THE TEACHING OF FINANCIAL MANAGEMENT PRINCIPLES TO SCHOOL LEADERS IN DISADVANTAGED SCHOOLS

By

ISSABELLA GRIESEL

Submitted in fulfilment of the requirements for the degree of Doctor Educationis at the Nelson Mandela Metropolitan University
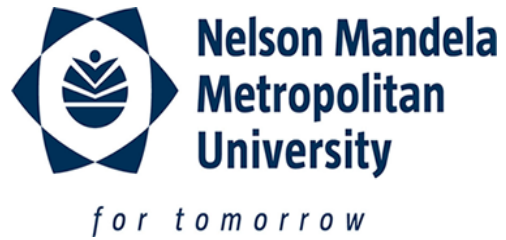
JANUARY 2011

Promoter: Dr J McFarlane

DEPARTMENT OF ACADEMIC ADMINISTRATION
EXAMINATION SECTION
SUMMERSTARND NORTH CAMPUS

PO Box 77000

Nelson Mandela Metropolitan University

Port Elizabeth

6013

Enquiries: Postgraduate Examination Officer

DECLARATION BY CANDIDATE

NAME: _Issabella Griesel _____

STUDENT NUMBER: 197093070

QUALIFICATION: D Ed (Doctor Educationis)

TITLE OF PROJECT: The teaching financial management principles to school leaders in disadvantages schools.

DECLARATION:

In accordance with Rule G4.6.3, I hereby declare that the above-mentioned thesis is my own work and that it has not previously been submitted for assessment to another University or for another qualification.

SIGNATURE: _____

DATE: _28 January 2011___

ABSTRACT

The objective of this study was to find out how a course in School Financial Management should be designed and presented in order to bring about an improvement in the practice of school financial management in disadvantaged schools in the Eastern Cape Province of South Africa.

The study was conducted in the interpretive and critical theory paradigms, and employed a qualitative empirical approach. The focus of the research was two cohorts of school leaders taking part in the Advanced Certificate in Education: School Management and Leadership programme at the Nelson Mandela Metropolitan University in Port Elizabeth. The researcher presented a course in Financial Management to both of these cohorts, and employed an action research method in her research, introducing the insights and lessons learned from teaching the first cohort in the design and teaching of the second cohort. Data were collected in various ways, including written assignments of students, class discussions, personal interviews and document analyses. More data were collected during school visits at which the researcher observed the level of financial practice at schools, and could also, from the one-to-one interactions with the students, identify the issues that were still problematic to them.

Another aspect of the data gathering process was the detailed analysis of the section on Financial Management in the ACE study material provided by the Department of Education. This enabled the researcher to compare her study material and teaching approach to that of the Department's study material, so as to ascertain which content and methods of teaching were best suited to bringing about an improvement in practice.

The study's main findings were that designers of such programmes in Financial Management should focus on basic Accounting principles and avoid an overload of content of issues which are "good to know", but do not contribute to the understanding of Accounting principles necessary for the drawing up of financial statements. The method of teaching should predominantly be an interactive approach based on adult learning principles, with enough time for students to complete certain assignments and activities with feedback by the lecturer. The role

of mentors and of the lecturer visiting schools was emphasised as one of the key ways to assist participants in implementing what they had learned.

The most important recommendations emanating from the study were the suggestion that the Department of Education should play a bigger formational role in providing feedback to schools on the financial statements submitted to the Department by these schools, the rethinking of the Department of Education's module on Financial Management in the ACE for School Principals, and the development of a follow-up course in which all the additional aspects of School Financial Management could be included.

TABLE OF CONTENTS

PAGE

CHAPTER ONE

INTRODUCTION

CHAPTER TWO

LITERATURE REVIEW

CHAPTER THREE

THE STORY OF THE RESEARCH

CHAPTER 4

RESEARCH DESIGN AND DATA GATHERING

CHAPTER FIVE

INTERPRETATION OF DATA

CHAPTER SIX

FINDINGS

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

CHAPTER ONE

INTRODUCTION

1.1   INTRODUCTION

Education in South Africa is experiencing a crisis. Articles that report on the financial problems of public schools and the disruptions caused by these problems are published on a regular basis in the media. Articles such as those in **Die Burger** (27 November 2009), **Die Burger** (5 December 2009) and **Die Burger** (5 January 2010) focus the attention on the problems in education. These articles vary from those reporting on fraudulent activities regarding the management of school property, to those starting the new academic year without their full supply of textbooks and stationery, as a result of legal problems that were caused by the process followed in the allocation of tenders by Department of Education in the Eastern Cape.

According to the South African Schools' Act (SASA) (1996:24), the Government is responsible for the funding of all public schools on an equitable basis. However, many demands are being made on government funds, such as for housing, welfare, agriculture and health services. The government is faced with a scarcity of funds and they are unable to meet all the financial demands of public schools. It is, therefore, essential for public schools to raise additional funds in order to meet the needs of the school. Section 36 of SASA stipulates that it is the responsibility of the governing body of a public school (SGB) to raise additional funds in order to meet the financial needs of the school.

In order for schools to provide effective education, the financial resources provided by the State, as well as those generated by the SGB, should be managed properly. This implies that the finances of the school should be planned and controlled in such a way that the limited funds are used optimally. Very few of the leaders and SGBs of previously disadvantaged communities possess the necessary financial knowledge and skills to enable them to manage the finances of their schools effectively. Traditionally,

this was not a problem since the management teams of previously-disadvantaged schools did not control large sums of money. The schools ordered their requirements from the Department of Education (DoE) that purchased the items from the suppliers and then distributed them to the schools. However, many of the previously disadvantaged schools are now regarded as Section 21-schools. This implies that these schools receive a lump sum of money from the DoE which they have to use in order to purchase their supplies and pay their own accounts.

Article 38 of SASA (1996:24-26) stipulates that the SGB of a public school should prepare a budget to regulate the spending and income of the school during the financial year. Furthermore, a public school should keep record of all its assets, liabilities and financial transactions. The public schools should also provide copies of their audited financial statements to the DoE within three months after the financial period has ended (Article 42 of SASA, 1996:26). The question is whether the school leaders of the previously disadvantaged schools are able to meet these requirements of the SASA.

1.2 JUSTIFICATION

I have been teaching various School Financial Management courses to school leaders for the past fifteen years - first at the Port Elizabeth Technikon and the then at the Nelson Mandela Metropolitan University (NMMU). Several times a year, I visit many of the previously disadvantaged schools in the Port Elizabeth/Uitenhage area in my capacity as teaching practice assessor. During these visits I can not help to notice the lack of equipment, teaching media and textbooks, as well as the general state of neglect of the buildings and furniture, at virtually all of the previously disadvantaged schools. Yet at these schools I often meet school leaders who had successfully completed one of the Financial Management courses that I presented in the past. Despite the fact that these school leaders managed to successfully complete a course in School Financial Management, most of them are unable to implement effective changes to the financial systems at their schools. These observations made me question the courses I had presented

in the past since I could not observe any change in the financial management practices that could have been caused by the fact that the leaders had attended one of my courses.

My experience in the teaching of the two cohorts of this study, as well as my teaching experience with similar groups in the past, made me aware of the fact that the majority of students who enrol for a School Financial Management course at the NMMU come from previously disadvantaged communities. I also realised that very few (if any) of these students have had any training in School Financial Management or any other commercial subjects before. Therefore, their knowledge of Financial Management is usually severely limited.

According to Mestry and Grobler (2008:127), principals should possess the necessary skills, knowledge and attitudes to manage their schools effectively. They mention that principals are often not well enough prepared for the tasks that they have to perform - two of which include the management of the resources of the school and ensuring that the facilities of the school are properly maintained. Mestry and Naidoo (2009:108) mention that the financial responsibility of the school leaders and SGBs of Section 21-schools go much further than only to compile the annual budget of the school. It is also necessary to monitor and control the income and expenditure of the school on a continuous basis. They add that the managers of previously disadvantaged schools have a serious lack of financial management skills. Therefore their ability to prepare effective budgets for their schools is in serious doubt.

Bush and Heystek (2006:63) say that one of the development needs that have been identified by the Government's Task Team on Education Management, is the development of school leaders to improve the quality of school management and educational effectiveness. The authors maintain that there is a close relationship between the leadership of the school and its effectiveness. They (p65) also say that the Task Team on Education Management was concerned about the provision for School Management development, because of the fact that the development practices "tended to

focus on the collection of qualifications and certificates, with little attention being paid to the actual ability to transfer this newly acquired knowledge to the institutions in which managers work."

According to Morrison (1998:15) managers need training in order to bring about effective change. This idea is supported by Fullan (2004:42) who adds that leaders must understand the change process in order to bring about effective change at the schools. It is therefore essential for school leaders to be trained in order to implement effective changes, also with regard to financial management practices at their schools.

1.3   PURPOSE OF THE RESEARCH

The purpose of this study was to determine what is required of a course in financial management that will bring about a change in the practice of those involved in the course. In other words, I wanted to find out how a course in Financial Management should be designed so that participants will be equipped to change the financial management practices in their schools in order to improve the overall functioning of these schools.

1.4   STATEMENT OF THE RESEARCH PROBLEM

1.4.1 The research question

The basic question that is the focus of this study is:

"How can school leaders be prepared through a course in School Financial Management to implement effective change at their schools?"

1.4.2 Sub-questions

1.4.2.1 What content should be included in a School Financial Management course for school leaders?

1.4.2.2 What methods should be used in the teaching of a Financial Management course for school leaders?

1.4.2.3 What strategies can be employed to ensure that participants in a course on Financial Management bring about change in their schools?

1.5 DEFINITION OF TERMS

1.5.1 School leaders

This term does not necessarily refer to the principal or deputy principal. In the context of this study it refers to the person(s) who has (have) the authority to make financial decisions on behalf of the school.

1.5.2 School Governing Body

This refers to the governing body of the school that is elected according to the stipulations of the South African Schools Act (Act No 84 of 1996).

1.5.3 School Financial Management

According to Berkhout and Berkhout (1992:1), School Financial Management refers to "the way in which the financial resources of the school are planned, obtained and applied in order to realise the objectives of the school." It includes all management actions that are related to the financial aspects of the school, executed by a person in a position of authority.

1.5.4 Previously disadvantaged schools

This term refers to all coloured, black or Asian public schools in South Africa under the political dispensation prior to 1994.

1.5.5 Participants / students

This term refers to the people who registered and attended the course in School Financial Management. The terms "students" and "participants" have the same meaning and are used interchangeably throughout this thesis.

1.5.6 School management team

The term refers to the principal, deputy principal, and any senior members of staff such as Heads of Departments (HOD) who are responsible for the day-to-day decisions of a school.

1.6 DEMARCATION OF THE STUDY

The way in which the government decides on, and determines the funding of public schools, does not form part of the study. Therefore, no reference has been made to government funding formulae and government funding decisions in this study.

The study focuses on the teaching of a course in School Financial Management. It involves an investigation into the content as well as the methods of instruction that could be used to develop the required skills and knowledge of leaders at previously disadvantaged schools in the Nelson Mandela Metropolitan area in the Eastern Cape. The study does this by firstly analysing a course in financial management prepared for the Department of Education's Advanced Certificate: Education (School management and Leadership) (Manage organisational systems, physical and financial resources) programme, and then comparing this with a course that I had developed before the Department's programme became available.

The study is limited to school leaders from seventeen previously disadvantaged schools. Owing to differences in economic and environmental factors, as well the qualification and selection criteria of school leaders, the findings, conclusions and recommendations of this study may not be applicable in all respects to similar schools in other regions. Still, I have reason to believe that the situation in many disadvantaged schools is very similar to the situation in schools in the Eastern Cape in general and the Nelson Mandela Metropole in particular. That is why I believe that the findings of this study can contribute to improve training courses and practices in disadvantaged schools in South Africa.

1.7 RESEARCH FRAMEWORK

Chapter 2 is devoted to an overview of the literature that I have studied to gain insight into what research and experience reveal about the different topics that should be included in a basic School Financial Management course. Furthermore I also studied literature regarding methods of instruction that can be used in the teaching of a course such as this.

Chapter 3 covers the story of the research that was executed in this study. It provides an overview of the context of the research, the context of the schools, the context of the programme, the teaching of the module and an analysis of the Financial Management module developed by the Department of Education.

The first section of Chapter 4 provides insight into the research design and the data gathering methods that were used during this study. The second section focuses on the analysis of the data.

In Chapter 5 the outcomes of the data analysis and the insights which developed in the process of interpretation, are discussed.

Chapter 6 reflects the findings of the study based on the insights accruing from both the literature and empirical studies.

Chapter 7 consists of the conclusions and recommendations of this study. The conclusions developed from the combination of insights which emerged from the data analyses and the literature study. Recommendations are made about those aspects that require further investigation.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Many authors include a chapter on Financial Management in their books for School Management in South Africa. These chapters are in the majority of cases very brief and often result in a very superficial dealing with the important issue of financial management in schools, an absolute key to the successful management of schools. This also implies that there is only a very limited selection of books that deal exclusively with School Financial Management in South Africa.

Although it is easier to find literature on School Financial Administration in other countries such as the United States of America and Great Britain, these sources often have very limited use in the South African school context. The schooling systems and the way in which the finances are handled in these two countries differ a great deal from the schooling system in South Africa. As a result of these differences there are vast differences in the financial management practices of schools in the different countries. Furthermore, the challenges faced by schools in first world countries differ greatly from those faced by schools in third world countries. I nevertheless looked at sources from other countries and found some useful ideas that are relevant in the South African context.

For the purpose of this study I focused on literature on Financial Management as well as fundamental accounting principles and practices, although I am aware of the fact that the ultimate aims of School Financial Management (effective education) and Financial Management (maximum profit) are completely different. There is a close relationship among Financial Management, School Financial Management and Accounting. In order to understand and interpret the financial documents of a school or a business, the school leaders and business managers need a sound background of Accounting and a clear understanding of the Accounting principles on which

the statements are based. Even though the main concern of an educational institution is to provide effective education, this cannot happen without the necessary funds. Schools should therefore be managing their finances just as businesses do. Thus, there is a close correlation between School Financial Management and Financial Management.

Clarke (2009:115) distinguishes between two types of public schools in South Africa, namely Section-21 schools and Section-20 schools. According to him the majority of the funds of Section-20 schools are managed by the province at district level. These schools have limited authority to purchase teaching aids and other material for use by the school and they receive a portion of the annual fees allocated to them from the DoE to pay for these purchases. The full amount of the annual allocation of funds to Section-21-schools is deposited into the bank account of the school by the DoE in three payments. These schools have greater freedom in deciding how to spend their money but the DoE provides guidelines to the schools to assist them. All the schools should, however, keep records of their financial transactions, and provide financial statements to the DoE at the end of the financial year.

According to Flynn and Koornhof (1997:21), the purpose of financial management is to read and understand the output of accounting systems. This can only be done if the managers have a workable knowledge and understanding of the accounting processes involved. Horngren, Sundem and Elliot (2002:4) define Accounting as "the process of identifying, recording, summarising and reporting of economic information to decision makers". Drake and Roe (1994:4) describe School Financial Management as "...that branch of educational administration that deals with finances, facilities and services that directly or indirectly supports the instructional mission of the school." Bisschoff(1997:26) believes that School Financial Management is essential to assist school leaders in developing financial skills and competencies that will enable them to be "responsible and accountable for funds that have been received for specific school objectives." He also states that Accounting should give management teams the financial tools to monitor and control "work processes" and "collective behaviour."

Clarke (2009:16) differentiates between the role of the SGB and the principal regarding the financial management of the school. According to him the principal and his senior staff are responsible for the day-to-day management of the school and should provide an annual report on the effective use of the available resources of the school. The School Governing Body (SGB) is responsible for the administration and control of school property, appointment of auditors, and various governance issues such as budgeting and budget control, maintenance of financial records, auditing, inventory and stock control, as well as the maintenance of the buildings and grounds of the school. In the current study, the focus is on the training of school leaders in principles of financial management. While the SGB has to take responsibility f or financial matters as stated above, the day-to-day functions of financial management is in the hands of the principal and the staff member who is responsible for the daily management of the finances. That explains why the Department of Education developed an ACE for school leaders, which includes a section in financial management. That explains why this study focuses only on school leaders. It does, however, not imply that a similar course should not be presented to SGB members.

When designing a course for school leaders, according to McFarlane (2000:97), one should first determine what the school leaders know and then assist them to gain "new and inquiry perspectives on their knowledge and practice." He also states that the determination of needs should be an ongoing process even while the presentation of the course is in progress. As will become evident in Chapters three and four, the needs of the participants were often identified by visiting them at their schools and by identifying problem areas in their knowledge and skills, which they might have been unaware of. It is therefore impossible to gain a full picture by simply asking participants to identify their own training needs.

McNie, White and Wight, cited by Griesel (2001:8), state that a training course consists of two aspects, namely the course content and the method of presentation. For the purpose of this study I therefore focused on determining the content of the course and identifying methods of presentation

that could be used to address the needs of the participants in School Financial Management.

2.2   COURSE CONTENT

2.2.1 Introduction

Clarke (2009: 278) holds the opinion that the management of the finances of a school can be one of the most challenging responsibilities of the principal since many of the principals in South Africa have no or very little training or expertise in this regard. He mentions that the members of the School Governing Body (SGB) may also be ill-equipped to take responsibility for the financial management. This often results in the day-to-day management of the finances of the school being managed by the Accounting teacher or the school secretary. Wealthier schools can afford to appoint a qualified bursar and to include financial specialists in their SGBs to fulfil the financial management role. Clarke (2007:278) emphasises the need for the principals to ensure that they have sound financial knowledge and that they fully understand the basic processes involved in "managing the school accounts, the budgeting process and the systems and controls that are necessary to ensure that school monies are not misappropriated."

Campher, Du Preez, Grobler, Loock and Shaba (2003:2) reason, "In order to understand and apply School Financial Management, it is necessary to have an understanding of the school, its context, basic accounting procedures, economic policies, the law relating to education and schools, as well as management skills". They maintain that Financial Accounting is an essential component of Financial Management and that financial data and information need to be processed, analysed and interpreted for the school to function effectively.

School accounting can be defined, according to Hack, Candoli and Ray (1992:140), as "... recording and reporting events affecting personnel, facilities, materials or money of an administrative unit and its programs." They believe that school accounting is concerned with determining which

accounting records have to be kept and how they will be maintained; the procedures, methods and forms to be used; recording, classifying and summarising of activities; analysing and interpreting data, and preparing and issuing reports which reflect conditions on a specific date. Since many of the participants in the Financial Management course offered to the two cohorts in this study, did not have any formal training in Accounting or Financial Management prior to the course, I thought that it was essential to include a basic introduction to both fields of study.

Some experts in the field of School Financial Management such as Bischoff (1997) and Campher et al. (2003), structured their books according to the four basic management principles, namely planning, organising, leading and control. Other authors discuss a wide variety of topics regarding School Financial Management without necessarily trying to classify them under one of the four functions. My natural inclination is to favour the latter approach of not using the four categories and I shall therefore discuss each aspect separately.

Sweeny (2008:65) cautions against overloading a training programme with content and suggests that it is better to employ an ongoing professional development programme in the training of teachers. I believe that this is also true and relevant to the training of principals in School Financial Management, although I personally feel the use of a workshop format over a period of two to three days is totally ineffective since it is impossible for the participants to master the new content and skills to such an extent that they will be able to apply it at their schools.

2.2.2 Basic concepts in Accounting

Jones (2006:26) mentions that it is essential for participants to master the basic subject terminology such as assets, expenses, income, liabilities, debit, credit, account, and statement right at the beginning to ensure the complete understanding of the subject terminology in Financial Management. Epstein and Myers (2009:24-34) add additional concepts such as the principle of double entry, transaction, assets, liabilities, equity, revenue, t-account, expense, financial statements, balance sheet, and income statement to the

list that should be introduced and explained to the participants at the start of the course. Gill (1990:12) also includes additional concepts to the list, such as accounts receivable, inventory, accounts payable, net worth, gross and net profit. The importance of teaching basic concepts first, is supported by several other authors such as Bischoff (1997:54), Campher et al.(2003:3-4), Werner and Jones (2004:208 – 210), as well as Berkhout and Berkhout (1992:15), and Marshall et al.(2004:51-54), to mention a few.

According to Horngren et al. (2002:90), there is a specific sequence of steps that should be followed in the recording of all financial transactions. The accounting cycle starts when two parties engage in a financial transaction and a source document is generated as proof of such a transaction. The source document is recorded in the appropriate subsidiary journal during the month and the totals of the analysis columns in the journals are posted to the General Ledger at the end of each month. Once the Ledger accounts are balanced at the end of each month, a trial balance is drawn up. At the end of each financial year the financial statement of the organisation is drawn up, analysed and interpreted. Hack et al. (1992:148) support this theory.

2.2.3 Source documents

Article 42(a) of the South African Schools Act (SASA) (1996:26) stipulates that a public school has to keep a record of all financial transactions, funds received and spent, as well as its assets and liabilities. According to Busua and Schutte (1996:17), no transactions may be entered into the financial records of any organisation without a source document to substantiate the entry.

Thomsett (2007:29) states that a source document is the proof that a transaction has occurred. He mentions that the document should provide the following information: Date, source (business or person) and the business purpose of the transaction. This idea is supported by Epstein and Myers (2009:45). Horngren et al.(2002:90) define source documents as original records of financial transactions. They also add that there are various kinds of source documents that should be kept in files by the organisation, such as cash slips, invoices, cheque counterfoils and receipts. Teichler, cited by

13

Campher et al. (2003:3), mentions additional source documents such as deposit books, order books (sometimes also referred to as requisition books), bank statements and bank reconciliation statements. These authors also add that all documentary evidence, regarding payments made on behalf of the school should be kept in the file. This idea is supported by Horngren, et al. (2002:90). They add that source documents are used to "... verify details of a transaction and the accuracy of subsequent records." Bisschoff (1997:44) lists the petty cash voucher as a source document normally used by organisations.

Drake and Roe (1994:95) indicate that a source document provides complete information about a transaction and serves as evidence that a transaction had been authorised. Flynn and Koornhoff (1997:48) state that source documents usually provide details such as: The type of transaction that took place, details of the other party involved in the transaction, the date of the transaction, the amount of money involved, any terms or conditions relevant to the transaction and a brief description of the goods or services provided. They also add that it is sometimes necessary for the organisation to create their own source documents and that it is an acceptable practice as long as "the transaction is clear and apparent", (Flynn and Koornhoff, 1997:52).

2.2.4 Journals

Horngren, et al.(2002:90) describe a journal as "a formal chronological record of how the entity's transactions affect the balances in pertinent accounts." Epstein and Myers (2009: 45) draw attention to the fact that when transactions are recorded in the appropriate journals, information enters the accounting system of the business. They refer to different types of journals, some of which will not be relevant for an initial course in financial management, (Epstein and Myers,2009:48). Bisschoff (1997:39) describes a journal as a book of first entry and says that all transactions are originally entered into a specific journal. He mentions that a public school normally has a Cash Receipts Journal (CRJ) and a Cash Payments Journal (CPJ), but that the school can also have a Debtors' Journal (DJ), Debtors' Allowances

Journal (DAJ), Creditors' Journal (CJ), Creditors' Allowances Journal (CAJ), Petty Cash Journal (or book) (PCJ),as well as a General Journal (GJ).

Thomsett (2007:30) mentions that a CRJ enables the accountant to maintain control over all the money received during the month, while a Payments Journal enables the accountant to keep record of all the payments during the month. He mentions that the use of subsidiary journals such as the CRJ and CPJ makes it easier for the accountant of a large business to keep track of the financial transactions of the business and enables the accountant to reflect only the different totals in the General Ledger of the business. He also mentions that the business can make use of a General Journal (GJ) to record non-cash items that include aspects such as depreciation and bad debts. The General Journal can also be used to record the correction of errors that could have been made during the recording process. Hack, <u>et al.</u> (1992:150) state that the accounting officer collects all the source documents, analyses them and records them in specialised journals in chronological order.

According to Kew, Metler, Walker and Watson (2006:78) the CRJ and CPJ are specialised journals used to record and summarise similar transactions. The journals are added up at the end of each month and the totals are posted to the General Ledger. The authors add that the number of entries in the General Ledger accounts is reduced when journals are being used. Flynn and Koornhof (1997:244-255) suggest that the CRJ is used to record the cash receipts transactions while the CPJ is used to record all the cash payments transactions of an organisation. They point out that the total of the bank column in the CRJ is debited to the bank account in the General Ledger, while the total of the bank column in the CPJ is posted to the credit side of the bank account.

Flynn and Koornhof (1997:256) mention that although the Cash Book has become outdated since the introduction of computers, small businesses and non-profit organisations (which include schools) often prefer to use the Cash Book instead of the CPJ, CRJ and the bank account. The Cash Book makes provision for several analysis columns (similar to the CRJ and CPJ) but it

starts and closes with a balance (unlike the Cash Journals). This implies that the Cash Book serves simultaneously as a subsidiary journal and a General Ledger account. It is therefore acceptable for a school to use a Cash Book in stead of the Cash Journals.

According to Campher, et al.(2003:8),the DJ is used to record all transactions with people in debt to the school, and the CJ is used to record all transactions where goods and services have been purchased on credit on behalf of the school. Kew et al.(2006:269) advise that it is in the interest of an organisation to control the outstanding debt of the business and that the organisation has the legal right to demand payment on the due date. The authors add that debtors are assets and the outstanding amount of debtors should be reflected in the balance sheet of the organisation. They also mention that statements should be sent to the debtors at the end of each month to demand   payment. Flynn and Koornhof (1997:295) point out that the DAJ is used to record credit purchases that were returned to the firm, or to record discount that was omitted. The school should make use of a DJ to record all outstanding school fees and a DAJ to record any exemptions granted regarding the payment of school fees. This will enable the school to send out accounts to remind the parents about the outstanding school fees. It will also enable the school to reflect the position regarding outstanding school fees in the Balance Sheet at the end of the financial year.

2.2.5 Ledger accounts

According to Kew et al. (2006:61), a Ledger is a "book consisting of different accounts" and an account is "an area that is used to record similar transactions." The accounts look like "capital Ts" with the left side known as the debit side and the right side as the credit side. They also state that the main purpose of ledger accounts is to provide information that could be used to draw up a trial balance. The information reflected in the trial balance will then be used to compile the financial statements of a business or organisation. Thomsett (2007:31) describes the General Ledger as the "final book of accounting". According to him, the General Ledger summarises all the entries in all of the different journals of an organisation throughout the month.

16

He also mentions that the use of the different journals enables the accountant to limit the number of entries in the general ledger of the business, and makes the process of balancing the Ledger accounts at the end of each month much easier. Epstein and Myers (2009:50) describe the General Ledger as "a permanent record of all the accounts used in the business." They mention that all the financial transactions of a business are summarised in the General Ledger. Horngren et al. (2002:86) emphasise the fact that the posting of the totals from the Journals to the General Ledger cannot be taught without emphasising the importance and need of applying the principle of double entry consistently. According to this principle, at least two accounts are always affected by each transaction since the same amount will appear on the debit side of the one account and the credit side of the other account. This view is supported by several other authors such as Bisschoff (1997:28), Jones (2006:50), Epstein and Myers (2009:84-85) and Kew et al. (2006:62).

2.2.6 Bank reconciliation

According to Marshall, McManus and Viele (2004:140), the bank reconciliation process involves reconciling the account balance reflected by the bank statement with the balance of the Bank account in the General ledger. They mention that the balance reflected on the bank statement can differ from the balance in the General Ledger owing to errors or timing differences. Kew et al. (2006:302) describe the bank statement that holders of current (cheque) accounts receive from their banks on a regular basis as a "copy of all your transactions with the bank, from the bank's point of view". They maintain that the balance reflected on the bank statement will never correlate with the bank balance reflected in the General Ledger of an organisation and it is therefore essential to reconcile the two balances with each other. During the reconciliation process the Cash Journals are updated with all outstanding entries based on a comparison with the bank statement. The organisation also compiles a bank reconciliation statement that enables the organisation to keep track of the mistakes made by the bank in order to ensure that the mistakes will eventually be rectified by the bank.

Flynn and Koornhof (1997:257) describe the reconciliation process as a useful and essential control measure and underline that the process should be completed on a monthly basis. They also indicate two reasons for the difference between the balances of the bank statement and the ledger account:

- Information known by the bank but not by the business, such as bank charges, interest received on the current account, direct deposits and stop orders or debit orders.
- Information known by the business, but not by the bank, such as outstanding deposits and cheques not yet presented for payment.

2.2.7 Petty cash transactions

Campher et al.(2003:12) state that the school should keep an amount of cash for small payments that they do not wish to pay by cheque. Bisschoff (1997:44) mentions that petty cash payments typically include tips given to delivery people and postage costs. These small payments should be reflected in the financial records of the business or organisation and they are therefore recorded in the PCJ. If a school implements a Petty Cash Payment system, the transactions from the petty cash should be recorded in the PCJ. At the end of the month the total of the PCJ is posted to the Petty Cash account in the General Ledger. Epstein and Myers (2009:179) indicate that there is an unexpected need for cash in a business almost on a daily basis to pay for small purchases such as stamps, courier costs, and office supplies. Therefore businesses keep cash on hand (known as petty cash). They mention that an employee normally pays for these purchases themselves and then returns the source document to the petty cashier for reimbursement. However, Epstein and Myers (2009:179) warn that petty cash payments should be strictly controlled. They advocate that petty cash should be strictly controlled and that a petty cash voucher should be completed to record payments from the petty cash. Once the transaction is completed the cash slip/ cash invoice must be attached to the petty cash voucher in order to create a proper audit trail. When the petty cash is almost depleted, the petty cashier requests additional petty cash by completing a petty cash requisition

form. The authors also warn that businesses regard petty cash funds as a very important asset and shortages in the petty cash can either be recovered from the petty cashier in person, or can eventually lead to the dismissal of the petty cashier, (Epstein and Myers, 2009:182). Marshall et al. (2004:140) mention that although most businesses use cheque payments for greater security and recording purposes, a Petty Cash Payment system can be used for small payments when a cheque would not be an economical method of payment. According to these authors, the sum of the cash on hand in the petty cash box and the receipts that support the payments that have been made should be equal to the original amount that was placed in the petty cash box. They also remind us that the amount of the petty cash fund should be reflected as part of the cash balance in the Balance Sheet, since petty cash is an asset.

2.2.8 Trial Balance

According to the Chartered Institute of Management Accountants, cited by Jones (2006:64), a Trial Balance is defined as "a list of account balances in a double entry accounting system." The total of the debit balances will be equal to the sum of the credit balances if records have been maintained correctly. Horngren et al. (2002:90) define a Trial Balance as "a list of all accounts with their balances in the General Ledger." According to them the Trial Balance has a dual purpose since it is used to check the accuracy of the posting of the Journals to the General Ledger, and it provides a summary of the balances in all the accounts that could be used in the preparation of the financial statements of an organisation

Campher et al. (2003:3-5) state that the Trial Balance is completed to check that the entries are correct and that the totals balance. They also maintain that the Trial Balance can be used to determine the financial position of a school at a specific date. Flynn and Koornhof (1997:95) add that a Trial Balance consists of two sets or groups of accounts, namely those affecting the profit and loss of an organisation (reflected under the Nominal Account section) and those that affect the assets, liabilities or owners' equity accounts (reflected under the Balance Sheet section). Epstein and Myers (2009:98) mention that

if a Trial Balance has to be prepared manually, it is created by listing all the accounts that have balances in the General Ledger. Once the list is complete and the totals of the debit column and credit column are the same, the Trial Balance balances. Therefore the Trial Balance has been completed successfully. The authors warn that one should not wait until the end of the financial year to draw up the Trial Balance, but that it should be completed on a monthly basis.

2.2.9 Financial statements

2.2.9.1 Introduction

Article 42(b) of the South African Schools Act (SASA) (1996:26) stipulates that a public school should compile annual financial statements within three months after the end of each year. According to Kew et al.(2006:104) financial statements are important since they are a way of communicating financial information to various parties who have to make economic decisions on behalf of the organisation. They state that the goal of financial statements is "to present financial information in a manner that is most useful in helping people make their respective economic decisions", (Kew et al., 2006:105). Atrill and McLaney (1997:16) indicate that the main purpose of financial statements is to provide "an overall picture" of the financial position and financial performance of a business. Epstein and Myers (2009:30) describe financial statements as reports that summarise information about the financial performance and status of a business. According to the latter the reports often go to parties outside the business, for example a bank, when the business applies for a loan. The Harvard Business School (no authors mentioned) (2002: 2) describes financial statements as essential documents and suggest that the financial statements are used to assess the performance and identify areas in the business that require managerial intervention. They also reason that there are enough similarities in the financial statements of businesses to justify the comparison of the business performance of companies.

According to Horngren et al.(2002:7) all types of organisations (profit and non-profit) should ask the following questions:

(i) What is the financial position of the organisation on a specific day?

(ii) How well did the organisation do during a given period of time?

 (iii) What cash movements took place over a particular period?

Clarke (2007:293) suggests that schools should compile the following three financial statements, namely the Income Statement, the Balance Sheet and the Cash Flow Statement. These statements will enable them to answer the above-mentioned questions. This idea is supported by Atrill and McLaney (1997:17). They add that each of the three financial statements fulfils a specific role in the management of an organisation and all three statements are needed in order to get a clear picture of the financial position of the business.

2.2.9.2 Income Statement

It is the viewpoint of Werner and Jones (2004:14) that the Income Statement reflects the past performance of the business, by showing the revenues and costs of the specific financial year. Atrill and McLaney (1997:18) point out that a Profit and Loss Statement can be used to show the profit (wealth) that has been created. They describe the profit or wealth as the difference between sales and cost of sales. They assert that the main purpose of the Income Statement is "to measure and report how much profit the business has generated over a specific period." Jones (2006:77) defines an Income Statement as "... a key financial statement that represents an organisation's income less its expenses over a period of time, and thus determines its profit so as to give a true and fair view of an organisation's financial affairs." Horngren et al. (2002:54) describe the Income Statement as a report of all the income and expenses of a specific time period. They suggest that the Income Statement illustrates the details of how the business activities led to the profit. Epstein and Myers (2009: 32) state that the Income Statement presents a summary of the financial activities of the business over a specific period. They also mention that the Income Statement consists of three sections, namely revenue, expenses and net income. According to Hand, Isaaks and Sanderson (2005:61) the Profit and Loss Statement matches revenues with the relevant expenses over the past financial period. The authors add that

when the revenue is greater than the expenses, the organisation realises a profit and when the expenses are more than the income, a loss is made. They also distinguish clearly between the profit of the business and the cash of the business and warn that if the Income Statement reflects a profit, it does not imply that cash is freely available in the business. Jones (2006:77) mentions that the Income Statement is prepared from the Nominal Accounts section of the Trial Balance and is used to measure the performance of the organisation over a specific period of time. The Harvard Business School (no authors mentioned) (2002:11) suggest that the Income Statement reflects the results of business operations over a specific accounting period. They mention that the Income Statement indicates whether the business is making a profit (or a loss) for a specific accounting period. It also shows how much money the company spent in order to make the profit. Thomsett (2007:32) mentions that the Income Statement provides a summary of the business operations and reflects all income, costs, expenses and profit for a specific accounting period.

Atrill and McLaney (1997:51) point out that the Income Statement and the Balance Sheet of a business are closely related since the Profit and Loss account (or Income Statement) links the Balance Sheet on the first day of the financial period to the Balance Sheet on the last day of the financial period. When a business is started, the Balance Sheet reflects the financial position of the business at the start (opening financial position). Then the Income Statement indicates the wealth generated during the financial year. When the Balance Sheet is compiled at the end of the financial period, it includes the changes in wealth as reflected in the Income Statement. Hart (2006:41) mentions that the Income Statement (or Profit and Loss account) informs one how profitable the business is. She emphasises the need to express the gross and net profit figures in monetary terms as well as in percentages, since the percentages often provide a clearer impression of the real profitability of the enterprise.

2.2.9.3 Balance sheet

Werner and Jones (2004:14) suggest that the Balance Sheet presents the condition of the business by showing the valuables of the business, the debts

22

of the business and the owners' interest in the business. Epstein and Myers (2009:30) claim that the Balance Sheet provides a "snapshot" of the financial position of the business on a specific date. Jones (2006:95) describes a Balance Sheet as "a collection of the assets, liabilities and capital of an organisation at a specific point in time." According to him, the Balance Sheet is based on the information provided in the Balance Sheet section of the Trial Balance and provides a true and fair reflection of the organisation. The information obtained from the Balance Sheet can be used to assess the value of an organisation. This idea is supported by Hand et al. (2005:62) who refer to the Balance Sheet of the business as a "snapshot, a steward statement." They maintain that the Balance Sheet provides an image of the financial position of the business on the last day of the financial period, or it shows how the money invested in the business has been used by the managers. Atrill and McLaney (1997:18) say that the Balance Sheet of a business provides insight into the total wealth of the business. They mention that the wealth of the business can be in a variety of forms such as cash, inventory, equipment, vehicles, land and buildings. They add that the Balance Sheet also reflects all "claims against the business",(Atrill and McLaney, 1997:21). According to Hart (2006:16), the Balance Sheet tells us who owns the business, how well the business is running and how liquid the business is. Flynn and Koornhof (1997:53) state that the Balance Sheet reflects the financial position of an organisation at a specific moment in time. Thomsett (2007:32) indicates that the Balance Sheet reports the balances of assets, liabilities and the owners' equity on a specific date of the financial year – usually the last day. He also adds that the balances of all asset accounts are equal to the sum total of the balances of all owners' equity accounts and the balances of all liability accounts.

Kew et al. (2006: 103) mention that a Balance Sheet provides very useful information since it provides an indication of how well the organisation has used its total assets to make a profit; where the firm found the funds to purchase assets or to pay expenses; where the funds used by the business came form, as well as who has an interest in the business. Campher et al. (2003:7) warn that only assets that were acquired from school funds, may be

reflected in the Balance Sheet of the school. According to the Harvard Business School (no author mentioned)(2002:3), the Balance Sheet describes the assets of the business and how the assets are financed – with capital from the owners, funds provided by the creditors or with a combination of the two sources. The Balance Sheet also describes how much the company has invested in assets and where the money is invested. It also reflects the total value of the liabilities.

2.2.9.4 Cash Flow Statement

Hand et al. (2005: 109-110) describe a Cash Flow Statement as a "statement that explains in overall terms the change in the liquid resources (or cash) of a firm between two Balance Sheet dates." They identify the following business activities that cause a flow of cash in the business, namely: Operating activities, returns on investment and the servicing of finance, taxation payments or refunds, investing activities and financing activities. Thomsett (2007:43) describes cash as "the oxygen of any operation." He mentions that the Cash Flow Statement indicates where the money from the business came from and how the money of the business was spent. Werner and Jones (2004:15) state that the Cash Flow Statement shows the sources and uses of cash in a company during a specific period. The time period of the Cash Flow Statement is the same as that of the Income Statement. The authors say that the Cash Flow Statement is based on the following equation:

- Cash inflow – cash outflow + beginning cash = ending cash.

According to Horngren et al. (2002:57), a Cash Flow Statement reports the cash receipts and cash payments of an organisation during a specific period. It provides details regarding the changes in the cash accounts. The authors mention that firms use their cash for three activities, namely: Investing in assets, raising money to finance assets and operating the business, (Horngren et al., 2002:16). This idea is supported by Werner and Jones (2004:16). Marx (2009:26) states that a Cash Flow Statement provides information about cash utilised or generated by operating, investing and financing activities. He also mentions that an organisation requires information from the Balance Sheets of the current and the previous financial periods, as

well as the Income Statement of the current financial year and details on the fixed assets, in order to compile the Cash Flow Statement for the current year.

Drake and Roe (1994:113-114) say that the deadlines for payments do not always coincide with the dates when funds are being received. It is therefore essential for management to know the income and expenditure patterns of the business to determine how much cash should be made available to bridge the time lag between the receiving of funds and the payments. According to the Harvard Business School (no authors mentioned) (2002:15) the Cash Flow Statement reflects the reasons why the cash position of the business changed during a specific accounting period since it reflects all the changes in cash owing to operating activities, investment activities and financing activities. The authors maintain that the Cash Flow Statement reflects the amount of cash on hand at the beginning and at the end of the accounting period. It also indicates how the business acquired and spent cash during a specific period.

Clarke (2009:139) directs the attention to the critical role of Cash Flow Statements in the financial management of Section 21-schools since the effectiveness of these schools depends on the availability of funds at appropriate times. It is therefore essential for the management of the school to track the monthly bank account balances since they reflect the patterns of income and expenditure of the schools. Hart (2006: 51) mentions that the Cash Flow Statement does what the bank statement cannot do and that is to categorise the amounts received and paid into three main categories, namely operation activities, financing activities and investing activities. According to Hart (2006:53), a Cash Flow Statement tells three stories: How the business generates its cash, how the money in the business is used and what the liquidity of the business is. She also adds that if the operating income amount (on the Income Statement) differs a great deal from the operating cash amount (on the Cash Flow Statement), it indicates that the net income amount reflected on the Income Statement is not being realised in cash form. This could be owing to "inflating" the income figures or "deflating" the expenses or both.

2.2.9.5 Analysis and interpretation of financial statements

According to Steyn, Warren and Jonker (2004:11), the purpose of financial analysis and interpretation is to inform and support decisions that are made in connection with the business. Thomsett (2007:28) compares the interpretation of financial statements to the building of a jigsaw puzzle. According to him "all the pieces are there, but the picture is complicated." However, he states that financial statements contain a large amount of information that is useful, even if the person reading them has no accounting background.

Kew et al. (2006:487) define financial analysis as "a process that extracts relevant information from all the information that is available". The information is then interpreted to meet a specific need. Steyn et al.(2004:15) warn that the impact of inflation should be kept in mind while interpreting financial statements since this economic phenomenon can create the impression that the business performed better during the financial year than what it actually did. According to *Business finance for the numerically challenged* (no authors mentioned)(1998:78), it is very important for managers and owners of businesses to analyse the financial statements since it can mean the difference between failure and success. The authors add that managers, financial analysts, creditors and individuals may look at the financial results of a business from different angles and the reason for being concerned about it may be completely different. However, the way in which they will analyse the statements is more or less the same since they are all ultimately interested in determining the success of the business. The Harvard Business School (no author mentioned) (2002:22) mentions that there are several groups of people who use the financial statements of a business for different reasons, such as:

- Creditors – who want to make sure that the company has the funds to repay them,
- Investors – who are concerned about the ability of the company to grow, as well as the financial stability and profit-generating ability,
- Potential employees – who need to assess the financial stability of a business before signing a contract to work there, and

- Regulating agencies – who need to assess the financial health and performance of the industry.

I believe that there the different stakeholders of the school would be interested in the financial statements of the school. These include:

- Creditors – who want the assurance that the school would be able to pay their outstanding amounts,
- Parents – who need to know what the financial position of the school is and how the funds are being used to support and enhance the education offered at the school,
- Donors – who want to know that their donations will be used wisely,
- DoE – who has to know what the financial position of the school is, and
- Members of staff – who normally want to know how the funds of the school is being spent

Thomsett (2007:45) warns that any financial information is meaningless unless it is compared to other data. He mentions three specific types of comparisons that can be made, namely: company to company, business results to universal standards, and current results to historical data. This idea is supported by Steyn, Warren and Jonker (2004:11) who mention that the underlying principle in financial analysis is comparison. The authors stress the importance of comparing financial items with the same items from previous financial periods or with similar enterprises. Marshall et al.(2004:67) mention that the majority of industry and trade associations publish industry average ratios that are based on the data compiled by the association based on the reports submitted by the members of the association. By comparing the ratios of the firm to that of the industry management, can obtain a view of the position of the firm in the industry. However, they believe that trend analysis may provide a more meaningful comparison, since the data used to complete trend analysis are more consistent than the data used during ratio analysis.

According to Flynn and Koornhof (1997:849), there are three different methods of analysis that could be used to interpret financial information,

namely comparisons of financial statements, calculations of ratios and the Cash Flow Statement. Horngren et al. (2002:557) support this view and mention that the most popular way is to compare the financial trends from one year to the next. Another way of looking at the financial information is to examine the different components of a business. In this regard, many different ratios such as the current ratio, inventory turnover ratio, and the rate of return on common equity could be used. This idea is supported by Flynn and Koornhof (1997:849), and Marx (2009:39). The Harvard Business School (no author mentioned)(2002:22-23) mentions that financial ratios can be used to describe the financial condition of an organisation, the efficiency of the business activities, its profitability and the perceptions of the investors. However, the authors warn that the stories presented by the financial ratios are incomplete and they are most meaningful when they are compared against the same measures for other businesses in the same industry. Gill (1990:19) mentions that ratios measure proportions by determining what proportion one figure are of another. Ratios enable accountants to measure relationships by translating assets and liabilities into monetary figures that enable those interested to identify valuable relationships among apparently unrelated items. Ratios enable people to make comparisons between different time periods.

Gill (1990:21) mentions some very important aspects to keep in mind while working with ratios:

- Maintain an objective attitude and do not use ratios to support predetermined conclusions,
- Use the correct figures, and
- Do not compare meaningless numbers.

It will not be possible and will also not make much sense for schools to compare their financial positions to that of other schools since their circumstances differ. However, it is possible and essential to compare the financial statements of the school from one year to the next in order to determine what progress had been made, to identify specific trends with

regard to the income and expenses of the school, and to identify areas that still required attention.

According to Flynn and Koornhof, (1997:855-857) comparisons of financial statements could be made in three different ways, namely a horizontal analysis, a vertical analysis or a base year analysis. When the calculation of ratios method is chosen, there are many different ratios that could be calculated, but those most frequently used are the liquidity ratios, profitability ratios and financial structure ratios. According to *Business finance for the numerically challenged* (no authors mentioned) (1998:80), financial statements become more meaningful if the user analyses the ratios since these ratios provide the relationship between specific accounts or groups of accounts. The authors maintain that the information provided by the financial statements can be further enhanced if the ratio analyses are compared over a number of years since this would highlight specific trends. Ratio analyses can also be compared to the set norms of a specific industry since this would enable management to compare the performance of the business to similar businesses in the industry.

Franklin, Plewa and George (1995: 11-13) describe the term liquidity as the "ability of a company to meet its short term obligations." They mention six ratios that could be used by a firm to determine the liquidity of the business. According to Atrill and McLaney (1997:137) financial ratios provide a quick and relatively simple way of investigating the financial health of a business. However, they add that the calculation of ratios will not be enough to provide a complete picture of the financial health of the business. There is also a need to compare the results of the business to other similar businesses in the industry – this is known as "benchmarking", (Atrill and McLaney, 1997:139).

Hand et al.(2005:124) warn that ratio calculations depend on the availability and accuracy of basic accounting information. They mention that there are many different ratios that can be calculated but point out that only those ratios that will be useful to the user of the financial information are really worth calculating. They categorize the ratios into four main groups, namely: Profitability ratios, liquidity ratios, gearing ratios and investment ratios.

Marx (2009:39-46) distinguishes between a variety of ratios that could be used in the analysis of the financial statements of an organisation. Some of the ratios would not be relevant to the analysis of the financial statements of a school, since schools are non-profit organisations, with the main purpose of providing effective education.

The SGBs of schools would not necessarily be interested in calculating ratios such as profitability ratios, gearing ratios, or investment ratios. However, since schools require cash to meet their monthly obligations, and they cannot exist without money, all schools should be managing their liquidity positions. I therefore believe that the financial management team of a school should at least calculate some of the liquidity ratios. Other ratios that could also be useful for schools would be the average collection period (in the case of outstanding school fees and other debt owed to the school), as well as the average payment period (if the school owes money to creditors). However, the ultimate decision regarding what ratios to calculate, has to be made by the financial management committee of each school since they are responsible for the financial management decisions of the school.

According to the Harvard Business School (no author mentioned) (2002:8-11), an analysis of the Balance Sheet indicates how efficiently the business is using its assets and how well they are managing their liabilities. The Balance Sheet can be used to investigate the working capital, financial leverage and financial structure of the firm, while the Income Statement can be used to compare results of different financial periods and therefore it enables managers to identify certain business trends. Jones (2006:109) suggests that information obtained from the Balance Sheet could be used to determine how dependent the organisation is on external borrowing.

According to Jones (2006:89), the Income Statement is used to make performance comparisons for the same company or between different companies over a period of time. He also adds that information obtained from the Balance Sheet could be used to determine the liquidity or cash position of an organisation. In this regard he suggests that the current ratio and the quick ratio could be used. The Harvard Business School (no author mentioned)

(2002:16) mentions that the Cash Flow Statement does not have an impact on the day-to-day functioning of the organisation but that it provides useful information during the budgeting process. It also indicates whether the organisation eventually manages to collect the outstanding amounts that are owed to the organisation.

The Balance Sheet of the school reflects the value of all assets and liabilities of the school. Stakeholders would be interested in an analysis of the Balance Sheet since this would indicate how well the assets of the school are being managed and whether the school is in the financial position to meet its obligations.

Berkhout and Berkhout (1995:32-46) refer to tools that could be used in the interpretation of financial statements of an educational institution, such as a cost-feasibility analysis, a cost-benefit analysis, a cost effectiveness analysis and a cost utility analysis. They also say that a Cash Flow Statement could be used in order to determine the development of the financial positions of schools.

Steyn et al.(2004:15) feel that the success of financial analysis and interpretation is limited since the financial statements only reflect items that can be expressed in monetary terms. These statements do not reflect information regarding aspects such as the efficiency of management, possibility of future losses owing to labour disputes, or the impact of the entrance to the market by a strong competitor. This is also relevant to the previously disadvantaged schools that face competition from schools in the more privileged or wealthy areas, as well as from private schools.

Epstein and Myers (2009:139-140) provide the following guideline with regard to the interpretation of the Income Statement:

- Most businesses prefer not to show all their operating details to outsiders, therefore one should consider summarising the expenses section in the Income Statement before distributing it externally,

31

- If a downward sales trend is noticeable, it could be a sign that a competitor is successfully drawing away customers from one's business, and

- Business owners should watch their expenses closely to ensure that they do not increase steadily and lower the profitability of the business.

These guidelines can also be used by schools. However, it would be advisable for schools to disclose all the details regarding their operating expenses in their income statements, as these statements should be made available for scrutiny by the parents at all times. Schools should examine each item in the Income Statement carefully. This could prevent unnecessary increases in expense items. It could also ensure that the income from all possible sources of the school is maximised

2.2.9.6 Auditing

Epstein and Myers (2009:166) mention that many entrepreneurs start their businesses by hiring people they believe they can trust. However, by the time they realise an employee is defrauding them, it may be too late to rescue the business. Therefore they believe that businesses should protect themselves by introducing effective internal control measures in order to safeguard the assets of the business, as well as to ensure that reliable financial statements are being produced. Epstein and Meyers (2009:166-167) identified four basic types of internal fraud that businesses have to protect themselves against, namely:

- Embezzlement – the illegal use of funds by the person who controls those funds,

- Internal theft – stealing of company assets by employees - taking office supplies, or products that the company sell without paying for them,

- Payoffs and kickbacks – employees accept cash or other benefits in exchange for access to the company's business,

- Skimming – employees take money from customers and do not record them in the financial records of the business.

According to article 43(1) of SASA (1996:26) the governing body of a public school (SGB) are obliged to appoint an external auditor to audit the financial records of the school. Article 43(2) of the Act specialises that the auditor may not have any interest in the financial affairs of the school. Campher et al. (2003:47) emphasise the need for an external audit of the school funds of a public school and the fact that a copy of the audited financial statements should be sent to the provincial Department of Education. Clarke (2007:284) writes that the school should have a financial control policy that prescribes how financial transactions are processed. This policy should also prescribe the internal checks needed, the delegation of responsibility for the processing and recording of financial transactions, the delegation of responsibility for checking the school's systems and procedures and the system of authorisation. The policy should describe how the systems work and who is responsible for what.

Hack et al.(1992:160) define auditing as "the study of an accounting system in general and specific accounts in particular to verify their accuracy and completeness." Drake and Roe (1994:114) describe auditing as "accounting procedures used to determine whether legal and administrative provisions applicable are followed and whether school property and funds are safeguarded." According to Kew et al. (2006:108), the purpose of an audit is to verify the accuracy of the financial statements of an organisation.

Whiteley (2004: 118- 120) states that there are two types of audits, namely an external audit and an internal audit. The external audit is conducted by an independent person or firm while the internal audit is completed by the internal audit department of the organisation. Internal auditors investigate and monitor the internal control systems of the firm while the external auditors complete investigations that would enable them to comment on whether the financial statements of an organisation provide a fair reflection of the transactions of the firm in the financial year and the financial position of the firm on a specific date. This view is supported by Hack et al. (1992:160).

Drake and Roe (1994:116) warn that auditing is no guarantee for the elimination of fraud since collusion may occur among employees. They also caution that owing to the differences between the processes used by schools and other organisations, not all auditing firms would be able to provide useful advice and therefore it is necessary to select the auditing firm very carefully.

Horngren et al. (2002:24) indicate that the auditor's report provides the assurance that the financial statements of an organisation reflect a fair and accurate picture of the financial position of the organisation. The examination process is described in the auditor's opinion and is normally included with the financial statements in the annual report. According to Marx (2009:27) the auditor's report should refer to the fact that the financial statements were audited and that they provide a fair representation of the financial position, the results of the operations during the specific year and the cash flow information of the firm. Jones (2006:11) reminds us that external auditors charge an auditing fee for their services and that provision should be made in the annual budget of an organisation for the additional expense. Hand et al. (2005:95) emphasize that external auditors have to provide detail of any serious infringements of standard accounting practices or financial reporting standards in their auditor's report. In the case of public companies, this report should then be published, together with the financial statements of the company.

Clarke (2009:157) reasons that it is the responsibility of the SGB to put financial systems in place that could protect people who work with the money of the school against charges of mismanagement, fraud or theft. He maintains that there should be internal financial controls in place where one person checks the other person's work to ensure accuracy. There should also be a separation of duties so that different financial tasks are allocated to different people. The school should have a system of authorisation where each financial transaction has to be approved prior to the event. Lastly, there should be an audit trail for each transaction that could be used by external auditors to verify the transaction.

Thomsett (2007:154) points out that investors make assumptions based on the audit report of the external auditors and he states that all firms strive to receive an "unqualified audit opinion". An unqualified audit opinion normally indicates that the auditors are satisfied with the books and financial records of the business and that they feel the financial records reflect the financial position accurately. Thomsett (2007:154) warns that the auditor's opinion could be affected if the audit firm depends on the client for "non-audit work" in order to generate an additional income. He suggests that before the auditor's opinion can be accepted at face-value, one should make sure that the audit firm does not rely on the company for non-audit income since this can influence what is stated in the audit report.

2.2.9.7 Reporting

Article 43(6) of the SASA (1996:28) stipulates that the SGB has to make the financial records of a school, as well as the audited financial statements, available for inspection at the request of an interested person. According to Hack et al. (1992:161), reporting "deals with disseminating the information regarding the financial status of the school system to persons and offices that can use it to upgrade their understanding and decision-making in school matters". They maintain that the school should produce an annual financial report and suggest that the report consists of the following five sections: Introduction, financial statements, explanatory notes to the financial statements, an audit section, and a statistical section where the school data are represented in tabular or graphic form.

Campher et al. (2003:12) say that the effective communication of financial information is essential for the financial management. The financial information should be reported briefly, accurately, and clearly. They refer to various forms of reporting such as oral reporting, financial statements and diagrams.

2.2.10 Budgeting

2.2.10.1 Introduction

Franklin et al. (1995:20) state that managers are often reluctant to implement a budgetary system since they do not want to spend time on drafting the budget and they are often afraid of the consequences if the budgeted figures differ from the actual financial figures. They maintain that budgeting is essential for the success of a business and likens the failure to budget to a captain of a ship refusing to chart a course for the voyage owing to fears that the sea may be rough.

Brimson and Antos (2003:4-9) feel that budgeting of non-profit organisations such as clubs, universities and hospitals have certain characteristics that tend to increase the frustrations and challenges involved in the budgeting process. These characteristics are obviously also applicable to schools, as non-profit organizations. Some of the characteristics mentioned by them are:

- The fact that these institutions cannot use profit as measure to determine the allocation of resources,
- Revenue budgeting for these institutions is uncertain and very difficult,
- Allocating expenses to specific programmes is problematic,
- It is very difficult to measure the effectiveness of the budget and to control the budget,
- The budget tends to be very difficult to adjust during the course of the year,
- The organisational structures often make it very difficult to establish an effective budgetary system, and
- The accounting practices are often not conducive to easy budgeting.

Shim and Siegel (1994:2) stress the fact that a budget should be organised, clear and comprehensive, and warn that the budget figures should be realistic, achievable and documented. They maintain that a budget is only as accurate as the figures upon which it is based.

2.2.10.2 The concept and process

According to Mentz and Oosthuizen (2003:207), the SGB is responsible for the drafting of the budget and they should use the budget to determine the level of school fees for the new academic year. They remind us that the budget should be presented to the parents at a parents' meeting in order to be considered for approval. Shim and Siegel (1994:4) describe a budget as the "focal point of the whole planning and control process." According to them, the budget assists the manager in planning and controlling activities. They add that the budget process should be standardized with prescribed budget forms, instructions and procedures. They also maintain that the preparations for the budget of the following year should start several months prior to the beginning of the year, (Shim and Siegel, 1994:11-12). Clarke (2007:286) states that the school should have a clear policy and procedure for the planning and compiling of the budget of the school.

Van Deventer, Kruger, Van der Merwe, Prinsloo and Steinman(2003:242) describe a budget as a management tool that enables the management team and the SGB "to estimate and plan, as well as utilise, coordinate, monitor and evaluate the allocated resources of the school in financial terms." Drake and Roe (1994:70) define a budget as "the translation of prioritised educational needs into a financial plan which is interpreted to the public in such a way that when finally adopted, it expresses the kind of educational program the community is willing to support, financially and morally, for a period of one year." Piek (1992:142) describes a budget as "a financial plan through which educational objectives are implemented and translated into reality." The definition that I prefer is provided by Campher, et al.(2003:19) who define a budget as "a document showing the estimated income for a financial year and everything that must be financed from that income."

Mestry and Naidoo (2009:108) claim that a budget has four functions, namely planning and decision-making, control, accountability and stewardship and motivation. However, they maintain that the preparation of effective budgets is unlikely at many disadvantaged schools owing to a lack or shortage of financial management skills among the school leaders.

According to Drake and Roe (1994:85-88), the budgeting process is cyclical and never-ending. It consists of several steps, namely: Planning, coordinating, interpreting, presenting, approving, administering and evaluating. According to Wasch (2003:13), the budget process of a non-profit organisation consists of five phases, namely: Long term planning, programme planning, budget planning, budget development and budget control. Furthermore, Wash (2003: 18) states that budget planning consists of the following steps: Translating programmes into budget terms, ascertaining responsibility, determining accounting structures, developing measurement tools and preparing budget guidelines. He also adds that once the budget planning has been completed, the actual budget can be developed. Budget development consists of four steps, namely: Estimating revenue, preparing budgets by different responsibility centres, preparing a consolidated budget, and lastly, reviewing and revising the budget, (Wash, 2003:18). Marx (2009:59) mentions that the latest financial statements and ratios may be used to assist the firm in making the projections for the new financial period. However, he cautions that the budgeting process could be affected by external factors such as interest rates, the inflation rate and the growth of the GDP.

Shim and Siegel (2003:21) emphasise the need for proper communication during the budgeting process. According to them, budget goals should be clearly indicated to subordinates. Problem areas should be identified and discussed in order to be rectified at the earliest opportunity.

2.2.10.3 Principles

According to Marx (2009:62-63), there are seven principles of budgeting that may contribute to establishing meaningful budgets, namely:

- Management involvement in the budgetary process;
- Adaptability to changes in circumstances;
- Accountability according to responsibility;
- Effective communication;
- Acknowledgement for keeping actual figures as close as possible to budgeted amounts and

- Follow-up and feedback in the form of regular reports.

Mentz and Oosthuizen (2003:214) mention the following budgeting principles that should be applied when drafting the budget of a school:

- The budget should be realistic,
- All sources of income should be identified,
- All possible expenditure have to be determined,
- A financial projection should be done and aspects such as expected price changes, and the short, medium and long term goals of the school should be considered,
- All stakeholders should be involved in the budgeting process,
- The financial means of the community should be considered,
- To build some reserves, the school should budget for a surplus, but this should be thoroughly explained and discussed with the stakeholders.

2.2.10.4 Budgeting approaches

(a) Pragmatic (or incremental) approach

According to Bisschoff (1997:67-71) there are various approaches, such as the pragmatic approach (also sometimes referred to as incremental budgeting), the limited plan approach and the full-plan- (or zero-based) approach, that could be used to compile a budget for a school. This idea is supported by Campher, et al.(2003:19-21) and Drake and Roe (1994:72-78) According to the authors mentioned above, the pragmatic approach to budgeting is based on the budget of the current year and is updated to make provision for any anticipated changes in prices or the activities of the school. According to Franklin et al.(1995:25), incremental budgeting is not very accurate and it could lead to the inefficient allocation of the scarce financial resources of an organisation.

(b) Limited plan approach

According to Bisschoff (1997: 68), the limited plan approach uses historical data as the foundation and the starting point is the management plan or

overall school plan. The plan is then limited to those elements that require changing, based on the pre-determined priorities. This idea is supported by Campher et al.(2003:20), as well as Drake and Roe (1994:73-75).

(c) Full plan (zero based budgeting) approach

According to the full-plan approach, the budget is based on a comprehensive management plan (Campher et al.,2003:20). First the goals of the schools are determined and then detailed objectives are formulated. This is followed by the formulation of specific action plans. The action plans are then matched with the available amount of money and this eventually leads to the formulation of a detailed budget. These ideas are also supported by Bisschoff (1997:69-70) and Drake and Roe (1994:75-78). Franklin et al. (1995:25) mention that the zero based budgeting approach forces a manager to justify and defend each budget request. The authors also add that it is a very time-consuming approach and should not be used every year.

(d) Participatory approach

Franklin et al. (1995:25) add participative budgeting to the list of approaches. According to them this approach is based on the assumption that the employees of an organisation take part in the budgeting process. They maintain that involving the employees in the budgeting process could lead to greater dedication from them to meet the requirements of the budgets and to ensure that their spending would not exceed the allocated amounts. However, the authors caution that participative budgeting often turns out to be a "game" where management asks for input from their employees and then ignores the contributions. This could result in a demoralized workforce when the employees realise that their inputs were ignored.

Drake and Roe (1994:78) warn that there is no pure form of budget approach that could be used by all schools without making any changes. They believe that each school should select and develop the budgetary process to suit his special circumstances.

2.2.10.5 Budget document

Campher et al. (2003:19) claim that the budget document integrates the goals, action plans and the expected expenditure of a school. It also serves as a planning tool since it reflects the priorities of the school in monetary terms. According to Drake and Roe (1994:79-83), the budget document usually consists of three divisions, namely the educational plan, the expenditure plan and the revenue plan.

2.2.10.6 Budget control

(a) The concept

Van Deventer et al. (2003:242) describe budget control as a continuous process that should be executed throughout the year. They say that budget control entails "keeping in check" the difference between the planned and actual financial status of the school. Berkhout and Berkhout (1995:75) describe budget control as a "multiple control duty" and to ensure that control is exercised effectively, the following five functions should be performed: Comparison between actual and budgeted amounts, analysis and interpretation of discrepancies, audit and calculation control, accountability and reporting, as well as the implementation of corrective action. This view is supported by Mentz and Oosthuizen (2003:216). They also add that all budget deviations should be investigated carefully in order to recommend appropriate corrective action. When problems arise during the budget period, an internal audit should be requested to identify the problems and select appropriate corrective measures. Mestry and Naidoo (2009:108), emphasize the urgent need to monitor and control income and spending on a continual basis so that schools can meet their financial obligations. They maintain that budget control and monitoring is a daily task and that the evaluation of the budget also requires some accounting skills.

(b) Budget variances

According to Shim and Siegel (1994:93) a variance analysis compares the set standard to the actual performance. They add that it is unnecessary to investigate insignificant variances unless they occur repeatedly or they are

indicative of potential problems. However, variances that would require corrective action should be investigated properly.

According to Bisschoff (1997:71), budget variances should be strictly monitored on a monthly basis. If the variance is a once-off occurrence, or a fluctuation from once month to the next that will balance out over the year, Bisschoff does not see it is no real source of concern, as long as the variance can be catered for in the budget. However, he warns that continuing deviations could be the result of under budgeting or overspending and should be carefully monitored. When overspending occurs in the budget, immediate action should be taken to address the problem, according to Bisschoff (1997:71). This idea is supported by Shim and Siegel (1994:13-14) who believes that budget deviations should be investigated in order to identify the reasons for overspending. They also state that unfavourable variances should be corrected as soon as possible.

Wasch(2003:27-28) mentions that any variance could be broken up into two parts. The first part is the section of the variance that was caused by the fact that the organisation is offering more (or less) of the service, and that is a volume variance. The second part of the variance is caused by reasons of efficiency or unplanned changes in prices.

(c)Budget reports and budget meetings

According to Shim and Siegel (1994:32) budget reports should be compiled on a regular basis to compare the actual and the budgeted figures. The report should start with the main points and then provide a brief summary of the budget position of the organisation. Thereafter, detailed information should be provided. The reports should be understandable, clear and concise.

Shim and Siegel (1994:16-17) suggest that regular budget meetings should be held where important topics such as budget objectives, physical resources and time schedules should be discussed. They also add that the budget may provide an early warning about possible problems. When these problems are addressed early, it could lead to sizeable savings for the organisation.

2.2.11 Fund-raising

According to article 34(1) of the South African Schools' Act (SASA) (1996:24), the state has the responsibility to fund public schools from public revenue in order for them to provide education to learners. However, just like any other economic participant, the state also experiences a scarcity problem in the sense that the demands made on available state funds far outweigh the supply (Bisschoff,1997:14). Mestry and Naidoo (2009:108) also mention that the state faces a scarcity of funds and there is therefore a need for schools to supplement the income provided by the state through fundraising, donations, sponsorships and school fees.

According to article 36 of SASA (1996:24), the School Governing Body (SGB) of a public school has the responsibility to "take all reasonable measures within its means to supplement the resources supplied by the State in order to improve the quality of education" offered at the schools. Mentz and Oosthuizen (2003:207) confirm this stipulation when they state that the SGB should attempt to raise additional funds in order to improve the quality of education offered at the school. They add that additional funds can be raised form parents, the community, and private institutions. However, Mentz and Oosthuizen (2003:207) emphasise the fact that these additional funds should be applied to improve the quality of education offered at the school. The additional funds may not be used for the benefit of only a small group of learners, or to purchase unnecessary luxuries.

Clarke (2009:285) mentions that the school should have a fund-raising policy that places a limit on the number and nature of fund-raising activities initiated by and at the school. The policy should provide clear guidelines to ensure that all the money raised and all donations are accounted for and processed through the financial records of the school. It should also provide a system that can manage the applications to do fund-raising at the school to prevent fund-raising fatigue of the community that supports the school.

Clarke (2009:163) says that fund-raising can contribute significantly to the income of the school, but he warns that fund-raising takes considerable effort and time. He maintains that the SGB should protect the principal and staff

against unrealistic demands and expectations from parents in this regard. He also adds that learners and parents should be involved in the fund-raising activities of the school.

Campher et al. (2003:62) emphasize that it is essential for the SGB to establish a fund-raising committee before embarking on any fund-raising efforts. They also suggest that the principal should form a part of the committee. Once the committee is established, a fund-raising policy should be established for the school. Thereafter the fund-raising committee can prepare a fund-raising strategy for the year that should be presented to the finance committee of the SGB. This strategy should clearly stipulate how many fund-raising projects need to be planned for the year, and what the projects would be (indicating clearly the parties involved, the projects, and the time if fund-raising). Once the details have been clarified, the finance committee should allocate seed money in the budget. Then the marketing and advertising campaign can be determined and once the project is completed, the funds raised should be allocated and the outcome of the project evaluated (Campher, 2003:68-79).

Berkhout and Berkhout (1992:4-6) say that it is important for the school to identify the sources of finance that could be utilised to supplement the funds provided by the state. According to them, the following sources should be considered by the school: Private households (including the parent community), business organisations, interest groups, international organisations and religious organisations. Campher et al. (2003:72-76) also add the educators, the infrastructure of the school and the broader community to the list. The SGB may allow the reasonable use of school facilities to the community and a fee may be levied as compensation, (Article 20(2) of SASA, 1996:16).

Wright (1998:35) states that raising funds for projects at the school can be very difficult and that obtaining the funds from the parent community or charitable trusts can be made even more difficult, especially if there is feeling that the project should actually be provided for by the DoE. She believes that the fund-raising can be made easier by the way in which the fund-raising

appeal is "packaged". It is important to produce a professional-looking document that clearly indicates the work done by the school, the geographical location of the school, characteristics of the school and a clear indication of how the project would complement the work of the school and contribute to the improvement of education offered at the school. She also advises that a fund-raising structure and a fund-raising steering group should be formed that will manage the fund-raising strategy. The steering group should develop a marketing strategy, determine the target figure, prepare an action plan, form part of the fund-raising committee and select a fund-raising chairperson, Wright (1998:36).

According to Ritchie, cited by Clarke (2009:165), fund-raising requires very thorough planning. He mentions that the following aspects should be covered in the planning process: The purpose, the person driving the campaign, training of the volunteers, maintaining records of the process, identifying possible donors, as well as the costs involved in the process. Badenhorst and Scheepers (1995:131-133) emphasise the importance of planning a fund-raising campaign and mention the following aspects that should be considered during the planning process:

- Formulating a clear aim,
- Determining a specific target,
- Selecting a target group,
- Deciding on the type of fund-raising,
- Allocating responsibility to different people, regarding the planning, coordination, implementation and control of the campaign, as well as
- The legal aspects of the campaign.

Wright (1998:37) identifies seven main fund-raising source categories that can be approached during the fund-raising campaign, namely:

- The statutory sector,
- Charitable trusts and foundations,
- The corporate sector,

- Individuals,
- Events,
- Local societies and associations,
- The National Lottery.

Rosenburg (1998:41) states that it is essential for the management team of the school to seek additional funds for the school, not only for the school to survive, but to prosper. However, he says that "it would appear as if schools often obtain money from those most in need", when alternative sources are available. Rosenburg (1998:43) believes that schools are not doing enough to generate funds needed from the business sector. He furthermore believes that it requires effort, judgement and salesmanship in order to successfully raise funds from the private sector.

Gibbons (1998:45) observes that the funding schools receive, is largely dependent on the learner numbers. He therefore feels that it is very important for the school to market itself. (This is also true in the current schooling system in South Africa). He warns that the school belongs to a wide variety of groups and it is important that each of the groups should have confidence in the school. The marketing strategy should be used to strengthen the confidence of each group in the school and to encourage their continuous support, Gibbons (1998:46).

All learners, teaching and support staff members, as well as the SGB should be involved in the marketing of the school. Gibbons (1998:46) suggests that this is possible by creating a climate in which all successes and achievements at every level are welcomed, celebrated and then published. It is also crucial to ensure regular and effective communication in the form of newsletters between the school and the parents and families as well as the immediate community. However, Gibbons (1998:47-49) mentions the need for formal marketing that involves the media, business community, local authority as well as the education world in general. Emphasis should be placed on the unique selling points of the school – focusing on what the school does best, what is special and the unique features of the school.

Van Deventer et al.(2003:242) mention several examples of fund-raising projects that could be used by the schools to supplement their income from school fees such as:

- Bazaars, concerts, sales and other functions;
- Donations or bequests to the school;
- Sale of products made by the learners if the school provided the materials used;
- Hiring out of school facilities such as the hall;
- Competitions such as fun runs and big walks;
- Running a tuck shop; and
- Readathon, spellathon mathsathon.

2.2.12   Asset management

2.2.12.1 Introduction

Anderson (2002:207) mentions that resources are essential for the existence of education institutions and that the educational institutions have to obtain the resources and allocate them to provide effective education. Resource management also affects the long term effectiveness of an educational institution as well as the improvement thereof. The demand for resources will always exceed the supply. This emphasises the need for the effective internal allocation of the resources of an educational institution. Anderson (2002:207) therefore maintains that resource management is an important management function. According to Oosthuizen (2003:202), the SGB of a public school is responsible for the management and administration of all moveable and immoveable property of the school. The SGB can decide to make the school facilities available to the community in exchange for a rental fee. Money raised in this fashion should be used to supplement the income of the school.

Keown, Martin, Petty and Scott (2004:60) describe assets as "resources owned by the firm." Anderson (2002:209) mentions that the term "resource" can be interpreted in a variety of ways, depending on the context, but it usually refers to finance, materials, staffing and time. Kew et al. (2006:505),

maintains that asset management in the business world involves determining "how successfully assets have been used to generate a profit in the business." Although the aim of a school is not to generate a surplus but to provide effective education, it is impossible to achieve the aim without having and effectively managing the assets of the school. According to Levacic, cited by Anderson (2002:211) resource management consists of four sequential and interrelated processes, namely acquisition, allocation, utilisation and evaluation. According to Campher et al. (2003:43-47), asset management in the school context includes the management of outstanding school fees or accounts receivable, stock management, maintenance of fixed assets and cash management. This view is supported by Bisschoff (1997:112-122). I prefer to focus on asset management from the viewpoint of the school and shall therefore deal with the topic by focusing on the management of accounts receivable, stock control, maintenance of fixed assets and risk management.

2.2.12.2 Management of accounts receivable

Campher et al. (2003:43) state that one of the most important forms of income for a school is school fees. However, parents often cannot afford to pay the school fees in a lump sum and it is therefore essential to provide the facilities to make these payments in monthly instalments. In order to control the monthly payment of school fees effectively, a credit policy should be established. Campher, et al.(2003:45) mention a number of aspects that should be included in the credit policy, such as the procedures to deal with overdue accounts, discount for lump sum payments, a detailed outline for monthly payments, a description of methods to keep track of overdue accounts and procedures to follow when writing off bad debts.

Bisschoff (1997:114) says that the credit payment of fees should be treated with caution since the school can lose much money in the process. He also adds that the recording system of the school should enable the administrators to determine the age of the accounts. The amounts that are in arrears, should also be clearly indicated. The writing off of bad debts should not be dealt with lightly since it can cause great dissatisfaction among the parents who do pay the fees. Clark (2009:126) mentions that the school should make provision for

48

bad debts of school fees in the financial statements to ensure that the statements reflect the true financial position of the school. According to Kew et al. (2006:505) the amount of debt allowed in a business affects the financial risk and too much debt could make it difficult for the organisation to meet its obligations.

Clarke (2009:166) states that there will always be parents or guardians who fail to pay the school fees of the learners, and it is a major challenge for the school to collect these outstanding fees without alienating the parents/guardians and without involving the learners. He suggests that there are specific steps that should be followed to try and collect the outstanding fees such as: Sending two letters of reminder, following the letters up with a phone call, and sending a final letter of demand before the legal steps could be introduced.

2.2.12.3 Stock control or management

According to Piek (1992:121) schools require the necessary stock and equipment to function effectively. He distinguishes between equipment which has a relatively long lifespan and consumable stock that is used up relatively quickly. Clarke (2009:162) states that the school needs to compile an inventory of all fixed assets and school equipment and that this inventory should be checked annually to prevent the assets from getting lost or stolen, and to ensure that the physical condition of especially fixed assets is kept under close scrutiny on an annual basis. The inventory should be maintained by adding all newly acquired fixed assets on a regular basis, writing off damaged assets and removing them from inventory. It should also include investigating lost or stolen items as well as demanding an explanation for the loss from the people responsible for the assets. According to Campher et al. (2003: 45), effective stock management is required to prevent the misuse or theft of stock. This idea is supported by Bisschoff (1997:116). He adds that the management of stock has a dual purpose, namely to control the usage of the stock as well as to ensure that the stock is available when required.

Piek (1992:124) includes the management of reading books and textbooks as well as teaching materials such as audio-visual equipment in stock

management. He maintains that teaching and learning cannot be effective without textbooks and teaching materials such as maps and globes. He also mentions that if textbooks are purchased from school funds, it should be done according to the directives issued by the Department of Education. Badenhorst and Scheepers (1995:12) mention that the control of the textbook supply of a school is very important. They state that deliveries should be checked to determine outstanding orders and the new books should be placed on the inventory of the school. During the year the issuing and return of textbooks should be strictly controlled, damaged books should be written off and if a deposit had been paid, the deposit should be adjusted. They also mention that payment for lost books should be demanded from the learners. Clarke (2009:162) states that recovering textbooks from the learners often poses a major challenge to the school, but it is crucial for the school management team to ensure that an effective system is in place since the effectiveness of the education offered at the school depends to a large extent on the availability of textbooks.

2.2.12.4 Maintenance of fixed assets (including depreciation)

Campher et al. (2003:46) describes fixed (immovable) assets as assets with a long lifespan. According to them, all immovable assets of a public school belong to the state but the school is responsible for the maintenance of furniture, and equipment. They believe that it should be the collective responsibility of all stakeholders and if the maintenance is done on a regular basis, the school could save much money.

Piek (1992:135) feels that it is the responsibility of the principal and the staff to supervise the care and maintenance of the furniture and buildings of a school. He also adds that the learners should be involved in the process and that the staff as well as the learners should be encouraged to report any defects as soon as possible. The staff, learners, and parents should be encouraged to get involved in the maintenance tasks around the school while the funds for the materials and tools should be supplied by the school.

According to Bisschoff (1997:119) depreciation is very important in the management of assets and should be calculated as accurately as possible

and written off on a regular basis to make provision for the eventual replacement of the assets. Campher <u>et al.</u> (2003:46) define depreciation as "the devaluation of assets over a period of time."

