus groups will take approximately one hour. Educator governors will complete a qualitative questionnaire in their own time. All participants will be asked questions on the management of school finances.

I would also like to see the schools' finance documents such as stock register, finance policy, finance committee list and any other documents that are relevant to school finances. I undertake not to divulge the information from the participants and the finance documents.

I intend to protect the anonymity and the confidentiality of your school as well as that of all participants. Although the participation of your school in this research project is very important to me, it is voluntary.

If you agree that your school may participate, please indicate that you have read and understood this letter by signing the accompanying permission form and return it to me.

Should you have any queries, please feel free to contact me.

Mrs Phuti P Chaba

Cell: 082 5160 682

e-mail: 32153465@mylife.unisa.ac.za

Appendices D and E

Principals' permission to conduct research at the school

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, agree that the school can participate in the project named above. The details of the research purpose have been explained to me in the request letter that has been given to me to keep.

Principal's name

Researcher's name

Principal's signature

_____.

Researcher's signature

Date

Date

Appendix F

Information letter for participant principal and deputy principal

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 459
Bochum
0790

Dear participant principal and deputy principal

My name is Phuti P Chaba. I am presently a student of University of South Africa in pursuit of a Master of Education degree in Education management. My study focuses on the topic named above.

The Limpopo Department of Basic Education has given me permission to invite you to participate in the research on the topic named above. I will request to have recorded interviews with you on the management of school finances. The findings of the interviews are for academic purposes only. The interviews will take approximately one hour. Your identity and responses will be kept confidential. Your name and contact details will be kept in a separate file from any data that you provide. In any publication emerging from this research, you will be referred to by a pseudonym. Once the research has been completed, the findings will be presented in a published dissertation.

Although your participation in this research project is very important to me, it is voluntary. Should you wish to withdraw at any stage, you are at liberty to do so without any negative consequences. If you would like to participate, please indicate that you have read and understood this information letter by signing the accompanying consent form and return it to me.

Should you have any queries, please feel free to contact me.

Mrs Phuti P Chaba

Cell: 082 5160 682

e-mail:32153465@mylife.unisa.ac.za.

Appendix G

Consent form for principal and deputy principal

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, understood the contents of the information letter that has been given to me to keep.

I consent to the following: (please tick your selection)

Being interviewed at some point during the study

Yes____ No____

That the interviews being tape-recorded.

Yes____ No____

Participant's name

Researcher's name

Participant's signature

Researcher's signature

Date

Date

Appendix H: Interview guide for principal (see chapter 4, section 4.2.4.3)

Appendix I: Interview guide for deputy principal (see chapter 4, section 4.2.4.3)

Appendix J

Information letter for educator governor

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 459
Bochum
0790

Dear educator governor

My name is Phuti P Chaba. I am currently a student of University of South Africa in pursuit of a Master of Education degree in Education management. My study focuses on the topic named above.

The Limpopo Department of Basic Education and the school have given me permission to invite you to participate in this project. Once you have read this letter, you can decide whether to participate or not. Should you agree to participate, I will require you to complete a questionnaire on the school finance management. The findings from this questionnaire will be used for academic purposes only.

Your name and contact details will be kept in a separate file from any data that you supply. In any publication emerging from this research, you will be referred to by a pseudonym. I will remove any references to personal information that might allow someone to identify you. Once the research has been completed, the findings will be presented in a published dissertation.

Although your participation in this project is very important to me, it is voluntary. Should you wish to withdraw at any stage, you are free to do so without any penalty. If you would like to participate, please indicate that you have read and understood this letter by signing the accompanying confidentiality agreement and return it to me.

Should you require any further information, please feel free to contact me.

Mrs Phuti P Chaba

Cell: 082 5160 682

e-mail: 32153465@mylife.unisa.ac.za

Appendix K

Consent form for educator governor

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, understood the contents of the information letter that has been given to me to keep. I agree to complete a questionnaire on the management of school finances.

Participant's name

Participant's signature

Date

Researcher's name

Researcher's signature

Date

Appendix L: Qualitative questionnaire for educator governor (see chapter 4, section 4.2.4.3)

Appendix M

Information letter for learner parent

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 549
Bochum
0790

Dear parent

My name is Phuti P Chaba. I am presently a student of University of South Africa in pursuit of a Master of Education degree in Education Management. My study focuses on the topic named above.

The Limpopo Department of Basic Education and the school have given me permission to invite your child to participate in this project. Once you have read this letter, you can decide whether you want your child to participate or not. Should you agree, I would require your child to participate in a focus group during which questions on the school finance management will be discussed. The findings of a focus group will be used for academic purposes only. The focus group will take approximately one hour. I will also require your child to sign a confidentiality agreement, as I cannot guarantee confidentiality in the instance of a focus group. The group is constituted of 6 learner governors who may talk about what was discussed in a focus group.

The child's names and contact details will be kept in a separate file from any data that he/ she provides. In any publication emerging from this research, the child's names will be referred to by a pseudonym. I will remove any references to personal information that might allow someone to identify the child. Once the research has been completed, the findings will be presented in a published dissertation.

Although the child's participation in this project is very important to me, it is voluntary. Should you wish that the child withdrew at any stage, you are free to do so without any negative consequences. If you would like your child to participate, please indicate that you have read and understood this letter by signing the accompanying consent form and return it to me.

Should you require any further information, please feel free to contact me.

Mrs Phuti P Chaba

Cell: 082 5160 682

e-mail: 32153465@mylife.unisa.ac.za

Appendix N

Consent form for parent

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, give consent that my child will participate in a focus group and that the information he/ she shares during focus group discussion may be used by Phuti P Chaba for research purposes only. I am aware that the group discussions will be digitally recorded and thus give consent for these recordings shared in the group discussions to anyone outside the group.

