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**Accountability and transparency in  
school financial management**

by

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## **SYNOPSIS**

**Accountability and transparency in financial management is the cornerstone to all democratic government policies. All spheres of government should encourage participative collaboration and involvement of all stakeholders. Schools as organs of state are not immune to this call.**

**The aim of this research was to investigate the level of accountability and transparency in school financial management with the ultimate aim of encouraging efficacy in financial school management. Accountability and transparency must be approached with resiliency.**

**The findings are clear indications of what might be happening in schools. It is our responsibilities as educationist to reverse and normalise the scenario.**



**It was a carefully planned policy of the previous government to alienate and discourage African parents from playing a significant role in education. As a result the role of stakeholders in education diminished.**

**Educational managers must acknowledge the fact that it will be an awesome struggle to encourage all stakeholders to play a meaningful role in the education of our children. This task requires managers who must be change agents themselves. For managers to achieve this task they must first have a change of heart, change of mindset and strong will power. These leaders must have courage and determination. This task requires managers who are not afraid of failure. There is evidence of internal wrangling in schools. This wrangling sometimes prevents schools from its core function, which is effective teaching and learning**

**Accountability may have different meanings in different situations. For purposes of this research, accountability will denote: allowing people access to information which encourages involvement of stakeholders; accountability will mean keeping people informed; accountability will entail explaining to stakeholders about the employment of allocated and collected resources in pursuing the school's objectives. It is important to note that accountability does not only confine itself to success, it also encompasses mistakes and failures.**

**For purposes of this research, transparency denotes involvement of stakeholders. Transparency may imply reporting. Budgeting and school finance policies are key mechanisms of transparency. Schools will be transparent if both internal and external stakeholders know exactly what is the progress of the school, in terms of its operations. If all stakeholders can notice pockets of success in the schools parents will get involved. It is also pertinent to highlight that policies of the government should be implemented.**

**The researcher cannot over emphasise the need for stakeholder training and development. Districts must support, monitor and develop schools. This is crucial for the policies to be implemented be carefully monitored.**

**The research will alert the department of what might be happening in some schools. This research will encourage the department to roll out efficacy programs with increased speed and momentum.**

**The struggle for effective and efficient school financial management is a just one, therefore it should be continued.**

## OORSIG

Aanspreeklikheid en deursigtigheid in finansiële bestuur is die hoeksteen tot alle demokratiese regeringsbeleide. Alle sfere van regering moet aangemoedig word tot deelnemende medewerking en betrokkenheid van alle insethouders. Skole as organe van die staat is nie immuun tot hierdie oproep nie.

Die doel van die navorsing was om die stand van aanspreeklikheid en deursigtigheid te ondersoek in skool finansiële bestuur, met die aanmoedige werksaamheid in finansiële skool bestuur as die finale doel. Aanspreeklikheid en deursigtigheid moet benader word met omsigtigheid. Die bevindinge is duidelike indikasies van wat mag gebeur in skole. Dit is ons verantwoordelikheid as opvoedkundiges om die scenario om te draai en te normaliseer.

Dit was 'n versigtige beplande beleid van die vorige regering om swart ouers te vervreem en te ontmoedig om 'n betekenisvolle rol in opvoeding te speel. Die resultaat was dat die rol van insethouders in opvoeding verminder het.

Opvoedkundige bestuurders moet toegee dat dit 'n ontsagwekkende stryd sal wees om alle insethouders te kry om 'n betekenisvolle rol in die opvoeding van ons kinders te speel. Hierdie taak vereis bestuurders wat ook self veranderings-agente moet wees. Vir bestuurders om dié doel te bereik moet hulle eers 'n verandering van gemoed, 'n verandering van denke en 'n sterk wilskrag aanleer. Die leiers moet deursettings-vermoë hê en gedetermineerd wees. Die taak vereis bestuurders wat nie bang is vir mislukking nie. Daar is bewyse van interne wroegings in skole. Hierdie wroegings verhoed dat skole hulle funksie, naamlik, effektiewe onderrig, kan toepas.

Aanspreeklikheid mag verskillende menings in verskillende situasies hê. Vir die doel van die navorsing sal aanspreeklikheid die volgende beteken: Om mense toegang tot inligting te gee sal hulle aanmoedig tot groter betrokkenheid as insethouders; aanspreeklikheid sal beteken om mense op hoogte van sake te hou; aanspreeklikheid bevat die verduideliking aan insethouders aangaande die aanwending van geallokeerde en ingesamelde middele vir die uitvoering van die skool

se doelwitte. Dit is belangrik om te let dat aanspreeklikheid nie altyd sal lei tot sukses nie, maar ook foute en mislukkings kan insluit.

Die doel van die navorsing bepaal deursigtigheid en die betrokkenheid van die insethouders. Deursigtigheid impliseer verslaggewing, begroting en die beleid van die skool finansies. Hierdie is die sleutel-meganismes van deursigtigheid. Skole kan deursigtig wees as beide interne en eksterne insethouders kennis dra van die vooruitgang van die skool, in terme van sy werksaamhede. As alle insethouders kennis dra van sukses in die skole, sal ouers meer betrokke wil wees. Dit is ook paslik om daarop te let dat die beleid van die regering geïmplementeer moet word.

Die navorser kan die behoefte vir die opleiding en ontwikkeling van insethouders nie genoeg beklemtoon nie. Distrikte moet skole ondersteun, monitor en ontwikkel. Dit is belangrik dat hierdie beleid geïmplementeer word en versigtig gemonitor word.

Die navorsing sal die departement waarsku oor gebeure in sommige skole. Hierdie navorsing sal die departement aanmoedig om programme in bestuursvaardighede vinniger te implementeer.

Die stryd vir effektiewe en doeltreffende skool finansiële bestuur is geregverdig, daarom moet dit voortgaan.

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## CHAPTER 1

### PROBLEM STATEMENT AND ORIENTATION

#### 1.1 INTRODUCTION

Section 41(1) c of the Constitution of Republic of South Africa, Act of 1996, states that all spheres of government must provide effective, transparent, accountable and coherent governance to the Republic as a whole (RSA, 1996:s4.1c). This therefore calls for co-operative governance in schools and other spheres of government. Co-operative governance in schools therefore hinges on accountability and transparency. The emphasis of co-operative governance is participative and inclusive decision making (Davis: 1999:7).

Accountability and transparency calls for a flow of information in which those who are controlling the resources provide and account to society. They are required to account in the manner in which those resources were employed in order for the school to achieve its aim (Matamela 1998:10). Matamela further maintains that schools will improve when school managers account directly to their stakeholders that are, parents, educators, learners and other stakeholders (Matamela, 1998:10).

South African Schools Act, henceforth SASA (1996:s16.1 &3) presupposes that the principal is accountable for the professional management of the school. This therefore implies that the principal is an accounting officer under the authority of the provincial head of the department. The principal is accountable for the professional management of the school (SASA: s16.3). The act also state it very clear that, it is the responsibility

of the governing body of a public school to establish a school fund and administer it in accordance with the directives issued by the Head of Department (SASA: s37).

In light of the above information it is incumbent upon the principal under the school governing body to be efficient and effective in managing the school funds. Managing school funds include amongst other things accounting, reporting, drawing up of a school financial policy and drawing up of financial plan (budgeting). The researcher will now present the problem statement of this research

## 1.2 PROBLEM STATEMENT

Considering the preceding background, the research problem can be encapsulated by means of the following questions.

- What is the role of school governing bodies in school finances?
- Is there adequate accountability and transparency in school financial handling?
- Who and what is the role of the accounting officer?
- When and how should the reporting be done?
- What are the perceptions of educators who are not in the school governing body in respect of school finances?
- Is there any or adequate monitoring and guidance from the district offices and/ or provincial education department?

Having outlined the problem statement, the researcher will then present the aim of the research.

### **1.3 AIM OF THE RESEARCH**

**The general aim of this research is to:**

**Investigate, highlight and ascertain the degree and the level of accountability and transparency in school financial management. The specific aim of this research is to investigate the level of accountability and transparency in financial school management. For the researcher to achieve the general and the specific aims of this mini dissertation.**

**The researcher will:**

- **Clarify the terms accountability and transparency.**
- **Investigate the participation in the process leading up to the approval of the school budget.**
- **Investigate how often should reporting be done.**
- **Who should be accountable and transparent?**
- **Suggest guidelines as to how should the process of accountability and transparency be managed, in order to enhance sound financial management of school finances.**

**The researcher will then discuss the research method.**

### **1.4 METHOD OF RESEARCH**

**Qualitative research paradigm will be used throughout this mini dissertation.**

**This method is descriptive in nature. This method is preferred because it is a multi-perspective approach to social interaction. This method aims at describing and making sense of interpretation. This method helps the researcher to reconstructing the reality.**

Qualitative research is widely accepted that its approach concentrates on qualities of human behaviour (De Vos, 1998:240-241). Maykut and Morehouse (1994: 43-47) recommend this method of research by stating that, qualitative researchers are interested in understanding people's experience in context, i.e. in their natural setting. They maintain that this method also allows the researcher to capture language and behaviour of the participants.

One of the chief reasons for conducting a qualitative study is that, the study itself is exploratory, and not much has been written about this topic (Creswell 1994:21). All audio taped interviews will be transcribed verbatim and factual collected data will be analysed using constant comparative method as indicated by Maykut and Morehouse (1994: 126-147).



#### 1.4 LITERATURE REVIEW

Creswell (1994: 20-21) recommends that literature must be used inductively, so as not to influence the questions asked by the researcher. He further recommends that before the researcher can proceed to the field to conduct interviews, a literature study must be considered for the following

Purposes:

- It shares with the reader the results of other studies that are closely related to the study being reported.



- It relates the study to the larger, on-going dialogue in the literature about a topic, filling gaps and extending prior studies.
- It provides a framework for establishing the importance of the study as well as benchmarks for comparing the results of a study with other findings.

## 1.6 INTERVIEW

Semi structured interviews will be conducted using the following suggested protocol.

This protocol would include the following components as per Creswell (1994:152):

- Heading
- Instruction to the interviewer (opening statement and explanation about the research).
- The research questions to be asked.
- Probes to follow key questions.
- Transition messages for the interviewer.
- Space for recording the respondents comment.
- Space in which the researcher records reflective notes.

Planning should be done to cover unforeseen circumstances. The researcher will take notes in the event that the recording equipment fails.

The researcher will then move to demarcation.

## 1.7 DERMACATION

This is a mini dissertation research. The scope of the research is therefore limited.

The study will concentrate on African black schools, in Gauteng West district D2.

Semi structured interviews and focus groups will be conducted in two high schools two farms schools and two primary schools.

These semi-structured interviews will be conducted with the members of the school governing bodies, i.e. principal, educator, treasure, non-educator member and one member of the finance committee. The emphasis will be on accountability and transparency in management of school finances.

## 1.8 CLARIFICATION OF CONCEPTS



It is important for the purpose of this research to have common understanding of the usage of the following concepts.

### 1.8.1 Accountability

Accountability is the state of being accountable, answerable, liable, and responsible for certain actions or decision Hawkins (1999:4).

The term accountability covers wide range of philosophies and mechanisms governing the relationship between any public institution, its governing body and the whole of the society which include the apolitical and political environment Further more accountability will mean answerable to one's clients (moral accountability), liable to

oneself and one's colleagues (professional accountability), and responsible to one's employers or political masters (contractual accountability). (Kogan 1996:25-27). In this research the use of accountability is reserved for authority to call an individual or group to give reasons for their actions and/or decisions.