2.2.12.5 Risk management

Kew (2006:489) defines the term "risk" as "the probability that an expected outcome will not be realised." He mentions that a business is exposed to two types of risks, namely business risks and financial risks. According to him, business risks are the results of unexpected outcomes that could affect the operating results of an organisation. He describes financial risks as those risks that are the result of debt and equity finance. According to Hack <u>et al</u>. (1992:294), risk exists whenever the future is not known and it is the responsibility of the decision-makers to manage the risk. They state that risk management involves much more than simply taking out insurance, and that it could only be managed effectively by applying the following steps:

(i)   Identify all risks in all areas for which the school is responsible,
(ii)   Determine the potential loss in monetary terms,
(iii)   Determine all possibilities and costs for the reduction or elimination of the risks,
(iv)   Plan for regular reviews of potential and actual losses.

Bisschoff (1997:119) states that taking out insurance is part of asset management. He describes insurance as ". . . contract whereby one party (the insurer) undertakes, in return for the payment of a premium, to indemnify the losses suffered by another party (the insured) as a result of a specified eventuality, such as fire or theft." He mentions that although the immovable assets of a public school belong to the state, it is advisable for the school to insure these assets since the Department of Education may not have the funds available for the necessary repairs when a loss occurs, and it may be impossible for the school to wait. He adds that it is essential for a school to insure movable assets such as computers and sports equipment against loss owing to theft or fire since this could affect the functioning of the school negatively. This viewpoint is also supported by Clarke (2009:62).

Hack <u>et al.</u> (1992:295) say that establishing a loss control program should form part of risk management. The aim of this program should be to prevent loss by revealing potential areas of loss and suggesting ways to fix or reduce the possibility of loss.

2.2.13 Cash handling procedures

Epstein and Myers (2009:169) mention that money handling involves "direct contact with incoming cash or revenue, as well as outgoing cash flow. They emphasise that:

- The person who handles the cash (such as the cashier) should not be responsible for preparing and making bank deposits,
- The person responsible for the issuing of cheques should not be authorised to sign the cheques.

Epstein and Myers (2009:169-170) advise small business owners to be very involved in the inflow and outflow of cash in the business. They suggest that:

- The owner signs all cheques himself/herself,
- The bank statements be scrutinised on a regular monthly basis and that a very close eye is kept on all transactions,
- Cheque numbers are controlled very strictly to prevent the removal of blank cheques from the chequebook,
- The money-handling procedures by the cashiers and managers be scrutinised regularly to ensure that the prescribed procedures are being followed,
- When setting up the cash flow systems of the business, one should think like an embezzler to identify ways in which people can take advantage of the system, and then try to figure out a way of preventing the potential threat,
- One should talk to the staff to see how the systems are working and remember to check for unforeseen problems, and
- One should be willing to adjust the control mechanisms

2.2.14 Use of the computer in School Financial Management

According to Hack et al. (1992:66) the school uses a management information system (MIS) to "generate, store, retrieve, compute and disseminate information to decision-makers. Unlike in the past where much of this was done manually, the school now has a choice of implementing modern technology such as word processing, automated data processing and telecommunication.

According to Jones (2006:67), computerised accounting packages are very popular, and it is possible for a computer to produce a Trial Balance, Income Statement and Balance Sheet after all the transactions have been entered. However, he cautions against the use of computer operators who are unskilled in accounting since they can "create havoc with the accounts." He believes that it is essential to have an understanding of the accounting process in order to enter the items correctly, and to prevent the creation of meaningless accounts. According to him "... understanding double entry bookkeeping is just as important in this computer age."

Bisschoff (1997:144) describes the computer as a "time-saving device" that can contribute to the accuracy of the accounting records, but he maintains that the use of a computerised package does not guarantee financial success. This view is shared by Flynn and Koornhoff (1997:21-22), who emphasise the fact that it is essential to have a clear understanding of the accounting processes and relationships before implementing the use of a computer during the financial management process. They maintain that a sound knowledge of accounting would enable a computer operator to use the computer package intelligently. Bisschoff (1997:145-152) describes several aspects, such as the selection of suitable software and computer hardware, staff capability, as well as securing the financial management information, that should be considered when a computerised system is introduced in the school financial management process.

According to Shim and Siegel (1994:16), the budgeting process and budgeting control could be made easier by the use of a spread sheet

program. They also mention that there is specialised software available for budget preparation and analysis.

2.2.15 SGB, Finance committee and policies for the management of school finances

According to Oosthuizen (2003:202), the SGB should encourage parents, learners and staff to offer their services voluntarily to the school. The SGB should also establish a school fund and is responsible for the administration thereof according to the stipulations of the SASA, no 84 of 1996. They may also decide to levy school fees according to the provisions of the SASA.

Clarke (2007: 281) states that the ultimate responsibility for the financial management of a public school is that of the SGB and not the principal. However, he warns that since the principal is a member of the SGB, he/she shares in this responsibility and is responsible for the implementation of financial management at the public school. He adds that the following additional functions have been added to those of the SGB of Section 21 schools, namely to maintain and improve the property of the school, as well as buildings and grounds, to purchase textbooks, educational materials and other equipment for the school, and pay for the services to the school (Clarke, 2007:281). Since it is currently the intention of the government that the SGBs of all schools be granted "Section 21 status" eventually, I believe that all SGBs should be prepared to fulfil these roles.

According to Clarke (2009:113), the SGB is primarily responsible for taking care of the finances of the school. Their duties include: Drafting and implementing policies for handling school money, delegating duties and overseeing people responsible for the daily transactions of the school, implementing measures to reduce or eliminate the possibility of fraud and theft, drafting of the budget and ensuring that budget control is implemented and keeping financial records of all the transactions of the school. If the SGB lacks the financial expertise to fulfil these functions, they should establish a financial committee that consists of people with the necessary expertise. This view is supported by Clarke (2007: 280-281). Mentz and Oosthuizen (2003:207) also support this viewpoint and mention that the SGB is legally

obliged to maintain comprehensive financial records of funds received and spent by a public school. They should also keep detailed records of all financial transactions, assets and liabilities of the public school.

Clarke (2009:81) mentions that the finance committee is one of the most important committees that should be established by the SGB. According to him, the principal should be part of the finance committee of the school. This committee should meet at least once per month and fulfil a variety of functions such as managing and monitoring the income and expenditure of the school, preparing a draft budget and making recommendations regarding the school fees that should be levied. Clarke (2007: 284-288) suggests that the following financial policies be created by the finance committee in order to manage the finances of a school: Financial control policy, fundraising policy, school tours policy, policy on the handling of school money, facilities and resource use policy, budget planning procedure and a charging policy for the supply of goods and services.

2.3 METHODS OF INSTRUCTION

2.3.1 Introduction

Cruickshank, Bainer and Metcalf (1999:126) define a method of instruction as "any teaching manoeuvre used to facilitate student learning." According to Hillier (2005:126), there is a difference between a teaching strategy and a teaching method. A teaching strategy is described as an overall plan, guided by one central philosophy. It includes several techniques. The authors describe a teaching method as a "technique or procedure or way of doing something" (Hillier, 2005:126). This idea is supported by Moore (2001:130) who uses the term instructional strategy to describe the overall approach or plan for teaching. According to him the "methodology" consists of steps by which the teacher influences the learning. He maintains that the methodology should be carefully selected and planned in order to capture and hold the attention of the learners. For the purpose of this study, I made use of the term teaching method or method of instruction as described by Hillier.

Moore (2001:131) distinguishes between instructional methods where the actions of the teacher directly influence the learning of the student (teacher-centred instructional methods), and other instructional methods that involve students actively in their own learning (student-centred instructional methods). He mentions that when teacher-centred methods are used, the students tend to be passive receivers of knowledge while with learner-centred methods students are actively taking part in their own learning and helping to shape their own learning experiences. Moore (2001:131) believes that both approaches can be used to ensure effective learning. According to Nicholls (2002:77), there is a variety of methods to choose from. This idea is supported by Cruickshank et al.(1999:163). Hillier(2005:127) mentions that very few of the methods of instruction exist in isolation from one another and that it often happens that two or more of the methods of instruction are combined in order to maximise the possibility of learning of the students. According to Moore (2009:142), the answer to the following two questions should guide the selection of the method of instruction, namely:

- Which method(s) of instruction will best serve the content?
- Which method(s) of instruction is (are) most likely to lead to the achievement of the purpose of the lesson and the lesson objectives?

Mukash, cited by Hillier (2005:126) states that the choice of teaching method (or method of instruction) is influenced by a number of factors, such as the nature of the group, the setting, the timescale, and the location. Moore (2009: 142) maintains that the choice will be affected by aspects such as the needs and age of the students, their intellectual abilities, their attention span, the lesson purpose, as well as the content to be taught. According to Moore (2001:135-136) there are four variables that influence the choice of an appropriate teaching method, namely the content and the objectives of the lesson, the learner characteristics, teacher characteristics and the learning environment.

It is impossible to even attempt to describe all of the methods of instruction that could be used in the teaching of an initial course in School Financial

Management. I therefore decided to focus on some of the instructional methods that I believe could be used to teach the course effectively. However, a different lecturer with a different personality and teaching style might prefer to focus on other methods of instructions.

2.3.2 Teaching methods

2.3.2.1 Presentations

Cruickshank et al. (1999:163) define a presentation as "an informative talk a more knowledgeable person makes to less knowledgeable persons". Hillier (2005: 128) maintains that there is a difference between lecturing and presentations. According to him, presentations are shorter and they do not have to be given by the tutor; learners can also be asked to do presentations. Cruickshank et al. (1999: 164) mention that the purpose of a presentation is usually to inform an audience about specific facts, concepts or ideas.

Newby, Stepich, Lehman and Russell (2000:97) write that in a presentation the presenter relates or dramatizes information to the learners. The information is normally presented verbally but visual displays are often used to capture the interest of the audience. The authors mention that there are several uses for presentations, such as the provision of background information, the introduction of a new topic, the motivation of students and the provision of an overview. They also mention that a presentation is a one-way communication method that does not make provision for interaction with the audience.

Hillier (2005:128) states that the information used during the presentation is selected by the presenter. Race (2005: 92-93) mentions that there are several aspects of learning involved in the presentation made by learners, namely: researching content, preparing support materials, rehearsing presentation and preparing to answer questions regarding the presentation. He maintains that the learners can learn from their own presentations and from the presentations made by their peers as a result of the feedback that they receive about their presentations.

According to Cruickshank et al. (1999:171), the presentation method should be used when information dissemination is the major goal, when information is not available in another form, or when the information should be specially selected, organised, and presented for a specific group. It is also a suitable method if there is a need to stimulate interest in the information and it is not necessary to remember the material for a long period of time. The quality of a presentation is influenced by three main factors, namely preparation, delivery and closure. During the preparation phase attention should be given to the establishment of the purpose and learning objectives, the collection and review of the information, as well as the organising and planning of the presentation. During the delivery phase attention is given to the capturing of student attention and interest; informing them what to expect and what is expected from them, presenting the information and monitoring student understanding. The presenter needs to review and summarize the information that was presented, emphasize major concepts and important aspects, connect what has been presented to the prior knowledge of the learners, as well as check for understanding during the closure of the presentation, (Cruickshank, et al., 1999: 165-168)

Hillier (2005: 129-130) mentions several ways of making presentations effective, such as creating activities around the content, asking the audience to discuss ideas with their neighbours and making use of visual material. He cautions that when individual or group presentations are being used, instructions should be clearly given and there should be enough time for preparation.

Price and Nelson (2007:46-47) provide several suggestions to ensure that a presentation is effective such as: Provide complete examples, teach the content step-by-step, break the information up with suitable student activities, use visual support, use a variation in the tone of voice, and sound enthusiastic, to mention a few. They also add that it is important to ensure that the audience has a complete understanding of the terms and vocabulary that are being used.

The literature revealed that there is a very faint distinction between presentations and lecturing as methods of instruction. For the sake of clarity I kept these two methods separately in the literature study. However, I used the terms interchangeably in my empirical study, although I am aware of the fact that presentations can also be made by the students.

2.3.2.2 Discussions

Moore (2009: 170) describes the discussion method as a "carefully structured exchange of ideas directed toward a specific goal". Spreyer (2002:21) mentions that discussions are used to generate ideas and to help students form opinions and get clarity in their thinking. He warns that to conduct a successful discussion can be very demanding for the teacher since he/she has to guide the discussion, make sure that everyone is actively involved and ensure that the ground rules are being adhered to. According to Nicholls (2002:98), discussion is a key element of student learning. It enhances active participation and it helps participants to develop tolerance toward different ideas. Hillier (2005:136) adds that discussion is a main feature of group work. Muijs and Reynolds (2005:48) mention that classroom discussions can help to fulfil three major goals, namely: Promote pupil involvement and engagement in the lesson, increase learner understanding about a topic by allowing them to think aspects through and verbalise their thinking, as well as encourage pupils to develop their communication skills and self confidence.

According to Moore (2009: 170) the discussion method could be ideal if the question raised has no simple answer. The discussion of different issues could increase the knowledge about the issue and it could also encourage student participation. Furthermore, the discussion method is ideal when the goal of the lesson is to change attitudes, values or behaviours. Cruickshank et al. (1999: 172-173) mention that the discussion method could be used to review what the students know and to increase their knowledge to assist them to master the content, to help students examine their own ideas and opinions, to solve problems, or to improve the communication and interpersonal skills of the students. Grasha (1996:254) mentions that discussions may develop from the students' responses to questioning or that a student may raise a point of

discussion in response to what he/she read or the lecturer said. Grasha (1996:255) points to a number of things that the lecturer can do in order to improve the quality of teacher-centred discussions, such as making sure that everybody can hear what is being said, listing on the board major points that emerge from the discussion, displaying a genuine interest in what is being said, discouraging fellow students from being judgemental, and preventing himself/herself from becoming judgemental.

Cruickshank et al. (1999: 170) state that the teacher can fulfil a number of functions during the discussion session such as that of the observer, recorder, member (but not leader) of the group, or facilitator. The role of the teacher will ultimately be determined by the level of maturity of the students and the purpose of the discussion. This view is supported by Moore (2009:170), who adds that the ultimate role of the teacher is to facilitate or guide the learning of the students. Hillier (2005: 136) adds that learners need guidance regarding several aspects, such as what to read before the time, how many points to identify during the discussion, and how to complete the task sheet during the discussion.

Moore (2009:170) mentions that there should be a discussion leader and that this person should be selected from the group, but that he/sheshould not be the teacher. The discussion leader has to fulfil several duties, such as posing questions to keep the discussion on track, preventing certain individuals from dominating the discussion, addressing alternative points of view, and summarising major points of discussion.

Nicholls (2002: 98-101) discusses several ways to increase the quantity and improve the quality of discussions. Some of his suggestions include the planning of the discussion session, asking the right questions during the session, distributing the questions to the participants prior to the meeting so that they can prepare accordingly, attempting to increase the participation of the group and creating a good atmosphere for the discussion in the classroom. Cruickshank et al. (1999: 175-177) mention that the quality of the discussion is affected by three factors, namely preparation, presentation and the way in which the discussion is concluded.

Tate (2004:1-2) believes that participants master the content of the information presented to them by brainstorming different ideas, debating different points of view and by answering questions. He believes that discussions enable participants to develop a deeper meaning and understanding of the information on which they focus. He also states that some participants may never make "intellectual sense of what they learn" unless they engage in a discussion or dialogue.

According to Moore (2009:173), a discussion can only be successful if the topic is appropriate, the learners have sufficient knowledge about the topic, the session has been planned properly, ground rules have been established and the topic is introduced in a captivating manner. Muijs and Reynolds (2005:48) state that the preparation for the discussion plays a crucial role in the success thereof. According to them, a discussion usually follows on a previous lesson about a topic, or the learners have to read up about a topic prior to the discussion. A discussion can also follow a brief presentation on a topic by the teacher or the pupils.

Hillier (2005: 136) warns that the presence of the tutor in a group can disrupt the group discussion and he adds that learners will only engage in a discussion if it is stimulating. Muijs and Reynolds (2005:48) point out that it is the responsibility of the teacher to make sure that the pupils understand the purpose of the discussion from the start and that they keep to the point of the discussion. This can be achieved by writing the main points down on the board/flipchart as they are being mentioned during the discussion.

Muijs and Reynolds (2005:49) emphasise the need for the teacher to briefly summarise the main points of the discussion at the end and to arrange a debriefing session focusing on the process as well as how well the discussion proceeded. They also refer to the fact that the question whether to hold a discussion or not, depends on the subject of the lesson as well as the maturity and communication skills of the learners.

2.3.2.3 Lecturing

Muijs and Reynolds (2005:27) describe lecturing or direct instruction as a teaching style in which the teacher brings the content of the lesson to the learners by teaching the whole class directly. Muijs and Reynolds (2005:29) mention several reasons why lecturing can be an effective method of instruction such as, that it is easier to monitor the whole group while teaching than to monitor individual learners, it enables the teacher to vary activities and make changes quite easily when pupils show signs of boredom and mistakes, or misconceptions of pupils can be rectified in the presence of the whole class. However, they caution that lecturing does not imply that teachers should spend the whole lesson teaching the whole group; in order to maximize learning, individual practice or group practice should be utilised as part of the lesson.

Gravett (2001:68) describes a lecture as a "brief exposition" of a theme with a maximum duration of twenty minutes. She adds that it is often used to make complex content more understandable. Cruickshank et al.(1999:224) explain that the basic purpose of a lecture is to assist students in mastering basic academic content.

According to Moore (2009:147) a lecture is an excellent way of presenting background information, introducing a topic or focusing student activities. It could also be used successfully to wrap up an activity, unit or lesson. Newble and Cannon (1989:3) add that lecturing could also be used to motivate students to understand the importance of the subject matter, to present information that is not available elsewhere and to ensure that the students have mastered some important concepts and principles.

According to Cruickshank et al.(1999:225) there are six key elements to effective lecturing, namely:

- Teacher centrality,
- Task orientation,
- Positive expectations,
- Student cooperation and accountability,

- Creating a safe, non-threatening environment for student learning, and
- Establishing and enforcing class rules.

Nicholls (2002:79) mentions that students have certain expectations regarding the role of the lecturer during lectures. They expect the lecturer to provide a clear and comprehensible presentation. Aspects they consider important include the presentation of the material, the way in which the material is made meaningful and assistance to students to gain an understanding of the principles, to mention a few examples. They also expect the lecturer to reveal scholarship qualities by displaying expert knowledge, referring to the latest developments in the field and by forming links between theory and reality. Lastly they expect the lecturer to be willing to develop the students, by allowing questions, considering the viewpoints of the students and by stimulating their thoughts.

Newble and Cannon (1989:8-9) as well as Cruickshank et al.(1999:228) mention several aspects that should be considered during the introduction, presentation and conclusion phases of a lecture. During the introduction both groups emphasise the importance of explaining the purpose of the lecture, how it is organised and the asking of questions. In the presentation phase the authors emphasise the need for clear communication and the use of various teaching techniques to focus the attention of the participants. They also stress the importance of using visual aids and questions directed to all students to check their understanding. The conclusion is regarded as an opportunity to reiterate key points and concepts, focus the attention of the participants on additional reading material and allowing time for the participants to read through their notes and consolidate their learning. Nicholls (2002:77) suggests several factors that could help students to remember the information presented during the lecture, such as meaningfulness of what was taught, repetition, a logical argument of the subject matter, providing the students with the objectives of the lecture at the start and informing them about the aim of the lecture.

Erickson, Peters and Strommer, (2006:87) mention that the lecture method is the most commonly used teaching method at higher education institutions. According to them, lecturing is effective if the aim of the teaching is to enable the students to recall the information. However, the authors warn that the lecture method is ineffective if the aim is to improve the students' comprehension of the material presented to them. Knight (2002:116) provides several ideas to make lecturing more effective, such as not to include too much information, to repeat the key concepts by using different words, to make use of examples, similes and metaphors and if possible, to try and make a connection between the new information and the real world. He also believes that the effectiveness of lecturing can be improved by making use of active learning techniques and the implementation of some group activities, as well as the use of some specialised computer programmes.

Muijs and Reynolds (2005:33-35) suggest that in order to enhance the effectiveness of direct instruction, an element of individual practice (also referred to as seat work) should be included. In order to ensure effective seatwork, provision should be made for the following elements:

- Prepare seatwork – ensure that there is enough material (such as worksheets, scissors, glue, etc.) for all pupils to complete the individual practice,
- Ensure that the seatwork task links with the objectives of the lesson, previous learning material and the ability of the learners,
- When textbooks or workbooks are used – ensure that they are suitable for the pupils, that they are appropriate for the content taught and the goal of the lesson,
- Formulate clear goals for seatwork and make sure that the learners understand the purpose of the seatwork,
- Monitor the learners continuously during the seatwork to ensure that they remain focused on the task and to check for understanding,
- Provide feedback to the learners on the completed task to prevent them from viewing it as a "time-filling" activity.

According to Hillier (2005:129) the main disadvantage of the lecture method is the fact that there is very little (if any) time for student interaction. He also mentions that students often find it troublesome to concentrate for a long period on end. Knight (2002:113) writes that new lecturers often include too much content into a single lecture. He also adds that when a lecturer teaches in his/her second language, student may struggle to understand. Race (2005:136) states that if learning is the ultimate aim, lecturing is not the best method of instruction. He emphasises the need for regular class attendance and warns against putting handouts and notes on the intranet

2.3.2.4 Brainstorming

The classification of brainstorming as teaching method is uncertain. Some of the authors include brainstorming under small group teaching or small group discussions while others treat it as an independent teaching method. Although it is highly unlikely that brainstorming would be used as teaching method on its own in the teaching of School Financial Management, I have decided to include a brief reference to the concept in this section.

Hillier(2005:133) states that brainstorming occurs when people think together and share their own ideas with the group. Tate (2004:2) mentions that the prior knowledge of the different group members is activated during the brainstorming session since the ideas provided by one member of the group causes the other members to think of additional related ideas. He also adds that when members are allowed to brainstorm ideas, they tend to master the content more easily. Hillier (2005: 135) believes that students are more likely to internalise learning if they are given the opportunity to brainstorm ideas with their peers.

2.3.2.5 Independent study / self-directed learning

Moore (2001:135) defines independent study as "an educational activity carried out by an individual with little or no guidance." He regards independent study as self-directed learning and states that there is no reason to do for students what they can do for themselves. Cruickshank et al.(1999:181-183) define independent study as "any school related assignments students do

more or less alone." They mention three reasons for using independent study as an instructional method, namely: To allow the students to rehearse or practise, to encourage students to acquire a specific lifeskill, and to keep students occupied while the teacher is helping other students. They state that the teacher has to fulfil two roles during the use of independent study as instructional alternative, namely to facilitate learning and to monitor or control the work of the learners. Independent study can be used to complete "in-school" assignments or to complete assignments as homework.

According to Keirns (1999:1), self-directed learning refers to a situation where the students work with the instructional materials in their own time without guidance or direct supervision from an instructor or fellow students. Self-directed learning is a suitable instructional method when many individuals have to learn the same content but find it difficult or impossible to meet as a group. It can also be used in situations where all of the participants have to achieve the same level of competency, despite the fact that they have varying levels of entry knowledge and skills, (Keirns, 1999:8). The teaching materials used in self-directed learning have the following characteristics:

- The material requires active responding in the form of answers to questions, choices and interactions,
- All responses should receive immediate feedback – an indication whether the answer is correct, or the result of the student's choice,
- Information should be presented in small enough sections and the learner or student has to be allowed to determine his/her own pace.

Keirns (1999:12) maintains that most of the self-instruction occurs in the cognitive domain of Bloom's taxonomy and includes knowledge, comprehension and application activities. According to Merrill, cited by Keirns (1999:14) the kinds of content most suited to self-instruction includes "facts, concepts, procedures and principles."

The author distinguishes between "expository self-instruction" or tutorials (Keirns,1999:24) and "inquiry-based" self-instruction, (Keirns,1999:83). In designing expository instruction, attention should be paid to the following elements: Presenting information, guiding the student (by the tutor), practising

by the student as well as assessing the student learning, (Keirns, 1999:33-35). When designing an inquiry-based self instruction, the first step is to identify the objectives of each step, followed by the information that should be presented as well as the skills that have to be practised. Once each step in the process has been determined, decisions have to be made regarding the content that is required to meet the objectives, (Keirns,1999:87-88).

2.3.2.6 Small group discussion

Spreyer (2002:22) says that small group discussions can be used as an introduction to a class discussion, or serve as a follow-up activity in which more complex questions can be discussed. According to Erickson (2006: 104), class discussions are not always successful or effective owing to the lack of sufficient time. Moore (2009: 174) mentions that small group discussion should follow after the presentation of information. He says that it is essential to plan these discussions carefully and to provide clear guidelines regarding the task and the responsibilities of each of the group members. He adds that the group leader should ensure that all the members of the group apply themselves to the task at hand and that all participants are fully involved in the discussion.

Moore (2009: 175) distinguishes between two different types of small group discussions, namely buzz groups (also referred to as brainstorming) and task groups. According to him buzz groups are established to share different ideas, opinions, reactions or points of view. Task groups are used when students are attempting to solve problems or complete projects.

Erickson (2006: 105) mentions that small group discussions can by used for several purposes, such as revising the previous lesson, introducing a new topic, and promoting the understanding of certain concepts.

2.3.2.7 Small group teaching (including tutorials)

According to Race (2005:141), small group teaching includes tutorials, seminars and problem classes where the learners work independently with individual support from time to time. Nicholls (2002:90) says a tutorial is a meeting between a tutor and a small number of students. The purpose of the

tutorial is to assist students in gaining an understanding of the discipline that they are studying. The students are assisted by the tutor to investigate problems in their field of study. Tutorials enable students to develop relationships with their tutors. Newble and Cannon (1989:40) mention that small group teaching is normally aimed at the development of higher intellectual skills such as reasoning and problem-solving, the acquisition of interpersonal skills such as listening, speaking, arguing or group leadership and the development of specific attitudes. Grasha (1996:256) mentions that the "expert/formal" authority style is mostly used during tutorials and that the instructor normally shares ideas with the participants, but also spends time helping them to develop their thinking on the issue. He mentions that there are ways in which to improve the quality of tutorials, such as not to use the tutorial as a forum for lecturing, not to have a too formal approach during the tutorial, and to use the expert knowledge of the facilitator to help explain issues, (Grasha, 1996:257).

Nicholls (2002:86) mentions that the idea of small group teaching is that all the members should interact with one another while the teacher becomes the facilitator who encourages the participants to interact and learn from one another as well as to engage in discussions and creative thinking. Race (2005:145) says that it is the responsibility of the tutor or facilitator to ensure that none of the learners feels alienated.

Newble and Cannon (1989:40-41) discuss three characteristic of small group teaching, namely active participation, face-to-face contact and purposeful activity. According to them, when small group teaching is employed, teaching and learning take place through discussion by all the participants. Furthermore, since discussion includes verbal and non-verbal elements, it is essential to ensure that all the participants can see one another and maintain eye contact. Lastly, the teaching session should have a specific purpose.

Newble and Cannon (1989:43) mention that to ensure the success of the small group teaching, all tasks should be clearly defined and the discussion should be structured by informing the participants what will be discussed and how much time is available. They also add that stimulus materials such as

visual materials, audio recordings, case studies and journal articles could be used to get the discussion started.

According to Nicholls (2002:87-88) small groups could be used to facilitate interaction between the lecturer and the small group. Since the lecturer is no longer in the dominant position, he/she will be able to gain an impression of the understanding and thinking of the students and will also be able to identify what additional knowledge is still needed. Small groups could also be used to facilitate interaction between the lecturer and a single student. In this case, small group teaching could be used to clarify some issues since the lecturer could ask specific questions to stimulate the thoughts of the student or to re-direct his/her activities.

Muijs and Reynolds (2005:53) mention that small group work requires a great deal of preparation and a number of preconditions to be really effective. They maintain that pupils must be able to cooperate with one another and provide help to one another in a constructive way. They also need sharing skills, participation skills, communication skills and listening skills if small group work is to be effective. When structuring small group work tasks, the goals of the activity should be clearly spelled out and the activity should be clearly explained to all members to make sure that they have clarity regarding the required outcomes. The teacher should also ensure that the individuals are held accountable for the work done, in order to discourage any "free-rider"-ideas. Once the task has been completed, feedback should be provided to the whole class, and a debriefing session should be held to create an awareness of the aspects, that could be improved upon in the process, Muijs and Reynolds (2005:54-55).

Although small group teaching is often used as an instructional method combined with some other method, Muijs and Reynolds (2005: 56) mention that it can also be used as an instructional method for a whole lesson. In this case, most of the lesson will consist of collaborative tasks with only a brief teacher's introduction at the beginning and a plenary session for the whole group at the end.

2.3.2.8 Demonstration

According to Moore (2001:133), demonstration can be described as a process of teaching in which materials or displays are used, but the teacher is the only person directly involved with the materials. When the demonstration method is used, the teacher stands in front of the class, shows them something and tells them what is happening. Then the students are asked to discuss what has happened. Gravett (2001:70) describes a demonstration as a presentation that shows the learners how to perform an act or procedure, or how to use specific equipment. Price and Nelson (2007:48) state that demonstration or modelling involves showing the students what they are expected to do. According to Moore (2009:197) the technique is used mostly for the purpose of developing specific skills. He adds that a demonstration should always be accompanied by a verbal explanation and a follow-up discussion to check for understanding.

Price and Nelson (2007:48) distinguish between two types of demonstration. The first type is a product demonstration and the second type is a process demonstration. When a product demonstration is used, the demonstrator shows the students the finished product or pieces of the finished product, and they then have to create a similar product. When a process demonstration is given, the teacher shows the students how to do each of the steps of the task.

Hillier (2005:132) mentions that it is essential to plan a demonstration thoroughly and that the demonstrator should give verbal instructions during the demonstration. He also states that learners could be asked to take part in the demonstration. Price and Nelson (2007:48) mention that it is important to provide the demonstration during the initial phases of the learning process since that will enable the learners to get a proper understanding of the learning task. They also add that demonstrations can be made more effective when they are combined with a verbal explanation. Gravett (2001:70) provides several helpful hints that could contribute to a successful demonstration, such as:

- Explain why, where, and when the procedure should be used,
- Carry out demonstration step-by-step and explain each step,

70

- Repeat more difficult sections,
- Invite questions during and after the demonstration process,
- Provide learners with an opportunity to practise the demonstrated skills,
- Reinforce what learners do correctly.

2.3.2.9 Peer coaching

Gottesman (2000:5) describes peer coaching as a "non-threatening structure designed for peers to help each other improve instructions or learning situations". Gottesman (2000:34) states that peer coaching involves peers that coach each other. She mentions that a peer is someone who is on the same level although they may have varying degrees of skills in certain areas. They may both have attended the same training session to learn new skills and by coaching each other both can become better. The author mentions that coaching is more than simple feedback and she mentions that when coaching is used in the process of teaching a skill, a high number of students end up acquiring the skill and are able to apply it in the workplace, (Gottesman, 2000:20).

Gottesman (2000:37) mentions that if peer coaching is to be successful, peers should:

- Commit themselves to improvement through peer coaching,
- Be willing to collaborate,
- Be willing to learn and teach,
- Be open-minded and always on the look out for ways to improve, and
- Act as a colleague and a professional.

In order to maximise student learning during a contact session, teachers should ensure that all students are actively involved in the learning process. When students work with their peers, there is an increase in the opportunities for immediate feedback. It can also lead to an increase in motivation and the practice of social skills. It can also be seen as an opportunity for language development. Thus when students are working together, the same language should be used. Therefore, Price and Nelson (2007:72) believe that there are many benefits involved in peer learning. However, they warn that there are

also potential problems in the use of peer learning, such as wasting time in the forming of groups, exchanging misinformation, and fighting, to mention a few. They emphasise the need to prepare the students for working in groups and for careful planning to ensure the success of peer teaching.

According to Tate (2004:69) adults learn a great deal from interacting with their peers. The author also states that most of the tasks that adults have to complete in the real world are accomplished in teams or with partners. Therefore he believes that there is an ongoing need for peer support when new skills have to be implemented. Sweeny (2008:2) describes coaching as learning support provided by a friend. He mentions that a friend makes use of observation, data collection and non-judgemental descriptions to provide feedback regarding certain behaviour and technical skills of the person involved. According to him, peer coaching is done between equally experienced people with the purpose of improving their own practice. He emphasises the fact that peer coaching is not the same as mentoring and that peer coaching only takes place "between two or more veterans who may have differing strengths, but whose years of experience are more or less similar" (Sweeny, 2008:8).

According to Rhodes, Stokes and Hampton (2004:14) peer networking is the generic term that describes two or more people working together to improve the exchange of information, the organisation of support and learning as well as the exchange of ideas on "good practice". The concept implies working together with other colleagues in order to learn from or with them. They mention that networking relationships form the basis of coaching as well as mentoring. Beatty, cited by Rhodes et al.(2004:14) regards collaborative reflection as a powerful tool to stimulate professional growth and the development of learning communities and organisational change. However, peer coaching relies on collaboration and mutual trust. Good coaches should therefore be sensitive to the preferred learning styles of the participants, should determine the learning needs prior to coaching and should realise that it is essential to engage the participants in the learning process. They should also keep in mind that coaching is normally a short-term activity, (Rhodes et al., 2004:25).

According to Muijs and Reynolds (2005:64), coaching can be described as a "process of motivating learners, and providing feedback on their performance." They state that the teacher helps the learners while they are solving problems independently or in a group. This supports the learners and they are motivated by that. They also mention that the problem-solving skills of learners can be developed by providing them with tools that they can use in a variety of situations. Grasha (1996:263) mentions that teachers should use a coaching method of instruction to help improve shortcomings in the skills of the students, as well as to help develop the students' ability to complete certain tasks.

2.3.2.10 Cooperative learning

Moore (2009:203) describes cooperative learning as an instructional approach that requires students to work in a team. The success of the team in completing a task or assignment, depends on the individual learning of each member of the team. According to Bitzer (2004:43) cooperative learning involves the use of smaller learning groups to maximise the learning of students. Moore (2001:134) states that cooperative learning usually requires that mixed-ability groups of students work together to complete a given set of tasks. Newby et al. (2000:92) mention that the group members rely on one another to complete the task. They also add that cooperative learning can be used to develop communication and critical thinking skills of the students that will assist them in solving problems. Leinhardt, cited by Bitzer (2004:46) states that students create meaning from new content by constructing relationships between the new knowledge and their existing constructs. Furthermore, there is a general consensus among learning "theoriticians" that individuals learn better in a social learning environment. Moore (2001:134) mentions that cooperative learning usually provides better academic results than other commonly used approaches and that it can be used to develop more positive attitudes toward the subject and the classroom.

Muijs and Reynolds (2005:56) mention that cooperative learning can be seen as part of the new paradigm of teaching and learning. When this instructional approach is used, learning is seen as a process whereby the learners

construct the knowledge themselves and it is the responsibility of the teacher to create the environment in which learning can take place through interaction, especially among the learners, but also between the learners and the teacher. They add that collaborative learning can take longer than a single period, depending on how the tasks have been structured. Muijs and Reynolds (2005:57) cautions that there are several disadvantages involved in the use of cooperative learning as instructional method, such as that all learners do not work at the same speed and the slower pupils may feel that they do not benefit as much or that some learners may prefer to work as individuals. The fact that different learners are completing different tasks may also be to the disadvantage some learners.

According to Bitzer (2004:51-53) the lecturer or teacher has to fulfil the role of facilitator during the cooperative learning activity, and although the role of the facilitator largely depends on the teaching and learning situation, there are four specific functions that should be performed, namely: Structuring group activities, encouraging positive interdependence, intervening in cooperative groups and managing feedback. Bitzer (2004:54-59) mentions six different cooperative learning techniques that could be used in higher education, namely: Think-pair-share, round table, student team learning, jigsaw groups, introductory focused discussion and cooperative study groups. Newby et al. (2000:92) mention that students cannot only be taught through the use of teaching media, but that they can also learn by producing the media themselves to illustrate their learning. PowerPoint presentations are often used by groups to provide feedback regarding their conclusions and findings.

Nelson and Bailey (2008:127) warn that cooperative learning takes practice and patience. According to them the criteria that are used to group the learners, should be varied quite often and they believe that learners should not be grouped according to their ability very often. They advise that the grouping of learners should be different for different projects. They warn that the cooperative learning strategy can be overused in a classroom.

2.3.2.11 Peer tutoring

Newby et al.(2000:96) explain that in the case of peer tutoring, the tutor presents the content, asks a question or poses a problem and then requests the students to respond to that. He/she then analyses the students' response and provide feedback and practise until the students are able to demonstrate the desired level of competency. They mention that tutorials are suitable for all types of content and that it is possible to introduce new content by means of a tutorial approach. According to Moore (2009:204), peer tutoring is a special form of cooperative learning in which the teacher presents the material and pairs of students use structured exercises and worksheets to reinforce the new material. The students provide each other with immediate one-to-one feedback. Lindgren (2006:155) describes peer tutoring as a method that complements regular teaching. She mentions that the students take responsibility for their own learning through joint discussions, and she adds that tutoring can lead to the solution for practical problems. She maintains that the purpose of tutoring is to develop critical thinking skills of participants in meaningful contexts. She also adds that tutoring can also lead to an improvement of the knowledge of the participants. Fielding and Shalock, cited by Tate (2004:71) state that teachers should have continuous practice and consistent coaching in order to master a new strategy or skill.

2.3.2.12 Action/active learning

Cunningham (2005:105) defines action learning as a "continuous process of learning and reflection, supported by colleagues, with an intention of getting things done". He states that action learning enables individuals to learn with and from one another, by working on real problems and reflecting on their experiences. In action learning, the group members will each raise an aspect or issue with which they require assistance from the group. Once the group has decided in which order they would deal with the issues, they allow each member to present their own issue while focusing their attention on it. In order to assist the member, the group reflects on the problem and tries to formulate possible solutions for it. Action learning enables members of the learning group to benefit from the insights of the others. However, Cunningham

(2005:105) warns that for action learning to be successful, members of the group should share feelings of "mutual professional regard, trust and openness."

The idea of action learning is also supported by McGill and Brockbank (2004:13) who mention that action learning builds on the relationship between action and reflection. According to them, in order to make sense of new events, students reconsider past events and attempt to find new ways of behaving in future. In action learning, students form study groups or pairs (known as a set) of voluntary participants that work together to deal with an important issue. The members of the set share their concerns, issues and proposed actions. The set works collectively and reflects collectively upon their actions. Therefore they make their learning explicit through the collective reflection. The aim of action learning is to learn, develop and engage in tasks collaboratively to the benefit of all the members of the set (McGill and Brockbank, 2004:13).

Turner (2001:252) describes active learning as "the purposeful interaction with ideas, concepts and phenomena" and mentions that it can involve activities such as reading, writing, talking or working with tools, equipment and materials. He believes that reflection through discussion with the teacher and others is a key element of active learning. He believes that active learning occurs when the learners have some responsibility for the development of the activity and adds that the sense of ownership that the learners obtain, as well as their personal involvement in the process, is key elements to the success of active learning. He mentions that active learning can be beneficial for both the teacher and the learners.

Nelson and Bailey (2008:65-66) say that a teacher should design activities that are specifically aimed at engaging students in their own learning. They mention that, according to research, students learn and remember new information quicker if they are actively involved in the learning. They suggest that the following learning strategies should be used in the classroom to encourage active learning: brainstorming, group problem-solving, encouraging

students to complete experiments, constructing visual presentations of key concepts, writing journals, and taking notes, to mention a few.

Price and Nelson (2007: 53-56) mention that there are several strategies that can be used to ensure active participation of learners. They distinguish between involvement, rehearsal and processing strategies. Involvement strategies are used to keep students alert and focused. Rehearsal strategies are used to create opportunities for the students to practise the new information that was presented, and processing strategies are used to help students improve their understanding, by giving them the opportunity to think and discuss content or material. In order to ensure effective teaching and learning, teachers should attempt to use a wide variety of the active participant strategies in virtually all their lessons.

2.3.2.13 Case study method

Hiller (2005:135-136) describes case studies as examples of real-life situations that provide contextual information which can be used by participants to solve a specific problem. Erickson et al.(2006:108)suggest that case studies can be used to bridge the gap between theory and practice as well as the gap between the school and the classroom.

According to Hillier (2003:136) the case study method is useful provided that the learners already mastered the generic aspects of the topic, as well as the subject terminology used in the case study. He warns that the information provided in the case study should be relevant and that the case study should draw on the current knowledge of the participants. Erikson et al.(2006:108) state that the students should not be overwhelmed by unnecessary detail in the case study, that they should understand what is expected of them, and that they should know where and how to start. They also suggest that more challenging cases with less guidance should be used as students develop.

Cross and Steadman (1996: xiv) refer to the use of "learning case studies" as a method of teaching students. According to them, these case studies describe some critical incidents and the discussion questions that follow normally focus on what the teacher should do next. They explain that the

purpose of the discussion around the learning case study, is to teach the students the art of reflection and to encourage an exchange of ideas among the students. They maintain that the benefit of using a learning case study is that it guides participants in the process of learning and it illustrates student problems and perceptions.

2.3.2.14 Drill and practice

According to Moore (2009:215) the drill and practice method provides a systematic and repeated workout in specific areas in order to enable participants to master specific skills. According to him, drilling is aimed at the "fixation of specific associations for automatic recall" while practising is concerned with improvement of a specific skill. The author mentions that this method creates opportunities for students to apply their knowledge and skills in problem-solving and therefore it is crucial that they should receive feedback on their progress. Newby et al. (2000:96) mention that the drill and practice method can only be used when the concept, principle or procedure has already been taught to the students previously. They maintain that the drill and practice method is aimed at improving the fluency of a newly learned skill or at refreshing an existing skill. According to Newby et al. (2000:96) the drill and practice method can only be effective if the exercises include corrective feedback to correct the errors of the students. Yelon (1996:188) mentions three reasons why it is essential to make use of active practice while teaching, namely:

- When students use the information, they are more likely to learn and recall,
- It will enable students to recall the activity and associate that with the learning, and
- The activity provides some form of evidence that the students are learning.

According to Yelon (1996:195), when activities are used to provide active practice for the students, the activities should be based on experiences in real life. He maintains that lecturers can make use of exercises or "active practice" to determine what the students are learning and he advises that at least half

78

the instructional time should be used for active student practice. He also mentions several strategies on the use of individual practice during small or large classroom groups. The strategies vary depending on the content and the subject being taught (Yelon, 1996:191-192).

Yelon (1996:207) mentions seven rules that should be followed to implement student learning activities. These rules include the following: Use a well-designed and tested activity, use an activity when it has substantial advantages, use an activity only when you are sure that you can complete it, tell students about the purpose and nature of the activity, justify the activity, evaluate the activity and connect activities.

2.3.2.15 Questions and answers

Orlich et al., cited by Price and Nelson (2007:39) points out that questions can sometimes fulfil a very important role during a lesson and being the main teaching component of the activity (as is the case with the Socratic method). However, they mention that questions can also be used to support the method of instruction in one of two ways. Firstly, questions can be used to review or rehearse information, and secondly, questions can be used to determine the students' comprehension of a section of work.

According to Moore (2001:133), the Socratic method is a technique that uses questioning and interaction as a way of obtaining information from the students. He describes the method as a verbal and interactive method that is often used to obtain information from students, instead of trying to "pour information into them." He also adds that it can be used very effectively in small-group sessions. Hillier (2005:134) describes the question-and-answer instructional method as informative to the lecturer as well as the learner since it provides information regarding the knowledge of the learners. It can also be used to identify gaps, reinforce learning and it create opportunities for learners to apply their learning. Spreyer (2002:19) mentions that the question-and-answer technique is useful to review content, assess understanding and to introduce new information.

According to Moore (2009:152), information is presented by the teacher and the presentation is followed by questioning to determine whether the information was understood correctly. Moore (2008:158-160) discusses three different types of questions, namely focus questions, prompting questions and probing questions and mentions that these types of questions can be used to determine what has been learned, or to arouse the interest of the learners or to stimulate learner involvement. Price and Nelson (2007:39) distinguish between convergent and divergent questions. They say that when a teacher uses convergent questions, he/she is looking for short, concise answers from the students and they are focusing on basic knowing and understanding. When divergent questions are being asked, the teacher is trying to stimulate a wide range of student responses and is helping to promote higher order thinking skills. Price and Nelson (2007:42) also provide certain guidelines for the planning and asking of questions.

Muijs and Reynolds (2005:43) state that questioning forms a very important element of any effective instruction. Although it could be used as an independent method of instruction, it is usually combined with virtually all other instructional methods. Questioning can be used at any stage during the instruction to test the comprehension of the learners but it is especially valuable during the first part of a lesson when the learners' retention of previously taught material needs to be determined. They suggest that questioning can play a major role during a direct instruction lesson and that it will be one of the main teaching activities of the teacher.

Moore (2001:200) distinguishes between "broad" and "narrow" questions. He defines broad questions as "questions that cannot be answered with a single word and often do not have a single correct answer." When broad questions are being used, students usually have to go through a thinking process to formulate the answer. Narrow questions are described as questions that "require factual recall" and usually have one correct answer. According to Dillion, cited by Moore (2001:200), effective teachers change their questions to suit the teaching objectives of their lessons. Moore (2001:207-208) mentions three main types of questions that can be used during the teaching of a lesson, namely:

- Focusing questions – used to determine the level of learning and to increase student participation,
- Prompting questions – the use of hints or clues to help students answer the question or correct their answers, and
- Probing questions – used to force students to think more thoroughly about their initial responses.

Nelson and Bailey (2008:128) consider Socratic questioning as a powerful strategy to develop the critical thinking skills of the learners. This can be done by encouraging students to consider different perspectives and by challenging the students to apply their knowledge about the subject. They suggest that the teacher can model intellectual curiosity to the learners by continually asking probing questions. They warn that when Socratic questioning is being used, the discussion can very easily lose focus. It is therefore essential to summarize periodically what has been discussed and resolved. Nelson and Bailey (2008:129) caution that it takes practice and patience for a teacher to become proficient in the implementation of Socratic questioning.

2.3.2.16 Mentoring

Sweeney (2008:2) describes a mentor as a more experienced and senior person who works in a similar location and has a similar level of responsibility. He also describes mentoring as a "complex developmental process" that mentors use to support and guide mentees "through the necessary transitions that are part of learning how to be effective educators ..." Rhodes et al.(2004:12) describe mentoring as a "complex activity closely associated with individual learning", and add that it implies an extended relationship that includes additional behaviours such as counselling and professional friendship. They also add that although mentoring is a special form of peer networking, it is usually a longer term relationship which can be used to support individuals or groups to implement change, and improve performance (Rhodes et al., 2004:26).

Jones (2006:59) says that it is very difficult to define the concept "mentoring" accurately, owing to the different purposes that it may be used for, and the fact that the purpose of mentoring may change over a period of time. She

cites the definition provided by Robert who describes mentoring as "a formalised process whereby a more knowledgeable person actuates a supportive role of overseeing and encouraging reflection and learning within a less experienced and knowledgeable person, so as to facilitate that person's career and personal development." According to Anderson, cited by Anderson and Shannon (1995:29), mentoring is a "nurturing process in which a more skilled or experienced person, serving as a role model, teaches, sponsors, encourages, counsels and befriends a less skilled or experienced person for the purpose of promoting the latter's professional and/or personal development." An alternative definition is provided by Miller (2002:26) who describes mentoring as "a one-to-one, non-judgemental relationship in which an individual mentor voluntarily gives time to support and encourage another."

Mullen and Kealy, cited by Matthews and Crow (2003:74) describe mentoring as a "lifelong process of learning and growing that brings people together at times and further away at other times in different contexts of learning." They state that as individuals develop, their needs change and therefore the place or person where they find support will also change. Thus they believe that individuals can have multiple mentors. They also add that mentoring is not limited to beginner teachers or teachers in training, but even experienced principals and deputy principals can benefit from having mentors.

Bartell (2005: 75) warns that working with adults and guiding adult learning differ vastly from working with children. This implies that a good teacher does not always make a good mentor. She writes that the criteria used for the selection of mentors should be carefully considered and clearly stated. There should be a correlation between the criteria used for the selection of mentors and the goals and design of the program. Bartell also cautions that mentors should understand the selection criteria and that they have to have a clear understanding of what is expected from them before they are selected. According to the California Standards for Induction programs mentioned by Bartell (2005:77-79), the knowledge, attitudes and skills of mentors play a very important role in the execution of their mentoring tasks. When mentors are selected, care should be taken to ensure that they have the necessary knowledge and skills, as well as the correct attitude to execute their tasks.

Furthermore, the match between the mentor and the mentee should also be considered. Daresh, cited by Bartell (2005:79), says that the ideal match between the mentor and the mentee should be based on a correlation of the professional goals, interpersonal styles and learning needs.

According to Miller (2002:188), there are three aims with mentoring: Personal development and the development of interpersonal skills to improve self-esteem, improving professionalism and employability, and reinforcing subject knowledge and skills. This idea is supported by Matthews and Crow (2003:75) who state that mentors fulfil three different roles, namely professional-, psychosocial- and career development functions. They mention that principals may not need support in all three functions at the same time and that mentors should only support the mentees in those aspects that they actually require assistance and development.

Stephens (1996:24) feels that mentors are supposed to provide mentees with access to expert practical knowledge that will lead to the development of essential competencies. Lindgren (2006: 157-158) writes that mentoring is based on an interdependent relationship between the mentor and the mentee. She believes that the main purpose of mentoring is to provide support that would lead to the personal and professional development of the mentees, but that mentoring can also improve the self-awareness of the mentees. She adds that, from an academic point of view, mentoring enables the mentor as well as the mentee to acquire awareness about each other's field of knowledge.

Jones (1996:59) mentions that although mentoring originally contained an element of "a trusted friend and protector", greater emphasis is being placed lately on the professionalization of the role of the mentor. She points out that in commerce, industry and business, mentoring is regarded as a key component of management development and that it has been employed effectively in education as a strategy for training and induction. She maintains that there is a great need to provide "on-the-job" support and advice to teachers in the early part of their professional development. According to Lave and Wenger, cited by Jones (1996:60), learning takes place between groups of people who share a concern or a passion about a topic, and who deepen

their knowledge and expertise by interacting on a continuous basis. However, she warns that the effectiveness of mentoring depends on the quality of the mentoring relationship as well as the setting in which the relationship is located. She also mentions that the multiple purposes of mentoring, the various settings within which it occurs, as well as the mentoring process itself, can lead to professional conflicts and problems.

Bush, Coleman, Wall and West-Burnham (1996:121) reason that mentoring has become increasingly more important as a method of professional development in education. They state that mentoring is based on the underlying principle that a more experienced colleague can facilitate the professional development of a person new to a specific stage in his or her career. They describe mentoring as a "multi-faceted" concept that involves personal support and the notion of professional development. The authors believe that it eventually leads to improved competence.

Morton, cited by Trorey and Blamires (2006:170), suggests that a mentor should be regarded as a sounding board that is used by the mentees to "bounce their ideas off", and that mentors should encourage mentees to think problems through to reach their own conclusions. She believes that the mentor should work with the mentee to reflect on his/her experiences and to learn from the experiences.

Millar, (2002:47) warns that knowledge cannot be "poured" into a mentee. Mentees should be encouraged to construct their own meaning through exposure to a variety of learning experiences. The role of the mentor is to assist the mentee in making sense of a topic by relating it to his/her personal experiences and to the context in which it will be applied. Stephens (1996:24) suggests that mentees with the guidance and support of mentors, should critically examine the competencies that are designed to ensure that the mentees are well-equipped for their role. Mentees should also be encouraged to model their practice on ways in which mentors successfully demonstrate competencies. Sweeny (2008: 33) emphasises the fact that the mentor should not simply provide all the answers to the mentee but that the mentor should engage with the mentee in developing his/her own plans. The mentor should

also encourage the mentee to make use of his/her reflective decision-making skills.

According to Kelly, Beck and Thomas (1995:254), any individual needs to reflect on his/her own practice to gain greater insight about it. The authors maintain that a mentor can play a very important role in the reflection process by observing, discussing, coaching and guiding through example. When experienced school leaders are used as mentors in the learning of school leaders, they can help the new leaders to identify and interpret clues or indications from learners, members of staff as well as parents. The authors also believe that a mentor can provide access to different people who can make the new principal's life easier. They can also provide access to resources, support and advice (Kelly et al.,1995:256).

Miller (2002:46) describes the following three minimum criteria for a mentoring programme:

- The primary goal of the mentoring relationship should be the personal development of the mentee,
- The relationship between the mentor and the mentee should be built on "trust" and an attempt should be made to establish a non-hierarchical, equal relationship,
- The programme should involve experienced mentors, who use a range of interpersonal skills or helping behaviours and who are also trying to learn from the experience.

Herman and Mandell (2004:26-35) describe six basic educational principles of mentoring, namely:

- Uncertainty,
- Diversity of the curriculum,
- Autonomy and collaboration,
- Learning from the life-world,
- Evaluation as reflective learning, and
- Individual learning and knowledge most worth having.

According to the first principle, mentors should realise that they do not know what participants need to learn, or what they are curious about to discover. Therefore it is essential to listen to what participants have to say. The second principle deals with diversity of the curriculum. The curiosity and needs of adult learners vary greatly and it is unlikely that a uniform curriculum will address all their needs and satisfy the curiosity of all different participants. Herman and Mandell (2004:27-29) suggest that it is essential for mentors to listen carefully, and that diverse learning opportunities should be created in order to encourage participants to change their curiosity into learning. According to the third principle (autonomy and collaboration), people learn for themselves and by themselves. In order to determine what the curriculum should be, we need to ask the adult learners what they want to learn. We should also ask them how they want to learn to determine the most suitable method of instruction. The fourth principle of mentoring focuses on the fact that adults find themselves in many different spheres of life at the same time and they have to create meaning and purpose for their studies from these non-academic contexts. The fifth principle of adult learning focuses on evaluation as a reflective learning strategy. Herman and Mandell (2004:32) suggest that adult learners should be involved in the evaluation of their projects by assisting the mentors in the process of determining the learning outcomes and in evaluating what and how much has been achieved. The sixth principle implies that every student's curiosity and experience contain potential curricula. Mentors should therefore realise that it is impossible for a curriculum to cover everything and they should guard against overloading the curriculum.

. According to Anderson and Shannon (1995:29), there are five essential components or functions to mentoring, namely: Nurturing, role modelling, focusing on the professional development of the mentee, functioning as teacher, encourager, counsellor and friend, as well as sustaining a caring relationship over time.

Trorey and Blamires (2006:169) state that in adult learning a mentor fulfils basically six interrelated functions, namely: To establish trust, to offer tailored advice, to introduce alternatives, challenge, motivate and encourage initiative.

They add that in the execution of these functions, mentors usually reveal certain behaviours, such as responsive listening, the use of open-ended, probing and hypothetical questioning, giving non-judgemental responses, restating issues to ensure factual accuracy, focusing on likely strategies for meaningful change and encouraging mentees to reflect on present and future educational challenges.

Miller (2002:31) states that mentors use "helping behaviours" to assist their mentees. These behaviours include: Teaching, sponsoring, befriending, counselling, coaching, and tutoring. This view is also supported by Anderson and Shannon (1995:30). Stephens (1996:38) mentions that there are seven generic skills that underpin all effective mentoring, namely: Planning, liaising, demonstrating, facilitating, observing, assessing and guiding. Bush et al.(1996:142) caution that mentors need structured training to ensure that they are confident of their role and that they know exactly what to do.

According to Momany and Cullingford (2006:95), mentors are expected to observe participants performing their duties at school, to give them feedback on their performance, as well as to assist them with any difficulties they may experience during their training. Their research findings show that students preferred mentors who can provide direct professional guidance in the execution of their duties. Their research also revealed that the visits by the mentors to the different partner schools were not sufficient, that the mentors often did not abide by the training instructions. Some of the participants felt that the mentors were unqualified to address their training needs. This study emphasised the importance of carefully selecting and preparing the mentors for the task that they have to fulfil.

Hicks, Glasgow and McNary (2005:10) believe that it is essential for new teachers to surround themselves with experienced colleagues who can lead by example since teachers work in a socio-cultural environment that does not lend itself to much interaction among adults, and this can contribute to feelings of frustration and isolation. This, I believe is also relevant in the case of school leaders in previously disadvantaged schools. The authors add that it

is the responsibility of the mentor to help create and encourage this type of learning and development.

According to Hicks et al.(2005:18), the mentoring needs of teachers working at less effective schools are more demanding than those working at more effective schools. The authors maintain that the key to effective assistance and mentoring at less effective schools lies in the extent of the support provided. They suggest that mentors at less effective schools may need to develop mentoring skills to compensate for the weaknesses in other parts of the school's environment since this would enable the mentees to feel in control of their situations more quickly and this would eventually ensure greater job satisfaction. Cunningham (2005:95-99) describes a variety of challenges that mentors often have to deal with in fulfilling their mentoring tasks. These include problems such as a time limitation, role conflict (especially when the mentee does not make satisfactory progress), setting specific boundaries, communicating with mentees, and deciding when to let go and allowing the mentee to work alone.

Bartell (2005:71) states that mentors are most effective when they are carefully selected, trained for their responsibilities, supported in their work and evaluated on a regular basis. Mentor training plays a crucial role in the outcome of the mentoring process, according to Sweeny (2008:33). He emphasises the need to use the same strategies during the mentor training as what the mentor is expected to use during the mentoring process. Matthews and Crow (2003:93) mention that mentor training in the knowledge component includes four parts: Information about teacher career development and the predictable problems of beginner teachers, an understanding of the teaching profession itself, information about adult learning and adult development, as well as information about mentoring, including mentoring roles and activities. Mentor training for the development of specific skills should include reflective conferencing, problem-solving strategies, helping teachers to formulate short term, and long term professional goals, as well as methods of observing teaching and conducting a reflective conference.

According to Cunningham (2005:17), the skills required to be an effective mentor are not the same as those required to be an effective teacher. It would therefore be a mistake to assume that an effective teacher would automatically be an effective mentor. Mentors require specific training and proper induction. During the induction process attention should be given to the reasons for mentoring, with special attention to aspects such as the strategic plan and mission of the institution and the link between the strategic plan, the mission and the role of the mentee. Mentor training should be based on sound theoretical perspectives regarding mentoring, and case studies should be used during the induction process to focus the attention of the mentors on improvement of professional practice, (Cunningham, 2005:17).

2.3.3.17 The use of portfolios

According to Wyatt and Looper (2004:2) an educational portfolio is a personal collection of artifacts and reflections that reflects one's accomplishments, learning, strengths and best work. They are of the opinion that the collection of items changes continuously in order to reflect the development and growth of the student. The key elements in portfolios, according to the authors, are the collection of the artifacts and the organisation thereof. The student should reflect carefully about the reason why portfolio items were selected in order to ensure that the ultimate aim of the portfolio (to illustrate growth and development or to display the best work, etc.) will be achieved. The authors mention that the student knows in advance what the purpose of the portfolio is and should be able to motivate and justify his or her selection of portfolio items (Wyatt and Looper, 2004:4).

Sweeny (2008:85) defines a development portfolio as "a collection of plans, documentation, reflection on work or experiences and artifacts that illustrate that the purpose of the portfolio has been accomplished." A professional development portfolio can also be used as an assessment tool. A developmental portfolio typically provides evidence regarding a professional development plan, journals, analysis of written work that show the development stages, samples of work, copies of self-evaluations, and copies of representative instructional materials, to mention a few. Wyatt and Looper

(2004: 14) state that if the students can see themselves grow by means of a development portfolio, it leads to an improvement in their self-esteem and a sense of achievement. Any growth or development, no matter how small, contributes to the sense of pride of the student and stimulates further growth. Wyatt and Looper (2004:19) emphasise the fact that it is essential for developmental portfolios to contain reflections on the learning and development of the student. They suggest that questions such as "What does the portfolio show that I have learned?" or "Has my progress been adequate? or must I concentrate on certain elements more fully to show my learning?" are used to assist the students in compiling a developmental portfolio.

Sweeny (2008:86) warns that building and keeping a portfolio does not automatically lead to professional growth. In order for a person to grow professionally, they should:

- Understand something well enough to realise the personal benefit of knowing it and to decide whether it is worth learning,
- Be aware of the need to learn something,
- Decide that they want to learn or improve in some way,
- Choose to do what is necessary to grow,
- Have the time and skills needed to do what is necessary to grow, and
- Accept support and advice from colleagues to help them in the process.

Bartell (2005:150) describes an assessment portfolio as a collection of teaching material, student work and other artifacts that represent the work of the participant. She maintains that it usually includes reflections by the participant (or student) about the entries or artifacts included and that it can be in paper format, a notebook, or an electronic format. The purpose of the assessment portfolio is to demonstrate how the student meets the assessment standards. She believes that the assessment portfolio provides a more complete picture of the performance of the student since the student selects the evidence that goes into the portfolio.

According to Sweeny (2008:84), an assessment portfolio provides evidence that the professional growth of the trainee has led to the attainment of

predetermined levels of performance and that the trainee has mastered the required skills as specified in the programme. He provides several suggestions regarding the content of an assessment portfolio such as a professional development plan, professional development goals, a journal of activities kept by the trainee, copies of formative and summative assessments, copies of notes or of completed instruments as evidence of coaching, to name a few.

Wyatt and Looper (2004:10) suggest that a co-working approach be followed in order to reach an agreement on what should be examined for the presentation of the portfolio. An agreement should be reached between the compiler of the portfolio and the lecturer as to who will assess the portfolio (peers, a committee, a supervisor). A discussion should also be held with the compiler regarding the type of items that could be placed in the portfolio although the final selection should be made by the compiler. When a co-working approach is adopted with regard to the compiling of an assessment portfolio, the compiler should know what the assessor is looking for. This joint decision about the format and the content of the portfolio will assist the compiler in understanding the process that will be followed in the evaluation of the portfolio. However, the approach ensures that the student maintains authority and ownership over the work included in the portfolio. This idea is supported by Muijs and Reynolds (2005: 239) who feel that it is essential to clearly define the goals of a portfolio from the start and for the teacher to prepare the learners to complete the portfolio successfully. They believe that the teacher should prepare a rubric that clearly outlines the criteria for the portfolio. This rubric should indicate to the learners what makes the portfolio good, average, or weak/unacceptable.

Killan (2004:183) mentions that portfolios can be compiled for various purposes, such as to understand and improve one's own teaching (a professional development portfolio) or a portfolio to be used for some form of public recognition (a career enhancement portfolio). He also mentions that the contents and the format of a portfolio depend on its purpose.

Wyatt and Looper (2004:15) warn that the compiler or the student should have ownership of the portfolio. Students should be allowed to select the portfolio items and they should be allowed to organize the portfolio according to their own styles.

2.3.3.18 Ways to create or improve involvement in the classroom

(a) Introduction

The activities that are described in this section cannot really be classified as independent methods of instruction. I would prefer to describe them as tools that could be used to increase student participation in order to enhance student learning. These tools could be implemented in combination with any of the instructional methods mentioned above during a teaching session.

(b) Supplementary teaching techniques

(i) Writing-to-learn activities

Writing-to-learn activities involve activities where the students are required to write a short paragraph or a few sentences during the lesson presentation in order to help them focus on what is being taught and to help them gather their thoughts. The students can be asked to share what they have written in a group or with a partner. According to Erickson, et al. (2006:106) the purpose of writing-to-learn activities is not to assess the learning of the students, but to assist them in gathering their thoughts and putting their thoughts on paper. The author states that these activities can be used for several purposes such as to: Review previous class material, summarise a discussion, prompt students to connect ideas and reflect on their learning. Writing-to-learn activities have several benefits for students such as exposing misconceptions, making the students aware of what they can or cannot do, and focusing the attention on the idle student. Erikson et al. (2006:108) regard this as a good activity to involve shy learners during group discussions.

(ii) Homework

According to the research results on the effectiveness of homework, reported by Muijs and Reynolds (2005:98-99), it appears as if homework can be

beneficial to the learner if used effectively. However, Muijs and Reynolds (2005:100-102) advise that in order to use homework effectively, the following aspects should be considered:

- It is essential to provide feedback,
- All homework should be marked and returned as soon as possible,
- Corrected homework can provide helpful feedback to the teacher on the progress of the learners,
- Homework should be integrated into the lesson/topic,
- Homework can be used to practise some skills,
- Homework is most effective if it reinforces some major ideas of the curriculum, and
- Homework does not have to be an individual activity; it can include co-operative homework tasks.

Spreyer (2002:65) mentions that homework should not be given simply to keep the students busy. He believes that homework should be educationally "defensible". He mentions some guidelines for effective homework, such as that it should be used to reinforce concepts introduced in the classroom, that homework should be clear and purposeful, and that the teacher should decide how much time he/she would spend in class to review the homework.

(iii) The use of resources and handouts

Newby et al. (2000:100) describe teaching media as "channels of communication" and say that the primary role of media is to facilitate student learning. They describe a wide variety of media such as the computer, videos, overhead transparencies, display boards, audiotapes and texts such as textbooks, study guides and worksheets. Each of these media has advantages and disadvantages when using them. It is therefore important for the teacher or lecturer to make an informed choice when selecting which teaching media to use. According to Tate (2004:94), the human brain takes in more information visually than through any of the other senses. Furthermore, concrete visual images leave lasting impressions. Therefore, the use of

visuals is a very important aspect of any effective presentation. However, the author warns against the over-use of visuals and technology, since this could ultimately lead to boredom and inactivity. Lever-Duffy and McDonald (2008:7) say that instructional methods such as lecturing and presentations can be improved through the use of educational technology. The authors maintain that educators should acquire a broad range of methods and skills to improve their teaching and support the learning of the students. They state that technology is a means to a teaching end and not an end in itself. Therefore, once the teaching strategy has been selected, care should be taken to choose the appropriate types of "technological tools"(Lever-Duffy and McDonald, 2008:11). They also mention that the correct use of technology can add excitement and interest to many instructional methods, but emphasise that the main reason for using technology is to support the instructional method (Lever-Duffy and McDonald, 2008:61).

According to Race (1996:23), it is essential to help students become better at learning from learning resource materials owing to the increase in class sizes, the fact that resources are more readily available for student use, the growing recognition of the importance to develop personal transferable skills, the improvement in the quality and sophistication of print-based learning resources, greater flexibility to the approaches to learning and an increase in the usage of electronic and computer-based learning systems. Students expect sophistication and quality in all the different kinds of learning resources they encounter. If this expectation is not met, they believe that their learning would be of a lesser quality.

Grasha (1996:258) mentions that technology can be used to achieve many different goals such as: Transmitting essential information, motivating students, providing variety and novelty in a course, and to help students focus on key concepts. However, he warns that before technology can be used effectively, the following preparations should be made:

- Preview the material before actually using it ,
- Decide what the students will be doing in order to realise the objectives,
- Make sure that the equipment is available and in a good working order,

- Tell the students what to expect and what is required from them, and
- Check to ensure that the technology used will meet your objectives, (Grasha, 1996:260).

Nicholls (2002:93-95) mention a variety of technologies that could be used quite effectively in the classroom, such as the overhead projector and overhead transparencies, chalk board, textbooks, and data projectors. The author also adds that the computer has become a very valuable piece of technology that could be used for self-directed learning purposes and different forms of electronic communication. This view is supported by Turner (2001:260-265) who provides a detailed description of the correct use of the chalkboard, overhead projector, multimedia projectors or electronic whiteboards, as well as the computer and PowerPoint programmes as active learning and teaching devices. He cautions that one should remember the purpose of the teaching media is not to replace the writing materials but to bring the important details to the attention of the learners. He believes that to get the best out of the resources, you need to consider how to use them and incorporate them in your lesson planning.

Newble and Cannon (1989:126-127) describe basic principles that should be considered when preparing teaching material, namely: Relevance, a link to the purpose it was created for, simplicity of language and design, emphasis on important aspects and consistency in pattern and style.

Brown and Smith (1996:1-3) mention several different types of media that can be used to enhance student learning such as study guides, textbook guides, workbooks, video and tape packages, computer-based learning packages and materials on the World Wide Web, to name a few. Resource-based learning is effective if the students recognize that the learning resources have been expertly developed based on sound subject knowledge. It also helps if the layout and design is user-friendly and easy to work with. They emphasise the fact that the materials have a short lifespan and that there is a continuous need for improvement.

According to Brown and Smith (1996:4-5), there are some factors that will affect the successful use of the media, such as:

- the use of appropriate learning activities that force the students to engage with the material;
- frequent feedback regarding student progress;
- use of appropriate assessment strategies to support student learning; and
- continuous evaluation and refinement of the teaching material.

Newby, Stepich, Lehman and Russell (2006:120-134) discuss the following types of media in detail: Text, printed visuals, projected visuals, displayed visuals, audio, video, as well as real objects and models. They also provide a description of different principles that should be considered when each of the different types of media is used, as well as a brief explanation of the benefits and disadvantages involved in the use of the different types of media. Newby et al. (2006:143) mention that there are basically four criteria to consider when selecting or creating instructional materials, namely: The learning objectives, the students, the learning environment and the available resources. They also suggest that the following steps should be followed in finding and choosing the instructional materials and media to be used: Determine the needs, check a variety of sources, obtain and preview the materials, try out the material with the students, compare the material to competing materials, choose the materials that you believe will be the most effective, and keep an accurate record of their effectiveness.

According to Race (2005:123), handouts should be designed to be used as "learning-by-doing devices" and should contain several tasks and exercises. They should also contain the learning outcomes of each unit or lesson since the main purpose of a handout is to help the students make sense of their learning. Cruickshank et al.(1999:167) mention that handouts could contain an outline of the main points of the lecture and could also provide questions that would assist the students to focus on the main points. They believe that handouts should include some form of assessment to determine the students' level of understanding.

(iv) <u>Student note taking</u>

According to Newble and Cannon (1989:10), students have to attend contact sessions in order to make notes of what is being said. The notes that they make assist in the transfer of information from their short term memory to their long term memory and enable the students to make sense of complex study material. Student note taking will be promoted if the lecturers structure their presentations as logically as possible and if attempts are made to use visuals such as diagrams and graphs. Race (1996:25) identifies note taking skills during traditional lecture situations as one of the skills that should be developed in order to assist students during their studies.

2.4 STRATEGIES TO ENSURE THAT TRAINING HAS AN IMPACT ON THE PRACTICE OF FINANCIAL MANAGEMENT OF PARTICIPATING SCHOOLS

2.4.1 The concept

According to Theron (2007:182) change and renewal are essential for the development of any organisation. He defines change as "a planned, systematic process that takes time to come to fruition, is affected by people and is a highly personal experience." Morrison (1998:13) describes change as a "dynamic and continuous process of development and growth that involves a reorganisation in response to felt needs." He regards change as a process of transformation that is initiated by internal factors and external forces. According to Egan, (cited by Fullan, 2004:42) the responsibility for change rests within the organisation. He states that key stakeholders and the organisational culture should be the primary focus when introducing change in an organisation.

In order for the changes to the financial systems of the schools to be successful, it is, therefore, essential that the school management teams plan the proposed changes very carefully. Furthermore, during the teaching of the programme the lecturer should keep it in mind that the participants will be responsible for the introduction of change at their schools. Therefore, it is

crucial to first create an awareness of the need for change among the participants and then to motivate them to introduce the changes at their schools.

2.4.2 Action learning as a key method to bring about change

In order to bring about change in practice, action learning (see paragraph 2.3.2.12 above) could play a vital role, not only as a method of data gathering, but specifically as a teaching tool for change. The points raised by Cunningham (2005:105) that action learning focuses on "real problems", and intends "getting things done" is in reality a way of saying that it happens in practice, and emphasises doing actual things connected to real problems. This is what implementation is all about. .

2.4.3 The training program should emphasise moral purpose as motivation for change

Fullan (1993:4) writes that education has to change since education has a moral purpose to make a positive difference in the lives of students from all backgrounds. He believes that all teachers should be change agents since they have to teach learners how to deal with change. According to Hargreaves and Tucker, cited by Fullan (1993:11), moral purpose involves more than simply caring for students. It also includes social and moral responsibilities, as well as interpersonal responsibilities. Teachers should therefore be agents of educational change and social improvement. He writes that change agents are aware of the unpredictability and volatility of change. They are also open to new ideas (Fullan, 1993:12).

It should therefore be brought to the attention of the participants that they have a moral obligation to introduce the necessary changes to the financial systems in order to improve the quality of education offered at their schools. Participants should be made aware about the urgent need of improving the financial management systems at their schools, since all forms of school improvement usually have financial implications.

2.4.4 Preparing participants for the complexity of change

Morrison (1998:13) mentions several characteristics of change, such as that it is a dynamic process that continues over time, it is non-linear, it requires investment in structures, institutions and people, it requires the involvement of people, and brings about anxiety, uncertainty and a need for the acquirement of new skills. Fullan (2004:39) writes that leadership is required to deal with difficult problems that cannot be solved easily. He mentions that change is "quick, non-linear, and messy". He says that in most situations change disturbs the external and internal environment of a system. Egan, cited by Fullan (2004:41), writes that messiness is inherent to organisations undergoing change since the strategies and operations that are used to implement change are often not well integrated. The individuals involved in the change process also have different approaches and problems. This complicates the change process even further.

Presenters of courses in school financial management should therefore keep in mind that any proposed change to the financial system of the schools could cause uncertainty and confusion among the participants. The participants should therefore be supported during the implementation process in order to cope with the confusion and uncertainty.

Egan (cited by Fullan, 2004:42), believes that change cannot be managed or fully controlled. He believes that change can however be understood. Fullan (2004:42) supports this idea when he states that the purpose of leaders is to understand the change process in order to lead the process further. According to Morrison (1998:15), successful change is about successful management. Managers require management training in order to implement change successfully. More specifically, they need human resource development and human resource management skills. It is therefore clear that in order to improve the financial management practices at the previously disadvantaged schools, school leaders require proper training in School Financial Management.

Morrison (1998:16) adds that people respond to change in different ways. Some will resist the change while others adopt the change. Others will adapt

to the new innovation or idea. The way in which they perceive change, will determine their response. In order to ensure successful implementation of change, management should identify and address the concerns that employees have at the different stages of the innovation.

The participants should be made aware of the fact that at first, the newly introduced financial management strategies could cause uncertainty at their schools. They should also realise that the introduction of changes to their systems will not be easy and that it could cause anxiety among the staff members, members of the parent community and members of the SGB. The only way in which to reduce the uncertainty and anxiety at their schools, is to train the stakeholders in order to improve their understanding of the change process and the benefits that could be gained from it.

2.4.5 Teaching for successful change of financial management practices

Anderson (2005:80) mentions that the main purpose of an educational organisation is to provide the best possible educational and social outcomes for the students and to strive for continual improvement. She writes that decisions that are made at school level are more likely to bring about effective change than decisions that are made at government level. Riley and Klamis (2005:117) state that the way in which change is implemented determines the success of change. They say that it is important to consider how to develop the capacity to implement change at the school and how to involve the teachers in the change process. According to Riley and Klamis (2005:132), the improvement technique must be acceptable to the community, there should be sufficient resources to use during the process and change has to be implemented by the school itself. Therefore, although the government attempts to regulate the financial management activities at the different schools through legislation, it is clear that the government cannot regulate the way in which financial management principles are applied at the different schools. The capacity of participants to implement effective financial management measures at the schools should therefore be developed during the presentation of a course in School Financial Management.

According to Morrison (1998:17) change is more likely to be successful if change is congruent with the existing policies of the school, if change is understood and communicated effectively and if change is seen as an improvement on existing procedures. The author mentions that effective change usually occurs in response to a "felt need". He also adds that when it is unavoidable to introduce change that will upset the employees, it is better to implement a "power-coercive" strategy. For Schmuck and Runkel (1994:56) the concept of "readiness" is important. Participants need to be taught that they need to avoid "a step that stretches them [the staff] too far. Fullan (1999:13) mentions that the success of change depends on the quality of relationships among the members of the organisation. He also adds that in order to change, materials and support are needed, (Fullan, 1999:20). It is therefore essential to create an awareness of the need to change the financial management practices at the different schools during the presentation of a course in School Financial Management.

Oakes, cited by Fullan (1999:19), cautions that top-down change is ineffective. However, he believes that change exerts pressure on the co-workers lower down in the hierarchy to change and that provides opportunities to legalise the change. Schmuck and Runkel (1994:298) explain various "styles of influence". For me it seems that school leaders need to be taught the two styles of "assertive persuasion" and "participation and trust", so that they can effectively and gradually assist their staff to implement the changes in their every-day management of the finances.

Although the financial management principles are applicable at all schools in order to ensure effective financial management, the lecturer should create awareness among the participants that the circumstances of all schools differ from each other. It is therefore essential to consider the different contexts causes conflict, one should take care to ensure that the existing policies of the school support the proposed change when change to financial management practices is therefore introduced at the schools. The stakeholders should have a clear understanding of the proposed change and the implication that the change has for them. Therefore, the need for and importance of proper communication should be emphasised during the presentation of the course.

2.4.6 The inclusion of the principles of change in the curriculum

According to Fullan (2004: 48), the goal of organisational change should be to limit innovations and to avoid a pacesetting leadership style in order to prevent the participants from feeling overwhelmed, and to avoid a lowering of their morale. He believes that the emphasis during the process of change should be on capacity building and the fostering of commitment. Furthermore he mentions that the leader needs a clear vision of the proposed change and should make use of authoritative, democratic, affiliative and coaching leadership styles during the process of implementing the change.

In order to improve the financial management practices at the majority of previously disadvantaged schools, a large number of changes have to be implemented. It is therefore quite possible that the participants could be overwhelmed by all the changes that are required. During the teaching of the module, participants should therefore be encouraged to introduce the required changes gradually in order to prevent them from becoming discouraged. It should however be emphasised that unless all the changes are introduced, the schools will not be in a position to apply effective financial management.

Morrison (1998:121-122) describes change as "unavoidable" and "intensely personal". He states that change requires people to think and do something differently. Therefore, Morrison warns that the way in which people react to change will vary according to their perceptions of the change. He adds that people should be motivated to change and to cope with the disruption that change brings. The implementation of change to the financial management practices at the disadvantaged schools is therefore bound to cause disruption to the ways in which things were done and the management team of the school will have to motivate all the parties affected by the change to adapt and to cope with the disruptions.