Participant's name

Participant's signature

Date

Researcher's name

Researcher's signature

Date

Appendix O

Information letter for learner governor

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 459
Bochum
0790

Dear learner governor

My name is Phuti P Chaba. I am presently a student of University of South Africa in pursuit of a Master of Education degree in Education Management. My study focuses on the topic named above.

The Limpopo Department of Basic Education and the school have given me permission to invite you to participate in this project. Once you have read this letter, you can decide whether to participate or not. Should you agree to participate, I will require you to participate in a focus group during which questions on the school finance management will be discussed. The focus group discussion will take approximately one hour. I will also require you to sign a confidentiality agreement, as I cannot guarantee confidentiality in the instance of a focus group. The group is constituted of 6 learner governors who may talk about what was discussed in a focus group.

Your name and contact details will be kept in a separate file from any data that you supply. In any publication emerging from this research, you will be referred to by a pseudonym. I will remove any references to personal information that might allow someone to identify you. Once the research has been completed, the findings will be presented in a published dissertation.

Although your participation in this project is very important to me, it is voluntary. Should you wish to withdraw at any stage, you are free to do so without any negative consequences. If you would like to participate, please indicate that you have read and understood this letter by signing the accompanying confidentiality agreement and return it to me.

Should you require any further information, please feel free to contact me.

Mrs Phuti P Chaba

Cell: 082 5160 682

e-mail: 32153465@mylife.unisa.ac.za

Appendix P

Confidentiality agreement for learner governor

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, give consent that Phuti P Chaba may use the information I share during focus group discussion for research purposes only. I thus give consent that the group discussion be recorded digitally and promise not to divulge the discussion to others.

Participant's name

Participant's signature

Date

Researcher's name

Researcher's signature

Date

Appendix Q: Focus group guide for learner governors (see chapter 4, section 4.2.4.3).

Appendix R

Information letter for parent governor

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 459
Bochum
0790

Dear parent governor

My name is Phuti P Chaba. I am currently a student of University of South Africa in pursuit of a Master of Education degree in Education Management. My study focuses on the topic named above.

The Limpopo Department of Basic Education and the school have given me permission to invite you to participate in this project. Once you have read this letter, you can decide whether to participate or not. Should you agree to participate, I will require you to participate in a focus group during which questions on the school finance management will be discussed. The focus group discussion will take approximately one hour. I will also require you to sign a confidentiality agreement, as I cannot guarantee confidentiality in the instance of focus groups. The group is constituted of 8 parent governors who may talk about what was discussed in a focus group. The findings of the focus groups will be used for academic purposes only.

Your name and contact details will be kept in a separate file from any data that you furnish. In any publication emerging from this research, you will be referred to by a pseudonym. I will remove any references to personal information that might allow someone to identify you. Once the research has been completed, the findings will be presented in a published dissertation.

Although your participation in this project is very important to me, it is voluntary. Should you wish to withdraw at any stage, you are free to do so without any negative consequences. If you would like to participate, please indicate that you have read and understood this letter by signing the accompanying confidentiality agreement and return it to me.

Should you require any further information, please feel free to contact me.

Mrs Phuti P ChabaCell: 082 5160 682

e-mail: 32153465@mylife.unisa.ac.za

Appendix S

Confidentiality agreement for parent governor

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, give consent that Phuti P Chaba may use the information I share during focus groups discussion for research purposes only. I thus give consent that the group discussion be recorded digitally and promise not to divulge the discussion to others.

Participant's name

Participant's signature

Date

Researcher's name

Researcher's signature

Date

Appendix T

Information letter for participant chair of the governing body

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

PO Box 459
Bochum
0790

Dear participant chair

My name is Phuti P Chaba. I am currently a student of University of South Africa in pursuit of a Master of Education degree in Education Management. My study focuses on the topic named above.

The Limpopo Department of Basic Education and the school have given me permission to invite you to participate in this research project. I will request to have recorded interviews with you on the management of school finances. The findings of these interviews are for academic purposes only. The interviews will take approximately one hour. Your identity and responses will be kept confidential. Your name and contact details will be kept in a separate file from any data that you provide. In any publication emerging from this research, you will be referred to by a pseudonym. Once the research has been completed, the findings will be presented in a published dissertation.

Although your participation in this research project is very important to me, it is voluntary. Should you wish to withdraw at any stage, you are at liberty to do so without any negative consequences. If you would like to participate, please indicate that you have read and understood this information letter by signing the accompanying consent form and return it to me.

Should you have any queries, please feel free to contact me.

Mrs Phuti P Chaba

Cell: 082 5160 682

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Appendix U

Consent form for chair of the governing body

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, understood the contents of the information letter that has been given to me to keep.

I consent to the following: (please tick your selection)

Being interviewed at some point during the study

Yes____ No____

That the interviews being tape-recorded

Yes____ No____

Participant's name

Participant's signature

Date

Researcher's name

Researcher's signature

Date

Appendix V

Confidentiality disclaimer for parent and learner governors

Topic: Governing bodies' legal obligations with regard to the financial management of public schools in Maleboho Central Circuit, Limpopo Province

Researcher: Phuti P Chaba

Supervisor: Prof SA Coetzee

I, _____, give consent to participate in a focus group and that the information that I share during focus group discussion may be used by Phuti P Chaba for research purposes only. I am aware that the group discussions will be digitally recorded and that other participants may talk about the information that I share during focus group. I thus give consent for these recordings shared in the group discussions to anyone outside the group.

Participant's name

Participant's signature

Date

Researcher's name

Researcher's signature

Date

Appendix W: Focus group schedule for parent governors (see chapter 4, section 4.2.4.3)

Appendix X: Individual semi-structured interview for chair of the governing body (see chapter 4, section 4.2.4.3)