### 1.8.2 Transparency

Hawkins (1994:474) explains transparency as being able to be seen through.

Johns and Morphed (1969:511) refer to transparency as a process of reporting to the stakeholders including the governing body in a simple non technical fashion. For the purpose of this research, transparency would mean participative decision-making, inclusive decision-making and broad involvement of school stakeholders.

### 1.8.3 School financial management

Sayed (1998:8) explain the concept of financial school management as that phase of education administration that is primarily concern with procuring, expanding, accounting for, protecting, organising and maintaining fiscal and material resources in an efficient manner so that human resources and efforts are aided in achieving educational goals. According to his definition management would include activities such as budgeting, procuring and the handling funds, purchasing, payment of services, learning support material or the expending of funds inventorying, accounting, auditing, financial reporting, cost analysis, maintenance of property and insurance programming (Sayed, 1998:8).

Sayed (1998:8) explains school financial management as execution of such tasks by a person of authority of those management actions (regulated tasks) connected with the financial aspect of school and having the purpose of achieving effective education.

For the purpose of this research this definition is accepted.

#### 1.8.4 School.

The term school shall mean a public school, which enrolls learner in one or more grades from grade zero to twelve. According to (SASA, 84 of 1996:s1.) a school means any institution for the education of learners. (Gauteng Provincial Gazette, School education act 6 of 1995), the term school shall mean a public school owned by the state, the funding of it, is mainly the responsibility of the state.

#### 1.8.5 School governing body

This term shall mean a committee of parents, educators, non-educator member, principal and a learner in case of high schools. (SASA 84 of 1996:s16)

#### 1.8.6 Principal

Principal refers to the head of the school, the professional leader of the school, the manager of the school who is also an ex-officio member of the school governing body (Matamela 1998:44).

## **1.9 PLAN OF STUDY**

**In chapter one** the introduction and problem statement are provided to highlight the problem. It outlines the aims of the research. The Methodology of the research is also explained. This chapter also clarifies important concept to be used in this study.

**In chapter two** a focused literature study will be undertaken to explore the concept of accountability and transparency in school financial management.

**Chapter three** will cover the data collection, data recording procedures and the instrument to be used. Semi structured interviews will be held with members of the school governing body members, educators and financial committee members of the said schools. An interview protocol will be employed. The interview will be recorded on an audiocassette recorder and field notes will be taken.

**Chapter four** will deal with the analysis and interpretation of the data collection. Data will be organized and indexed using the Creswell (1994:153-155) method. Audio taped interviews will be transcribed verbatim using constant comparative method of Maykut and Morehouse (1994:134-147).

**Chapter five** will provide findings, recommendation and summary of the research. Recommendation from the study will be given, suggestions for the accounting officers and monitoring teams will be eluded too.

## 1.10 CONCLUSION

This chapter introduced certain aspects of the Constitution of Republic of South Africa, which forms part of the premise of this research. Certain sections of the SASA, act 84 of 1996, that relate to the research were introduced. The aim of the research was clearly stated to indicate what the research intends to achieve. The method of the research was stated to indicate the focus area of the research. Important concepts were explained. The plan of the research was provided. The next chapter will focus on the relevant literature on accountability and transparency in school financial management. This chapter will serve as a theoretical framework for the data collection, analysis, interpretation and recommendations.



## **CHAPTER 2**

### **LITERATURE REVIEW OF ACCOUNTABILITY AND TRANSPARENCY IN SCHOOL FINANCIAL MANAGEMENT**

#### **2.1 INTRODUCTION**

The aim of the literature review is to investigate the available literature with regard to accountability and transparency in school financial management. The literature review is also used to guide the researcher and to steer the researcher away from being biased.

Creswell (1994:20 -21) recommends that literature must be used for the following reasons:

- (i) That it shares with the reader the results of other studies that are closely related to the study being reported.
- (ii) It relates the study to the larger, on-going dialogue in the literature about a topic, filling in gaps and extending prior studies.
- (iii) It helps the researcher to fill in gaps about the topic under discussion.
- (iv) Provides a framework for establishing the importance of the study, as well as benchmarks for comparing the results of the study with other findings. Creswell (1994:20-21) also maintains that, in short literature review establishes a link between the literature and the topic of the researcher. Literature review also minimises the problems for the researcher so that the study can be more focussed.

#### **2.2 ACCOUNTABILITY AND TRANSPARENCY IN SCHOOL FINANCIAL MANAGEMENT**

The new education dispensation in South Africa is founded on a strong tradition of negotiation and stakeholder participation. There is on going shift towards participative management in decision-making and democratic management as advocated by this government.

The shift according to Chapman, Froumin and Aspin (1995:146) is necessitated by the need to make schools more productive, more effective and more accountable to both the government and the stakeholders. This new style of management is commonly referred to as co-operation governance. This new corner stone of the government must filter through to schools. Co-operative governance signifies stakeholder involvement in governance and management of schools. Bisschoff (1997:99) states that harmonious collaboration between the governors and administration staff is a prerequisite for successful achievements of financial objectives of the school.

## 2. 2. 1 The usage of accountability

Every public institution is subjected to accountability. This means that institutions must account for, give explanation or reckoning of the manner in which they performed every specific function for which they have been made responsible to (Cloete, 1996:18).

Cloete (1996:18) further purports that accountability requires institutions to give explanations about the positive as well as the negative results obtained from the performance of responsibilities entrusted to them. The same author recognises the close link between responsibility and accountability. He sees accountability as the enforcement of responsibility (1996:18).

Accountable comes from the word account, which means explaining, reporting and giving description, make it clear why something happens (Chambers-Macmillan, 1996:8).

Lello (1979:3) writes that accountability implies having an answerable relationship with stakeholders. It involves being called upon to give an account with a clear responsibility. Accountability refers to the fulfilment of legal requirements and judicial reviews of the decisions by a public institution (1979:3).



Macpherson (1996:81) describes financial accountability criteria and processes in education as essential components of effective schools in a complex democracy. According to Macpherson accountability formalises collective and personal obligations to all stakeholders. Macpherson (1996:81) concurs with other authors about the meaning of accountability compare Lello, Cloete and Chambers-Macmillan. Accountability means answerability to others concerning one's performances and duties. Principals as chief accounting officers must account to themselves, peers, clients and super ordinates. He further maintains effective accountability implies collection and reporting of objective data (Macpherson, 1996:83).

Accountability and responsibility seem to be synonymous. If one is accountable to or accountable for, he/she is responsible to and responsible for something or somebody. To be accountable is therefore described as a self-inflicted sanction imposed by a person concerned (Macpherson, 1996:83)

Lello (1979:9) describes accountability as a wider than pure management function. He further states that it is a multi-practice system. He sees five main elements of accountability:

- (a) democratic element,
- (b) political element,
- (c) financial element,
- (d) professional element and
- (e) moral or personal element.

Lello (1979:4) further purports that there is a very strong connection between accountability and partnership (stakeholders), which simply means that if people are working closely to one another they have to be continuously and permanently answerable to one another. Accountability suggests that there should be a relationship of trust, mutual respect and commitment among the stakeholders involved (referred to as a moral respect).

**Kogan (1986:25-27) suggests three levels of accountability, namely:**

- (a) Moral accountability, that is being accountable to one's client.**
- (b) Professional accountability, that is being accountable to one's colleagues,  
and**
- (c) Contractual accountability, that is being accountable to one's employers or  
political masters.**

**Becher and Maclure (1978:92) sees accountability as a fulfilment of institutional objectives both for those internally stakeholders as well as to external stakeholders. Becher and Maclure (1978:92) view accountability as being involving, reporting to stakeholders either voluntarily or compulsorily. It means having a conscience or moral responsibility about what one is doing. It means being answerable to stakeholders both subordinate and super ordinate to you as a manager. It is part of the essential administrative cement in a democratic society. If money or budget is allocated it should be accounted for (Becher and Maclure, 1987: 92).**

**Matamela (1998:21) describes financial management accounting as the administrative medium by which full and systematic reports on financial matters of the school are given. According to him financial accounting results in the financial statement of a school. Matamela (1998:21) concludes by defining the accounting process as a financial information system designed to record, classify, report and interpret financial data of interest to the stakeholders of the school.**

**Mbigi (1997:102) advocates for a simplified budgeting and reporting formats so that all stakeholders, including those stakeholders with limited education and limited financial knowledge can understand. Mbigi also recommends that financial activities must be demystified. Its symbols, formula processes and terminology must be explained. Mbigi (1997:102) is of the opinion that it should**

be transferred into simplified versions and performances. Internal reporting as advocated by him is as important as external reporting.

He recommends widened accountability based, which is accountability to multiple stakeholders. He recommends accountability for the stakeholders who have a stake in learning organisational governance (Mbigi, 1997: 102).

Mbigi (1997:103) proposes the principle of "Ubuntu" accountability, which is characterised by a shift from managerial and professional prerogatives to participative decision-making, and participative performance, which is characterised by a high degree of trust and co-operation governance.

### 2.2.2 The usage of transparency

The word transparency comes from the verb "transpire" which means to become known. Transparency means offering no obstacle to sight, that is, that which can be clearly seen through. Therefore transparency is when something is easily understood or recognised (Seshabela, 1996:12).

Fowler and Fowler (1995:894) explain transparency as the transmission of light without hindrance or diffusion so that bodies behind can be distinctly seen.

Transparency is understood on a figuration level to mean easily seen through.

Synonyms associated with transparency are brighten, clarity, openness and access to independent audit. Transparency includes aspects such as access to information, encouragement, consideration and frankness (Seshabela, 1996:12-13).

## 2.3 THE SCHOOL FINANCIAL POLICY AS A FORM OF ACCOUNTABILITY AND TRANSPARENCY

In order for a school to maintain and encourage sound school financial management it should possess a detailed financial policy. This policy will set out

clear guidelines on how and when to use available school resources. The policy should adhere to prescribed accounting procedures. In a similar argument, Bisschoff (1997:77) recommends that the finance policy should either form an integral part of the school policy, or be a separate as in the case of a subject policy. It is recommended that the policy should be used as an internal regulatory procedure for a particular school. It is without doubt that financial policies will differ from school to school. It is however important to have core principles or guiding parameters for schools finance policies. Gauteng Department of Education has come up with directives that schools must use, as a base for finance policy [see annexure B]. Bisschoff (1997:78) recommends that the school financial policy should be a fluid document. He states that financial policy should be seen as a document that may change over time depending on the prevailing environment and circumstances of the school. He stresses that the process should be inclusive and transparent at all times.

✓ Coupled with the financial policy a governing body may establish committees. SASA s 30 (a) (b), states that every committee established in a school under the governing body, must be chaired by a member of the governing body. One such vital committee is a finance committee. The financial policy must spell out very clearly the terms of reference for the finance committee. This policy should include amongst other principles, the mission statement of the school. Sources of revenue, bank signatories, cheque requisitioning procedure, safe keeping of supporting documentation, receipt format, collection of school fees, banking procedures and balancing format. It must vividly spell out all processes leading up to final adoption of the budgeting process [See annexure B].