Fullan (2004:49) warns that all organisations experience "implementation dips" during the process of progression. The implementation dips refer to the decrease in performance and confidence of the members of the organisation when an innovation is being implemented. Innovation forces people to

question and change their beliefs and/or behaviour. The implementation dip is caused by the fact that the members of the organisation require new skills and understanding to implement the proposed change. People also feel anxious, overwhelmed, "deskilled" and cautious during the implementation phase of the change.

According to Black and Gregerson, cited by Fullan (2004:51), some people prefer to "do the old wrong things competently, rather than the new right thing incompetently." Fullan (2004:51) states that it is the responsibility of the leaders to help people deal with their anxiety inherent to change. Leaders should realise that people usually fear change and often lack the technical know-how to implement the change. Effective leaders understand that change is a process and that it is not always an uncomplicated course of action during the first period of major change. An effective leader should be empathetic to people that are involved in the process of change. He, therefore, suggests that the leader should implement the affiliative and coaching leadership styles (Fullan, 2004:75).

According to the literature is natural to experience a decrease in productivity during the initial phases of the implementation of change. This is also true when changes are made to the financial management practices at schools. Participants should therefore be warned during the teaching of the programme that they will experience uncertainty and anxiety when they first implement their newly acquired knowledge and skills. They should be encouraged to persevere with their efforts.

Watson, cited by Morrison (1998:123) says that change management is successful if:

- The change is developed by the participants instead of outsiders,

- The project has the complete support of top management,

- Participants see the change reducing their current tasks instead of increasing it,

- The project corresponds with the values and ideas of the participants,

- The participants feel that their security and autonomy are safe,

- Care is taken to avoid misunderstandings and misinterpretations by providing feedback, clarification and discussion.

Morrison (1998:129-130) says that the nature of the incentive should be carefully considered when incentives are employed to motivate people for change. It is also important that the reward system should motivate everybody in the organisation. Leaders should bear in mind that people are motivated by factors such as job security and stability, satisfactory working conditions, involvement of employees, an acceptable management style and staff development. He adds that motivation changes over time. Herzberg (cited by Morrison, 1998:131) mentions that people are motivated by intrinsic factors (such as interest, challenge, responsibility) and extrinsic factors (such as remuneration, administration, company policy, etc.). The implication of Herzberg's theory is that if we want to stimulate motivation, it is important to address characteristics of the job itself as well as to ensure the satisfaction of higher order needs. It is not enough to provide only extrinsic rewards to people. Job satisfaction for example begins when factors of hygiene are correct since this leads to motivation. The management team of the school should be sensitive when adopting a leadership style in order to encourage t he stakeholders to adopt the proposed changes. They should also know the staff members in order to implement the correct measures to motivate the staff.

According to Lewin, cited by Theron (2007:190-192) there are three steps in the process of change, namely unfreezing, movement and refreezing. During the unfreezing phase, old practices and ideas are replaced with new ideas and practices. For this to happen, existing forces should be changed. During the movement phase of change the process is started of changing existing practices in favour of new procedures and behaviours. New ideas and practices are scrutinized and then implemented. The refreezing phase is the final step in the change process. New forces are incorporated to ensure that the new actions and behaviours are not vulnerable to immediate further change.

These principles of change should be included in the curriculum, so that participants are prepared for the task of implementing change when they return to their respective schools.

2.4.7 The importance of preparing participants to plan for change

Morrison (1998:20) suggests a seven-stage model of change. This model consists of the following stages: invention, development, dissemination, adoption, implementation, institutionalization and recommendation. Morrison believes that management should plan each stage of the innovation carefully. The planning includes the identification of the change that has to be made, as well as the roles and tasks of the participants, the facilitating factors during each stage, inhibiting factors during each stage, determining the nature of support needed at each stage and the criteria for evaluating the success of each stage.

According to Fullan (1999:28), the change process is too complex to "capture in one model". The problems and opportunities of each school are unique. He argues that there is no single solution that can solve all problems. Fullan also suggests that tacit knowledge should be converted into explicit knowledge on a continuous basis in an organisation. Therefore each organisation should formulate its own theories of change and adopt a model of change that is ideally suited to the circumstances of the specific school. The schools therefore have to formulate their own plans based on the theory that was taught during the contact sessions in order to improve the financial management practices at their schools.

2.4.8 The role of leadership in bringing about change

Theron (2007:198) mentions that the process of change should be managed and that the principal has to accept total responsibility for managing change processes in a school. He has to initiate, facilitate and implement change at the school. The participants should therefore be made aware of their responsibilities to drive the change process at their schools, especially with regard to School Financial Management. They will have to identify the deficiencies in their financial management systems and based on what they

have been taught during the course, introduce specific measures to improve the situation at their schools. The principal should also ensure that the members of staff who are responsible for the financial management at the school are suitably qualified and able to fulfil their tasks effectively. This will ensure that the finances of the school are managed effectively.

According to Fullan (2004:53) "leading in a culture of change means creating a culture of change." This involves developing the capacity to seek, assess and incorporate new ideas and practices on a continuous basis. The emphasis is placed on gaining an understanding and insight of the organisation and the need for change rather than simply implementing steps of action to bring about the required change. Morrison (2002:64) mentions that the leader of a school provides different platforms for change at the school. Some of these platforms include being a role model, creating a sense of urgency, creating new initiatives in the school, increasing positive feedback and decreasing negative feedback in the school, as well as building and developing expertise in the school.

According to Fullan (2004: 6), effective leaders make co-workers and stakeholders believe that all difficult problems can be solved. Heifetz, cited by Fullan (2004:2), believes that a leader should "mobilise people to tackle tough problems." Fullan (2004: 4-5) supports this view when he writes that leadership should assist people in solving problems that would otherwise remain unsolved. He mentions that leadership consists of five components that contribute to successful change. These components include:

- Having a moral purpose – leaders act with the intention of making a positive difference,

- Understanding change – leaders should understand the complexities of the process of change,

- Building and improving relationships – successful change leads to improved relationships. Leaders should promote and encourage purposeful interaction,

- Creating and sharing knowledge – leaders are committed to share knowledge but this is only possible if they understand the process of change,

- Creating understanding or promoting coherence – leaders try to extract valuable patterns from the process of change, (Fullan, 2004: 4-5).

Fullan (2004: 16) mentions that public education has a moral purpose. It is aimed at improving the lives of people and it leads to the improvement of society as a whole.

Morrison (2002:64) distinguishes between a transactional leader (who develops and implements a bargaining model in order to convince people to behave or act in a certain way) and a transformational leader who sees himself / herself as a change agent). According to Leithwood, cited by Morrison(2002:65), transformational leaders support teachers in developing and sustaining a professional school culture, promote the professional development of teachers and improve the problem-solving processes at the school. Morrison (2002:67) mentions that transformational leadership is concerned with "vision-driven, value-based, structural, cultural and systematic change in the organisation". He mentions that the relationship between the leader and the participants is based on "shared transformation instead of exchange" and it has a strong sense of moral purpose.   Coleman,   cited by Fullan (2004:43-44), distinguishes between six different   leadership styles. This includes:

- Coercive leadership – where the leader demands compliance,

- Authorative leadership – the leader mobilises the people towards a vision,

- Affiliative leadership – the leader creates harmony and builds emotional bonds,

- Democratic leadership – the leader strives for consensus through performance,

- Pacesetting leadership – the leader sets high standards of performance, and

- Coaching – the leader develops people for the future.

The coercive leadership style can lead to resentment and resistance from the followers. The pacesetting style can overwhelm people and lead to "burn out". The other four styles have a positive impact on performance and organisational climate.

According to Theron (2007:192) change is a "multifaceted phenomenon" and a variety of strategies and methods has to be used to bring about change. He believes that change agents should be actively involved in the process until the change has been completely internalized.

Theron (2007:195-198) mentions that the process to manage the change process consists of five phases. The first phase is the diagnosis. During this phase the problem has to be identified or diagnosed. The second phase is planning. During this phase alternatives are sought and analysed in order to provide a possible solution. The third phase is implementation during which new structures are created, rules and regulations are changed, objectives are set and training is provided. The author warns that it is important to find effective support for the changes during the implementation phases. Support is needed to act on resistance to the change. The next phase is stabilisation. During this phase, people are encouraged to support the changes and to avoid regression toward their old ways. The last phase is evaluation. During this phase the whole process of change is evaluated.

Participants should therefore be encouraged to adopt a transformational leadership style in order to improve the financial management practices at their schools. They will have to realise that it is their responsibility to drive the reform process of the financial systems at their schools and that the stakeholders will have to be supported throughout all the phases of the process of change in order to ensure effective change.

2.4.9 Relationships and trust

According to Fullan (2004:77) there are two requisites for effective change. The first requisite is to have moral purpose and the second is to build relationships. Every successful change leads to some improvement in relationships. He states that people will be mobilised toward change by showing care and respect, developing shared expertise and by working together with talented people. Lewin and Regine (cited by Fullan, 2004:78), mention that in the modern world, companies are successful over a long period of time because the relationships between employees are being emphasised. Attempts are made to establish true connections with co-workers and this requires a deep regard for people inside and outside the organisation.

Newman, King and Young (cited by Fullan, 2004:86) state that capacity is the key factor to successful change within a school. This includes the knowledge, skills and attitudes of the teachers, programme coherence, technical resources and principal leadership. Fullan (2004:86) emphasises the importance of school-wide professional learning opportunities, programme coherence and technical resources in order to bring about effective change. According to him the development of individuals is not sufficient to bring about change. School leaders should encourage the forming of new relationships, improved programme coherence and an increase in the resources.

Fullan (2004:100) mentions that relationships and trust are being built during daily social exchanges and grow over time when expectations are "validated" by action. Trust includes competence, respect, personal regard for others and integrity. He mentions that effective leaders build trust among people through continual development of all members and by encouraging and fostering healthy relationships among people.

Reina and Reina (cited by Fullan, 2004:101) mention three types of trust that should be developed in any organisation, namely competence trust (trust of capability), contractual trust (trust of character) and communications trust (trust of disclosure).

According to Fullan (2004:102), the leader should provide developmental opportunities and create environments in which people are encouraged to learn, interact, share, take risks and address problems since these all help to build trust. This is especially important in a situation where the financial management practices of a school have to be changed. The school management teams will therefore play a leading role in encouraging members of staff and members of the SGB to acquire new knowledge and skills that could be used to improve the financial management practices at their schools.

2.4.10 The role of mentors

Meyer and Fourie (2004:191) say that "skills transfer" is one of the mentoring activities that assist the mentee to do his/her job well. Gunter (2005: 94-95) says that one needs to look at the purpose of a programme for teachers as being wider than a set of standards to be met. She suggests that students and teachers need to "develop a sense of purpose and to understand what underpins their work".

Participants master a huge quantity of new knowledge and develop many new skills while attending a module in School Financial Management. Mentors can play a crucial role in supporting the participants at their schools during the process of implementing what they have learnt and applying their newly acquired skills. However, in order for mentors to successfully support the mentees, it is crucial that the mentors themselves possess the necessary knowledge and skills in order to fulfil their tasks successfully.

2.4.11 The human element in the training of school leaders

McFarlane (2000:256) refers to a separate group of people, apart from the presenters or participants, who play a vital role in the preparation (training) of school leaders. This group includes people such as the mentors, as well as all others having an influence on the transfer of knowledge and the learning of skills; colleagues, critical friends. He says that these people "create learning spaces, within which various and often unanticipated, and even undetected processes occur". He adds that the people responsible for a preparation course have to identify such people, and give some meaning to their roles,

and support these roles "by means of contact, support, recognition and reward".

2.4.12 The transformation of the culture of the organisation

The change process can be regarded as successful when the modus operandi is transformed. This is referred to as the "reculturing" of the organisation (Fullan, 2004:53). The author believes that the organisational leaders should strive to deepen and activate the moral purpose of the organisation by working collaboratively. They should also respect the differences of the organisational members and continue to build and test knowledge.

Reculturing is hard work. It is very labour-intensive and time-consuming. The reculturing process is also never-ending since change is unpredictable. Unforeseen consequences are also inevitable. While teaching a course in School Financial Management participants should be made aware continuously that the change process will be time-consuming and would take a lot of effort and dedication. They should therefore be motivated to persevere even of the results of their labour is not immediately evident.

2.4.13 Organisational climate and readiness for change

Morrison (2002:82) defines organisational climate as "particular characteristics of an organisation, its social systems and structures, its working practices, defining qualities, distinguishing features and perceptions that employees have of the organisation". The organisational climate has to be conducive to change for any change to be successful. According to Hoy, cited by Morrison (2002:84), there are four types of climate in an organisational context that is conducive to change, namely: an open climate, an engaged climate, a disengaged climate and a closed climate. Morrison (2002:84) mentions that a positive climate for change is one that is characterised by concern for people, freedom from bureaucracy, developed social relationships and a limited emphasis on getting the job done.

Theron (2007:192) cautions that no change in a school will be successful without the active support of the teaching staff. He mentions that individuals

and organisations should be ready for change for it to be successful. According to him schools are ready if:

- They have a clear vision of what should and could be in the future,

- The school has a clear picture of its current existence and of its quality,

- There are internal and external forces that are crying out for change,

- The school collects data on its programmes and determines the impact of its programmes,

- The individuals in the school enjoy new challenges and new ways of completing tasks, and

- The individuals in the school are willing to contribute to positive change.

Schmuck and Runkel (1994:56) state that an organisation is not ready for change and organisational development when the members are unhappy with the situation in the organisation but they do not feel that they are able to improve the situation. For successful organisational development (and change) members must be able to imagine the difference that the change will make to their daily lives, and they must have some evidence that they will be able to work together towards joint goals. For successful change there should be some confidence and hope that the change will be successful.

Schmuck and Runkel (1995:61) suggest that the readiness for change can be raised by first starting with the administrators and principals by focusing their attention on the goals, the structure, climate and environment. Thereafter attempts can be made to improve the motivation and perception of ordinary staff members. Participants of a course in School Financial Management should be encouraged to work with the other members of staff at their schools and to convince them of the benefits that the proposed changes to the financial management procedures and structures could have for the school.

2.4.14   Resistance to change

Van der Westhuizen and Theron (2007:223) mention that no change can occur without sacrifice and adjustment. They warn that change can be painful and therefore resistance to change forms an integral part of the change process. They mention that there are many diverse reasons for resistance to change. These reasons range from ignorance to complex factors that stem from self-interest and psychology, or to factors that originate in the educational system itself. They state that it is important to analyse the reasons for resistance to change since it contribute to address the resistance.

According to Fullan (2004:52), people resist change because they may have ideas or alternatives that have not been heard or may have been overlooked. They may also experience a fear of loss, a fear of obsolescence or they may feel awkward about the proposed change. He maintains that effective leaders acknowledge the role of resistance in the process of change and they regard the resistance as a potential source of new ideas. Fullan states that diverse people provide valuable information on how things work, the impact that change may have and the amount of support or resistance that the idea is likely to encounter. He also mentions that effective leaders do not expect everybody to accept a new vision immediately and they realise that resisters can point out problematic things. Therefore successful leaders are willing to listen to diverse groups of people, including those that question or resist the proposed change, (Fullan, 2004:97-98).

Fullan (2004:52) regards resisters as crucial in the implementation process. He maintains that it is essential to respect resistance since it is only a matter of time before resistance will have an impact on the implementation of change. He warns that people can be superficially compliant but that this superficial compliance can eventually lead to problems.

Dalin, cited by Morrison (1998:122) mentions four barriers to the implementation of change. These barriers are value barriers (change that challenges the values system of participants), power barriers (change that will only be accepted if it increases the power of participants), psychological

barriers (change challenging the security, confidence or emotional well-being of participants) and practical barriers (resistance if it threatens to deskill participants or if the development of new skills are too daunting or if there are not enough resources to support the change.

Fullan (1999:22) mentions that conflict is an integral part of the process of change. He writes that members of an organisation differ with regard to ideas, biases, values and skills. He also points out that it is impossible to reach consensus unless there is superficial agreement among members of an organisation. Successful change requires participants to be tolerant of their differences.

According to Fullan (1999:25) change "means facing the unknown and this creates anxiety". He also warns that change can lead to incoherence and overload. It is therefore essential to implement innovations cautiously. The principal should assist staff to form connections and to determine the significance of the   changes.

Van der Westhuizen and Theron (2007:235-237) describe several methods that can be used to manage resistance to change. These methods include:

- Education and communication,

- Participation and involvement,

- Facilitation and support,

- Negotiations and agreement,

- Persuasion and influence,

- Manipulation and co-optation, as well as

- Force

Participants should be warned during the teaching of a School Financial Management module that they would experience resistance when they attempt to change the Financial Management practices at their schools. They should be encouraged to determine and analyse the reasons for the

resistance in order to try and resolve the issue. The participants should also be made aware of the fact that conflict normally arises when change is being introduced. The participants should be encouraged to tolerate the differences and to persevere in their efforts to improve the financial management practices at their schools.

CHAPTER THREE

THE STORY OF THE RESEARCH

3.1 CONTEXT OF RESEARCH

3.1.1 Introduction

Designing and teaching a course in financial management to school leaders from previously disadvantaged schools in the Nelson Mandela Metropolitan area was a challenging experience. There are vast differences in the financial skills and financial knowledge of the school leaders. The financial positions of the schools in this region differ a great deal even when the schools are placed in the same category, e.g. Section 21-schools. It was therefore difficult to determine the content of the course and even more complicated to find teaching methods that could help the participants to complete the course and implement what they had learnt successfully.

I played no role in the selection of the participants in the course. The course was sponsored by one of the major car manufacturers in the area and the participating schools were selected according to criteria determined by the sponsor and the university.

3.1.2 Context of the schools

All the participating schools are public schools in the Nelson Mandela Metropolitan Area, and they are all situated in previously disadvantaged areas. The participating schools represent a mixture of primary and secondary schools. The schools are located in communities that range from very poor to poor. The participating schools all battle with a variety of social problems and are often victim to problems such as crime and vandalism that put even more pressure on the financial resources of the schools.

Many of the participating schools find themselves in communities where the literacy levels of the population are very low and the financial literacy of the population extremely limited. The schools often have to function with a school governing body (SGB) of which the members are financially illiterate and uninvolved in the financial management of the school. Often the only task

executed by the SGB members is to sign the cheques that are issued on behalf of the school. The lack of involvement of the SGB in the management of the school increases the responsibility of the principal and deputy principal to ensure effective financial management of the school.

Due to the lack of financial management expertise of the parents, members of staff and the broader community, as well as a subsequent lack of involvement in the financial management of the school, the management team often has to cope with a great deal of suspicion, especially when certain changes have to be implemented in order to improve the financial system. Participants are therefore often confronted with a rigid financial system which is almost impossible to change. Furthermore, the schools all share a common problem, namely that the members of staff generally lack motivation. This has a negative impact on the cooperation required to implement change successfully and poses major challenges to the school leaders, especially when the leaders are willing to implement changes to existing financial structures and procedures.

Very few of the participating schools had an effective financial management system in place before the participants enrolled for the course. The participating primary schools really struggled with financial management and the fact that they did not have a knowledgeable member on the SGB and also did not have the services of an accounting teacher to fall back on made the problem worse. I found it fascinating that the participating high schools all had accounting teachers, but none of them made use of the expertise of these teachers. None of the high schools made use of a knowledgeable member of the community to manage the finances of the schools either. Yet, most of the high schools also found it extremely difficult to manage their finances.

School visits formed a major component of the empirical study. All the schools were visited twice during the actual teaching of the course in School Financial Management. The final follow-up visits, three or four years after completion of the course, were made at seven specifically selected schools. These schools were specifically selected based on my observation of the state of the

Financial Management practices at the schools during my initial visits, in order to determine what changes were made as a result of the course.

When I visited the schools, I realised that each school designs its own financial management system in an effort to compensate for its lack of financial skills. Some schools implement a system of two bank accounts – one account being used for the school fees and the other account for other funds raised by the school. This means that the schools use two separate receipt books and two separate cheque books. Normally one account is used to deal with school fees received and payments that can be made from school fees. The other account is used to record any additional funds raised by the school and payments the school intends to finance from those funds. The schools do not have enough confidence in their own recording system to use one bank account, despite the stipulation of article 37(3) of the South African Schools' Act (SASA),(1996:24) which says that a public school should have only one bank account.

Some of the schools use the bank statement provided by their respective banks as the official record of payments and receipts of the school, due to the inability of the school to keep proper financial records. Only when the bank reconciliation process had been discussed in class did the participants realise that it is possible for the bank to make mistakes and that it is important for the school to keep their own financial records in order to reconcile these with the records of the bank at the end of each month.

Some of the schools implement a system of having the school fees deposited directly into the bank account of the school due to a high incidence of crime in their area. These schools have an even bigger battle to try and keep their financial records up to date. In these cases, most of the people making direct deposits into the bank account of the school fail to provide enough detailed information on the bank deposit slip. Even when the schools insist that the deposit slips be submitted to the class teacher at school, it is virtually impossible to trace the deposit back to the right person and the schools are never certain which of the learners have actually paid their school fees. Often the copy of the deposit slip is lost or simply never returned to the school.

When the deposit slip is returned to the school, the school keeps the document and the learner does not have any proof of payment. In these situations, the schools do not make use of a receipt book at all and they use the bank statement as the official record of the school.

I visited a school where the school provided me with several envelopes full of deposit slips of the different grades. These deposit slips were either illegible (because it was not printed clearly) or the slips were completed in such a way that the details of the depositor did not appear on the slip. The teachers accepted the slips from the learners, without writing the name of the learner on it. Even though the school had the slips, the deposit slips were completely useless as sources of financial information. Due to these methods of receiving school fees, the schools found it impossible to keep proper records of money received. They were also unsure who of the learners had paid their school fees and who had failed to do so.

Most of the schools who attempted to keep their own records of payments and receipts did so in an A5-excercise book. These records reflected the date and the totals received per day but did not indicate the total that was finally deposited or the details from whom the money was received. Only three of the schools represented in this study kept some form of cash book that reflected their cash receipts and payments.

Most of the schools used the cash received by the school during the day or week to make certain payments, in order to save on the bank charges. Therefore it was impossible for the schools to ensure that none of the money received by the school disappeared in the process. This practice also made it virtually impossible to determine the purpose for which the money had been received and to determine the different totals received for each purpose. When the school needed to determine for example how much money had been raised for the matric dance, the treasurer had to go through all the records and use a calculator to determine the total. This practice made the financial records of the schools unreliable and not user-friendly.

Each school attempted to eliminate the possibility of fraud from their systems. In an effort to do this, they often created more loopholes than what they had

prevented, lending itself to fraud. One typical example is where the learner pays the school fees to the class teacher, who records it in an A5 book. At the end of the day the class teacher takes the money to the head of the grade who receives the money and records it in her A5 book. The head of the grade keeps the money with her until the end of the week when she pays it over to the treasurer. The treasurer issues a receipt to the head of the grade who puts it at the back of her A5 book. Although the school believes that its financial system is secure and that it is impossible for people to defraud the school, the fact that the learner never receives a receipt for the payment of the school fees opens up several opportunities for one or more persons to defraud the school. When I asked the school why they used this system, they responded by saying that they have always used the system and they did not see any opportunity for anyone to be dishonest. They also told me that they trust their teachers. Only when I had pointed out the weakness in their system did they consider making some changes. These changes were met with severe resistance at the school, since the teachers felt that their honesty was being questioned. Several other similar systems were in place at the different schools before they started implementing what they were taught during the course. All of this emphasized to me the key need to keep on talking to school leaders about their financial management practices. One has to understand why certain procedures are followed if one wants to correct these. This again highlights the fact that a ten weeks' period of teaching is not enough to bring about a change in practice. Schools need advice and support, someone to talk to and to ask questions to if they really are to find their way from the muddled situations they find themselves in.

3.1.3 Context of the programme

3.1.3.1 Introduction

The research was done with two cohorts of students. Both cohorts included participants from primary and high schools from previously-disadvantaged areas in the Port Elizabeth/Uitenhage region.

3.1.3.2 First cohort

For the first cohort of students, the programme in school leadership was structured in such a way that the financial management course formed part of a broader module. Some of the participants managed to pass the broader module mainly by passing the second component whilst failing the section on financial management. These participants, therefore, never really developed the financial management skills required to manage the finances of their schools successfully. In the end very little, if anything, were changed with regard to financial management practices at their schools.

The first cohort consisted of nine schools with four representatives from each school. The four representatives included the principal, deputy principal, treasurer and one additional member of staff. The Financial Management course was offered over a period of eight weeks. Lectures were presented on Friday afternoons between 14h00 and 17h00.

The duration of this course was problematic. The students battled to cope with the financial management component of the module. They complained that the time spent on the financial management component was too short and that the amount of new content that they had to master was too much for each session. I shared this feeling and felt that the participants did not have enough time to develop the specific skills required to manage the finances at their schools effectively. They failed to master some of the sections of the module. Their inability to master the required skills could have contributed to the fact that the participants were reluctant to implement what they had learnt at their individual schools.

The Financial Management component of the module was assessed on a continuous basis since I felt that it was more important for the participants to master the different skills required to manage the finances of the school effectively, than to pass a written examination at the end of the module. I also felt that most of the participants would feel intimidated by an examination paper set to test their financial management skills under examination conditions. Each student wrote one test and completed seven tasks/assignments.

Dedicated mentors allocated to each school visited the schools on a regular basis. The visits of the mentors were aimed at supporting the team of participants with the process of implementation and identifying problem areas. This could be regarded as a form of formative assessment. The mentors reported on the progress or problems of the participants to me on an informal basis after each visit. Based on the feedback, I then addressed common problems in the classroom.

I visited each school twice. The aim of the first visit was to obtain an overall impression of the financial management practices in use at each school. The second visit was to assess how much of what had been presented in the course had been implemented at the school. This assessment formed part of the final mark of the financial management section.

3.1.3.3 Second Cohort

The structure of the School Management course was changed for the second cohort of students. In the adapted format, School Financial Management became a stand-alone module. The module was still assessed on a continuous basis and in order to pass the module, students had to obtain a minimum of at least 50% in School Financial Management. The students completed three tests and four tasks/assignments. The mentors and I continued to visit the schools and the purpose of these visits remained the same.

The second cohort of students was made up of representatives from eight different schools. The number of participants per school varied between two and seven. All of the participating schools are situated in the previously-disadvantaged areas in and around Port Elizabeth and all of these schools, except one, are primary schools.

One of the students in this cohort enrolled in his private capacity in order to improve his qualifications. He taught at a primary school in the area, but was not part of the management team of the school. Due to the internal politics at this primary school, the student did not have access to any financial data of

the school. For this reason I excluded the student from the research and did not visit his school to obtain data for the study.

The one big difference between the teaching of the first and second cohort was that lectures for the second cohort were presented on a Friday afternoon between 14h00 and 15h00 over a period of ten months. Although the content remained the same for both cohorts of students, the second group had more time to practice and master their skills in the class room and more time to implement changes in their schools.

The module was still assessed on a continuous basis with a variety of exercises, activities, tests and discussions in stead of one written examination. In order to pass the module the participants had to master the required skills in school financial management and it was no longer possible to obtain the qualification without passing the school financial management module

3.1.3.4 Experiences while teaching the module

Presenting the module to the first cohort of students was a daunting experience to me. Although I had presented similar modules for nine years at the Port Elizabeth Technikon (PET), I was never involved with any School Management programme at the University of Port Elizabeth (UPE). Whilst teaching at the PET, I was in control of the module and could decide on the content and method of teaching without having to consult anybody else. However, the two institutions had merged at the beginning of 2005 and this was be the first time I was involved with the school management programme at the Nelson Mandela Metropolitan University (NMMU).

Although I still decided on the content and the method of presentation used in the module, all of a sudden other stakeholders such as fellow lecturers, mentors and a representative of the sponsor also shared an interest. Most of the time some or all of these stakeholders attended the Financial Management lecture. This reminded me a lot about my time when I was teaching micro lessons as part of my initial teacher training and initially this

created a feeling of uncertainty. However, once the feeling of strangeness had worn off, I appreciated the assistance and contributions of my colleagues.

Another challenge of this programme was that I was not involved with the programme at the initial stages with the first cohort of students - I only joined the programme at the beginning of May. At that stage most of the participants had already established a relationship of trust with the other lecturers and their mentors. Due to the sharing of common problems the participants also bonded very closely with each other. This contributed to my feeling of uncertainty since I felt excluded from the group. I realised that it would take time and effort to build a relationship of trust with the participants. Due to the structure of the course there was not enough time available for this relationship to be established with the first cohort. However with the change in the structure of the course and the lengthening of the period of contact with the second cohort of students, it became much easier. The apprehension I had felt was eventually erased by the support that I received from the fellow lecturers and mentors, as well as the fact that they encouraged the participants to approach me with their problems. As the lectures progressed, I experienced a growth in the feeling of trust between the participants and myself which encouraged them to share the problems experienced in the financial management process at their schools. Generally speaking, the participants seemed to be aware of the fact that something was lacking in the financial management at their schools. They were eager to learn more about how to improve the financial management practices at their schools.

The participants of both cohorts had to get used to the idea that it is essential to prepare for each lecture. This preparation sometimes involved the completion of an exercise or the creation of a document or an assignment that could serve as sample for the school to use in the financial management process. It took a while for both cohorts to realise that this preparation was essential to make proper progress during the lectures. At the beginning I found it awkward to address the issue of non-preparation, especially when the participant involved was the principal or the deputy-principal of the school. However, as the course progressed and the feeling of trust grew between us, the participants accepted that something would be said about the failure to

prepare, irrespective of the person(s) involved. This served as motivation for the participants to ensure that the necessary preparation was done before each contact session.

Many positive experiences can be cited that proved to me that the course was worthwhile to both groups of participants, and although it often took additional time and preparation, it was worth all the effort to persevere. Some of the positive experiences included, for example, the joy of the participants when they managed to complete an activity correctly and their eagerness to assist others in their group who were still struggling; the reactions of the participants after they had received the test results of their first ever test in financial management and the fact that one of the schools bought the correct accounting books to start with the recording of the cash journals just after they had mastered that in class. Another positive experience occurred when the participants of one of the more advanced schools with regard to financial management indicated that they were able to identify the fraudulent actions of their treasurer (who was not a participant) after they had started to implement bank reconciliation at the school. This incident encouraged me a great deal and I realised that even the more advanced schools in the group could still learn something from the course.

Once the feeling of trust had been established in the group, the participants appeared to open up and displayed a willingness to share their problems with regard to Financial Management with me and with the class as a whole. I was often approached by a group of participants to look at some of their financial documents or records and to provide advice on how the school could improve the situation or deal with a problem. This proved to me that the participants wanted to change the situation at their schools.

One of the most exciting experiences occurred when I visited one of the schools and found that the participants went back to the records of the school and started to implement changes based on all the aspects covered in the course. These participants started to implement the changes as the topics were being dealt with in class. This created a considerable amount of additional work for them, but the participants were motivated to ensure that

their financial records met the minimum standard. Although there were still slight problems in certain areas that had to be addressed, this group demonstrated a remarkable willingness to bring about change at their school and provided motivation to me to persevere with the course.

The participants at one of the other schools went back and involved all their colleagues (who had previously attended similar courses in financial management of the school) by delegating different tasks to different people. When I visited the school, I not only spoke to those who attended the course at that stage, but to all the others that had previously attended a similar course at the PET as well. Another group went back and presented what they had learnt during the course to their SGB, staff members and interested parents in order to inform them about changes that had to be made to the financial management system of the school.

One of the primary schools in the group provided the biggest surprise of all by inviting me to the school to show me how the course had helped them to implement changes to the financial system and their fundraising efforts. As a result of some of these changes, the school benefitted from donations of overseas visitors to the school. The school received several boxes of library books for the library that they were trying to establish. They had also received a donation of furniture for the staffroom and money to start a school garden. The satisfaction and eagerness to work hard to make a success of their school provided an immeasurable amount of encouragement to me to remain involved with similar courses in future.

However, everything did not run smoothly during the presentation of the course to the two cohorts of students. I experienced several set-backs and had to speak to my study leader on several occasions after I had visited some of the schools. There was an agreement in place between the participants and me that they would invite me to visit their school (for the two scheduled visits) as soon as they were ready to deal with the visit. Completing the first visits to the schools was quite easy, since they did not have to prepare for these visits, and I simply went to obtain an impression of the different systems that were in place at the respective schools. Trying to arrange my final visit to

some of the schools, however, was more complicated. The participants who had implemented some of what they had learnt during the class were quite eager for me to visit their schools. Other participants had to be reminded several times by their mentors as well as myself in class before they finally arranged the meeting at their schools. The third time I went to one of the schools I was again, as with the previous two visits, informed by the teachers there that the principal had left the premises shortly before I arrived. This was very disheartening, especially since I confirmed my appointment with the principal every time before I left the campus to go to the school. Since I regarded it as unethical to visit the school and speak to the staff in the absence of the principal, I was forced in the end to give the participants at that school a zero mark for implementation. I had to make peace with the fact that not all participants were dedicated enough to try and make a difference at their schools when they attended a course, and I had to accept that this principal was one of them.

Another major disappointment was to be accused of racism by one of the unsuccessful candidates. This principal at one of the primary schools in the first cohort of students was absent for a number of lectures in Financial Management. When assignments were due, she had several excuses about not being able to meet the deadlines. In the end she failed the course and when I refused to change my decision, she wrote a letter in which I was accused of racism and being unreasonable. I never sensed any feelings of racial tension while I was teaching the group and I was caught totally unprepared by this accusation. I discussed the issue with the group soon after that to determine whether there were other participants who also shared her feelings. Although the group supported me completely, the incident left a bitter taste in my mouth and it took a fairly long time for me to work through the feeling of disappointment. It had an impact on the way in which I approached the second cohort, since I constantly questioned my actions and words, to ensure that nothing I said or did could in any way be perceived as discriminatory. The situation was eventually resolved by removing all data regarding the school that the candidate represented from the study. This student was one of those who passed the module of which Financial

Management formed a part by passing the second component. She never mastered the skills of Financial Management.

The fact that not all participants passed the first test was another disappointment to me. After I had explained the way in which source documents and cash journals should be completed and I gave them several exercises to complete, I was convinced that all of the participants would be successful in the test. I was really very upset when some still did not manage to pass, since I felt that I had explained the work in great depth. I realised whilst working through this disappointment that the students had a major backlog in knowledge and skills and that it would require much patience from my side to encourage and assist the participants with the implementation at their respective schools.

While I was teaching the two cohorts of students, I also came to realise that not all participants were equally dedicated and eager to implement changes at their schools. I was very disappointed when I visited some of the schools of the first cohort and realised that very few participants actually attempted to implement what they had been taught in the lectures. Only after having had a thorough discussion with my study leader, did I realise that the participants may not have felt confident enough to try to implement the required changes. This was one of the reasons why the structure of the course was changed for the second cohort of students. However, things did not run smoothly with the second cohort either.

The participants of one of the schools in this group completely lacked the motivation to complete the course successfully. One of the participants (a member of this group) passed away during the course and it appeared as if the group used this as an excuse for not completing assignments or attending classes or implementing any change at the school. The participants of this particular school were the last to arrange a visit (and only when forced to do so). When I finally visited the school, the principal (one of the participants) refused to allow any of his other colleagues to take part in the interview. When I asked him to show me the financial records of the school, he could only produce a chequebook. Nothing of what had been taught during the course

had been implemented at this school. As a response to the question why nothing has been implemented, he still used the untimely death of the colleague as an excuse. Needless to say, this group of students did not receive any marks for their efforts to implement what they had learnt during the course. At the start of the next academic year these participants came to see me to find out which of the assignments they can re-do in order to ensure that they complete the qualification successfully.

This demonstrated to me that they were more interested in obtaining a qualification than to make a difference in the financial situation of the school. The demands made by these participants then led to pressure on me by the Programme Coordinator and the Head of Department to assist the students. After several meetings to discuss the situation, my decision was accepted and the participants were informed that they had to repeat the course. This, however, dampened the feeling of enjoyment that I derived from teaching the module.

3.2   TEACHING THE MODULE

3.2.1 Introduction

When an expert in the field of School Financial Management analyses the curriculum used in this study, he or she may question the fact that the leadership team were exposed to the physical process of recording the financial transactions. It is generally accepted that the management team of a school will be using the financial statements to make informed financial decisions, but that they will not be involved in the actual recording process.

The reality at the previously disadvantaged schools in the Port Elizabeth/Uitenhage region, however, dictates a different approach to Financial Management. As mentioned earlier, the schools included in this study do not have a qualified bursar or treasurer. Often the secretary acts as the treasurer of the school. There are no experts in the community who are willing to become involved with the finances of the schools and to assist them with their financial management. Most of these schools are unable to keep

proper records of their financial transactions and are therefore unable to produce reliable financial statements that will reflect the true financial position of the school. The SGB often look to the principal and deputy principal of the school for leadership regarding financial decisions.

The recording of financial transactions and the interpretation of financial data are problematic at previously disadvantaged schools. When the leadership teams of the schools are confronted with financial documents such as a bank statement or an income statement, these do not make sense to them at all. They do not know how to interpret the information provided by these documents or what to look for in order to make informed financial decisions.

Once they have completed a basic course such as this one, they have a better understanding of how the records are generated and are therefore more able to make informed decisions. They appreciate the fact that their own personal financial skills and knowledge have been improved and they feel empowered to oversee the implementation of the process at their respective schools. As a result of the improvement in their own skills and knowledge, they have a better understanding of where the different figures come from and the meaning thereof. They are more confident to make financial decisions. They are also in a better position to identify problems and make suggestions regarding the implementation of preventative measures.

In order to present an effective course in School Financial Management, it is important to plan the course correctly. The first step in the planning process is to determine the aims of the module. Only then decisions regarding the content and the method of presentation can be made.

The overall aim of the qualification of which the financial management module forms a part, is to improve the management of the schools in order to improve the quality of education offered at schools. Therefore, based on this aim, the purpose of the school financial management module is to improve the financial management practices at the previously-disadvantaged schools in the area in order to improve the financial position of the school. This may help the school to afford improving the quality of education provided by the school.

The South African Schools' Act, Act 84 of 1996 (SASA), stipulates the minimum requirements for school financial management. It clearly indicates the structures that should be in place, as well as the financial records that have to be maintained and financial statements that should be available at the schools. Based on these stipulations, as well as on the results of the research I did as part of my M Ed qualification, the basic content of the course was selected. The selection was further influenced by what experts in the field of financial management have published about the topic. Informal conversations with a number of principals and SGB members further informed the decisions.

In addition to the above, and as a post test, I analysed the module in financial management developed by the DoE (which took the place of my module) and compared it to my module. This confirmed to me the decisions I had made concerning both method and content, as being necessary for achieving the objective of a change in financial management practices at the participating schools. For this analysis, see paragraph 3.3. This exercise also made me starkly aware of the adjustments required to the DoE programme to make the DoE accomplish what it has set out to achieve.

One of the recommendations of my masters' study (Griesel, 2001:70) is that the needs of the target audience must always be taken into account in the final selection of the content. I therefore allowed myself to be led by the needs of the participants, not only in the final selection of content, but also in deciding the tempo at which the work had to be covered in class. This obviously implied remaining in close contact with the participants, either by informal individual or group discussions or by school visits. The choice of teaching method with which the content was to be presented was also influenced by the ability and needs of the target audience as well as my own ability, temperament and experience.

3.2.2 Rationale behind the curriculum

When I first started lecturing at the Port Elizabeth Technikon in 1995, my job description specified that I had to develop and teach a course in school financial management for a school leaders' programme. In an attempt to develop the material for the module, I visited several primary and high schools

in Port Elizabeth. These were mainly schools in the so called "white" suburbs. I interviewed the principals as well as the bursars of the schools. Based on the information obtained and certain assumptions I had made, I then developed a very theoretical course. Some of the assumptions I had made later proved to have been totally incorrect or irrelevant, especially when it came to the previously disadvantaged schools in the Port Elizabeth-Uitenhage region. Then I realised that there were major differences between the ex-model C schools and their management teams and the previously-disadvantaged schools. I realised on the first day of the first course I ever presented in School Financial Management that very few, if any of the participants, enrolled for the course had a proper background in Accounting or Financial Management. The main aim of the participants was to improve their chances of promotion and not really because they wanted to learn more about School Financial Management or because they believed that the financial management system at their respective schools needed to be changed. At that stage the majority of participants in the School Financial Management course were from previously disadvantaged schools – a trend that continues at the NMMU even today.

Over the next few years I realised that a theoretical course in School Financial Management did not automatically lead to any effective change at the schools. I visited many of the previously disadvantaged schools in my capacity as teaching practice assessor and observed the facilities available and the quality of education offered at the schools in that capacity. Many of these schools were managed by participants of the financial management course and I could only observe a few changes that were implemented at the schools as a result of the course. Virtually at all of the schools there was a severe shortage of text books. Learners had to share textbooks and the textbooks were collected at the end of each lesson. There was a lack of suitable and sufficient chairs and desks in the class rooms; the only teaching medium available in the class room was the chalk board and the teacher did not even have a chalk board duster to clean the board.

This made me aware of the vast differences between the old model C schools and schools in the previously disadvantaged areas. The need of the

management teams of previously disadvantaged schools for financial management training differed completely from that of the ex model-C schools. I also realised that the majority of the previously disadvantaged schools have a totally ineffective or no financial management system at all, and a theoretical course in school financial management is actually a waste of resources and time.

Today I realise that even though the principal and deputy principal are normally not responsible for the actual recording of the financial transactions of the school, they are often the driving forces in the record keeping processes at the previously disadvantaged schools. Normally they are unable to interpret the financial information provided by the system if they do not fully comprehend the way in which the records are being kept. This then often leads to financial chaos at the schools, since the community does not have people with the required skills who are willing to assist the schools. I am, therefore, convinced that the participants in a basic course in school financial management should be exposed to all the steps of financial recordkeeping and interpretation – even if it is not their main responsibility at the school.

The development of the material used in the teaching of this module was based on this conviction. The teaching material included the following topics: source documents, journals, bank reconciliation, the bank account, trial balance, income and expenditure statement and a list of assets; asset management, budgeting and fundraising. Reference has been made to risk management while budgeting was covered in the class room. Risk management was also discussed whilst dealing with asset management.

3.2.3 Detailed description of different aspects of the curriculum

3.2.3.1 Introduction

Throughout the presentation of the course I tried to create an awareness of the legal requirements of the different aspects of financial management at South African schools. Reference was continuously made to the different stipulations of the South African Schools Act and these stipulations were discussed during lectures where appropriate.

3.2.3.2 Source documents and appropriate subsidiary journals

During the first part of the session the focus was on the concept source documents and what source documents are used for. The following four source documents were discussed: the receipt, the cheque and cheque counterfoil, the bank deposit slip and the requisition form. Emphasis was placed on the correct way of completing the different documents as well as the recording thereof in the appropriate subsidiary journals. The cash receipts journal (CRJ) and cash payments journal (CPJ) were dealt with in detail, while a brief reference has been made to the petty cash voucher and petty cash journal (PCJ).

3.2.3.3 Bank reconciliation

The main purpose of this section was to create an awareness of the importance of checking the bank statement on a regular basis and therefore bank reconciliation was dealt with at a very elementary level. In dealing with the bank reconciliation process, explanations were given of the concepts bank statement, and bank reconciliation statement. This was followed by a detailed explanation of the reconciliation process. Attention was given to outstanding cheques and deposits as well as the correction of simple errors such as outstanding bank charges, interest received on the current account as well as cheques wrongly debited and outstanding deposits.

3.2.3.4 Bank account

The concept "account" was explained in full. Thereafter attention was given to the difference between the debit and credit side of an account. Then participants learnt how to post the total of the bank columns in the CRJ and the CPJ to the bank account in the general ledger and lastly they learnt how to balance the bank account.

3.2.3.5 Trial Balance

Students found posting the CRJ and CPJ to the general ledger very confusing and although I wanted to teach them the whole process and post the journals to all the ledger accounts, there simply was not enough time to do so.

Therefore I only taught the participants how to complete the bank account in the general ledger.

I had to find a way in which they could determine the total amount of money spent or received for each item recorded in the subsidiary journals over a period of twelve months. This was necessary so that they would be able to complete the financial statements in the end. After a lengthy discussion with some of my colleagues I decided to introduce the trial balance. This enabled them to compile a list of accounts with the total of each account at the end of each month. This made it much easier to determine the totals of each account at the end of the financial period in order to draw up the financial statements.

By using this system I believe that I made it easier for participants with no background knowledge in accounting to cope with the recording process. Most novices battle to apply the principle of double entry when posting to the general ledger. I acknowledge the fact that this is not the ideal situation and the participants should have been introduced to the General Ledger in its totality. However, in this situation where the participants felt threatened by the amount of new knowledge they had to acquire and the limited amount of time available in which to do so, I believed that this was the best way to deal with it.

I insisted that they had to complete the trial balance every month once the CRJ, CPJ and bank account had been completed. At the end of the financial year the participants then had to add the twelve totals for each account together in order to be able to complete the statement of income and expenditure.

3.2.3.6 Statement of Income and Expenditure

A brief introduction of the concept and the reason why the school has to compile the statement of income and expenditure was given. Reference was made to the specifications of section 42 of the SASA (1996:26) regarding this issue.

Thereafter I introduced the Statement of Income and Expenditure in horisontal format or t-format. This means that all the expenses are listed on the left side

of the statement and all the incomes are listed on the right side of the statement. I felt that it would be easier for them to relate to the t-format, since they managed to differentiate between debit and credit quite successfully. If the school can at least provide the statement in t-format it is better than before (where most of the schools did not even have any financial statements). Since the school is a non-profit organisation, I felt justified in my decision not to teach them the Income Statement in vertical format. With the basic knowledge in place, it would also be possible to switch over to an income statement in vertical format at a later stage.

3.2.3.7 A list of assets

None of the participating schools purchased assets from their own funds and according to the stipulations of section 42 of the SASA, (1996:26), the schools should not have any liabilities. Therefore I did not see the need of teaching the participants how to draw up a balance sheet at the end of the financial year. Time was, however, spent on showing the participants how to draw up a list of the assets of the school. The balance sheet can easily be explained in a follow-up course at a later stage, when the participants have mastered all the other skills.

3.2.3.8 Asset management

This aspect has been covered very briefly in class. Attention was given to the keeping of an asset register. Furthermore, a discussion was held on how the schools keep inventory of their different assets such as equipment and school textbooks. A brief discussion was also held on the types of risks that the schools are exposed to and on measures that the schools should have in place to reduce these risks. The majority of the participants indicated that their schools do not have money to cover the school against any of the risks. Once participants have mastered the basic financial skills asset and risk management could also be included in a follow up course at a later stage.

3.2.3.9 Budgeting

The following aspects of budgeting were covered during the course: the concept, the budget document, budgeting procedures, procedures for the

approval of the budget, budget implementation, budget control and corrective action, as well as the need for correlation between the budget system and the accounting system. Reference was also made to the stipulations of the SASA, section 38 (1996:24) in this regard.

3.2.3.10 Fund-raising

The participating schools all had ideas on methods of fundraising and they enjoyed sharing their thoughts in this regard. Some time was spent on other important aspects such as the responsibility of raising additional funds for the school, legal aspects of a fund-raising campaign, planning the fund-raising campaign and the actual implementation of the fund-raising plan as well as the management and control of the campaign and the funds raised in the process.

3.2.4 Insufficiencies identified in the content of the course

In a perfect world all of the schools would make use of computerized packages to manage the finances of the school. All schools would then be able to produce financial statements at the press of the button. In order to use a computerized package effectively, the user should have an elementary understanding of the basics of financial recording in order to spot any problems in the process and to interpret the statements accurately.

However, the reality at these schools is vastly different. Very few of these schools have the luxury of having a computer at the school. Some of them even function without electricity most of the time. Due to the level of knowledge and understanding regarding school financial management, the introduction of a computerized system at these schools alone will not improve the success of their financial management. I therefore believe that the schools should consider a computerized system only when they have gained the basic knowledge required and mastered the basic skills of maintaining a manual recording system to ensure effective financial management at their schools.

Although it could be regarded as a shortcoming that this aspect has not been included in the course, I believe that the successful completion of this course

will enhance the successful implementation of a computerised financial management package at a later stage.

Another short coming of the course is that it did not focus enough attention on asset management and more specifically the reflection of depreciation in the financial records of the school. This aspect should be addressed in greater detail when the participants have a better background knowledge of accounting and are therefore more able to cope with this aspect.

None of the schools was in the position to send out statements to parents regarding outstanding school fees. Therefore I believe that a course in school financial management should include a section on the use of the debtors' journal and a debtors' control account in the general ledger. This will enable the school to keep official record of outstanding fees and would enable the school to send out statements to the parents in this regard. Although I acknowledge the fact that this is a short coming in this course, I believe that the group was not ready to have it included in this course and this should be addressed in a follow-on course at a later stage.

In the case of both cohorts, reference has been made throughout the course to the financial policy that should be in place at the school. When I identified the absence of a section on financial policy as a short coming in the course presented to the first cohort, I structured an assignment for the second cohort on the financial policy. Upon reflection however, I do not feel that enough has been said about this topic in the course.

3.2.5 Methods used in the presentation of the course

3.2.5.1 Introduction

The teaching method(s) that was (were) used during the different sessions was (were) largely determined by the content that had to be presented as well as the level of understanding of the group. I tried to vary the methods used to present the course in order to improve the chances of success of the group, but emphasised the continuous involvement of the participants in the teaching/learning process.

3.2.5.2 Source documents and subsidiary journals

All of the participants knew what a receipt, cheque counterfoil, cheque and bank statement look like. The way in which these documents were completed and used at the different schools was a completely different issue.

I first introduced the receipt as source document to the group by giving them the opportunity to complete a blank receipt for a given transaction. With the first cohort I expected each participant to complete the source document on his/her own, while I allowed the participants to complete the document in pairs with the second cohort, since the working in pairs seemed to provide more confidence for the participants who were slightly intimidated by the process. Once everyone had completed the blank document, I made use of a transparency to demonstrate how the document should have been completed. This automatically led to a discussion on how changes have to be dealt with and what should be done when a receipt was to be cancelled. This was a very lively discussion since there were a number of innovative but unacceptable suggestions that had to be corrected. After the discussion on how to deal with mistakes in an acceptable way, the pairs had to complete several other receipts to confirm their understanding, as well as to prepare for the recording of the transactions in the Cash Receipts Journal (CRJ).

The first step in the teaching of the journal was to discuss the layout of the journal and explain the purpose of each of the columns and how the school makes the decision on which columns to use. I tried to make it easier for the first cohort by giving them worksheets specifically prepared for each exercise. The participants simply had to record the transactions in the correct journal. This caused two problems. Firstly the participants were unable to draw the different columns in the CRJ and CPJ of their schools, due to the fact that they had never learnt how to do it themselves. Secondly not all participants kept the loose worksheets in an organised file. They therefore found it very difficult to refer back to a specific CRJ and CPJ when they needed it to draw up a trial balance or complete a statement of income and expenditure. In order to address these two problems, I insisted that the second cohort used the correct accounting books to complete their exercises. The second cohort

found it easier to implement the CRJ and CPJ at their respective schools, since they were used to preparing the columns themselves. They also found it easier to refer back to specific exercises at a later stage, since all their exercises were together in one book.

I explained step-by-step how to record the first receipt in the journal. The participants copied the example of the first entry from the board and after I have answered several questions, they then had to record the second receipt in the CRJ on their own. This was once more demonstrated on the board when everyone had completed the entry. Thereafter they had to record the rest of the receipts in the CRJ. Throughout this whole process, I moved around in the class room to render assistance to those who struggled, and I encouraged them to work together in pairs or small groups in order to ensure that all participants mastered the required skill. The group then were given an exercise that had to be completed as far as possible individually. The exercise was once more corrected and mistakes were explained before I proceeded to deal with the cheque counterfoil, cheque and Cash Payments Journal (CPJ).

I dealt with the cheque counterfoil, cheque and Cash Payments Journal (CPJ) in the same way as with the receipt and the CRJ. Once again the emphasis was on how to correctly complete the source documents (and how to deal with mistakes) as well as how to record the source documents in the CPJ. An awareness of the changes in the bank laws was also created when the correct way of completing a cheque was explained. The correct way of completing the cheque counterfoil involved much discussion since most of the participants had only completed the date and the amount of the cheque. Once the role of the source document had been explained, a change was visible in all the receipt books of the different schools. At most of the schools there was a visible change in the way in which the cheque counterfoils were completed as well, although none of the schools filled in the balance before and after the latest cheque.

Very few of the schools represented by both cohorts of students made use of a requisition form. This source document therefore had to be dealt with in great depth and the participants had to be convinced through an in-depth

140

discussion in the class about the benefits of using a requisition form. With the first cohort of students we basically held a discussion and then I showed them what a requisition form looked like. Some of the schools brought examples of their own to the lecture and we could analyse these together to see what information should be reflected on the requisition form.

The same procedure was followed with the second cohort regarding the requisition form, however in this case there was enough time to get the participants to design a requisition form for use at their respective schools. The participants were allowed to complete this assignment in pairs. They were also allowed to use the existing form (if there was one available at the school) and then they had to provide a motivation for their suggested changes. Some of them had to design one from the beginning – they had to motivate the complete design. Part of this assignment was also a description of how the requisition form should be used at the schools.

Due to the fact that I only had eight weeks for the course with the first cohort, I spent much less time on this section of the work with them than with the second cohort. I covered all of the different source documents as well as the CRJ in the first contact session and dealt with the CPJ and bank account (in the general ledger) in the second contact session.

With the second cohort I had a little more time. I dealt with the receipt and the CRJ in the first contact session. Then I allowed time for the participants to practice under my guidance during the same lecture and gave them an exercise to complete at home. During the next contact session they corrected the exercise while I was illustrating it on the board. They received a second exercise to complete, this time individually. This exercise was also corrected before we proceeded to the cheque counterfoil, cheque and CPJ at the third contact session. These participants were encouraged to bring the receipt books of their respective schools to the contact session so that we could look at the way in which the document had been completed. Many of the participants made use of the opportunity and some of them started to implement the suggested changes almost immediately.

I felt that the second cohort of students were more eager to implement what they had learnt at their schools. They had a greater belief that they could complete the source documents and record the transactions accurately in the respective journals and therefore they did not hesitate to try to implement what they had learnt in the course at their schools.

The problem with the extended period that the second cohort had was that when they finally felt confident enough in all their newly required skills, the year had progressed and it was therefore a very daunting task to try and implement all the required changes for that specific year. Most of the participants indicated that they would apply the new way of recording the transactions in the CRJ and CPJ from January of the following year.

3.2.5.3 General Ledger

Teaching novices how to post transactions from the different subsidiary journals to the general ledger is very complicated, and the participants often struggled to master the skill. Teaching a group of students, with no background in Accounting and whose main field of interest does not include Accounting, how to complete the bank account in the general ledger was therefore very difficult.

I started off by explaining different concepts such as a ledger account, debit and credit, folio numbers as well as the role that the general ledger plays in the whole recording process. Then I explained how the total of the bank column in the CRJ is posted to the bank account in the General Ledger by demonstrating each step on the chalk board. Then the participants had to copy the example. They then had to open bank accounts for the exercises that they had completed up to that stage and to post the different CRJs to their corresponding bank accounts in the general ledger. Once I was satisfied that they could do this successfully, I proceeded to the posting of the total of the bank column in the CPJ to the bank account in the general ledger. I repeated the process used for teaching the posting of the CRJ to the bank account, while all the time highlighting the fact that the total of the bank column in the CPJ gets posted to the credit side, and the total of the bank column in the CRJ gets posted to the debit side of the bank account.

Once again time constraints caused a difference in approach between the two cohorts. I had to deal with the posting of both the CRJ and CPJ to the General Ledger in one session with the first cohort. Then I gave them an exercise to do as homework. When the exercise was corrected at the start of the next session, I quickly dealt with the balancing of the account. This cohort really struggled with entries in the bank account and they struggled even more with the calculation of the final balance of the bank account. The participants complained about the amount of new work that they had to deal with in one lecture. In their feedback regarding the module, several of the participants indicated that they felt there was an information overload.

In the case of the second cohort, I first dealt with the posting of the total of the bank column in the CRJ and asked them to open bank accounts for all the exercises that they have done up until that stage. Once I was reasonably convinced that the students had mastered that part, I proceeded to the posting of the CPJ to the general ledger in the same way. Finally when they had completed all the bank accounts for all the different exercises, I explained to them how to balance the bank account. They then had to balance the bank accounts of all the exercises in order to demonstrate that they had mastered the skill. The second cohort, therefore, had much more time and practice than the first cohort to master the required skills of posting the CRJ and CPJ to the bank account and to balance the bank account.

Although the second cohort felt more confident in their skills of completing the bank account and determining its balance, both groups battled to master this skill. As a result of the challenges that the general ledger posed to both cohorts of students, I decided to side-step the issue of completing the double entries and opening up all the other ledger accounts. I consulted with a colleague of mine and decided to teach them a quicker way to be able to set up the trial balance. This short-cut seemed to work for most of the students, because virtually all of them were capable of successfully completing the trial balance.

3.2.5.4 Bank reconciliation

The students really battled with this section of the work and it took much longer to explain than what I had anticipated. I tried various ways of teaching this. For the first cohort I explained the whole process first by making use of an example on the board. They found this very confusing. With the second cohort I divided the process into six major steps, namely:

(i)   Compare the CRJ and the credit column of the bank statement

(ii)   Compare the CPJ and the debit column of the bank statement

(iii)   Record all outstanding entries in the CRJ

(iv)   Record all outstanding entries in the CPJ

(v)   Do the bank account

(vi)   Complete the bank reconciliation statement.

When I had dealt with this section, I completed examples with the first cohort on the chalk board and then asked them to try to do the next exercise on their own. I did not assess them on this section, due to a lack of time. Very few participants in the first cohort actually attempted to implement the process at their schools.

I applied the same method with the second cohort, but I did three exercises with them in class before I asked them to attempt the next two exercises in pairs under my supervision in class. I kept on moving between the groups to render assistance when they got stuck. The participants were only asked to attempt such an exercise on their own after about five exercises in total. The participants of the second cohort knew from the start that they would be tested on the section once we had completed it. Although not everyone in the group ultimately managed this section successfully, I was satisfied that in each group there were at least two or three people who had mastered the skill and would be able to help the school with the implementation of the bank reconciliation process.

The experience in teaching bank reconciliation to two cohorts taught me that it takes a long period of time and much patience to teach this section

successfully so that the participants will be willing to try and implement it at school.

3.2.5.5 Trial Balance

I introduced this section with a short explanation about what the concept entails and why it is essential to complete a trial balance at the end of every month. Then I explained what types of errors will and will not be pointed out by the trial balance. Thereafter I gave them the format of the trial balance. While they all had their books open at the first example of the CRJ, CPJ and bank account that we had done, I demonstrated on the board how the trial balance has to be compiled. Then the participants had to complete the trial balance of their second exercise. When they got stuck, I assisted them and explained in order to clear up any misconceptions. Once they had completed the exercise, I demonstrated it on the board and asked them to make the changes where required. The participants then worked in pairs to complete the trial balances of the next two exercises that they had completed up to the bank account in the books. Once we had marked those, they had to complete the trial balances of the next two exercises as homework assignments.

I taught this section to both cohorts in the same way. The only difference was that I built in two additional exercises that the second cohort first had to complete in pairs before they could do some exercises on their own. The first cohort worked as individuals from the start once I had demonstrated the example. However, I did not prevent them from talking to each other while they were working. The second cohort showed more confidence in their own ability to complete the trial balance on an individual basis than the first cohort.

3.2.5.6 Financial statements

This section was once again introduced with a theoretical explanation of the reasons why financial statements had to be drawn up, as well as what the financial statements could be used for.

Once the participants had managed to complete the trial balance successfully, they found it relatively easy to complete the statement of income and expenditure. In order to keep things as simple as possible I introduced this

statement in t-form (horizontal format) to the participants. I first demonstrated the format to the class, by completing the statement step-by-step on the chalk board while continuously asking input from the group. The participants of both cohorts found the process of completing the statement of income and expenditure easy to understand. Once they had copied the example from the board, they had to complete two examples in pairs as part of the lecture. Once we had corrected these examples, they were given a final exercise to do at home.

Not one of the schools represented in this course, purchased assets from their school funds. All their assets were provided by the Department of Education of the Eastern Cape. This made it unnecessary to deal with the balance sheet in detail. This concept was therefore just mentioned in class, but not covered in full. The fact that a school needed to keep a list of all its assets was discussed with all the participants.

3.2.5.7 Asset management

This aspect was dealt with in class in the form of a formal class discussion. The different asset management systems used by the different schools were discussed and the participants were given an opportunity to learn from one another. The importance of keeping an asset register was emphasised during the discussion. An example of an asset register was provided and briefly explained to the participants. They did not complete a practical example on this.

Depreciation was introduced in a theoretical way, and reasons why assets depreciate in value were included in the discussion. However, the calculation of depreciation and the way in which it should be reflected in the financial records of the school was not covered in this module. The participants mastered a great deal of new content up until that stage. I was concerned that if I added the section on how to record the depreciation on the system, it may become too much for the students. This section could be included in a follow-up course in financial management.

An aspect of asset management that lead to a great deal of discussion was the way in which the inventory of textbooks is managed by the different schools. Once again participants shared the information on how it is done at their respective schools and then suggestions for improvement of the different systems were discussed. The focus was on what has been written about the topic and what the implications were for schools.

Risk management was also included in the classroom discussion. The participants indicated that very few of the schools had measures in place to reduce the different levels of risk that the schools are exposed to due to a lack of funds. The biggest risk that most of these schools faced is that of theft and vandalism. Most of the schools do not have sufficient funds to install alarm systems, and those schools that do have a security system do not have the funds to have it linked to one of the security firms. During the group discussion the participants shared ideas on how to lower these risks in a cost effective way.

None of the schools regarded the non-payment of school fees as a risk. The accounting systems in place at the different schools only reflected the money paid by the learners and not the total that the school should have received. I did not try to introduce a debtors' journal in this course, since the participants were already battling to cope with the very basic system as it was. This is another aspect that should be included in a follow-up course.

3.2.5.8 Budgeting

The initial section on budgeting was dealt with in a mainly theoretical discussion. Aspects such as the concept, the budget document, budgeting procedures, approval of the budget and budget implementation were dealt with in the form of group discussions combined with the lecture method. Inputs were made by the participants as well as myself.

The participants were encouraged to describe the procedure that is followed at their respective schools to compile a budget for the school. We then looked at the procedures described in the literature. Both cohorts had to complete an

assignment on budgeting procedures and how the procedures at their schools could be changed in order to make the budget more effective.

Although virtually all the participants in both groups indicated that the procedure to obtain approval for the budget at their schools was followed strictly as stipulated in the SASA, very few of the schools implemented the budget according to this written document. Almost all the schools indicated that the funds of the school were spent on a "first come first served" basis. Budget control was impossible in most cases, due to a problematic financial recording system.

I gave an explanation on the main steps that should be implemented during the process of budget control. The participants then discussed in their smaller groups how they could implement the different steps at their schools. Once this section was covered we analysed a budget document together as a group and I focussed the participants' attention on the different sections of the document. During this discussion, I emphasised that it was important that the budget system should correlate with the accounting system in order to enhance budget control. We studied a few examples of a budget document that were drawn up in such a way that it correlated with the recording system used by the school.

Finally the participants were each given a worksheet with actual and budgeted figures per item and they had to calculate the deviations in monetary as well as percentage terms. During the first exercise I allowed them to work in pairs. Once the deviations have been calculated, the participants also had to suggest possible corrective measures that could be implemented to address these problems. We looked at the different types of corrective measures that a school can implement as suggested by the literature.

I presented this section in the same way to both cohorts of students. However, due to the fact that we had more time, the second cohort did more exercises in calculating the variations, analysing and interpreting the budget report and suggesting corrective measures to be implemented.

3.2.5.9 Fund-raising

I emphasized the importance of raising additional funds throughout the presentation of the course to both cohorts, since I got the impression that some of the schools failed to see the necessity of fundraising. This section was dealt with mainly in the form of a group discussion, where the participants were given the opportunity to share ideas on ways of raising funds. When other sections of the topic such as legal aspects of a fundraising campaign, steps to follow when planning the fundraising campaign, the actual implementation of the plan as well as the management and control of the campaign and the funds in the process, were discussed, I played a leading role in guiding the discussion. Although I still encouraged participation, there were specific points that the participants needed to grasp. In order to do this I did rely on the lecturing method, but tried to ensure active participation by making use of activities. Both cohorts had to plan a fundraising campaign in detail as part of an assignment. I allowed the participants to complete this in a group, since I wanted them to develop a realistic plan that could be implemented at their respective schools.

3.2.6 Role of the mentors

The programme of which the financial management module formed a part, was designed in such a way that there was a mentor assigned to each school. The mentors were qualified and experienced people who previously held management positions at schools in the region. Therefore they had credibility in the eyes of the participants and it was relatively easy for the participants to accept the mentors and to establish a relationship of trust with them. It was expected that the mentors would visit their respective schools on a continuous basis and that they would render assistance where needed with the implementation of what had been taught.

 The mentors played a dual role during the school financial management module. They provided assistance and advice to the different schools with regard to their financial management practices and they pointed out areas of concern that would be required change. The mentors also gave feedback to

me about areas of concern. This assisted me with the identification of aspects that needed to be addressed during the presentations.

The mentors also helped to establish a feeling of trust and openness between the participants and me, since they encouraged the participants to discuss problems with me when the participants felt hesitant. In cases where the participants did not have the courage to discuss certain problems, the mentors brought the matter to my attention.

3.2.7 Insufficiencies of the teaching methods used during the presentation of the course

I sometimes felt that I played too big a role in the teaching process. Although I tried to involve the participants throughout the course in the teaching and learning activities, I often felt that they were relying heavily on me for progress in the module.

Another frustrating aspect of the course was that it was very difficult to find material that was suited to the needs of the participants and the envisaged outcomes of the course. I had to write my own study material and create all exercises and activities myself since I could not find sufficient and suitable exercises in the literature to use successfully in class. This was a very time consuming process.

The mentors that were used in the programme were experienced in the field of School Management in general. Although they assisted me in the financial management course by flagging problem areas at the different schools, I found that none of them had the required expertise in financial management to really assist the participants with the implementation process at their schools. I first had to coach the mentors on what they should be looking for when they went to the schools. They were capable of reporting back on the progress of the students in general, but they were incapable of providing detailed advice to the participants. I found it frustrating that not all of the mentors attended the lectures all the time, so they were not completely sure what they were looking for. I believe it would be better to make use of

participants who completed the course successfully in the past as mentors in financial management.

The teaching and assessment process was very labour intensive. The mentors and I spent much time visiting the schools and consulting with the participants. Although this may be a very expensive model of teaching the programme, I believe that it is the one most likely to bring about change at the previously disadvantaged schools.

3.2.8 Assessment in the module

I was happy that the university granted my request to have the Financial Management module assessed on a continuous basis. This allowed some leeway in the manner that the assessment was done and I believe it assisted me in reducing the amount of anxiety that most of the participants experienced. Due to the difference in the amount of time spent on the modules I adjusted the way in which the assessment was done for each module.

As mentioned earlier, I only had eight weeks in which to present the course to the first cohort of students. Therefore I had to assess them differently than what I did with the second cohort. The first cohort only wrote one test (on the source documents and journals) and completed seven assignments or exercises that formed part of the final mark of the student. I did not have enough contact time to allocate more time for writing more tests.

Due to the fact that I had more contact time with the second cohort, they wrote three tests, one on the journals, one on bank reconciliation, and one on the financial statements. Although the tests were written in class, I refrained from referring to it as a test and simply told them I wanted them to complete the exercise on their own. This seemed to reduce their level of anxiety and they were much more relaxed during the process. This cohort also completed three other assignments.

One shortcoming in the assessment of both cohorts is that I did not create a comprehensive exercise or two that covered all aspects of the recording

process from the journals to the interpretation of the financial statements. The main reason for the failure to do so was once more lack of time.

3.2.9 Concluding remarks on the different teaching approaches

The different approach in teaching the financial management module to the two cohorts revealed a need to expose the participants to the different aspects of school financial management over an extended period of time. The participants of the second cohort definitely benefitted from the increase in contact time. In general, it appeared as if the participants of the second cohort were more comfortable with completing the exercises on the different aspects of financial management.

Furthermore, I realised that it is essential for the participants to complete several activities on each of the aspects of the course in order for them to feel confident in their own ability to complete them successfully. It also appeared as if participants found it easier to work on their own if they were allowed to complete the first few activities with a friend or in groups. This enabled them to test their understanding and exchange ideas in a safe environment without feeling embarrassed threatened. Lastly, the participants should be given some activities to complete on an individual basis at home in order to determine whether they really understood what they were doing. However, it is crucial to correct all the activities during the contact sessions and to provide feedback regarding any problems that the participants may have experienced.

I also realised that even if the participants were able to complete all activities successfully in pairs and on their own, it does not guarantee the successful implementation of what they had learned at their schools. This study revealed that participants require special assistance and additional input from their mentors as well as the lecturer in order to implement the required changes to the financial management practices at their schools.

3.3   ANALYSING THE DEPARTMENT OF EDUCATION'S MODULE ON FINANCIAL MANAGEMENT – ADVANCED CERTIFICATE: EDUCATION (SCHOOL MANAGEMENT AND LEADERSHIP) (MANAGE ORGANISATIONAL SYSTEMS, PHYSICAL AND FINANCIAL RESOURCES).

3.3.1   Introduction

After I had taught the module on financial management that I had developed for the two cohorts as described above, the Department of Education introduced the ACE programme that they had developed on school leadership and management. The NMMU, where I teach, was selected as one of the universities to pilot this programme and obviously my module was no longer used. In order for me to establish the merits and gaps in my module, and to either confirm or augment my own module, I analysed the DoE's module.

3.3.2   General problems with respect to the DoE module on financial management

3.3.2.1 Introduction

Reading through the Department of Education's module on "Lead and manage organizational systems, physical and financial resources", I became aware of two general problems inherent in this module which would render it ineffective with respect to changing the practice of financial management. One is the fact that too much is being attempted in this module as too many outcomes have been set. The second problem is that, due to the amount of "knowledge" that needs to be "covered", the lecturer is often forced into the lecturing mode which is the quickest way of conveying information. However, this teaching method is totally ineffective for bringing about practical understanding, empowerment of individuals and the changing of practice.

3.3.2.2 The envisaged outcomes of the DoE course on financial management

Right at the outset of the DoE module which includes financial management, it becomes clear why this module cannot succeed in one of its claims that is,

that participants will be able to demonstrate the ability to "manage the financial resources of the school in a transparent and accountable way" (p12).

My reason for saying this is that, in addition to the above outcome, participants are also required to "understand the importance of structures and systems . . .", as well as "identify and apply the Acts, regulations and policies that are applicable to managing organizational systems and physical and financial resources". There are other required outcomes too which only strengthen my case. I shall, however, limit myself to the above requirement to further my point.

Anyone who has experienced the poor state of financial management in the majority of disadvantaged schools will realise that it will take a major effort sustained over a long period of time, to change financial management in schools to a point where the outcome of sound financial practices is achieved. The challenge begins with attempting to address the total lack of knowledge as well as experience of even the most basic Accounting principles among participants.

When it is claimed that a course on Financial Management will remedy this lack of knowledge and understanding, in a course that runs over a semester (weekly lectures of 3 to 4 hours), and when on top of that it is expected that the course will also "build participants' competence" in understanding a wide range of other issues, which are nice to know, but without which a participant will still be able to manage the finances of a school effectively, any person who has been involved in the teaching of this module, as well as in attempting to empower participants to be effective financial managers in their schools, will just realize that the expectations of the course are unrealistic and not in keeping with the lack of financial knowledge and understanding currently experienced by the managers of the school financial administration.

The issue of overload, of trying to cover a wide field of issues related to Financial Management, is in my opinion, the biggest stumbling block causing participants to gain very little knowledge of any practical value in general and thereby, in particular, are failing to bring about any effective changes in school financial systems. There is so much to do in terms of basic financial principles

and so much ignorance among participants, such low levels (if any at all) of financial management in schools, that all the time needs to be spent on trying to achieve the one basic outcome referred to in the first paragraph.

In my analysis of the financial management section of this DoE module below, it will become clear that I view the way in which the module deals with financial management issues as very limited and totally inadequate in assisting participants to change the financial management systems of their schools to being effective and transparent. In my opinion, this basic problem of the module can be ascribed to the fact of its wide-ranging envisaged outcomes. It should be clear that when given the task to design a module, one should be very clear about what priorities it seeks to achieve, and then abide by those, in stead of aiming too widely and in the end accomplishing very little in terms of improving the day-to-day Financial Management of schools.

3.3.2.3 The lecture method

When a person lectures to students, amongst others, two major elements of sound teaching are left out of the process, namely participation of students and the building of relationships between teacher and students. For Palmer (1998:100) this represents the "objectivist myth of knowledge" in which the teacher is the "expert" and the student the "amateur". According to Palmer (1998:119), this view "fosters a teacher-centred classroom" where all that is to be known has to reach the student by means of the teacher. Palmer (p122) then explains the alternative of the student-centred classroom in the following words, which in my mind makes the case for involving students in the essential act of teaching and learning. This, experience has taught me, is the only way in which to teach students the practicalities of Financial Management:

> Rather than use that space to tell students everything practitioners know about the subject – information they will neither retain nor know how to use – I need to bring them into the circle of practice in that field, into its version of the community of truth. To do so, I can present small but critical samples of data of the field to help students to understand how a practitioner in this field

generates data, thinks about data, uses and applies data and shares data with others, (Palmer, 1998:121).

Freire, cited by Goulet (1992:xi), emphasizes the fact that the teacher must "engage in dialogue wherein they may learn, together with the peasants [students] how to apply their common partial knowledge to the "totality of the problematized (rural) situation".

3.3.3 Analysis of the module: Lead and manage organisational systems, physical and financial resources

3.3.3.1 Unit 1: Introduction to managing organisational and financial resources

(a)   Introduction

Reference is made to various Acts and regulations in this section. According to the manual participants are required to analyse how these different documents impact on the physical and financial resources of the school. They also have to provide evidence that demonstrate appropriate practices at their schools.

The following acts are mentioned: Constitution of SA, National Education Policy Act (Act no 27 of 1996), Employment of Educator's Act (No 76 of 1998), Public Finance Management Act (No 1 of 1999), National Norms and Standards for school Funding (amended notice 869, Govt Gazette 29311, Regulation Gazette 8566, 18 October 2006),Transfer of Funds and other moveable assets of the state to Public schools (General notice 1423, Government Gazette 20669, 26 November 1999), South African Qualifications Authority Act (No 58 of 1995), Employment Equity Act (no 55 of 1998), Skills Development Act (No 97 of 1998), Occupational Health and Safety Act (no 85 of 1993), Road Traffic Act (No 29 of 1989) and Relevant provincial legislation.

Although it is essential for the school management team to be knowledgeable about the different legal requirements, knowledge of these requirements alone is not going to improve the effectiveness of financial management at the previously disadvantaged schools. It would have had greater value if the legislation that has a direct impact on the financial management activities of the school such as the South African Schools' Act and the Norms and

Standards for school funding is brought to the attention of the participants. The remaining sections of legislation such as those that have an impact on the management of human resources and the management of assets can be dealt with in a different module or a follow-up course in School Financial Management.

(b)   The school as open system

In this unit the emphasis is placed on describing the school as an "open system" which is often self-regulatory and adaptive by nature. The performance of the school is measured in terms of a "set purpose" and therefore enables managers to introduce corrective measures as required. All these aspects fall in the category of beneficial but not crucial knowledge.

While it is good to know this, the training of school leaders in Financial Management in the disadvantaged South African context poses a huge challenge in terms of basic Accounting knowledge. Therefore, if the ultimate objective is to prepare participants to manage the finances of their schools effectively and to ensure that proper financial records are kept, all of the available time should be spent on the teaching and practising of the necessary basic Financial Management and Accounting knowledge and skills.

The underlying argument is that the need for knowledge among participants is simply too much to address adequately with the financial management challenges facing them and it is therefore futile to devote time to beneficial topics that are not basic or key to the financial management practices of the school.

The lecture method is the implied method of teaching in this section.

(c)   Regulatory framework: Managing organisational systems and physical and financial resources

In this section the focus is placed on policy issues. Reference is made to various acts and regulations such as the Constitution of South Africa, the National Educational Policy Act, The South African Schools' Act and several other Acts while focusing on the purposes of these Acts. Critical comments

regarding the different Acts included in this section are given in greater detail in Unit 2.

Brief reference is made in this section to the levying of schools fees, as well as to exemptions from school fees. No-fees schools and the identification no-fees schools are briefly mentioned. Safety and security issues at the schools are also included in this section. In the rest of this section attention is paid to the establishment and implementation of different systems and structures at the school. The relevance of this section to the improvement of the financial management practices at the disadvantaged schools is questionable. Attention is given to many different and unrelated aspects of general school management. Not enough detail is provided on crucial aspects such as the determination of the amount of school fees. Previously-disadvantaged schools struggle with the recording of outstanding amounts of school fees and therefore the majority of the schools are unable to maintain financial records regarding the exemptions from school fees.

The method used in the teaching of this section includes a lecture, a theoretical discussion and reflection. My experience of the teaching of School Financial Management confirms the fact that the lecture method coupled with a theoretical discussion does not contribute to the practical understanding and implementation of useful financial management strategies. Another point of criticism is that staff members of disadvantaged schools often have nothing to reflect on with respect to Financial Management

(d)   Administrative systems

In this section reference is made to the steps that should be followed in establishing an administrative system for admission at the school. This section is described in detail and participants are requested to reflect on the systems used at their own schools in order to identify the different problems that were encountered in the past and to describe ways in which these problems were addressed. I do not believe that the admissions policy of the school should be included in a programme on school financial management since it is not relevant in the managing of the school finances.

In the second part of this section, brief mention is made to the administrative system for the collection of school fees. As introduction to this section, there is a theoretical discussion of the differences between no fee-schools and fee-paying schools. Then, the attention is shifted to the administration of school fees where the following aspects are discussed: determining the school fee amount, collecting money, administration of bad debts, the legal rights of the school regarding the collection of school fees and exemption from school fees.

While I think these are necessary topics, the discussion on this section is very superficial. No explanation is given of the correct way to collect and handle cash at the school. No explanation is given of how to determine the amount of school fees, or the amount of fees that should be exempted or the amount of school fees that should be written off as bad debts. Although the participants are asked to design a document that they could send out to all the parents at their schools regarding the payment of school fees, I feel that this assignment is totally inadequate to prepare participants to improve the financial management practices at their schools.

In the last part of this section, mention is made of the need to establish an accounting system for the collection of school fees. Furthermore it is mentioned that this system should allow for the recording of exemptions and subsidies, the sending of accounts for school fees and overdue amounts, as well as the recording of monies received. It is also mentioned that there is a need for a computerised recording system. Although the importance of having an effective accounting system is mentioned in the text, the description provided in the text is very theoretical. The format of the information that is provided in this section reminded me of a circular that could have been sent out by the Department of Education. No practical suggestions are made that would assist participants in establishing an effective system at their schools.

In this section participants are reminded of the procedures that should be followed when applying for exemption or partial exemption from having to pay school fees. Furthermore, they are reminded of the correct procedures to follow when writing off bad debts of outstanding school fees.

This section is covered by means of a very theoretical discussion that can only be dealt with by means of a lecture. None of the schools made use a Debtors' Journal to record fees outstanding. Therefore, there was no need for these schools to write outstanding fees off as irrecoverable. Very few of the schools kept detailed records of outstanding fees and therefore the majority of the schools were unable to send out accounts for outstanding school fees because they do not have the necessary accounting bases.

This section is concluded with a discussion of administrative systems for school safety and security. A discussion is held around the issue of discipline and safety. Although these aspects pose serious challenges to schools in general, they are not relevant to School Financial Management. These aspects should not be included in the content of a School Financial Management course

In the next section of this unit (p52) the use of information and communication technology (ICT) is discussed. Reference is made to the development of information and communication technology, with specific reference to the use of the internet and intranet. It is questionable how the use of information and communication technology can lead to the improvement of school financial management practices at the disadvantaged schools. These schools first have to know and implement the basic accounting principles before advancing to the use of ICT in the management of their finances.

In the next paragraph (p54) the need to develop a management information system (MIS) by making use of ICT is discussed. In this paragraph it is mentioned very briefly that the school can implement a MIS to assist in the financial reporting and financial control process. No further details are provided to assist schools in establishing or implementing such a system. I believe that it would be premature for disadvantaged schools to attempt the implementation of a MIS for financial management purposes especially when source documents are not even being completed.

In the next section (p60) the personal qualities and behaviour of a school leader are covered in a general class discussion. During the discussion, aspects such as the importance of communication, the need for information,

different responsibilities of the school leader and the imperatives of value-based decision making are addressed. A group activity is used to determine the different kinds of information that is needed in a school. All of these are important issues in creating an open culture concerning School Financial Management. However, the participants lack the basic Accounting knowledge required as first step towards sound financial management. Therefore, I feel that in this basic module, the knowledge and skills of participants with regard to Accounting principles should first be confirmed.

In the last section of Unit 1 (p72-73), the attention of the participants is focused on creative thinking and problem-solving. Aspects such as the difference between creative and critical thinking, creativity, factors influencing creative abilities and different problem-solving techniques are covered. This content can only be addressed by implementing the lecture method and the presentation of the content is followed by an individual activity that requires participants to reflect on their own creativity. Although the problem-solving techniques discussed in this section are applicable to School Financial Management, the way in which these techniques are described in the study material and presented during the contact session, limits the value thereof for School Financial Management. There is for example no activity to put this in practice. Again the questions needs to be asked whether these topics belong here or in a follow-up module

3.3.3.2 Unit 2: Managing financial resources

(a)   Legal Framework

In this section (p82-86) reference is made to the following five specific issues: Public Finance Management Act, the Requirements of the South African Schools' Act, the Department of Education's Norms and Standards for School Funding, the difference between section 20 and section 21 schools and setting up financial systems for section 20 schools and section 21 schools.

Despite the fact that it is clearly stated that the Public Finance Management Act (No 1 of 1999) excludes schools, the authors still included a discussion of this act in the module. Although the purpose of the act is mentioned, the

authors fail to explain how this act applies to the financial management of public schools.

The next section of this unit focuses on the South African Schools' Act. Reference is made to section 5.3(a) – admission to a public school, section 12, as well as section 34 – funding of a public school, section 15 – the status of a public school and section 16 - governance and professional management of a public school.

However, the stipulations of section 3 and 4 of this act are not mentioned at all. These excluded sections clearly stipulate what is expected of the public school with regard to financial management. Various issues are referred to such as the levying of school fees, budgeting and the compiling of the financial statements. It is evident that this course was developed from a macro financial management approach which invariably does not apply to the world of the everyday financial management needs of the schools.

(b)   Funding of public schools

Reference is made to the Department of Education's Norms and Standards for School Funding in terms of the South African Schools' Act in this section (p83). The procedure that the Provincial Departments of Education should adopt in determining the resource allocation to the different schools are also discussed. In my opinion, this is useful information to be included in a course such as this.

In the next paragraph (p84) the difference between section 20 and section 21 schools is mentioned, while the viability for section 20 schools to apply for section 21status is being explained. Once again the emphasis is placed on the fund allocations by the DoE and not really on the actual management of the funds by the schools. However, the need of the SGB to raise additional funds for the school in order to supplement the funds provided by the DoE as a basic issue is also referred to.

(c)   Setting up financial systems

In this section (p88) reference is made to the establishment of the school finance committee, the functioning of the finance committee and the duties and responsibilities of the finance committee. An example of a financial report, with footnotes that explain the budget discrepancies, is included in the class notes. This section is presented by means of a lecture combined with a group discussion. As an assignment, the participants have to compile an agenda for a finance committee meeting. It is unlikely that this approach will be successful in the teaching of participants from disadvantaged schools as the majority of the schools that form part of this study does not have true financial figures due to non-existent functional financial recording systems. Many participants will therefore be unable to compile a budget report and calculate budget discrepancies. In other words, the basic assumptions, of this module of the competency of the schools with respect to their financial management practices, are invalid with regard to the majority of schools. This renders the activity irrelevant.

In this section (p89) the financial policy of the school and the fact that the financial policy should guide all financial decisions of the school, are highlighted. According to the notes, the financial policy should be used to determine whether the financial management of the school is appropriate or not.   Furthermore, it is mentioned that the financial policy cannot be developed in isolation, but that it is an integral part of the policies of the school. Reference is also made to general policy development principles and the five steps to be followed in the general policy development process. I think specific guidelines should be added to the template being provided. The template requires activities which are either too broad or need information that the average student will not have, such as auditing or reporting which this course is supposed to teach them. Although the template has been provided, the elements of the financial policy should first be taught before the participants can be required to comment on them or implement them.

In the next paragraph (p92) the statement is made that "resources such as people   and   equipment   are   crucial   ingredients   for   the   successful

implementation of management plans. However, people and equipment can only contribute towards success of the plans of the school if provision is made for funding in the budget." I support this statement, provided that the equipment is kept in good working order and the people are suitably qualified and motivated.

It is also stated in the notes (p92) that managing the finances of an institution is one of the key roles and responsibilities of public sector managers (including school leaders). Although I agree with this statement, it is important to remember that very few of the school leaders (of disadvantaged schools) were appointed to their positions on the basis of their financial management skills and knowledge.

(d)　Budgeting

(i) Budgeting process and budgeting techniques

According to the manual the "SGB should start preparing the new year's budget in the second and third term and present the budget to the parents in the fourth term". However, this study revealed that previously disadvantaged schools in the Nelson Mandela Metropolitan area seldom have SGBs that are able to run the finances of the school (See paragraph 4.9.4). The majority of the disadvantaged schools does not start the preparation for their budgets early enough and the majority of the schools represented in this study does not have reliable accounting figures on   which the budget can be based (due to inadequate recording systems). As a result of these challenges, most of the participants created a so-called "struggle budget" that is based on fictitious figures.

In the study manual(p94-103) the budgeting process is briefly described by referring to the different types of budgeting techniques that can be used, namely incremental budgeting, line-item budgeting, programme budgeting, zero-based budgeting and performance budgeting. The descriptions that are given are very theoretical and the assumption is made that all the schools have functioning budgets based on real accounting figures. This assumption is completely unrealistic (refer to paragraph 4.7.9 in chapter 4). In reality,

many of the schools will have to use zero-based budgeting in the first year due to the fact that they have no reliable accounting records as well as ineffective budgeting procedures.

The participants have to complete an assignment on budgeting. They are asked to scrutinize the budget from the previous financial year and to decide which of the five techniques best suits the needs of the school. They then have to plan how they will integrate the budget into the development plan of the school. According to the findings of this study (see paragraph 4.7.9 in chapter 4) most of the participants in the programme will have to implement a zero-based budgeting approach for the first year. However, unless the financial recording systems of the schools are changed and improved immediately, it would be impossible to obtain true accounting figures at the end of the new budget period and the school will still find budgeting difficult or impossible.

(ii) Budget elements

The section on budgeting (p96) also includes references to the different elements of a budget, namely the policy objective, the centre of financial responsibility, expenditure items and the sources of funds. As part of the policy objective the whole issue of how the provincial DoE allocates funds to the different schools is explained in greater detail once more. Although it is crucial for the participants to know how much money will be allocated to the school, it is more important to know how the school manages these funds and plans to spend it. It is good for participants to know how the allocation of funds is determined. I, however, feel that in view of the basic knowledge that has to be taught, there is not enough time to teach all the extras.

The section on the centre of financial responsibility (p96) refers to the level of decision-making be it the sub-programme, programme, department, cabinet or parliament. One wonders whether this is relevant for managing the finances of a school. The discussion around the expenditure items and the source of finance is very technical and more relevant for different departments of the DoE or other government institutions than for schools.

(e)   Budget preparations

(i) Budget cycle

A very clear diagram of the budget cycle is included in the study manual of the programme (p97). This diagram clearly illustrates the different phases in the budget cycle, namely needs analysis, planning, implementation, reporting and evaluation. However, the illustration needs further explanation for the participants to fully understand what is meant by each phase in the budget cycle. The fact that reference is made in the notes to text 12 (p194), where a table is given that distinguishes between the roles and responsibilities regarding budgeting of the SGB and the school management team, is insufficient to provide a clear understanding to the participants.

(ii) Guidelines for budget preparation

It is mentioned here (p97) that staff members who are responsible for specific activities in the school should be involved in the budgeting process. Furthermore, it is also mentioned that the Finance Committee is responsible for the co-ordination of the budget process.

However, this statement gives the impression that the Finance Committee, with input from a few senior members of staff, is responsible for the drafting of the budget of the school. Yet, according to literature, the involvement of all stakeholders in the budgeting process enhances the way in which the budget is eventually accepted by the stakeholders. The acceptance by all the stakeholders is essential in order to improve budget control.

(iii) Compiling a budget

The study manual suggests that it is best practice to develop a whole school budget through a number of sub-budgets. However, the majority of previously disadvantaged schools in the NMM has no real accurate accounting system that can be used to keep track of the spending and income of the various sub-budgets.   This   will   make   effective   budget   control   impossible. Furthermore, these schools do not have reliable figures on which sub-budgets can be based. Several other problems such as the duplication of

expenditure items, and the fact that the sub-budget becomes more important than the whole school budget, with too much emphasis placed on the objectives of the different units instead of the overall objectives of the school, can occur when a system of sub-budgets is used.

A budget preparation form is included in the study manual (p200). It is stated in the manual that each department of the school should complete a budget request form for the new budget period. This is useful information, as long as each member of staff is given the opportunity to complete a budget preparation form for the new budget period and that meetings are then held where the staff members of the different departments get together in their departments and are given the opportunity to prioritise their collective needs. Once the prioritisation has taken place the HOD can submit the budget preparation form of his/her department to the budget committee.

(iv) The budget document

Too many attachments (or templates) regarding budgeting are included in the study manual without a very clear explanation of when each of these templates should be used (p201-204). I believe that this can only lead to greater confusion. Text 14(on page 201) is a template that should be used to compile an expenditure budget. Text 16 (p 204) is a template to be used to compile the incomes and expenditure budget. In text 14 (p201) provision is made for the use of sub-divisions under each main heading, while in Text 16 (p204) only the main headings are used without any breakdown into sub amounts. However, in order for financial managers to apply effective budget control, amounts need to be broken up into specific detailed expenditure and income amounts. Only by having this available, will the budget committee really be able to apply complete budget control. This will also enable them to complete the budget report form as is suggested in the study manual. It is also crucial to ensure that there is correlation between the headings (divisions and sub-divisions) that are used for budgeting purposes and the headings (names of accounts) that are used for accounting recording purposes.

(f)   Financial monitoring and control

(i) Importance of financial monitoring and control

A description of the importance of financial control is given in which it is emphasized that care should be taken to ensure that money is available for planned projects. Furthermore, the need to ensure that money is used for its intended purpose and that the income and expenditure of the school are managed effectively is also stressed. The following areas of financial management are described very briefly: the determination of financial procedures, the collection of money, expenditure of money, recording of financial transactions, financial reporting and accountability. I agree that these are important issues to include in teaching participants about the budgeting process.

(ii) Monitoring and control of school funding

Once again reference is made to the way in which the funds to the different schools are allocated by the DoE according to the stipulations of the Norms and Standards for school funding. The responsibility of the state regarding the funding of public schools as well as the responsibility of the SGB regarding the management of the school funds is explained. It is also   mentioned that it is the responsibility of the SGB to raise additional funds to supplement the income provided by the state. In this section reference is also made to the determination of school fees, when school fees can be levied and the criteria for full or partial exemption from school fees. The fact that parents are liable to pay school fees once the decision was made at a budget meeting, is made clear. The fact that the SGB is responsible for maintaining all the financial records of the school, as well as appointing an accountant and an auditor is highlighted.

This section can only be taught by means of the lecture method, combined with some form of class discussion. I think that some practical activities could have been provided.

(iii) Cash management and control

A very brief theoretical description is given in this section which include the following aspects: the duration of the financial year, the bank account of the school, depositing money, maintaining financial records in the form of a Cash Book, the need to complete the bank reconciliation on a monthly basis, issuing of receipts, keeping a contract register, incurring debt, the use of a petty cash system and the fact that personal loans are prohibited. The completion of the cheque and cheque counterfoil is not explained. The authors only included examples (p209) of both these documents as an addendum, without any explanation. No explanation or examples of the requisition form or a petty cash voucher are provided. The need to complete a cash flow budget for the school is mentioned in this section. However, no explanation is given of how to compile a cash flow budget. No activities have been included for participants to develop the required skills.

In my opinion many of the aspects referred to in this paragraph are completely foreign to the majority of the participants. The completion of the different source documents, as well as the recording of the different financial transactions was problematic for the majority of schools represented in this study. The data collected in this study confirm the fact that participants lack the knowledge and skills to meet these requirements. As a result, they are incapable of implementing many of the requirements at their schools.

(iv) Cash received

The study material states that school are allowed to receive cash in various ways. However, the emphasis is on the handling of cash that is received via mail. This is an outdated practice as far as schools are concerned. No further details or suggestions are provided on how to deal with cash that is received. An example of a completed receipt (p211) is included in this section, without highlighting the important aspects that should be kept in mind when a receipt is being completed.

The recording of money received is dealt with in a very superficial way. It is only mentioned that a person needs the source document in order to

complete the Cash Receipts Journal (CRJ) or Cash Payments Journal (CPJ) or the Cash Book. Although it is said that schools can use petty cash, no details are provided of petty cash payments or the recording of these transactions.

Direct deposits of school fees into the bank account of the school are a problematic issue at virtually all of the previously disadvantaged schools. No suggestions on how to deal with this issue are made. The flow diagram in the study guide illustrates the recording process of money received (see text 23, p213), but has numerous errors such as that the source document is issued after the transaction is recorded in the CRJ, or that money flows from the cheque account to the petty cash and requisition form. Furthermore, no explanation or discussion of the flow diagram is provided.

The description of the way in which the cash received should be reconciled, is not detailed enough and therefore very confusing. It is not clear from this discussion whether the reconciliation process only refers to tuck shop sales or whether it also includes other cash receipts of the school. A superficial description of tuck shop sales is given.

(g)   Fund-raising

This aspect of financial management is addressed in a theoretical way. A brief reference is made to the following aspects: establishing a fundraising committee, appointing a fund-raising committee, allocating portfolios in the fund-raising committee, sponsorships, managing the fund- raising, developing a fund-raising policy, ticket sales, a fund-raising strategy as well as examples of fund-raising projects such as dance evenings, entertainment evenings, cultural days and sports days. No detailed information is provided and no activities are required.

(h)   Ordering or procurement of goods and services

In the material it is said funds should be spent on what the funds were allocated for. It is also mentioned that the school is allowed to establish a procurement committee, or that the Finance Committee may fulfil this role. It is brought to the attention of the participants that the procurement policy

should form a subsection of the financial policy of the school, and then a list of aspects (page 116 of study material) is given that should be covered in the procurement policy of the school.

In this paragraph the various ways of procurement are also covered, such as through contract / non-contract items, bulk buying, tendering as well as maintaining a commitment register. Reference is also made to the different aspects of requisitioning. A list of people and institutions with the sole power to requisition goods and services, such as the DoE, the H.O.D, the principal and the finance committee is included. Furthermore reference is made to different aspects that have to be taken into account prior to placing an order, such as the existing levels of stock, the need to acquire stock- based on priorities, the availability of stock, etc. The paragraph concludes with a description of the process of ordering that should be followed when ordering stock.

This whole section on the ordering and procurement of goods and services is fairly comprehensive. Lecturing will be the only method that would be suitable to present the material in its current format.

(i)   Payments

Different aspects of payments are being referred to in this paragraph such as the payment procedures of section 20 schools that are determined by the DoE and that although most payments of the school should be made by cheque, the petty cash can also be used for making payments.

This section of the course material can only be covered by means of lecturing. No activities have been included. Not enough attention is given to the importance of completing the cheque counterfoil accurately. The findings of the research done with the two cohorts once again confirmed the need to stress the importance of accurately completing the source documents. The role of the cheque requisition form is not clearly explained in the study material. I believe that participants should also be required to complete a cheque requisition form as part of an activity. The example of the requisition form, provided in the study material, should also provide a space for indicating

the budget item, as well as the total budgeted amount and the amount still available for the specific item, to assist the schools with the implementation of proper budget control. Participants should also be made aware of the fact that banks no longer allow the immediate withdrawal of cash cheques but require clients to deposit a cash cheque into an account.

(j)   Bank reconciliation

Experience of teaching the bank reconciliation process to two cohorts has made me aware of the fact that this is one of the more challenging aspects in Financial Management. Participants usually struggle to master the skills required for this section and therefore it is important to create several activities that can be used to develop the required skills.

The study material of the ACE programme covered this aspect with a very theoretical explanation and without making use of any practical exercises. The explanation that is given, is not clear. I believe that participants will have difficulty to grasp the meaning of the content and that they will not be able to apply this aspect in practice. One has to keep in mind that very few of the participants in an ACE course have a sound financial management knowledge and even fewer of them have any experience of Accounting.

(k)   Statement of Receipts and Payments

The notes refer to the fact that schools should compile a statement of receipts and payments. However, no motivation is given why it is necessary to compile this statement. The research done in this study indicated that the majority of disadvantaged schools find it difficult to compile the financial statements (Balance Sheet and Income Statement) that are required according to the SASA. It is therefore highly unlikely that they will successfully manage to complete a third financial statement. I agree with the authors of the material that a statement of receipts and payments could assist school leaders in making financial decisions. However, when considering the competency of the participants in this research study that it was apparent it could create further confusion since even learners who have completed a number of years of studying Accounting, often still confuse the Income Statement with the

Statement of Receipts and Payments. This statement could possibly be included in the content of a follow-up course at a later stage.

(l)   Variance analysis

I believe that variance analysis should be included in the section on budget control since it forms part of the budget control process. Variance analysis should therefore not be treated as an individual topic as is the case in the study material for the ACE. The study material does not provide an explanation of how to calculate the variances or where the figures that are used in the example come from. A half-completed example of a budget variance analysis has been attached. However, no further explanation is given and therefore participants will struggle to understand what is expected of them. Furthermore, no mention is made of the way in which the variances should be interpreted, or the different forms of corrective measures to be considered.

In the notes it is mentioned that the accounting officer is responsible for recovering the loss or damages that are highlighted in the budget report. Strictly speaking this is not true since the SGB and more specifically, the budgeting committee or the Financial Committee of the school should decide collectively on the corrective measures that should be implemented. As an activity the participants in the ACE programme are requested to compile a variance analysis for the past three months of the schools. At many of the schools this will be problematic since their financial systems cannot provide true financial figures and the budgets that are compiled are not based on figures obtained from their accounting systems.

(m)   Asset management

In the notes on asset management very obvious statements are made with regard to asset management, such as "assets must be carefully managed and controlled" and "asset registers should be kept". However, no useful tips are provided that could be used by participants to exercise proper asset management at their schools. An example of an asset register is given in the notes (see text 32, p222). No mention is made of critical issues such as the

management of textbooks or other assets such as teaching aids. The disposal and letting of assets are mentioned very briefly, although one gets the impression that the notes were perhaps taken directly from a Business Management textbook, since the terminology used in this section such as "annual turnover of stock, cost of stock, costs of ordering, and cost of holding stock" are more relevant to a business enterprise than a school.

(n)   Auditing and reporting

No specific details regarding auditing are provided in the class notes. It is mentioned that the SGB must appoint a registered auditor or an independent person to audit the records of the school, the auditor has to report to the SGB at a formal meeting where the findings and recommendations have to be discussed and lastly that the audited financial statements must be provided to the DoE. The information included in this paragraph is taken directly from the South African Schools' Act and all participants are usually well informed of this requirement.

(o)   Budget report to SGB

Once again the obvious is stated in the study material such as that the treasurer has to compile a budget report that should be presented to the SGB. When one studies the information provided in this section, the impression is given that all budget variances are the result of incorrect budget allocations. This of course is not true. There are many other possible causes for budget variances such as unforeseen circumstances and poor budget control measures. The way in which the material for this section is structured, makes it virtually impossible to employ any other teaching method, but lecturing.

(p)   Marketing

A detailed section on marketing is included in the teaching material of the programme. Reference is made to marketing strategies and developing a brand for a school. A successful marketing plan is crucial to ensure the survival of a school today. However, I believe that due to the volume of work that has to be covered in an initial course in School Financial Management, this aspect should form part of a follow-up course.

3.3.3.3 Unit 3: Managing of physical resources

(a)   Introduction

The authors of the material make it clear that the state of teaching and learning at a school is influenced by the way in which physical resources are acquired, maintained and managed at a school. They also mention the fact that the management of physical resources remains the responsibility of the leaders of the school. I fully support this statement. Unit three focuses on the management of physical resources and covers four main areas: the maintenance and improvement of school buildings, property and grounds; the purchase of textbooks, educational material and equipment; safety and security of the buildings and grounds; and school transport.

(b)   Legal requirements

In the study material the participants are reminded of the stipulations of the SASA regarding the management of their physical resources. The   difference between Section 21 and Section 20 schools is brought to the attention of the participants. The difference between administration and control is also brought to the attention of the participants. The lecture method is the only teaching method that can be used to teach this paragraph.

(c)   Maintaining and improving the property, buildings and ground

In the notes (p137) the participants are reminded of the fact that the maintenance and improvement of property, buildings and grounds of Section 21schools can only be done by the SGB if the Provincial HOD had given them the right to do so. The schools would have been informed about this in a circular from the Provincial DoE – therefore participants should be informed of this stipulation.

In the next paragraph (p137) participants are reminded that the school should have a policy document describing the proper procedure and supervision of physical resources, including the maintenance of buildings and grounds. The material then lists the aspects that should be covered in the policy document. As an activity participants are requested to list all the policy procedures and

forms from the DoE or from private contractors that deal with maintenance and repairs. They then have to identify specific areas that are covered and important issues that have been excluded. They are then asked to suggest possible ways of improving the documentation. I struggle to see the sense of trying to improve the documentation. Previously disadvantaged schools need assistance in the physical process of managing their assets, writing off depreciation, disposing of dated equipment and replacing them with functional equipment in order to deliver sound education at their schools. Commenting on the deficiencies of documentation regarding the maintenance and repairs of the assets in the schools is beyond their level of concern at the stage at which they are operating.

In the next paragraph (p138) a distinction is made between day-to-day maintenance and repairs and general repairs and preventative repairs. Day-to-day maintenance is described as repairs and maintenance that cannot be postponed, while scheduled and preventative repairs are usually the result of an inspection of buildings and grounds and require a report that has to be submitted to the SGB. It is also mentioned that the Maintenance Committee should submit an annual maintenance plan to the finance committee. Reference is also made in this section to the funding of repairs and maintenance and the difference between Section 21 and Section 20 schools in this regard.

While this includes basic issues in terms of maintenance and is essential in a course, I still think that although issues such as these should be addressed, it is just too much to try and solve everything through one module, especially if the main objective is to teach participants sound financial management knowledge and skills. The old adage "less is more" is surely applicable here.

This is a very theoretical section and the study material has been extracted either from circulars of the DoE or legal documents such as the SASA. The only method that can be used in the teaching of this section is lecturing. No other activities are included in the presentation of this section.

The next section briefly mentions the involvement of the community in the maintenance and improvement projects of the school. Reference is made to

the different community members such as local government, council members and different government structures such as the Department of Health, as well as local businesses and community organisations. Participants are asked to draft a list of community members and business members who are already involved at their schools and then to identify those who can be approached by the schools for assistance. They then have to decide how to approach and encourage the newly identified group for assistance. Again, this is a good way of teaching and it conveys essential advice to school leaders. The only aspect one needs to consider is whether this belongs here or in a follow-up course.

In the section that deals with the purchasing of textbooks, educational materials and equipment of the school (p142), the difference between Section 20 and Section 21 schools in this regard is once more pointed out to the participants. This is followed by a description of the procurement committee (that forms part of the Finance Committee) and the procurement policy. The different aspects that should be covered in the procurement policy are stipulated by bullet points in the course material. Participants are then required to review the functioning of the procurement committee and procurement policy at their respective schools. If their schools do not possess a procurement policy or committee, they are required to indicate how they will convince the SGB of the need to establish both of these.

While I thoroughly agree with the importance of the management of textbooks, much detail needs to be added (e.g. how to manage the issuing and return of textbooks or how to monitor the way in which learners take care of the books) in order to make this part of the module of practical value. One also needs to ask whether this is the most suitable module in which to deal with this vital issue. The procurement process is a crucial aspect of financial management and it is essential for all schools to apply the procedures as they are prescribed by the Provincial DoE.

(d)   Stock control inventories

In the introductory sentence of this paragraph (p143) the participants are reminded of their responsibility to control and ensure the proper care of the physical assets of their schools. In the next paragraph the authors remind the

participants of the need to maintain asset registers and to ensure that these registers are linked to other inventories and registers of the physical assets and property of the school. No explanation is given of the other inventories and registers the authors are referring to, nor do they explain how these inventories and registers should be linked.

In the next paragraph the authors refer to room inventories and whole school inventories and refer the participants to the Schools Records Manual of the DoE. I feel that schools need greater assistance in actually drawing up these inventories and more should be said in this section about the problems that they could encounter. Possible solutions to these problems could be included in this section.

(e)   Stock taking

In this paragraph (p143) the participants are reminded that the inventory at their schools should be taken at least once a year, but that it is advisable to do this on a quarterly basis. They are also reminded of the fact that the stock controller should compile a report describing the condition of the stock, including any surpluses or shortages and describing unserviceable items. As an activity the participants are requested to obtain a copy of the latest inventory and to record it in the list that is provided in Text 6 (p182) of the notes in order to identify items that should be added to their inventory. Then they have to answer certain questions, such as how often the inventory is recorded, whether there is a need to record the inventory more often and whether the inventory is up to date. I like this type of activity.

Reference is made to text 7 (p183) with regard to the management of textbooks. However, text 7 provides a list of furniture, office machines and equipment.   This list provides a checklist of evaluation criteria that have to be ticked off as "yes" or "no" and a space is left for comments. The issue of textbook control is not addressed at all, despite the fact that this is a major problem at most of the previously disadvantaged high schools.

Participants are also reminded of the procedure to follow when they want to sell some stock. Once again a detailed description of this procedure can be

found in the DoE circulars to the schools. Not enough detail is being provided in the course material.

The issue of depreciation is only touched on in the course material. In this section mention is made of the fact that non-current assets lose value over a period of time and that this should be recorded in the financial statements of the school. Reference is also made of three types of depreciation. No explanation is given on how depreciation should be calculated and reflected in the Income Statement and Balance Sheet of the school. The different formulae that can be used to calculate depreciation are not given. The activity in which the participants have to calculate the depreciation of a photocopier is therefore a fruitless action. The calculation of depreciation is meaningless unless the value is reflected in the financial statements of the schools. None of the schools represented in the research for this study was able to reflect depreciation in their financial statements.

The second last section of the course material focuses on the safety and security of school buildings and school grounds. The last section focuses on the transport of scholars in school buses or in private vehicles. I feel that this section does not really form part of a module of School Financial Management and should rather be included in a module on General School Management.

In the study material of this course it seems as if the main concern of the authors is the way in which the allocation of funding to the schools is being determined in the Norms and Standards of School Funding. This seems to be based purely on a meso political agenda in so far that the schools need to be kept satisfied with the amounts of money they receive. However, this does in no way have an influence on the improvement of the outcome of this module, which is to improve the effectiveness of financial management practices in the schools.

3.3.3.4 Concluding comments on the DoE's module on financial management

(a)   General comments

What should be clear from the analyses of the DoE's module on financial management are the two problems referred to at the start (3.3.2). The fact is

that the module simply attempts to do too much, tries to cover all possible aspects, including those that are relevant and those that are "good to know", but not remotely vital for the teaching of the knowledge and skills for participants to establish and manage an effective financial management system at their schools.

In an attempt to cover so much, lecturers are forced to present this module in a lecture format which is superficial and totally inadequate for the teaching and practice of financial management and accounting skills. The overall problem for me is that it appears as if the authors have little knowledge of the real situation concerning financial management at disadvantaged schools. They try to include generally accepted issues which are associated with financial management but not relevant for the problematic situation at disadvantaged schools.

It sometimes seems to me that the authors who wrote this module did not do enough research to determine the real needs such a course should address. This reminds one of Freire's (1992:13) verdict about "borrowed solutions" in which solutions are sought from other contexts: "But since these borrowed solutions are neither generated by a critical analysis of the context itself, nor adequately adapted to the context, they prove inoperative and unfruitful".

My analysis confirmed to me the necessity of a close involvement with both the participants and their schools if one wants to spend the available time addressing real and individual needs and if one aims to make progress in remedying the practice of financial management at disadvantaged schools.

The analysis again convinced me that the module I designed based on both feedback and involvement with the students, as well as many visits to disadvantaged schools, is the way to go, even though much still needs to be worked on.

I have learned that the content has to be limited to basic accounting knowledge and skills and determined by real identified needs of participants and schools. I have also again become convinced that the interactive teaching method is the only effective way to bring about change in practice. The

analysis also confirmed for me the need for detailed explanations of basic issues and processes, as well as the importance of providing students with exercises to practice practical issues. In addition, these exercises need to be corrected and comments added. Furthermore, one-to-one discussions need to be held with the participants. A diagram presented to participants without adequate explanation does not contribute to the final understanding of the participants. It may in some cases even add to their confusion and confirm their own feelings of inadequacy.

(b)   Balance between theoretical and practical issues

When designing an initial course in School Financial Management for participants with a limited or no background knowledge in Accounting or Financial Management, it is important to maintain a sound balance between theoretical issues (that can be covered in a lecture or by means of self-study) and practical issues (where the participants have to acquire specific practical skills and knowledge). Care should be taken to allow sufficient time during the teaching of the course for the participants to complete suitable activities that would enable them to develop the desired skills and knowledge. These activities should include group as well as individual activities. Provision should also be made for activities that can be completed as part of preparation for the next contact session. Care should be taken not to include too many theoretical descriptions that participants could easily deal with on their own as this could lead to boredom and frustration among the participants during the contact session.

(c)   Recommendations of topics to be included in a follow-up course

Based on my analysis of the study material of the DoE's financial management course, I think that the following topics should be included in a follow-up course in School Financial Management:

(i) Asset management and the recording of depreciation,

(ii) Writing off of bad debts (school fees),

(iii) Recording of credit transactions in the Debtors' and Creditors' Journals,

(iv) A detailed discussion on the financial policy,

(v) Legislation that impacts on human resource management and the management of assets

(iv) Risk management

CHAPTER FOUR

RESEARCH DESIGN AND DATA GATHERING

4.1   INTRODUCTION

In this chapter I focus on the research design and data gathering. In terms of the research design I first explain the paradigms within which this study has been conducted. This is followed by a description of action research as research method, and an explanation of my reasons for selecting a qualitative approach. The rest of the chapter is devoted to an explanation of the data gathering methods employed during the empirical study and an explanation of the way in which the data were analysed.

4.2   PARADIGMS

4.2.1 Introduction

Kuhn, cited by Usher (1996:15) defines a paradigm as "... the entire constellation of beliefs, values and techniques shared by members of a given scientific community". Usher (1996:15) describes paradigms as "frameworks that serve as guides to scientific communities, determining important problems or issues for its members to address and defining acceptable theories or explanations, methods and techniques to solve the defined problems". According to Husen (1999:31) a paradigm determines the criteria that are used in the selection and definition of research problems. It also determines the theoretical and methodological approach that will be used to solve the research question. Punch (2009:16) believes that a paradigm is a way of looking at the world and describing: what reality is like, what the relationship is between the researcher and reality, and what methods can be used for studying reality.

Burrel and Morgan, cited by McFarlane (2000:22) distinguish between four paradigms, namely the positivistic paradigm, the interpretive paradigm, critical theory and the post structuralistic paradigm. This view is shared by Cohen, Manion and Morrison (2000:19). According to Pring (2004:44) paradigms are

distinguished from each other based on their ontology (view of reality), epistemology (view of knowledge) and methodology (approach to systematic investigation). This view is supported by several authors such as Mertens (1998:8-9), Cohen <u>et al.</u> (2000:5-7), Punch (2009:16) and Wellington (2000:15-16). Husen (1999:37) mentions that the choice of paradigm (or combinations of paradigms) depends on the type of knowledge that a researcher is looking for.

This study was completed within the frameworks of both the interpretive paradigm and critical theory. I worked within the interpretive paradigm when I tried to gain an understanding of the financial management challenges that the participants were facing at their respective schools, However, I did not only want to know about and understand the challenges, I wanted to assist the participants in changing their financial management practices in order for them to become more efficient in their schools. In teaching the module and assisting the participants in the development of the required skills and knowledge to bring about change in the financial management practices of their schools I worked within the framework of the critical theory paradigm.

4.2.2 Interpretive paradigm

In order to gain a clear understanding of the difference between the interpretive paradigm and critical theory, I briefly focus on the ontology, epistemology and the methodology of each of the paradigms used in this study. According to Mertens (1998:11), the interpretive paradigm denies an external, objective, fixed reality, and views reality as socially constructed by individuals. He also maintains that the perceptions of the participants regarding reality may change during the process of study. Pring (2004:47) confirms this point of view and adds that since reality is created in the minds of people, there cannot be one single but multiple realities. The author also adds that there are no fixed laws that can be discovered and used to guide human behaviour. This view is supported by Cohen <u>et al.</u> (2000:6). According to Pring (2004:46) interpretive researchers attempt to make sense of the multiple realities during their research. Wellington (2000:16) mentions

that it is the aim of action researchers to develop insight into situations such as class rooms or schools.

Mertens (1998:11) believes that humans cannot discover or find knowledge, it has to be created or constructed and the human brain is actively involved in the process of constructing knowledge. The researcher's goal is to understand the multiple social constructions of knowledge and meaning. The researcher and the participants interact with one another during the research process and they will influence each other. It is therefore impossible for the researcher to be objective in the research process. According to Cohen et al. (2000:23), interpretive researchers work with the participants and try to understand their interpretations of the world. However, Mertens mentions that the validity of research can be supported and improved by making use of multiple data sources, implementing multiple data collection methods and using multiple quotes from participants to support the research conclusions that are drawn from the data, (Mertens, 1998:13). According to Hammersley, cited by Wellington (2000:16), it is impossible to produce "absolute certain" knowledge. Cohen et al. (2000:6) mention that knowledge cannot be transmitted. It is based on personal experience and insight. They believe that people act intentionally and that they create meaning through their activities. The goal of the researcher is to understand the multiple constructions of meaning and knowledge. Husen (1999:35) states that researchers in social sciences normally form a part of the social process that they are investigating and that they can never be free from their own values or political convictions. In order to ensure the validity of their conclusions and to gain greater credibility with their findings, social science researchers need to state their assumptions explicitly. The researchers also have to state their biases with regard to their view of reality up front. Pring (2004:98) mentions that research is aimed at "understanding things and persons". However, he adds that understanding requires knowledge about the intentions of something or someone, and this cannot be obtained through observation of certain behaviours. In order to really understand someone or something, the author mentions that you should know their motives, intentions and you should also know how they interpreted/understood a situation.

The first part of this study was completed within the framework of the interpretive paradigm where I tried to gain an understanding of the financial management practices implemented by the school leaders at the previously disadvantaged schools in the Port Elizabeth/Uitenhage area. I became involved in the research situation on two levels. On the one hand, I visited the participants and held informal discussions with them at their respective schools, in order to gain an understanding of the financial management problems that they were grappling with. I also created numerous opportunities for feedback, as well as informal and formal small group and whole group discussions with the participants during the contact sessions, in order to obtain information regarding the financial management practices at their respective schools. Therefore, as researcher and lecturer, I was immersed in the research situation. This enabled me to develop an understanding of the financial management challenges that the participants were facing in practice. I made use of several methods to collect data for this study, such as interviews, school visits, document analysis and observation. The data collection methods are explained in paragraph 4.5 of this chapter and therefore I will not discuss them in detail at this stage.

4.2.3 Critical Theory

McFarlane (2000:24) mentions that the emphasis in this paradigm is on understanding social change and to respond to social problems that are caused by the change. He states that researchers working in the critical theory want to "change the patterns of knowledge and social conditions that bring about limitations to the practical activities of people". This idea is supported by Freebody (2003:58) who mentions that researchers in the critical theory paradigm are not satisfied to simply increase knowledge, but that their aim is to bring about change in order to ensure greater social justice. Cohen et al. (2000:28) also share this view since they mention that the intention of researchers in the critical theory paradigm is to bring about transformation or change through their research in order to ensure greater fairness, justice, and equity." According to Mertens (1998:15), the researchers in the critical theory paradigm attempt to confront social oppression at all levels. He maintains that critical theorists are not only focussed on the

sharing of the power with the less powerful groups or subjects of the research, they want to empower the marginalised groups. According to Fay, cited by Cohen, et al. (2000: 28) it is not the intention of critical theorists to describe or explain behaviour, but "... to establish a society of democracy and equality for all members". Cohen et al.(2000:28) maintain that the purpose of critical theory is not only to understand situations and phenomena, but to change them. They believe that researchers in the critical theory paradigm attempt to "emancipate the disempowered, redress inequality and to promote individual freedoms within a democratic society". Carspecken (1996:3) mentions that critical theory is concerned about social inequalities. Researchers are concerned about social structure, power, culture and human actions.   Collins and Swann (2003:143) support the idea and say that the critical theory is concerned about social transformation. They add that researchers investigate the situation critically in order to identify barriers that could have harmful effects on the society, and then they try to identify ways in which the barriers can be removed. They emphasise the importance of the democratic participation of teachers, parents, learners and community members in the decision making process at educational institutions.

According to Mertens (1998:18), the critical theory paradigm has three characteristics that distinguish it from the positivistic and the interpretivistic paradigms, namely:

- Research in this paradigm focuses on the lives and experiences of disadvantaged groups in the society (such as women, children and disabled people). Attempts are made to identify how oppression is structured and reproduced through research. Attention is also given to how the oppressors' actions influence the lives of the oppressed individually or as a group,

- The paradigm analyses how and why inequities based on race, gender ethnicity and disability are reflected in unequal power relations, and

- Research in this paradigm investigates how results of the research on inequalities are linked to political and social action.

Mertens (1998:20) adds that critical theory researchers believe that there   is no single objective reality, but that individuals construct their own realities through the process of social interaction. However, the researchers in this paradigm recognise that the process through which reality is constructed   is influenced by social, political, cultural, economical, ethnic, gender and disability values. Therefore, the author believes that reality has to be examined in terms of the role it plays in continuing oppressive social policies. Carspecken (1996:7) mentions that there are many different forms of oppression and that researchers should focus on all of them during their research. According to Myrdal, cited by Husen (1988:19), social science researchers can never be free from their values and political convictions, but they can obtain more valid conclusions and greater credibility in their research by clearly stating their own values and biases with regard to their view on reality. Husen (1988:19) supports this view and adds that researchers can increase the credibility and validity of their findings by allowing fellow researchers to critically review their research processes and findings.

Mertens (1998:20) mentions that there is an interactive relationship between the researcher and the participants during a research process. He believes that the relationship between the researcher and the participants should empower the participants. According to him researchers, should investigate ways in which the participants can benefit from the research process. Carspecken (1996:9) reminds us that all social relations involve different forms of power. He maintains that critical epistemology includes a clear understanding of the relationship between power and thought, as well as power and truth claims. Mertens (1998:21) states that due to the interaction between the researcher and the participants, it is impossible for the researcher to remain completely objective during the research process. Therefore, he maintains, that knowledge is influenced by social and historical factors. Objectivity can only be obtained by investigating the impact of the values and the social position of the researcher on the research problem.

According to Usher (1996:22), the knowledge in the critical theory paradigm is emancipatory by nature, since it is aimed at revealing ideologies that restrict

access of groups to the means of gaining knowledge and it raises awareness about conditions that restrict or oppress the groups. He maintains that researchers in this paradigm are not only interested in revealing oppression or creating awareness about it, they are also interested in taking action to bring about change. Usher (1996:23) therefore believes that knowledge can never be objective or value free, the creation of knowledge is influenced by the social and historical background of people.

During the teaching of the courses reflected on in this study, I realised that the participants were restricted in implementing essential changes in the financial management practices at their schools due to their own lack of appropriate financial management skills and knowledge, as well as some factors at their schools that made the implementation of change very difficult. I also realised that as lecturer of the course, I was the only person who could really assist them in their attempts to change the practices at their schools, by assisting them in mastering the basic financial skills and knowledge that would enable them to identify the financial management problems and to implement the required changes at their schools in order to improve the situation.

In an attempt to assist the participants in developing the necessary skills and internalising the essential knowledge, I often relied on the use of class room activities during the teaching process. These activities were aimed at the development and practice of the accounting skills required to record the financial transactions of the school and to interpret the financial statements in order to improve their financial decision making. I also encouraged participants to work in pairs and small groups in order to help them to form close working relationships with their colleagues, hoping that these relationships would provide additional support during the implementation phase of what they had learned during the contact sessions. I also provided advice to participants during my school visits, as well as in consultations during and after the contact sessions, on how to adjust the financial management practices at their schools in order to make their management more effective.

4.3   ACTION RESEARCH AS RESEARCH METHOD

4.3.1 Concept and definition

There are various definitions of action research. According to Kemmis, (1999:150) action research is a "form of collective, self-reflective inquiry undertaken by participants in social situations in order to improve the productivity, rationality and justice of their own social or educational practices, as well as their understanding of these practices and the situations in which the practices are carried out". Bassey, cited by Costello (2003:3), describes action research as an investigation which is carried out in order to understand, evaluate and then to improve some educational practice through the implementation of change. According to McNiff, Lomax and Whitehead (2003:19), action research is "an intervention in personal practice to encourage improvement for oneself and for others." It enables the action research practitioners to develop a deeper understanding of their own practices. The authors maintain that action research normally has two aims, namely: a personal aim to improve own learning and a social aims to improve a situation. Gay and Airasian (2003:168) describe action research as a "systematic inquiry by educators to collect and study data that can help them to understand and improve their practice". They say that educators reflect on their own practice, identify areas that need improvement or understanding, collect data related to the issue, analyse data, and determine whether the results will improve their practice or understanding.

According to Costello (2003:15), it is essential for educational practitioners to engage in action research since they should study their own practice and they need to develop their own educational theories based on their practice. He (pp15-17) distinguishes between data-driven action research and theory-driven action research. Data-driven action research focuses on the research situation first in order to experience the context of the research, and then the attention is switched to the literature.   Theory-driven action research first focuses on a body of literature and assumes that the literature is a given. Then the action research practitioners refine or challenge the literature by completing the research. Because my study proceeds from the work with

students, this study is to be regarded as a data-driven action research project. Lomax (2002:123) mentions that the researcher intentionally tries to change the situation that is being studied. She also reminds us that educational action research requires a critical approach. This means that the educational leader is expected to "challenge educationally inappropriate ends as well as inefficient means". Lomax (2002:134) believes that each individual should be open to different possibilities and each person should also be open in their relationship to others.

Macintyre (2000:2) mentions several principles of action research. These include that the researcher reflects on his/her current practices, that reflection involves a critical review the research process and a decision on what new things to try, that the choice of problem to be investigated should be informed by literature, that careful consideration should be given to the selection of participants and the context of the study, that only data that will answer the research questions should be collected and that the data gathering methods should be planned before the time.

4.3.2 Aim and purpose

Cohen et al. (2000:226) describe action research as a "powerful tool" to bring about change and improvement in education. They mention that the aim of action research is to improve, innovate, change or develop practice and to improve the understanding that practitioners have about their own practice. Kemmis and McTaggert, cited by Cohen et al.(2000:227), mention that action research is done by people on their own work in order to help them improve what they do.

4.3.3 Nature of action research

According to Cohen et al. (2000: 229), action research develops through self reflective spirals of cycles of planning, acting, systematically observing, reflecting and then re-planning, followed by the next cycle. During the planning phase, the action research practitioner starts with a general idea and collects data representing the situation which is then used to formulate a plan of action aimed at reaching a specific objective. When the plan is being

implemented, it is accompanied by on-going fact–finding in order to monitor and evaluate the intervention. The implementation phase is followed by observation and then finally by reflection. This usually leads to a revised plan and a changed set of procedures for re-implementation combined with monitoring and evaluation. This idea is supported by Kemmis (1999:151) and Freebody (2003:85).

Costello (2003:7) describes the action research process as a "spiral process of enquiry". He mentions that the action research cycle consists of the following activities, planning, acting, observing and reflecting. During the planning phase, the practitioner decides on a focus for the study, and then he/she implements the planned activities. This is followed by the observation phase in which the outcomes are observed. The reflection phase focuses on what has happened and is then usually followed by further planning and action. He mentions that action research can involve only one cycle of planning, action, observation and reflection, or it can include more than one cycle. According to Kemmis (1999:152), the spiral activities of the action research process are aimed at the improvement of practices, understanding and situations.

Cohen et al.(2000:239) state that reflection plays a very important role during action research and occurs at every stage in the action research process, since action researchers are participants as well as practitioners in the process. Macintyre (2000:1) explains that during action research the researcher focuses on a problem, and based on information collected regarding this problem, he/she then plans, implements and evaluates an action. Then the researcher uses the findings of the research process and he/she comes to a final conclusion. Kemmis (1999:151) states that action research encourages teachers and researchers to treat their own work practices and ideas as "objects for analysis and critique". This requires a certain degree of "open-mindedness" about what is regarded as evidence. It also involves keeping records, as well as the collecting and analysing of evidence. The author describes action research as a political process, since the changes that are made affect the expectations and interests of others. Action research forces people to make a critical analysis of the

situations in which they work in order to determine how the situation was constructed. Freebody (2003:86) describes action research as a solution-oriented investigation aimed at solving problems. He also adds that the purpose of action research is not only to add to knowledge, but also to improve educational practice.

4.3.4 Application of action research

I became aware of the financial management problems experienced by the leaders of previously disadvantaged schools, due to my involvement with the training of school leaders in courses other than the one that was reflected upon in this study. My awareness of the financial difficulties experienced by these schools also grew from my school visits to a variety of schools in my capacity as teaching practice assessor. It was during these visits that I became aware of the serious shortage in resources at these schools and the fact that the situation is getting progressively worse over the years. This is a serious problem, especially since I found teachers and school leaders at most of these schools who had managed to complete a similar course in school financial management at the Port Elizabeth Technikon in the past, yet without tangible change evident in their financial management practices. This made me realise that I had to look at the way in which the course was taught, since the students were unable to apply what they had learned in the past.

I visited most of the schools represented in the two cohorts before the course started, in order to determine what the training needs of the participants were. Once I established these I was able to put together the content of the course, and although the first cohort provided detailed feedback regarding the content and my teaching methods at the end of the first course, there were no suggestions about aspects that should be removed from the content, only suggestions about aspects that could still be included. A detailed account of this is given in the discussion of the content in Chapter 5. Some of the suggestions included extending the course over a longer period, using real accounting workbooks in stead of worksheets for the different activities and the inclusion of a computer package.

During the teaching of the content of the course, I made use of an interactive teaching approach where the exposition of new content, was followed by one or two activities that had to be completed in the class. These activities were then corrected and problem areas were explained and discussed with the participants. Often this was followed by a session of re-teaching to provide greater clarity on some of the key aspects. A question and answer session usually followed the discussion/ re-teaching before homework was given (in the form of an additional activity) in order to practice the skills independently. While the participants were engaged in the class work activity which was usually completed in pairs, I moved around in the classroom to observe their progress and to identify aspects that would require further explanation. Most of my observations were noted in my journal to assist me in my reflection at the end of every teaching session. Since my promoter was the programme coordinator and since he attended most of my teaching sessions, it became a habit of discussing my reflections about my teaching, as well as the progress of the students and the structure of the programme with him at the end of each session. When he was unable to attend the session, we usually discussed the session and possible problems that I had encountered afterwards on the phone. Unfortunately not all the mentors attended all of the contact sessions, but I usually also tried to speak to them about the contact session, as well as problems that they had identified during their school visits. I relied heavily on my own observations and personal feelings, as well as feedback from the participants, mentors, and my study leader to reflect on each teaching session in order to know how the next session should be approached. The extended contact time with the second cohort came in very handy, since it happened quite often that after reflection about a teaching session, I realised that some or other aspect required further explanation. I could therefore deal with these aspects in greater detail with the second cohort. Due to the time restrictions, this was impossible with the first cohort.

As referred to in chapter 3 paragraph (3.1.1), I visited almost all of the schools in both cohorts at the end of the course in order to have a lengthy discussion with the participants in order to determine how much of what I had taught was being implemented at their schools. I received valuable feedback from

the participants themselves and was able to observe what changes were made as a result of their improved knowledge and skills in Financial Management. Each of these school visits was followed by a discussion between my promoter and me. These discussions, as well as the notes regarding my observations and the interviews proved to be invaluable during my reflection about what I had seen and heard during my visits to the schools. These discussions and feedback assisted me in planning the following lecturing sessions. In terms of the first cohort, all of these assisted me greatly in planning the whole course for the second cohort.

It should be clear from the above that my approach followed the usual action research cycles of reflection, planning, implementation and reflection. My approach in terms of both content and methods, changed as I adjusted to the feedback I had received. I also felt that the students benefitted from the process, in terms of what they understood and were able to implement.

4.4. QUALITATIVE APPROACH

Flick (2007:ix) defines qualitative research as research that is "intended to approach the world out there and to understand, describe, and sometimes explain social phenomena from the inside in different ways by analysing experiences of groups or individuals; analysing interactions and communications or analysing documents (texts, images, films or music)." Cresswell (2005:39) describes qualitative research as "a type of research in which the researcher relies on the views of participants, asks broad and general questions, collects data consisting largely of words from participants, describes and analyses these words for themes, and conducts the inquiry in a subjective, biased manner". He adds that qualitative research is best suited for research problems where the variables are unknown and need exploration. He mentions that general, broad questions should be asked since there is a need to learn from participants and these types of questions will encourage them to talk freely. Lichtman (2010:12) states that qualitative studies provide in-depth descriptions and are aimed at understanding human experiences. The author believes that the purpose of a qualitative study is to "describe,

interpret and understand human phenomena, human interaction and human discourse". He emphasises that qualitative studies do not attempt to "examine cause and effect. Gay and Airasian (2003:163) mention that qualitative research is useful in describing and answering questions regarding participants and contexts, as well as for providing an understanding of a group or certain phenomena. The authors state that qualitative research usually provides rich, interpretive descriptions and manages to capture human meanings of the social life of research participants. Lichtman (2010:12) supports this idea and adds that the researcher acts as the key instrument during the data gathering process and becomes part of the world that is being studied. Freebody (2003:37) concurs and mentions that qualitative studies usually provide descriptions of the "taken-for-granted" experiences of the research subjects.

According to Wellington (2000:18), a qualitative study tends to be subjective and "value-laden" since it is impossible for researchers to distance themselves from their research. This view is supported by Freebody (2003:37) who adds that steps should be taken to minimize the effect of subjectivity. Lichtman (2010:13) mentions that qualitative research tends to be "fluid and ever changing". According to him, qualitative researchers do not always start out with fixed plans on how to conduct the research and the research question(s) may change or emerge as the study progresses and the researchers begin to collect and analyse the data. He mentions that the researchers often ask new kinds of questions and then attempt to find new ways of answering the questions. Cresswell (2005:48) mentions that qualitative researchers usually make use of broad general questions that the participants can answer and these questions often change or emerge from the collected data.

According to Wellington (2000:18), the data analysis process in a qualitative study depends on the researcher and is inductive and interpretive by nature. Qualitative researchers maintain that there is no objective reality and that reality is subjective and constructed through social interaction. This view is supported by Lichtman (2010:14) and Gay and Airasian (2003:169-172). Lichtman (2010:14) adds that the researcher plays the central role during the

construction process and reflective practice is vital. The view of multiple realities is also supported by Freebody (2009:38). According to Lichtman (2010:15) qualitative researchers prefer to collect data in natural settings and they often make use of observation (in classrooms, in homes or at schools) and interviews at the home or at the workplace of the interviewee. They sometimes also conduct interviews by phone. This idea is supported by Gay and Airasian (2003:169). Lichtman (2010:15) mentions that a qualitative study usually makes use of purposive or opportunistic sampling.

Cresswell (2005:48) mentions that qualitative researchers mostly rely on field notes, transcriptions and diaries or journals to reflect on data for analyses purposes. The author adds that data analysis consists of text analysis and involves the development of a theme or a description. It is based on the transcripts of interviews, as well as written notes from observations and documents. Punch (2009:3) supports this idea.

In this study I followed a qualitative approach since I attempted to gain an understanding of the challenges that the participants faced in managing the finances of their schools. I also attempted to encourage the participants to change their financial management practices in order to become more effective. The data for this study were collected either at the schools of the participants or during the contact sessions through the use of multiple data gathering methods. I relied on the use of transcripts of audio cassettes and field notes during the data analysis process.

4.5   DATA GATHERING METHODS

4.5.1 Introduction

According to Macintyre (2000:5), the researcher needs to plan the data gathering methods that would be used during the research. She mentions that only data that will answer the research questions should be collected. During this study, a variety of methods have been used to collect the data. These methods include document analysis, informal small group and group discussions, feedback provided by the mentors, observation during the

contact sessions as well as during school visits by the researcher, analysis of test and assignment results, as well as student feedback during and after contact sessions, as well as interviews conducted with participants at their respective school by the mentors as well as myself. Informal feedback was also obtained from colleagues who attended the contact sessions.

4.5.2 Formative assessment

4.5.2.1 Introduction

A detailed explanation of the concept "assessment" in general, as well as the difference between formative and summative assessment, is given in Chapter 2 paragraph (2.3.5) and therefore I will not provide an in-depth explanation of the concept at this stage. However, I will attempt to briefly capture the essence of what is reflected in the literature review and then proceed by explaining the relevance of formative assessment as data gathering method in this study.

Cruickshank et al.(1999:254) describe assessment as a "process of collecting, synthesising, and interpreting information to aid in decision making". Nicholls (2002:105) mentions that the results of the assessment can either be used for developmental purposes in order to improve the learning of the student (formative assessment), or for judgemental purposes in order to promote the student to the next level (summative assessment). He further mentions that assessment should be used to provide feedback and guidance to the learner. This idea is supported by Newble and Cannon (1989:95), as well as Cruickschank, et al. (1999: 257) who mention that the information collected during the assessment process can be used to determine what the learner has or has not learned and why this was the case. This then enables the teacher or the lecturer to provide feedback while he or she is still able to influence the instructional and learning process. These authors maintain that formative assessment serves two main purposes, namely: To provide feedback to the teacher/instructor that can be used to plan or change the instruction in order to allow the teacher to change the way in which something was taught, or to provide feedback to the students or learners regarding their performance and to point out aspects that require further attention. Nicholls

(2002:106) mentions that the aim of formative assessment is to promote effective further learning. He believes that this can be achieved by identifying the future learning needs of students and by giving helpful feedback to students. He also maintains that the main focus of formative assessment is two-fold, namely to identify errors, difficulties and short comings in students' work and to inform the tutor about the nature of advice and information that is needed by students to improve their performance. According to Newble and Cannon (1989:93) assessment can serve several purposes such as:

- judging the mastery of essential skills and knowledge,

- measuring improvement over time,

- diagnosing student difficulties,

- evaluating teaching methods, and

- motivating students to study.

Newble and Cannon (1989:117-118) suggest that direct observation remains the most valid way of assessing skills in real or simulated situations. Although they do add that it has a low reliability that could be enhanced through the use of checklists and rating forms. They also regard structured practical assessment and oral presentations as suitable ways of formative assessment. Cruickshank et al.(1999:255) regard the analysis of students' work (in an attempt to identify errors), homework assignments, projects, worksheets, tests and quizzes as sources of information in the formative assessment process.

4.5.2.2 Implementation of formative assessment in this study

I made use of formative assessment throughout the teaching of the financial management course with both cohorts. During the class work activities, feedback was given to the participants on the work they had completed in pairs or small groups. The mistakes and the reason for errors were explained and the participants were assisted in rectifying the mistakes. The solutions (or correct answers) of homework activities and class work activities were always

illustrated either on the chalkboard or by means of the overhead projector and participants were given the opportunity of clarifying their understanding by means of questions and answers at the end of each section.

I always provided detailed, written notes on the aspects that should be changed, added to or clarified on all the assignments that were submitted by participants. These notes enabled the participants to improve some of the financial management practices at their schools. The memorandum (memoranda) of the test(s) was always discussed with the participants when the answer sheets had been returned to them. This ensured that the participants knew exactly where and why they had lost marks. During the discussion of the memorandum, reasons were provided to the participants why something was incorrect and unacceptable.

Even when the document analyses was done during the school visits, this was completed in the presence of the participants and contained an element of formative assessment, since I usually explained why something was unacceptable and once they understood that, I discussed the ways in which the problems should be rectified with the participants. This process often included a repetition of the explanations that had been given at an earlier stage. Sometimes I had to find an innovative way of explaining a specific section of the work to the participants since I could see that they did not understand what I was trying to make clear to them. Many of the participants made use of these opportunities to make additional notes of my suggestions that could assist them with the improvement of their practices. Even the interviews that were held with the participants normally contained an element of formative assessment. Participants often raised questions during the interviews that required further explanation in an attempt to resolve some of their issues.

4.5.2.3 Impact of formative assessment

I believe that the use of formative assessment had contributed largely to the development of the financial management skills of the participants in both cohorts. The interpretation of the data collected during these formative assessment situations enabled me to plan additional intervention strategies

that could be used to enhance the development of the skills of the participants such as the use of a different instructional method, or the implementation of more drill and practice activities. Formative assessment assisted the participants to develop the required financial management skills and knowledge in a non-threatening environment.

4.5.2.4 Data analysis

I used the questions that were raised by the different participants during the contact sessions as a barometer to indicate the problems experienced by the participants in completing the activity/exercise, or the difficulties they had experienced in understanding the work or in implementing change at their schools. The formative assessment situations also alerted me to the fact that when people do not have an accounting/financial management background, they are prone to interpret information in a completely different way than would be the case if the person has proper background knowledge and skills. This emphasised the need for explanations to always start at the basic principles before moving to more advance information. Sometimes the issues raised by the participants took me completely by surprise, because I had never expected the information provided during the course to be interpreted in that specific way. In these situations, I carefully noted the problem in order to alert the next cohort about the possible problem right from the start. Sometimes the results of the formative assessment process led to adjustments or expansion of the handouts provided to the students or to a change in the way in which the section would be presented in the next course.

4.5.3 Document analysis

4.5.3.1 Introduction

Cortazzi (2002: 196) defines documents as written texts. He mentions that texts provide evidence of past or current realities or future plans. He also adds that educational managers have some expectations of how texts should be written, organised, read or interpreted. According to Cresswell (2005:219), documents are "public and private records that are obtained about a site or participants in a study". He regards documents as valuable sources of

information that can help the researcher to understand the phenomenon or research problem. This thought is supported by Lichtman (2010:173), who adds that documents are evidence of what has been said or done. She mentions that written material poses a challenge to the researcher since the researcher has to find the underlying meaning in the words that had been used.

Lichtman (2010:173) mentions that it is important to look at al the written material in order to determine what is relevant. She states that the research question(s) should be used to decide whether something is useful or not. According to Freebody (2003:182) document analysis involves a search for what different texts have to offer by focussing on the meaning and interpretation of the patterns of language used. Cortazzi (2002:198) mentions that each document should be analysed in a different way since all documents have different structures and purposes. He mentions that documents can be analysed by looking for themes, specific words or meanings. He also adds that document analysis is normally done by selecting specific sections or units of the analysis.

Wellington (2000:116) says that documents can have multiple meanings. He believes that when documents are interpreted for research purposes, the literal meaning of the document should be interpreted against the context and authorship of the document. He also believes the intentions and purposes as well as the style, tone and vested interests should be considered during the interpretation process. Freebody (2003:180) mentions that there are two distinctive ways in which documents can be analysed, namely a linguistic approach where the focus is placed on the use of grammar and a sociological approach where the investigation is focussed on the different kinds of "ideological and cultural work". According to Punch (2009:158), documents are rich sources of data and can provide evidence during the research process. He adds that document analysis can be used as the main or only source of data during an investigation or it can be combined with interviews and/or observation. If it is used in combination with other data collection methods, it can play an important role during the triangulation process. This idea is supported by Wellington (2000:108), who distinguishes between

documents as primary sources of information (such as questionnaires, and notes made during interviews or observations) and documents used as secondary sources of information (all other written documents).

Punch (2009:159) mentions that there is a range of documents that can be analysed for data gathering purposes such as: diaries, letters, reports, and memoranda. This idea is shared by Lichtman (2010:173) who mentions that some documents are readily available, others can be obtained from participants, or created by the researcher, while the researcher will have to identify some of the documents himself/herself. Freebody (2003:174) states that documents analysed for data gathering purposes do not only have to be printed documents but could include maps, diagrams, notes, students' exercises and assignments as well as the lesson preparations of teachers. Wellington (2000:108) mentions that documents such as minutes, annual reports, letters, prospectuses, accounts and policy documents can provide valuable information. Cortazzi (2002:201) also regards curriculum documents and the written work of learners as valuable documents that can be a rich source of information. Morrison (2002:216) mentions that diaries provide a tool for the researcher to study the progress of the participants and fulfils a very important role in the reflection process of action research. According to him, diaries can be used to record personal accounts, reflections and confessions. However, he warns that diaries are not suitable for everyone, since people who make use of diaries need adequate writing skills and should feel comfortable with putting their thoughts on paper. It can also be very time consuming.

Cresswell (2005:220) suggests certain guidelines that should be followed in the document analysis process. These include: the identification of useful documents, distinguishing between private and public documents, obtaining permission to use the documents, and determining the accuracy, completeness and usefulness of the documentation before obtaining permission to use them.

According to Wellington (2000:113-114), document analysis can be very useful during the data gathering process and it can be used at different stages

during the research process. Document analysis can be used during the exploratory stage to sensitize the researchers about key problems or issues and to formulate the research problem(s). It can also be done during the complementary stage. Then document analysis is used to enrich the study and to complement other data gathering methods. Document analysis can also be completed during the concluding stage of the research to evaluate the research and to determine how the research relates to the existing published literature.

According to Punch (2009:161), the quality of the data collected through document analysis can be maximised by planning the data collection process carefully, ensuring that the people are approached in an ethical and professional way during the data collection process and by training all the people who will be involved in the data collection process. Wellington (2000:114) mentions that the quality of documents can be assessed by means of four criteria, namely: authenticity, credibility, representativeness and meaning.

4.5.3.2 Application of document analysis

<u>Both cohorts</u>

Initially I made use of document analysis in an attempt to gain insight into the financial management practices that were being implemented by the different schools. During my first visits I analysed all the financial documents that the schools had available regarding the financial transactions of the schools. At most of the schools it was possible to at least analyse the way in which their receipts and cheques had been completed. Only one school (in the first cohort) made use of an adapted format of a requisition form. Very few schools kept record of payments made from petty cash and none of them were able to provide a completed petty cash voucher.

A few of the schools in both cohorts had some or other form of record of their cash payments and cash receipt transactions. However, these records were not always kept according to the accounting specifications and that basically rendered them useless for financial management purposes. There were

many problems with regard to the way in which financial transactions were recorded at virtually all of the schools in both cohorts. I decided to teach all aspects regarding the recording of financial transactions from the beginning, as if no records were being kept by any of the schools.

I visited all of the schools for a second time at the end of each of the courses, in order to assess the implementation of what had been taught. During these visits I insisted on analysing all the financial documents that should have been kept, namely the source documents, the cash journals, the general ledger, the bank reconciliation statement and the trial balance in the presence of the participants. Unfortunately, these visits had to be completed before the end of the financial year for the schools, due to administrative requirements with respect to student assessment of the university. Therefore the schools were unable to provide any evidence regarding their financial statements or the budget for the next academic year.

Second cohort: financial documents

Due to the extension of the contact time with the second cohort, I invited participants of the second cohort to bring the source documents and financial records of their schools to the contact session when we dealt with the different aspects of financial recording. This created an additional opportunity to analyse the financial documents of the different schools in order to identify problem areas that needed to be addressed. The participants who made use of this invitation were able to compare the manner in which the documents had been completed at their schools to the way that was explained and demonstrated during the contact session. By affording this opportunity to the participants in the second cohort to compare what they were doing to they correct way of recording the transactions and completing the documents, they were able to identify some of the problem areas themselves and in most cases this lead to a discussion of the reasons why their way was incorrect or maybe just different and whether there was a need for change or not. They were able to start with the implementation of the required changes as soon as the topic had been dealt with during the contact session and did not have to wait for my visit at the end of the course to have the problems pointed out to

them. Many of the participants indicated that they had found the invitation a wonderful opportunity to start introducing systematic changes to their financial systems. However it was noticeable that the participants who refused to make use of this offer, were also those who struggled with the implementation at their schools.

<u>Document analysis on class work and home work activities</u>

I also made use of document analysis during the teaching of the different aspects of the financial recording of transactions to both cohorts, since all of the explanations were followed by some form of practical application by the participants. They normally had to complete one or two activities in pairs during the contact session, while I was moving around in the class room, keeping my eye on how they completed the different activities. Once the participants had completed an activity, they corrected their work, based on my explanation, as well as on an illustration on the board or the overhead projector. Great emphasis was placed on all the finer details such as the correct use of appropriate descriptions, folio numbers and dates in the recording process.

4.5.3.3 Accessibility of the documents

<u>Both cohorts</u>

Initially most of the participants in both groups appeared to be reluctant to make the financial documents of their schools available for examination. Some of the participants who were reluctant indicated that they knew that financial management was problematic at their schools and they were afraid that I would report them to the Department of Education. Others appeared to be embarrassed by the state of the financial records of their schools and the fact that they did not know how to deal with it. However, as the relationship of trust developed between us, and they realised that my intention with the document analysis was to assist them with the improvement of the financial management practices at their schools they became more willing to make their documents available for analysis.

Of the seventeen schools represented in this study, only one school failed to make their financial documents available for analysis. At most of the schools the document analysis revealed remarkable changes in the way in which the documents were completed after that specific section had been explained during the lecture, compared to what it was like prior to that. This highlighted the willingness of the participants to bring about change at the schools based on what they had learnt during the course. However, none of the schools in both groups was able to provide a complete set of documents that satisfied all the criteria for effective financial management. The document analyses completed at the end of each course assisted me to identify aspects that needed further clarification and in most cases I dealt with the problem during my school visits.

I was disappointed with the fact that not all of the participants in the second cohort made use of the invitation to bring their documents to class so that we could look at the documents together. I felt that they would benefit from such an opportunity since it would enable them to start making changes to the way in which they completed their documents at a much earlier stage than to wait for the visit of their mentor or me. Despite the fact that I analysed the documents with each group individually and the fact that I only discussed the problem areas of a specific school with the participants of that school, some of the participants refused to make use of the opportunity. It was noticeable that these were the same schools that had experienced great difficulty with the implementation of changes.

As mentioned earlier, I also used document analysis on the homework and class work activities that the participants were expected to complete in order to ensure that the participants were able to complete the documents accurately. The participants did not have any problems in showing their class work and home work activities to me or sharing their mistakes with each other in their pairs or even in the smaller group. All of them were eager to learn through these activities and accepted my suggestions for the need for change quite willingly. By analysing the ways in which they completed the activities and explaining the problems that were identified, I was also able to identify aspects that required further explanation and/or further practice. However, the

limited contact period with the first cohort prevented me from spending sufficient time on aspects that I identified as problematic. I tried to assist the participants in the first cohort as much as possible, but I realised that there was constant pressure to move on to the next topic/aspect.

4.5.3.4 Data Analysis

I used a checklist, with room for additional notes to record my findings, in order to ensure that all aspects of financial management would be investigated at all of the schools. The checklist was structured according to the content of the course. During the analyses of the documents a comparison was made between the way in which the documents should have been completed (based on what the participants had been taught) and the way in which the documents had been completed at the school. Problematic aspects and discrepancies in the completion of the financial documents were brought to the attention of the participants and noted on the protocol. This was followed by an explanation on how to rectify the problems. I analysed my notes that were made, as well as the checklists that had been completed at the schools in order to identify problem areas that still required attention. Through the analyses of these notes and checklists, I was able to identify aspects that needed further explanation or re-teaching.

4.5.3.5 Analysing the DoE module on Financial Management (see paragraph 3.3)

One big document that I analysed was the module on Financial Management as designed by the Department of Education. I did this by reading through the whole module against the background of the module that I had already developed and piloted with two cohorts referred to in this study. This document analysis served to confirm to me many of my decisions concerning the design of my module. The document analysis also helped me to identify certain principles that are important for the design of such a module (see paragraph 3.3.3.4).

4.5.4 Observation

4.5.4.1 Introduction

According to McNiff, Lomax and Whitehead (2003:114) observation means to "watch what is happening". They mention that the aim of action research is to watch yourself and other people and to determine how your own actions influence them in an educational way. Macintyre (2000: 64) describes observation as "being able to see rather than just looking". She mentions that observation is a critical skill in education since it forms the basis of being able to understand and act upon what has been observed in the classroom. She also emphasises the role that observation plays in setting the scene for discussions and future planning. Cohen <u>et al.</u> (2000:305) say that observational data provide the researcher with and opportunity to collect data from "live" situations. They add that it can help researchers understand the contexts of the programmes, and to discover things that may not be mentioned by the participants during an interview situation. Bubb (2005:45) mentions that observation can be used to assess and monitor student progress.

Gay and Airasian (2003:198) distinguish between three types of observation such as participant observer, non-participant observer (or external observer) and covert observer. They maintain that most qualitative observational research takes place in the naturalistic environment and is aimed at determining the participants' understanding of their environment. The observer has no intention to change the environment. Mills (2007:57) mentions that participant observation can be used to observe activities, people or the physical aspects of a situation, or it can be used when the researcher engages in activities that will provide useful information. He says that active participant observation enables the researcher to engage in teaching, observe the outcomes of the teaching and adjust the instruction process to enhance the learning of the students based on his/her observations.

Punch (2009:153) distinguishes between structured and unstructured observation. According to him, unstructured observation develops through a

series of different activities, namely selecting the setting, gaining access, starting the observation and recording the findings. He also adds that the focus of observation becomes clearer as the research progresses. This idea is supported by Cohen et al. (2000:305) who also refer to semi-structured observations in their explanation. They add that when semi-structured and unstructured observations are made, the key issues will emerge from the observation and the researcher will therefore not know what the issues are before completing the analysis. Gay and Airasian (2003:199) mention that the amount of observation that will be done is determined by the type of research and the nature of the study.

According to Punch (2009:155), there are two main practical issues in observation, namely how to approach observation and how to record observational data. He mentions that the researcher has to decide on the focus of the observation and has to choose the cases that are to be observed. This choice will be affected by the structure of the planned observation and the possibility of gaining access. Bubb (2005:36) adds that the observation that a person has to do should be linked to what people want to develop.

Lichtman (2010:168) mentions that conducting an observation consists of two phases, namely the planning phase and the conducting phase. During the planning phase, the researcher has to decide what to observe and identify three to five areas to look at. Then he/she has to decide how they will record their observations and how much time they will spend doing the observation. During the conducting phase the researcher has to settle in at the destination, study his/her surroundings, and then focus on what has to be observed.

Punch (2009: 157) mentions that observational data can be recorded by means of video or audio-visual equipment. He states that the ultimate choice of how to record the data will depend on the extent to which the data are structured or unstructured. According to Mills (2007: 59), field notes are written records of the participant observers and can take on different forms such as anecdotal reports. Gay and Airasian (2003:203) mention that the researcher should also make notes of what he/she has observed in the form of field notes. By analysing the field notes, the researcher can gain an

understanding and a description of the research setting and participants. According to Gay and Airasian (2003:4), field notes play an important role in qualitative research and therefore the researcher should attempt to keep "extensive" and "descriptive" field notes. This will enable him or her to provide "thick descriptions" and it will also enable the researcher to reflect on his/her personal thoughts, and gain a better understanding of the research settings and participants (Gay and Airasian, 2003:4). This idea is also supported by Cohen et al. (2000: 311).

Gay and Airasian (2003:203) suggest that the researcher make use of an observation protocol during the observation session, since this will assist the researcher in maintaining his/her focus and it provides a framework for the field notes which will make the categorising and organising of the data easier. Cresswell (2005:223) describes a protocol as a form that is designed is used to record field notes. It can help to ensure that data are recorded in an organised fashion.

Moyles (2002:173) warns that our observations are affected by the way in which we interpret what we observe, while our interpretations of what we observe are influenced by our individual values and beliefs of what we expect to happen. He mentions therefore that it is very difficult to be objective while we interpret out observations. Attempts should therefore be made to overcome the influence of personal interpretations while we are observing. This can be done through the use of professional knowledge and by determining beforehand what has to be observed, what it is that you want to study and the reason why you want to do the study.

Gay and Airasian (2003:208,209) warn that unreliable observations are useless in research. They mention that observation is reliable if two observers make their observations independently in order to compare their judgements and if there is a correlation between their observations. It is therefore important to train observers in order to ensure that they know what to observe and how to record their observations, using the observation protocol.

According to Moyles (2002:174), observers should be warned about the challenges involved in the observation process, such as the high demand on

time, resources and commitment, the fact that the impact on the subjects that are being observed is unknown and it could affect the data, and that a very large volume of data will be collected that would require categorisation and analyses. Moyles (2002:182) also refers to the fact that the validity and reliability of data collected by means of observation can be improved by combining observation with other methods of data gathering, such as interviews and making use of triangulation.

4.5.4.2 Implementation

<u>Both cohorts</u>

Observation has been used as data gathering method in several situations during this study. I relied on observation during the lectures to gauge the progress and level of understanding of the participants while they were busy in completing activities during the contact sessions. This enabled me to identify areas of uncertainty that continued to exist among the participants.

I also relied on observation during my formal visits to the schools. While being at the schools, I had the opportunity to observe the power relations between the participants in an authentic situation. The school visits also gave me an opportunity to observe difficulties that the participants experienced in the management of the finances of the schools, such as the management of their furniture and textbooks. I was also able to observe how they attempted to implement what had been taught during the contact session with regard to the recording of the financial transactions. This enabled me to identify aspects that required further explanation and discussion. I recorded my observations on the observation sheet that had been specifically created for that purpose.

As mentioned earlier, I often visited some of the high schools represented in the course, not in my capacity as financial management lecturer, but as a lecturer tasked to complete teaching practice assessments of other students placed at these schools. During these visits I was able to observe the effectiveness or ineffectiveness of the financial management measures implemented at the schools. This was observable in a variety of aspects such as the maintenance and state of the buildings, the availability, quality and

variety of teaching and learning materials, as well as the type, quality and general state of furniture and equipment of the school. Although the assessment of the financial management skills of the participants were not the main aim of my visit to the schools during these teaching practice visits, I welcomed the opportunity to observe in a non-participant capacity the impact that Financial Management had on the quality of education offered at the different schools. These observations were noted in my journal.

4.5.4.3 Observation in practice

<u>Both cohorts</u>

Financial management is a crucial aspect of school management in general and many of the participants who attended the course were well aware of the fact. Some of them acknowledged from the onset that they had known less about school financial management than what is generally expected of a person in a management position. However, I realised that many of the participants had been embarrassed by their lack of knowledge and skills and were therefore hesitant to reveal that during the contact sessions.