The most important fundamental concept of the budgeting as required by SASA s, 38 is openness and involvement of stakeholders. A budget can be described as a financial plan of the school that contains the estimated income and expenditure over a period of time, normally one year (Cameron & Stone, 1995: 55). Parents must also participate in the budgeting process. A budget has to

pass through several stages. It is drafted by the finance committee, approved by the governing body, and adopted and ratified by the majority of parents present in a general meeting of parents. The general meeting of parents must be convened on at least 30 days' notice SASA s 38. (2). The budget must take into cognisance the condition and circumstances of parents who cannot afford to pay the school fees, they must be exempted from paying school fees.

All these initiatives are mechanisms to woo parents back into the school activities. Parents must participate in all decision-making processes of the school. They ought to be active stakeholders in democratic management of the school. Chapman, Froumin, and Aspin (1995:35) contend that involving stakeholders in school affairs is likely to improve community confidence and support for the school. The stakeholders are also likely to generate interest and extra resources for the school. Schools must realise that, they will only survive and prosper by working with stakeholders.

### 2.3 REPORTING AS PART OF TRANSPARENCY AND ACCOUNTABILITY

From the literature key elements of accountability and transparency is continuous reporting (Bisschoff 1997:15). Closely related to financial transparency and accountability is financial reporting. Reporting is a process of giving feedback to the stakeholders of the school (1997;15). Reporting, according to Bisschoff (1997:15) also fulfils an accountability role because it displays distributed and accumulated resources, one of the Annual reports and financial statements are the mechanisms, which can be employed by the principal and the school governing body to disclose the financial status of the school.

According to Van der Westhuizen (1991:391), there are different forms of reporting. There is verbal financial reporting which is done during parents evenings, awards meetings and parents-teachers meetings. According to him, this method of reporting is advantageous because verbal explanations are given.

During this type of reporting questions and answers are allowed to clear up specific aspects which were not clear during presentation.

Van der Westhuizen (1991:390) also emphasizes the importance of written financial reporting. He says this form of reporting takes the form of written reports to the school's stakeholders. Bank statements, bank reconciliation, auditor reports, cash analysis statements and cost analysis statements form part of written report. The advantage of this method is that it reaches large sections of the school stakeholders.

Berkhout and Berkhout (1992:77) highlight the advantages of reporting as a form of accountability. They state that the speed at which reporting is completed is important for timely implementation of remedial and/or corrective measures. Berkhout and Berkhout (1992:72) suggest that the interval between reporting should not be unduly long so that any corrective remedial measures required can be implemented on time.

Van der Westhuizen (1991:390) suggests that financial reporting should always be interesting, simple and clear. The level of parents' literacy should always be considered. Reporting should be done in non-technical terms. Mbigi (1997:107) encourages what he calls 'peoples accounting' that enhances the collective capacity of stakeholders and teams. People's accounting also leads to collective behaviour, which encourages reporting. The reporting of financial matters should be utilised to transfer financial skills and financial knowledge to the stakeholders of the school. He further suggests that ritual and ceremonies should be held to celebrate success in financial control and proper financial management systems compare (Mbigi, 1997:109).

Mbigi (1997:108) concludes his theory of "Ubuntu" in collective financial accountability by the following recommendations. He recommends that financial reporting should enhance collective solidarity, collective financial stewardship

and collective financial understanding. It should lead to collective information sharing which is the basis of collective trust in effective school financial management (Mbigi, 1997:108).

The bottom line of reporting as a part of accountability and transparency is inclusivity and broad based participation. Transparency encourages collaboration within the governing body members. Accountability is about ownership of school processes, for the sake of improving quality of education.

## **2.5 THE ROLE OF PRINCIPAL IN ACCOUNTABILITY AND TRANSPARENCY**

South African Schools Act 84 of 1996(henceforth SASA), states that the financial issues of the school, is the proactive of the governing body SASA s. It should be stated that the principal as a member of the governing body, and the head of the school would bear all of the accountability and responsibility. It must however be stressed that for the principal to achieve transparency he/she will have to work closely with other members of the governing body, educators and other stakeholders of the school with financial knowledge.

The governing body has to bear in mind that the financial responsibility has been delegated to them, not to the principal. However, if the principal has to manage the school effectively on day-to-day basis then he/ she must be given powers to decide on daily spending. In a similar argument, principals must remember that financial management of the school is a partnership with the stakeholders. The principal must know that the governing body is a powerful and important partner which needs to be kept informed about schools spending. This, according to Sayed (1998:28) will be an example of transparency in financial matters.

The principal as an accounting officer must make the best possible use of the available resources in order to achieve the school's aim. The implication here is that the principal as the member of the governing body and the manager of the

school holds more power and responsibility than any other member of the governing body (Sayed, 1998:28).

Continuous reporting on school finances is a responsibility related to the principal's financial management duties. He /she should report on the financial position of a school to both internal and external stakeholders. The principal's report should be in simplest form. Visual diagram can be used in order to assist external stakeholders without any accounting experience, to gain insight into the finances of the school. Communication, as Bisschoff (1997:105) contends, should be regarded as one form of sound financial management of the school.

Matamela (1998:34) states that financial reporting is the process of giving feedback on what was done and achieved by the school in as far as monetary value is concerned. He stresses that the best way of reporting is through financial statements and reports. He advances this point by referring to these reports as summaries of activities that have occurred in a school during a fixed period. The summary should be simple and financially reliable.

The principal of a school has a responsibility to manage the resources both financial and non-financial resources entrusted to him or her by the community and the employer (state). He/she also has a responsibility to provide an account of his/her management. According to Matamela (1998:5), an annual report and the financial statement are the mechanisms at his/her disposal to discharge financial accountability. The principal is accountable towards the provincial head of the education department. The principal is also accountable to the stakeholders. In this regard it can be concluded that the principal is the chief accounting officer of the school.

The question might be what is an accounting officer? Cameron and Stone (1995:4) define an accounting officer as a person responsible for ensuring that government policies and school governing decisions are executed in an efficient



and effective manner. The officer should also monitor that the budget is adhered to. The accounting officer should ensure that the resources are disbursed in the most efficient and economic way.

Bisschoff (1997:99) views leadership in financial management in three aspects. Firstly, he says there should be sound relationship between stakeholders. Secondly, all persons involved in school finances must be motivated. Lastly, he emphasizes the importance of communication with all the stakeholders, internal as well as external stakeholders.

The principal should cultivate healthy relations on financial matters with the internal people as well as external stakeholders. This will ensure that, the stakeholders and the private sector render their valued and continued support to the school. The principal should reflect transparency and accountability in his/her financial duties. Involvement is the cornerstone principle. The principal must report back to the community so that he/she can maintain a good transparent relationship (Bisschoff, 1998:100).

The school principal must actively draw the external stakeholders into the school's activities and encourage the support of these activities. To ensure this, the principal should provide feedback to the stakeholders on a continuous basis. This will be a form of accountability. The principal's knowledge must be translated into simple, effective operating practices, which is what Bisschoff (1997:100) calls collective wisdom of the team. He further advances this theory of involvement by stating that the entire school financial committee should be trained in interpretation of financial statement. The team must know the importance of ratios and the importance of monitoring the schools financial budget (Bisschoff, 1997: 100). In conclusion the principal as accounting officer must ignite robust debates about the status and the control of school finances.

**Matamela (1998:30) states that the school should not only be regarded as a learning institution but also as an educational enterprise with the principal as a chief executive officer responsible for total operations. This therefore implies that he/she has business functions to perform as well as educational responsibility to undertake. However, without efficient and effective performance of financial and managerial tasks, the school as an educational enterprise operates under serious handicaps (Matamela, 1998:30).**

**The principal should not view transparency and accountability as a punitive measure, but he/she should regard that as quality control mechanisms at his /her disposal to employ.**

## **2.6 CONCLUSION**

**In conclusion, it would be important to mention the importance of accountability and transparency in managing school finances. Proper financial management of school finances contribute to efficient and effective school systems. In order for the school to achieve its desired aims and objectives proper financial systems should be in place. Principals must realize that the total success of the school depends on excellent management of the school's resources. The bottom line is openness and sharing of financial information. Collaboration and involvement of stakeholders to encourage co-operative governance of schools is the element of this research.**

**The next chapter will focus on research design and collection of data. Principals, governing body members and educators will be interviewed. The essence of interviews and questions asked during the interviews will serve to gather information and the perceptions of governing body members, educators and principals regarding the level of accountability and transparency in school financial management. Information obtained will provide the extent of co-**

**operative governance in schools as this is one of the cornerstones of the South African government.**



## CHAPTER 3

### RESEARCH DESIGN AND QUALITATIVE METHODOLOGY

#### 3.1. INTRODUCTION

The previous chapter provided a description of what accountability and transparency in financial management of the school entails. An explanation was rendered regarding the accountability and transparency in school financial management. The role of the principal was highlighted. The importance of reporting and budgeting was alluded to. Financial policy as a form of accountability and transparency was explained. Therefore the literature study in chapter two forms the bedrock of the unstructured questions that will be used to probe the perceptions of governing body members, educators and principals in respect of the level of accountability and transparency in school financial management.



Chapter two of this research has also illustrated the need to research the interpretation and understanding of accountability, transparency and involvement of stakeholders in school financial management. The main thrust of this research is to investigate the level of co-operative governance and involvement of parents in school financial matters as required by SASA (Davis, 1999:9). It is also imperative to get stakeholders perspective on financial management of schools in general and their view on the role that should be played by principals.

The quality method that will be used in this research will be directed to meet the requirement of the research. According to Tsikororo (2000:30) the research methodology rests upon the axiom that, the nature of the data and the problem to be researched dictates the research methodology. Based on this need this chapter will outline the methodology the researcher will use to collect, analyse and interpret data for this research.

## 3.2 RESEARCH METHODOLOGY

The research design focuses on the following aspects:

- (a) The research design (qualitative methodology)
- (b) Researcher's role
- (c) The interview as an instrument of research, and
- (d) Data collection and recording procedure
- (e) The concluding remarks.

Therefore, this chapter is aimed at explaining the merits of qualitative research methodology as far as data collection and recording procedures, design and instrument, data analysis procedures, verification and reporting findings are concerned.

### 3.2.1 RESEARCH DESIGN

Van Maanen et al (1982:40) regard qualitative and quantitative as not too distinctive methods. He describes quantitative method as a method that deals with common understanding of science. This method implies more precision and

its results that are more readily analysed by computers and summarized in tables. On the other hand qualitative approach refers to the meaning, the definition, analogy, model or metaphor characterizing something. Qualitative research deals with the meaning of things and associative meaning of situations.

Van Maanen (1983:149) describe the qualitative research method as a method that which is 'thick' 'deep' and 'holistic' in nature. He further explain the value of qualitative method that it:

- (a) Enhances the reliability of observation.
- (b) Facilitate replication studies.
- (c) Permit statistical analysis of data and
- (d) It allows generalization of data to other similar larger situations.

The goals of the qualitative method as stated by Maanen (1979:150) are:

- (a) To capture the frame of reference and definition of the situation of a given informant or participant, and thus to avoid instrumentation artefacts of standardized measurement procedure.
- (b) To permit detailed examination of organisation and people in their natural setting, and
- (c) To elucidate those factors peculiar to the case that may allow greater understanding of the situation.