Observation proved to be a very valuable tool during the contact sessions, since it enabled me to determine whether the participants that were more withdrawn, quiet or shy had been able to cope with the work during the lectures. Due to the inborn nature of these participants they would never raise questions or respond to questions during the lecture unless they had been prompted to do so. I made extensive use of observation in order to try and interpret the body language and facial expression of the participants during the contact sessions since these were often an indication that they were struggling.

Observation also proved to be valuable in collecting data while visiting the schools. Often participants had known that something with regards to financial management was wrong at their schools, but they were unable to identify the problem. Observation enabled me to identify some aspect that I believed required more attention. I then discussed my observations with the participants during the interview. These discussions often assisted the

participants and me to identify the problems and to discuss possible ways in which to deal with these problems.

4.5.4.4 Data analysis

It was relatively easy to deal with problematic aspects that had been identified through observation during the contact sessions, since these often required a change in teaching method or the re-explanation of a concept. I often made notes in my journal to remind myself about the problems that were experienced by the participants. I also noted my observations while completing my visits and interviews with the participants at the schools.

I analysed the data by reading through the notes and identifying common aspects that had been problematic at most of the schools. I also noted unique challenges that were limited to only one or two schools, as well as aspects that were interpreted incorrectly by the participants because of their inadequate background knowledge and skills. These notes enabled me to gain a better understanding of the challenges that the participants were faced with regard to school financial management and the difficulties they experienced during the teaching process. My notes also made me aware of aspects that should be explained by means of a different approach in future, in order to improve the comprehension of the participants.

4.5.5 Test and assignment results

4.5.5.1 Introduction

According to Mills (2007:73), "teacher-made" tests are used quite often in action research even though it is a quantitative data gathering technique. Mills says that researchers can analyse and interpret the results of these tests. This enables the researcher to monitor and adjust his/her own instruction. However, Mills cautions that the researcher cannot rely on teacher made tests as a valid measure of student performance.

Cohen et al. (2000:316) are of the opinion that testing is a very powerful method of data collection. They mention that a criterion-referenced test requires that the students fulfil certain specified criteria and they maintain that

214

there is a strong link between criterion-referenced tests and the mastering of learning since the emphasis is placed on the learning outcomes. An analysis of these test results provides a researcher or teacher with information about exactly what the students have learned and can do. However, the authors warn that the test results of different students or different schools should not be compared with one another.

4.5.5.2 The use of tests and assignments

<u>Both cohorts</u>

Due to a very short period of contact with the first cohort, the students were only been able to write one test. The extension of the contact time for the second group created more opportunity for testing and they wrote three tests during the course.

In the first test of both cohorts, the participants were required to record the cash transactions of the school in the CRJ and CPJ. Then they had to close the journals off at the end of the month and post the totals of the bank columns to the bank account of the school. Their ability to determine the balance of the bank account was also tested.

Although I had realised that I could not attach too much value to the test results, since good results were no guarantee that the participants would implement what they had learned, I believed that the test results would give the participants an indication of their own level of understanding. I also hoped that positive results would improve the belief of participants in their own ability to implement what they had learnt at their schools. I never attempted to compare the results of different participants or to compare the test results of the first group to that of the second group. However, while marking the tests, I made notes of the various mistakes of participants in order to re-teach the sections that appeared to be problematic to the participants.

Both groups completed an assignment on the budgeting procedures and budget control implemented at their respective schools. Although the first part of the assignment required a description of how budgeting is dealt with at their schools, the second part of the assignment required a description of and

motivation for proposed changes based on what they had learnt regarding budgeting during the course. Once again, I used the information obtained from these assignments to structure my teaching on budgeting and budget control measures.

Second cohort

The second cohort wrote two additional tests. One of the tests was on bank reconciliation and the other test on the drafting of financial statements. In an attempt to reduce the feeling of intimidation that some of the participants experienced at the idea of writing a test, I warned them well in advance to prepare for the test and I guided them on how they should prepare, but I treated the actual test just as another class work activity that had to be completed independently without any input from their peers or myself.

The second cohort also completed two additional assignments. One of the assignments focussed on the financial policy of the school. In this assignment the participants were required to adjust the financial policy of their school in order to incorporate what they had learned during the course. The other assignment focussed on fundraising. Participants were asked to plan a realistic fundraising campaign according to what they had learnt during the contact session. The campaign had to be detailed and realistic enough so that the participants could implement the plan in the following year in order to raise additional funds for the school. They were allowed to work in groups for both assignments, since I felt that they would not really find themselves in a situation where they had to plan a campaign completely on their own. This is in line with Vella's principle of adult education in providing an environment of safety for the learners, (Vella, 1994:6-8).

4.5.5.3 Interpretation of test and assignment results

Both cohorts

All of the tests completed by the participants were on sections of the financial recording procedures and required a demonstration of newly developed skills as well as newly acquired knowledge. The results of these tests and assignments formed part of the final marks of the participants in the module,

216

and therefore it was essential for them to perform well. However, my main interest in the tests and assignments were about the information that was revealed by the tests and assignments. Therefore, I was not too concerned about class averages and I did not attempt to compare the results of the participants with each other. While marking the tests and assignments of the participants, I made notes of the problems that the participants were experiencing. I also made notes on their assignments about aspects that were not addressed by them, but that should have been included, and aspects that had to be changed. I also used the tests and assignments to identify areas that remained problematic and required further explanation or teaching. I addressed the areas of concern either by re-teaching, or by repeating my explanation once the assignments and tests were returned to the participants.

4.5.5.4 Data analysis

When I read the assignments, I realised that the budgeting process and budget control were problematic at all of the schools in both cohorts. The second cohort showed me that the planning and control of a fundraising campaign was problematic at most of the schools and that the schools also battled to control the handling of money during the fundraising campaign. The third assignments of the second cohort, revealed that although most of the schools had a financial policy, most of these policies were incomplete and did not really provide support during the financial management process. These shortcomings made me realise that I had to adjust the content of the course regarding the financial policy, budgeting and budget control, as well as fundraising for future courses in order to assist the participants.

4.5.6 Interviewing

4.5.6.1 Introduction

Wellington (2000:71) describes an interview as "a conversation with a purpose". He adds that the interviewer should have some form of rapport with the interviewees. Gay and Airasian (2003:209) define an interview as a "purposeful interaction between two or more people, focused on one person

trying to get information from the other person". They mention that interviews allow researchers to collect data that could not be collected through observation. Furthermore, they maintain that it is possible to examine the attitudes, interests, feelings, concerns and values of other people in an interview situation. Lichtman (2010:139) mentions that qualitative interviewing enables the researcher to engage in a   conversation with the participants for a specific reason.

According to Punch (2009:144),an interview is a good way of getting access to the perceptions, meanings and definitions that people have of situations. It also enables the researcher to determine how the individual views reality. This view is supported by Freebody (2003:137). Mills (2007:62) mentions that observational data can be used to determine questions that should be asked during subsequent interviews. The author maintains that the combination of observations and interviews can be a very valuable way of collecting additional data for a research study.

Gay and Airasian (2003:209) distinguish between structured and unstructured interviews. According to them, a structured interview is an interview during which predetermined, set questions are asked. During an unstructured interview the questions are not pre-determined and the interviewer will ask questions aimed at obtaining useful information in order to solve the research questions. They mention that during an unstructured interview the interviewer will probe for answers if he/she is not satisfied by the response of the interviewees. This view is supported by Freebody (2003:133) who adds a third category of interviewing, namely semi-structured interviews. He describes a semi-structured interview as one that starts with a predetermined set of questions, but then allows the interviewer the freedom of pursuing aspects that are relevant to the interviewee.

Lichtman (2010:140) distinguishes between guided interviews and in-depth interviews. He writes that the researcher develops a general set of questions that will be used with all the participants during guided interviews.   The interviewer can vary the questions as the situations change and demand. According to him, an in-depth interview is an "informal conversation" between

the interviewer and the interviewee. In this type of interview, the interviewee is allowed to tell their story and the interviewer asks questions in general and in a "non-directive manner" Lichtman (2010:140). Gay and Airasian (2003:210) write that interviews vary in terms of duration, the nature and amount of information that is required, the attention span of the interviewer and interviewees, as well as the number of interviewees involved.

Wellington (2000:72) mentions that a research interview normally has a dual purpose since it provides an opportunity to the interviewees to state their feelings and thoughts, but it also enables the researcher to examine and probe the views and perspectives of the respondents. According to Cohen et al.(2000:268), interviews can be used to assess or evaluate people, to collect data, check unexpected results, or to obtain the opinions of the respondents. Lichtman (2010:140) says that the main purpose of an interview is to collect information from the participants.

The decision whether or not to make use of interviews is influenced by a number of factors, such as the research strategy, the purpose of the research and the research questions (Punch, 2009:146). He (p149) also adds that there are a number of practical considerations when making use of interviews as data collection method, namely the selection of the interview respondents (decide who, how many, when, etc.), the management of the interview process (determine interview schedule, establish rapport with interviewees, etc.), as well as the recording of data (checklists, audio or video recordings or note taking.

Gay and Airasian (2003:212) mention that data can be collected in three different ways during an interview, namely by: taking notes during the interview, writing notes after the interview or by audio-taping or video taping the interview. They feel that the third option is the best since it provides a "verbatim account" of the interview and it provides the researcher with the original data. However, they warn that the use of audio and video tapes require transcription that could be very difficult, time consuming and costly.

According to Freebody (2003:137), interview data can be analysed in two ways, either by treating an interview as a specialised talk or by investigating

the content of the interview in order to reveal the way in which individuals construct reality. Wellington (2000:78) mentions that the researcher should make use of a combination of open and closed questions during the interview, since the use of open questions will reveal the opinions, views and attitudes of the interviewees. It will also reveal their future development needs. Cresswell (2005:214) adds that the use of open questions during an interview can also provide information regarding the experiences of the interviewees.

Cresswell (2005:217) says that the interview process consists of several steps, namely the identification of interviewees, determination of the type of interview to be used, identifying a suitable place for the interview, getting consent, have a flexible plan, use probing questions, use of the audio tape to record the questions and answers, taking brief notes during the interviews and the fact that the interviewer has to be courteous and professional.

Gay and Airasian (2003:214) warn that the quality of interviews and observations could be threatened by observer bias (personal values and beliefs, the halo-effect and the observer effect). They mention that researcher bias can be reduced and the validity of the data improved through the interview by obtaining additional data, obtaining the trust of   the   participants, recognizing personal bias and through the use of triangulation. This view is supported by Flick (2007:81).

4.5.6.2 Interviewing in practice

It was not easy to conduct the interviews for this study. It took many prior arrangements and much travelling. In order to minimise the possibility of a disruption at the schools, the participants had to contact me in order to arrange a time that would be best suited for me to visit their schools and interview them. However, I also had to consider my own teaching responsibilities at the university.

Despite the challenges in arranging the interviews with the participants, I regarded these interviews as essential and crucial to the outcome of the course. I used the interviews as opportunities to confirm or investigate my observations made during my visits to the schools. The interviews also

created opportunities for me to discuss the findings of the document analyses that were completed at the schools. The interviews also created opportunities for the participants to defend the financial management practices (or lack thereof) at their schools.

Although the interviews were incredibly time consuming and fairly expensive since they involved a fair amount of travelling, I believe that they played a crucial role in the teaching of the Financial Management module. These interviews not only allowed me to assess the learning of the participants, but it also improved my understanding of the challenges that the participants had to deal with on a daily basis with regard to financial management. I therefore believe that it is crucial not only for the lecturer of such a course to visit the schools, and to complete a document analyses, as well as observation, but also to interview the participants in order to obtain their input.

4.5.6.3 Data analysis

During the interviews I made notes and I made use of audio tapes to record the conversations. Therefore, in order to analyse the data, the transcripts of the audio tapes, as well as my notes had to be examined. During this examination process I attempted to identify commendable financial practices that were implemented as a result of the teaching, as well as problems and challenges that the participants experienced while managing the finances of their schools. I was also looking for signs where the participants misinterpreted what I had explained, or where they applied what they had learned incorrectly. In some cases, I realised that the handouts that were given to the students had to be adjusted in order to address the problem and eliminate certain ambiguities.

Since I made use of the same protocol that had been used to record my observation findings, the analysis process was relatively easy. The data had already been classified into following categories: application of the financial recording procedures, cash handling and safe keeping procedures, budgeting process, fundraising, the process of drafting and interpreting financial statements, general financial management issues, and finally the content of the course, on the protocol that was used during the interview process.

The fact that the protocol was used in conjunction with the document analysis and observation made it extremely useful. This made it impossible for participants to hide the real state of Financial Management at their respective schools and it enabled me to get clarity about problems that were identified during the observation or document analysis phases.

4.5.7 Action learning supported by the researcher

4.5.7.1 Introduction

Cunningham (2005:105) defines action learning as a "continuous process of learning and reflection, supported by colleagues, with an intention of getting things done". He states that action learning enables individuals to learn with and from each other, by working on real problems and reflecting on their experiences. According to McGill and Brockbank (2004:13) students are able to make sense of new events or situations by reconsidering what happened in the past and by trying to find new ways of behaving in future.

My visits to the schools forced the participants to reflect on what they had learned during the contact sessions, and how that could be used to solve their financial management problems at their respective schools. During these visits, I focused their attention on the different problems in their financial systems and discussed ways in which these problems could be addressed, based on what they had learned.

According to Nafukho et al.(2005:4), the most important aspect of adult education is the way in which the adult is encouraged and assisted in the learning. They also mention that the best way to encourage adult students is to provide them with projects related to their real world. During the teaching of the financial management module, I went to great lengths to assist and encourage the participants while they were attempting to master the new skills and knowledge that would enable them to manage the finances of their schools effectively. I also made sure that I mention why they had to learn something and where they would be able to use their newly acquired knowledge and newly developed skills. This approach was in line with the principles that is suggested by Nafukho (2005:10-13) namely that the adult

learners need to know why they had to learn something, that the material used should be relevant to their life situations and that the skills they needed to develop should be essential to their living.

In visiting the participants at their schools, I was also able to emphasise the practical relevance of the information that they had obtained through their learning, as is suggested by Bubb (2005:14).

According to Vella (1994:16) adult learning can be enhanced by helping the adults to realise the usefulness of their newly acquired skills and knowledge. Adult learning can also be improved by getting adults to "do" something and then reflect on what has happened,(Vella, 1994:16). I believe that the lecturer can make use of the school visits to help the participants realise the practical value of what they have learned and how relevant it is to their workplace. Since the participants were normally interviewed in some or other form during these visits it was also very useful to encourage the participants to reflect on what they had learned and the potential that their newly developed skills and newly acquired knowledge has to assist them in addressing the problems and challenges regarding the financial management practices at their schools. The school visits also encourage dialogue between the lecturer and the participants and opportunities can be created for the participants to "critically analyse, edit or change their learning", (Vella,1994:13).

4.5.7.2 Action learning in this study

<u>Both cohorts</u>

I visited almost all of the schools (with the exception of two) represented in this study and interviewed most of the participants. It was the responsibility of the participants to contact me in order to arrange a time for a meeting that would be suitable to both parties. My school visits had a dual purpose. The first purpose had been to determine the changes that the participants had made at their respective schools based on what they had been taught during the course. In order to determine these changes and to be able to provide feedback to the participants I used of a protocol or checklist that reflected all the aspects that had been taught during the course to record my findings and

my comments. I also interviewed the participants in order to discover what differences had been made at the school and what problems the participants still experienced despite the fact that they had attended the course. Furthermore, my school visits enabled my to complete a document analyses on all of the financial documents and records of the school. I also made specific suggestions to the participants regarding the changes that they had to implement in order to improve the financial systems of the different schools.

The second purpose of the visit had been to allocate a mark for the implementation of changes to the financial management systems of the schools, as a result of the course attended by the participants representing the different schools. This mark for implementation formed twenty percent of the final mark of the participants. Due to the vast differences in the financial systems at the various schools and the fact that some schools had more advance systems in place before the course started, I could not only use a checklist to help me in the allocation of the mark for implementation. Therefore, I was forced to design an assessment instrument that would give a fair reflection of the true progress made at all of the schools.

In preparation for the second group of students, I had to determine whether the schools represented in the second group experienced similar problems with regard to financial management as the first group. Therefore I also visited the schools in the second cohort before the course started. Based on my findings during these informal school visits I felt comfortable that the course material used for the training of the first cohort would be suitable for the second cohort as well. I decided to use the same material, but I had to create additional activities in virtually all aspects of the course, due to the extended contact period.

During my second visits to the schools in the second cohort, I followed exactly the same approach as was the case with the first cohort. Therefore, I used the same observation and interview protocols and assessment grid as before. I also made use of document analysis, observation and interviews to gather data for this study.

4.5.7.3 Action learning in practice

<u>Both cohorts</u>

The participants had been requested to arrange a time in order to schedule the visit to their respective schools in order to minimize the disruption that such a visit could cause to the normal programme of the school. Some of the participants were very eager to arrange the visit. They were very excited to show me what changes they had introduced at their respective schools, and they were also very willing to show me around the school premises. During the interviews held at these schools, the participants were very candid about their problems and achievements regarding financial management. They were willing to listen to my proposals regarding further changes and indicated that they would try to implement the suggested changes as soon as possible.

At one of the primary schools, the principal scheduled the school visit for 12h00. When I arrived at the school, I found that he had also included all the members of staff, who had previously attended a course in financial management together with the participants, irrespective of the position that they had held at the school. He was adamant to improve the financial management practices at the school and felt that all these members of staff could contribute to the interview. At another primary school, the principal had arranged a meeting with all the other stakeholders of the school, since he felt that the stakeholders would be more willing accept the suggestions for change if I discussed it with them. This meeting was attended by some the SGB members, as well as other members of staff.

While the school visits contributed vastly to my understanding of the problems schools have to face regarding Financial Management, they often also often caused a great deal of frustration and disappointment. A few of the participants had not been very keen on inviting me to visit their schools. They kept postponing arranging the visits until the time had almost ran out and my marks for the course were due. Some of the participants only finalised the arrangements after I had informed them that unless they invited me before a given date, I would be unable to award them any marks for the implementation component of the course.

The principal of one of the schools in the first cohort had scheduled a number of visits to the school with me. Every time I arrived at the school, one of the members of staff had informed me that he had just been called away or had left shortly before I arrived. At my last visit to this school, one of the members of staff informed me that the principal had left the premises every time just before I had been scheduled to arrive at the school. Since I felt that it would be unethical to continue with the school visit in the absence of the principal, I had no choice but to leave the premises without conducting the interview with any of the participants or without studying any financial records or documentation of the school. This situation had been very disappointing to me and caused a lot of frustration.

During my visit to another school, I discovered that no attempts had been made to implement anything of what had been presented to the participants during the course. This school had been the last one of the second cohort to agree to a time for the visit. Unlike the other schools where I found that all of the participants were present during the interview, at this school the principal refused to allow any of the participants to take part in the interview. Due to the fact that no real attempt had been made at this school to implement anything of what they had learnt during the course, I had been unable to allocate any marks for implementation at the school.

Although the school visits had been very time consuming and sometimes difficult to schedule to suit the school and the participants as well as to fit in with my programme, I feel that it is impossible to present a course that has the potential to influence the practical situation at the schools, without physically visiting the schools. These visits had afforded me the opportunity to observe the facilities available at the schools and study the financial systems implemented at the various schools. Sometimes the visits also enabled me to speak to other members of staff not attending the course. This would not have been possible if it was not for the school visits. The school visits enabled me to obtain a much clearer understanding of the financial management practices implemented at the schools. It also enabled me to identify the kind of support that is required if the participants are to be successful in their attempts to bring about change at their schools.

4.5.7.4 Data analysis

Once all the school visits had been completed, I was able to read through my notes and identify the changes that had been made at the schools as a result of the financial management course. The visits also enabled me to identify the problems that the participants had to solve and the changes they had to introduce at their schools. An analysis of the notes made during the school visits highlighted the different aspects of the course that has to be explained in greater depth if successful implementation is to be ensured in future.

4.5.8 Action learning supported by mentors and mentor feedback

4.5.8.1 Introduction

The concept and use of mentoring during the instructional process is discussed in detail in chapter 2, paragraph (2.4.15). It is, therefore, not necessary to say much more about the concept and the role that mentors play in assisting the mentees to master certain skills at this point in time. However, during the teaching of the Financial Management module, the mentors were not only used to provide support to the mentees in order to implement what they have learned during the contact sessions, but I also used them to obtain feedback regarding the challenges that the participants had to deal with during the implementation process. Rhodes et al.(2004:26) remind us that mentoring is a "longer term relationship" and a "special form of peer support". The authors also mention that mentors can be used to "support individuals or groups" in order to "implement change and improve performance", Rhodes et al.(2004:26). According to Miller (2002:26), the mentor has a very special and "non- judgemental" relationship with the mentee, and the mentor is there to support and encourage the mentee. Momany and Cullingford (2006:95) maintain that mentors are expected to observe participants performing their duties at school, give them feedback on their performance, as well as assist them with any difficulties they may experience during their training.

At the time when I started to present the financial management course to both of the groups, the participants already had an established relationship with their mentors. I felt quite comfortable in using them to obtain feedback on the

ability of the participants to implement the changes in the financial practices at their respective schools, based on what they were taught during the contact sessions. I also hoped that the mentors would be able to assist the participants during the implementation process.

4.5.8.2 Implementation

<u>Both cohorts</u>

According to the way in which the ACE programme, of which the financial management module formed a part, had been structured, the participants had been supported by mentors in their endeavours to improve the financial management practices at their respective schools. It was expected that the mentors would visit the schools on a regular basis and assist the participants in the identification of problem areas at the schools as well as in their efforts to bring about change.

All of the mentors employed in this programme were experienced in the field of school management, and were therefore respected by the participants. Most of the mentors were retired principals (from previously disadvantaged schools) with years of experience, or highly qualified educators teaching at the university. Most of the mentors attended all the financial management lectures that I presented to the participants. Therefore, I assumed that they all knew what was expected from the participants. After a brief explanation on how to use and complete the observation recording sheet, I expected them to be able to deal with the problems that were encountered by the participants. Unfortunately, I only realised late in the programme offered to the first cohort that the mentors did not have enough specialised knowledge in financial management to identify and really assist participants with their financial management problems. However, based on the information recorded on their observation recording sheets and descriptions of some of the problems experienced by the participants, I was able to identify the most pressing problems and could deal with those during the contact sessions. Some of the participants were frustrated that the mentors could not provide an immediate answer or solution to their problems and they wanted me to visit their schools more often. This was impossible, due to a heavy workload and severe time

constraints. When a mentor reported a specific problem at a particular school, I either discussed the problem and possible solutions with the participants of the particular school, or if I thought that it could be a general problem at some of the other schools as well, I discussed the issue with the group as a whole at the next contact session.

4.5.8.3 Action learning in practice

<u>Both cohorts</u>

Each mentor had received a very detailed observation sheet in order to guide them during their school visits with regard to the different aspects of financial management. Although most of the mentors had been able to identify major problems (for example that the school had been unable to complete a bank reconciliation statement or the fact that receipts had not been issued for all amounts received), they were unable to verify the accuracy with which the transactions had been recorded or source documents had been completed. Some of the mentors indicated to me that they were uncertain about guiding the participants when it came to financial management. Yet, they had been unwilling to attend all of the contact sessions where the details of what was expected had been stipulated very clearly to the participants. This created a great deal of frustration with me.

Despite the fact that the mentors could not assist the participants in identifying financial management problems or explain to them how to correct these problems, they made valuable contributions by informing me about these problems so that I could follow these up with the participants of the specific school involved or with the group as a whole. During this process I often had to repeat an explanation or provide another explanation in order to solve the problems. The mentors also made a big difference during the contact sessions when they were present, since they could ask questions to clarify problems at the different schools on behalf of the participants. One of the mentors had really been dedicated to her task. She attended all of the financial management lectures and she even attempted to complete some of the class work activities with the participants that she had to mentor. Once she had been certain that she knew exactly what had to be done during the

class work activities, she also moved around among the groups to help those that were waiting for me to assist them. When she and the participants were uncertain or got stuck, she would call me to explain to all of them together how to solve the problem. This mentor also accompanied me to all of the schools that she had been responsible for and she was present during all the interviews at these schools. She made detailed notes of my all my suggested changes. She went back to the schools to assist them with the implementation of the suggested changes once my visit to the schools had been completed. This mentor shared all the problems that she identified at the schools that she was responsible for with me in great detail. She really made sure that I was fully informed about the progress of the participants, as well as the challenges that they had to deal with at her schools.

4.5.8.4 Data analysis

Although the mentors had often been unable to identify the specific reason why a group of participants had been struggling with the implementation of what they had learnt at their schools, they were able to report the problems in general terms. Once I had received feedback from a mentor, I made a note of the problem and at the next contact session I attempted to determine whether it was a general problem that all participants experienced, or whether it was only experienced by the participants at that specific school. I normally also had a discussion with the participants who experienced the problem in order to determine the exact nature of the problem, since the mentors were usually unable to provide all the detail. Most of the problems reported by the mentors were related to the recording of the financial transactions of the school. The mentors also provided me with copies of their completed observational sheets and most of them had made notes of the problematic issues at the different schools. I then scrutinised the checklists and notes in an attempt to identify issues that still remained problematic. I also analysed the notes to identify aspects that should be changed in the handouts of the participants or aspects that should be taught in a different way in future. These issues were highlighted during the data analysis in this study. It should be clear that school visits and feedback by the mentors played a very important role in this

study since they created awareness about problems experienced by the schools during the implementation process.

4.5.9 Informal class discussions

4.5.9.1 Introduction

According to Spreyer (2002:21), class discussions can be used to   generate ideas, and to help students form opinions and get clarity in their thinking. Cruickshank et al. (1999: 172-173) mention that the discussion method could be used to review what the students know and to increase their knowledge in order to assist them to master the content, to help students examine their own ideas and opinions, and to solve problems.

As mentioned by Spreyer (2002:21), students share their thoughts during class discussions. Vela (1994:6-7) mentions that when adult learners are asked to describe their own expectations, hopes or fears regarding their learning, they would be more likely to share their thoughts in a small and safe group rather than mentioning it in the larger class group. Therefore, when informal class discussions are used as data gathering method, the teacher or lecturer should attempt to create a non-judgemental environment in which they can share their thoughts and feelings.

Since informal small group and group discussions were used frequently during the teaching of the financial management module, I was able to gather much data regarding the various aspects of financial   management hat I attempted to teach to the participants during the actual teaching process. For example, when teaching the participants how to record cash payments transactions in the CPJ, participants would ask if their way   (different   from what I just explained) would also be acceptable. This made it possible to use class discussions as a data gathering method, since it was always possible to steer the discussion in the direction of the financial management practices that were implemented at the at the schools.

4.5.9.2 Implementation

<u>Both cohorts</u>

Informal class discussions were used as a data collection method throughout the presentation of the financial management course to both cohorts. The informal class discussions normally focussed on the topic that had been covered during the contact session, and they either preceded the explanation or followed the explanation, depending on the topic and the level of understanding of the group. In order to make some of the contact sessions more interesting to the participants, and to emphasise the relevance of the topic, the participants were encouraged to share their experiences regarding how the different aspects had been applied at their respective schools with the group as a whole and with me. This often led to a discussion on the problems that they had experienced in that regard as well as the ways in which had been dealt with.

4.5.9.3 Class discussions in practice

<u>Both cohorts</u>

Informal class discussions had enabled me to gain a better understanding of the real challenges faced by the participants in the process of managing the finances of the schools in the previously-disadvantaged areas. Most of these discussions took place during lectures, but some also developed spontaneously during visits to the different schools or during telephone conversations.

I found that informal discussions in smaller groups (not more than four people) or in pairs, worked better when it came to dealing with the actual recording of transactions and interpretation of financial statements in financial management. The use of smaller groups or pairs ensured that all of the participants had to be actively involved and they felt supported by the partners. It also created a safe and non-threatening environment for the participants to voice their opinions. Once they had been able to share their opinions with their partners or group members in the small groups, and they had been able to reach consensus about their responses, the participants

appeared to feel less threatened and more willing to share their responses with the group as a whole.

Participants were capable of dealing with other more general aspects of financial management, such as budgeting and fundraising in an informal class discussion. It appeared that when the participants felt more confident about their ability to deal with a topic or section of work, they did not mind sharing their experiences with the group as a whole. I had however noticed that some of the more withdrawn participants still tended to discuss their ideas briefly with their partners before sharing these with the group as a whole.

Due to the diversity of the groups in both cohorts, the participants often had different experiences and challenges. This lead to very interesting discussions and these discussions provided insight to the financial management challenges that the participants had to face at their respective schools. Class discussions provided valuable insights into the financial management practices implemented at the schools and many of the notes in my diary had been made during or after one of these discussions.

4.5.9.4 Data Analysis

I used class discussions to gain input from the participants regarding their experience in implementing various financial management measures at their schools. During these discussions participants had been willing to share the challenges, as well as achievements, in attempting to implement the different financial management. This enabled me to identify aspects that required further explanation. It also created an opportunity for the participants to obtain input on how to deal with specific issues such as budgeting, textbook control or fundraising from other participants. Furthermore, classroom discussions enabled me to identify additional aspects of financial management that had not been included in the initial course, but that had been problematic to the participants, such as depreciation or petty cash. Some of the aspects mentioned during the class discussions had been briefly explained to the group as a whole once these had been mentioned, such as the petty cash system. Class discussions enabled me to identify aspects that should be

included in an initial financial management course, but which had been omitted from the course presented to the participants.

Other aspects, such as depreciation or a computerised accounting package that had been mentioned during the class discussion, had been too complex to include in an initial course in financial management. With regard to these topics, the participants were informed that it had been impossible to deal with the issues at that particular stage, since it involved complex explanations and that those issues should be dealt with in a separate course. When the participants indicated that they had to deal with a specific issue such as depreciation at their school and that they really needed assistance at that stage, I explained the specific issue to the participants of that particular school only at the end of the contact session. I did not feel comfortable to introduce the topic to all of the participants during the contact session since I feared that it could cause confusion among the other participants.

4.5.10 Student feedback

4.5.10.1 Introduction

According to Vella, (1994:3-4) adult learners have enough real life experience to learn through discussing their learning with their teacher. During the conversation with the group, it is important to relate the new skills and knowledge to what they have to master in order to cope in their existing situation. Therefore, in order to maximize adult learning, we need to determine what the adult learners already know, and what they really need to learn so that the course content can have "immediate usefulness" to them, (Vela 1994:24). One way of obtaining the information regarding the needs of the participants and the usefulness of the content of a course is by engaging in a dialogue with the adult learners and by getting feedback from the adult learners.

4.5.10.2 Implementation

<u>Both cohorts</u>

Feedback was obtained from the participants during the presentation of the course in three forms. Firstly, the responses of the participants to the different questions that had been posed during the teaching in the contact sessions provided an indication whether participants had been able to cope with the new content covered during the contact sessions or not. I always attempted to pay careful attention to what was being said or asked during the contact sessions. The course had been presented in such a way that the participants always had to engage in some form of activity during all of the contact sessions. Many problems with regard to the content or the way in which some measure should be implemented at the school were revealed during these activities. I also always attempted to move between the participants while they were working. I tried to listen to their discussions and to look at the way in which they engaged with the activities. Through the use of observation I had been able to get feedback on how they were coping with the work, even if they sometimes struggled to express their feelings or describe their problems in details.

During these activities, there had also been a lot of discussion between the participants and myself. The participants provided spontaneous feedback regarding their experiences through these discussions and this enabled me to gain a clearer understanding of the problems that the participants had experienced at their respective schools as well as the frustrations that they had to deal with on a regular basis. As a result of the relationship of trust that I shared with the participants, many of them felt comfortable in discussing the problems that they had experienced with financial management at their respective schools. Sometimes these discussions were private but often the participants did not mind sharing their experiences with the class as a whole.

During the last contact session of the course all of the participants had to complete a module evaluation form in order to provide feedback regarding the content of the course, the teaching materials and methods used during the teaching of the course, as well as about the personality, ability and

235

preparation of the lecturer. Provision had also been made for the participants to indicate what they would like to change regarding the course. Both cohorts completed these feedback forms.

4.5.10.3 Experiences during implementation

<u>Both cohorts</u>

The discussions which had been held with the participants, both during and before or after the contact session, as well as the interpretation of their responses to the questions posed during the contact sessions often created awareness with me regarding the different aspects of financial management that had been problematic to them. Aspects such as bank reconciliation, asset management and budget control were brought to my attention. Where at all possible I attempted to advise the participants on how to deal with the problem, or I tried to explain a specific section of the work in a slightly different way in order to improve their understanding or to help them to deal with a specific issue. Comments made or questions raised during these informal discussion sessions often led to some adjustment either in the way that I tried to explain the new work or in the course content as such (if at all possible). A typical example of how the course content had been adjusted would be where some of the participants in the first cohort asked me about the correct way to deal with payments that had been made from petty cash. The petty cash had not been included in the original course, but due to the fact that two schools had indicated that they made use of a petty cash system at their schools without reflecting it in their financial records, I tried to explain the petty cash system briefly in order to demonstrate how it formed part of the financial records of the school. It was, however, not always possible to include all aspects raised by the respective participants due to the level of the participants and the limited amount of time available.

<u>First cohort</u>

Most of the participants indicated that the contact time spent on financial management had not been nearly enough. They all suggested that the course

should be offered over a much longer period. As a result of their feedback we increased the contact time of the second cohort to a period of ten months.

Second cohort

Although the course had been extended over a longer period of time for the second cohort, these participants had indicated on their feedback forms that they felt that the one hour contact time per session had not been enough. According to their feedback forms, they had felt that financial management is such an important aspect of school management and that they all struggled with it at their schools. Therefore they suggested that the duration of the contact sessions be lengthened.

Both cohorts

Furthermore, some of the participants also felt that aspects such as budgeting (especially budget control), fundraising and asset management should have been discussed in greater detail. A few of the participants also indicated that they needed to learn how to make provision for the replacement of their assets. Others indicated that there is a need for them to be trained on how to use a computerised system at their schools.

Based on the feedback received from the participants in this study, it would be almost impossible to include all aspects regarding financial management in one initial course. It could become necessary to offer some of the aspects as a short course or a follow-on course to participants who had successfully completed an initial course in financial management.

4.5.10.4 Data Analysis

I analysed the feedback forms completed by the different cohorts at the end of each course by reading the comments in order to gain an understanding of their feelings regarding the content, the methods of instruction as well as the lecturer. I also interpreted the ratings of each individual item on the feedback form provided by the different participants. When several of the participants raised the same issue (such as asset management, or contact time) it clearly indicated to me that the topic had not been explained in enough detail or that

it was a real problem to the participants and that certain adjustments should be made before the next course is taught.

I considered the comments made by the participants of the first cohort to inform the preparation of the course material for the next course. I also read through my notes of the comments made by the participants during the contact sessions in order to identify aspects that required more attention. I was able to implement some of the suggestions made by the first cohort, such as changing the duration of the course and using accounting books in stead of worksheets. However, not all of the issues raised by the participants on the feedback forms could be addressed through minor changes. These suggestions had been noted, but I would only be able to consider them in future when other financial management courses are being developed.

The participants had also been given an opportunity to comment on changes that they believe should be made to the course. In this section they had to list aspects that they believe is unnecessary and should be removed from the content, as well as aspects that they felt should be included in the content. All of the participants in both groups indicated that they felt there was nothing in the course that could be left out. However, he participants had numerous suggestions regarding aspects that should be included in the course, such as depreciation and provision for the replacement of assets, as well as a computerised accounting package that could be used for record keeping by the schools. Although I noted these aspects, I believe that it would be more effective to address them in follow-up course or in the form of a short course. I do not believe that the participants would benefit from adding more content to that of the existing course, since some of the participants had already indicated that they felt overwhelmed by the amount of new content that they had to master.

4.6   VERIFICATION OF DATA

4.6.1   Introduction

In a qualitative study, the verification of the data is important. In this section I explain measures I took to ensure that the data would be both reliable and valid

4.6.2   Reliability

According to Macintyre (2000:49) research is regarded as reliable if another researcher can obtain the same results if he/she duplicates the investigation and asks the same questions. Mills (2007:94)   mentions that the reliability of an action research process depends on the manner in which the data were collected. A researcher should ask himself/herself whether the data will be collected consistently over time if the same techniques were used.

4.6.3   Validity

According to Mills (2007:84), validity is an indication that the data collected accurately measure what they are supposed to measure. He also adds that the validity of action research depends on whether the planned intervention actually solved the educational problem. Wolcott, cited by Mills (2007:92), refers to five strategies that could be used to ensure the validity of action research: "talk little and listen a lot", record observations accurately and begin writing early, include data to allow readers "to see for themselves", report fully and be candid about findings, seek feedback and write accurately.

Costello (2003) mentions that the rigour of action research can sometimes be questionable, due to the qualitative nature of the study, its susceptibility to researcher bias, the small scale of the research, as well as the fact that it focuses on the practice of the action researcher. He also reminds the reader that the results of an action research project are not usually generalizable. Macintyre (2000:54) states that the context of the research should always be considered such as the set-up in the class room, and the background of the participants. She mentions that the context of the study should be clearly indicated in a thesis in order to ensure the full understanding of the research

"audience". The author believes that it is difficult to ensure the validity of an action research study, but a measure of validity can be ensured by asking the following questions:

- are the questions clearly formulated so that it would generate data to answer the research questions?

- are the procedures clear so that at all the stages of the investigation can be evaluated in context?

- have steps been taken to reduce bias and increase reliability?

- are the findings (or claims) valid? (Macintyre, 2000:50).

Robson cited by Costello (2003:45) mentions three strategies that can be used to enhance the validity of an action research project, namely:

- Prolonged involvement with the study – although it increases researcher bias, researcher bias can be reduced by the use of triangulation and an effective audit trail. It can also lead to the development of a feeling of trust between the participants and the action research practitioner, which can prevent the participants from providing biased information at a later stage.

- Triangulation – the use of more than one method of data collection or by making use of more than one observer, and

- Keeping an audit trail – an audit trail can be formed by keeping complete records of raw data such as transcripts, field notes, audiotapes and a research diary or journal.

According to Flick (2007:43), the quality of qualitative research can be improved by the constant use of a research method, or by attempting to keep some of the features in the different cases constant, or by using an interview guide during interviews. He also adds that the use of more than one method to collect data (triangulation) can improve the quality of qualitative research.

4.6.4 Generalizability of research results

Mills (2007:96) explains that the generalizability of research results refers to the applicability of research findings in setting and contexts that are different from those in which the data were collected initially. According to Costello (2003:46), this concept refers to the applicability of the conclusions of research project, within and outside of the context in which the research was completed. He believes that the results of some small scale action research projects could be generalised if action research practitioners shared the details regarding the context and planning of the study in their research reports, since this would allow the readers the opportunity to investigate the relevance of these aspects in their own research, Costello (2003:46). Mills (2007: 96) mentions that the generalizability of research findings is not really applicable in the case of educational action research. The purpose of action research is to understand what is happening and to determine what might improve the situation. Flick (2007:41) supports this idea when he states that "qualitative research is not strong on the issue of generalizability".

4.6.5 Conclusion

According to Castello (2003:46), the credibility and trustworthiness of research findings can be enhanced by prolonging the involvement with the study, applying more than one method of data collection (triangulation) and by keeping an audit trail.

I combined all three of these suggested strategies while conducting my research, since I spent eight weeks with the first cohort and ten months with second cohort while conducting my research. I made use of multiple methods to collect the data (see paragraph 4.5 of this chapter) and I kept copies of my transcripts and field notes. I also kept the audio tapes as well as my journal.

4.7   DATA ANALYSIS AND INTERPRETATION

4.7.1 Introduction

This section focuses on the analysis of the data in order to determine what the data reveal with regard to the impact of the content and methods used in teaching the two cohorts.

4.7.2 Source documents

4.7.2.1 Introduction

Three types of source documents: receipts and receipt books, cheques and cheque counterfoils, bank statement and requisition forms were focussed on. Although brief reference was made to the petty cash voucher, it was not covered in the same depth as the other source documents.

4.7.2.2 General problems encountered

a) Receipts and receipt books

<u>Both cohorts</u>

Most of the schools in both cohorts had been issuing receipts in duplicate for money received even before the representatives attended the course, but there were many problems in the way these receipts were completed. Receipts were, for example, not always issued for all amounts received. Two of the schools indicated that they only issued receipts for school fees. No receipts were issued for additional funds received or generated through a fund-raising campaign. Normally in these situations the learners paid the funds that had been collected over to their class teachers who recorded these in a hardcover book. The class teacher then paid the money over to the head of the grade or the person nominated by the financial committee to receive funds raised through the fund-raising campaign. The head of the grade or representative of the finance committee kept the money until the campaign had been completed. This very often meant that the person had to take the money home every day since there is no place to safeguard the money in the school. This person would then pay the money over to the treasurer or

secretary. The grade teacher or person nominated by the finance committee was the only person to receive a receipt for the total amount from the treasurer / secretary once the fund-raising campaign had been completed. Although the loopholes in the system had been pointed out to the participants, they were reluctant to implement the suggested changes. They believed that the system implemented at their respective schools was secure enough to eliminate fraudulent activities and they were trying to save money with regard to the purchase of additional receipt books. All of them indicated that they did not believe fraud was a serious threat at their schools, since they trusted their colleagues.

The types of errors made when issuing receipts were very similar for the participants in both cohorts. I found that in most cases changes were made on the duplicate receipt in the receipt book without cancelling the receipt. When a learner made a second payment to the school later in the year, in most cases the amount was simply added to the copy of the first receipt in the receipt book without issuing a new receipt. There were numerous other mistakes as well. These included the amount often being indicated in numbers only and not in words; the failure of the person issuing the receipt to sign the receipt; dates not filled in and very often the reason why money was received was not indicated on the receipt.

When a mistake had been made and the incorrect receipt was cancelled, the original receipt was not kept in the receipt book together with the copy of the receipt. Owing to the lack of proper accounting systems, some of the schools in both cohorts made use of two or more receipt books for each year in order to separate the monies received for different purposes and financial periods. These monies were then sometimes deposited into different bank accounts in order to ensure that the money was used for the purpose for which it had been raised.

In both cohorts some of the schools made use of a system in which the school fees were deposited directly into their bank accounts mainly for security reasons. When they received their bank statements, these schools found it virtually impossible to keep record of school fees received since it was very

difficult to identify the learners on whose behalf the deposits had been made. When the deposit slip was returned to the school as proof of payment, it was often illegible owing to faint printing at the bank, or it was completed partially without providing the details of the person who had made the deposit. The name of the learner often differed from that of the person who made the deposit, even if the name was legible on the deposit slip. Very often the deposit slip was not returned to the school for recording purposes, or the person who deposited the money mislaid the deposit slip. Sometimes the deposit slip was only returned to the school at the end of the term or year when the school reminded the parents (by means of an account or a letter) of the outstanding school fees. This made the bank reconciliation process at some schools virtually impossible. Every school tried to deal with the issue of direct deposits in its own unique way. Two schools issued receipts to the learners on receiving the deposit slips from them. In order to make record keeping easier, they used separate receipt books for direct deposits. These receipts were then recorded in the journals in order to update their records. The schools wrote the number of the receipt on the deposit slip and gave the original receipt to the parents. The deposit slips were filed as evidence for auditing purposes.

At other schools direct deposits caused major problems and the schools simply ignored the issue. Although all the learners were supposed to return the deposit slips to the school as soon as the deposits were made, not all of them did. Those who managed to return the slips gave it to the class teacher or principal or treasurer, depending on the system used by the school. These slips were then dumped into an envelope or a shoe box and not used at all. At some of the schools attempts were made to mark the names of the learners off against a class list. However, the lists were never complete. Most of the schools did not bother to record the deposit slips returned anywhere since their accounting system did not reflect outstanding school fees, and they did not send out accounts for outstanding fees to their parents at all. They only worked with the money in the bank account and did not bother to update their financial records.

b) Cheque counterfoil and cheque book

<u>Both cohorts</u>

Most of the schools were fairly well informed about the correct way of completing a cheque. This is mainly owing to the requirements that are rigorously applied by the different banks. At one of the schools in the first cohort I found a fairly large number of cancelled cheques. Although these cheques were cancelled properly and kept in the cheque book, the treasurer did not seem to realise the implication of cancelling cheques on a regular basis.

The completion of the cheque counterfoil was problematic at most of the schools. The majority of the schools in both cohorts managed to complete the date, the amount of the cheque and the name of payee on the cheque counterfoil. A few of the participants indicated what the payment was for but none of the participants in both cohorts completed the balance before or after the purchase. Most of participants failed to see the necessity of filling in the balances. Many used the excuse that the balance would not be correct due to the bank charges that still had to be deducted and the interest received on current account that had to be added. Therefore they felt that it was unnecessary to complete the balances on the counterfoil.

c) Requisition book

<u>Both cohorts</u>

Of all the schools in the two cohorts only one of the schools had been implementing what they called an "order form" system before attending the course. This form made provision for the date, the amount required, the purpose of the payment and the signature of the person requesting the payment. Although some very important information such as the signatures of the two people authorized to approve the purchase, and the budgeted item under which the purchase would be classified had been omitted, the school had to be commended for at least having some form in place. The principal indicated that she "inherited the accounting system from the previous principal" and she was just "keeping it going, without really understanding

what is happening sometimes". After the lecture she said that she understood better why the "order form" had to be completed, and she was more than willing to implement the suggested changes.

d) Petty cash vouchers

<u>Both cohorts</u>

Several of the schools in the first cohort made use of a petty cash system. However, at only three of the schools a petty cash voucher had to be completed before money was paid from petty cash. Two of the schools in the second group implemented a petty cash system. These schools insisted on the proper completion of the petty cash voucher before money was handed over from the petty cash. However, one of these schools indicated that they often made the payment from petty cash without having a signature on the voucher since "people are in a hurry and we cannot wait until the paper is signed".

4.7.2.3 Teaching method

 (a) Introduction

The teaching method used to present the teaching material to the two different cohorts varied in some instances and in other instances was very similar. In my description of a variation in method, I will provide a clear description of the two different methods used for the two cohorts.

<u>First cohort</u>

(b) Receipts, cheque counterfoil, and cheques

In teaching the first cohort how to complete the source documents, I had only one three-hour contact session in which to deal with all the source documents. I basically dealt with all the source documents in the same way. I first taught the receipt, then the cheque and cheque counterfoil and lastly the requisition form. Although I mentioned the bank statement during the session, I did not cover it in detail since I planned on covering it in more detail when I taught the section on bank reconciliation.

I started the lecture by giving each participant a blank copy of the receipt as well as a description of a transaction and asked them to complete the receipt as if the transaction had really taken place. While they were completing the receipt, I moved around to check on their progress and answer questions. Once everyone had completed their receipts, I demonstrated how to do it correctly by completing a blank receipt step-by-step on the chalk board. Participants were then encouraged to correct their mistakes and to ask questions in order to clarify any problems. When I felt convinced that everyone understood how to complete the receipt accurately, I moved on to the cheque and cheque counterfoil. The completion of the cheque and cheque counterfoil was dealt with in the same manner as the receipt.

The explanation of how to complete the cheque and cheque counterfoil took much longer than the explanation of the receipt since very few participants had ever bothered to complete the cheque counterfoils in detail in the past, not even in their private capacity. Almost all of the participants in both cohorts were using a current account in their private capacity; therefore they experienced no problems in completing the cheque. It took quite a while for the participants to grasp the importance of completing the cheque counterfoil in detail, simply because they did not realise what valuable information was provided by the cheque counterfoil and how this impacted on their recordkeeping process at the school.

Very few of the schools represented by these two cohorts had been recording financial transactions in the subsidiary journals or cash book prior to the course. Therefore the participants had failed to appreciate the role of the source documents in the recording process of the financial records of the school before becoming involved in this course. The problem at the schools where transactions were being recorded in the cash journals or cash books, was that because the cheque counterfoils were completed incorrectly, they did not provide adequate detailed information. The person responsible for recording the transactions was often forced to rely on his/her memory in order to know what the cheque had been issued for. Once the demonstration on the chalk board was completed, the participants received an exercise in which they had to complete blank receipts, cheques and cheque counterfoils for all

the transactions given. This exercise had to be completed for the next contact session.

At the second contact session I assisted the participants to correct their work by completing two receipts and two cheques and cheque counterfoils step-by-step on transparencies with their input. Thereafter I showed them all the other completed documents while I pointed out important aspects to remember. I emphasised the impact that each transaction had on the balance of the bank account as reflected on the cheque counterfoil. Once the exercise had been marked, I proceeded to introduce the CRJ and CPJ to the group.

(c) Requisition form

The requisition form (or as one school called it "order form", see above) was also explained during the first contact session. I introduced this document by explaining the purpose of the requisition form and its benefits. Then I gave them an example and focussed their attention on the details that should be provided by the document. The participants then received a blank requisition form that they had to complete, based on a request received for payment. Once this example had been completed by the participants, I demonstrated on the chalkboard the correct way of completing the document, with input from the group. I also asked the principal of the school where the requisition form was being used, to tell the group about its benefits for financial management at her school, and to describe how they used the requisition form. I then asked her to bring an example of such a requisition form to the next contact session. We looked at this example during the second contact session. During our discussion certain shortcomings of the document were highlighted and I suggested some changes. These changes were implemented by the school when I visited this particular school at the end of the year.

Owing to the limited amount of time available, this cohort did not complete an assignment on the requisition form. I felt that this was a shortcoming in their course. It became evident during my school visits at the end of the course that only one school, other than the one that was already using it, attempted to implement the requisition form system.

(d) Petty cash voucher

I did not include the petty cash voucher and payments from the petty cash in my initial planning. However, when I discovered that some schools had implemented a petty cash system, I gave a very brief explanation of the petty cash voucher. I did not have enough time to allow the participants the opportunity to complete petty cash vouchers themselves. I only showed them what information should be displayed on the petty cash voucher by making use of a transparency. I emphasised the fact that the voucher should be signed before payments are made from petty cash.

Second cohort

(a) Receipts

I taught the second cohort the source documents (receipt, cheque and cheque counterfoil and requisition form) in a slightly different way from the first cohort. Since, with the second cohort, the contact sessions were only one hour long, I only explained the receipt as source document during the first contact session. After they had managed to complete the receipt successfully in the exercise given as homework, I proceeded to teach the recording of cash receipts transactions in the correct subsidiary journal (CRJ) before I moved on to the cheque and cheque counterfoil.

I also encouraged the participants to work in pairs while they completed the receipts in class since this seemed to increase their confidence in their ability to complete the task successfully. Once they had completed the first receipt in pairs, I pointed out and explained to the whole group the problems experienced by the different pairs. Then I gave the participants another exercise where they had to complete several receipts individually. They were still allowed to discuss their problems or questions with their partners or with me. Once they had managed to complete the exercise in class on an individual basis, I gave them another similar exercise to complete as homework. In this exercise they had to complete receipts for a given number of transactions as if they were the treasurer at school.

While the participants were working in class, I moved around among them since I found with the first cohort that this encouraged the quieter participants also to ask questions which they would never have asked in the larger group. When all of them had completed the task, I demonstrated the correct way of completing the source documents for all of the transactions on a transparency.

At the next contact session, I first helped them to correct the homework exercise by showing them a transparency with the completed receipts and made sure that everybody corrected his/her receipt. Then I proceeded by showing them how to record receipts in the CRJ.

The participants were invited to bring to class the receipt books that their schools were using to see how the receipts were being completed. Most of the participants made use of this invitation and I spent time before and after the lecture with the groups from the different schools to scrutinise the receipt books and make suggestions regarding possible changes.

(b) Requisition form

I had to explain this source document in detail to the participants, since none of the schools in this group had been using a requisition form to request cheque payments before the course. The explanation included a detailed description of what information was to be provided by the requisition form as well as the way in which the document should be used in the payment process and stored for auditing purposes. I also showed them a practical example. In order to assist the schools with their implementation process, I then instructed the participants, from the same school, to work together as a group (and to design a requisition form for their school based on what they had learnt during the lecture. Some of the groups only consisted of two participants, while two of the groups consisted of four people. They also had to include a detailed description of how they would implement the requisition form in the payment process at their schools.

(c) Cheque and cheque counterfoil

When we started with the cheque and cheque counterfoil, participants were asked once again to bring the cheque book of the school to class in order to look at the way in which the cheque counterfoils were being completed. None of the schools completed the cheque counterfoil in enough detail to use the information to complete the cash payments journal. By looking at the way in which the cheque counterfoils were being completed at their schools, the participants became aware of the changes that needed to be implemented.

In my teaching of the completion of the cheque and cheque counterfoil, I basically used basically the same method as was used in teaching the completion of the receipt. The participants also worked in pairs to complete the first example. Then they completed the first exercise in pairs and finally they had to complete an exercise individually for homework.

After we had corrected the exercise given as homework (cheques and cheque counterfoils) at the next contact session, I explained how payment transactions were to be recorded in the CPJ, based on the information provided by the cheque counterfoil.

(d) Petty cash voucher

Two of the participants of the second cohort had indicated that they made use of a petty cash system at their schools. Therefore, despite the fact that I did not include petty cash payments in the course initially, I felt that I had to explain the completion of the petty cash voucher and the recording of the transactions in the petty cash journal (PCJ).

I first explained the way in which the voucher should be completed by demonstrating it on a transparency since this was a relatively unknown source document to all of the participants. I then demonstrated the recording of transactions in the PCJ briefly to the whole group. The participants had mastered the recording of the transactions in the CPJ and therefore they grasped this section fairly quickly. I did not want to spend too much time dwelling on the petty cash since only two schools made use of this system and the rest had indicated that it was irrelevant to their situations.

4.7.2.4 Outcomes

a) <u>Receipts</u>

<u>Both cohorts</u>

There was a noticeable difference in the way that the source documents were completed after the participants had completed the course. When I visited the schools of both cohorts for the last time and I looked at their receipt books, I could see that attempts had been made by virtually all the schools from both cohorts. Two schools had failed to implement any changes and they continued to complete the receipts in the same way as before. The principal (also a participant) of a third school made sure that he was absent from the school for all of our scheduled appointments. I never saw his financial records and I therefore had to assume that nothing much had been implemented at his school.

At the other schools I found that changes were no longer made to copies of the receipts. If a mistake had been made, the incorrect receipt would be cancelled and left in the receipt book together with the original at all the schools. New receipts were issued every time money was received and the receipts were completed in detail and in duplicate. All receipts were signed by the person receiving the money and the amount in words and in figures corresponded with each other.

The recording of direct deposits still remained a major problem at all the schools using a system where deposits were made at the bank. Schools clearly did not know how to reflect these in their financial records.

b) Cheques and cheque counterfoils

<u>Both cohorts</u>

The completion of the cheque itself was no problem at any of the schools, because, as was said before, participants had to comply with the bank requirements. The completion of the cheque counterfoil, however, remained problematic at all schools especially where the details of the purchase, balance before purchase and balance after purchase had to be completed.

It appeared as if both cohorts deemed the calculation of the bank balance before and after the latest cheque unnecessary, owing to the fact that they did not know the exact amount of bank charges to be subtracted or interest received on current account to be added. Although I had emphasised the fact that an estimated amount (based on the bank charges and interest of the previous months) could be used for the bank charges or interest of the current month, they still failed to complete the balances on the counterfoil. When I asked them how they knew whether there was enough money in the bank to cover the amount of the new cheque, they responded by saying that "we check the last balance on the statement and then make sure that we do not exceed that amount". This made me realise that I would have to find another way of convincing the participants to complete that part of the cheque counterfoil, since I had clearly been unsuccessful in my attempts to teach this. I got the impression that some of the schools issued cheques without knowing whether there were sufficient funds in the bank account to clear the cheque. In the past they phoned the bank. Now, however, they simply issue the cheque.

After the class discussion all of the schools except one implemented the correct way of dealing with cancelled cheques. During a school visit further discussions were held with the representatives of this school in order to point out what had to be changed, and they then undertook to implement the changes immediately.

A matter of concern, however, is the issuing of signed blank cheques. Despite the fact that the issue had been discussed at length during the lecture, four of the schools persisted with the practice of issuing blank cheques. They justified their actions by saying that "we only issue a blank cheque to the principal" or "we issue a blank cheque when we do not know the amount". I tried on numerous occasions to convince these participants of the dangers involved in issuing blank, signed cheques. However, despite my warnings they insisted on continuing with the practice since they said that they trusted their colleagues.

c) <u>Requisition forms</u>

<u>First cohort</u>

As was mentioned previously, only one school had been using a requisition form before the start of the course. Once the concept had been discussed in class, five other schools started to implement the requisition form as part of their financial process. However, at some of the schools the requisition form was often not completed in detail. At most of these schools the requisition form was only signed by the treasurer, so the cheque was issued without the second signature. All the schools failed to indicate the budgeted item under which the purchase had been classified. This might be partially due to the fact that budget control was not applied at these schools. So they did not understand the need for information regarding budgeted funds available to be reflected on the requisition form.

<u>Second cohort</u>

None of the schools in the second cohort had made use of a requisition system before the start of the financial management course. However, when I visited the schools at the end of the course, three of the seven schools made use of a requisition form to request cheques for payment. The participants who represented schools where the requisition form had not been implemented, indicated that they intended to implement the system in the new financial year. These participants also expressed their frustration with their current system where it often happened that the treasurer could not find two authorised people to sign the cheques and therefore there were delays in payments at their schools. These delays often caused friction among the staff members.

I suggested that the whole process be explained to the staff members, so that everyone understood how long they would have to wait before they could receive the cheque requested. I emphasised the fact that the introduction of the requisition form would improve the control over the issuing of cheques at the school, but would not necessarily contribute to the reduction of the

frustration of the staff members who had to wait for a cheque, unless they understood the process better.

(d) Petty cash vouchers

<u>First cohort</u>

After attending the course, only three of the schools in the first cohort completed petty cash vouchers before payments were made from the petty cash. The rest of the schools issued petty cash without any documentation.

<u>Second cohort</u>

After they had attended the course, both schools in the second cohort who used the petty cash system, insisted that petty cash vouchers be completed before payments were made. At one of these schools however, the voucher was often not signed.

4.7.3 The safe keeping of source documents and the handling of cash

4.7.3.1 Introduction

The safekeeping and handling of cash proved to be more problematic at some schools than at others in both cohorts. It appeared that each school dealt with this aspect in a way that best suited the school and in such a manner that the bank charges could be kept as low as possible. The safekeeping of source documents and financial records were also often neglected at most of the schools.

4.7.3.2 General problems encountered

a) Handling of cash

<u>Both cohorts</u>

When I interviewed the participants of both cohorts, the majority indicated that it was standard practice at their respective schools to make payments from the cash received. This resulted in a difference between the total of the receipt book and the actual amount deposited according to the total of the deposit slip and made financial control very difficult. After our discussion in

class most of the schools changed this practice. However, two of the schools from the first cohort refused to do so. They continued to use cash received during the day in order to make payments. They defended this practice by saying that they were saving on bank charges.

The banking of money appeared to be a problem at most schools in both cohorts. The practice in the majority of schools indicated that they deposited their money once a week at the beginning of the school year, but that later in the year they tended to bank money only once or twice a month. This was because of to the distance that they had to travel to get to the bank, but also because of the bank charges that the school had to pay. This practice caused the problem that the schools often had to keep large sums of money (sometimes as high as R2000 or R3000) safe until it could be deposited.

Under normal circumstances, the size of the deposit should not be problematic. However, when one takes into account the safe keeping facilities available at the schools, the average crime rate in the areas where these schools are situated and the fact that very few of these schools have proper security systems in place, the risks these schools are exposed to become evident.

b) Safekeeping of cash

<u>First cohort</u>

Most of the participants in first cohort indicated that their schools have proper facilities where cash and valuable source documents can be locked away overnight. Some of these schools even have alarm systems installed although most of them cannot afford to link their systems to a security company. However, at two of these schools the treasurer keeps the cash with him/her and takes it home every night. One of these schools indicated that they were budgeting for a proper security system for the school and the situation would be changed the following year. The other school did not have a safe or a strong room and the buildings of the school were dilapidated and easy to burglarise, therefore the treasurer had to take the cash home overnight.

The safekeeping of money appeared to be more problematic with the second cohort. The participants said that the cash at their respective schools was "locked away in the school somewhere". At a few of the schools the money was locked away in the strong room. However, since the schools often also kept their stock of duplicating paper, stationery and equipment such as the duplicating machine in the strong room, access was not restricted and the safety of the cash could not be guaranteed. At other schools the money was locked away in money boxes or filing cabinets and sometimes even in desk drawers.

c) Safekeeping of source documents

Both cohorts

At most of the schools in both cohorts the safekeeping of the source documents of the school was not regarded as important. The receipt books and cheque book of the school were kept by the treasurer who took them home at the end of the day. At some of the schools the principal or deputy principal locked them away in the drawer of his/her desk. None of the documents were kept in the safe overnight. At one school the treasurer had no choice but to take the source documents, records and cash home every night since the building was in a state of near-collapse and it was impossible to keep anything safe at the school.

d) Handling and safekeeping of petty cash

The handling of money out of the petty cash was problematic at most of the schools where the petty cash system was implemented. Although some of the schools limited the imprest amount (the maximum amount that could be kept as cash to make payments from the petty cash – normally specified in the financial policy of the school) to R200 or R500, at other schools the amount was sometimes as high as R2000. Furthermore, as mentioned earlier, at some of the schools money was sometimes taken from the petty cash without having the petty cash voucher signed. Staff members often failed to return the source document that served as proof of the transaction. At one school the

petty cashier indicated that it often took as many as four days between the conclusion of the purchase until the change and the cash slip or receipt was returned to her. Sometimes the cash slip or receipt was never returned since the staff member had mislaid it. At some of the schools staff members did not have to return the change if there was a very small amount of change "like a five cent or a fifty cent". This practice was justified by the fact that the members of staff had to go to town at their own expense.

The petty cash was normally kept in a bank bag or small container in the drawer or filing cabinet of the petty cashier. Sometimes the drawer or filing cabinet would be locked, but normally if this was not the case; the door to the room would be locked. The standard practice at these schools was that the petty cashier took the money home with him/her overnight.

4.7.3.3 Teaching method

(a) Handling and safekeeping of cash, petty cash and source documents

<u>Both cohorts</u>

Although I did not teach the safekeeping of the source documents as a separate topic, I continually emphasised throughout the course the importance of ensuring that the source documents and financial records of the school were safely locked away.

In my teaching of both cohorts the handling and safekeeping of cash were dealt with in several sections of the course. A class discussion was held on the correct way in which cash should be handled and stored. Participants were encouraged to share with the group how their individual schools dealt with this issue. The attention of the participants was drawn to the way in which the topic was being dealt with in the literature. This was also emphasised when the different journals were introduced to the participants.

4.7.3.4 Outcomes

a) Handling of cash

<u>Both cohorts</u>

In the case of both cohorts I found in visiting the participating schools after the completion of the course that, as a result of what the participants had learnt during the course, most of the schools had stopped the practice of using cash received by the school to make payments on behalf of the school. These schools were able to provide evidence that the totals of their receipt books correlated with the totals of their deposit slips (deposit books). All the participants in the second cohort whose schools had made use of cash received to make payments, changed the system. These participants could provide evidence that this practice had been changed at their respective schools after they had attended the lecture dealing with the handling of cash. All the cash received by the schools was now deposited into the bank accounts of the different schools. The totals of their respective deposit books (or slips) corresponded with the totals of their respective receipt books.

b) Safekeeping of cash

<u>Both cohorts</u>

At some of the schools the cash on hand was also locked away at the school. However, only one of the schools actually used the safe of the school to lock away the source documents and the cash received on that day. When I asked why the money and the source documents were not kept in the safe, most of the respondents answered by saying that the photocopier was in the safe and all members of staff had access to it. Some of the respondents also indicated that their schools did not have safes in which to keep money or source documents.

After attending the course, most of the schools adjusted their system in order to reduce the risk of holding a large sum of money. They started banking more regularly and they adjusted the financial policy of their schools in order to reduce the amount of money that was kept at the school before banking it.

c) Safekeeping of source documents

<u>Both cohorts</u>

When I visited the schools the end of the year, both cohorts were able to show me that the source documents of the school were locked away in a filing cabinet or a drawer somewhere in the office of the principal or the treasurer. The financial records (in most cases the CRJ and CPJ as well as the budget) were locked away in the office of the principal or the deputy principal.

d) Handling and safekeeping of petty cash

<u>Both cohorts</u>

An analysis of the manner in which the schools handled and protected their petty cash remained a serious cause of concern even after the course. It became clear from the data gathered that the majority of participants felt petty cash involved only a small amount of money and that it was not very important. The schools in both cohorts failed to effectively control the payments made from petty cash, as well as the return of change and evidence of the transactions. This could partly be attributed to the fact that a very limited amount of time in the course had been devoted to the handling of petty cash.

4.7.4 Number and type of bank accounts

4.7.4.1 Introduction

According to article 37(3) of the SASA (1996:24) a school is only allowed to have one bank account into which all funds of the school should be deposited and from which all payments have to be made. In general most of the schools did not pay attention to this stipulation since all of them had at least two bank accounts.

4.7.4.2 General problems encountered

<u>First cohort</u>

The majority of the schools in the first cohort had one current account and one "investment account", usually in the form of a 32-day deposit account, a money market account or a savings account. The schools used the investment account to keep surplus funds that were not immediately needed. They used this account to put funds aside when they were trying to raise money for a specific project such as maintenance of the school or an educational tour. One of the schools indicated that they had asked the parents of their learners to deposit school fees into the money market account of the school since the bank charges were less on those accounts. All other deposits at this school were made into the current account. However, this complicated the issue of direct deposits even further by causing the reconciliation process to become even more difficult.

One of the schools (a Section 21- school) said that they used their 32-day deposit account to deposit the money that they received from the DoE for specific purposes such as paying the electricity of the school. When the money was received, they deposited all of this in the investment account and only transferred money to the current account of the school every three months in order to be able to make the payments. They felt that the school benefitted from this in two ways, namely the interest that they earned as well as the fact that it prevented them from spending the money on other things.

<u>Second cohort</u>

The picture looked slightly different with the second cohort. Six of the schools used only one bank account – all of them were current accounts. One of the schools had a savings account that was used for all monies received except school fees and a current account that was used for all school fees received. The other schools made use of two separate current accounts – one for school fees and the other for all additional monies received.

When the participants of the schools where the school maintained two separate current accounts or a current account as well as a savings account

were questioned, they all responded by saying that their system helped them to know exactly what money was available for the different purposes. They also indicated that they did not trust the reliability of their own accounting systems to provide them with accurate information.

4.7.4.3 Teaching method

A short class discussion with specific reference to the stipulation of Article 37(3) of the SASA (1996:24) was used to create an awareness of the importance of the number and types of bank accounts. Participants were given an opportunity to share with one another how they managed the bank accounts at their respective schools. Valuable inputs were also made by some of the mentors who attended the lecture.

4.7.4.4 Outcomes

Despite the fact that the participants were informed that the school was only permitted to have one bank account and that all of them knew this even before the course, at the completion of the course some of the schools still used two current accounts or one current account and one savings account, Some schools that made use of an investment account and a current account or a savings account. The main reason why they persisted with this unacceptable practice was that they did not have faith in the accounting systems used at their schools. I believe that this practice of separate bank accounts will only be eradicated once the schools implement reliable accounting systems (manual or computerised) that will inform them exactly how much money is available for specific purposes.

4.7.5 Recording cash transactions in the subsidiary journals and General Ledger

4.7.5.1 Introduction

Teaching learners who have only started with Accounting how to record different transactions in the Cash Receipts Journal and Cash Payments Journal, is always difficult since they often feel completely overawed by the topic. They are hesitant to ask questions since they are not really certain what

they do or do not understand. Teaching school leaders how to record the transactions was an even bigger challenge to me since I did not want to treat them like learners, yet I was fairly convinced that the majority of them were more-or-less at the same level as learners who were being introduced to Accounting. The big challenge for me was to maintain an atmosphere of emotional safety for the participants.

<u>First cohort</u>

With the first cohort I approached the participants very carefully, never pushing for an answer to my questions and always asking those who were willing to respond. However, I soon realised that the only difference between this group and any Grade 8 class was the age gap. I also learnt that unless one insisted on answers from some of the participants, they would never take part in the discussion and would become spectators instead of really benefitting from the process. Within two weeks of starting the course, I changed my approach with the group. As they became used to the fact that they would be confronted with questions that they needed to answer, the atmosphere in the classroom became much more conducive to learning. The participants soon realised that they were all treated in the same way and that no distinctions were being made between younger or older people, or between principals and junior staff members. This approach encouraged the participants to work together, assist one another and to learn from one another.

The CRJ and CPJ have to be recorded in a specific format. In order to do this several columns have to be drawn and then each column has to be named. Each column serves a specific purpose and the names of the columns have to be indicated on the first line. In the case of the first cohort all participants received a worksheet for the completion of a journal exercise. In this case the required columns were already drawn with the headings filled in.

The process of ruling the columns and allocating names to the different columns can be very time consuming and confusing, especially when done by novices. Therefore, in order to save time and to ensure that each participant had the identical worksheet to record their transactions, I provided the first

cohort with worksheets that were prepared before the time for all the exercises they would do during the course.

Although this did save time in the class and the participants all ended up using identical worksheets to record their transactions, some of them found it impossible to implement the recording of the transactions at their schools because they were unable to draw and name the columns that would enable them to record the transactions in the CRJ and CPJ. They were unable to apply their knowledge at the schools because they could not design the structure of the various documents.

The majority of the participants also found it difficult to keep the loose worksheets neatly together in a file. Therefore, they were unable to find their previously completed exercises when I wanted them to refer back to a specific exercise that had been completed earlier. Much time was wasted by participants looking for their exercises.

Second cohort

I approached the students in a more relaxed fashion while I kept on emphasising the fact that the main purpose of the course was to enable them to bring about change in their respective schools. Since the structure of the course changed for the second group, they could do more exercises and I could explain smaller sections of the work to them at a time. This I believe assisted them with the implementation of changes at their schools.

I did not provide the second cohort with any worksheets to use in the completion of the exercises. These participants had to buy the correct accounting books and they had to prepare their own documents by drawing the columns required and providing the headings before they could start recording the transactions.

There were two reasons why I insisted that they work in books instead of on prepared worksheets. Firstly, I had learnt from my experience with the first cohort that they were unable to implement what they had learnt because I had prepared their worksheets for them. Some of these participants were unable to prepare the layout of the journal or financial statements in real accounting

books since they had been working on worksheets all the time. This implied that the majority of the participants used this as an excuse for failing to implement what they had learnt. By forcing the second cohort to prepare their own worksheets, I hoped that they would be more successful with the implementation of what they had learnt in class.

Secondly, when I designed the course, I structured the exercises in such a way that the participants always had to go back to the previous exercises for information needed to do the next exercise. For example, when we did the CRJ, they had to go back to the receipts completed in all the previous exercises and use these to do the CRJs of those exercises. In the next exercise they had to complete the bank reconciliations of all the previous exercises, etc. This meant that the participants were unable to complete the next exercise if they had been unable to page back to the previous exercise. In the first cohort some of the participants did not file their completed exercises in sequence for reference purposes. Therefore they could not find exercises that had been completed previously. In order to try and solve the problem, I insisted that the second cohort made use of real accounting books.

4.7.5.2 General problems encountered

a) Cash receipts journal (CRJ)

<u>First cohort</u>

Based on the test results, all the participants of the first cohort appeared to have mastered the skill of recording transactions in the CRJ. This, however, did not guarantee the successful implementation at their respective schools. The participants in the first cohort struggled with the implementation of the CRJ, especially at schools where there had been no functioning accounting system in place prior to the course. This was evident from the fact that some schools persisted in recording transactions in an unacceptable way. At one school I found that they continued to record the receipts and payments transactions in an A4-folio book. By using this recording system, it was impossible to determine, for example, the total amount of school fees or the total amount spent on printing up to a specific date. When I asked them why

they did not record their transactions in the journals, I was told: "we still have problems doing our books your way, that is why we use this way".

At another school that was struggling with their accounting system, I discovered that nothing had changed despite the course. This school had no financial records they only used their receipts, cheque counterfoils and bank statements when they needed information. When I questioned them about this practice, they responded by saying "due to a lack of time we could not catch up" and "we will try again in the new academic year." They also said "when you taught us in class one could understand, but when we came here it is not easy to apply because we are new at this". Another school used the bank statement and not their source documents to complete the journals of the school.

Some of the schools made use of a computerised system. However, when I visited these schools I found at all of them, except one, that neither the participants nor the bursar actually understood the computer package. They neither knew how the system worked nor how to use it in order to provide them with the information they needed. At one such school the bursar used the system to provide the information up to the trial balance every month, but then she would complete the income statement manually, since she did not realise that it could be done on the computer. When I questioned the bursar and the participants about the accounting system, I realised they also did not really understand the information provided by the computerised system or how to interpret it. I was very concerned about these schools since they relied on the computer to keep their financial records, without being able to interpret the information. They also did not maintain manual records to help them with the management of the finances of the schools, despite what they had learnt. Furthermore, the bursar appeared to be the only one capable of using the system even if it was only partially. No other member of staff was able to work with the computerised package at all.

Second cohort

The second cohort was more successful with the implementation of the CRJ. Four schools managed to implement the recording of transactions in the CRJ

successfully. Minor mistakes were identified during my final school visit. At one school the amount was only indicated in the analysis of receipts column and the bank column and not in a second analysis column. This problem was explained to all the participants as well as the bursar and would be corrected at the earliest possibility. At another school the amount was not underlined in the analysis of receipts column to indicate when it was deposited in the bank. This was brought to the attention of the participants at that school. At one of the schools the amount entered in the bank column did not always correspond to the amount that was recorded on the bank deposit slip. This problem was also brought to the attention of the participants.

Two schools in the second cohort experienced more serious problems with the implementation of the CRJ. One of the schools followed a short-cut in recording their transactions in the CRJ. This system had been in place before the participants enrolled for the course and they assumed that the system was acceptable and therefore they continued as before without changing anything. All of the participants were present during the interview and once the short comings of their system had been pointed out, they agreed to implement the proposed changes from the start of the new academic year.

At the other school nothing that had been taught during the course was implemented. This is the school where one of the participants passed away earlier during the year and this unfortunate incident was still being used as an excuse. I could only speak to the principal during the interview since he refused to allow any of the other participants to be present. I came to the conclusion that the principal was unwilling to make any adjustments to the financial system of the school since the school did not even issue receipts for money received at the school. This underlined to me the importance of those in power with regard to bringing about change in the school and to what extent they could thwart all the work done in a course such as this one.

b) Cash payments journal

<u>First cohort</u>

The majority of the participants from both cohorts found the recording of the CPJ easier to master than the recording of the CRJ. All the participants from both cohorts managed to complete the CPJ successfully in class under test conditions as well. However, the implementation at the respective schools appeared to be problematic.

When I visited the participants of the first cohort at the end of the course, I was disappointed with the fact that only four of the ten schools had actually implemented the CPJ. The rest had not even attempted to implement the CPJ in order to record payment transactions. Two of the schools indicated that they used the bank statement as their record of payment, despite my explanation why this should not be done. At one of the schools I was told that the computer package which they used at their school could not provide a CPJ (this was not the case, but they simply did not understand how the programme worked), and at the same time they indicated that their bookkeeper was "still trying to master the programme and she is not really qualified". Two of the schools where the CPJ was successfully implemented completed the journal in the form of an Excel-spreadsheet. Most of the schools struggled with the recording of their debit orders or stop orders. Although the information regarding the debit orders and stop orders are normally obtained from the bank statement of an organisation, and I planned to explain the way in which it should be recorded by the school under the section dealing with bank reconciliation, I realised that some of the participants had a desperate need to deal with it at that stage. Therefore, despite the fact that the recording of debit and stop orders were to be explained at a later stage in the course, I explained it on an individual basis to the participants who needed to know at that stage.

Only two of the seven schools in the second cohort represented at the course did not implement the CPJ as taught during the course. At all the other schools represented attempts were made to implement the recording of transactions in the CPJ. The two schools that had failed to implement the CPJ

were the same schools who had failed to implement the CRJ. I identified three problems when I visited these schools:

- When the cheque counterfoil had not been completed accurately and all detail had not been provided, the participants often had to think back and "remember" what the cheque was for. This could cause a problem with respect to the reliability of the financial records of the school. It was therefore sometimes necessary to remind the participants about the importance of completing the source documents accurately.

- Schools also appeared to lack faith in their own recording systems. Instead of using the source documents (cheque counterfoils in this case) some of the schools waited for the statement from the bank. Once they had received the bank statement, they would use that to record the transactions in the CPJ.

- Sometimes the participants did not completely understand the computer software that was being used at the school. This led to the belief that the programme was unable to provide the required information, in this case the CPJ.

c) Bank account

Both cohorts

Participants found the posting of the CRJ and CPJ to the Bank account in the General Ledger challenging at the start. Once they understood how it was done, they seemed to find it quite easy. The majority of the participants found the balancing of the ledger account very complicated and not all the participants managed to do that correctly, despite having both the process and the explanation repeated several times.

d) Petty cash journal and ledger account

Both cohorts

In the words of one of the principals, "the payments from the petty cash are never strictly recorded". Another principal indicated that petty cash

transactions were recorded in a hard cover book. Since the transactions made from petty cash had not been recorded properly, these transactions were not reflected in any of the financial statements of the schools. These payments were also not provided for in the budgets of the respective schools.

4.7.5.3 Teaching Method

a) Cash receipts journal

<u>Second cohort</u>

I only had one contact session in which to deal with both the CRJ and CPJ with the first cohort of students. However, owing to the extended period of contact with the second cohort, I spent two contact sessions on the CRJ before moving to the CPJ. The second cohort completed several exercises on the CRJ before I introduced the CPJ. I also invited those who were willing to bring the records of their schools for investigation. Very few of the participants had records that they could bring, but I assisted those who brought records and I made suggestions as to what should be changed. The others were encouraged to start with the implementation process at their schools based on what they had leant and to come and discuss their problems as they arose. I assisted some of the participants with the layout of the CRJ in order to get them started. Unfortunately due to time limitations, I did not do this with the first cohort.

<u>Both cohorts</u>

With the exception of the changes mentioned above, I used the same teaching method to teach the CRJ to both cohorts. I first introduced the participants to the receipt and all the requirements on how to complete the receipt properly. Once they had completed all the exercises on the receipt, I introduced them to the CRJ. Before I taught them how to record the actual transactions in the CRJ, we covered the theoretical background of why transactions were recorded in journals and what different journals should be used. Then I spoke to them about the purpose of the CRJ and what transactions needed to be recorded in the CRJ. I also showed them what the CRJ looked like and I explained the purpose of each column. Following that I

demonstrated how to the record the first receipt (which they completed when we did the receipts) in the CRJ and I asked the participants to copy the entry onto their worksheets. Then I illustrated to them how to record the second receipt that they had completed and asked them to copy this also onto their worksheet. Once I was fairly confident that everybody understood how to record the transactions, I asked them to complete the entries for all the other receipts in that specific exercise.

b) Cash payments journal

<u>Both cohorts</u>

Once the participants had mastered the skill of completing the CRJ, they found it relatively easy to learn how to complete the CPJ. I used the same method in teaching the CPJ as I used in teaching the CRJ. Once again there were two main differences in the methods used for the two cohorts. The first cohort received worksheets on which to complete their exercises, while the second cohort had to complete the exercises in the books. The second cohort completed more exercises than the first cohort. They were also encouraged to work in pairs while they were working during the lecture. Both groups completed a test on the CRJ, CPJ and the bank account.

c) Bank account

<u>Both cohorts</u>

Since all of the participants in both cohorts were novices in Accounting, I really struggled to get all of them to understand how to do the Bank account in the General Ledger. With both cohorts I sensed that the students were beginning to feel overwhelmed with everything that they had to learn at this stage in the programme. I realised that it was very important to encourage the participants constantly to persevere. I also recognised their need for support and that is why I made use of participants in each group who understood how the posting to the bank account worked to help the others that were struggling. I also encouraged them to work in pairs or small groups as far as possible to promote the feeling of support and protection.

Since I did not want them to lose hope and become totally discouraged, and because I was intent on maintaining an atmosphere of emotional safety, I decided against teaching them how to post the CRJ and CPJ to all the ledger accounts involved. I felt that it would be sufficient if they only learnt how to post the two journals to the bank account.

I therefore basically drew a capital-"T" on the board and explained that the name of the account (in this case "Bank") would be written on the horizontal bar. I told them that the area on the left of the vertical line was known as the "debit side" and the area on the right of the vertical line was known as the "credit side". Then I continued by explaining why they had to complete the bank account (in order to find out how much money there really was in the bank account). I explained that the school could not phone the bank to find out how much money was inn the account and that the school could not afford to travel to the bank to draw a statement every time they want to issue a cheque. Once they understood why a bank account had to be done and they had mastered the different terminology, I proceeded to teach them how to post the total of the bank column of the CRJ to the bank account. While I was demonstrating this to them, each participant had the CRJ of the first exercise we had completed open in front of them so that they could see where the amounts were coming from. I then encouraged them to work in pairs and post the CRJ of the next two exercises to the bank account. Once the participants had completed these accounts, I again demonstrated the correct solutions on the chalk board while I repeated the explanation.

First cohort

In the case of the first cohort I then proceeded to explain how the total of the bank column in the CPJ is posted to the bank account in the ledger. Once again the participants had their worksheets in front of them to ensure that everyone knows what amounts I was talking about. They then had to copy the example and complete the posting of the CPJs to the different bank accounts that they had opened when they posted the CRJs. Once this was done I demonstrated the solutions on the chalkboard while they had to correct their answers. Once again I encouraged those who managed to do the work

correctly to help those participants that were struggling. I also moved among the tables to offer some assistance and encouragement.

Second cohort

In the case of the second cohort, after having explained the posting of the CRJ and doing the examples in class, I asked the participants to open bank accounts (a separate one for each exercise) and to post the CRJs of all the remaining exercises for the next contact session. At the next contact session I then marked their work together with them while demonstrating the accounts on the chalk board and then proceeded with the explanation of the posting of the CPJ as explained in the paragraph above. They then had to complete the posting of the CPJ of all the other exercises for the next contact session.

Both cohorts

Once all the bank accounts in all the exercises had been completed, I explained how the bank account had to be balanced. Both groups found this the trickiest part of the whole process. The participants then had to balance all the ledger accounts that they had completed up to that stage. The bank account and the balancing thereof formed part of the test that the participants wrote on the journals.

The second cohort seemed to cope better with the posting of the CRJ and CPJ to the bank account. This could be because the explanation was broken up into three different stages and they were given opportunities to practise in pairs (or small groups) in class and to practise as individuals at home before the next step was explained.

4.7.5.4 Outcomes

a) Cash receipts journal

I was fairly confident that the participants in both cohorts understood the procedure on how to record the CRJ and that they were all able to complete the CRJ successfully. All the participants in both cohorts managed to complete the CRJ successfully in the test that they had to write at the end of the section dealing with the CRJ and CPJ. However, I was disappointed with

the fact that so few of the participants in the first cohort managed to implement the CRJ at their respective schools. The implementation of the CRJ by the second cohort was more successful. This could possibly be attributed to the fact that the second cohort had more practice in completing more exercises over an extended period in time.

b) Cash payments journal

<u>Both cohorts</u>

I found that both cohorts were fairly confident about their ability to complete the CPJ once the teaching of the two journals had been completed. As mentioned in the discussion of the CRJ, all participants managed to complete the test set on this section successfully. Therefore I was disappointed that all the participants did not have the confidence to insist that the CPJ be used to record the payment transactions at their respective schools.

<u>Second cohort</u>

Owing to the fact that I had explained this section in great detail to both cohorts, I was very surprised when I discovered that at two schools (in the second cohort) the bank statement was being used by the treasurer to complete the CPJ of the school. Since this was so far removed from the way in which it should be done, I never even thought of warning the participants not to do that. This could be an indication that the schools did not trust their own abilities to complete source documents for all their transactions.

c) Bank account

<u>Both cohorts</u>

Despite the fact that I had explained the process of how the CPJ and CRJ had to be posted to the bank account several times, and the fact that I gave the participants a number of exercises to do in order to practice the skill, not all the participants mastered this section. Some participants in both groups still struggled to complete a bank account at the end of the course. However, it did appear as if the second cohort struggled slightly less than the first cohort, and this could partly be attributed to the fact that the second cohort had a longer

time to practise and master the skill and I had had more opportunities to explain this to them.

4.7.6 Bank reconciliation

4.7.6.1 Introduction

This was one of the more difficult sections to teach. Although all the schools were supposed to submit a copy of their bank reconciliation statements to the DoE on a quarterly basis, many of the participants confessed that they did not actually know how to complete these forms. Those who bothered to try and managed to submit the forms never received any feedback. That contributed to the fact that they did not understand the importance of the whole process. The poor feedback and support by the DoE was one of the key issues that I became aware of in this study. I will comment extensively on this key issue later on.

4.7.6.2 General problems encountered

<u>First cohort</u>

Before the course for the first cohort the bank reconciliation had only been completed at three of the schools. One of the principals of these three schools indicated that she did it the same way as her predecessor but that she had never really completely understood what she was doing until she attended the course. At the other two schools the bursar was responsible for the bank reconciliation process but only one of the bursars was qualified for the task. At one of these schools where the reconciliation process had been implemented, the principal indicated that the direct depositing of school fees caused problems with the reconciliation process. The school used a very creative way to deal with the problem. This is too complex to describe in detail here. However, one positive point was that they kept all the source documents involved in this process in a file for their auditors. It is therefore possible to verify the accuracy of the process. Although the school used a slightly modified version of what was taught during the course, this school attempted to implement the reconciliation process. Two other schools also implemented the reconciliation process although they did not complete it on a monthly basis

but only once per term. They defended this practice by saying that the Department of Education (DoE) in the Eastern Cape required the bank reconciliation to be done once per term. Therefore in order to meet this requirement their treasurers completed the bank reconciliation statement not once per month, but once per term.

All the other participants in the first cohort found the implementation of the bank reconciliation process very problematic if not impossible to do. Statements such as "we are struggling" and "it is difficult to keep our records up to date, but we are trying" emphasised the fact that they had found this extremely difficult.

After they had attended the course, some of the participants at least started to compare their bank statements to their cheque books and receipt books. They could not compare the statements to their journals or cash books since at that stage they had not changed their recording system. They would only be able to implement bank reconciliation once they had started to record all their payments and receipts in a cash book or cash journals.

Some of the schools also indicated that they struggled with the handling of their debit orders and stop orders. I explained to them that the recording problem would only be addressed once they had applied the reconciliation process in full. I also explained steps that could be taken to ensure that there were sufficient funds in the bank to cover the debit and stop orders.

Second cohort

I was very disappointed that only one school in the second cohort had attempted to implement the bank reconciliation process even after they had completed the course. At this school the participants managed to complete the outstanding deposits and payments in their own cash journals after the comparison with the bank statement. However, they struggled with the bank reconciliation statement. I explained this part to all of the participants again during my final visit to the school.

None of the other participants in the second cohort were able to implement the reconciliation process completely at their schools. At some of the schools

the cash journals were not completed correctly and the participants were still busy implementing changes. They indicated that they would try to implement the reconciliation process although they still struggled with it. At these schools I explained the reconciliation process again to all of the participants present during the interviews.

At one school there were no financial records except the cheque counterfoils and a few receipts. I did not attempt to explain the reconciliation process to the principal again despite the fact that I believed he did not understand the process since he was clearly not interested in implementing any changes at the school. He also prevented the other participants at his school from taking part in the interview.

4.7.6.3 Teaching Method

<u>Both cohorts</u>

In the case of both cohorts I started the discussion regarding the bank reconciliation process with an explanation of what the bank statement really was and where the statement actually came from. This explanation included the fact that a debit balance in the records of the school was reflected as a credit balance on the bank statement and vice versa. After this the discussion moved towards the fact that the records of the bank could sometimes be faulty or incomplete. Reference was made to several aspects that could cause problems on the bank statement. Several of the participants in both cohorts found this idea very fascinating since they were under the impression that the bank records were always correct. Some of them even used the bank statement as a source document from which to record all their own cash transactions. During the discussion, reference was made to factors that could cause the bank records to be incomplete of incorrect.

I then proceeded to explain how entries in the cash receipts journal should be compared to entries in the deposit column of the bank statement, and why when an entry appeared on both, the entry had to be ticked off on the bank statement as well as in the CRJ. While I was explaining this, I demonstrated it by making use of an example on a transparency so that the participants could

see how it should be done. We completed the comparison between the CRJ and the deposits together. Once all the amounts had been compared, we compared notes on which amounts were not marked off on the CRJ and in the deposit column on the bank statement.

I then explained that the entries in the CPJ of the school should be compared in exactly the same manner to the entries in the cheque column on the bank statement. The participants then worked in pairs to complete the comparison and to mark off the amounts that appeared in both documents. Once they had completed this activity, I showed the CPJ and bank statement on transparencies and they could check whether they agreed with the amounts that had been marked off on both. The first cohort made use of worksheets while the second cohort had to complete all the exercises in the work books.

Once the comparisons were completed and the amounts were marked off, I explained that:

- amounts that had not been marked off on the bank statement had to be recorded in the CRJ and CPJ and
- amounts that had not been marked off in the CRJ and CPJ, should be recorded on the bank reconciliation statement since the bank would not allow the public to correct their records. I emphasised the fact that the school should phone or visit the bank to discuss these discrepancies.

First cohort

Because I had longer contact sessions (three hours each) with the first cohort, I asked them to complete the CRJ and CPJ in class (in order to reflect the amounts omitted) and then I gave them a second exercise to do. They had to complete the comparison between the journals and the bank statement and to complete the CRJ and CPJ for the next contact session.

The next contact session started with the correcting of the CRJ and CPJ. I then explained and demonstrated how to complete the bank reconciliation statement. After the explanation the participants had to copy the example and then they had to start with another exercise that had to be completed for the

next contact session. Unfortunately I did not have enough time to spend on the reconciliation process and once the exercise had been corrected, I had to start with the next topic.

<u>Second cohort</u>

My contact sessions with the second cohort were much shorter (1 hour). Therefore, after marking off the amounts on the bank statement and the journals and my explanation, the session ended. I asked them to complete only the CRJ for the next contact session. I also gave them another exercise where they were asked to compare the documents, mark off the amounts and also complete the CRJ. At the start of the next contact session we first marked the CRJ of the first exercise while I showed the solution on a transparency. Then we compared the amounts that were marked off in the journals and the bank statement. Once all of us agreed on the amounts that had not been ticked off, I helped them with the correction of the second CRJ that they had to complete. Once I was convinced that they could all complete the CRJ, I asked them to complete the CPJ of the two exercises. These were corrected at the next contact session.

I only explained the bank reconciliation statement to the second cohort at the next session, once they had all demonstrated a clear understanding of the way in which the CRJ and CPJ had to be completed. After I had explained the reconciliation statement to the group and demonstrated how it had to be completed, I asked them to copy the example and to complete the reconciliation statement for the second exercise. I emphasised the fact that the reconciliation statement should balance and paid attention to reasons why it might not balance. When they had completed the reconciliation statement of the second exercise and they had finished marking it based on the solution provided and explained by means of a transparency, I gave them two more exercises before we continued to the next section of the work.

The explanation of this section to the second cohort was staggered over three contact sessions. They were given several opportunities to work in pairs during the contact sessions and to consult with their fellow participants as well

as with me when they did not understand. They also had to complete some of the exercises on their own as homework assignments.

4.7.6.4 Outcomes

<u>First cohort</u>

Three of the participants in the first cohort indicated the fact that Bank reconciliation which had been covered in the course had made a difference at their respective schools. One participant said:" Eers het ek net na die laaste saldo op die bank staat gekyk – dit was die belangrikste vir my. Nou gaan ek deur elke deposito en elke tjek op die staat." (This basically means that before the course he had only checked the last amount on the bank statement since it indicated how much money was left in the account, but since he had completed the course he checked every entry on the statement). He was very proud to mention that by doing this he had managed to pick up a mistake on the bank statement of the school. He said:"Ek het opgetel op een van ons state dat die debit order op 'n masjien wat ons reeds afgeskryf het, steeds deurgegaan het. Nadat ek dit met die bank bespreek het het die skool die geld terug gekry". This means that he had picked up that a debit order for a machine that had been written off by the school, had still been deducted from the bank account. After he had discussed the problem with the bank, the money was returned to the school.

At another school the treasurer was responsible for the completion of the reconciliation form that had to be returned to the DoE at the end of each term. After the reconciliation process had been dealt with during the lectures, the principal decided to take responsibility for that himself. Where in the past, he had only checked the deposits before it was taken to the bank, he implemented the complete reconciliation process and discovered that the bursar had embezzled a large sum of money from the school over an extended period of time. Based on his discovery, an investigation was launched by the DoE on behalf of the school and the bursar was suspended. At the time of the interview with the participants at the school, the DoE still had to decide on further action. Although the school has appointed a new

bursar in the meantime, the principal has taken on the responsibility of completing the bank reconciliation process at the end of each month.

Unfortunately none of the other participants in the first cohort were able to implement the reconciliation process successfully at their schools. They will first have to adapt their recording processes before they will be able to implement the bank reconciliation process.

<u>Second cohort</u>

I was very disappointed with the fact that only one of the participants in the second cohort had attempted to implement the bank reconciliation process at the school after the reconciliation process had been discussed in class. This school managed to complete the journals of the school after comparison with the bank statement but then ran into trouble with the completion of the reconciliation statement. None of the other participants had attempted to implement the reconciliation process at the school.

I came to the conclusion that none of the participants were really able to implement the reconciliation process at the school if this had not been the case prior to the course. The participants from schools where this had been done prior to the course, understood the process better after the course and they were able to make slight adjustments to the reconciliation process at their respective schools. They were also able to use their newly acquired skills to the benefit of the school, especially where the school could save money or detect fraud. However, all the other schools battled with this section mainly because their journals were not kept according to the specifications. They would only be able to implement the reconciliation process once all the other problems had been addressed.

4.7.7 Trial Balance

4.7.7.1 Introduction

I originally intended to teach the participants every step of the accounting cycle from where the source documents are completed to where the financial statements are compiled and interpreted since I believed that that would

assist the participants to understand better the financial records of the school. I felt that if they understood where the records came from, they would be better able to interpret the records and make informed financial decisions. However, soon after the commencement of the course I realised that all the participants did not share my enthusiasm and with the exception of a few all of them found some aspects of the actual recording of the transactions really challenging.

After having taught the participants how to post the CRJ and CPJ to the Bank account in the General Ledger, I realised that if I attempted to teach them how to post the two journals to the rest of the accounts in the General Ledger as well, I would not only lose their interest but that a large percentage of the group would simply stop trying to cope with the work because they were already starting to feel overwhelmed. My aim with the course was to improve the ability of the participants to manage successfully the finances of their schools and not to cause some of them to drop out or simply lose interest owing to their inability to cope with the work. This again relates to one of the principles of adult education, namely to create a safe learning environment for the students. See the literature study, Chapter 2, paragraph (2.3.3). I therefore had to find a way that would enable them to determine exactly how much money had been spent on each item without asking them to complete all the different accounts in the General Ledger since I believed that if I pushed them to complete the entries in the General Ledger, many of the participants would simply stop attending lectures.

I also had to find a way to provide participants with a list of balances of true income and expenditure on which to base their financial statements at the end of the year. Before making the decision to teach the participants the short cut to the trial balance, I had an in-depth discussion with several of my colleagues in order to obtain their input regarding the matter. Finally I decided to teach the participants how to compile the trial balance without completing the rest of the ledger accounts.

4.7.7.2 General problems encountered

<u>Both cohorts</u>

Once I had explained the way in which to do the Trial Balance, most of the participants appeared to have grasped the idea. Both cohorts managed to complete the exercises in class reasonably successfully. Because the second cohort had completed more exercises on the Trial Balance than the first cohort, the participants of the second cohort were more confident in their own ability to complete the Trial Balance successfully on an individual basis without my assistance.

Some participants in both cohorts required a bit more assistance at the second session on the Trial Balance, but they appeared to have sorted out their problems regarding the difference between debit and credit, as well as when to write a specific amount in a specific column. Some indicated that they found the work easy to do when I explained it in class but it appeared that it was more difficult when they had to complete the exercise at home. They found it even more complex when they tried to implement what they had learnt in their schools.

Participants in both cohorts indicated that it was impossible for them to implement the Trial Balance since their accounting system did not meet the requirements. At most of the schools the participants were in the process of introducing changes to the way in which the source documents were completed and transactions were recorded in the CRJ and CPJ. Since most of the participants experienced great difficulty in the completion of the CRJ and CPJ, they said that they first had to solve those problems before they could attempt to introduce the Trial Balance. The majority of the participants planned to change the way in which the journals were recorded at the beginning of the new financial year. They would therefore only be able to implement the trial balance in the following year.

<u>First cohort</u>

Most of the participants managed to complete the Trial Balance exercises in class and at home once I had explained the way in which it should be done.

However, the implementation of the Trial Balance at the various schools appeared to be very problematic. Only one of the participants implemented the Trial Balance in the accounting process at her school. This participant said that she had never done the Trial Balance before she had attended the course but that she found it to be of great help in (the) managing of (the) finances at her school. She used the trial balance at the budget meetings to illustrate the budget variances on a monthly basis. For me this was a great encouragement to see that the course did in some cases bring about meaningful change in the schools.

I did not have enough time to repeat the process of compiling the Trial Balance with this group several times. Therefore I believe that some of the participants could have lacked faith in their own ability to implement the Trial Balance in the accounting process at their schools.

<u>Second cohort</u>

The participants of the second cohort were all confident that they would be able to do the Trial Balance independently, without assistance. Several of the participants in this group planned to implement the Trial Balance at their respective schools the following year. They indicated that immediate implementation was impossible owing to the fact that they first had to change the recording systems at their schools in order to complete the CRJ and CPJ regularly on a monthly basis.

4.7.7.3 Teaching Method

<u>Both cohorts</u>

I used the same method to teach the trial balance to both cohorts. I introduced the lecture on the Trial Balance by providing the participants with the framework of the layout of the Trial Balance. I explained that the Trial Balance consisted of two sections, namely the Balance Sheet section (for all assets, liabilities and owners' equity accounts) and the Nominal Account section (for all income and expense accounts). I demonstrated the framework of the Trial Balance on the chalkboard by ruling the columns and indicating the two sections, as well as the heading of the Trial Balance. Once the framework

was on the board, the participants had to copy it. The first cohort copied the framework onto the worksheets provided while the second cohort copied it into their work books.

I continued by explaining the reasons why a business would normally complete a trial balance and what kind of problems would be reflected by the trial balance. I also emphasised the reason why they were going to do the Trial Balance, despite the fact that they did not complete all the accounts in the General Ledger. I told the participants that the biggest challenge with regard to a Trial Balance was to balance the Trial Balance and that the process could not continue if the total of the debit column did not correspond with the total of the credit column.

I then proceeded by explaining the concept "double entry" and what it entailed. At that stage the participants already knew the meaning of the different concepts such as "account, balance, debit and credit". Since most of the participants managed to post the bank columns in the CRJ and CPJ to the Bank account in the General Ledger successfully, I used the Bank account as my point of departure in explaining the Trial Balance. I started by explaining the principle of double entry and by pointing out how this principle was applied in the CRJ and CPJ.

Once the participants had grasped the meaning of the principle of double entry, I then proceeded to explain that if the total of the bank column in the CRJ was recorded on the debit side of the Bank account in the General Ledger, according to the principle of double entry, all the amounts had to be recorded on the credit side of all other accounts if these accounts were being done. This meant that all of those accounts would have credit balances. However, since the participants were not completing all the Ledger accounts, this meant that all the other accounts mentioned in the CRJ would have credit totals and the amounts would be listed in the credit column of the Trial Balance.

I explained the transactions recorded in the CPJ in the same way and pointed out that since the total of the bank column was posted to the credit side of the Bank account in the General Ledger, all the other accounts would have debit

totals. Therefore the totals of these accounts would be listed in the debit column of the Trial Balance.

First cohort

Once I had demonstrated how to record the debit balance of the Bank account in the debit column under the heading "Balance Sheet section", and the amount of the school fees column under the heading "Nominal Account section" in the credit column, I asked the participants to complete the rest of the totals in the CRJ in the Nominal Account section of the Trial Balance. When the participants had completed their entries, I first asked them to compare their totals to the totals in my Trial Balance and to ensure that the totals were in the correct column. I continued to explain how to deal with the totals in the CPJ and how to record those in the Trial Balance under the relevant sections. I also explained how to deal with an account (e.g. school fees) that could have a debit as well as a credit total, since each account could only have one total in the Trial Balance. They then had to complete the entries in the Trial Balance.

After they had done that, I explained how to "balance" the Trial Balance. I also explained what it meant if the Trial Balance did not balance and what steps could be taken to rectify the problem. At the end of the contact session I gave them two more exercises (of those in which they completed the CRJ and CPJ earlier) to complete at home for the next contact session. At the next contact session, I demonstrated these two exercises on transparencies and asked the participants to correct their exercises before I continued with the explanation of the statement of income and expenditure.

Second cohort

I used the same teaching method with regard to the Trial Balance for both groups. The explanation on how to record the entries of the CRJ in the Trial Balance was followed by an activity where the participants had to complete the recording of the first CRJ in the Trial Balance in pairs. Once all of them had completed the activity, I demonstrated how it should have been done on the chalkboard. Then I requested them to record the entries of the same

exercise, from the CPJ in the Trial Balance (still working in pairs) based on what they had just learnt. Once they had managed to balance the first Trial Balance, they compared their Trial Balance to the one I illustrated on the chalkboard and made changes (where necessary). They were then given another exercise to complete at home. At the next session, I used a transparency to display the correct Trial Balance. After that they had to complete the Trial Balance of two more exercises. The one exercise was corrected during the lecture. The other exercise was corrected at the start of the next contact session. In both cases I demonstrated the correct answers on a transparency and the participants had to ensure that their amounts corresponded with mine and that the amounts were in the same columns (as indicated on the transparency).

4.7.7.4 Outcomes

<u>Both cohorts</u>

I was very disappointed that only one out of a total of seventeen schools (total number of schools in both cohorts) attempted to implement the Trial Balance as part of the recording system. A number of participants told me that they could not introduce the Trial Balance without changing the way in which receipts and payments were recorded at their schools. I supported this point of view when I visited their schools and investigated their records. When I asked them why they had not change their recoding system when they had learnt about this in class, they indicated that it was too late in the year and that they had felt it would be easier to change the system from the beginning of the new school year.

According to the feedback received from the participants in both cohorts, it was very difficult to implement changes to the financial system and the way transactions were recorded when they learnt about the correct way in which it should be done. All of the participants (in both groups) felt that it would be easier if the changes could be implemented from the start of the new year. However, there is always the danger that when they postpone implementing the changes, they may not bring about any change at all.

4.7.8 Financial statements

4.7.8.1 Introduction

All the schools in both cohorts were aware of the requirement of section 42 of the SASA (Act no 84 of 1996) even before the start of the financial management course. According to this requirement all public schools have to keep records of their financial transactions as well as their assets and liabilities. The participants were also aware of the requirement that they had to compile financial statements within three months of the end of each financial year and that these statements had to be submitted within six months of the end of the financial period. When I visited the different schools of both cohorts, they were able to provide evidence that they had submitted their financial statements to the DoE for a number of years. Copies of these statements were kept in a file in the office of the principal at all of the schools. However, they mentioned that they had never received any feedback or guidance from the DoE in this regard.

During my visits to the schools represented in both cohorts I realised that, with the exception of three schools in the first cohort, none of the other schools had been in a position to provide reliable financial statements before they enrolled for the course. The financial systems implemented at these schools simply could not provide information that truly reflected the financial position of the schools. Since they had been unable to obtain the data from their systems, some of these schools were forced to fabricate data in order to provide the required statements to the DoE. Other schools found it impossible to complete the income statement required by the DoE and therefore they simply duplicated their notes on income and payments, as recorded in their A5 book. These duplicated notes were then sent to the DoE. They believed that these were acceptable because they never received any feedback from the DoE.

4.7.8.2 General problems encountered

<u>First cohort</u>

The participants of the first cohort battled with the implementation of what they had learnt during the course. With the exception of the three schools already mentioned, most of the participants indicated that they were not confident enough to complete the financial statements. Some of the participants said that they felt they still lacked the skills required to complete and interpret the financial statements. The majority of the participants mentioned that the way in which the financial transactions were recorded at their schools did not enable them to complete financial statements. I concluded when I visited these schools that most of them felt it was too late in the year to implement fully everything that they had learnt during the course and that it would be easier if they started implementing the changes from the beginning of the new financial period. At that stage it was impossible for virtually all schools to complete reliable financial statements based on the information provided by the financial systems of the schools.

<u>Second cohort</u>

I was really disappointed that none of the schools represented in this group attempted to draft their financial statements based on what they had learnt during the course. I felt that this group had a better understanding than the first cohort of how it should be done. I also believed that the number of exercises which they had completed, as well as the fact that they had written a test on this section, which all of them passed with good results, should have given them sufficient confidence and self-belief to implement what they had learnt at their schools.

When I questioned them about the reason for not implementing what they had learnt, it also boiled down to the fact that when they finally reach the stage of the financial statements, there were so many changes that had to be made to their financial systems, that they all felt it would be better to implement everything right from the start of the new financial year. This made me question what would be the best time in the academic year to start such a

course so as to ensure maximum implementation of all aspects by the participants.

4.7.8.3 Teaching method

a) Statement of income and expenditure

<u>Both cohorts</u>

I decided to teach the participants how to complete the Statement of Income and Expenditure (instead of an Income Statement) since they would be using the statement to calculate the surplus for a non-profit organisation (their schools). I used the same teaching method in the teaching of the statement of income and expenditure to both cohorts. I first introduced this section by once again referring to the accounting cycle and reminding them at which section of this cycle we found ourselves at that stage. Then I explained the reason why the school had to complete the statement of income and expenditure. This was followed by a demonstration of the layout of the framework of the statement on the chalkboard.

In order to keep the process of compiling the statement of income and expenditure as simple as possible, I decided to teach the statement in horizontal format with the expenditure items on the left side and the income items listed on the right side of the statement. At that stage the participants in both groups had a clear understanding of the difference between debit and credit. Therefore they found the explanation that all expenditure items should be listed on the left side and all income items on the right side of the statement, quite easy to understand.

Once the participants had copied the basic format of the statement from the chalkboard, I asked them to find the first exercise that we had done on the Trial Balance. Once they all had that example open in front of them I reminded them that in order to complete the Statement of Income and Expenditure, they would only use the accounts listed in the Nominal Account section of the Trial Balance. In order to ensure that everyone knew why I said that they would only use items from the Nominal Account section, I reminded them very briefly about the difference between the two sections in the Trial

Balance. I then illustrated to them how to record the first expenditure item under the expenditure section and the first income item under the income section. Then I asked them to complete the statement. Once they had completed the statement by entering all the expenditure and income items, I briefly explained to them how to calculate and record the surplus and how to close the statement. The participants grasped the explanation of how to calculate the surplus quickly, owing to the fact that they had learnt how to balance the bank account earlier during the course. There was a spontaneous discussion around the question whether the statement would always have a surplus or if it was possible for the school to have a deficit.

Difference between first and second cohort

Although I used the same teaching method for both cohorts, it differed slightly in terms of some aspects. As mentioned earlier, the first cohort used worksheets on which to complete their exercises while the second cohort completed all their exercises in their own accounting books. Because I had slightly more time with the second cohort, they completed more exercises in this section than the first cohort. I spent two contact sessions with the second cohort but had only one contact session with the first cohort on this section of the work.

While the participants in the second cohort were working during the lecture, I encouraged them to work in pairs and to speak to their peers when they ran into difficulty. I also moved around among the groups while they were working. The second cohort also wrote a test on this section of the work.

I taught the first cohort the Statement of Income and Expenditure as well as the Balance Sheet during one contact session since that was the only time available in which to teach that. Although I wanted the participants of the first cohort to complete some exercises also during the lecture, I had less time in which to allow them to practise in class. These participants were only able to complete two exercises on the statement of income and expenditure and the balance sheet. At that stage I was reasonably certain that they all understood how to compile the financial statements.

b) Balance sheet

<u>First cohort</u>

I only taught the first cohort how to complete the balance sheet of a school since I realised during the teaching process that the previously disadvantaged schools did not usually purchase assets from the school funds. Instead of teaching the Balance Sheet to the second cohort, I taught them how to compile a list of assets. I used the same method as when I explained the Statement of Income and Expenditure. I started by explaining that only the accounts listed in the Balance Sheet section are used to compile the Balance Sheet. I then demonstrated the layout of the Balance Sheet on the chalkboard. During my explanation I emphasized that the assets had to be listed on the left side and the liabilities on the right side of the Balance Sheet. I then gave the participants an exercise to complete during the lecture. When the exercise had been completed, I explained what was meant by the concept of the "Balance Sheet being balanced." Once the explanation had been completed, I gave the participants an exercise to complete during the lecture. Once this was done and the exercise had been marked, I gave the group another combined exercise (Statement of Income and Expenditure as well as Balance Sheet). This had to be completed at home for the next contact session.

During this session, I discovered that none of the schools actually purchased any assets from their own funds. Only one of the seventeen schools in both cohorts budgeted for the purchase of additional textbooks for learners from school funds. No other assets were purchased by any of the schools. Therefore I decided not to teach the Balance Sheet to the second cohort. I only showed them how to compile a list of their assets. If they should decide to purchase additional assets, the assets could simply be reflected in the lists of assets. (The teaching of the Balance Sheet should, however, be reconsidered in the case of Section 21 schools since they will have to compile a Balance Sheet to reflect the financial position of the school in future.)

4.7.8.4 Outcomes

<u>First cohort</u>

Three schools in this cohort had been compiling financial statements even before the participants enrolled for the course in Financial Management. One of the schools was making use of a computerised system to record their financial transactions. Although another school also made use of a computerised system to record the financial transactions of the school, the treasurer indicated that she compiled the financial statements manually at the end of each year. She thought that the system had been unable to complete financial statements. When I spoke to the treasurer, I realised that she did not understand the system completely. I pointed out that the system was able to provide the financial statements at the end of the year and I advised the participants as well as the treasurer that she should consider attending a training course in order to obtain maximum benefits from the accounting package. At the third school the principal had been responsible for manually compiling the financial statements at the end of the year for a number of years, even before attending the course. Despite the fact that she was able to complete the financial statements successfully, based on examples done by the previous principal, she indicated that she had never really understood what she had been doing until she completed the course.

The participants at all three of these schools indicated that although the financial statements of their schools had been completed annually even before they attended the course, they finally understood where the figures came from and what the figures actually meant. The participants were more at ease when it came to the actual interpretation of the financial statements. They felt that for the first time they could confidently use the information provided by their financial statements to inform the financial decision making at their schools.

<u>Both cohorts</u>

I must admit I was very disappointed that none of the other schools in both cohorts appeared to be ready to implement what they had learnt regarding

financial statements. I had spent so much time on explaining all the aspects of financial record keeping and how it should be done, especially with regard to the second cohort that I expected a large percentage of the participants to implement what they had learnt. Furthermore, virtually all the participants managed to complete the exercises on the financial statements successfully in class and as homework assignments.

However, even after the participants had completed the financial management course, most of the schools were still not able to compile financial statements that reflected the real financial position of the school for that specific financial period. At the majority of the schools the participants indicated that drastic changes had to be made to virtually all aspects of their financial recording system. They all seemed to realise that these changes first had to be implemented before they could implement changes in the way they compiled their financial statements. A lot of time had lapsed during the year by the time that they learnt how to deal with the financial statements. Most of the participants indicated that they had decided to wait with the implementation of the correct way to compile financial statements until the new financial year.

4.7.9 Budgeting

4.7.9.1 Introduction

According to the stipulations of section 38 of the SASA (1996:24) the SGB of a public school has to prepare a budget which shows the estimated income and expenditure of the school for the following financial year. Furthermore, the budget has to be presented at a general meeting of parents and be approved by the majority of the parents present. All the participants of both cohorts had been aware of these requirements of the SASA, even before they attended the course.

All the schools were able to provide copies of budgets from previous years that had been submitted to the DoE. These copies had been kept in files in the offices of the principals of the schools. However, in many cases these budgets were "paper" budgets – created from fictitious figures in order to satisfy the requirements of the DoE, but totally useless as a tool in financial

management. The recording systems used at the majority of the schools represented in both cohorts, had been ineffective. Therefore these schools did not have reliable data that could be used to compile a budget that would reflect the expected income and expenditure for the following financial period.

Budget control was an even bigger challenge. All the participants indicated that they had experienced great difficulty in applying budget control at their schools. At most of the schools the money was spent on a "first come, first served" basis and no reference was made to the budget when expenditure had to be approved.

4.7.9.2 General problems encountered

a) Compiling a budget

<u>Both cohorts</u>

At some of the schools I found that they started the preparation of the budget for the new financial period only during January and the early part of February of the year. It was clear from my visits that the participants had realised they had to change the time frame for preparing the budget. However, the financial systems at the majority of the schools appeared to be very rigid and slow to change. Suggestions for change had often been met with a great deal of suspicion at the majority of the schools, and therefore most of the participants felt that it would take them a while to convince all the parties involved of this required change.

<u>First cohort</u>

I was encouraged by the fact that many of the participants attempted to implement some aspects of what they had learnt regarding budgeting. With the exception of the school where the principal left the premises shortly before I was due to arrive for our scheduled meeting, all the schools attempted to implement some aspects of what they had been taught during the course. Some schools were more successful in their attempts than others.

At one of the schools I found that they had based the budget of the following year on the figures that they had calculated for the first six months of the

current year. That was due to the fact that they struggled with the recording of their transactions and they had only managed to analyse what they had recorded in the A4-book for the first six months of the year. They indicated that the analysis was a very time consuming exercise and therefore they felt that the data of the first six months were enough. The budget had been compiled by the principal and deputy principal only. No other stakeholders had been consulted in the process. I also discovered that they had not considered the income of the school while they were budgeting, they had only determined the expenditure side of their budget. When I met with the participants, no budget meetings had been held with the parent community, staff or SGB at this school. This implied therefore that the budget had not been approved. Although I could see that they had attempted to implement changes at the school, I again had to explain several aspects regarding budgeting to these participants. It was clear that this school would need a lot of additional support if they were to be able to implement a proper budgeting system. This again highlighted the importance of the lecturer visiting the schools to see what was really taking place at grassroots level. It also stressed the adult learning principle of relevance, of assisting participants to implement their learning at the level where it really counted.

At another school where no budget had been prepared in the past, I also found that attempts had been made at introducing budgeting at the school after the contact session on budgeting. The expenditure side of the budget had been prepared by the treasurer, principal and deputy principal of the school. However, they did not consult the members of staff in the budgeting process. The new budget was based on the results of the financial report of the previous year. Although attempts had been made to base the new budget on financial figures from the previous year, the financial data of the school were unreliable as a result of the way in which transactions had been recorded in the past. I found that I had to advise the participants on how to apply zero based budgeting in order to obtain a reliable budget for the first year. I then explained that if they recorded the financial transactions accurately for the whole year, they would be able to apply incremental budgeting in future. I had to remind these participants how important it was to

include all stakeholders in the budgeting process right from the start in order to ensure that they all took ownership of the budget. The participants had to go back and consult with all the other interest groups to ensure that none of them felt excluded from the budgeting process.

At another school I found that the treasurer had been made solely responsible for the implementation of the budget. Although this school had a reasonably reliable accounting system in place and therefore their budget was based on relatively reliable figures, the management of the school distanced themselves completely from the budget once it was compiled. The treasurer had to ensure that the budget was implemented and controlled in order to prevent over-spending. When the allocation of money had to be adjusted owing to some over-spending or an urgent repair not budgeted for, the treasurer had to decide how that should be done. There was no consultation between the treasurer, the SGB and the management team of the school regarding the implementation and control of the budget.

Based on a request that I had received from the participants at this school prior to my visit, I arranged a meeting with all the stakeholders involved in the financial management of the school. The purpose of the meeting was to discuss the roles and responsibilities of the different persons involved in the financial management of the school and to convince them of the need to introduce some adjustments to the financial management system. The participants had asked me to address everyone involved since they felt that the message regarding the need for change would be received more readily coming from me than coming from one of the participants who was attending the course.

The biggest problem with how the budget had to be compiled, had been the fact that the majority of the participants in this cohort did not have enough time during the course to update their financial recording systems for that specific year. At some of the schools major changes had to be made. Therefore they did not have reliable data to use as a point of departure in drawing up the budget for the new financial period.

<u>Second cohort</u>

I was under the impression that the participants of the second cohort understood the process of how to compile a budget fairly well once it had been discussed in the lecture. I also felt that they had more time to bring about change to the record keeping processes at their respective schools than the first cohort. Therefore I was convinced that this group would be able to implement the correct way of compiling a budget without any problems. However, I was very disappointed that so many of the participants in this group really struggled to compile budgets for the respective schools even after they had attended the lecture. It was only after I had spent some time thinking about the problem that I realised the schools in the second cohort had much bigger challenges regarding the financial management of their schools than most of the schools in the first cohort. The participants of most of these schools had to introduce a completely new financial management system because there were no systems in place at the schools or because the existing systems had many major problems and were therefore totally ineffective.

The fact that the record keeping systems at the schools had not all been updated for all the months of that specific year since the different aspects were presented to the participants, proved to be a major stumbling block to most of the schools. Some participants indicated that they felt overwhelmed by the large number of changes that had to be introduced to their financial systems. In an effort to cope with their duties at school, and to continue attending the lectures they had decided to implement all changes, including those regarding the budgeting procedure, as from the start of the new financial period. These schools did, however, indicate that they understood the basic principles of budgeting after the budgeting session and that they would get in touch with me if they experienced any difficulties with the practical implementation during the following year.

b) Budget control

<u>Both cohorts</u>

Budget control remained problematic at most of the schools in both cohorts even after they had completed the financial management course. Most of the participants started to implement some changes aimed at making effective budget control possible after the lecture on budget control. An example of these was adjusting the requisition form in order to reflect the amount available for spending according to the budget or insisting that the requisition form be signed by the treasurer before the request for payment could be processed any further. However, these changes were not enough to ensure effective budget control. More changes had to be made before these schools would be able to apply proper budget control.

Virtually all of the participants indicated that they still handled requests for payments on a "first come first served" basis even after learning that it was unacceptable. Some of the participants said that they had many "unexpected and therefore unplanned" expenses. These expenses often "messed up their budgets", since provision had not been made in the budget. When I questioned them about these expenses, I realised that they were not really unexpected but that the schools had failed to make provision for these expenses in the budget, as they had not been specified clearly enough and had often been recorded under "sundry expenses" in the financial records of the schools.

Most of the schools struggled with the fact that the accounting system and the budgeting system of the school did not correlate with one another. The names of the accounts were not used consistently and the classifications of the different purchases were not recorded consistently in the same accounts. A typical example of this problem occurred when fuel for the lawn mower was recorded as "fuel" in one transaction and "maintenance" in another transaction.

Although most of the typical problems experienced by the schools regarding budget control, had been pointed out to the participants during the discussion

in class, I realised that some of the participants were unable to identify these problems at their schools on their own. They actually relied on me to analyse their records systematically and point out all problems on an individual basis while visiting their schools. Unfortunately the knowledge of the mentors with regard to financial management was not sufficient enough to enable them to point out the problems to the participants.

4.7.9.3 Teaching method

a) Compiling a budget

<u>Both cohorts</u>

I used the same method to teach the basics regarding budgeting to both cohorts. Each of the participants received a manual that contained the notes and exercises on all aspects taught. Although it would have been easier to simply present the information to the participants in the form of a lecture, I felt that the participants would benefit more from discussing the different aspects in groups. This would also encourage the participants to share ideas on the topic. The participants had to discuss the various aspects in their smaller groups and then provide feedback to the class as a whole. During these discussions the participants had to describe the details of how that specific aspect was dealt with at their schools and how the process could be improved.

<u>Second cohort</u>

The second cohort had to submit an assignment on the budgeting system implemented at their schools. In this assignment they had to describe the procedure(s) that had been used to compile and implement the budget of their respective schools. They were also required to motivate what changes they felt still had to be made to the system (based on what they had learnt in class) and to analyse the budgeting system implemented at their schools since they had to complete an assignment on that aspect of the course. I believe that most of them became aware of the shortcomings of their systems while completing this assignment. In the second part of the assignment, they were

asked to make suggestions concerning the ways in which budget control could be made more effective at their schools.

In retrospect I realised that it had been a mistake not to give the same assignment to the participants in the first group. However, at that stage I struggled to complete the work with the participants within the allotted time.

b) Budget control

<u>Both cohorts</u>

The various aspects of budget control were also covered in the form of group discussions combined with some lecturing. This aspect required more explanation from me since all the participants indicated that they really struggled to implement budget control at their schools.

I gave each of the participants a worksheet that illustrated the detailed budget of a school. This worksheet provided a description of the item (e.g. stationery) the budgeted and the actual amount. The participants had to calculate the budget variances (expressed in monetary terms as well as percentages). Once they had completed the worksheet, I told them to imagine that they were members of the finance committee at their schools and they had to write a budget report based on the information provided by the spreadsheet. I also asked them to describe the type of corrective action that they would suggest.

It took the participants a while to complete the worksheet. Once they had done so, the decision about the most effective corrective action led to a very lively debate.

Since I had more contact time with the second cohort, I asked them to complete a second exercise similar to the one described above and to suggest the most appropriate corrective action. I found it very time consuming to create these two worksheets and the teaching process would have been much easier if there had been more printed material available.

4.7.9.4 Outcomes

a) Compiling a budget

<u>Both cohorts</u>

All the participants demonstrated a clear understanding of how important it was for the schools to have an effective budgeting system. Their understanding was illustrated when with the exception of one school in the first cohort (the school where the principal was unavailable for all scheduled visits) and one school in the second cohort (the school where the staff member passed away), all the participants attempted to implement some changes.

At the time of my visit to schools all, except the two referred to above, attempted to draft budgets for the next financial period based on actual figures obtained from their own accounting records. Although I realised that these figures were not always accurate because of flaws in their accounting systems, the participants clearly understood where to find the amounts used in their new budgets. This was clearly an improvement on the "paper budgets" produced at some schools and the non-existent budgets at other schools.

It was also noticeable that most of the schools really attempted to involve all their stakeholders in the budgeting process. Some of them adjusted the whole budgeting procedure based on what they had learnt during the lecture. One of the participants indicated that since she had involved the teachers in the budgeting process and the process had been explained to all of them, there was much less tension about the budget among the staff. After they had held a staff meeting and she had explained the whole budgeting process, based on what they had learnt during the course, the friction between the management team and the staff disappeared almost entirely.

At the school referred to in the paragraph above, the staff members were asked to submit their budget requests and they were also told to prioritise their requests since the school could not afford to meet all the requests. Once all the budget requests had been submitted and the finance committee had compiled the initial draft budget, she held a meeting with all of the staff

members. She indicated that while in the past the staff members blamed the school management team for everything that they did not get, they were now satisfied with the way in which the priority system worked at the school. She said that for the first time in years the budget meeting was not a "fight". "It was like people negotiating and people actually realising the constraints". Another principal said that the budget meeting at their school had also been much calmer and peaceful. "At this meeting I hardly had to say anything. They [the teachers] all felt they had a say even if they had only completed the request form. Even when some of their requests were turned down, they felt that they had been consulted."

However, not all the schools were able to implement an effective budgeting system or change the existing system to become more effective. During my visits to these schools, I realised that although they attempted to change the situation, they would need more support in order to be really successful.

b) Budget control

<u>Both cohorts</u>

The biggest challenge at all the schools was for the schools to implement a really effective accounting system, capable of reflecting reliable data. In addition, schools had to ensure that the budget system correlated with the accounting system. This was the only way in which the schools could introduce effective budget control. However, budget control remained problematic at virtually all of the schools, even after the lecture.

At a few of the schools in both cohorts, I found that they had introduced a requisition form which had been adapted to reflect the amount of money available in the budget for the intended purchase. Two of the schools indicated that they had attempted to ensure that cheques were only issued when, according to the budget, there was still money available. However, they mentioned that they were still struggling to get their accounting records up to date and that it hampered the budget control.

At some of the other schools I found that the members of staff still had to be convinced about what it meant to spend money according to the budget. At

one school the treasurer reported (in the presence of the principal) that the principal was the only staff member who insisted on certain payments even when there was not an emergency and also when the item had not been included in the budget. This led to a staff discussion about when such a payment should or should not be made.

At only one of the schools the participant (who also is the principal) were able to introduce the calculation and interpretation of budget variances at the end of every month. These variances were then discussed during the meeting of the finance committee and when needed the principal and the members of the finance committee tried to identify possible solutions for the variances. She also indicated that she found the comparison between the actual and budgeted figures very useful, not only in identifying possible problems in the future, but also when drawing up the budget for the next year. Of all the schools represented in both cohorts, this was the only school where the systems in place allowed such a comparison.

4.7.10 Interpretation of financial statements

4.7.10.1 Introduction

The interpretation of financial statements was very difficult to teach to both groups. Very little is said about this aspect in literature. Since there is a vast difference between financial management in the commercial world and school financial management, I had great difficulty in deciding how to deal with this aspect.

4.7.10.2 General problems encountered

Of the seventeen schools, represented at the course, only three would have tried to interpret the financial statements of their schools before the course started. The rest of the schools had known that their financial statements were unreliable and often created only to have something on paper. Unfortunately the situation had not changed by the time that we reached this section in the course. Participants in both groups had indicated at that time that this section should be covered in a follow-on course, once they had been given the opportunity to change the situations at their schools. They said that although

they understood what I was saying in class, they feared that by the time they had reliable statements to interpret, they might no longer remember what had been said.

Although I had made use of an example to illustrate the interpretation process, only the three schools mentioned above could really relate to what was being taught. All the other participants were so focussed on fixing up their systems that they did not show any real interest in this section.

4.7.10.3 Teaching method

The teaching of this section was in the form of a classroom discussion. The participants were encouraged to take part in the discussion and to share the way in which they interpreted their financial statement with the rest of the group. I decided to combine the analysis of the report on budget variances with the interpretation of the outcome of the statement of income and expenditure. In this section I also referred to the interpretation of the balance sheet (first cohort) or list of assets (second cohort).

During the discussion on the interpretation of financial results, I emphasised the difference between the purpose of a business (maximum profit) and the purpose of a school (effective education). This meant that the school would never strive to have the highest possible surplus, since that would mean that they had not applied all available resources to ensure effective education. Once this difference had been emphasised, the discussion moved to the interpretation of the results of the statement of income and expenditure and the fact that the school should ensure the optimal use of limited funds. Therefore the financial records should be scrutinised to identify unnecessary spending and also to ensure that optimal income was ensured at the school. Reference was made to the fact that the result of the Statement of Income and Expenditure of the current year should be compared to that of the previous year. Any major deviations should be investigated and noted in order to prevent that from happening again in future.

With regard to the Balance Sheet (or list of assets) the attention of the participants was focussed on the fact that some of the assets of the school

had a limited lifespan and provision should be made for the eventual replacement of these fixed (or non-current) assets. Therefore the asset register should be kept up to date and scrutinised regularly in order for the school to be in the financial position to afford the replacement.

4.7.10.4 Outcomes

The schools in both cohorts were unable to apply what they had learnt during this session since they were still trying to implement changes to their systems. By the time I visited the different schools, only two of the schools (both from the first cohort) had really attempted to interpret their financial results.

4.7.11 Fund-raising

4.7.11.1 Introduction

During the discussion in class a very interesting statement was made by one of the principals in the first cohort. He stated that he did not regard the encouragement of fundraising efforts at his school as part of his duty since the teachers who needed the money could arrange it themselves. Most of the other principals supported his point of view. The few teachers (who were not deputy principals) present in the group, responded by saying that fundraising was not part of their responsibilities either since they believed their main task was to teach. This discussion provided insight into the problem why very few attempts were being made by the previously-disadvantaged schools in the Uitenhage/Port Elizabeth region to raise additional funds.

My aim with the presentation of this section was to emphasise the importance and the need for raising additional funds for a school. I attempted to create an awareness of different aspects of fundraising ranging from the planning and implementation of a fund-raising campaign to the establishment of a fund-raising committee and the development of a policy for fund-raising at the school.

4.7.11.2 General problems encountered

<u>First cohort</u>

Before the participants attended the section on fund-raising, only two of the schools in the first cohort indicated that they had engaged in activities to raise additional funds. At these schools a fund raising campaign was normally launched only when insufficient provision had been made for a specific activity in the budget of the school such as a cultural tour or a sporting event. The learners involved in that specific activity then had to raise the additional funds required. The money raised in such a campaign was usually kept by the teacher until he/she had to make a payment. Alternatively, the teacher would open a bank account in which to deposit the money. The reason why such funds were not deposited into the bank account of the school was that the accounting system of the school could not reflect the amounts raised and deposited for a specific purpose. When I visited these two schools at the end of the course, this practice had been changed. The participants were able to provide evidence that all additional funds raised had been deposited into a bank account and the teacher no longer kept the money with him/her. However, the system of separate bank accounts for different fundraising purposes was still being used. My impression was that this practice would remain unchanged until the schools finally felt comfortable that their accounting systems could be trusted.

At none of the schools general fund-raising activities such as school bazaars or fetes had been arranged to boost the bank balance of the school and increase the funds available for general purposes such as meeting the commitments of the school or purchasing additional text books etc. The money received as school fees remained the sole source of income of these schools.

<u>Second cohort</u>

The majority of the participants in the second cohort indicated that they did organise fund-raising campaigns at their schools to raise additional funds for specific purposes such as sports tours or choir competitions. Similar to the

situation with the first cohort, a few of the participants in this group did not raise any additional funds at their schools. The principal of one of the schools in this cohort said that she determined the total amount of money that parents had to contribute for the year based on the expected needs of the school at the end of the previous year. She then discussed this at a parents' meeting and explained in detail what the money would be used for. She found that if the parents knew exactly how the money would be spent and what it was needed for, as well as the fact that the parents/guardians knew that no additional requests for funds would be made during the year, they made arrangements with the school to pay the fees. As was the case with the first cohort, no schools in the second cohort organised fund-raising campaigns to raise funds in order to supplement the income of the school from school fees.

It became clear to me that little control was being exercised over the funds raised by these fund-raising activities even after the lecture on fund-raising. Often these funds were collected and spent by the schools without being reflected in the financial records of the school. I found this practice very disturbing, especially since the handling of funds raised had been discussed in detail during the course.

Some of the participants indicated that they still struggled with the process of planning and executing a fund-raising campaign even after taking part in the class discussion.

<u>Both cohorts</u>

As mentioned earlier, all the schools represented in both cohorts are situated in areas characterised by large scale poverty and unemployment. Many of these schools are surrounded by informal settlements. In some instances two or more schools in the same area rely on the same community to support their fund-raising activities. Raising funds in these areas is often difficult and requires a huge effort to organise, sometimes with disappointing results. Residents in these areas often inform the schools (or learners) that they are tired of contributing to the various fund-raising campaigns or that they cannot afford to support the schools any longer.

Participants requested more information on the different ways of fund-raising in order to introduce new and more effective fund-raising campaigns at their schools. It appeared that the schools all implemented the same fund-raising methods. The actual organizing and implementation of the fund-raising effort also appeared to be problematic in some of the schools in both cohorts.

Before the students became aware of the need to budget for all expenses, the money required to start a fund-raising effort was simply withdrawn from the bank account of the school. Since the participants had learnt about the need to budget for all expenditure and to keep proper record of all expenditure and income, they knew that it was unacceptable to simply withdraw money from the bank account, but they were uncertain about the correct procedure to deal with this aspect in the budget and financial records of the school. At several of the schools I had to explain how this aspect should be handled.

After the issues with regard to fund-raising had been discussed in the lectures, some schools attempted to introduce a system where teachers were required to keep proper records about the fund-raising attempt and to compile a report at the end of the campaign, based on the details that had been discussed during the contact session. However, participants were uncertain how to go about keeping these records and writing a report and I had to deal with many questions in this regard during my school visits.

When I visited their schools many of the participants shared with me when I visited their schools that they struggled to deal with an attitude of entitlement among the learners and members of staff involved in the fund-raising campaigns when more funds were raised than what was needed for the specific activity. These learners and members of staff would often demand the additional funds in order to spend it on outings and parties instead of leaving the surplus funds in the bank account of the school to be used for other educational purposes. These are complications with regard to fund-raising that outsiders are often unaware of, and which highlights the vital necessity of a rigorous financial management system in schools.

4.7.11.3 Teaching method

<u>Both cohorts</u>

In the teaching of the key issues of fund-raising I used the same method for both cohorts. Since this was an aspect that all participants had dealt with somewhere in the past before they enrolled for the course, we had a very lively class discussion on the different aspects of fundraising. All the participants were encouraged to take part in the discussions and I made use of questioning to engage the quieter participants. The notes on fund-raising in the study guide were used to structure the discussion.

<u>Second cohort</u>

Owing to the feedback received from the first cohort about their problems with regard to the planning and implementation of a fund-raising campaign, I designed an assignment on fund-raising for the second cohort. The participants were allowed to complete this assignment in pairs since I felt that they would never have to plan a fund-raising campaign on their own at the school. I also believed that if they had to plan one fund-raising campaign as an assignment, they would at least already have a fund-raising campaign that could be implemented at their schools.

4.7.11.4 Outcomes

<u>Both cohorts</u>

It was difficult to determine the real impact of this section of the work on the participants. Some of the schools implemented very successful fund-raising campaigns after the completion of the course. The results of these campaigns were evident at many of the schools. Whether this had been the result of what they had learnt during this specific course was uncertain.

When I visited the schools, I found that some schools were more involved in fund-raising than others. As mentioned previously one principal did not think it was necessary for her staff to raise additional funds. At the school where the principal had avoided meeting with me, I am sure that no fund-raising ever took place. Although some of the other participants had told me that they had

realised the importance of fund-raising at their schools, no additional funds had been raised prior to my visit.

One of the primary schools was very proud of their achievements regarding fund-raising. The principal had a fixed arrangement with one of the tourist companies in Port Elizabeth to bring tourists who expressed a desire to visit a township school to their school. While the visitors were being showed around the school and afforded the opportunity to speak to some of the teachers and learners, the principal informed them of the financial needs of the school. At the end of the tour, the visitors were treated to tea and "roosterkoek" in the staff room in exchange for a small donation. While they were having tea, they could buy small articles such as book marks, animals made from wire and beads, strings of beads and earrings that had been made by the children in the art room. The funds raised in this way were deposited in the bank account of the school.

This particular school had been very successful in raising funds and securing donations through these visits. The principal told me that they had managed to raise enough funds to build a proper staff room since the school had not originally had one. Some foreign visitors even donated furniture for the staff room. They were now able to have meetings in this venue and they could arrange tea for visitors there as well. A well-stocked library had also been established for the children as a result of a donation by overseas visitors. This enabled the school to introduce a reading period once a week during which the learners could visit the library and take out books. The school had also started a school garden, planting vegetables that could be used in the school feeding scheme that was financed with school funds. The principal told me that they had been planning a fund-raising campaign based on what they had learnt in order to do some maintenance work on the school buildings.

At most of the other schools I found that additional funds had been raised for specific purposes such as a matric farewell, a choir or sports tour. However, as mentioned earlier, very few schools had launched fund-raising campaigns specifically to supplement the income of the school.

4.7.12 Asset management

4.7.12.1 Introduction

All the participants in both cohorts acknowledged the fact that asset management had been problematic at their schools for a number of years and that very little had been done to change the situation. Unfortunately, owing to the urgent need of the participants to be informed about several aspects of financial management, as well as the time constraints within which the course had to be offered, I had very little time at my disposal to spend on this aspect of financial management. It is essential for schools to calculate and record depreciation of fixed assets in their financial statements. This will enable the schools to reflect the assets at a more realistic value in their financial records. It will also assist them in the planning of the replacement of the assets. However, I discovered that the schools had been unable to reflect the value of their assets in the financial records of the school. Before one can teach a group how to make provision for depreciation, one needs to teach them how to record the purchase or donation of assets in their financial records. Once this has been done attention should be given to the calculation and recording of depreciation of fixed assets in the financial statements of the schools.

None of the schools represented in the course implemented a debtors' journal to record the outstanding school fees. This is important if the schools want to record and control the collection of school fees more accurately. This will enable them to keep record of the total amount of school fees that have to be written off as irrecoverable at the end of each financial year.

However, owing to the dire state of the financial records at the majority of the schools represented in this study, as well as the background and experience of the participants in school financial management, I decided against including these two aspects in the initial course. These aspects should, however, be included either in the initial or a follow-up course in School Financial Management.

4.7.12.2 General problems encountered

<u>Both cohorts</u>

Unlike schools in the more affluent parts of the Port Elizabeth-Uitenhage area that generally possess a variety of assets, the majority of participants indicated that, with the exception of their duplicating facilities (which are often not owned by the schools), and the inventory of textbooks, the schools do not have any other assets to take care of. Before attending the lecture on asset management, they did not seem to realise that furniture such as tables, chairs and desks as well as equipment such as computers; overhead projectors and equipment in the science laboratories all form part of the assets that should be managed carefully. They also failed to realise that the control of the school fees payable to the school, formed part of asset management. Although I did attempt to create an awareness of all the different kinds of assets that these schools have, I am fairly convinced that very few participants agreed with my point of view. This feeling was confirmed by my observations while visiting the schools.

At most of the schools I found broken chairs and desks (that could have been fixed with a few screws or nails) still being used by the learners and being damaged even further in the process. I found that some of the classrooms did not have enough chairs and tables or desks. Whenever the learners entered a classroom there was a wild scramble amongst them and those unable to find a seat often had to stand or sit on a broken desk or chair. However, I also noticed desks and chairs lying around outside the classrooms. These pieces of furniture were often removed from the classrooms during break or for some other reason and no one saw to it that these items were carried back into the classrooms. Learners only went outside to collect them when there were not enough in the class room.

As mentioned earlier, I visited some of these schools in my capacity as teaching practice assessor for some of the other students completing their teaching practice experience. While visiting the schools of some of the participants, I observed how valuable pieces of equipment in some class rooms or laboratories were neglected and maltreated. I witnessed expensive

science laboratory equipment that had not been locked away or replaced when broken. One of the schools represented at the course had a fully equipped science laboratory, but the student doing his teaching practice at the school had to borrow equipment from the university for his lesson. The science teacher had kept everything securely locked away in the laboratory and had refused to use any equipment since she did not want to take responsibility in case something happened to the equipment. This implied that she had not done any practical work with the learners. At several schools I saw overhead projectors that were still in working condition, covered under layers of chalk dust since it was not being looked after properly. One of the principals (a participant in the course) summarized the problem when he stated that: ". . . the DoE wants us to submit a donor list, but they do not want to help us with the repairs . . ." This statement reflects the attitude of many leaders in the previously disadvantaged schools, who refuse to accept responsibility for the situations at their schools and expects the Department of Education to provide everything that the schools need. The schools wanted to use the assets that were donated to them by the government or private donors, as they wished but then they expected that the government had to provide additional funds for them to be able to maintain these assets in stead of taking responsibility for the maintenance themselves. Only one of the participants indicated that they had made provision in their budget for the eventual replacement of these assets.

At some of the schools, attempts had been made to keep record of outstanding school fees, mostly by indicating the payment of school fees on the class lists. None of the schools had been able to reflect the outstanding fees or the total amount written off in their accounting records. Only two of the schools (both in the first cohort) had attempted to remind parents of outstanding school fees by issuing accounts. However, these accounts often did not reach the parents since both schools had sent the accounts home with the learners. At one school they decided to post the accounts after they had attended the course and at the other school the parents were called to the school when the fees were outstanding. All these issues demonstrate the

basic problems to be discussed in order for the schools to become fully functional and independent.

The management of the inventory of textbooks especially at the high schools represented at the course, was highly problematic. Although it could be an equally serious problem at the primary schools, none of the participants referred to this during my interviews with them. Since I had not visited any classes at the primary schools (during the teaching practice assessment period), I could not comment on the situation at these schools.

However, I had been able to observe at a number of high schools how learners had to share textbooks in virtually all subjects. Some of these high schools were represented at the course in Financial Management. At one of the schools there were about six learners in each group sharing one accounting textbook. If the teacher wanted the learners to complete an exercise at home, she had to write the exercise on the board (since she also did not have an OHP in her class room). Then the learners had to copy the exercise in their books in order to do this as a homework exercise. A lot of teaching time was wasted in this way. At another school the teacher handed out the mathematics textbooks at the start of the period and collected them at the end of the period. These learners could only complete exercises and activities in the classroom because of a shortage of text books. It was impossible to offer effective education at these high schools owing to the lack of text books. When questioned, the participants at some of these schools said that when the new curriculum was introduced, the schools received enough textbooks for all their learners in each specific grade. However, it seemed as if the inventory of textbooks had dwindled over the years, as a result of improper textbook control as well as the fact that the numbers of learners had changed. When I asked them what measures they had introduced since attending the course, they mentioned that they always had some control measures in place, but these measures were not always enforced and sometimes when a learner had lost a book, the parents simply did not have money to pay for the book. The schools attempted to deal with the problem of textbook control in a variety of ways. At one school the participants said that they had a book officer responsible for the control of the

textbooks; at another school book inspection days had been introduced during the term with a R10/book fine if the learner could not produce the book. Another school indicated that they had allocated the responsibility of controlling the textbooks to the subject teacher since that would be the person to really "feel the pinch" if the learners did not have textbooks. Several schools relied heavily on providing photocopies to learners who did not have textbooks. This, however, did not appear to be a cost effective solution to the problem and one of the participants also mentioned the amount of teaching time that was lost when the teacher first had to copy pages from the text books.

It was, however, very noticeable that of all the schools represented at the course, only two schools had budgeted for the purchase of new or additional textbooks. One school had been budgeting for a number of years and the second school introduced textbooks as an item about four years previously. When I discussed the need to include a budget item for textbooks with the other participants during my school visits, I was astounded at some of their arguments. At one of the schools the school had to choose between budgeting for textbooks or for new drum majorette uniforms. They decided on the uniforms since the drum majorettes were regarded as their most important marketing tool! At another school I was informed that the school spent a large amount of money on the choir (for uniforms, transport and competitions) and that it had been impossible to reduce the spending on these items in order to buy books because many parents sent their children to the school because of the reputation the choir had built up. My impression, based on my observations while visiting the schools and during my interviews with the participants, was that although the participants realised that the textbook supply at their respective schools were problematic and something had to be done about it, the marketing of the school had priority in the budget. I realised that in this regard I had been unsuccessful in my attempts to influence the way of thinking of the majority of the participants.

4.7.12.3 Teaching method

<u>Both cohorts</u>

The section on asset management had been dealt with in the form of a group discussion. Throughout the discussion the participants were encouraged to share their problems and ways in which they had solved the problems with the group. This created the opportunity for the participants to learn from one another. Reference had been made to the hand-out that the class received on asset management during the discussion. In order to prevent the participants from becoming bored, I tried to limit the use of the lecturing method as far as possible.

4.7.12.4 Outcomes

<u>Both cohorts</u>

No noticeable change could be observed in the way that the majority of the participants had applied asset management in their schools. This observation was confirmed by the fact that many of them indicated that they still struggled with asset management, especially the control of their text book supply. One of the schools also indicated a need to be informed about the replacement of outdated or worn-out assets. I believe that this aspect was problematic at many of the other schools as well, but that the participants were simply unable to identify the problem. None of the schools referred to their control of the payment of school fees as problematic. Once again I believe that because of a lack of knowledge they were unable to identify the problem. Therefore I feel that the Debtors' journal and Debtors' Control account and the whole issue of depreciation should be included in a follow-on course in Financial Management.

4.7.13 Implementation of change in financial management practices at the schools

4.7.13.1 Introduction

Morrison (1998:13) defines change as a "dynamic and continuous process" . Furthermore the author mentions that change involves reorganisation as a response to the "felt" needs of the institution. Egan, cited by Fullan (2004:42) mention that the focus should be placed on key stakeholders and the organisational culture when changes are introduced in an organisation. In order to determine whether any permanent changes were made to the financial management practices at the schools, my promoter and I visited seven different schools four years after the completion of the course (see paragraph 5.3.1). Three of the seven schools were secondary schools while the remaining four schools were primary schools. The success rate with which changes to the financial management practices were implemented at the different schools vary from very successful to completely unsuccessful.

4.7.13.2 General problems encountered

Although many of the principals at the schools mentioned that they benefitted from attending the course, it appears that the participants from especially the primary schools struggled to implement permanent changes to their financial systems. This could partly be blamed on the fact that in general primary schools do not have the luxury of having an Accounting teacher on the staff that could provide input or advice on the various aspects of financial management. Generally the previously disadvantaged schools do not have skilled financial managers as members of their SGBs. However, one of the principals mentioned that all of the participants were not at the same level with regard to financial management at the start of the course. In some cases the participants had to master many financial management skills during one course in order to successfully implement everything that had been presented to them. Therefore I believe that the difference in financial knowledge and skills at the onset of the course is more likely the cause of the problem.

Another aspect that was problematic, was the lack of faith that some of the participants had (and in some cases still have) in their own ability to bring about the required changes. At two of the primary schools included in the follow-up visits and interviews, no attempts were made to introduce any changes with regard to financial management. One principal indicated that the financial management of the school was difficult. She mentioned that she had many "old teachers on the staff that was set in their ways" and "not enough young blood". She also mentioned that she felt their finances were under control. However, she could not provide any evidence to back this statement. At the same time she also stated that it was difficult to manage the finances of the school, without giving specific reasons.

At the other primary school, the principal was appointed three years ago when the previous principal retired. The current principal attended the course with the retired principal and should therefore have been able to implement the required changes. However, at this specific school no changes were introduced to the financial management practices. One of the reasons given was that the previous principal did not provide her, who had been the deputy principal at the time, some form of assistance with her workload. Therefore she did not have time to implement the changes at that time. However, by the time of our last visit, the deputy principal had been promoted to principal and had been principal of the school for three years. Yet, no changes were introduced to the financial management practices at this school. In the mean time, a permanent secretary had been appointed at the school who had no training in Financial Management. The principal is now waiting for the Provincial DoE to provide training to the secretary – also in School Financial Management. The principal herself would like to receive more training on how to be a principal as well as in School Financial Management.

At the primary school referred to in the paragraph above, some kind of statement was shown to me that represented a mixture between an income statement and a budget. This statement was completed completely incorrect and not according to the content of the course. Only two items were listed under Expenditure namely Expenses Paid (with only one total and no further

details) and Bank Charges. According to the principal they obtained the figures from their deposit book and from their receipt book. They used the Bank statement to get information regarding their expenditure. When I questioned her about the statement of the school, she responded by saying "we struggle to transfer the knowledge from the class room to our school". According to the principal the school does not apply budget control because "we don't have enough funds". She then stated that the school uses its funds to pay a security company, photocopier, and telephone account. She also mentioned that the members of the financial committee at her school had no knowledge about anything to do with finances and budgets.

One of the primary schools managed to appoint a very knowledgeable treasurer for the SGB. However, this person is employed on a full time basis and finds it impossible to attend SGB meetings during the week. The principal mentioned that they now try to schedule financial meetings on Saturdays, but that it is not really a satisfactory solution. At this stage, he is responsible for maintaining the financial records of all the income of the school.

The principals of the four primary schools mentioned that they struggle with drawing up the budget that is based on realistic figures for the schools. Three of the schools also indicated that they struggle to compile the financial statements of the schools.

Most of the schools took what was presented to them during the contact sessions and adjusted the proposed systems to suit the circumstances of the specific school. One of the primary schools requested assistance in the recording of the payment transactions of the school during the follow-up interview. The acting principal mentioned that they were uncertain of recording the payments in the CPJ. Although I explained briefly how it should be done, they mentioned that they would contact me just to assist them at the start.

One of the primary schools is situated very far from town and the closest banking facilities. As a result money received during the day is not banked on a regular basis and money is often taken from the receipts to make payments during the day or week. I had a long discussion with the three people directly

involved in the handling of the cash of the school. The participants agreed to adjust the document on which the cash received is recorded in order to include more safety features to limit the possibility of fraud. Due to the open door policy of the principal at this school and the free access of all staff members to the strong-room, the principal has agreed to purchase a small safe that could be bolted to the floor/wall of the strong-room. This safe will then be used to lock away the cash of the school until it can safely be deposited.

A number of the schools indicated to me that school fees that are directly deposited into the bank accounts of the schools are problematic.

Several of the participants mentioned that their schools received no feedback from the DoE regarding their financial statements that are submitted at the end of the year or their bank reconciliation statements submitted at the end of every term. They felt that this created a false sense of well-being at the schools and led them to mistakenly believe that their   financial management practices were acceptable. One of the principals felt that the DoE should provide the schools with a checklist (similar to the one that they have to follow during the grade 12 exams) specifically designed for the financial management tasks that have to be completed.

The three secondary schools that were visited in this session, all managed to adjust their financial systems. They are now in the position to apply effective budget control. However none of the primary schools were able to apply effective budget control due to a variety of challenges in their financial record keeping systems. As far as budget control is concerned, at the primary schools interviewed during this session, money was still being spent on a "first come, first serve basis".

The principal at one of the high schools mentioned that it was essential for the a school to have a cash flow budget in order to plan the expenditure of the school over a period of six months or a year. She identified this as one of the aspects that should be included in a financial management course. Furthermore, she mentioned that Section 29 schools have to provide a business plan for various projects, such as maintenance at the school. She

believes that school leaders will benefit from it if they are taught how to compile a business plan.

One of the principals emphasised the need for the recording of the financial transactions of the school on a daily basis, despite the fact that it could be a very time consuming activity. According to her the effectiveness of the financial management of a school depends on regular reporting. However, regular reporting on the state of the finances of the school is only possible if the financial records are kept up to date. This was possible at all the high schools that were interviewed during the last visit, since they all have a treasurer that were appointed for this task specifically. None of the primary schools had a treasurer that was specifically appointed to deal with only the finances of the school. All of them relied on teachers or secretaries to keep the financial records of the school as only one of the tasks that have to be done during the day. As a result, the teacher/secretary felt pressurised by the enormity of the task and the financial records of the school were not kept up to date completely.

At one of the primary schools a fairly substantial amount of money is kept as petty cash. This money is used for a variety of payments in an effort to reduce the bank charges of the school. The acting principal mentioned that someone on the Finance Committee checked the total expenditure from petty cash against the amount of money available in petty cash. The acting principal also said that the treasurer kept some sort of record on the computer although the school did not use a computer programme specifically designed for that purpose.   The problem with this system is that the payments from petty cash are not reflected in the budget or the financial statements of the school. It is therefore impossible to manage this aspect of the finances of the school effectively.

Two of the seven schools still use the bank statement as the only record of payments for the school. They were unable to complete the CPJ and therefore, forced to use the Bank statement as their financial record of payments. The participants at these two schools indicated that they struggled and that they could not remember how the CPJ should be done.

4.7.13.3 Outcomes

When I analysed the feedback that was given during my final visits to the seven different schools, I realised that all the participants did not master all the skills and knowledge that I had intended for the course. Some of the participants found the course very challenging. However, I realised that all of the participants managed to learn something from the course. It also became clear to me that all of the participants did not learn the same amount.

I was satisfied to find that at all seven of the schools the participants had corrected the problems that were previously identified in completing their cheque counterfoils and receipts. The schools were also able to show me that the source documents mentioned above, as well as their bank statements and deposit slips / books were neatly filed and locked away. All of the schools visited managed to introduce the use of a requisition form in order to request payments. The requisition forms were neatly filed together with the cashed cheques and the invoices/cash slips at all of the schools visited. At the schools where a petty cash system was in use, the participants managed to introduce the petty cash voucher in order to record the transactions.

The recordkeeping of the cash transactions of the schools improved remarkably, with the majority of the schools introducing the use of the CRJ in order to record the receipt of money at the school. At one of the primary schools, the participants were so inspired by what they had learnt at the course that they trained their whole staff in recording the cash transactions in the journals. They then adjusted the proposed recording system to suit the needs of the school, while still meeting the basic Accounting requirements. Initially this specific school experimented with different ways of collecting money at the school. Currently they make use of three pay points at the school where all the monies of the school are received. This specific school also implemented stricter and improved control measures to protect the cash as well as the financial documents of the school. At this particular school the participants realised that they were struggling with recording the payment transactions of the school. When a new staff member was appointed at the school with some Accounting knowledge, this person was immediately sent

on the short course in School Financial Management that I started teaching in August 2010. They indicated during the visit, that with the assistance of this new staff member (who recently completed my course) they hoped to address the short comings in their financial system. They also asked permission to contact me for further guidance, especially with the budgeting process.

Three of the schools that were visited during the final round of school visits for research purposes, were more advanced with regard to school financial management from the onset of the course than what they were at the onset of the course. At these schools I found that a remarkable effort had been made to implement all aspects of the course as the new sections were introduced. The participants at these schools managed to refine the recording of financial transactions in the journals and they also managed to implement the use of the trial balance quite successfully. At the one school the principal mentioned that she found the use of the trial balance very beneficial especially when it came to providing feedback regarding the financial position of the school to the members of staff, the SGB and the parent community. She now provides feedback regarding the financial position of the school to the different stakeholders on a monthly basis. This principal also uses the trial balance in compiling the budget report and in the calculation of the budget variances. The participants at these three schools also mentioned that if the financial system of the school was properly developed and running smoothly, the financial data of the school was kept up to date. Therefore it is quite easy to compile the income statement and balance sheet based on the financial figures extracted from the financial data of the school. One of the primary schools also managed to compile the financial statements of the school without too much difficulty. Unfortunately the same cannot be said about the remaining three schools.

At the three high schools, the participants mentioned that they found the whole process of compiling the budget a great deal easier. During the interviews they mentioned that once they implemented my suggestion to adapt their financial recording systems to use the same accounts as was used in their budgeting systems, they found the whole process of budgeting and budget control a lot less complicated. During the interviews, it was

mentioned every time that they found it a lot easier to extract the accurate figures from their accounting systems and that the implementation of budget variances enabled them to adjust their budgets quite easily for the new budget period. Once they adapted their cheque requisition forms to indicate the budgeted amount that was still available for a specific payment, they also found it a lot easier to implement budget control. Two of the principals emphasised the importance of keeping the financial records of the school up to date in order to implement accurate budget control.

One of the principals mentioned that the introduction of the requisition form, the use of the trial balance and the regular calculation of budget variances enabled them to control the spending according to the budget very well. At this specific school they had struggled with the implementation of budget control prior to the course. This statement was also confirmed by the principal at the third school. He mentioned that he and the other participants from his school benefitted greatly from the course. He also mentioned that they were now able to apply very strict budget control at the school for the first time. If something was not included in the budget, money had to be raised through a fund- raising project in order to provide for the item. He also placed great emphasis on the importance of accountability and the fact that the money of the school had to be handled in such a way that an account could be given of every cent spent at the school.

Several of the participants at the more successful schools emphasised the importance of frequent reporting on the financial position of the school. One of the participants mentioned that parents especially need to see the tangible items that were purchased from the funds that were raised as school fees. She also mentioned that it was very important to use terminology and language that the parents could understand during the financial feedback session. She believes that the use of complicated terminology should be avoided as far as possible. Three of the principals emphasised the importance of using a variance analysis when providing feedback to the stakeholders. They believe that parents are willing to contribute more if they can get a picture of the true financial position of the school.