Mason (1996:5) explains how a qualitative research should be, by spelling out the following key points:

- (a) He contends that qualitative research should be systematically and rigorously conducted.**
- (b) Qualitative research should be strategically conducted, yet flexible and contextual.**
- (c) The researcher should be involved in a critical self -scrutiny for this methodology of research.**
- (d) The researcher should not regard qualitative research as in opposition to, and uncomplimentary to, quantitative research. The distinction between the two researches methodology is not entirely clear-cut.**
- (e) Qualitative research should be conducted as an ethical practice, taking into consideration the context and the setting of the problem to be researched.**
- (f) This research methodology should produce social explanations to intellectual problems. This methodology should produce social explanation, which is general sable in nature, and this explanation should have wider resonance.**

**Cresswell (1994:147) recommends the use of this methodology because it utilises the phenomenological research tradition. Phakoa (1998:47) prefers the use of qualitative research methodology because it study human experiences, "through detailed descriptions and procedures" of a small number of subjects in order to develop patterns and relationship of meaning. Those findings are then related to same situations in broader situations.**

The intent of qualitative research according to Sayed (1998:32) is to understand a particular social situation, event, role, group or interaction between people in their natural setting. He regards this methodology mostly as an investigative process, where the research eventually makes sense of a social phenomenon by contrasting, comparing, replicating, cataloguing and classifying the objects of study. The researcher gradually discovers the everyday situations of the chosen setting for the study by continually interaction with the respondents, and the researcher seeks the informant's perspective and meanings of the problem at hand.

Cresswell (1994:145) outlines the following assumptions about the qualitative research methodology:

- 
- (a) Qualitative researchers are concern primarily with the *process*, rather than outcome or product.
  - (b) Qualitative researchers are interested in *meaning* –how people make sense of their lives, experiences, and their structure of the world.
  - (c) The qualitative researcher is the *primary* instrument for data collection and analysis. Data is mediated through this human instrument, rather than through inventories, questionnaires or machines.
  - (d) Qualitative research involves *fieldwork*. The researcher physically goes to people, setting, site, or institution to observe or record behaviour in its natural setting.



(e) Qualitative research is **descriptive** in that the researcher is interested in process, meaning, and understanding gained through words or pictures.

(f) The process of qualitative research is **inductive** in that the researcher builds abstractions, concepts, hypothesis, and theories from details.

Cresswell (1994:94-95) furthermore contents that in a qualitative study, one does not begin with a theory to test or verify. In contrast to the inductive model of thinking, a theory may emerge during the data collection and analysis phase of the research, or to be used relatively late in the research process as a basis for comparison with other theories.

In supporting the above statement the following diagram is adapted from Cresswell (1994:96) to present a logic diagram or visual presentation of relationship between the qualitative methodology and concepts.

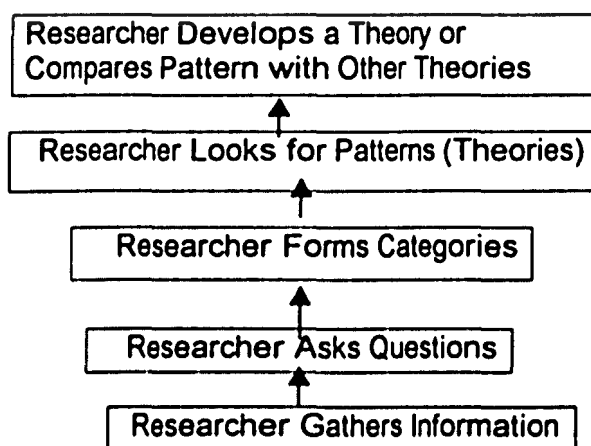


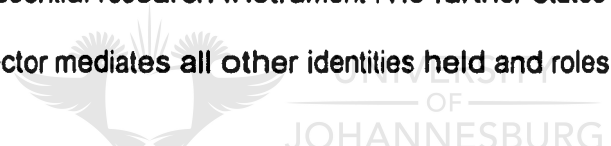
Figure 3.1: The inductive mode of research in qualitative study (Cresswell, 994: 96)

### 3.3 THE RESEARCHER'S ROLE

Qualitative research is interpretative research. As such, the biases, values and judgement of the researcher became stated explicitly in the research report.

Such openness is considered to be very important, useful and positive (Cresswell, 1994:147).

In describing the researcher's role Sayed (1998: 34) states that qualitative research and study regard the researcher as the instrument. Researcher's presence in the lives of the participants and the setting is fundamental to the qualitative research paradigm. Furthermore Sayed (1998:34) indicates that the researcher is the "essential research instrument". He further states that the identity of data collector mediates all other identities held and roles played by the investigator.



Phakoa (1998:49) support the same view, when he contends that the role of the researcher in a qualitative research design is that of primary data collector. According to him it is vital to declare this status as from the beginning of the interview. This will help to set up a particular type of relationship with the respondent, participant or interviewees and the research.

The researcher should be a curious student who comes to learn from and with chosen participants. Sayed (1998:35) furthermore highlight the importance of the

pertinent role of the researcher as a learner should display. He/she should not present himself or herself as an expert or authority. If researchers are perceived as being experts or authorities, then the respondents will be discouraged from participating freely into the research. As a learner the researcher is expected to ask the question and listen to the responses. He /she should not interrupt the flow of information (Sayed, 1998:35).

### 3.3.1 RESEARCHER SUBJECTIVITY

With regard to research subjectivity, Sayed (1998:35) believes that qualitative research is distinguished partly by its admission of the subjective perception and biases of both participants and researcher into the frame. Thus, the subjectivity of participants in the study usually forms a major aspect of what investigators seek to capture in their records. However, the subjectivity of the researcher serves multiple sources; hence, affective reaction to what we observing can be important clues to things that need to be examined and analysed further. In addition to that subjectivities of the researchers are needed to establish and built the required relationship with respondents that of trust and confidence (Sayed, 1998:35).

Phakoa (1998:49) supports the same view, when he states that the researcher needs to identify his or her personal values, assumptions and biases about the research topic. In the case of the researcher for the present study, the perception is that there is a lack of accountability and transparency in school financial

management. This view is shaped by the robust conflicts and squabbles emanating from usage and management of school finances. The researcher's suspicions are concretised by the lack of capacity building, monitoring, follow-up and evaluation procedures from the department of education officials. The researcher's view is that the principal is the only key player in managing school finances and principals are not yet conversant with General Agreed Accounting Principles and Public Finance Management Act no 1 of 1999. The researcher's opinion is perpetuated by the fact that majority of parents in black schools are functionally illiterate, this therefore cripples them from understanding and taking active part in school co-operative governance as mooted by South African Schools Act no 84 of 1996.

The researcher also harbours the view that black African parents are not yet fully actively involved in the education of their children. This culture was carefully planned and orchestrated by the policies of the previous government, which deliberately dispel parents from taking part in the education of their children. This, therefore imply that parents are not informed about legal powers placed upon them by the educational policies of the democratic government.

Based on the above perceptions it is apparent that the researcher brings a degree of biasness to this study. Despite the fact that every effort was made to ensure objectivity, these biases may have shaped the way the researcher viewed and understood the data collected and the way data was interpreted.

### **3.3.2 GAINING ACCESS**

**Sayed (1998:35) regards access as a process and describe it as the acquisition of consent to go where you want, observe what you want, talk to whoever you want, to obtain and read whatever documents the researcher requires, and do all this for whatever period of time you need to satisfy your research process. He further refers to a "gatekeeper" as the person or persons who must give their consent before entering a research setting and with whom the condition of access must be negotiated (Sayed, 1998: 35).**

**The Gauteng Department of Education (GDE) presently employs the researcher. GDE has clear policies regarding research procedures. The research for this study is to be conducted with principals, governing body members and educators of selected schools in Gauteng west district D2 [see annexure A]. These schools fall under the control of GDE. Thus the "gatekeeper" in this case is the research unit of GDE. Once access and permission has been negotiated with the relevant authorities, the researcher would then make personal arrangements with the principals, governing bodies and educators of the designated schools. The instrument of this research will be the "interview".**

### **3.4 THE INTERVIEW AS INSTRUMENT OF RESEARCH**

**Anderson (1990:222) contends that the interview is probable the most widely used method of data collection in educational research. Maykut and Morehouse (1994:80) describes interview as a form of discourse.**

**They also view interview as a primary means of inquiring about a phenomenon. According to them an interview is shaped and organised by asking and answering questions. An interview is a joint product of what interviewees and interviewers talk about together. In an interview the participants agree to be interviewed, and to help the researcher pursue his or her focus of enquiry (Maykut and Morehouse, 1994:81).**

**Interviews are characterised by the depth of the conversation, which moves beyond surface talk to a rich discussion of thought, feelings and to a climate of trust. That is the reason why qualitative research interviews are typically referred to as depth or in-depth interviews (Maykut and Morehouse, 1994:81).**

**De Vos (1998:296) identifies interviewing as the most common method of data collection used by researchers to inform them about social life. De Vos (1998:296) also point out that interviewers as well as interviewees are actively involved in a meaning making process and are thus constructors of knowledge. He further suggests that this interaction between equals must produce research-relevant information (De Vos, 1998:296).**

**An interview can be defined as a specialised form of communication between people for a specific purpose associated with some agreed subject matter. This therefore means that interviews can be regarded as a highly purposeful task, which goes beyond mere conversation (Anderson, 1990:222).**

**According to Anderson (1990:222) interview as a method of data collection has some advantages and disadvantages. The following are the advantages of interview as a method of data collection.**

- (a) People are more easily engaged in an interview than in completing a questionnaire-hence there will be few problems with people failing to respond.**
- (b) The interviewer can clarify questions, and probe the answers of the respondent, providing more complete information than would be available in written form. It is this opportunity for in-depth probing that makes the interview so attractive when dealing with informed respondents.**
- (c) Interview as a form of data collection assist the interviewer to pick up non-verbal cues, including facial expressions, tones of voice and, in the case of interviews conducted on the respondent's environment, cues from those surroundings and context are depicted ( Anderson, 1990:222).**
- (d) Informants can provide historical information (Creswell, 1994:150).**

**(e) Interview provides an opportunity for informants to share directly his or her reality (Creswell, 1994:150).**

**Despite of the interview having advantages, it has the following disadvantages.**

- (a) Researcher's presence may bias responses (Creswell, 1994:151).**
- (b) Not all people are equally articulate and perceptive (Creswell, 1994:151).**
- (c) It is often difficult to record responses, particularly if the interviewer is also responsible for writing them down (Anderson, 1990:223).**
- (d) With regard to reliability and validity, different interviewers may obtain different answers, particularly if questions, procedures and techniques are not standardised (Anderson, 1990:223).**
- (e) The context, which has the advantage of providing useful non-verbal information, has the disadvantage of sometimes affecting responses due to interruptions and pressures of time (Anderson, 1990:223).**

**In the light of the a foregoing paragraphs, qualitative methods may be loosely defined as a research procedure which produce descriptive data, as embodied in people's own written or spoken words and observable behaviour, rather than in numbers. By this means the researcher strives to gain access to motives, meanings, emotions and other subjective aspects of the lives of individuals and groups, which will be lost in a quantitative project. Even the language used in the findings of the research is the lively, every day language of the situation (De Villiers, 2001:163).**



### 3.5. TYPES OF INTERVIEW

According to Anderson (1990:223) there are two basic types of interviews that are categorized according to purpose, namely, normative and elite interviews.

Normative interviews are those interviews, which are used to collect data, which is classified and analysed statistically. The usual example of normative interviews are used by pollsters and researcher intent on finding the views of large number of people to fairly straightforward questions.