At one of the schools, the participants introduced a "defaulters meeting" after completion of the course. At this meeting all parents (or guardians) are invited to the school to discuss the reason for the outstanding monies. Arrangements are then made how the money will be paid to the school. The school also introduced a system where the outstanding debts are handed over to the lawyers for collection once the meeting has taken place. These newly introduced steps have made a huge difference to the amount of money that the school now received from school fees. The principal reported that they now received more than 90% of the school fees despite the fact that about 40% of the parents were unemployed. In order to assist the parents with the payment of school fees, the school introduced a system where a school fee deposit is paid during the last term of the previous year. This system was also introduced at two other schools. All three principals reported that their parent communities indicated that the system eased the burden of paying school fees during the year since many of them get their bonuses during December.

All of the schools, even those where no other changes were implemented, introduced (or refined) a financial policy. At some of these schools this policy still requires more attention.

A greater awareness was established among the participants about the need to supplement the income from school fees and the government subsidies. At six of the seven schools, the participants indicated that additional fundraising events were scheduled during the course of the year. This is a remarkable improvement compared to the situation prior to the course.

At many of the schools the participants introduced changes to the banking procedures and security measures regarding the handling of cash. Despite the battle against high bank charges, six of the schools mentioned that they revised the way in which cash was handled at the school. They also investigated ways of minimizing the risk of theft and fraud at the school. High bank charges, however, remain problematic at many of the schools. Schools also developed their own solutions to the problems that are created by the system of direct depositing of money at the bank. The most effective system

appears to be one where the name of the learner, as well as his grade, is used as reference number on the deposit slip. However, the correct completion of the deposit slip at the bank by the depositor, remains a challenge at most schools.

None of the participants reported on any resistance that were experienced when they attempted to introduce some necessary changes at their schools. It appears that it is possible to introduce changes to existing financial management practices as long as the school leaders introduce the new measures in a transparent manner.

CHAPTER FIVE

INTERPRETATION OF DATA

5.1 INTRODUCTION

In this chapter the data gathered are being interpreted with reference to the original research questions posed in chapter 1, concerning both the content and method of teaching suitable for a course in Financial Management to school leaders at disadvantaged schools.

5.2 INTERPRETATION OF DATA

5.2.1 Source documents

5.2.1.1 Receipts and receipt books

a) Content

Before attending the course in School Financial Management, the participants in both cohorts had experienced numerous problems with the completion of receipts, such as changing some of the details on receipts without cancelling the original receipts and issuing new receipts, as well as failing to   indicate why the money had been received. The participants were able to rectify most of these mistakes once they attended the contact session in which the completion of the receipt had been discussed. During my visits to the schools at the end of each year, I only identified two schools out of seventeen where no attempts had been made to correct the problems in completing receipts as discussed during the contact session.

While visiting the schools at the end of the course, I discovered a few schools (in both groups) where the procedure of issuing receipts during a fund-raising

event had not been adjusted according to what had been discussed during the contact session. Although I tried to create an awareness of the different loopholes for fraud in the schools' systems, the participants remained reluctant to change their financial systems and maintained that they trusted their colleagues. Schools found it very troublesome to record the direct deposit of school fees into their financial systems. Various schools dealt with this issue in their own (sometimes unacceptable and unreliable) ways. This aspect should be addressed during a course in School Financial Management and ways of reflecting it in the records of the school other than dealing with it during the bank reconciliation, should be investigated.

The fact that the participants were only able to rectify the mistakes made in the completion of the receipt once it had been discussed in class, emphasised the need for the inclusion of this section in a School Financial Management course. Special attention should be given to the issuing of receipts during fund-raising events. Participants should also be assisted in dealing with direct deposits since this created endless problems especially when the school fees were deposited directly. The research revealed that in the schools where school fees were being deposited directly into the bank account of the school fund, it remained very problematic to reflect the direct deposits in the financial records of the school.

b) <u>Method</u>

It appeared that the second cohort of participants were more confident in their ability to complete the receipt correctly than the participants in the first cohort. The difference in the levels of confidence was noticeable during the contact sessions, as well as the visits to the different schools at the end of each of the courses. The difference in the levels of confidence of the participants could be attributed to the fact that the second cohort had mastered the skill of correctly completing a receipt over a longer period of time and they had been encouraged to work in pairs during the contact sessions until they felt confident enough to complete the receipt on an individual basis. Unlike the participants in the first cohort, the participants in the second cohort took part in several activities in which receipts had to be filled in and used to record the

329

transactions in the CRJ before the next source document (cheque counterfoil) was introduced. The fact that they had to use their completed receipts to record the transactions in the CRJ, created an awareness of the type of information that should be provided by the receipt in order to successfully complete the CRJ, and the importance of completing the receipt in detail. I believe that the above-mentioned emphasised the role that the receipt plays in the recording process and could also have contributed to the greater confidence levels of the participants in the second cohort.

The participants of the second cohort that accepted the invitation to bring their receipt book(s) to the contact session for analysis purposes, were able to introduce the required changes at a much earlier stage than the rest of the schools represented in this study. These changes were noticeable during the document analyses that were undertaken towards the end of the course. Unfortunately the same invitation was not extended to the schools in the first cohort and during my visits to those schools and the school in the second cohort that did not make use of the invitation; I could identify several problems with respect to the completion of receipts. I received the impression that the participants were unable to identify problems in completing receipts on their own, despite the fact that the receipt had been dealt with in the contact session. Participants should therefore be assisted by the presenter of the course or a mentor who possesses the necessary skills to analyse the way in which the receipts of the schools are being completed in order to ensure the accurate recording of the cash receipt transactions of the schools.

I found it more effective to illustrate the correct completion of the receipts for cash transactions on the chalk board or by means of the overhead projector. The illustration enabled all of the participants to identify and correct their mistakes. Some of the participants in both groups found it extremely difficult to correct their own work when a verbal explanation was given without any demonstration to accompany the explanation.

c) Conclusion

Based on my experience in the teaching of the completion of receipts to the two cohorts, I realised that the content as well as the teaching method used in

the presentation of the content, is equally important. Although it may seem straightforward and easy, it is important to illustrate the way in which the receipt should be completed and to emphasise the role of the data on the receipt in the recording the financial transactions of the school. The participants should be asked to complete several activities (and not only one) about the completion of receipts in order to ensure that they master the skill and develop faith in their own abilities. Special attention should be given to the cash-handling process of the school to identify the most appropriate point in the process when receipts should be issued in order to ensure that all the deposits can be reflected in the financial records of the school. Once the teaching of the receipt has been completed, the recording of receipts in the CRJ should first be explained before the next source document is introduced in order to make the participants aware of the data required to complete the cash receipt records.

During the teaching process attempts should be made to increase the confidence of the participants in their own abilities to successfully complete the receipt as source document by exposing them to as many activities as possible, and by encouraging them to work in pairs until they are confident enough to work as individuals. All activities should be corrected by the participants. Once they have been completed, errors should be pointed out and discussed with the participants before proceeding to the next section or activity. The correct answer or solution should be demonstrated on the chalk board or the overhead projector in order to ensure that all of the participants are able to follow the explanation. Problem areas should be discussed with the participants. In order to assist the participants with the implementation process at the schools, the receipt book(s) used at the school should be analysed by the presenter or mentor in the presence of the participants from that particular school and problems in the completion process should be pointed out to the participants. Suggestions should be made on how to improve the completion of receipts in order to enable the participants to introduce the necessary changes in their schools.

5.2.1.2 Cheque counterfoils and cheque books

a) Content

Owing to the strict requirements with regard to the completion of cheques that are currently being enforced by the banks in South Africa, all the participants in both groups had been well informed regarding the correct way of completing a cheque even before they attended the course. However, I believe that the completion of the cheque should be included in the content of the course since not all participants are necessarily fully informed about the requirements regarding the completion of cheques, especially if they do not make use of current accounts in their personal capacity. During the teaching of the completion of cheques, the costs involved in the cancellation of incorrectly completed cheques should be brought to the attention of the participants since some of the participants were totally ignorant of the fact that the school actually bought a cheque book from the bank. The risks involved in issuing blank signed cheques should also be emphasised since I discovered that that was a problem in the schools in both cohorts.

The completion of the cheque counterfoil remained problematic to most of the participants in both groups even after it had been discussed in detail during the contact sessions. Although many of the problems regarding the completion of the cheque counterfoil were corrected at most of the schools by the end of each course the filling in of the reason for the payment (what it was for) and the completion of the balances of the bank account before and after the cheque, remained problematic. It appeared as if the participants did not fully comprehend why it was essential to provide those details on the cheque counterfoil. Greater emphasis should therefore be placed on the importance of completing all the details required on the cheque counterfoil and the way in which the information would be used during the recording of the transactions in the CPJ during the initial teaching process. The completion of cheques and cheque counterfoils should be included in the content of a course in order to ensure that the documents are completed in enough detail so that sufficient information could be provided for the accurate recording of cash payments transactions.

b) Method

The completion of the cheque and the cheque counterfoil was taught in a similar way to the receipt. However, in the case of the first cohort, all of the source documents were explained with during one contact session and therefore the participants were only able to complete one cheque and one cheque counterfoil due to the limited amount of time. As was the case with the receipt, the completion of the cheque and cheque counterfoil were covered during two contact sessions with the second cohort. This created several opportunities for the participants to work together in pairs in a safe environment in order to master the required skills. Then the participants had to apply their newly acquired skills by completing some activities on their own. All the activities were corrected by the participants, based on the illustrations given on the chalk board or transparencies, and the participants had the opportunity to ask questions regarding problematic aspects.

The participants of the second cohort were also afforded the opportunity to bring the cheque book(s) used at their schools to the contact session for investigation. During the contact session I helped them to analyse the way in which the documents had been completed and to point out problems. This, combined with the fact that the participants in the second cohort were given more time and activities to practise the skill of completing the cheque and cheque counterfoil, made a difference in the way in which the cheque counterfoils especially were completed at the schools. The participants in the second cohort appeared to be more at ease and confident in their ability to complete the cheque and cheque counterfoil. As a result of this intervention during the contact session almost all problems, except the indication of the balance available in the bank account, had been addressed by the time that I visited the schools at the end of the year, unlike the participants in the first cohort who did not get an opportunity to bring their cheque books to the contact session.

The explanation of how the balance of the bank account has to be calculated and filled in on the cheque counterfoil, was ineffective or the participants in both groups failed to grasp the urgency of supplying that detail on the

counterfoil. During my school visits it became clear that the majority of the participants in both groups had failed to provide this detail on their cheque counterfoils. This indicated that the participants in both groups did not understand the need for determining the balance of the bank account before a cheque was issued. Greater emphasis should therefore be placed on this aspect since the schools are no longer allowed to phone the bank to determine the bank balance.

I noticed in both groups that some of the participants were unable to identify all of the problems that occurred in the completion of the cheque counterfoils. Some participants relied on me or their mentor to identify the problem areas.

c) Conclusion

The use and completion of the cheque and cheque counterfoil should be included in the content of a course in School Financial Management and several activities on the cheque and cheque counterfoil should be completed by the participants. Participants should be encouraged to work together in pairs or small groups initially until they have developed sufficient confidence in their own ability to work as individuals. The presenter should move among the groups and listen to what is discussed in order to be able to assist the participants and clear up any misconceptions.

As in the case of the receipt, the correct way of completing the documents should be illustrated on the board/transparency and possible pitfalls should be pointed out to the participants. The calculation and filling in of the bank balances on the cheque counterfoil must be explained very carefully in future and the reason why the bank balance must be indicated on the counterfoil should be spelt out clearly since that aspect was problematic to almost all of the participants in both cohorts.

Once the cheques and cheque counterfoils have been completed and corrected, participants should be encouraged to use the source documents to record the transactions in the CPJ. This will emphasise the need for providing all the details on the cheque counterfoils to the participants. Since some of the participants struggled to identify problems in the way in which the source

documents had been completed at their schools, they should be encouraged to bring the cheque book(s) of their school to class in order to analyse the way in which they had completed the documents until then. Problems should be pointed out and participants should be encouraged to implement the suggested changes as soon as possible.

It is essential for the presenter of a course in School Financial Management to ensure that there are sufficient activities on all aspects of the course. Unfortunately this could mean that he/she may have to create these activities, since I could not find sufficient suitable activities to be use in the presentation of a course in School Financial Management in literature.

5.2.1.3 Requisition forms

a) Content

The fact that only one of the seventeen schools represented in this study was using an "order form" to request cheque payments prior to the course, emphasised the need for including the requisition form as part of the content. Prior to the course, almost none of the participants knew what a requisition form looked like, what information it should display and how it should be used in the payment process of the school.

Once the requisition form had been introduced, some of the schools tried to implement it in their payment processes. However, they did not succeed in using the requisition form in the correct way. The correct way to use the requisition form should be emphasised in the discussions during the contact session in order to assist the participants with its implementation at their respective schools. Participants should be informed that the use of the requisition form is aimed at improving the financial control (especially budget control) at the school. They should be encouraged to explain the purpose of the requisition form to their members of staff. In doing so they would be able to eliminate false expectations, such as that the use of the requisition form would reduce the frustrations of the members of staff who had to wait for a cheque they had requested.

b) Method

The requisition form was a totally foreign concept to all but one of the participants in this study. Therefore, when it was introduced for the first time during the contact session (with the first cohort), I gave the participants from the school where it had been used prior to the course, an opportunity to describe what their form looked like and how it was being used. I also asked them to bring an example of their requisition form to the contact session. This method enabled us to analyse the form in order to identify the information that it provided and to emphasise aspects of the form that needed to be changed.

The input by the participants, as well as the example from the school was beneficial to the group since that gave them an idea of what the form should look like and they were able to discuss the benefits of the requisition form with their peers. The discussion led by the participants was followed by an in-depth explanation regarding the purpose of the requisition form, the manner in which it should be used at the school as well as the information for which it should make provision. In the case of the second cohort none of the participating schools had implemented the requisition form before, so I had to lead the introductory discussion myself. This highlights the advantage of including representatives from schools with better developed financial management systems in each cohort. In order to assist the schools with the implementation of the use of a requisition form, I found it a good idea to structure an assignment in which the participants had to design a requisition form and describe how they would implement the form at their schools. When I visited the schools represented in the second cohort, the participants at all those schools could show me their newly- designed requisition forms which they intended to implement from the start of the next financial period. All these forms made provision for all of the required data, since the participants had to design requisition forms as part of an assignment. The impact of the assignment was therefore visible at the schools and I am convinced that the participants benefited from the completion of the assignment. Unfortunately I did not create this opportunity for the participants in the first cohort. The feedback I gave on the second cohort's assignments assisted them in making changes to their designs and to modify the financial

systems at their schools before implementing the requisition form.   This whole process ensured that several of the schools were able to implement the use of the requisition form with fewer shortcomings than was the case with the first cohort.

c) Conclusion

It would be ideal if the teaching of the requisition form could be combined with the experiences of participants regarding the implementation of the requisition form. In doing that the theory could be combined with the practical experience of some of the participants to the benefit of all who attend the contact session. Care should be taken during the explanation of the requisition form to make reference to the purpose as well   as the benefits of the implementation of the requisition form.

Owing to the fact that the requisition form is normally a relatively unknown source document to the majority of the participants and the impact that the assignment had on the way in which the forms were implemented at the schools in the second cohort, I believe that it would be in the best interest of the participants in a School Financial Management course to complete an assignment on the requisition form. The assignment   could   possibly   be completed in pairs since it would stimulate the creative thinking of all of the participants and everybody would be more likely to contribute to the assignment. If the time allows, participants should be given the opportunity to present their designs to their peers, together with a class discussion regarding the use of the form in the schools.

5.2.1.4 Petty cash vouchers

a) Content

As mentioned earlier, petty cash payments had not been included in the course originally and only a brief reference was made to the petty cash voucher. It was not covered in the same amount of detail as the other source documents mentioned above. In hindsight, this omission was a mistake. Despite my attempts to address the omission by briefly referring to the petty cash voucher and the information it should reflect, the participants clearly did

not grasp the importance of maintaining accurate and detailed records of petty cash payments. They failed to understand what details should be reflected on the petty cash voucher and that it is should be completed with the same amount of detail as all the other source documents. As a result, the implementation of this source document was problematic at most of the schools.

Two of the schools where a petty cash system had been used in the first cohort continued with the practice of making payments from petty cash without the use of petty cash vouchers after the brief discussion during the contact session. This confirmed the fact that some of the participants did not grasp the importance of maintaining accurate records of petty cash payments and it highlighted the fact that not all of the participants really understood the negative impact that the unrecorded financial transactions could have on the financial management of the schools.

Both of the schools in the second cohort where a petty cash system was used had managed to introduce the use of the petty cash voucher by the time that I visited them. This could possibly be attributed to the fact that I had placed greater emphasis on the importance of completing the petty cash voucher with the second cohort based on my experience with the first cohort. However, the fact that the schools persevered with making petty cash payments without completing the petty cash voucher first indicated that the participants still did not fully understand the importance of completed source documents.

The petty cash voucher should be included in the content of a financial management course for school leaders. The completion of the document and the correct use of the document should be brought to the attention of all of the participants and they should be encouraged to implement the use of the petty cash voucher at their schools if payments were made from petty cash.

b) Method

The way in which the petty cash voucher had been taught to both cohorts was totally ineffective. Although I had explained the other source documents in

great detail to both cohorts and I believed that the participants should be able to deal with the petty cash voucher after a brief description, I was mistaken. The document analyses I did during my school visits at the end of each year, revealed that the participants were unable to apply their newly acquired skills in dealing with source documents to design and complete the petty cash voucher to ensure the accurate recording of petty cash transactions. The petty cash voucher should therefore be explained in the same way as all of the other source documents and participants should be required to complete some activities on the petty cash voucher to ensure that they were able to complete the vouchers in detail. A mini assignment could be structured on the petty cash voucher where participants are required to design a petty cash voucher for use at their school and to describe the way in which they would implement the petty cash voucher in the process of making payments from the petty cash.

c) Conclusion

The petty cash voucher should be included in all initial School Financial Management courses, since it appeared as if all of the previously disadvantaged schools use small change to pay for certain purchases, mostly without recording the transactions. Furthermore, the petty cash voucher should be taught in a very similar way to the receipt and cheque counterfoil where the participants are required to complete several documents to record financial transactions of the schools.

5.2.1.6 Final conclusion regarding source documents

Although the completion and use of source documents could be regarded as straight- forward and very easy, there were participants in both groups who found it problematic. Owing to the limited time available for the teaching of a School Financial Management course, the temptation would always be to rush through the source documents in order to focus on more complicated aspects of the work. In order to ensure that the source documents would provide sufficient detailed information to make accurate record keeping of financial transactions possible, participants should be assisted to master the correct

way of completing the source documents as a basis for the rest of the knowledge they should acquire.

In order to encourage the participants to implement what they have learnt with regard to the source documents at their schools, it is essential to complete a document analysis of the source documents at the different schools represented in the group as soon as possible after the course has commenced. This will enable the presenter and the mentor to point out problems in the completion of the source documents to the participants since they often struggle to identify these problems themselves and they will be able to introduce the required changes at an early stage at their schools.

5.2.2 Safekeeping of source documents

a) Content

The safekeeping of source documents is another important topic to be addressed in a course of School Financial Management. I found this to be a key issue at virtually all of the schools represented in both the groups during this study even after the matter had been dealt with during the contact session. Despite the emphasis that was placed on how the source documents should be stored at school, none of the schools managed to keep their source documents locked away in a strong room or safe where they would be protected against loss through fire or theft or against the possibility of fraud.

Although attempts had been made to keep the source documents in a relatively safe place at most of the schools, by the time that I visited the schools at the end of each course, the places where the source documents were being kept, were still not fire or theft proof. During the contact session the implications of a loss of the source documents should be made clear to the participants in an attempt to convince them of the need to select carefully the place where the documents were to be kept. Furthermore, they should be made aware of the need to protect the source documents against all possible causes of loss such as theft, fire or fraud and not only against the possibility of theft.

b) Method

The safekeeping of source documents was not taught as an individual topic during the presentation of the course to either of the groups. Although the participants in both cohorts had been unaware of the need to protect the source documents of the school before the course started, attempts had been made at all the schools to address the problem by the time I visited at the end of each course. Therefore I was reasonably satisfied that the class discussion regarding this issue, had been successful enough to convince them, so as to change their way of handling these documents.

5.2.3 Handling and safekeeping of cash and petty cash

5.2.3.1 Handling and safekeeping of cash

a) Content

The handling of cash should form part of a course in School Financial Management since this aspect was problematic at most of the schools represented in both cohorts prior to the beginning of the course. The majority of the participants in both groups were more than willing to introduce changes to the way in which cash was being handled at their schools after the contact session in which this aspect had been discussed. Three of the biggest changes that were affected by participants at their schools, were banking of smaller amounts at more regular intervals; not making payments from money received and reducing the total amount of cash kept at the schools.

However, the handling of cash during fund-raising events remained a serious source of concern at some of the schools, despite the discussions that were held in this regard. At some of the schools money exchanged hands several times during the fund-raising process before reaching the convenor and ultimately the treasurer. The money also remained in the possession of the convenor until the fund-raising event had come to a close while only one receipt was issued to the convenor once all the money raised had been paid over to the treasurer. Although I tried to create an awareness of the loopholes in this type of system during the class discussion, as well as during the interviews that were held at the schools towards the end of each course, I was

unsuccessful in convincing the participants of the need for change. I left feeling that the participants would rather risk of losing the money they had raised, than risk the introduction of measures that could be interpreted as having a lack of faith in the honesty and trustworthiness of the members of staff.

The safekeeping of cash is a major problem at the schools represented in this study owing to a high incidence of crime in the areas where the schools are situated, as well as the fact that some of the schools cannot afford to install security systems. At some of the schools where secure facilities in the form of strong rooms are available, the access control to the strong room or safe is problematic. However, not all the schools have proper safekeeping facilities, especially some of the schools in the second cohort. The lack of proper safekeeping facilities at some of the schools further contributes to the problem.

Despite the challenges that the previously disadvantaged schools are faced with regarding this issue, it is essential in a Financial Management Course to focus the attention of the participants on the need for proper security of cash. Although the schools often face severe financial challenges, the participants should be encouraged to find more acceptable and lasting solutions for the problems that they are confronted by in this regard. It is crucial to discourage the popular practice of allowing the principal or treasurer to take the money home overnight.

b) Method

The class discussion regarding the handling and safekeeping of cash that took place during the contact session, was reasonably successful. An awareness of the stipulations of the SASA regarding the handling and safekeeping of money was created during the contact session, as well as throughout the duration of the course.

The manner in which schools are supposed to deal with funds raised during fund-raising campaigns should be emphasised to a greater extent in order to

convince the participants of the need to adopt more acceptable cash-handling practices.

5.2.3.2 Handling and safekeeping of petty cash

a) Content

During the interviews that were conducted at the schools where a petty cash system was being used, some serious problems were identified in the handling and safekeeping of the petty cash. It appeared as if the participants did not realise that petty cash was an asset that required careful management. Not only had the majority of the schools failed to exercise control over the return of the source documents as proof of the transactions, but in most cases there was very little control over the return of the receipt or cash slip as well as the change from these transactions. The safekeeping of the petty cash float during the day and overnight was also very problematic at most of the schools since the petty cash float was often not locked away during the day and was taken home at the end of each day by most of the petty cashiers.

Greater emphasis should be placed on the correct way of handling the petty cash as well as on the safekeeping of the petty cash float and the fact that the money should be kept on the school premises, should be emphasised.

b) Method

The problems described above, regarding the handling and safekeeping of petty cash, emphasises the fact that the brief reference to the petty cash system was ineffective since it did not convince the participants to implement an effective petty cash system at their schools. My assumption that the participants would be able to deal with the petty cash based on what they had learnt during the discussion on the handling and safekeeping of cash, was incorrect.

Most of the schools had no control measures in place to ensure the effective handling and safekeeping of the petty cash. Their procedures were also not adjusted after the brief reference to these during the contact session. Most of

the schools persisted in keeping the petty cash in the unlocked desk drawer during the day and in sending the petty cash home with the petty cashier at the end of each day. In the light of these findings more emphasis should be placed on the handling and safekeeping of the petty cash and an alternative way to teach this section should be found.

c) Conclusion

Even though not all of the schools represented at a Financial Management course would necessarily make use of a petty cash system, the safekeeping and handling of the petty cash should be formally addressed as a topic in the content of a course. Emphasis should be placed on the fact that the petty cash is an asset of the school and that there is a great need to manage the asset of the school very carefully.

5.2.4 Number of bank accounts

a) Content

All the participants in both cohorts were aware of the stipulation of article 37(3) of the SASA (1996:24) that a school may only have one bank account. Yet all the schools that were represented in the first cohort, had two accounts. These schools justified the use of an investment account for the holding of money that was not immediately needed by the school and in some cases they had obtained permission from the DoE (Bisho) to open the investment account. Since the use of an investment account had been approved by the DoE (Bisho) and it generated interest for the schools, and the schools had maintained records of these funds according to the instructions of the DoE, I was not very concerned about the second bank account in these cases.

None of the schools represented in the second cohort was section 21-schools. Since they seldom had large sums of money that could earn additional interest in an investment account, there was no valid reason to open an investment account or a second cheque account. Despite the fact that the majority of the schools in the second cohort only used one bank account, some of them did make use of a second bank account. This was mainly owing to the fact that their financial systems were unable to provide

344

accurate and detailed records. These schools used two separate bank accounts to keep track of money raised and spent for different purposes, since their records could not provide the necessary details. Although the schools are transgressing the stipulations of the SASA, I believe that they will persevere with this practice until they have been assisted in developing and successful implementing a functional financial recording system.

b) Method

All the participants in both cohorts knew about the stipulation of the SASA prior to the course. It was not really necessary to inform them about this requirement. However, the class discussion shed light on the different reasons why the schools found it impossible to meet the requirement and made me more aware of the problems that the participants experienced in the process of managing the finances of the school. A group discussion in this regard was successful and should be used in future courses to create awareness of this stipulation of the SASA.

c) Conclusion

The stipulations of the SASA regarding the use of only one bank account should be brought to the attention of the participants even if it is unlikely that all of the schools represented in a course would apply this requirement diligently. The participants should also be encouraged to adjust the financial management systems implemented at their respective schools in order to provide reliable financial information eventually. I believe that the practice of using a second bank account to keep records of the different financial transactions will only be phased out once the participants have developed faith in their own abilities to maintain accurate financial records. The class discussion regarding the number of bank accounts was effective in the sense that it gave participants an opportunity to learn from one another how best to manage their limited available funds.

5.2.5 Recording of transactions in the CRJ, CPJ, PCJ and General Ledger

5.2.5.1 Recording of transactions in the CRJ and CPJ

a) Content

The document analyses that were completed during my visits to the various schools before and after the contact sessions revealed several major challenges with regard to the recording of the financial transactions. Therefore I believe that the recording of cash transactions in the CPJ and CRJ should form an integral part of a basic course in School Financial Management.

When the CRJ and CPJ were systematically explained to the participants during the contact sessions, and they were given the opportunity to practise the skill of recording these transactions in the different journals, all of the participants in both cohorts were able to record cash transactions accurately in the CRJ and CPJ. This was confirmed by the positive test results that both groups attained in the test on the CPJ, CRJ and Bank account. I was therefore satisfied that the participants had mastered the skills needed to complete the cash journals. When developing a course, sufficient activities on the recording of transactions in the cash journals should be created to enable the participants to practise and master the skill of recording these transactions.

Care should be taken during the completion of the activities on the CRJ and CPJ to ensure that all participants correct their activities accurately during the feedback sessions as this information could be used later on in the course during the session on the Trial Balance to provide practise on completing the Trial Balance for the participants. If the mistakes of the participants are not corrected properly it will have a negative impact on the ability of the participants to complete the Trial Balance.

However, I was disappointed with the efforts that had been made by the participants to implement the recording of the cash transactions in the journals at their respective schools. The participants in the first cohort were less successful with the implementation of the cash journals at their respective schools than the participants in the second cohort. The only schools in the

first cohort that attempted to implement the recording of the transactions in the CRJ and CPJ, were the schools where there already was a more or less functioning financial recording system in place. The participants were able to adjust and improve their existing systems based on what they had learnt (in order to improve the functioning of the system), and they indicated that they had gained a better understanding of the systems that were being used at their schools. However, the participants in the first cohort who were at schools where there was not a functioning system in place, made no attempts to introduce the use of the cash journals. The majority of these participants explained this by saying that they felt that too much of the year had already passed and it would take too much effort to change their system at that specific time.

The second cohort was more successful with the introduction of the CRJ and CPJ at their schools. Prior to the course, none of the schools represented in the second group had recorded their cash transactions in the journals, but when I visited them at the end of the year, four of the eight schools had successfully implemented the use of the CRJ and CPJ. Although I still identified some minor problems with the recording of the transactions during my visit, the problems could easily be rectified based on my explanation. Two of the remaining schools had not realised the extent of the problems of the systems that they already had in place and that it was impossible to adjust the existing systems to meet the minimum requirements as discussed during the contact sessions. Once they were aware of the problems, the participants undertook to introduce the journals as it had been explained during the contact sessions. Only two of the schools had not attempted to implement the recording of the transactions in the journals at all.

b) Method

Although the content taught about the cash journals had remained the same for both the cohorts, I felt that the change in the teaching method (focussing on one journal at a time and completing a greater number of activities) and the increase in the amount of time spent on this section with the second cohort, had a very positive impact on the development of the skills of the

participants and the willingness of the participants to introduce the use of the different journals at their respective schools.

The activities that required the participants to work in pairs during the initial part of the contact session, also contributed to the development of greater confidence among the participants. This enabled me to move among the groups during the contact sessions to assist those in need of help and to explain incorrect perceptions among the participants. It encouraged greater interaction between the participants and me which contributed to the development of a feeling of trust. It was essential to establish a feeling of trust with the participants especially since they had to share the financial problems of their schools with me during the contact sessions. This sharing would be impossible if they did not trust me. The use of activities during the contact sessions where the participants could work in pairs, was essential since many of the participants were initially intimidated by the idea of financial management and the recording of financial transactions. Once they were able to achieve the required outcomes by working together, I found that they were more eager and willing to attempt some of the activities on their own. In my opinion, this confirmed the need for class activities to be followed by individual activities on the work to be done.

Furthermore, I created the opportunity for the participants in the second group to bring the existing cash records of their schools to the contact session so that I could assist them with the introduction of the changes that were required and provide suggestions on how to improve their record keeping process. Unfortunately time did not allow this with the first cohort. Although none of the schools in the second cohort did in the end bring their records to class because these records did not exist, some of the participants used the opportunity to consult with me in order to clarify the layout of their cash journals. This enabled them to start the process of recording the cash transactions at their schools.

Many of the participants were unable to identify problems in the recording of the transactions in the cash journals at their schools. They only became aware of the problems once I pointed these out to them during my visits to

their schools at the end of the year. Sometimes I had to remind them of what had been said during the contact sessions and I also had to repeat some of my explanations. To me this emphasised their need for support during the implementation process at their schools. Trained and informed mentors could play a major role in this regard in order to lighten the load of the presenter.

The second cohort also benefitted from the fact that they recorded the CRJ and CPJ transactions in all their activities in real accounting workbooks and not on already prepared worksheets as was the case with the first group. Although I assisted some of them in the selection of the headings for the different analysis columns, the participants in the second cohort were used to drawing the columns and setting up the layout of their journals for their activities. They found it relatively easy to do the layout on their own at their schools. Some of the participants in the first cohort could not structure the layout of their journals at their schools since they had always used prepared worksheets to complete the cash journals for their activities during the contact sessions. I am therefore convinced that it is better to use the accounting books and assist the participants initially to prepare the layout for the journals than to use worksheets in order to save time.

Although the prospect of having to complete a test had been daunting for most of the participants, especially those of a more advanced age, I felt that it was essential to test the participants in order to gauge their progress and therefore I required both groups to write a test on the cash journals and the bank account. The test results provided a clear indication of the level of understanding of the group and it highlighted the aspects that the groups still found troublesome. The test results also provided motivation to the participants since it gave them a sense of achievement and they were encouraged to persevere. Participants should be tested at regular intervals in order to determine their progress and the problematic aspects even if they feel anxious about the test. It may be better to treat the test as just another activity they have to complete in class without telling them it is a test. This will probably reduce the levels of anxiety.

In order to maximise the chance that the participants will implement what they have learnt during the course, it may be necessary to start the Financial Management course, in the middle of the year. The presenter and mentors would then be able to assist the participants from the beginning of the new year to implement change at their schools. This would enable them to produce reliable financial statements at the end of the second year under guidance of the presenter and mentors.

I believe that my attitude towards the participants during and outside the contact sessions also affected their willingness to learn and to persevere. For most of the participants in both groups, attending this course in School Financial Management had been a major challenge and many of them were very apprehensive about it. They were uncertain about their ability to master the required skills, but at the same time they realised that they urgently needed the skills and information in order to bring about change at their schools. Throughout the course the participants in both groups relied on   me for encouragement, support and personal assistance and I realised that patience on my side was needed at all times in order to encourage them to persevere.

 c) Conclusion

Based on the knowledge and insight gained during the completion of this study, I am convinced that it is essential to include the recording of cash transactions in the CRJ and CPJ in a School Financial Management course. I also believe that the section on the two journals should be presented in an interactive way where the participants could be guided with regard to each step of the recording process.

In order to assist the participants in the implementation of what they have learnt at their respective schools, opportunities should be created during the presentation of this section to analyse the way in which the cash transactions are recorded at the schools. Participants should be assisted with the identification of problems in the recording processes at their schools, as well as the introduction of the required changes in order to ensure that the financial recording processes implemented at the different schools meet the

minimum requirements. In order to assist the participants with the implementation of the content of the course at their schools, one should consider what time of the year should be the best time to commence with the programme.

5.2.5.2 The Bank account in the General ledger

a) Content

Although some of the participants in both cohorts had initially struggled with the posting of the CRJ and CPJ to the Bank account in the General ledger, most of them were eventually able to do so. While some of the participants in both groups had initially struggled with the balancing of the account, most of the participants in both groups were able to balance the bank account correctly eventually. Most of the participants also managed to post the cash journals to the Bank account and to balance the account during the test.

The implementation and use of a Bank account for the posting of the cash journals at the different schools in both cohorts was, however, less successful, not because they struggled with the account but because some of the participants failed to introduce the use of the cash journals at their schools. However, the schools that were able to successfully record the cash transactions in the CRJ and CPJ, were also able to complete the Bank account in the ledger and to calculate the balance of the Bank account. Strangely enough, the schools in the second cohort where there had not been a functioning financial system in place prior to the course, were more successful in implementing the bank account than the schools in the first cohort. This could largely be attributed to the fact that they had spent more time on this section and more of them had started to use the cash journals at their schools.

It is essential to teach the Bank account as part of the content of the course since it also impacts on other aspects of the course such as the reconciliation process and the financial statements. Care should therefore be taken that the participants are able to complete the posting to and the balancing of the Bank account.

b) Method

Explaining the posting of the cash journals to the Bank account in the General ledger was extremely time-consuming and it involved several demonstrations and repetitions of the explanations that had already been given. The fact that the participants in both groups had initially struggled to master the skill of posting to the General Ledger, but eventually after many repetitions managed to master the skill of posting to the Bank account, convinced me that it is essential to design several activities to be completed by the participants as practice. One should also be prepared to repeat and demonstrate the explanation several times without showing any irritation or impatience. I also found it useful to allow participants who had successfully mastered the skill, to explain the section to their peers who were still struggling in smaller groups on a one-to-one basis. Enough time should be allowed for this section in the planning of a programme since the extra time spent with the second cohort on this section contributed much to the fact that the participants were better prepared to deal with this aspect than the participants in the first cohort.

In order to assist the participants with the implementation of the Bank account at their schools, more pressure should be placed on them during the teaching of the cash journals to implement the correct way of recording cash transactions. By the time the Bank account is introduced, they will then be able to start completing the Bank account for the months that have passed at their schools.

c) Conclusion

It is vital to include the completion of the Bank account in a course in Financial Management for school leaders. Since the participants are likely to find this section very challenging, sufficient time should be provided for it in the initial planning of the course. An interactive approach should be used during the explanation of the posting and balancing process where the explanation and demonstration of the presenter is supplemented by the completion of several activities by the participants. The more advanced participants should, under the guidance of the lecturer, assist those who are struggling with the completion of the Bank account. It will also be possible to use mentors to

provide additional assistance during the contact session, if they are able to complete the Bank account themselves.

5.2.5.3 Recording transactions in the PCJ and the Petty cash account

a) Content

Although efforts had been made by the participants to complete the petty cash voucher at the schools where a petty cash system was in use, none of the schools managed to record the petty cash vouchers in the PCJ or to post the PCJ to the Petty Cash account in the General Ledger. That was why they were unable to reflect the petty cash payments in the financial statements and budgets of their schools, even after the contact session in which the recording of petty cash transactions had been briefly explained.

b) Method

Owing to the similarities between the CPJ and the PCJ, as well as the Bank and Petty Cash accounts, I was convinced that the participants would be able to apply the principles which they had mastered with regard to the recording of the CPJ and the Bank account in completing the PCJ and Petty cash account. I therefore used the overhead projector to briefly explain and demonstrate how the petty cash vouchers should be recorded in the PCJ and how the Petty cash account had to be completed. During my explanation I pointed out the similarities as well as the differences. However, since this section was not included in the original planning of the course, the participants did not complete any activities on the PCJ or the petty cash account. The participants in both groups were unable to record the petty cash payments based on the theoretical explanation that had been given during the contact session. No attempts were made to implement the recording of the petty cash transactions at any of the schools.

A combination of the lecture method and class discussion should therefore not be used to teach the recording of payments from petty cash. The PCJ and Petty cash account should be taught in the same way as the CPJ, CRJ and Bank account and participants should be required to complete some activities in this regard. In order to encourage participants to implement a

proper system at their schools, they should be assisted in the implementation process by the presenter as well as their mentors with the structuring of the initial layout of the journal and the entering of the transactions of the first few months.

c) Conclusion

Despite the fact that not all schools would necessarily make use of a petty cash system, the recording of petty cash transactions should be included as part of the content of a School Financial Management course. The recording of the PCJ and the posting of the PCJ to the Petty Cash account in the General Ledger should be taught in a way similar to the way in which the recording of the CPJ and CRJ, as well as the posting of the cash journals to the Bank account were taught. The participants have to complete several activities in order to facilitate the development of their skills. Participants should also be assisted with the recording of the petty cash transactions at their respective schools.

5.2.6 Bank reconciliation

a) Content

The DoE (Bisho) requires the submission of completed bank reconciliation forms of all the schools once per term. Although most of the schools represented in this study had managed to submit these forms in the past prior to the course, the participants confessed that they had had major problems with understanding and completing the   forms.

Bank reconciliation was a very troublesome topic to most of the participants in both cohorts. Although most of the participants eventually managed to a certain extent to master some of the steps in the reconciliation process and the test results of the second cohort were satisfactory, only three of the seventeen schools represented in this study were able to implement all four steps of the bank reconciliation process.

 Although the implementation of the bank reconciliation process by the participants at their schools was disappointing with only three of the

seventeen schools managing to implement the bank reconciliation process in totality, it was encouraging to see that several of the schools where the CRJ and CPJ were correctly being recorded, managed to implement the first three steps of the reconciliation process, namely comparing the cash journals to the bank statement and identifying outstanding entries in the cash journals, entering the outstanding entries, and completing the bank account in the General ledger. The completion of the bank reconciliation statement remained problematic. Care should therefore be taken during future courses with the explanation of the bank reconciliation statement in order to ensure that the participants know exactly when to record an entry in the statement and what is meant if an entry is recorded in the reconciliation statement.

The most common problem which prevented the implementation of the bank reconciliation process at the majority of the schools was the fact that their cash journals were not kept up to date and in the correct format according to what was prescribed in the course. The urgency of implementing the correct use and recording of the CRJ and CPJ should therefore be emphasised at the beginning of a course and participants should be assisted and encouraged to implement the required changes at their schools immediately since the implementation of the bank reconciliation process will be affected by the way in which the cash journals have been recorded.

Once participants have completed all the activities on the bank reconciliation process, participants should benefit if they could be encouraged and assisted by the presenter and their mentor to complete the bank reconciliation process of their schools for a period of a month or two since that would increase the chances that the participants would be able to implement the complete reconciliation process at their schools. However, most of them would not be able to do this on their own.

b) Method

It took a lot of time, repetition and patience to teach this section of work to the participants in both groups. In order to deal effectively with this aspect, participants should be actively involved during the teaching and learning process and they should be required to complete a number of activities on

bank reconciliation in order to practise the skills that they need so that they can deal with this aspect. They would depend very much on the explanations and demonstrations of the presenter in order to master the ability to complete the bank reconciliation on their own. It should therefore be clear that the lecture method will not suffice at all, and that a much more interactive method has to be used, one in which the lecturer can become aware of how much or how little the students have grasped.

Bank reconciliation cannot be taught successfully during one contact session. It was evident in the case of the first cohort that a once-off approach only contributed to the confusion of the participants. Enough time should therefore be built in during the planning of the course to divide the reconciliation process into two parts, namely updating the cash records and bank account of the school, as well as the completion of the bank reconciliation statement, and to focus on each of these parts during separate contact sessions. Activities have to be created that will enable the participants to develop an understanding of what they are attempting to achieve with each step in the reconciliation process and to practise the required skills to complete the reconciliation process effectively.

If there is enough time available, the participants should be tested on this section of the work. In the case of the second cohort, it appeared that the achievements of the participants during the test contributed to greater confidence in their own abilities. Participants' mistakes in the test provide a clear indication of aspects of the reconciliation process that require further explanation.

In order to encourage the application of the reconciliation process in the schools, opportunities should be created during or after the contact sessions where assistance could be provided to the participants to complete the reconciliation process for a couple of months on the actual records of their schools. In order to ensure that bank reconciliation is implemented correctly, participants need one-on-one support and feedback. While this is a very heavy additional load on the shoulders of the lecturer, if the group becomes big, it is another way in which the lecturer can become aware of the problems

faced by the participants. Trained mentors could also make a valuable contribution in this regard. The participants could further be assisted in the implementation of the reconciliation process at their schools if the Department of Education could be persuaded to provide regular feedback on the bank reconciliation forms that are being submitted by the schools.

c) Conclusion

The problems participants experienced with bank reconciliation, together with the requirements of the Department of Education with regard to the submission of bank reconciliation forms by the schools, convinced me of the vital necessity to include bank reconciliation in a course like this. However, merely including this in the course is not enough. Participants should be actively involved in the teaching and learning process and they should be supported by the presenter as well as a mentor to ensure the correct implementation of the process at their schools. In this process the Department of Education should play an active role in providing proper and extensive feedback to the schools on the reconciliation forms that schools have to submit at the end of each term.

5.2.7 Trial Balance

a) Content

Participants in a School Financial Management course should be taught how to do a Trial Balance irrespective of whether they have completed all of the accounts in the General Ledger (as is normal practice) or only the Bank account and Petty Cash account (as was the case in this study). Participants need a list of totals that can be used to compile financial statements, as well as to complete a budget analysis and compile a budget report for effective budget control. It is therefore essential to include the Trial Balance as part of the content of a course. The reasons for compiling a Trial Balance and the purpose of a trial balance should be made clear to the participants during the introduction of the topic before the attention of the participants is focussed on the actual format and the way in which the trial balance has to be drawn up.

In my work with both cohorts, I realised that confidence and the ability to successfully complete the given activities are clearly no guarantee of the implementation of the Trial Balance. Only one of the seventeen schools managed to implement the Trial Balance in their financial recording system. The participants of all of the other schools indicated that they were unable to implement the Trial Balance because their cash journals had not been changed and updated. However, they all planned to implement the trial balance in the following financial period once the financial systems at their schools were updated with the required changes. This again highlights the vital necessity of providing one-to-one assistance to the participants in their attempts to update their cash journals and then to implement the compilation of the trial balance on a monthly basis at their schools.

b) Method

The same teaching method was used to teach the section on the trial balance to both the cohorts except for the lengthening of the course that enabled me to spend more time on the trial balance. This change helped me to focus on obtaining information from each of the cash journals during separate contact sessions. The majority of the participants appeared to understand the process of compiling the Trial Balance better and therefore I managed to reduce the level of confusion among the participants. It is therefore advisable to ensure that sufficient time is allocated to the teaching of the Trial Balance when planning the course.

The use of worksheets in the teaching of the Trial Balance should be avoided even though the participants may find it easier. Since the second cohort did not make use of the worksheets and they were forced to copy the framework of the Trial Balance into their books, they definitely had a clearer understanding of the actual layout of the Trial Balance. It seemed that they found it easier to create the layout for the trial balance in the financial records of their schools once they had dealt with the correction of their cash journals.

I believe that it is essential to demonstrate to the participants how the trial balance should be constructed on the chalk board or by means of an overhead projector while they have the journals opened in front of them so

that they can follow what is being done. It was also less confusing for the participants to focus on one journal at a time during separate contact sessions and to receive an explanation of how the data should be used to collate the trial balance. Once the first few entries in the example have been demonstrated, participants can be asked to complete the rest. When they have completed the entries, they again need feedback and more demonstrations. Finally when the trial balance has been completed, they again need guidance on how to balance the trial balance. Participants should also be taught how to look for the mistakes. Similar to the teaching of the previous sections of work, the participants should be given a variety of activities that can be completed during the contact session, as well as at home, in order to develop the required skills. All of these activities should be corrected in class and problem areas should be discussed.

Most of the participants in both groups were able to successfully complete the activities on the trial balance during the contact sessions as well as at home. I believe that the increased amount of time spent on this topic with the second cohort, as well as the fact that they were able to complete more activities on the trial balance than the first cohort, contributed to the greater sense of confidence evident among the participants in the second cohort.

In order to support and encourage the participants in the process of implementing the use of the trial balance at their schools, they should be encouraged to bring the cash journals of a few months to the contact session and then, as a last activity on this section, they could be assisted during the contact period to construct the trial balance for those months. Problems could then be discussed and solved in class that would encourage them to implement the trial balance for the rest of the year at their schools. Mentors could then be used to support the participants during the implementation at their schools.

c) <u>Conclusion</u>

It is essential that the trial balance be included in a School Financial Management course in order to enable the participants to complete the financial statements at the end of the year and to apply proper budget control.

The Trial Balance should be dealt with in at least two contact sessions if the journals are not posted in totality to the General Ledger. This will enable the presenter to focus on the two cash journals separately and will reduce the risk of confusion among the participants. An interactive approach should be used when dealing with the Trial Balance and several activities should be structured in order to develop the skills of the participants. Mentors should be used to provide support to the participants during their attempts to implement the use of the Trial Balance at their schools.

5.2.8 Recording and interpretation of financial statements

a) Content

Compiling of financial statements

At the start of the course, prior to the introductions to the section on financial statements, all the participants in both groups were aware of the fact that they had to compile financial statements for the school, that provided a true reflection of the financial position of the schools, and that copies of the statements had to be submitted to the Department of Education (DoE). During my visits to the schools most of the participants were able to present me with a file that contained all the copies of the financial statements that had been submitted to the DoE in the past. It was alarming though that the majority of the participants in both groups admitted that they had made use of bogus financial figures to compile the statements because the financial systems used at their respective schools were incapable of providing financial information that truly reflected the financial position of their schools.

A few of the participants in both groups mentioned that they usually copied their notes from their A5 books regarding the income and payments of their schools and submitted those notes to the DoE. Since the DoE had consistently failed to provide feedback to the schools regarding the financial statements submitted, the participants assumed that the DoE was satisfied with their statements and that there was no need for change in this. For me this revealed the core of the problem with regard to the financial management in schools – if the Department fails to see the importance of sound financial

record keeping, and allows schools to do simply as they wish, without any correction or assistance, then it is clear that nothing will change and that the prescriptions and all the ostentatious statements by the DoE about efforts to put a proper system in place, simply boils down to official rhetoric with no substance at all. This failure of the DoE and the discovery of the existing practices at most of the participating schools emphasised the importance of including the recording of financial statements in the content of a School Financial Management course. From the above mentioned it is also clear that much more will need to be done by the Department of Education to put things right. While this falls outside the scope of this study, I do make some recommendations in this regard in the final chapter. Once the topic had been explained, most of the participants in both groups found it relatively easy to complete the activities in which they had to compile the Statement of Income and Expenditure (both groups) and the Balance Sheet (first cohort) or list of assets (second cohort) based on the information provided in the Trial Balance. The results that the participants of the second groups obtained during the class test confirmed that they had understood the work and were able to complete the financial statements based on the details reflected in the trial balance. Unfortunately there was not enough time to let the participants from the first cohort write a test on this section. I was, however, convinced that they were able to complete the financial statements independently since all of them were able to successfully complete the activities.

However, the sobering fact was that almost all of the participants in both groups experienced difficulties with the implementation of the financial statements at their schools. During the interviews held with participants of the first cohort at the end of the course, some of the participants mentioned that they had lacked the confidence to introduce the compiling of financial statements at their schools, while others had doubts about their own skills to complete the financial statements accurately. These doubts could be attributed to the fact that there really was not enough time to deal with this section in great depth with the first cohort. The majority of the participants in the first cohort also mentioned that they first had to change and update the financial records up to the trial balance phase before they would be able

compile their financial statements. It was comforting to hear that most of the participants believed that they would be able to create reliable financial statements at their schools once they had had sufficient time to implement all changes to their financial systems.

Since more time was spent on compiling financial statements with the second cohort, I was very disappointed that no attempts had been made to draft the financial statements at their schools. However, upon thinking about this problem, I realised that the participants in the second cohort had to introduce more changes at their schools than most of the schools represented in the first cohort since many of their financial practices had been totally unacceptable. This implied that basically most of them had to start from scratch with regard to financial management and it was therefore understandable that they would only be able to implement the recording of the financial statement once they were able to effect all the required changes. The struggle of the participants to compile financial statements based on the figures reflected by their financial systems, once again highlighted the need to ensure that the changes were implemented at the schools as the participants became aware of the need for change. That would ensure that they would have accurate financial data available at their schools to compile the financial statements when that section was introduced as part of the course.

Interpretation of financial statements

The interpretation of financial statements was not covered in enough detail during the course offered to both cohorts. Unlike in the case of the business world where certain ratios have to be calculated and interpreted as part of financial management, very little could be found in the literature on what should be taught regarding the interpretation of financial statements in a Financial Management course. Since the acquiring of assets has never been an issue in disadvantaged schools (none of those represented in this study had purchased any assets from school funds), the provision for and replacement of assets are not relevant issues for the schools represented in this course for disadvantaged schools. I believe the participants would be better able to deal with the provision for and the replacement of assets once

provision for depreciation on assets was discussed during a follow-up course. I finally decided to focus on basic aspects with regard to the interpretation of financial statements such as the comparison between the actual income and expenditure amounts as reflected in the statement of income and expenditure, compared to the budgeted figures reflected in the budget, as well as decisions regarding possible corrective action that needed to be taken. The analysis and interpretation of the budget report were dealt with during the contact session(s) on budgeting.

The fact that none of the participants in both cohorts attempted to interpret their financial statements after this had been discussed in class, was disappointing but understandable in the light of the lack of reliability of their statements. Most of the participants indicated that they would only have reliable statements once their financial systems had been rectified and would therefore only attempt to interpret their statements at that stage. One can only hope that once they manage to produce reliable financial systems, they will be able to interpret the results in order to improve the quality of their financial decisions.

b) Method

I applied the same method (the lecture method combined with an illustration on the chalk board followed by activities completed by the participants and a class discussion) to teach the participants of both cohorts how to compile as well as interpret the financial statements. Owing to the extended contact period with the second cohort, the participants were able to complete more activities and class discussions on the compilation and interpretation of   the financial statements than the first group. The extended contact period also created more time for the participants to discuss their difficulties   with   their peers and with me. The results of the activity completed under test conditions enhanced the sense of achievement and self confidence of the majority of the participants in the second cohort since very few of them had experienced difficulty in completing the activity. I am therefore convinced that the participants in the second cohort will be able to compile and interpret the financial statements at their schools once their systems have been updated.

When analysing the information obtained during this study, it could appear as if the first cohort was more successful with the implementation of the financial statements at their schools than the second cohort since the three schools who managed to implement the use of the financial statements, were all part of the first group. However, on closer inspection, one realises that these schools already had functioning and relatively effective financial systems in place, prior to the start of the course and they were able to compile the financial statements prior to the introduction of the topic in the contact session. The course only assisted them to improve their own understanding of what they had been doing for a number of years and it enabled them to make more sense from the data provided by their financial statements in order to improve the financial decisions taken at their schools. Schools in the first cohort that did not have a system in place before the beginning of the course, were also not able to implement what had been taught as was the case with the second cohort.

c) Conclusion

An interactive approach can work well with the teaching of the section on financial statements where the participants can be actively involved in the learning process by completing activities and taking part in group discussions. Pressure should be exerted on the participants during the sections prior to the financial statements to ensure that the required changes are being implemented in their financial systems so that they are able to deal with the implementation and interpretation of financial statements at their schools when the section is being discussed during the course. Participants need the support of the presenter as well as a mentor in order to implement this section successfully at their schools.

Owing to the volume of work that should be covered during an initial course in School Financial Management, it would not be feasible to include training on the use of a computer package even though some of the schools could have benefitted from that. This aspect should be considered as a short course or part of a follow-up course.

5.2.9 Budgeting

a) Content

Budgeting process

Prior to the start of the course all of the participants had been aware of the fact that all public schools were obliged to have budgets and that the proposed budgets should be presented to their parent communities at budget meetings for approval before implementation at the schools. Most of the participants were able to provide copies of the budgets that had been submitted to the DoE in the past. However, since most of the budgets were based on fictitious figures they were useless financial management tools. The requirements of the SASA, as well as the fact that most of the participants were unable to compile a reliable budget based on true financial data, emphasise the need to include budgeting as a topic in the course.

Owing to the problems that the schools experience in compiling reliable budgets, special attention has to be given to the way in which reliable financial information must be extracted from the financial recording system of the school in order to compile a budget. Participants should also be informed about the different techniques that can be used to construct a budget especially when the budget cannot be based on previous budgets. However, many of the schools need to introduce major changes to their financial systems before they will be able to obtain reliable figures from their records. It is therefore essential to encourage the participants to implement the changes systematically during the course as that will have an effect on their ability   to compile reliable budgets in the end.

In order to ensure the acceptability of the budget to all stakeholders, the steps to be followed in the budgeting process should be emphasised. Participants should be made aware of the time of the year when the budgetary process should commence so that the budget for the new financial period will be available and approved at the beginning of the new budgetary period. Since the financial systems implemented at the different disadvantaged schools tend to be rigid and slow to adapt to change, the participants should be

assisted by their mentors to successfully introduce the necessary changes to their budgetary systems.

Budget control

Budget control was problematic at all the schools represented in both groups of this study before the course was presented and it remained problematic at virtually all the schools after the topic had been discussed. During the discussion on budget control attention should be given to the calculation and interpretation of budget variances as well as identifying the possible causes of and solutions to the budget problems. The calculation and interpretation of budget variances provide the foundation of the budget report and it is therefore essential that participants should be assisted until they are able to complete the calculations and interpret the variances. A number of activities should be created in this regard in order to create the opportunity for the participants to develop the necessary skills.

Since most of the participants were able to complete the worksheets successfully, it was a great disappointment to me that only one of the seventeen schools attempted to implement what they had learnt during the session. The feedback that I received from the participants at this particular school was encouraging since they were very excited about the difference that the analysis of the budget report had made to their financial decision making. Although many of the other participants indicated their intentions to implement what they had learnt regarding budgeting and budget control once they were able to adjust the recordkeeping system at their schools, I believe that they will need some form of support during the implementation process in order to be successful. It was a pity that the financial systems at the different schools had not been updated gradually as the course progressed since the participants would have benefitted much if they could have introduced the budgeting principles in their schools under guidance of the lecturer or the mentors. Again this highlights the problem with regard to the implementation of knowledge acquired during the course.

Although attempts were made by most of the schools represented in the study to introduce the use of the requisition form as a first step towards

exerting stricter control over their budgets, this was not meaningful enough to address the control problems that existed at the schools. No further attempts were made by any of the schools to introduce any other budget control measures. I believe that this failure was mainly owing to the fact that the participants realised it would be a waste of time since most of their budgets were based on bogus financial figures. The introduction of budget control measures would therefore have been meaningless.

Participants would not attempt to improve the budget control measures at their schools as long as they were aware of the fact that their budgets were based on bogus financial data. Other problems such as dealing with budget requests on a "first come, first serve basis", and constantly discovering unexpected expenses for which no provision had been made in the budget, would continue to exist until proper financial recording systems were implemented at the different schools. The participants should therefore be supported by the presenter of the course as well as their mentors to establish a financial system at their schools that would enable them to construct realistic budgets that would be worth their while to control effectively. They should also be assisted to introduce a budgetary system that correlates with the financial recording system at their schools in order to make effective budget control possible. Furthermore participants should be guided in the identification of budget and budget control problems at their schools. It became clear to me during my visits that most of the participants were unable to identify the budget problems and the causes of these problems on their own.

b) Method

The different aspects of budgeting were dealt with in the same way, namely by referring to the notes that were given to the participants and allowing them to discuss the aspects in small groups of two or three before the small groups provided feedback to the class as a whole. This method worked well in dealing with budgeting since it ensured the involvement of the participants while the information provided by the literature was brought to their attention. I constantly referred to the notes during the discussions in order to structure the

class discussion, but also to ensure that the participants had something in writing to refer back to once the course had been completed. The use of the lecture method in its pure form should be avoided since that could lead to boredom, a lack of concentration and little understanding of the practical realities among the participants.

I also believe that it will be beneficial to the students to complete an assignment based on the budgeting process and budget control. The assignment will compel the participants to consider the budgeting procedures and budget control measures at their schools and create an awareness of the shortcomings. The participants will benefit from completing the assignment if detailed feedback is provided since they will be able to use the feedback to bring about change in the budgeting process and budget control measures at their schools. It was a mistake not to give an assignment to the first cohort. An opportunity should also be created for the participants to present their ideas in this regard to the rest of the group since this can lead to a group discussion and an opportunity can be created for the participants to learn from their peers. Participants from previous courses who were successful in introducing effective budgeting changes at their schools can be asked to take part in the classroom discussion. That will also enable the participants to exchange ideas on different aspects of budgeting, especially budget control and this will provide an additional opportunity to learn from their peers.

The use of worksheets to calculate budget variances was a good idea since it gave the participants an idea of how to go about collecting information to put together a budget report. When a course in school financial management is being designed, care should be taken to create enough of these types of worksheets in order to ensure that the participants can have sufficient exposure in completing the worksheets. More time should be spent on identifying and discussing possible reasons for budget deviations and how budget deviations should be dealt with in reality. Emphasis should be placed on the fact that the members of the finance committee should work together in finding solutions for budget problems and that that task cannot be delegated to one or two people as was the case at a few of the schools represented in this study.

c) Conclusion

Budgeting plays a crucial role in ensuring the successful management of the finances of a school and should therefore be included in the content of a course in School Financial Management. Special attention should be given to the budgeting process as well as budget control. Participants should be supported by the presenter and mentors in their efforts to implement what they had learnt regarding budgeting at their respective schools.

5.2.10 Fund-raising

a) Content

All the schools represented in this study experienced a severe shortage of funds since the financial contribution that they had received from the DoE was not sufficient to provide in all the needs of the schools and their learners. The scarcity of funds, combined with the fact that most of the participants in both cohorts had indicated that they did not regard fund-raising as part of their responsibilities, made me aware of the severity of the problems that existed at the schools regarding fund-raising and therefore I believe that the inclusion of this topic in the course is absolutely vital. Awareness of the importance and need for fund-raising at a school should be created during the contact sessions with the participants.

It was interesting to note during my visits to the schools that at the schools where the principal and the management team formed the driving force behind the planning and implementation of fundraising campaigns, money was raised with greater enthusiasm and success than at schools where the management team left the raising of funds in the hands of the staff and the learners. The impact of the involvement and support of the management team during the fund-raising campaign at any school should therefore not be underestimated.

Although most of the participants had indicated during the interviews that some form of fund-raising was held at their schools, all of these campaigns were aimed at raising funds for specific purposes such as a matric dance or a choir/cultural/sport tour. This implied that very little if any of the funds were left

over to supplement the income of the school. It appeared that the schools in general benefitted very little from the funds generated through these campaigns. No attempts were made at any of the schools to generate additional funds in order to improve the bank balance of the school. When dealing with fund-raising during the presentation of a financial management course, the attention of the participants should be focussed on the need to arrange fund-raising events that can generate funds that can be used to buy teaching and learning materials and equipment that could be used to improve the quality of education offered at the school.

The close proximity of several disadvantaged schools in the same poverty-stricken area can have a negative impact on the success of the different fund-raising campaigns of the schools since the communities do not have the financial ability to support all the campaigns of the different schools in that area. The members of the community can also get tired of the constant requests for financial support from all of the schools in the immediate surrounding areas and refuse to make any contributions. Therefore the participants should be made aware of the need to limit the number of fund-raising events that will require financial support from their communities and should be assisted in planning a fund-raising schedule for the whole school for the year that will reflect all the proposed fund-raising campaigns that will be held by the school in order to prevent the exploitation of the surrounding community. They should be encouraged to develop creative strategies for effective fund-raising projects.

According to the feedback received from some of the participants in both cohorts, the planning, organisation and implementation of fund-raising campaigns were problematic. They also indicated that they needed more information regarding different innovative ways of raising additional funds. The attention of the participants should also be focussed on the correct way of handling and controlling funds raised during a campaign since this aspect remained problematic at most of the participating schools, even after the discussion of this issue earlier in the course.

At the majority of the schools there were problems regarding the money that remained once the payments for which the funds had been raised, were made. During the discussion it should be made clear to all of the participants that the remaining money after a fund-raising event, should be left in the bank account of the school to be spent for educational purposes and it should not be used for unnecessary expenses such as parties or expensive (and often unnecessary) gifts.

b) Method

The class discussion on the course material about the various aspects of fund-raising was essential, since it created an awareness with the participants of the theoretical details contained in the material. However, I believe that having only a class discussion (as was the case with the first cohort) is not really effective in convincing the participants to become the driving forces at their schools with regard to the raising of additional funds. The fact that the second cohort had been given an opportunity to plan a fund-raising campaign as an assignment and that they received written feedback on their assignments, had enabled them to partially apply what they had learnt in the classroom. However, since they did not really have the opportunity to implement their campaigns, they were unable to judge the success of their planning.

I believe that the participants would have gained the optimum benefit from the completion of the assignment on fund-raising if they had been given an opportunity to implement their plans at their respective schools and if then had been allowed to write a report and give feedback on the outcome of their fund-raising projects to the class as a whole. Having to provide feedback to the group on the outcome of their projects would have forced them to evaluate the success of the campaigns in order to decide whether the campaigns would be worth repeating in future. The feedback session would also create an opportunity for the participants to share their ideas on fund-raising and to learn from one another. I also believe that, as was the case with the second cohort, the participants should be allowed to complete the assignment in

pairs, since they would be able to support each other and it could lead to the stimulation of innovative ideas.

c) Conclusion

In designing a course on financial management, emphasis should be placed on the role that the management team should play to ensure that additional funds are raised at the school to supplement the income of the school. Care should be taken to assist the participants in drafting a fund-raising schedule for the year in order to control the number of projects attempted in the surrounding communities. Participants should also be guided on how to plan, implement and control a fund-raising campaign as well as how to ensure the proper handling and control of the actual money raised during the campaign in order to prevent the loss of money due to fraudulent activities.

In order to assist the participants with the implementation of their fund-raising attempts at their schools, they should be required not only to complete an assignment in which they plan the project, but they should be given the opportunity to implement their plans at their schools and to reflect on the effectiveness of the campaign by providing feedback to the group as a whole. This will enable the participants to share ideas on fund-raising possibilities.

5.2.11 Asset management

a) Content

Asset management had been problematic at virtually all the schools before the participants enrolled for the course and it had remained problematic at the majority of the schools even once the course had been completed. The value of the assets purchased from school funds or received as donations were not reflected in the financial records of any of the schools represented in this study prior to the beginning of the course. Therefore there had been no need to make provision for the depreciation of the fixed assets in the financial records of the school. Most of the participants said during the interviews that they had experienced great difficulty in managing their assets and in making provision for their eventual replacement. Based on the feedback that had been obtained from the participants and the comments made during the

class discussions, these issues around fixed assets should be included in a financial management course. If the volume of work does not allow for it to be included in the initial course, these aspects should be covered in depth during a follow-up course in school financial management.

Participants should also be taught how to record outstanding school fees in a Debtors' journal (DJ) and how to record transactions on fees that should be written off in the Debtors' Allowances journal (DAJ) as that would enable them to manage their outstanding school fees properly and to send accounts for outstanding school fees to parents or guardians. Owing to the volume of work that had to be covered during the course, I believe it would be impossible to include the recording of the transactions in the DJ and DAJ during the initial school financial management course and participants should be encouraged to enrol for a course where asset management should be emphasised.

During this study I also became aware of the fact that most of the participants were totally unaware of the assets of their schools. When they were asked to name a few of the assets, they could only refer to the textbooks and in some cases the duplicating facilities. It appeared as if the participants did not realise that furniture such as desks, tables and chairs and specialised equipment such as science laboratory equipment and overhead projectors, formed part of the assets of the school and therefore needed to be looked after and maintained properly in order to maximise the lifespan of the assets. The majority of the participants failed to realise the importance and need for budgeting for the maintenance and the eventual replacement of the assets.

The management of the textbook inventory at the different schools, especially the high schools represented in this study, was also a major source of concern even after the brief reference to asset management during the contact sessions. The way in which the inventory of books was managed at the schools, even after the classroom discussion, remains a serious source of concern. Furthermore, at several of the schools (especially high schools) I discovered that the maintenance and care of specialised equipment such as overhead projectors and specialised science equipment was also very poor.

373

At the majority of the schools no provision had been made in the budget for the maintenance or replacement of these pieces of equipment.

b) Method

Asset management cannot be taught by means of a brief reference to the notes given to the participants and a classroom discussion of the various aspects mentioned in the notes. In order to really assist the participants with the management of the fixed assets at their schools and to help them in making provision for the eventual replacement of worn-out assets, they should be able to reflect their assets in their financial statements at cost price as well as at book value. Since outstanding school fees forms part of the debtors' amount and therefore part of the assets of the school, schools must keep accurate record of all outstanding fees. Participants should therefore be taught how to do the Debtors' journal and Debtors' allowances journal. These two journals should be explained in the same way and with the same amount of detail as the cash journals.

However, I believe that the inclusion of all the details regarding asset management would simply be too much for the participants to cope with during one course. Therefore my experience with the two cohorts during this study as well as other very similar groups in past, has convinced me that it will be a futile exercise to attempt the teaching of asset management during an initial course in School Financial Management.

c) Conclusion

Asset management was (and probably still is) a very serious problem at virtually all the schools that were represented in this study. However, owing to the extent of the asset management problems experienced at schools, I believe that it will be impractical and unsuccessful to attempt to include an in-depth discussion and explanation on the topic in an initial Financial Management course. The participants should be encouraged to attend a follow-up course specifically designed to address this issue in detail.

5.2.12 Use of computerised accounting system

An aspect that really needs to be addressed in a future course of School Financial Management is the use of a computerised programme since that will enable all schools to compile financial statements when participants fully understand how the financial management topics unite in a whole system, and how the computer programme works. Only two of the seventeen schools represented in this study used a computer package to record the financial transactions, but since the treasurers did not fully understand the programmes, they were unable to utilise them to complete the financial statements. The fact that the treasurer at one school believed that it was necessary to complete the financial statements manually since she did not realise that the programme was able to provide the financial statements, could be regarded as evidence of the inability of the participants to use a computer package to its full extent at the schools where attempts had been made to implement a computerised system.

If a computer package were used at the schools, they would find it easier to compile reliable financial statements, provided that they fully understood the programme and were able to use the programme effectively. However, I believe that the participants should only be exposed to the use of a computer package once they had completed a basic course in financial management. The successful completion of the course should provide them with sufficient background knowledge and skills to understand what was being done by the computer and it would enable them to interpret the information provided by the computer better in order to improve the quality of the financial management at their schools.

5.3   IMPLEMENTATION OF CHANGE IN FINANCIAL MANAGEMENT PRACTICES AT THE SCHOOLS

5.3.1 Introduction

I visited the schools where members of both cohorts taught, on three occasions: The first was when they started on the course, the second close to

their completion of the course, and the third visit was made four years (five in the case of the first cohort) after they had completed the course. The aim of the first visit was to gain insight into what the situation concerning financial management at the schools was; that of the second and third was to ascertain what the impact of the course had been on the day-to-day financial management of the schools, in other words, how much of what was taught, actually implemented at the schools.

5.3.2 Action learning

The method I used in the first two visits was action learning. I found this a method that assisted me in focusing, together with the participant, on what the theory he/she had learned in the class, could be implemented in the practical situation as the school.

5.3.3 Implementation

With the exception of the three schools where the participants managed to implement the proposed changes as the course had suggested to them, the other participants really found it very difficult to implement any permanent changes to their financial management systems. It appeared as if they experienced a lack of technical know-how when they had to introduce the changes to their financial systems based on what they had learnt during the course. This problem was aggravated by the fact that in most cases the schools did not have people on the SGBs who possessed financial management expertise. In the one case, although the school had a chairperson with a sound financial management background, this person could not provide much input and assistance due to time constraints and the demands that his own job placed on his time.   The primary schools were especially challenged in this regard since they could not even make use of the services of an accounting teacher.

Some of the participants highlighted the fact that they had all started from a different levels of prior knowledge when they enrolled for the course. Furthermore, the financial systems of the different schools were also at completely different levels of functionality, ranging from functional to

completely dysfunctional. This disparity in prior knowledge as well as the disparity in the levels of functionality of the financial systems at the schools impacted negatively on the ability of the participants to master the outcomes of the course.

Some of the participants indicated that they struggled with the implementation aspect of the course due to a lack of confidence in their own ability to address the Financial Management issues at their respective schools. At some of the schools it was also apparent that the schools did not have contingency plans in place to ensure that the financial management skills and knowledge were shared by more than one person on the staff. When the principal who had attended the course retired and the deputy principal replaced her, the state of financial management at the school deteriorated fast.

Some of the principals mentioned that they had staff members that were set in their ways of functioning and therefore they were unable to implement the required changes with regard to financial management. This clearly illustrated the fact that these members of staff were not ready for the changes that had to be implemented.

The lack of feedback on the bank reconciliation statements and financial statements that the schools submitted to the provincial Department of Education also created a false impression of acceptability. Although these statements were blatantly incorrect and in most cases based on fictitious figures, there was no demand on the schools to work to improve their financial statements.

My follow-up visit to the schools also revealed that there were some serious misconceptions regarding aspects of the content that were taught. Although it appeared as if the participants had mastered the content when they attended the course, the misconceptions were clearly visible in the way that some of them attempted to complete the bank reconciliation statement, draft their budgets and apply budget control at their respective schools. It was also noticeable in the way that they drafted their financial statements. These problems could have been brought to their attention if the provincial DoE provided feedback on the financial statements that the schools had provided

to them. The drafting of financial statements and compilation of budgets, based on accurate figures obtained from the financial systems of the schools, still appeared to be problematic at most of the schools. These problems also contributed to the dilemma of effective budget control that is experienced at four of the seven schools visited. This highlighted the need for further consultation even after participants had completed the course successfully. At several of the schools the follow-up visit included further explanation and teaching of one or more aspects of Financial Management.

At most of the schools visited during the follow-up sessions, I became aware of the fact that the participants had taken what they had learnt during the course and adjusted it to suit the needs and circumstances of their respective schools. One such example was where the school was forced to change their banking procedures due to high bank charges and the travelling distance between the bank and the school. Although this approach is commendable in general, participants should be cautioned to discuss the proposed adjustments with a knowledgeable person in Financial Management. In some of the cases the adjustments that were made to their systems made the school vulnerable to fraud and theft. Care should therefore be taken to warn participants against creating security risks at the schools when they adapt the course content to suit the individual needs of the school.

One of the challenges of teaching the course in financial management to participants is to convince them that it is possible to implement a proper accounting system at their schools despite the amount of time that it takes to record the transactions. This is especially difficult at schools where there is no dedicated treasurer or secretary and where the task is allocated to one or more teachers. One of the principals emphasised the urgency of keeping the records of the school up to date. This means that transactions should be recorded on a daily basis.

One of the aspects that I feel was neglected during the presentation of the course to both cohorts, was the recording of petty cash transactions and the safekeeping of the petty cash imprest amount. This oversight was noticeable during my follow-up visits. Proper records of petty cash transactions were not

kept. Payments from petty cash were also not reflected in the budget or financial statements of the schools.

During my follow-up visit it was gratifying to find that all seven of the schools introduced the required changes to the way in which the different source documents were completed at their schools. They all managed to store these documents in a safe place. All of the schools also introduced the use of a cheque requisition form. However at some of the schools the requisition form has to be adjusted in order to improve the budget control process.

All of the schools either adjusted the way in which they recorded transactions in the CRJ. Two of the schools needed to adjust the way in which they record the cash payments transactions. Three of the schools managed to introduce the use of the trial balance. One of the principals mentioned that she found the trial balance particularly useful in the management of budget variations and financial reporting process at her school.

Four of the schools mentioned that they found the whole process of budgeting and budget control much easier after they had attended the course. They could also provide evidence to support their statements. One of these principals mentioned that the introduction of the requisition form, the trial balance and calculation of budget variances were especially useful during the budget control process

Several of the participants mentioned the difference that frequent financial reporting had made to the financial position of the school. One of the principals emphasised the need to use language and terminology that is understandable to the parents. It seems that when the parents are informed about the specific financial needs of the school and how their money is spent, they are more willing to pay the school fees. When schools have accurate financial records, especially of the school fees, they are also in the position to take legal action against parents who default with the payment of school fees. One of the principals referred to the need to have a defaulters' meeting with parents who failed to pay their school fees. The arrangements made at this meeting led to a dramatic increase in the income from school fees.

All of the participants in the schools, whom I visited, demonstrated an awareness of the need to raise additional funds for the school to supplement the income received from the DoE. At all of the schools I was given examples of the different fund-raising activities that were held during the year.

At all the schools included in the follow-up visits, the participants managed to introduce a financial policy. However, I was unable to scrutinize the contents of these policies. Care should be taken in future courses to ensure that the participants draft a complete financial policy.

Two of the principals mentioned that there is a need to include the cash flow budget and the business plan in the course since they have to compile both of these documents in the management of the finances of their schools.

None of the participants reported any resistance when they attempted to introduce changes to their financial management systems. When changes are made to the financial system, in a transparent manner, these changes appear to be acceptable.

CHAPTER 6

FINDINGS

6.1 INTRODUCTION

In this chapter, I will, alternatively refer to insights accrued from the literature and empirical studies, as well as from my analysis of the DoE module on financial management to provide answers to the original research questions. Likewise, in referring to the two cohorts that were the focal points of the empirical study, I will differentiate between a Financial Management course being presented over a short time span (eight weeks), and one being offered over the period of ten months.

The findings are being presented in the form of answers to the original research questions (see 1.4.2).The first of the research questions refers to the content that should be included in a course of Financial Management. The second question focuses on the methods of instruction that should be used at university level to present a course. The third question refers to strategies that will improve the implementation of change by participants in the financial management at their schools.

During my visits to the schools, I tried to ascertain how much of the content that had been taught was being implemented in the financial management practices of the schools. I was often disappointed, especially with respect to the first cohort. In the discussion below, I refer to the some of the aspects of the course that were indeed implemented, and I used this as a criterion to measure the success of both the method and the content. However, implementation cannot in all cases be used as a measure of success, because there are many factors that play a role with respect to implementation. These fall outside the parameters of this study. However, the issue of implementation is so important that it warrants further investigation.

6.2 PREREQUISITE KNOWLEDGE FOR A COURSE IN FINANCIAL MANAGEMENT

The empirical study revealed that there are certain specific prerequisites that participants need to fulfil before they can have meaningful participation in a course on School Financial Management. The most important of these is that they need to have some basic knowledge of and skills in Accounting and the accounting processes. These basic skills and knowledge are essential to extract the required information from the financial system of the school. The skills and knowledge are also required to interpret the information and to make sound financial management decisions.

As was mentioned previously, the accounting background of the participants was severely limited. This meant that all subject terminology and basic concepts such as "account, debit, credit, journals, source documents, financial statements and the principle of double entry" had to be explained before any progress could be made in the presentation of the course. This prerequisite for a workable knowledge and understanding of the accounting processes is discussed by several experts in the field of Accounting and Financial Management such as Flynn and Koornhof (1997:21), Drake and Roe (1994:4), and Bisschoff (1997:26).

6.3 CONTENT TO BE INCLUDED IN A COURSE ON FINANCIAL MANAGEMENT

6.3.1 Insights from the analysis of the DoE module on School Financial Management

One of the main issues concerning content that this analysis revealed is the fact that content has to be limited to the barest essentials. My main criticism against this module is that it includes many aspects related to financial management that are "good to know" but not essential for achieving the outcomes of understanding basic accounting principles and the ability to draw up meaningful financial statements. In deciding what to include, one needs to bear in mind all the time that the majority of the participants at whom this

course is directed, does not possess the most basic knowledge of accounting principles. One needs to spend most of the time on teaching them this. What I present below as what my study revealed about the content to be included in such a module, is a reflection of exactly the principle that "less is more".

The content referred to below, represents basic accounting knowledge and skills – those that if properly grasped, will empower participants to manage their school finances in order to ensure that the necessary functions are performed in such a way as to create a sound, healthy environment for financial management. This may lead to school improvement.

In addition to the above, I realised again that one cannot decide on the content of such a module unless one knows what the situation is in the schools. Therefore one should do a complete needs analysis.