Basically, these interviews are questionnaires in oral form. Questions are always worked out in advance and the interviewer codes the responses on a form.

Normative interviews often include many interviewers all of whom are trained to ask question in similar ways. Their own knowledge of the subject is of far less as consequences than is their ability to interview for reliability and validity responses. (Anderson 1990:223)

The second type of interview is referred to as elite interview. Its purpose is different from the normative interview. In elite interview the researcher is not interested in statistical analysis of a large number of responses, but the researcher wants to probe the views of a small number of elite individuals. An elite interview is one directed at a respondent who has particular experience or knowledge about the topic, being researched. The person to be interviewed may

be the head of the school that has in-depth knowledge of what goes on in the school, or head of the state or other significant person who is unique. Contrary to normative interviews, elite interviews the interviewer should be expert in the subject under discussion. The interviewer is interested in building understanding and in this sense the elite interview is like a teaching situation. The respondent teaches the interviewer about events and personal perspectives (Anderson, 1990:223-224).

### 3.6 INTERVIEW QUESTIONS

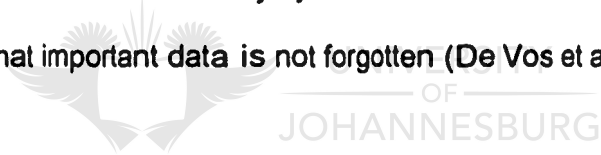
Once the decision has been made to use the interview to collect data. An interview guide needs to be developed. This interview guide will list all the questions that will be asked, the researcher will write all the responses. The researcher will also record the responses in an audiocassette. The questions relate directly to the objectives of the study and follow a given sequence that will be adhered to in each interview. The written questions are precisely those that will be asked orally and will be followed by relevant probing questions when necessary.

(Sayed, 1998:30) distinguishes three forms of questions namely, structured, semi structured and unstructured questions. Structured questions require limited response. The question is followed by a set of choices. The interviewee selects one of the choices as an answer. Questions are asked to all respondents in a fairly similar sequence. Data in structured questioning is obtained in a relatively

systematically order. In structured interview very limited insight is gained about the topic.

Semi structured questions have no choices from which the respondent selects an answer. It is an open-ended question but it is fairly specific in its intent (Sayed, 1998:30). These questions are conducted with the use of research schedule. The schedule is a guide for the interviewer it contains questions and themes that are important to the researcher.

Although the questions do not usually have to be asked in a particular sequence, they do ensure that all the relevant topics are covered during an interview. This kind of questioning provides for relatively systematic collection of data and at the same time ensures that important data is not forgotten (De Vos et al, 1998:300).



Unstructured question allow the researcher great latitude in asking broad questions in whatever order seems appropriate (Sayed, 1998:38). No questions are deliberately formulated. Instead, questions develop spontaneously in the course of the interaction between the interviewer and interviewee. Unstructured interviews involve numerous sessions with the same interviewee. The role of the researcher is to introduce the general theme on which information is required. The researcher motivates respondents to participate spontaneously, stimulate respondents through probing and steer them tactfully back to the research topic when there is digression. This type of questioning helps the researcher to obtain

the 'insider view' of the social problem. However this method is time-consuming. The vast amount of data collected makes ordering and interpretation difficult (De Vos, 1998:300).

For the purpose of data collection for this research study, semi-structured questions will be asked in the interview. These questions are included in the interview guide in the appendix of this research study.

### **3. 7 BASIC INTERVIEWING SKILLS**

Skills essentially imply knowledge in action. The researchers should limit their participation to a minimum, however they should be able to direct and control the interview. Interviewers should use their skills of interview to strike a balance between guiding and being guided.



Qualitative researchers should have well trained memory, a mind capable of logical analysis, and desire for achievement. The interviewer should display tolerance and sensitivity. Researchers have to acquire good observation skills, a sense of timing, an awareness and understanding of body language (De Vos et al, 1998:308).

#### **3.7.1 Observation and attending behaviour**

Interviewers should be able to observe and interpret correctly all important matters concerning interview interaction, including verbal and non-verbal

communication between themselves and their respondents. Interviewers should especially note their own attending behaviour. Appropriate eye contact, facial expression and a relaxed natural posture indicate to the interviewee that the researcher is attempting to understand what is being communicated. That will demonstrate respect, honesty, sincerity and empathy to the respondent (De Vos, 1998:309).

### 3.7.2 Communication:

Communication constitute a vital part of interviewing, for without communication there can be no interview. Communication in a social research process can be described as mutual interaction between the interviewer and interviewee.

Researchers should be constantly aware of their own non-verbal communication and the effect it has on interviewees. The interviewer should contemplate non-domineering communication of respect, acceptance, care and concern towards the interviewee (Anderson, 1990:228).

### 3.7.3 Honesty:

In order to keep a sound relationship of trust, it is essential for the interviewer to convey trust and interest in the information that the respondents divulge.

Interviewers should therefore always try to be honest with themselves and with the interviewees. Value judgement and agreeing or disagreeing with the respondent should be avoided. When signs of aggression are surfacing, interviewers should subtly avoid direct confrontation (Anderson, 1990:228).

#### **3.7.4 Probing:**

The aim of social research is the collection of reliable data. Interviewers should therefore when necessary stimulate respondent through follow up questions (probing). Probing facilitate the provision of additional information or, in the case of vague answers, to give further particulars. Probing should always be done in a friendly, reassuring and non-threatening manner. Specific probing techniques include the following:

- (a) **Open-ended questions:** provide interviewees with ample time to express their feeling.
- (b) **Tracking:** interviewers must show interest and encourage interviewees to speak by closely following the content and meaning of their verbal and non-verbal conversation.
- (c) **Clarification:** the interviewer asks interviewees for clarification and more information in a non-threatening, casual way.
- (d) **Paraphrasing:** repeating what the interviewee has just mentioned in different words. Thus it crystallizes comments by repeating them in a more concise manner.
- (e) **Reflective summary:** this means recapitulating, condensing and crystallizing the essence of what the respondent has said. Interviewer repeats in his/her own words, the ideas, opinion and feelings of

respondent and makes sure that he/she understands the respondent correctly (Anderson, 1990:230).

### 3.8 VALIDITY AND RELIABILITY OF INTERVIEW

Validity is generally defined as the trustworthiness of inferences drawn from the data. The question of validity in qualitative research is determined to a large extent, by how the data represent the accurate subjective experience of the participants. Validity includes the accuracy or truth value of the findings being studied, with applicability referring to the likelihood of comparable findings pertaining to other groups in other situations, the findings should also be consistent and objective (De Villiers, 2001: 173)

Sayed (1998: 40) contends that validity is greater when the interview is based upon a carefully designed structure, that will ensure that relevant and significant data is elicited. Critical judgement of experts in the field of enquiry is helpful in selecting the essential questions.

De Villiers (2001:173) views reliability in qualitative research as the relationship between the recorded data and what has actually occurred in the setting being studied. To enhance reliability all collected data will be analysed and interpreted in uniform manner. Sayed (1998: 40) accentuates that reliability, or consistency of response, may be evaluated by restating the same question in slightly different form of a later stage in the interview.

The validity and reliability of this study is based upon its recording of data. Data from this study was recorded on a tape-recorder and on its own strengths the reliability of the study. All interviewers will be asked the same questions and follow up questions. The researcher will paraphrase the interviewer's response after each question and follow-up question. This will serve to increase validity by checking whether what the researcher heard is actually what the interviewer intended. Anonymity of the participants will be granted. IN this way participants will not be reluctant to provide valid data in fear of victimisation.

### 3.9 Conclusion

This chapter described the rationale for the choice of a qualitative approach for this study. This chapter provided a synopsis concerning data collection and design. Since the interview as the method of research would be used, various aspects of this instrument of research were discussed.

In the next chapter will provide insight into the analysis and interpretation of data collected. The next chapter will also present the findings of this research.



## CHAPTER 4

### DATA FINDINGS, ANALYSIS AND INTERPRETATION

#### 4.1 INTRODUCTION

The aim of this chapter is to analyse the data collected by way of the method described in chapter one. Data was collected using the qualitative research paradigm. The instrument of research was the "interview". Focus will be on the level of accountability and transparency in school financial management. Interviews were conducted with school principals, school governing body members and educators of six public schools in Gauteng West D2 district (Annexure A). These schools fall under the Gauteng Department of Education.

The following is the brief explanation of what data analysis entails in a qualitative study.



#### 4.2 A BRIEF OVERVIEW OF QUALITATIVE DATA ANALYSIS

According to Marshall and Rossman (1995:111) data analysis is the process of effecting order, structure, and meaning to the mass of collected data. It is a messy, ambiguous, time-consuming, creative and fascinating process. They also maintain that it does not proceed in a linear fashion, it is also not a neat process. Qualitative data analysis is a search for general statements about relationship among categories of data. They conclude by stating that data analysis results in a grounded theory (Marshall and Rossman; 1995: 111).

McMillan and Schumacher (1993:482) describe qualitative analysis as a systematic process of selecting data, categorizing, comparing and interpreting data to provide a solution to the problems under investigation. They further assert that there is no standardized process for data analyses; the researcher must find

his/her own style, which must clarify the problem at hand. The researcher is advised to analyse the data artfully by using the methodological knowledge available and his/her intellectual competence (McMillan & Schumacher, 1993:482).

According to Creswell (1994:153), the process of data analysis is an "eclectic" one; there is no single right way. Hence metaphors and analogies are as appropriate as open-ended questions. He further suggests that data analysis requires that the researcher be comfortable with developing categories and making comparisons and contrasts. The researcher may also be required to be open to possibilities and see contrary or alternative explanations for the findings. He also points out to the danger of interview as an instrument of qualitative research. He contends that it results in the researcher collecting much more information than the researcher can manage or reduce to a meaning analysis (Creswell, 1994:153).

In the context of this research study, data was collected by means of the interview. Sayed (1998: 43) states that a more conventional way of presenting interview data is by organising excerpts from transcripts into categories. The researcher then searches for patterns and connections among the excerpts within those categories and for connections between the various categories that might be called themes. This process of reductions and interpretation is referred to "de-contextualization" and "re-contextualization" (Creswell, 1994:154).

Data analysis in qualitative research employs the inductive approach. The inductive approach method focuses on the data collected. Hypotheses are not generated prior to the collection of data, and thus relevant variables for data collection are not predetermined. The data are not grouped according to predetermined categories, what becomes important to analyse emerges from the data itself (Maykut and Morehouse, 1994:126-127).

After providing a theoretical explanation regarding qualitative data analysis, data analysis and data interpretation will now be carried out.

#### **.4.3 FINDINGS FROM INTERVIEW DATA AND ANALYSIS AND INTERPRETATION OF DATA**

In an attempt to establish the level of stakeholders involvement in school finances respondents were requested to respond to the following questions:

The role of governing bodies in school finance,

Kind of training offered by Education Department and,

The role played by the principals in school financial management.

##### **4.3.1 Role of the school governing body in school finances**

Respondents were asked to explain the role of school governing body in school financial management.

Almost all respondents were not certain about the role of school governing body in management of school funds. Most respondents highlighted the fact that the chairperson was the signatory. The chairperson signed blank cheques because he/she only listened to the principal. It also came to the fore that it would be appreciated if governing bodies could manage the school funds. The school governing bodies could account better. There was a strong feeling that governing bodies should control requisitions and spending of the school funds. According to respondents, governing bodies should take over school finances, because money was the cause of friction in schools. The principal and her group were enjoying school fees, and the other staff members are excluded. The indications were that they are able to obtain financial advances from the principal. They were always out of the school premises to and purchase school needs without the consultation of other educators. The general feeling was that principals were taking advantage of the parents in the school governing body because they are illiterate, not informed and they were easily manipulated. Educators in the governing body were principals'

friends, "blue eyes boys, they were corrupt" and they hid behind the school governing body's name.

Three parents in the school governing were found not informed of what their role was. They were requested by the principal to be members of the school governing body. This action of the principal was against the requirement of the SASA s23 (2) a which states that parents must be elected.

### **Pattern**

Governing body members were not informed of their specific functions in school financial management. This has caused conflict in schools. Governing body members presume that they have to monitor and manage funds on a daily basis. Some governing body members did not know the importance of budgeting and the purpose of the school finance policy. Some parents of the governing body viewed election to the governing body as an opportunity of employment.

Most governing body members did not understand the difference between governance and professional management as stated in the South African Schools Act section 16. The act states that all governance functions of every public school are vested in its governing body, and all professional management of a public school must be undertaken by the principal under the authority of the head of department. This therefore means that the principal should perform the daily management functions of the school. The principal should be guided by policies from the head of department.

It has emerged that school funds were a source of conflict in schools. One principal was removed from financial activities of the school because some members of the governing body were suspecting him of financial mismanagement. This has also surfaced in other areas (see annexure D) like the Ermelo high school principal's case.

It was evident that governing bodies needed financial management training. Educators stressed this point when they mentioned that parents in the governing body must take over financial management of the school because finances were source of problem. Stakeholders were not informed.

#### **4.3.2 Training offered by education department**

In trying to further determine the role of the school governing body with regard to school financial management, respondents were asked to comment on the kind of training, which was offered by district and or education department.

All respondents interviewed excluding the principal, indicated that there was no training offered since they were elected to the governing body. Three educators were invited to a four- hour training, which just indicated what kinds of records should be kept in the school. The training was very scanty. Two respondents complained that they did not know what was expected of them as school governing body members. One respondent indicated that he needed hands on practical training. He went on to say that people with the financial skills, who are employed in other schools, should assist them. They do not need the kind of training that was given to principals. It was not school related but was designed for bigger companies.

Two respondents (principals) stressed the need for school based training and proper financial management systems to be established in schools. It was stressed by one of the two respondents that the training they received was grossly inadequate. They were informed on how to complete financial forms. The other respondent complained that the training was not meant for schools but for other governments departments. Items on their models were very far from school activities. One respondent (principal) felt that the one-day training was an information session not training.

Two respondents (principal) specifically agreed that they were trained but the training was not up to standard. One respondent indicated that the training she received was from the school inspectors, those school inspectors were not sure of the content themselves. Indication from these respondents was that they would like to see broad based training that involved governing bodies and school management teams. This training should assist schools on recording procedures and explain clearly to the school governing bodies what their roles were, because there is a cold war between the principals, treasurers, educators and chairpersons of the governing bodies. Two principals indicated that some governing body members came and demand money for painting the school without consulting other members and without the project being budgeted for.

Most principals complained about false accusation levelled against them by parents, educators and committees in the school. These accusations were sometimes baseless, not properly investigated and no proper procedures followed before decisions could be reached. "This is an abuse of democratic principles" said one principal.

#### **4.3.2.1 Pattern**

There was an urgent need for financial management training and that training should include all stakeholders. The present members of governing bodies were never trained. They did not know their roles and responsibility in school finances.

Educators required some form of training that would explain their participation in school finances. Training of educators would broadened involvement stakeholders. Educators were the ones who instigate parents to suspect, expel and protest against principals.

Most principals articulated the same problems of lack of proper training. They were not informed of their responsibilities and function in school finances. Principals were

supposed to be accounting officers, but they did not know how that accounting should be done. This fiasco was proven by the manner in which schools in the same district record their finances. The procedure should not be uniform but the same basic principles should be consistent. Principals would like to use common guidelines on how to manage and record finance transactions. Most principals did not understand the format they were using. The training that some of the principals attended were not geared towards schools activities.

All stakeholders needed school-based training that will be inclusive of representative from the majority of stakeholders.

#### **4.3.3 The role of the principal in school financial management**

Respondents were requested to provide their views on the role of the principal in managing school finances.

Majority of respondents indicated that the principal as a member of the governing body were accountable to the governing body. He/she was also accountable to the department as the representative of the department at the school. The respondents did not know how the principal should account for the finances. Most respondents said the principal must monitor cash flow. Principals must see to it that money was not misused. Principals must do the banking. Others said principals, as managers must give all financial instruction. One respondent indicated that the principal was the final accounting officer and therefore must approve all the spending.

However in some schools respondents indicated a bad state of affairs. One respondent indicated that the principal literally possesses the money. He/she was treating school money as his personal money. He/she was the only person who has the permission to authorise spending as he/she wishes. He/she spent most of the money purchasing office and administration needs. He/she did not stuck to the

**budget. He/she was decorating administration offices. Learning, teaching and curriculum needs were suffering.**

**Three respondents indicated that their principal was exonerated from financial activities. Parents and educators who are not in the school governing body were controlling school funds because the principal was suspected to be involved in the misappropriation of school funds. Funds were collected and banked without the knowledge of the principal. Respondents claimed that their principal lacked financial management skills. They have reported the problem to the district, and were still waiting for the response.**

**Principals themselves did not know what was expected of them by the Gauteng Department of Education. One principal indicated that they were so much involved with other important matters that they were unable to monitor funds correctly. They had little knowledge of financial management. Governing bodies required intensive training. Most principals complained about the lack of training and support from district offices. One principal indicated that he was operating purely on common knowledge. Another principal highlighted a need for proper training. He raised a concern about the expulsion of principals from schools because of the misunderstanding happening in schools. "Finances are nightmares in schools, they are the cause of serious bitterness and battles in schools".**

**Almost all parents were not informed about the professional function of the principal. They did not know who was the accounting officer. They claimed that the chairperson was an accounting officer. Furthermore they were not involved in school finances. They did not know how much was collected by respective schools. They did not know what was an accounting officer, and why should they have an accounting officer.**



## **Pattern**

The following patterns emerged in respect to the principal's role in management of school finances. Most governing body members were suspecting principals of mismanagement of funds. This suspicion surfaced when they said that they did not know what the principals were doing was correct. Educators indicated that principals misinformed the governing bodies about financial status of their schools. There was a lack of transparency.

It was also disturbing to find out that most of the stakeholders did not know that principals were accounting officers. Most respondents said the chairperson or the treasurers were accounting officers.

Principals themselves were not certain about their specific roles and responsibilities in managing school finances. Some principals indicated that they were using general knowledge. Others did not know the content of chapter four of SASA. Circular 13 of 2000 (annexure) was not used effectively.

Almost all principals complained about the lack of monitoring and support from the district office. They indicated that districts were not capacitated to intervene when they were requested to assist. False accusations were their major worry.

It also emerged that government subsidies were given to the governing body members, but only the principal is accountable. This then resulted in everyone assuming that school funds could be used anyhow. Principals would like to see collective accountability if funds can be spent by all stakeholders. According to principals that was the root of all financial contestation.

#### **4.3.4 School Budget**

**In trying to further determine the level of transparency with regard to involvement of governing body members in school finances, respondents were asked to comment on the availability and the usage of the school budget.**

**Five schools indicated that they had school budgets. These budgets were however not working budgets in schools. There were a number of instances that require immediate finance in the school and in most cases these items were not in the budgeted. Two respondents indicated that schools budgets are not a "realistic" budget, because schools are confronted by challenges that were beyond their control. These challenges would be mentioned later in this chapter. The required format used by the department is not aligned to schools activities. Items like school vehicles were not applicable in previously disadvantaged predominantly black schools. Majority of schools interviewed, indicated the budget was not adhered to. The indication was that the school environment was unpredictable environment because some of the schools activities were beyond their control. This situation was caused by for examples; courses which had to be attended by educators. Meetings, trainings and curriculum workshops should be given to schools before the budget was completed. The respondents indicated that they would like to receive district plans before budgeting process is completed.**

**Parents and educators were concerned about the role of the principals in budget process. Indications were that principals dominated the budget process. In some schools principals did budget alone or with their favoured individuals and present it for adoption by governing body. In one school the financial committee as well as members of the staff were never involved in the drawing up of the school budget.**

**In another school there was no budget at all. They have never attempted to draw it. The principal of this school indicated that whenever a meeting for budgeting**

process is arranged, a cabal of educators who are against the principal's appointment disrupted the meeting.

It was however interesting to note that most schools know the correct budgeting process. The process was that educators are involved through different committees and different sections. The collected information is given to the finance committee, which then draws up a budget. The finance committee members that include amongst other members the principal, chairperson and the treasurer, then present the budget to the governing body for approval and it is then presented to the parents body by governing body for adoption.

Respondents complained about the contact time used for budgeting. In most cases these meetings were conducted during teaching and learning sessions. The other concern was the time and effort involved in preparing the budget which is not adhered to. The other problem was the level of non-payment of fees. One respondent indicated that the parents of the school are very needy. " When we draw up the budget, we cannot anticipate the number of parents who will not afford to pay the school fees as against the number of parents who will be paying", said the respondents.

The high level of unemployment that is caused by retrenchments in the mining industry also affected the school. This problem nullified the entire budget.

Respondents also complained about their principal who drew the budget with the parent component of governing body member without the involvement of educators. In one school, only the school management team decided on the budget and it was then taken to governing body and general parents for adoption.

### **Pattern**

The following pattern emerged regarding the availability and usage of school budget.

Majority of respondents were not adequately involved in the drawing of school budgets. In some schools budget were rushed through by the principals because they were needed by district office. Parents were only informed when they had to approve and adopt the budget. Some budgets were secrets between principals and some staff members, other staff members were only informed. It was strange to note that SASA section 38 was not followed. Section 38 states that budgets must be prepared according to the guidelines determined by Member of the Executive Council. The same section states that the budget must be presented to majority of voting parents in a general meeting. These requirements were not followed.

It was amazing to note that, a school that was section 21 (self managing) that did not have a budget. That school had already received the subsidy for year 2001.

It was mentioned by most respondents that school budget were no realistic working budget. Most items were not included in the budget. It became very clear that none of the stakeholders adhered to drawn budgets. Almost all school budgets were negatively affected by poverty and unemployment.

The format from district officials did not correlate with the school situation. That format compelled schools to budget for items that were not available at schools.

It was interesting to realise that almost all principals were informed of a proper budgeting procedure. Parents and educators gave the opposite of what principals indicated.

It has also emerged that there was lack of monitoring and support from the district. Budgets were submitted to the district, but there was no response from the district officials. District did not monitor the implementation of the submitted budgets.