6.3.2 Source Documents

The use of source documents is crucial in keeping the financial records of a school up to date and accurate. This is evident in the ideas reflected by Drake and Roe (1994:95) who mention that source documents provide complete information regarding financial transactions, and Horngren et al. (2002: 90) who describe source documents as original records of financial transactions.

In this study many of the participants in both cohorts found the accurate completion of the cheque counterfoil and the receipt real challenges, even after these documents had been discussed. This was evident in the number of problems that were identified during the document analyses completed at all seventeen schools at the end of each course (see chapter 4, paragraph 4.7.2.2 (a) and (b)).

The requisition form and the petty cash voucher were totally unknown source documents to the majority of the participants in both cohorts. Despite the fact that the requisition form was discussed during the presentation and the second cohort had to design a form for their schools, the implementation of the requisition form in the financial processes of the schools remained problematic. The second cohort benefitted from completing the assignment on

the requisition form and was able to adjust their versions based on feedback they had received.

Omitting the petty cash voucher from the curriculum of both cohorts was a serious misjudgement on my side. Although some schools in both cohorts made use of petty cash payments, these payments were very seldom reflected in the financial records of the institution. None of the schools implemented the use of the petty cash voucher even after our very brief discussion during the contact sessions.

6.3.3 Handling and safekeeping of source documents, cash, and petty cash

Clarke (2009:113) emphasises the importance of creating policies that focus on the handling of school monies and the implementation of measures to reduce the risk of theft, fraud or mismanagement. He also mentions the importance of establishing an audit trail for each financial transaction of the school that could be used to verify the transactions. The audit trail originates from the source document that is used to record details of the transaction. In order to be ready for an audit, it is important that the source documents of the school be kept in a safe place.

The empirical study revealed that the handling of cash and petty cash was problematic at most of the schools prior to the course, and although some attempts were made at most of the schools to address the matter once the topic had been discussed during the contact sessions, some schools were still struggling with this after the course. The handling of cash during a fund-raising event remains a serious problem at most of the schools represented in this study. This leaves the schools vulnerable to fraud and theft and it could lead to a loss of money. A different teaching method may be required to convince the participants of the need to change.

According to what I have observed during my visits to the schools, I feel that the participants still did not appreciate the crucial role that source documents play during the financial recording process, even in spite of my emphasising this during the course. Even though attempts were made at most of the schools at least to lock the source documents away somewhere, very

few schools used their safes or strong rooms for this purpose. The introduction of the additional safety measures does not provide adequate protection of the documents, especially against the risk of fire. The class discussions held in this regard were clearly not very effective and a different instructional method should be considered when dealing with this section of work.

6.3.4 Recording of transactions in journals

According to Bisschoff (1997:39), a public school should at least have a CRJ and CPJ to record the cash transactions of the school. However, he also adds a DJ and DAJ are essential when the school allows parents to pay fees on a monthly basis.

The empirical study revealed the importance of including the teaching of the CRJ and the CPJ in a Financial Management course in order for the participants to be able to maintain proper records of their cash transactions. In order to develop the skills of the participants in this section, I found that they had to complete several activities (exercises) on the recording and closing off of the CRJ and CPJ before proceeding to the next session. It is also crucial that the solution (answer) to each of these activities be demonstrated during the process of correcting them, through the use of some forms of visual aid. Some of the participants are not able to follow a verbal explanation.

None of the seventeen schools represented in this study was able to reflect the total value of outstanding school fees in their financial records since the schools did not make use of a DJ to record outstanding fees. Although I do realise the need for keeping proper accounting records of outstanding school fees, and the importance of sending accounts to parents or guardians, I believe that the inclusion of the DJ and DAJ in an initial course in Financial Management may lead to an overload of content. I would feel more comfortable about addressing this topic in a follow-up or a short course.

6.3.5 Posting to the General Ledger

According to Horngren et al.(2002:86), the posting of totals from the different Journals cannot be taught without ensuring that the participants

understand and are able to apply the principle of double entry. Kew et al.(2006:61) mention that the main purpose of Ledger accounts is to provide information that could be used to draw up a Trial Balance.

Experience in teaching Accounting proved that students who are novices in Accounting (at school as well as tertiary level) find the posting of entries from the Journals to the General Ledger very challenging. In the light of this problem, as well as the level of background knowledge of the participants and the fact that teaching time was very limited, I felt that it was justifiable to teach them only how to complete the bank account and the petty cash account in the General Ledger. I allowed the participants to calculate the balances of the other accounts mathematically.

They found this approach much easier and they were still able to compile a Trial Balance at the end of each month. Although I would have preferred the students to post the Cash Journals to all the accounts in the General Ledger according to the principle of double entry, I decided to compromise to prevent them from losing heart with respect to the rest of the course. I therefore advocate the mathematical calculation of the balances in Ledger accounts, as long as the student is able to successfully complete a Trial Balance in the end.

My experience with the two cohorts in this study, as well as with similar groups in the past, taught me that it is futile to attempt to teach the posting of both the CRJ and CPJ to the accounts in the General Ledger during one contact session. The students found it easier to understand and apply the principle of posting the entries in the Cash Journals to the General Ledger in the follow-up exercises, by focusing on one of the Journals at a time. Provision should therefore be made during the planning of the programme to allow sufficient time for this section.

Since this is a challenging section, provision should be made to create several exercises that could be used to practise the skill of posting the Cash Journals to the General Ledger (or alternatively calculating the balances of the different accounts mathematically). The creation of such exercises requires extra preparation on the side of the lecturer since the transactions used in the

exercises should be relevant to the school set-up. Unfortunately existing exercises in Accounting textbooks have been created from a business's point of view, with the emphasis on the sale of trading stock or the delivery of a service. The types of expenses such as the payment of transport costs on trading stock, or the purchase of consumable stores that are used in these exercises, are also not always relevant to the school situation. It is therefore not realistic to use the exercises that can be found in accounting textbooks without at least adjusting the transactions.

6.3.6 Bank reconciliation

Flynn and Koornhof (1997:257) say that the bank reconciliation process fulfils a very important role in controlling the accuracy of entries in the bank account, not only in the financial records of the school, but also in the records of the bank itself. Kew et al.(2006:302) emphasise the need for reconciling the balances of the bank statement and the bank account on a monthly basis. The empirical study confirmed that the participants in both groups found this section very beneficial in their personal as well as their professional capacities as school leaders, once they had finally mastered the skill. A number of participants were able to identify problems on the bank statements of their schools after this section had been completed and they actually attempted to implement the reconciliation process at   their schools.

Initially most of the participants found this section difficult to comprehend until they had developed an overall picture of what this section was trying to achieve. I believe that it is in the best interest of the participants not to teach the whole reconciliation process during one contact session (as I attempted to do with the first cohort) since this seems to lead to confusion. It is better to break the process up into two separate parts, as was the case with the second cohort. During the first contact session the focus should be put on the identification of the differences and the causes thereof, as well as on rectifying the problems in the CRJ and CPJ. The second session can then be used to explain the bank reconciliation statement.

For this section, enough time should be allowed for this section in the planning of the programme, as students sometimes find this section very

challenging. It may be necessary to re-teach this section to improve the comprehension of the students and to iron out misunderstandings. Student comprehension can be improved by providing several opportunities for the completion of exercises, which will have to be created to suit the school situation. I also found it beneficial to test the ability of the students to complete an exercise on bank reconciliation independently, without allowing them to talk to one another or to ask me for help. A good result in this test can do wonders to improve the self-confidence of the participants – as was the case with the second cohort.

6.3.7 Trial Balance

According to Horngren (2002:90), a Trial Balance consists of a summary of all the Ledger accounts as well as their totals. Campher et al.(2003:3-5) add that a Trial Balance can be used to check the accuracy of the recording process, to determine the financial position, to exercise budget control, and in the preparation of the financial statements.

The empirical study revealed that the participants found it relatively easy to complete the activities regarding the Trial Balance during the contact session as well as for homework, once they had grasped the idea. However, the implementation of the use of a Trial Balance at their schools was impossible for the majority of the participants, due to the fact that their records were not kept according to the prescribed requirements. Their records were also not being adjusted as each new section of the work was introduced during the course. However, I do believe that the participants will be able to implement the Trial Balance at their respective schools once their accounting records have been changed.

The Trial Balance should be included in the content of an initial School Financial Management course since it should be used to verify the accounting records of the school, to complete and interpret a budget report on a monthly basis, as well as to complete the financial statements at the end of the year.

6.3.8 Completion and interpretation of financial statements

6.3.8.1 Content

According to Clarke (2007:293) there are three types of financial statements that should be compiled by schools, namely the Income Statement, the Balance Sheet as well as the Cash Flow Statement (especially relevant for section-21 schools). Atrill and McLaney (2004:14) mention that the Income Statement (also known as the Profit and Loss Statement) reflects the income and expenditure of the school for a specific period and is used to determine the profit of the institution for that period. Jones (2006:95) says that the Balance Sheet reflects the financial position of the organisation at a specific moment in time. He mentions that the Cash Flow Statement reflects the total cash received and cash payments made during a specific period.

According to the empirical study, very few of the schools actually managed to compile an Income Statement and a Balance Sheet that truly reflected the financial positions of the different schools prior to the course. Most of the statements were based on bogus figures, since the schools failed to keep accurate records of their financial transactions. Despite the fact that the schools have submitted copies of what they regarded as their financial statements to the DoE on a regular basis at the end of each year, prior to the course, they have never received any feedback from the DoE regarding these statements. The participants were uncertain whether the statements that were submitted satisfied the requirements of the DoE, since the schools were never contacted by the Department at all. Some of the participants indicated to me that they did not have financial statements at their schools, but they submitted copies of their records that were kept in A5-notebooks at the end of each year. They were under the impression these copies were acceptable.

The participants in both groups found it quite easy to compile the Income Statement and the Balance Sheet or list of balance (in the case of the second cohort) once they understood what was expected from them. However, it was clear that the participants did not trust their own ability to implement the correct compilation and use of the financial statements at their respective schools. Therefore, I believe that they have to be assisted by their mentors (or

the lecturer) in order for them to apply what they have learnt during the course, even if the assistance is only to confirm that they are on the right track. This can only be possible if the mentors have the right background knowledge themselves and are able to provide sound advice and support in this regard.

In order to meet the requirements of article 42(b) of the SASA (1996:26), I believe that the Income statement and the Balance Sheet should be included in an initial Financial Management course for school leaders. However, owing to the volume of work that has to be covered in such a course, I feel that the Cash Flow Statement could be dealt with during a follow-up course at a later stage.

In the teaching of this section, it is essential for the lecturer to create enough activities that could be completed by the participants to master the skill of compiling financial statements. The lecturer should ensure that all the transactions in such activities are relevant to the school situation. In order for participants to be able to implement what they have learnt in this section, the financial records of the school should be up to date to the Trial Balance stage. The participants should, therefore be supported and assisted in their endeavours before commencing with the presentation of the financial statements. Only then will participants actually be able to implement what they have learnt with respect to the completion of financial statements.

6.3.8.2 Interpretation

According to Flynn and Koornhof (1997:849), the financial information extracted from the financial statements can be interpreted in three different ways, namely: To make comparisons between different years, calculations of different ratios and an analysis of the cash flow position of the institution. Kew et al.(2006:487) mention that the way in which the extracted information is interpreted, depends on the ultimate purpose of the analysis.

The empirical study revealed that the interpretation of financial statements was not taught in enough detail and that the participants needed more detail regarding the different ways in which information could be interpreted.

However, in the light of the knowledge base of the average participant from previously disadvantaged schools in the Eastern Cape, care should be taken not to overwhelm the participants with different figures and ratios that could be calculated based on figures provided by the financial statements. It would be best to introduce them to the barest minimum regarding the interpretation of financial statements in an initial course in Financial Management. The course could focus on the use of financial information to compare the financial position of the school between the previous year and the current year, to compile and interpret a budget report, as well as to focus on specific financial ratios such as the liquidity ratios, the average collection period (of school fees and other debt) and the average payment period. More advanced interpretations techniques such as cost-feasibility analysis or cost effectiveness analysis could be included in a follow-up course or a short course at a later stage.

6.3.8.3 Auditing

Article 43(1) of SASA (1996:26) stipulates that the financial records of all public schools should be audited by an independent, external auditor at the end of each financial year. According to Marx (2009:27), the auditor's report should describe the process that was followed to examine the financial records of the school. The report should also mention that the statements provide a fair reflection of the financial position of the school.

I neglected this section in the presentation of the course to the two different cohorts. The participants indicated that they knew about this requirement and owing to the fact that my contact time with them was limited, I did not want to discuss the matter any further. However, I believe that during the presentation of future courses, more emphasis should be placed on the role that auditing plays in ensuring the reliability of financial statements, so as to ensure that the participants grasp the importance of this matter.

6.3.9 Budgeting

The empirical study revealed that compiling and controlling a budget were two very problematic aspects in Financial Management at the schools represented

in this study. This was mainly due to the inability of the financial systems of the various schools to provide accurate figures that could be used in the budgeting process. In order to assist the schools in their budgeting process, care should therefore be taken to ensure that participants are able to extract accurate figures from their financial systems; figures that truly reflect the financial position of the school. If this could be done before the introduction of budgeting as topic in the course, the lecturer and mentor(s) would be able to guide the participants in a step-by-step process with respect to the practical application of what is being taught. This would then enable participants to develop and implement realistic budgets based on true financial figures. Once again the time when the course has to start should be considered. By starting the course in the middle of the year, participants will have time to update the financial systems at their schools gradually as the course progresses. This would enable mentors (and the lecturer) to support the participants towards the second half of the following year in the development of a realistic budget based on accurate accounting figures.

Budget control is only possible if there are proper financial policies in place to ensure the approval of all financial payment transactions, to regulate the way in which the finances of the school are handled, and to enforce the regular calculation and interpretation of budget variances on a monthly basis, (Berkhout and Berkhout,1995:75). According to Bisschoff(1997:71), the calculation and interpretation of budget variances are dependent on the information provided by the accounting system of the school. Participants should therefore be assisted by the lecturer as well as the mentors to implement a proper budgeting system and effective budget control measures since the support from both the mentor and the lecturer will increase the confidence of the participants in their own ability to change the budgeting systems at their schools to bring about effective budget control.

Based on the evidence from the empirical study, it is essential to expose the participants to various budget approaches that could be used to compile a realistic budget for the schools. The attention of the participants should also be drawn to the importance of involving all stakeholders in the budgeting process, and the process of determining criteria for establishing budget

priorities. It is essential for the participants to complete an assignment on the budgeting process implemented at the schools. In order to maximise the benefits from such an assignment, opportunities should be created for the participants to present these assignments to their peers. The participants should also be exposed to several activities in which budget variances are calculated and interpreted since this would assist them in exercising budget control.

Shim and Siegel (1994:4), state that reference should be made to the concept and the functions of budgeting during the presentation of a Financial Management course. This idea is supported by Drake and Roe (1994:70) as well as Piek (1992:142). Wasch (2003:13) and Marx(2009:59) believe that the budgeting process should be included in a discussion of budgeting. Bisschoff (1997:67-71), Campher et al.(2003:19-21) and Drake and Roe (1994:72-78) mention that different budgeting approaches should be dealt with in the teaching of budgeting. Campher et al.(2003:19), as well as Drake and Roe(1994:79-83), believe that reference should also be made to the budget document. Bisschoff (1997:71) mentions that the calculation and interpretation of budget variances should form part of the section on budget control. This idea is supported by Shim and Siegel (1994:13-14). Shim and Siegel (1994:32) add that budget reports should be compiled and they provide a list of aspects that should be considered in compiling the budget report.

6.3.10 Fund-raising

Mestry and Naidoo (2009:18), as well as Mentz and Oosthuizen (2003:207), mention that the financial assistance of the state is not sufficient to satisfy schools' need for money. They emphasise the need for the SGB to introduce measures through which additional funds can be raised. The need for raising additional funds to supplement the income of the school is also mentioned in article 34(1) of the SASA (1996:24). The literature study revealed the following aspects of fund-raising that should be considered by the school before embarking on a fund-raising campaign: Establishing a fund-raising committee and fund-raising policy, determining an annual fund-raising strategy for the school, allocating seed money in the budget, running the

project, and allocating the funds once the project has been completed. Berkhout and Berkhout (1992:4-6) emphasise the need to identify all possible sources of income for the school before planning a fund-raising campaign.

The empirical study revealed the importance of emphasising the involvement of the management team in driving the fund-raising campaign(s) at the schools. It also revealed the need for some general fund-raising campaigns to supplement the income of the schools and not only the need for fund-raising towards specific purposes such as a tour or a matric dance. The empirical study also emphasised the need for careful planning of the annual fund-raising strategies of the schools in order to limit the demands that are being made on the community surrounding the school. This would prevent the exhaustion of financial support that the community is willing to provide. Another important aspect of fund-raising that stakeholders highlighted was the actual planning, organising and implementing of fundraising campaigns, as well as the need for more innovative fund-raising ideas.

6.3.11 Asset management

The empirical study revealed that all the schools represented in this study struggled with asset management. None of the schools managed to reflect the value of any of their fixed assets such as furniture or equipment in their financial records. The schools also failed to reflect the total amount of outstanding school fees or the value of the inventory of textbooks in the financial records. Furthermore, the maintenance of specialised equipment and other fixed assets was problematic since no provision was made for this in any of the budgets of the schools.

According to Campher et al.(2003:43-47), asset management of a school involves the management of cash, textbooks, stock, and accounts receivable. It also includes the maintenance of fixed assets such as equipment and property. Other authors such as Kew (2006:489) and Hack (1992:294) also regard risk management (including the provision for insurance coverage) as part of asset management.

6.3.12 Financial policy

According to Clarke (2009:81), the financial committee, appointed by the SGB, should compile a financial policy that provides guidelines for all the aspects of financial management of the school.

The empirical study confirmed that more attention should be given to the drafting of the financial policy, especially the aspects of financial management that should be included in the financial policy of the school. However, the content of the other modules that are included in the qualification should be taken into account when finalising the content of the Financial Management module in order to avoid duplication, especially if one of the modules cover the different policies of the school.

6.3.13 Use of the computer

Various authors refer to the advantages of using a computer in the recording of the financial transactions of the school, as well as the fact that the computer could be used to generate the financial statements of the institution. However, authors such as Jones (2006:67), Bisschoff (1997:144) and Flynn and Koornhoff(1997:21-22) warn that the use of a computerised system does not guarantee financial success. They mention that it is important for the computer operator to have a sound knowledge of accounting in order to avoid the creation of meaningless accounts.

At two of the schools represented in this study a computerised system was implemented for the recording of some of the financial data. However, none of treasurers was trained in the use of the computer software. Therefore, they were forced to complete certain sections of the recording process, such as the drafting of the Income Statement and the Balance Sheet, manually. Based on these findings I came to the conclusion that the person who will be operating the computer system of the school, should have a sound background of the content that has been dealt with in this programme. This will enable the computer operator/treasurer to structure the financial documents according to the requirements for creating useful accounts and financial statements. It will enable the computer operator to

assist the school management team in interpreting the meaning of the information reflected in the financial statements.

6.4   METHODS OF INSTRUCTION

6.4.1 Introduction

According to Hillier (2005:126), a method of instruction can be described as a way of teaching something to someone. Cruickshank et al. (1999:163), Hillier (2005:127) and Nicholls(2002:77) describe a large variety of methods that could be used during the teaching process. Mukash, cited by Hillier (2005:126), mentions a number of factors that can influence the choice of the method of instruction, such as: The nature of the group, the setting, the timescale, the location, needs and age of students, the intellectual ability of the students, the content, and the lesson purpose. Moore(2001:136) mentions that the ultimate selection of the method of instruction depends on the personality of the lecturer and his/her preferred teaching style.

Bubb (2005:13) reminds us that adults learn best if they know why they have to learn the content and if the content is related to their real world and has immediate value. He also mentions that adult learners require continuous encouragement and assistance in their learning. Vella (1994:3) lists twelve principles that should be applied when teaching adults. These principles are listed and briefly explained in chapter 2, paragraph (2.3.3). Although all twelve of these principles are relevant and applicable in the teaching of the Financial Management course, I paid special attention to the following principles:

- Needs analysis – before embarking on the actual teaching of the course, I attempted to determine the specific needs of the participants with regard to School Financial Management through observation and interviews. This principle was applied before the commencement of each of the courses. It was also used during the presentation of the course in order to judge the level of understanding of the participants, as well as to illuminate issues that required further attention.

- Sound relations – I focused on my relationship with the participants throughout the teaching of the course since I realised that the learning of the participants is influenced by the relationship that I have with them. I also wanted to ensure that I treat all of them with respect. I attempted to establish and encourage ongoing communication between the participants and me regarding their fears, concerns, hopes and challenges.

- Immediacy – I applied this principle whenever a new section of work had to be introduced. Then I went to great lengths to explain what the section was all about, why it had to be learnt and how the participants would be able to use the skill/knowledge at their schools or in their personal lives. I did not include any aspect in the content of the course that was not useful for the participants at their schools. This principle proved to be extremely valuable in guiding my teaching regarding the different aspects of the accounting cycle (from the source document to the interpretation of the financial statements), as well as in the teaching of the different aspects regarding fund-raising, budgeting and asset management.

- Sequence and reinforcement – in an attempt to ensure that the learning of participants was successful, I always concentrated on starting with the easier parts of the content first and gradually building towards the more complicated sections. When the purpose of the learning was to develop a specific skill, the participants always worked together in pairs first, until they had enough confidence to eventually demonstrate their skills individually. I made extensive use of repetition, especially in the teaching of the different Accounting components (from the completion of the source documents to the interpretation of the financial statements), as well as in the calculation and interpretation of budget variances, by creating several activities around each of the different aspects.

- **Action learning** – students were encouraged to reflect on their learning throughout the programme, to realise where their new skills and knowledge could be used to improve the financial management at their schools. They were requested on a continuous basis to discuss their learning with their peers and to reflect on the usefulness of what they had learned as well as on the challenges that they still faced.

6.4.2 Insights from the analysis of the DoE module

In my analysis of this module and especially of the methods of teaching used, I discovered two things:

- I found that the content was too much and that the method of teaching could most of the time only be lecturing. Lecturing is the quickest way of "covering content" and is useful in many instances, especially with respect to the introduction of new ideas or providing information (see 6.4.3). However, it is not effective in promoting understanding or confirming skills. That is why my suggestion of limiting the content (see 6.3.1) also makes sense in terms of leaving more time for other teaching methods such as group and individual assignments, class discussions and other activities. Another problem of the lecture method is that it does not promote better relations between the lecturer and the participants. This relationship is crucial in the transfer of knowledge and skills from the lecturer to the participant.
- I found that the use of activities are crucial in the teaching of Financial Management. As I compared my module with that of the DoE, I became more and more convinced that, unless one introduces many activities and spends time on repeating activities so that the understanding could take root, there is little chance of new knowledge and skills being implemented at the schools.

6.4.3 Presentations / Lecturing

According to Hillier (2005:128), presentations are shorter than lectures and they can be presented by any knowledgeable person, not only a lecturer or a tutor. The distinction between a presentation and a lecture is very vague and most of the time authors use the two terms interchangeably. For the purpose of this study, I refrain from distinguishing between presentations and lecturing, especially since I always limited the duration of the lecture/presentation, always made use of some form of illustration to accompany the explanation, and always made sure that the participants were actively involved by giving them some activity to complete.

According to Cruickshank et al.(1999:171), the purpose of a presentation or lecture is to inform an audience about certain facts or ideas. They regard lecturing as an ideal method of instruction to provide information that is not readily available and difficult to understand. This idea is supported by Muijs and Reynolds (2005:27). Gravet(2001:68) mentions that lectures can be used to make content that is difficult to master, more understandable. However, she warns that a lecture should not be longer than twenty minutes since participants will struggle to maintain their concentration. Cruickshanck et al. (1999:24)   and   Gravet (2001:68) support this view. Muijs and Reynolds (2005:27) add that the quality of the lecture depends on the way it is prepared, presented and concluded. Hillier(2005:129-130)   mentions   several   ways   in   which presentations/lectures can be made more effective, such as through the use of activities, discussions and visual teaching aids.

I often made use of lecturing / presentations during the teaching of some of the Accounting components such as the completion of the source documents, Journals, Ledger accounts, the bank reconciliation process, the Trial Balance and the interpretation of financial statements. I spent several years as an Accounting/Business Economics/Economics teacher at several high schools, a technical college and a technikon before finally becoming a lecturer at the university. The experience that I gained in teaching Accounting to novices at these different educational institutions convinced me of the fact that the participants find it much easier to master the accounting principles and processes   mentioned   above   if   these sections are first introduced by means of a lecture/presentation. However, my teaching experience has also created an awareness of the need to combine the theoretical explanations with practical exercises. This enables the participants to practise and master the required skills.

The success of this approach could be observed in the positive results that both cohorts obtained in the different tests and exercises that each group had to complete at the end of each section as part of the assessment of the programme.

6.4.4   Discussions

Muijs and Reynolds (2005:48) say that discussion as method of instruction can be used to increase the knowledge of the students regarding a specific   issue, to determine what the students already know, to solve problems or to improve the interpersonal and communication skills of the participants. Tate (2004:2) mentions that a discussion can help participants to gain a better understanding of the learning material. However, Hillier (2005:136) emphasises the fact that students should be guided regarding their   preparation before the contact session to really learn and benefit from the discussion. The author says that the questions that will be used during the discussion should be given to the students beforehand in order to assist them in their preparation.

I used discussions sparingly as a method of instruction during the presentation of this course owing to the nature of the content and the participants' lack of a solid back ground in Financial Management. I implemented discussions in the teaching of the handling and safekeeping of money and financial documents, budgeting approaches and processes, fund-raising strategies, auditing, the control of text books and risk management (as aspects of asset management). Although these discussions provided me with a better insight and understanding of the financial practices at the schools, it   was very difficult to control the flow of the discussion. The participants often spoke from experience and did not consider the reading material. Furthermore, some of the participants only took part in the discussion when I questioned them specifically. Since the participants did not complete an assessment on these aspects, it was impossible to determine whether they actually benefitted from the discussions.

6.4.5   Brainstorming

According to Hillier (2005:133-135), brainstorming can be used to stimulate the prior knowledge of the participants regarding a specific topic. The author mentions that participants are more likely to internalise their learning if they   are allowed to brainstorm ideas with fellow participants.

In order for participants to benefit from brainstorming, they should possess some prior knowledge or experience about the topic under discussion. This limits the use of brainstorming as method of instruction during an initial Financial Management course since my experience with the participants of this study (as well as the participants in similar courses in the past) have shown that the participants usually have a serious lack of knowledge. However, since I believed that the participants were capable of sharing their experiences and ideas regarding the different methods of fund-raising, textbook control measures and methods that can be used to maximise the income from school fees, I made use of brainstorming sessions during the teaching of these aspects. Although the participants were able to generate several different ideas during the brainstorming sessions, it was impossible to determine the success of these sessions objectively.

6.4.6   Independent study

According to Cruickschank et al.(1999:181-183), independent study includes all assignments that participants complete more or less on their own in order to either develop or practise a specific skill. These authors mention that this instructional method is suitable to allow students to practise, to encourage them to acquire specific skills or knowledge, or to keep students occupied while the lecturer helps other students. Keirns (1999:8) regard independent study as a suitable method of instruction when it is difficult for participants to meet and work in groups. It is also suitable when the participants have to achieve the same learning outcomes but they are on different levels of knowledge and skills.

I do not believe that independent study can often be used successfully during the teaching of an initial course in School Financial Management owing to the level of the skills and knowledge of the participants. However, I found it very useful when there was a need for the participants to apply their newly acquired financial skills and knowledge. During the presentation of the course, both cohorts were required to complete an assignment on the budgeting and the way in which this could be improved

at their schools. The assessment results of these assignments confirmed that the teaching of this section was fairly successful since most of the participants were able to make valuable suggestions on how to improve the budgeting process and budget control at their schools.

The second cohort also completed assignments on fund-raising and financial policy. Once again the outcomes of the assessment of the assignments were very enlightening. The participants demonstrated that they actually benefitted from the class discussion on fund-raising, and they were all able to plan a proposed fund-raising project for use at their schools. However, the assessment of the improved financial policies of the schools that were submitted by the different groups was disappointing. All of the financial policies were incomplete and this clearly emphasised the need for financial policy to be taught in greater detail.

6.4.7   Demonstration

According to Price and Nelson (2007:48), demonstrations are used to show students what they have to do. Moore (2009:197) mentions that demonstrations are normally used to develop specific skills. The author emphasises that it is necessary to provide a verbal explanation during the demonstration. He also adds that a follow-up discussion should be used to check the understanding of the participants. While teaching the two cohorts, I used demonstrations to teach aspects such as the source documents, the recording of transactions in the Cash Journals, posting the Cash Journals to   the General Ledger, completing a Trial Balance as well as compiling the   Income statement and Balance sheet. I also demonstrated to the students how   to   calculate   budget   variances. However, at the end of each of my   demonstrations and explanations, I gave the participants practical exercises to complete to master the content and the required skill(s). I therefore applied the principle of reinforcement (as suggested by Vella, 1994:9-11) by providing the participants with several activities on each of the aspects listed above. I believe that this contributed to the fact that the participants were successful in developing the required competences in the process of recording the financial

transactions. The successful mastering of these competencies was confirmed by the fact that the students were able to complete the activities that were used to test their skills regarding the aspects mentioned above.

6.5   Strategies to improve the implementation of change at the schools

6.5.1   Introduction

It seems that much need to be shared with participants about the key role that sound financial practices in schools play with respect to school improvement. In paragraph 2.5.7 reference is made to Gunter's idea that the wider goal of programmes need to be considered. This should be stressed over and over again during the teaching of a course in School Financial Management. In addition, much trouble should be taken with the selection of participants. While it is difficult to determine a person's motive for wanting to be part of such a programme, his/her track record should be taken into account. He/she could be required to submit some form of portfolio as part of the application to be accepted in this programme.

The empirical study revealed that the progress with regard to the implementation of changes to the financial management practices differed from school to school. All of the schools that were visited during the follow-up visit, attempted to implement some form of change. However, the level of change implemented at the schools differed from school to school. According to Fullan (2004:39) (see paragraph 2.5.3) change disturbs the external and internal environment of a system. Participants will therefore only attempt to   bring about change if they are willing to deal with upheaval in the external and   internal environment of the school. Morrison (1998:16) writes that people respond to change in different ways. In order for change to be successfully implemented, the concerns of the people involved in the change should be identified and addressed. Therefore it is essential that in the teaching of a financial management module to school leaders, participants should be made aware of the demands that the implementation of change to their different   systems

will make and the disruptions that it is likely to cause. It is also essential to identify and address the problems and questions that participants might have regarding the new material while teaching the course.

6.5.2   Aspects that promoted the implementation of change

6.5.2.1   Action learning

I found that the principles and process of action learning are vital to the problem of implementation. Unless participants are being confronted with real problems, and with the need to get things done (and changed!), the content of the course remains theory to them, far removed from the situation at their schools.

Action learning, however, necessitates school visits by the lecturer, and often working with participants on a one-to-one basis. This is costly and time-consuming, but to my mind vital if one aims at changing practice.

6.5.2.2   School leaders as change agents

The single most important factor to me that has to play a role in the implementation of what participants learn during a course in financial management is the key factor of moral purpose as highlighted by Fullan (1993:4). If this factor is absent, no amount of support, encouragement or pressure will bring about change. When I visited one school four years after the teaching of the module, the person who had attended the course, had been promoted to the principal of the school. When I asked her about any lasting changes that had been effected as an outflow of her attending the programme, she could not mention one. Things have simply remained the same and she said that she as principal, "did not have the time to train" the person managing the finances. It also did not seem as if she felt that this was her responsibility, and if she cared about this issue. We came to the conclusion that she had only taken the course to improve her chances to become the principal. Now that she had achieved her goal, she did not really care about changing the financial management practices at her school. This same lack of motivation and drive was

evident in the majority of schools in which the implementation of the course content left much to be desired.

According to Fullan (2004:39), it is the responsibility of the leaders in an organisation to attend to problems that cannot be solved very easily. He believes that it is the responsibility of the leaders to understand the process of change and to pursue it further within the organisation. From the literature, it is therefore clear that the management team should play a key role in bringing about effective change to the financial management practices at the disadvantaged schools. The improvement of the financial management practices is a very complex process. In order for this process to be successful, the management team must first realise that there are problems at the school and then they have to drive the process of addressing the issues.

The failure of some of the participants to implement changes to the financial management practices at their schools could be related to the way in which they perceived the required changes. According to Morrison (1998:16) people will either resist or adopt change depending on how they perceive the change.

6.5.2.3   The role of mentors

As explained in Chapter 3, we made use of mentors to assist participants with their questions about content and implementation. These mentors did not have financial management background. Therefore they could only contribute by way of general encouragement and advice to participants. They also provided me with feedback concerning problems encountered by participants. According to Meyer and Fourie (2004:191) (see par 2.5.10) skills transfer plays a vital part in the role of the mentor. McFarlane (2000:256) mentions that mentors play a vital role in the training of school leaders. He says that mentors "create learning spaces" and that people who develop courses should involve mentors to support participants during the implementation process.

I had to play the role of mentor to promote the implementation of basic skills and knowledge of participants due to the fact that the mentors did not have the required financial management skills to guide the participants. I spent many hours visiting schools (on invitation), sitting next to school teachers and principals involved in the programme, taking them on a step-by-step route of explaining, letting them do the writing, providing feedback and then allowing them to practice the right steps. This helped me to understand the aspects that they could not master, and that filtered through my way of explaining and the selection of issues to focus on in class. While it was hard work and extremely time consuming, I experienced much satisfaction in seeing understanding developing in these participants. I cannot see how skill transfer can happen in any other way. It necessitates time spent in mostly one-to-one situations, where a lot of 'hand-holding' occurs.

When, however, the number of participants grows, the appointment of mentors will prove to be too costly, and in addition to that, it will be a problem to identify suitable mentors. I cannot see any other way than officials of the Department of Education such as Education Development Officers (EDO's) or special appointments in Financial Management be trained to do this developmental work.

6.5.2.4   Participants gaining confidence through understanding

At all of the schools attempts were made to implement some of the less challenging changes that were brought to their attention during the course.   All of the schools adjusted the way in which their source documents were completed. At all of the schools the source documents and financial records   were locked away in a safe place during my last visit. Furthermore most of the participants managed to implement the use of the CRJ and the CPJ to record the cash transactions of the school.

According to Riley and Klamis (2005:117) people will implement change if they have the ability to do so and if the improvement technique is acceptable to them. The fact that all of the participants managed to implement the correct way of completing the source documents and the

cash journals is proof of the fact that they had successfully developed the required skills and knowledge. Therefore they were confident in their own ability to implement the changes.

6.5.2.5   The meeting of a real need

The participants, who came from schools that had more advanced financial recording systems at the start of the course, reported that they found the use of the trial balance very beneficial and they were able to incorporate the trial balance in their financial systems. Furthermore, they found it easier to deal with budgeting and budget control at their schools. These participants also mentioned that they implemented a system of frequent reporting on the financial position of school to their stakeholders. This not only led to a better relationship between the stakeholders and the school but it also improved the financial position of the school due to a larger amount of money that were raised in the form of school fees.

The introduction of the use of the trial balance, regular reporting and the improvement of budget control at some schools could be a response to a "felt need". According to Fullan, (1999:19) people are willing to implement change in response to a "felt need". Only once people realise what benefits a proposed change hold for them, are they willing to implement the change. The participants were willing to implement the use of the trial balance and to adopt the improved budget control measures since they realised that it made the financial control and feedback processes much easier at their schools. Therefore it is essential to point out the benefits of proposed changes to the participants during the teaching process.

6.5.2.6   Lecturers reminded of the fact that different participants develop at a different pace

The empirical study revealed that in the case of some of the participants there was still a lack of knowledge regarding some aspects that were presented during the course. Furthermore, serious misconceptions regarding a number of concepts and processes such the income statement, bank reconciliation process and budgeting existed. Budget

control also remained a problem at some of the schools. The participants struggled to extract the required figures from the financial records in order to compile the budget and the financial statements of the school. Another problem was that in the process of adapting the content of the course to suit the circumstances of the school, the participants increased the vulnerability of their schools to fraud and theft.

According to Egan, cited by Fullan (2004:41) the individuals involved in the change process have different problems – one of which may be a lack of prior knowledge and proper understanding. This was evident at a number of schools where very few or no changes were made to the financial management practices of the schools. Morrison (1998:13) (see paragraph 2.5.3) mentions several characteristics of change. One of these characteristics is that change is non-linear. Another characteristic referred to is that change involves people and the involvement of people creates uncertainty. It is therefore important to remember that not all participants will be able to master the skills at the same rate. Some of them may not be able to develop the necessary skills during the course, and may only develop them afterwards after an extended period of application at the school.

6.5.2.7   Encouraging participants to implement change systematically over the duration of the course

The empirical study confirmed that participants often lacked the confidence in their own ability to bring about effective change at their schools, despite the fact that they were capable of completing similar activities successfully during the course. This lack of self-confidence also highlights the potential role that could be played by mentors, not only as part of the course, but also afterwards in an on-going programme to improve the financial management skills of those responsible for school finances.

According to Fullan (2004:49) people can easily feel overwhelmed by the demands of the change process. This can make them feel anxious, overwhelmed, "deskilled" and reluctant to change.   It is therefore

important to encourage the participants to introduce the required changes at their schools systematically over the duration of the course. This viewpoint is supported by Riley and Klamis (2005:117) who state that the way in which change is implemented influences the outcome of the change.

6.5.2.8   Keeping in mind the difference in prior knowledge of participants

The empirical study revealed that the participants in both cohorts had completely diverse backgrounds regarding Financial Management at the start of the course. They also came from several different schools. These schools differed with regard to the functionality of their financial management systems. Participants who were employed at schools where the financial management systems were completely dysfunctional or had several issues that had to be rectified, tended to implement very few, if any, changes. Participants who were working at schools that had fairly functional financial management systems appeared to have implemented more changes in order to improve their systems.

Morrison (1998:13) warns that change creates uncertainty, a need for new skills and therefore it creates anxiety. It is therefore possible that those participants working at schools with less functional systems could be discouraged during the implementation phase. Again, this might be a justification for the deployment of mentors, even if only at those schools that have a history of dysfunctional financial management systems.

6.5.2.9   Avoiding "gaps" in the curriculum

Many factors caused me to omit the recording of transactions from petty cash from my course material. Although I briefly referred to the topic during the contact session, I did not present this section with the same amount of detail and the same number of activities to practice the skills of the participants. During my final visits to schools, I noticed that participants struggled to record the petty cash transactions. I also discovered that they did not include the petty cash transactions in the budget or financial statements of the school. Although I thought that they

would be able to deal with the petty cash transactions based on what they had learned about the CPJ, I was clearly mistaken.

Dalin, cited by Morrison (1998:122) describes four barriers that have a negative impact on the implementation of change. One of these barriers is the "practical barrier". According to Dalin participants will be reluctant to implement a change if the required change threatens to deskill them, or requires the development of new skills that they perceive as too difficult. The designer of a course should take care to ensure that all the necessary aspects are included in the course material. It is unlikely that the participants will be able to implement something that was not dealt with in the presentation of the course successfully on their own. Fullan (2004:49) mentions that people often lack the technical know-how and therefore they tend to fear change. He also adds that people can feel "deskilled" and cautious during the implementation phase of change.

The fact that the participants failed to implement the use of the PCJ at their schools could be due to a lack of confidence, as well as a lack of technical "know-how". They could also feel overwhelmed by all the changes that were required at their schools.

6.5.2.10 Considering the capacity of the teachers involved in the practical application

As revealed by the empirical study, very few of the previously disadvantaged schools in the Nelson Mandela Metropolitan area have a bursar or a secretary qualified in accounting that enables them to deal with the financial management tasks of the school. The participants to whom the task of the recording of financial transactions was delegated experienced a dramatic increase in their workload. At the schools that were unable to provide some form of relief to the dedicated participant, (some of) the transactions were therefore simply not recorded. When I questioned the participants about the incomplete financial records a number of them used the "lack of time" as an excuse.

The literature study revealed that it is necessary for leaders of organisations to limit the number of innovations that are implemented in order to prevent the participants from feeling overwhelmed (Fullan, 2004:48). Morrison (1998:121-122) says that people should be motivated to change and to cope with the disruption that change brings. People can be motivated to implement the required changes by using various incentives. According to Herzberg, cited by Morrison (1998:131) intrinsic factors such as interest, as well as extrinsic factors such as remuneration, play a role. He emphasises the fact that job satisfaction is mostly influenced by intrinsic factors. Therefore when the workload of a person is increased, attention should be paid to ways in which that person can be motivated to do the task to the best of his/her ability.

6.5.2.11   Encouraging schools to have contingency plans in place

The empirical study revealed that at some of the schools there was no contingency plan in place to ensure that the financial management practices would continue to exist and improve when the participants who attended the course leave the school. The failure to plan for succession with regard to financial management meant that at a few of the schools the initial progress came to a halt when the participants who attended the course left the schools.

According to Theron (2007:198) it is the responsibility of the school leaders to manage the change processes at the school. I believe that this includes the planning of who has to take over when someone leaves. Fullan (2004:53) mentions that it is the responsibility of leaders to develop capacity at a school. Morrison (2002:64) supports this view.

6.5.2.12   The importance of the school's readiness for change

Some of the participants reported the fact that they had staff members who had been working at the school for a very long time. During the interviews the participants mentioned that these members of staff refused to accept the proposed changes and offered resistance to their implementation. However, blaming old members of staff may simply be

an excuse for not introducing any changes to the financial management systems of their schools since there was no way in which to verify their statements. The participants also used a "lack of time" as an excuse for not implementing any changes.

Morrison (1998:16) writes that people respond differently to change. Their response will be influenced by the way in which they perceive the change. He therefore believes that it is the responsibility of management to identify and address the concerns that people have during the process of change. According to Schmuck and Runkel (1995:61) the leaders of a school have to raise the level of readiness by focussing their attentions on the goals, the structure and the environment. Once that is done, they can attempt to improve the motivation and perceptions of the staff members regarding the change. Theron (2007:192) also supports this idea when he writes that the individuals and the organisation should be ready for change in order for it to be successful.

6.5.3 The role of the Department of Education

6.5.3.1 Introduction

In paragraph 6.5.2.2 above, I referred to the possibility of the DoE appointing mentors to assist individuals with skills transfer. In the implementation of key knowledge aspects in School Financial Management, the DoE has another role to play which could have a direct influence in bringing about change in practice. This role will also involve the mentors. This role is linked to the fact that schools have to submit their annual financial statements to the DoE.

6.5.3.2 Submission of annual financial statements to the DoE

This provides the DoE with one big opportunity to assist in the improvement in School Financial Management. The DoE should provide feedback to the schools on their submitted financial statements. The phase in which the financial statements of the schools are submitted to the DoE lends itself to the analysis and identification of problems, as well

as to the correction of these problems in the financial management practices of the schools.

6.5.3.3 Lack of feedback

I was shocked when I discovered during my visits to schools that the schools do not receive any feedback on the annual financial statements submitted to the DoE. The participants shared with me that they sometimes simply send in their bank statements, and that they do not receive any feedback on these submissions. This fact alone goes a long way in explaining why no development takes place concerning school financial management and reporting: neither pressure nor support is being provided by the DoE to compel/encourage schools to improve in these aspects of their management. If a school sends in a copy of notes in a school exercise book as a way of reflecting its financial position and receives no reprimand or advice as feedback, it is obvious that this situation will be repeated year after year. It should also not come as a surprise when schools start to say: "Does it really matter or does anybody care?"

6.5.3.4 The need for advisors/mentors

The one thing that became abundantly clear to me is that not even good teaching and a relevant curriculum will bring about the improvement in School Financial Management that is so urgently required if the dysfunctional schools are to raise their level of performance. Schools need practical assistance in the physical development of their financial management systems. They also need handholding and feedback in the drawing up of their financial statements. This cannot happen without dedicated and knowledgeable persons being deployed to visit the schools on a regular basis in order to ensure that this key aspect of school management is given the attention it needs. I also cannot see that this can be done by anybody else than the Department of Education.

6.6 CONCLUDING REMARKS

In this chapter I presented the findings of both my literature and empirical studies with respect to the three research questions. It is my conviction that Financial Management understanding and skills are central pre-requisites for effective school management and that these should be taught in a way that improves practice. The content and teaching methods highlighted in this chapter proved to be vital in getting some of these across to the participants of my courses. In addition, many key factors were discussed which contribute to the key issue of participants implementing their knowledge so as to improve the practice of financial management at their schools.

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

7.1   INTRODUCTION

In this final chapter the conclusions and recommendations emanating from this study are highlighted. These are put forward as important guidelines and conditions for a training programme to bring about the improvement of financial management practices at schools. In this chapter important factors enabling previously disadvantaged schools to become more effective, are highlighted.

7.2   CONCLUSIONS

Various conclusions can be drawn from this study. In general it can be said that, in the training of school leaders in Financial Management, attention should be given to the following aspects: the content of the course, the method of instruction as well as the additional strategies that could be used to empower participants to implement the required changes at their respective schools.

7.2.1 Content

7.2.1.1 The needs of participating schools

I found that one cannot design a course such as this one without knowing what the situation concerning financial management in schools is. If one attempts to prepare the material and select the content but has not visited the type of schools that will be represented in the course, the content is bound to miss the mark completely. Visiting schools and speaking to potential participants make one aware of the enormous differences between potential participants regarding financial management background and knowledge of accounting principles. Contact with schools and individuals also serve as an eye-opener to what is really happening in many of the disadvantaged schools. It shows one how basic the needs are and alerts one to the need to discard

many of one's preconceived ideas of what a course such as this one should comprise.

7.2.1.2 Aiming at a basic understanding of accounting principles

While there are many very exciting issues to include in a course, such as computer packages for Financial Management, school leaders need to understand the basic accounting principles before they can become meaningfully involved and play a role in the financial management of their schools. This is necessary even if they do not in the end become the financial managers of the school. It is essential if their schools should later acquire computer packages for financial management. The participants should understand the principles so that they can give direction, exercise control and avoid being misled by other parties with sinister motives.

7.2.1.3 Avoiding an overload of issues in the course

The tendency in a course such as this one is to include many aspects that are "good to know" and that one feels are vital in preparing school leaders for their roles as financial managers. An important example is the module designed for the ACE program in School Leadership by the DoE. In this study I analysed this module (see chapter 3 paragraph 3.3) and tried to indicate the basic content that should be included in an initial course on financial management. If one considers the average level of knowledge of many of the participants in such a course, one becomes convinced that in this case at least "less is more". While issues such as the legal requirements are vital in the eyes of the majority of the designers of courses, these become almost irrelevant when one understands that some of the participants do not even know how to record the most basic of financial transactions or how to compile basic financial statements as a reflection of their financial operations.

That is why one should start with the approach that more than one course will be required. One should purposefully differentiate between content that is vital for a type of "survival mode" for participants wanting to start changing matters around and a follow-up course in which other important issues can receive attention. I have indicated the topics that, to my mind, should be

shifted to a follow-up course (see paragraph 7.4) I do not suggest that my list is exhaustive or represents the only composition, but I do want to stress the importance of accepting the principle of a follow-up course when the first course is being designed.

The content of an initial course in School Financial Management should be properly planned. Care should be taken not to overload the course with too much content since that would force the lecturer to rush through the presentation of the course to cover all aspects. Such an overload could also lead to the discouragement of participants since they may feel totally overwhelmed by the amount of new information that they have to internalise.

7.2.1.4 Content to be included

In response to research question (1.4.2.1) the following topics have been identified as essential in an initial course in Financial Management:

- Basic concepts,
- Source documents,
- Journals,
- Ledger accounts,
- Bank reconciliation,
- Trial Balance,
- Financial statements,
- The handling and safekeeping of cash and source documents,
- Budgeting,
- Fund-raising,
- Asset management,
- The use of a computerised financial recording system, and
- Financial policy.

7.2.2 Methods of instruction used in tertiary education

7.2.2.1 Introduction

I have learnt through the years (and it has been confirmed by my experience with these two cohorts) that the basic knowledge and skills of Financial

Management are not taught through lecturing but by implementing a two-way process between participants and lecturer. A process of basic inputs, discussion and explanation is required to teach a basic Financial Management course. This process involves demonstrating a physical example (such as the completion of a receipt), allowing students to practise the example in class, allowing questions, giving an assignment as homework and then discussing the homework in class again.

The empirical study revealed that the best results can be obtained by employing methods that ensure the participation of the students. However, at times during the presentation of the course, it will be necessary to employ some direct methods of instruction such as lecturing or demonstration.

7.2.2.2 Principles of adult learning

The principles of adult learning described in chapter 2, (paragraph (2.3.3)), should be kept in mind when selecting a method of instruction. According to the literature study, the principles underpin adult learning. Vella (1994:4) identified twelve principles of adult learning. I found five of those principles particularly valuable in the teaching of the course discussed in this study, namely: Needs analysis, sound relations, immediacy, praxis, as well as sequence and reinforcement.

7.2.2.3 Direct instructional methods

It is impossible to present a Financial Management course without making use of some form of direct instruction such as lecturing, demonstration or presentation. However, my experience in teaching this course, reflected by the empirical study (see chapter 4), bears testament to the fact that the use of only direct instructional methods would have been unsuccessful. According to Gravet (2001:68), the use of direct instruction methods such as lecturing should be limited to a maximum of twenty minutes at a time. According to the literature study, direct methods of instruction should be supplemented by the other methods or activities that involve the participants in the learning process.

7.2.2.4 Small group work (working in pairs)

Opportunities should be created for participants to work together in pairs in order to practise their skills in the completion of some activities. Only after they have worked in pairs, should it be expected of participants to complete some activities on their own.

7.2.2.5 Peer coaching

According to Tate (2004:69), there is an ongoing need for peer support in the real world since most of what is being done by adults in the real world is accomplished by working in pairs or as teams. He therefore believes that adults learn a great deal from their peers.

I believe that participants can also be empowered by allowing them to establish systems of peer support. This could be done by arranging contact sessions between some of the participants who have successfully completed a similar course in the past and have been able to implement changes at their schools as a result of the course.

7.2.2.6 Use of assignments

The empirical study revealed that asking students to complete a project or an assignment related to the school environment, especially in aspects such as fund-raising or budgeting, is a good idea since it compels participants to think about ways of improving the financial management practices at their schools. The learning process can be further enhanced by allowing the students the opportunity to present their findings to whole group. Through the presentations they are exposed to ideas being exchanged and they will be able to learn from one another.

7.2.2.7 The use of repetition

In the literature study (chapter 2, paragraph(2.4.3.13(i)) it is mentioned that classroom writing activities can be used to review material that was taught previously, and to expose misconceptions. According to Vella(1994:11), one

of the principles of adult learning is "praxis". This implies that adult learners do something with their newly acquired knowledge and skills, and then reflect on what they did. She maintains that this principle is very important when new knowledge and skills are being taught.

I am convinced that the completion of several activities on the same concept or skill, such as the completion of the journals and the drafting of a Trial Balance, has a major impact on the development of the confidence and self-belief of the participants.

7.2.2.8 Feedback

Several authors emphasise the importance of providing feedback to the students during their learning process (see chapter 2, paragraph 2.3.4). According to Geyser (2004:93), the purpose of formative assessment is to provide feedback to students regarding their progress.

The empirical study revealed that participants benefit from the feedback that they receive on assignments that they complete, especially if the assignment is relevant to the improvement of some or other aspect of financial management at their schools. Taking care to involve all of the participants during a class discussion, can also improve the confidence and self-belief of the participants since they realise that each one of them can actually make a positive contribution to the discussion.

7.2.2.9 Number of participants from the same school

The empirical study showed that with more than one participant present from the same school, the participants felt more secure in completing the different activities during the presentation. When more than one participant complete the initial course, there will also be a bigger potential for continuation of the attempts made at the school to improve the financial management practices. There will also be skilled participants who remain behind when others move to another school.

7.2.2.10 Structure and duration of the course

The way in which the course is structured, can have a serious impact on the participants' mastering of the new content and skills. It is impossible to address the needs of the participants regarding Financial Management during a workshop (that lasts a few days) or a short course. The only outcome to be achieved in this format is that participants can obtain a certificate of participation. It is impossible to develop the required competencies over such a short period of time. I believe that in order to present an effective course, the course should be designed as a year course with contact sessions once per week of at least an hour and a half each. Ideally the course should not be presented on Friday afternoons since this tends not only to affect the class attendance, but also the ability of the participants to concentrate on what is being taught.

7.2.3 Strategies to improve a change in practice

7.2.3.1 Introduction

Various strategies seemed to enhance and promote the objective of the changing practice by participants. These include an emphasis on the urgency for an improvement in school financial management, the role of the lecturer in visiting schools, being available for questions and for nurturing of participants, the discussion of actual school financial statements in class, the pacing of the presentation of the module to be aligned with the school financial year, the role of mentors and the potential role of the DoE in appointing and training officials to support school leaders and to provide feedback on the financial statements submitted by the schools.

7.2.3.2 The importance of conveying a higher purpose for the improvement of school financial management

The investigation highlighted the fact that the main problem of those schools that had not implemented the changes taught during the course, was the motivation of those involved in the financial management of the school in particular and the staff in general. There was an overall lack of urgency, motivation and understanding that when the finances improve, the school has

a chance of improving as well. This lack of motivation can have many causes, amongst others a sense of hopelessness of adults operating in a sea of despair. It could also be ascribed to teachers whose own children are in the more privileged schools and who simply do not care.

Fullan (2004:23) emphasises the importance of "moral purpose" as the driving force for change. It seems to me that it is nowhere more urgently needed than in the schools where many of the participants of my course teach. That is why I am convinced that the course needs to alert participants to the urgency of improving the financial management practices at their schools. Participants need to discuss the urgency behind better finances and the crucial role it could play in enabling schools to reach their potential and the vital role that the schools need to play in building the future of the country.

7.2.3.3 School visits

School visits at regular intervals played a very important role in empowering the participants to implement what they had learned during the course. As revealed by the empirical study, participants seemed to need assistance in identifying financial management problems at their schools. They also found it challenging to find ways of solving these problems on their own. Therefore, despite the fact that visiting schools is very time consuming and costly, I believe that it is crucial for the lecturer to visit the schools at least twice during the presentation of the course.

7.2.3.4 Involvement of the Department of Education

The development of financial management skills of participants cannot be the responsibility of tertiary institutions alone. These institutions require input from the DoE as well. As mentioned in chapter 4, the schools submit bank reconciliation forms on a quarterly basis and financial statements on an annual basis to the DoE. However, all of the participants in both groups stated that they have never received any feedback from the DoE regarding these statements. It is impossible for the participants to know whether what they have submitted was acceptable and accurate, if they never receive any feedback or assistance from the DoE. I attempted to teach the participants the

basic principles of School Financial Management and to show them how the respective statements should be completed, based on standard Accounting principles. However, they need confirmation or feedback from the DoE regarding the accuracy with respect to the changes that are required to help them in the implementation process at their respective schools.

This study also revealed that even though participants had managed to complete the course successfully, they sometimes, as time progresses, forget some of what they have learned. I believe that the DoE should employ people that are knowledgeable in School Financial Management to visit the different schools on a regular basis and assist the participants in the financial management process. These people can then provide support to participants who completed a course in School Financial Management and assist them in applying the Accounting principles correctly, drafting the financial statements of the school based on true Accounting figures and compiling a working budget based on figures obtained from the financial records of the school.

7.2.3.5 Use of mentors

According to Bartell (2005:77-79), mentors who possess the necessary expertise in School Financial Management can play an invaluable role during the presentation of the course and can assist the lecturer in identifying misconceptions. The literature study (see chapter 2, paragraph 2.4.3.11), revealed that trained and experienced mentors can provide the necessary advice and support to the participants when they attempt to implement what they have learnt at their respective schools. If the mentors possess the required financial management skills to assist the participants, they can make the teaching load of the lecturer much easier by sharing the responsibility of supporting the participants. It would be beneficial to make use of participants who completed a similar course in the past and who have a proven ability to successfully manage the finances of their schools.

7.3 RECOMMENDATIONS

7.3.1 An extension of the role of the DoE

I sincerely believe that if the DoE is indeed serious about improving the level of School Financial Management, it should play a more prominent role in equipping those individuals responsible for the managing of the finances of schools. As this study showed, the two areas where this role comes into effect are in the:

- feedback, advice and support provided as response to the financial statements submitted by the schools and

- appointment of specialised individuals who should visit schools and provide support and mentoring to the schools with the problems that they encounter in raising the effectiveness of their financial management.

7.3.2 A reconsidering of the DoE's module in Financial Management as part of the ACE in School Leadership and Management

As discussed in this study, I think that the module on Financial Management designed by the DoE should be reconsidered. Attempts should be made to link the content to what is really basic in terms of Accounting principles. Such a re-evaluation should also provide space for interactive methods which include practical tasks that participants can do in class and in pairs, and on which they can receive feedback.

7.3.3 A follow-up course

The study also revealed a need for a follow-up course that could address aspects that are necessary but that could not be included in an initial course because of the possible danger of content overload. These issues include:

- The recording of outstanding school fees in the Debtors' Journal (DJ) and Debtors' Allowances Journal (DAJ) ,
- Recording of credit purchases and returns by the school in the Creditors', Journal (CJ) and Creditors' Allowances Journal (CAJ),

- The completion of the Debtors' control and Creditors' control accounts in the General Ledger,
- More advanced entries in the bank reconciliation process such as post dated cheques received and issued, the cancellation of cheques, and the correction of various types of errors,
- Compiling a Cash Flow Statement,
- More advanced financial calculations and interpretations of information provided by the financial statements of the school such as cost-benefit analysis and cost-effectiveness analysis, as well as the interpretation of the information provided by the Cash Flow Statement of the school,
- The calculation and recording of depreciation on fixed assets,
- The use of a computerised financial system, as well as the interpretation of the information provided by the computerised system, as well as
- The drafting of an elementary business plan.

7.3.4 The writing of a text book in School Financial Management

Through my involvement with the course of Financial Management to school teachers and leaders over the years, and through this study, it became abundantly clear to me that there is a gaping need for a textbook in School Financial Management. Such a book could be used in the teaching of courses like the one that was the object of my study. However, the book should also serve as a reference book to teachers and school leaders for the correct implementation of the various aspects of Financial Management in their schools. Furthermore, it is essential for this textbook not only to contain a variety of exercises on the different aspects of Accounting that were presented in the course, but also to include different case studies on a variety of topics such as budgeting, budget control, fund-raising, and the interpretation of financial statements. Participants will then be able to use the book as a source of reference in order to develop the necessary financial management skills.

There is no guarantee that the participants who have completed an initial course in School Financial Management will automatically use their newly

developed skills and information to improve the existing financial management practices at their schools, despite the attempts that are made to empower them. The steps that should be taken to ensure the improvement of the actual financial management practices at the previously disadvantaged schools in the Eastern Cape still requires further research.

7.4 CONCLUSION

Effective Financial Management lies at the heart of well-functioning schools. Currently, not enough is being done to ensure sound financial management practices at previously disadvantaged schools. This study has revealed basic elements and conditions for the teaching of financial management principles and practises to school leaders. Teacher training institutions and the Department of Education should consider the findings and recommendations of this study if they want to ensure improved financial management at schools, and consequently more effective schools.

BIBLIOGRAPHY

Anderson, E.M. and Shannon, A.L. *Toward conceptualization of mentoring.*1995, in **Issues in mentoring.** London: Routledge.

Anderson, L. *Decentralisation, autonomy and school improvement. 2005,* in M. Coleman and P Earley (Ed.), **Leadership and Management in education – cultures, change and context.** Oxford: Oxford University Press.

Anderson, L. *Resource acquisition and allocation.* 2002, in T. Bush and L. Bell (Ed.) **The principles and practice of educational management.** London: Paul Chapman Publishing.

Atrill, P. and McLaney, E. 1997. *Accounting and finance for non-specialists.* London: Prentice Hall.

Badenhorst, J. and Scheepers, L. 1995. *School management training.* Pretoria: Kagiso

Bartell, C.A. 2005. *Cultivating high quality teaching through induction and mentoring.* Thousand Oaks: Corwin Press

Beaulieu, D. 2004. *Impact techniques in the classroom.* Bancyfelin: Crown House Publishing.

Berkhout,F. and Berkhout, S.J. 1995. *School management training.* Pretoria: Van Schaik.

Bisschoff, T. 1997. *Financial school management explained.* Pretoria: Kagiso.

Bitzer, E*. Cooperative learning.* 2004, in S. Gravett and H. Geyser (Ed.), **Teaching and learning in higher education.** Pretoria: Van Schaik.

Bosua, W.S. and Schutte, M. 1996. *Basic financial accounting.* Kenwyn: Juta & Co.

Brimson, J.A*.* and Antos, J.A. *Activity-based budgeting.* 2003, in W.R. Lalli, (Ed.), **Handbook of budgeting***.* New Jersey: John Wiley and son.

Brown, S. and Smith, B. *Introducing resources for learning.* 1996, in S. Brown and B. Smith (Ed.), **Resource based learning.** London: Kougan Page.

Bubb,S. 2005. *Helping teachers develop.* London: SAGE Publications.

Bush, T., Coleman, M., Wall, D., and West-Burnham, J. *Mentoring and continuing professional development.* 1996, in McIntyre, D. and Hagger, H., **Mentors in schools – developing the profession of teaching.** London: David Fulton Publishers.

Bush, T. and Heystek, J. 2006. *School Leadership and management in South Africa: principals' perceptions.* **Educational management and professional development,** Vol.34(3):63-76.

Business finance for the numerically challenged. 1998. (by the editors of Career Press). Franklin Lakes: Career Press.

Campher,T., Du Preez, P., Grobler, B., Loock, C. And Shaba, S.M. 2003.

Managing school finances – module 5. Sundown: Heinemann Publishers.

Clarke, A. 2009. *The handbook for school governors.* Cape Town: Kate McCallum.

Carspecken, P.F. 1996. *Critical ethnography in educational research.* New York: Routledge.

Cohen, L., Manion, L and Morrison, K. 2000.*Research Methods in Education – 5th Edition.* London: RoutledgeFalmer.

Coleman, M. and Earley, P. 2005. *Leadership and Management in education – cultures, change and context.* Oxford: Oxford University Press.

Cortazzi, M. *Analysing narratives and documents.* 2002, in M. Coleman and

A.R.J. Briggs (Ed.). **Research methods in educational leadership and management.** London: Paul Chapman Publishing.

Costello, P.J.M. 2003. *Action research.* London: Continuum.

Creswell, J.R. 2005. *Educational research – planning, conducting and evaluating quantitative and qualitative research.* New Jersey: Pearson Merrill

Cross, K.P. NS Steadman, M.H. 1996. *Classroom research – implementing the scholarship of teaching.* San Francisco: Jossey-Bass.

Cruickshank, D.R., Bainer, D.L. and Metcalf, K.K. 1999. *The act of teaching.* Boston: McGraw-Hill

Cunningham, B. 2005. *Mentoring teachers in post compulsory education.* London: David Fulton Publishers.

Department of Education, South Africa. 2008. *Lead and manage organisational systems, physical and financial resources. A module of the Advance Certificate: Education (School Management and Leadership).* Tswane: Department of Education.

Die Burger, Port Elizabeth, 5 January 2010.

Die Burger, Port Elizabeth, 5 December 2009.

Die Burger, Port Elizabeth, 27 November 2009.

Drake, T.L. and Roe, W.H. 1994. *School business management:supporting instructional effectiveness.* Boston : Allyn and Bacon

Dreyer, J.M. *The assessment journey.* 2008, in J.M. Dreyer (Ed.), **The educator as assessor.** Pretoria: Van Schaik.

Epstein, L and Myers, S. 2009. *Small business accounting.* New York: John Wiley and sons.

Erickson, B.L., Peters, C.B. and Strommer, D.W. 2006. *Teaching first year students.* San Francisco: Jossey- Bass.

Flick, U. 2007. *Designing qualitative research.* London: Sage Publications.

Flynn,D. and Koornhof, C. 1997.*Fundamental accounting – an introductory text for university and technikon students.* Cape Town: Juta and Co.

Franklin, J., Plewa, Jr. and Friedlob, G.T. 1995. *Understanding cash flow – finance fundamentals for nonfinancial managers.* New York: John Wiley and sons.

Freebody, P. 2003. *Qualitative research in education – interaction and practice.* London: Sage Publication.

Fullen, M. 1993. *Change forces – probing the depths of Educational reform.* London: Falmer Press*.*

Fullen, M. 1999. *Change forces – the sequal. Philladelphia: Falmer Press.*

Fullen, M. 2004. *Leaing in a culture of change.* San Francisco: Jossey-Bass.

Gay, L.R. and Airasian, P. 2003. *Educational research – competencies for analysis and applications.* Upper Saddle River: Merrill Prentice Hall.

Geyser, H*. Learning from assessment.* 2004, in S. Gravett and H. Geyser (Ed.), **Teaching and learning in higher education.** Pretoria: Van Schaik.

Gill, J.O. 1990. *Understanding financial statements – practical financial applications for non-financial managers.* Menlo Park: Crisp Publications.

Gottesman, B. 2000. *Peer coaching for educators.* Lanham: The Scarecrow Press.

Goulet, D. 1992. *Introduction to Education for critical consciousness.* New York: Continuum.

Gravett, S. *Teaching and learning: establishing communities of inquiry and interpretation.* 2004, in S. Gravett and H. Geyser (Ed.), **Teaching and learning in higher education.** Pretoria: Van Schaik.

Gravett, S. 2001. *Adult learning – designing and implementing learning events.* Pretoria: Van Schaik Publishing.

Griesel, I. 2001. *A critical investigation into the development of a course in financial management for school leaders from previously disadvantaged communities.* Unpublished M Ed treatise. University of Port Elizabeth, Port Elizabeth.

Hack, W.C., Candoli, I.C. and Ray, J.R. 1992. *School business administration – a planning approach, 4th edition.* Boston: Allyn and Bacon.

Hand, L., Isaaks, C., and Sanderson, P. 2005. *Introduction to accounting for non-specialists.* London: Thomson.

Hart, L.A. 2006. *Accounting demystified – a self-teaching guide.* New York: McGraw-Hill.

Harvard Business School, 2002. *Harvard business essentials – Finance for managers.* Boston: Harvard Business School Publishing.

Herman, L. And Mandell, A. 2004. *From teaching to mentoring – principle and practice, dialogue and life in adult education.* London: RoutledgeFalmer.

Hicks, C.D., Glasgow, N.A. and McNary, S.J. 2005*. What successful mentors do: 81 research-based strategies for new teacher induction, training and support.* Thousand Oaks: Corwin Press

Hillier, Y. 2005. *Reflective teaching in further and adult education.* London: Continuum.

Horngren, C.T.,Sundem, G.L. and Elliot, J.A. 2002. *Introduction to financial accounting. New Jersey: Pearson Education.*

Husen, T. *Research paradigms in education.* 1988 in J.P. Keeves (Ed.), **Educational research, methodology and measurement.** Oxford: Pergamon Press.

Jones, M. *The balancing act of mentoring: mediating between newcomers and communities of practice,* 2006 in Cullingford, C. **Mentoring in education – an international perspective.** Aldershot: Ashgate Publishing Company.

Jones, M. *Accounting.* 2006. Chishester: John Wiley and Sons.

Keirns, J.L. 1999. *Designs for self-instruction.* Boston: Allyn and Bacon.

Kelly, M., Beck,T. and Thomas,J. *Mentoring as staff development activity*, 1995 in Kerry,T. and Mayes, A.S. **Issues in mentoring.** London: Routledge.

Kemmis, S. *Action research.*1999, in J.P. Keeves and G. Lakomski (Ed.) **Issues in educational research.** Amsterdam: Pergamon

Keown, A.J., Martin, J.D., Petty, J.W. and Scott, D.F. 2004. *Foundations of finance – the logic and practice of financial management.* New Jersey: Pearson Prentice Hall.

Kew, J., Mettler,C., Walker, T. and Watson, A. 2006. *Accounting – an introduction.* Cape Town: Oxford university press (Southern Africa).

Killen, R*. Teaching portfolios,* 2004, in S. Gravett and H. Geyser (Ed.), **Teaching and learning in higher education.** Pretoria: Van Schaik.

Knight, P.T. 2002. *Being a teacher in higher education.* Buckingham: SHRE and Open University Press.

Leask, M*. Teaching Styles.* 2001 in S. Capel, M. Leask and T Turner (Ed.), **Learning to teach in the secondary school.** London: RoutledgeFalmer.

Lever-Duffy, J. and McDonald, J.B. 2008. *Teaching and learning with technology.* Boston:Pearson.

Lichtman, M. 2010. *Qualitative research in education – a user's guide.* Thousand Oaks: Sage Publications.

Lindgren, U. *Mentoring in the academic world.* 2006 in C. Cullingford,(Ed), **Mentoring in education – an international perspective.** Aldershot : Ashgate Publishing Company.

Lomax, P. *Action research.* 2002 in M Coleman and A.R.J. Briggs (Ed.) **Research methods in educational leadership and management.** London: Paul Chapman.

Macintyre, C. 2000. *The art of action research in the class room.*London: David Fulton Publishers.

Marshall, D.H., McManus, W.W. and Viele, D.F. 2004. *Accounting – what the numbers mean.* New York: McGraw-Hill.

Matthews, L.J. and Crow, G.M. 2003. *Being and becoming a principal- role conceptions for contemporary principals and assistant principals.* Boston: Pearson Education.

Marx, J. 2009. *Finance for non-financial managers.* Pretoria: Van Schaik Publishers.

Maynard, T. and Furling, J. *Learning to teach and models of mentoring,* 1995 in Kerry,T. and Mayes, A.S. **Issues in mentoring.** London: Routledge.

McFarlane,J. 2000. *A critical investigation into course development for the preparation of school leaders.* Unpublished PhD thesis. Rhodes University, Grahamstown.

McNiff, J., Lomax, P., and Whitehead, J. 2003. *You and your action research project.* London: RoutledgeFalmer.

Mentz, P and Oosthuizen, I. J. Financial management of schools. 2003, in P. Botha, P.J. Mentz, M.C. Roos, P.C. van der Westhuizen, E.T. van Kerken and I.J. Oosthuizen. **Aspects of Education Law.** Pretoria: Van Schaik.

Mertens, D.M. 1998. *Research methods in education and psychology.* Thousand Oaks: Sage Publications.

Mestry, R. and Grobler, R. 2002. *The training and development of principals in managing schools effectively.* **Education as Change**, volume 7:126-146.

Mestry, R. and Naidoo, G. 2009. *Budget monitoring and control in South African township schools – democratic governance at risk.* **Educational Management Administration and Leadership,**37(1): 107-125.

Meyer, M., Fourie, L. 2004. *mentoring and coaching: Tools and techniques for implementation.* Randburg: Knowres Publishing.

Gunter, H.M. 2005. *Leading teachers.* London: Continuum.

Miller, A. 2002. *Mentoring students and young people – a handbook of effective practice.* London: Kogan Page.

Mills, G.E. 2007. *Action research – a guide for teacher researchers.* Upper Saddle River: Pearson.

Momany, M. and Cullingford, C. *Introducing mentoring systems in a centrally controlled state – a case study.* 2006 in Cullingford, C. **Mentoring in education – an international perspective.** Aldershot: Ashgate Publishing Company.

Moore, K.D.2009.*Effective instructional strategies.* London: Sage Publications.

Moore, K.D. 2001. *Classroom teaching skills.* New York: McGraw-Hill.

Morrison, K. 1998. *Management theories for educational change.* London: Paul Chapman Publishing Ltd.

Morrison, K. 2002. *School leadership and complex theory.* London: Routledge Falmer.

Morrison, M. *Using diaries in research.* 2002, in M Coleman and A.R.J. Briggs (ed.). **Research methods in educational leadership and management.** London: Paul Chapman Publishers.

Moyles, J. *Observation as research tool.* 2002, in M Coleman and A.R.J. Briggs (ed.). **Research methods in educational leadership and management.** London: Paul Chapman Publishers.

Muijs, D and Reynolds, D. 2005. Effective teaching. London: Sage Publications.

Nafukho, F., Amutabi, M. and Otunga, R. 2005. *Foundations of adult education in Africa – African perspectives on adult learning.* Cape Town: Pearson Education South Africa.

Nelson, K.J. and Bailey, K. 2008. *Starting strong – surviving and thriving as a new teacher.* Thousand Oaks: Corwin Press.

Newble, D. and Cannon, R. 1989. *A handbook for teachers in universities and colleges – a guide to improving teaching methods.* London: Kogan Page

Newby, T.J., Stepich, D.A., Lehman, J.D. and Russell, J.D. 2006. Educational *technology for teaching and learning.* Upper Saddle River: Prentice-Hall.

Newby, T.J., Stepich, D.A., Lehman, J.D. and Russell, J.D. 2000. *Instructional technology for teaching and learning.* Upper Saddle River: Prentice-Hall.

Nicholls, G. 2002. Developing teaching and learning in higher education. London: RoutledgeFalmer.

Oosthuizen, I. J. *School governance.* 2003, in P. Botha, P.J. Mentz, M.C. Roos, P.C. van der Westhuizen, E.T. van Kerken and I.J. Oosthuizen. **Aspects of Education Law.** Pretoria: Van Schaik.

Palmer, P.J. 1998. *The courage to teach: Exploring the inner landscape of a teacher's life.* San Francisco: Jossey-Bass.

Piek, G.C. 1992.*School management 2.* Cape Town: Maskew Millar Longman.

Price, K.M. and Nelson, K.L. 2007. *Planning effective instruction – diversity responsive methods and management.* Belmont: Thomson Wadsworth.

Pring, R. 2004. *Philosophy of educational research*. London: Continuum.

Punch, K.F. 2009. *Introduction to research methods in education.* London: Sage Publishers.

Race, P. 2005. *Making learning happen.* London: Sage Publishers

Race, P. *Helping students to learn from resources.* 1996, in S. Brown and B. Smith (Ed.), **Resource based learning.** London: Kougan Page.

Rhodes, C., Stokes, M. and Hampton, G. 2004. *A practical guide to mentoring, coaching and peer-networking.* London: RoutledgeFalmer.

Riley, K., and Klamis, A. *Reforms improvement and change. 2005,* in M. Coleman and P Earley (Ed.), **Leadership and Management in education – cultures, change and context.** Oxford: Oxford University Press.

Rogers, A. 2002. *Teaching adults.* Maidenhead: Open University press

Rosenburg, H. *Funding from business.* 1998, in H. Horne (ed.), **The school management handbook.** London: Kogan Page

Schmuck, R.A and Runkel, P.J. 1995. *The handbook of organisational development in schools and colleges.* Prospect Heights, Illinois: Waveland Press.

Sharp, J and Murphy, B. *The mystery of learning.* 2006, in J. Sharp, S. Ward and L. Hankin (Ed.), **Education studies**. Southernhay East: Learning Matters.

South African Schools' Act (No 84). 1996. Republic of South Africa. Pretoria: Government printers.

Stephens, P. 1996. *Essential mentoring skills – a practical handbook for school-based teacher educators.* Cheltonham: Stanley Thornes Publishers.

Spreyer, L. 2002. *Teaching is an art.* Thousand Oaks: Corwin Press.

Steyn, B.L., Warren, B.O., and Jonker, W.D. 2004. *Fundamental aspects of financial management.* Lynn East: Renall Publishers.

Sweeny, B.W. 2008. *Leading the teacher induction and mentoring program.* Thousand Oaks: Corwin Press.

Tate, M.L. 2004. "*Sit and get" won't grow dendrites.* Thousand Oaks: Corwin press.

Theron, A.M.C. *Change in educational organisations.* 2007, in PC van der Westhuizen (Ed), **Schools as organisations.** Pretoria: Van Schaik Publishers.

Thomsett, M.C. 2007. *Annual reports 101.* New York: Amacom.

Trorey, G. and Blamires, C.*Mentoring new academic staff in higher education.* 2006 in C. Cullingford, **Mentoring in education – an international perspective.** Aldershot: Ashgate Publishing Company.

Turner, T. *Active learning.* 2001 in S. Capel, M. Leask and T Turner (Ed.), **Learning to teach in the secondary school.** London: RoutledgeFalmer.

Usher, R. *A critique of the neglected epistemological assumptions of educational research.* 1996 in D. Scott and R. Usher (Ed.), **Understanding educational research.** London: Routledge.

Van Deventer, I., Kruger, A.G., Vander Merwe, H.M., Prinsloo, I.J. and Steinman, C.F. 2003. *An educator's guide to school management skills.* Pretoria: Van Schaik Publishers.

Van der Westhuizen, P.C. and Theron, A.M.C. Resistance to change in education. 2007, in PC van der Westhuizen (Ed), **Schools as organisations.** Pretoria: Van Schaik Publishers.

Vella, J. 1994. *Learning to listen, learning to teach.* San Francisco: Jossey-Bass Publishers.

Wasch, R.S. *Budgeting in non-profit organizations.* 2003, in W.R. Lalli, (Ed.), **Handbook of budgeting**. New Jersey: John Wiley and son.

Wellington, J. 2000. *Educational research – contemporary issues and practical approaches.* London:Continuum.

Werner, M.L. and Jones, K.H. 2004. *Introduction to financial accounting.* Upper Saddle River: Pearson Prentice Hall.

Whiteley, J. 2004. *Mastering financial management.* New York: Palgrave Macmillan.

Wragg, T. *Interviewing.* 2002, in M. Coleman and A.R.J. Briggs (Ed.). **Research methods in educational leadership and management.** London: Paul Chapman Publishing

Wright, S. *Funding a project.* 1998, in H. Horne (ed.), **The school management handbook.** London: Kogan Page

Wyatt, R.L. and Looper, S. 2004. *So you have to have a portfolio – a teacher's guide to preparation and presentation.* Thousand Oaks: Corwin Press.

Yelon, S.L. 1996. *Powerful principles of instruction.* White Plains: Longman Publishers USA.