#### **4.3.5 Reporting**

**In an attempt to establish the pattern of reporting, respondents were requested to comment about financial meetings and financial reports.**

**Respondents in two schools indicated that they hold two meetings per quarter. The meetings were however not adequate. In these meetings they were informed about the healthy balance of the school, but the school funds were exhausted before the end of the year. In these meetings, the principal read out from his/her diary and no copies were given to the governing body. The staff members were not informed about the school finances.**

**In one school, they were supposed to hold one meeting per term but that was not happening. Stakeholders were informed that report should be received after auditing. In this school there was no report at all.**

**Respondents in two schools said that reporting was done once a month and was not effective. The report indicated income, expenditure and balance for the month, no comments or questions are entertained. When one asked questions, one was perceived to be against the principal or, one was seen to be suspecting the head of the school.**

#### **Pattern**

**The following pattern emerged regarding the reporting process. Majority of stakeholders were not satisfied about level and manner of reporting. Schools principals did not consider reporting as an important part of accountability and transparency. In some schools there was an element of covert reporting. It also emerged that people were not free to question the report.**

#### **4.3.6 FINANCE POLICY**

##### **Finance policy as a mechanism for effective and efficient school financial management**

For schools to be able to manage and monitor their finances effectively and efficiently, each school must have a sound and practical finance policy. To encourage schools to compile finance policies, the Gauteng Department of Education provided circular 13 of 2000 (annexure B) that should in my view, form a foundation for schools' financial policies.

In an attempt to establish whether schools have a finance policy respondents were asked to indicate whether **their schools have a financial policy, how was that policy compiled and to indicate whether or not all stakeholders have the knowledge of it and whether or not it was used effectively in the school.**

Generally, it was established that schools had finance policies. It was interesting to note that in these schools, the financial policies were seldom used. It was only used when the principal wanted to discipline some members or when he/she wanted to refuse with school funds. Two schools indicated that the finance policies were not used effectively even the principal did not adhere to the policy.

Respondents gave number of reasons as to why they were saying these policies are not used. One respondent gave an example that their policy stated that, before anything could be purchased from the school fund, money must be requested through a requisition form and the buying committee must purchase the item after receiving three quotations. This was not happening at the school. Most respondents indicated that school funds were not only used for educational purpose. The principal purchased whatever he/she wanted. There was no prioritisation. Two respondents of another school cited the example that in their policy no blank cheques should be signed, but parental signatories informed them

that they occasionally signed blank cheques. The signing of blank cheques without a requisition form or three quotations was equated to mismanagement of funds. When the treasurer was asked about this matter the response was that parental signatories were not always available.

In another school a policy stated that no cash cheque would be drawn, petty cash cheques must be written in the principal's name, but that is not adhered too. Cash cheques of up to two thousand rand were sometimes withdrawn from the bank. One example was given. A school in Orange farm withdrew R3000 000 within ten days (annexure D). Question that was asked by the parents was "where is the Gauteng Department of Education when such irregularities occurred"?

Respondents in two schools indicated that they are using the policy but it is not comprehensive, because it does not address other problems like transport. Transport was a major expenditure. Transport claim problems were mentioned by majority of the respondents. Two respondents expressed the opinion that the lack of financial expertise, knowledge and information amongst governing body members and educators was a major problem at schools. The principals were taking advantage of stakeholders' ignorance.

All respondents from one school indicated that they did not have a finance policy and they did not think that they would have it in the foreseeable future. There was a lot of wrangling in their school, because of the manner in which the principal was appointed.

It was also important to note that in four schools, the compilation of finance policy was not transparent. Respondents from two schools did not know how the policy was constituted. The principal requested the finance committee and the staff to adopt it. Respondents in one school were told that they have to use the policy, which was used by the head of the school. In one school the staff only knew the finance policy, the principal and the governing body did not know it. In my view

these finance policies are not working documents. This view is supported by the fact that the principals themselves are not familiar with circular 13 of 2000. Others had seen it but were not certain about the content of the circular.

Respondents were questioned about circular 13 of 2000, which regulates the usage of school funds. It was amazing to note that some educators' respondents had never saw that document and others had saw it but they did not know the contents thereof. Parent respondents had not seen it and they did not know that circular, despite the fact that this circular was also addressed to school governing body members.

All most all parent members of the governing body did not know or saw the finance policies. They were compiled and used by the principals and the educators. Some heard about finance policies, but they did not know about its purpose and its use. This was lack of parental involvement.

In my opinion some departmental documents did not reach the intended people and stakeholders. It is also my opinion that principals were not aware of general accepted accounting principles and Public Finance Management Act No 1 of 1999. All respondents did not mention the documents during the interviews.

### **Pattern**

The following pattern emerged in relation to finance policy.

It emerged during the interviews that schools knew that they were supposed to have financial policies. In almost all schools there were an existence of some form of finance policy. However these policies were not based on the departmental regulations. It was also important to note that documents such as circular 13 of 2000 (annexure B) and Public Finance Act no 1 of 1999 were not consulted during the policies formulation.



It also emerged that the existing finance policies were not used effectively. In some schools policies were evoked only for the purpose of discipline. Principals depended on their personal knowledge. There were no common basic principles followed. Situations like these made support and monitoring impossible. Schools financial policies were not realistic documents.

It became very clear that other stakeholders were not informed about the finance policies. Policies were not presented to governing bodies for considerations and approval.

It also came to the fore that governing body members were not receiving some important documents from the education department. Therefore they were not familiar with their functions and responsibilities. This therefore implied that there was lack of accountability and transparency.

#### **4.3.7 Respondents' views about the status of schools finances**

The majority of respondents highlighted the general problem of petty cash that it was not properly managed. Petty cash withdrawals from the school account were very high. In one school an amount of two thousand rand was used for petty cash per month. Petty cash was used as a transport account. In my view schools have to be informed about the difference between the petty cash account and the transport account. It was my contention that petty cash covers all other items not covered in the budget, and this has to be rectified.

All eighteen respondents need some form of training. The principals also echoed the same sentiment. Principals themselves did not know what was expected of them in terms of financial management. One principal respondent said, "Schools are in shambles" because finances caused tension in schools. Almost all governing body members would appreciate practical training so that they could be able to assist their principals. A suggestion was made that the department must produce a

**"school financial manual". If possible, the manual should be translated into African languages. One other problem that was mentioned by all schools was the poor level of school fees payment. Governing bodies are unable to compel all qualifying parents to pay school fees. More than one third of learners were exempted from paying school fees. The level of poverty, unemployment and retrenchment in the mining sector aggravated this problem.**

**The monitoring from the districts or education department cannot be over-emphasized. Districts must ensure that schools have finance policies and these policies are used effectively. If districts were monitoring schools, all terrible news about schools published in newspapers could be avoided. One respondent mentioned the Emelo High School saga (see annexure D). If districts were monitoring schools, such problems would be avoided or detected early, and be resolved timeously.**

**One other problem that was mentioned by respondents was the unavailability of policies and acts from the department. Documents were sent to the principals and sometimes were not made available to other stakeholders.**

**Most respondents mentioned the attitude of the principals. Principals must not treat school funds as their personal accounts. They saw themselves as sole owners or sole spenders of school funds. Principals ought to involve all stakeholders in schools' financial matters. Principals must report and be open about school funds. They should not misinform parents because of them lacking financial skills. It was important that all funds collected be banked and be withdrawn through a cheque. Principals must adhere to the budget. All money collected must be used for effective teaching and learning. Collaboration financial management was the preferred system of management.**

## **Pattern**

The following pattern emerged from respondents' views there was gross mismanagement of petty cash account. Schools need clarity on petty cash and transport account. In all most all schools petty cash was used for transport claims.

Training was mentioned again. Majority of stakeholders would appreciate basic training. Training should be accompanied by serious support and monitoring from education officials.

Principal's attitudes were cause for concern. Although principals were accounting people, they were supposed to consult and involve other role players.

Poverty, unemployment and retrenchments had negative influence on schools financial managements.



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## **CONCLUSION**

This chapter provided a synopsis of what might be happening in township schools. It must be noted that this view is not a complete overview of financial management in township schools. Collected data has been analysed and interpreted. Views of respondents and opinions of the researcher were presented. The following chapter will provide a summary, recommendations and conclusions relating to the level of accountability and transparency in school financial management.

## CHAPTER 5

### INTRODUCTION, SUMMARY, FINDINGS, RECOMMENDATIONS AND CONCLUSION

#### 5.1 INTRODUCTION

In the previous chapter data collected by means of interviews was presented and analysed. Conclusions drawn from the research findings were provided. Financial management is regarded as the main activity that propels all school activities it determines the efficacy of any school. As this is the final chapter of this mini-dissertation, the following aspects will be discussed to address the silent aspect of this research.

- ❖ The summary
- ❖ Important findings
- ❖ Recommendations
- ❖ Conclusion



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#### 5.2 SUMMARY

In chapter one a comprehensive orientation and background of the research problem was provided. The contextualisation and statement of the problem were briefly stated. The research aim was presented and the method of research was discussed.

In chapter two the researcher concentrated on a focussed literature study. The literature study explored the concept of accountability and transparency in school financial management. The importance of reporting and budgeting was alluded to. The role of the principal as an accounting officer was highlighted. Financial policy as a form of accountability and transparency was explained.

**Research design and qualitative methodology was the subject of discussion in chapter three. Interview as an instrument was explained. Various aspects of an interview as an instrument of research were discussed.**

**Chapter four dealt with the analysis and interpretation of the data collected.**

**Emanating from this research the following are some important findings, which will be discussed.**

### **5.3 IMPORTANT FINDINGS**

**The thin thread running through all the important aspect of this research project seems to be that there is a lack of accountability and transparency in school financial management.**

**There is strong evidence from the respondents that principals should give careful consideration to the management of school finances. Principals should possess knowledge, skills and proper attitudes that are important in managing school finances. It is abundantly clear that the education department must provide all stakeholders with the necessary knowledge, skills and documents so that schools can manage finances efficiently and effectively. It is obvious that there is conflicting of roles and responsibilities in schools stakeholders. As long as rules and functions are not clearly explained to different stakeholders, the problems indicated in chapter four would persist to affect schools negatively. It will be difficult for schools to achieve their core function, which are curriculum delivery and effective teaching and learning.**

The following findings were obtained from data collected in chapter four.

#### **FINDING 1**

**Developing a functional financial policy is an important component of financial management for schools to manage their finances effectively. There is a lack of functional finance policies. Perceptions are that some principals manage finances intuitively.**

#### **FINDING 2**

**Principals and all other important stakeholders are not informed about their specific roles and responsibilities in school financial management. This result in school finances being a great source of conflict in schools.**

#### **FINDING 3**

**There is a serious need of financial management training for principals, finance committees and democratically elected staff representatives.**

#### **FINDING 4**

**Governing body members rely heavily on the information they receive from the principals and some principals take advantage of their ignorance. District must ensure that policies and acts are made available to the governing bodies.**

#### **FINDING 5**

**There is a lack of support and monitoring from district offices. District officials need to be capacitated so that they will be able to advice schools in proper financial management.**

## **FINDING 6**

**School budget are not adhered to because they are not functional. Lack of stakeholder's involvement in budgeting process is rife and reporting is considered to be less important or optional.**

## **FINDING 7**

**Collection and payment of school fees posed a major problem in schools. Non-payment of fees rendered school budget ineffective.**

## **FINDING 8**

**Principal's attitudes in financial management were of great concern, and that was one source of conflict. There was no prioritisation of schools needs.**

## **FINDING 9**

**Petty cash was not properly managed. There was no clear difference between petty cash account and transport expenditure account.**

## **FINDING 10**

**Poverty, unemployment and retrenchments in the mining industry had negative influence on school financial management.**

**Based on the information received from the respondents the following can represent the summary of the findings. The percentages represent the number of respondents who commented on that specific finding.**

**TABLE 5.1**

**FINDINGS: PERCENTAGE RESPONSES**

<b>FINDINGS</b>	<b>PERCENTAGE</b>
1. Respondents who need training	98,5
2. Support and monitoring needed from district office	96,0
3. Petty cash is misused	95,2
4. Impact of poverty, unemployment and retrenchment	71,0
5. Availability of financial policy	23,5
6. Involvement of stakeholders	21,9
7. Knowledge of roles and responsibilities	17,0
8. Level of accountability	13,0
9. Working budget	21,9
10. Transparency in school finances	4,0

**5.4 RECOMMENDATIONS**



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The main aim and objective of the research was to investigate the level and the culture of accountability and transparency in school financial management. In order to realise these aims and objectives, interviews were conducted with stakeholders. The findings of this research could also be considered with the following recommendations:

**RECOMMENDATION 1**

It is obvious from the literature that the effective and efficient acquisition and disbursement of school funds rely on the leadership of the school. This places principals in a very critical role as the accounting officer of the school. Therefore it is recommended that principals be provided with skills, intensive training and development in financial management.



## **RECOMMENDATION 2**

**Co-operative governance is the flagship of the new education dispensation. In order to achieve the culture of broad involvement, principals should make use of cooperative and collaborative management in schools. They must encourage maximum participation, by involving all stakeholders in managing the finances of the school. Therefore, it is recommended that principals should be provided with skills on delegation of financial responsibilities and decision-making. Furthermore governing body must be prepared to delegate some financial tasks to the principal, members and staff. They must maintain acceptable financial systems, to prevent mismanagement of funds. It is important to note that delegation does not imply abdication of responsibility. Principals will still be accountable and responsible for school finances.**

## **RECOMMENDATION 3**

**It is evident that there is a lack of support and monitoring from district offices. It is strong recommended that provincial departments of education should assign auditors to district level, and that schools be instructed to submit financial record for examination once per term. The auditing teams must submit reports to district managers for their consideration and action. It is also recommended that disciplinary procedures must be evoked against financial misdemeanours. Before discipline process, district officials themselves require clear monitoring and supporting skills.**

## **RECOMMENDATION 4**

**There is lack of proper management of school financial books recording procedures. It is recommended that training and financial booklets and flyers be made available to schools. It is strongly recommended that basic financial skills be incorporated in teacher training programs.**

## RECOMMENDATION 5

Effective and efficient school financial management should include the following, which the researcher strongly recommends.

- ❖ Proper budgeting format
- ❖ Realistic budget
- ❖ Working or functional finance policy
- ❖ Clear policy on petty cash
- ❖ Clear procedures for transport claims and
- ❖ Continuous simple quarterly reporting

## RECOMMENDATION 6

It is obvious in this research that principal's attitudes are a contributing factor in poor financial management. It is recommended that an intense training should be organised to deal with accountability against ownership of a school funds. It is also incumbent upon the Department of Education to conduct induction training and/or in-service workshops for principals, so that they will be able to manage finances effectively and efficiently.

## RECOMMENDATION 7

Non-payment of school fees is problematic. Governing bodies are empowered to enforce parents to pay school fees. However governing bodies must exercise this right with caution. In previously disadvantaged areas poverty, unemployment and retrenchments forces parents to be indigent. Cases must be treated according to its merits. Exemptions as per SASA s 39 must be effectively used.

## **RECOMMENDATION 8**

**It is strongly recommended that schools must consider budget as one of the key areas of school financial management. Schools must draw up a realistic and functional budget. Maximum participation and collaboration with staff members and governing body members must be encouraged. School budgets must be presented in simple non-technical terms. It is compulsory that schools must stick to the budget.**

## **5.5 CONCLUSION**

**The aim of this research was to establish the level of accountability and transparency in school financial management. These important corner stones of the new democratic education dispensation in South Africa is firmly enshrined in the constitution of the Republic of South Africa (RSA 1996) and South African Schools Act (SASA) of 1996. These acts require that school education be transformed and be democratised in accordance with fundamental values and principles of the new democratic government. These acts direct education towards a decentralised school based system of education management and governance with decision-making based at the school level. The ultimate aim of the government is a broad based, collaborative, transparent and accountably educational management. Involvement of stakeholders is a backbone of the government requirement.**

**In conclusion it is however evident from the research that accountability and transparency was lagging behind. It is also obvious that the progress of a public school depends squarely on the principal's ability. It is however disturbing to note that principals are not conversant with their roles in school financial management.**

**Principals need skills, training and development to be competent financial managers. Through out this research it is evident that the Department of Education needs to embark on vigorous financial management training. This training should encompass all school stakeholders. It is pertinent to highlight that collection and disbursement of school fund is not managed effectively and efficiently. District officials need robust empowerment, so that they will be able to monitc, support and develop schools accordingly.**

**Accountability, transparency, participation, collaboration, cooperation and involvement of all stakeholders are the ultimate aim and cornerstone of the new democratic dispensation.**



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## 1. TSHWANE NORTH

Tel (012) 303 2952 Fax (012) 323 2266, 323 0576  
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## 2. GAUTENG NORTH

Tel (012) 303 2483, 303 2295 Fax (012) 303 2266  
 GPG Building, Cor. Bevan & Pretorius St., PINE TORIA  
 District Manager: Dr. Martin Mthembu

## 3. TSHWANE SOUTH

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 Lenapele Cor. Gertzel, Mavima & Walter Searles, SHERIFFSIDE  
 District Manager: M. Tom Mphahlele

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## 4. JOHANNESBURG NORTH

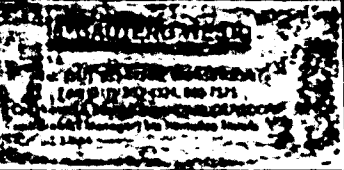
Tel (011) 757 6472 Fax (011) 757 9086  
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 District Manager: M. Popsy Mphahlele

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 Managers: M. Margaret Mphahlele, M. Dan Mphahlele

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Tel (011) 421 0024, 421 5207 Fax (011) 421 7575  
 36 Midway Avenue, Momentum Building, BEACON  
 District Manager: M. Cassie Mphahlele



## 6. JOHANNESBURG WEST

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 District Manager: M. Popsy Mphahlele  
 District Managers: M. Popsy Mphahlele, M. Cassie Mphahlele

## 12. SEDIBENG EAST

Tel (018) 422 4363, 422 4371, 421 4175 Fax (018) 422 0780  
 GPG Building, 14 Pretorius St., VERENIGING  
 District Manager: M. Lize Mphahlele



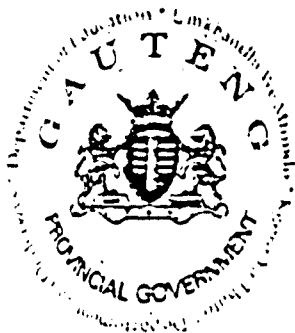
## HEAD OF FICE JOHANNESBURG

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Bursaries for students	305 0200/01/02
Chief Executive Officer	305 1511
Communications	305 0433/01/02
Curriculum Unit	305 0870/07/08
Early Childhood Development	305 1405/02/03
Further Education and Training	305 0834
Finance	305 0216
General Education and Training	305 0834
HEALTHCARE Life Skills	305 0834
HEALTHCARE Workplace Programmes	305 1530
Housing Subsidies	305 0347
Human Resource Development	305 0272/03/04
Institutional Development and Support	305 1516
Independent Schools subsector	305 0828
Information about schools	305 1777
Labour Relations	305 1500
Learners with Special Needs	305 0640/07/08
Matric examinations	305 0590/06/07
Medical aids	305 0347
M.E.C.	305 1523
Office for Standards	305 0812
Payments	305 0343/03/04
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Procurement	305 0007
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Technical Colleges	305 0673

Some of the information has been updated since the release of the Z-Card distributed recently.




**GAUTENG DEPARTMENT OF EDUCATION**
**OFFICE OF THE SUPERINTENDENT-GENERAL**

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 2001

Date: 2000-02-25

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**CIRCULAR 13 / 2000**


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To: All Principals, staff and members of all school  
 Governing Bodies :  
 All Chief Directors and Directors at Head Office:  
 Regional Office and District Offices:  
 Head of all units and District Offices:  
 Teacher Organisations and Unions

---

**TOPIC:**

Directives regarding the administering of a School Fund in terms  
 of section 37(1) of the South African Schools Act 84 of 1996

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**ENQUIRIES:** All enquiries related to this circular should be  
 forwarded to Angie Nathane at (011) 355 - 0251  
 Or Wilhemina Appel at (011) 355 - 0235

This circular is to be made available in English, Afrikaans, Sepedi and Afrikaans  
 ce sekhutlwaletso, tsakani ngel'ingisi, isiZulu, Sepedi nange-Afrikaans  
 Sekhutlwaletso, tsakani ngel'ingisi, isiZulu, Sepedi le Afrikaans  
 (this circular should be set in English, isiZulu, Sepedi, and Afrikaans besikhoar gestel word)

## 1. DEFINITIONS

In these directives, unless the context otherwise indicates, any expression to which a meaning has been assigned in the South African Schools Act, 1996 (Act 84 of 1996) (hereinafter referred to as "the Act"), shall have the same meaning assigned thereto—

"Distribution register." means a register that records all receipt books purchased and issued for use;

"Principal" means a principal of a public school or any person acting in such capacity;

"The Act" means the South African Schools Act 84 of 1996.

## 2. ADMINISTRATION OF THE SCHOOL FUND

### 2.1 Establishment of the school fund

- 2.1.1 A governing body of a public school shall establish and administer a school fund as contemplated in Section 37 of the Act.
- 2.1.2 Any fund that has been established and maintained by a School Governing Body, a School Committee, Trust Committee, School Fund Committee or Management Council before the date of the coming into operation of these directives is deemed to be a school fund in terms of these directives.
- 2.1.3 A Finance Committee shall be established by the school governing body and shall at least consist of the Chairperson of the school governing body, the Principal and a Treasurer.
- 2.1.4 The principal of a school, in consultation with the governing body, shall appoint a member of the administrative staff as bookkeeper for the school fund books. If there is no administrative staff employed at the school, the principal, in consultation with the governing body, may appoint a member of the teaching staff as bookkeeper for the school fund.
- 2.1.5 The governing body, assisted by the principal and the staff member designated by him or her, shall
- 2.1.5.1 Keep records of funds received and spent, and of its assets, liabilities and financial transactions; and
  - 2.1.5.2 Ensure that the school fund is administered in accordance with these directives and any other directives as may be issued by the Head of Department.

### 2.2 Contributions to the school fund

- 2.2.1 A school fund shall consist of money collected and received by the School Governing Body by means of –

- a) Bazaars, sales, concerts, other functions;
- b) Donations, trusts and bequests to the school fund;
- c) School fees;
- d) The sale of garden, handicraft and needlework products which the learner has produced as part of his/her instructional programmes and for which the requirements are purchased out of the school fund;
- e) Contributions by parents of learners with special needs;
- f) State subsidy;
- g) Proceeds from the sale of assets;
- h) Any other income received by the public school.

### 2.3. Financial administration and bookkeeping

- 2.3.1 The financial year of a public schools shall be from 1 January to 31 December of every particular year.
- 2.3.2 A School Governing Body shall open a current banking account in the name of the school at the nearest registered commercial bank for all moneys under its control including trust funds
- 2.3.4 The only address which may be used for such a banking account is that of the school.
- 2.3.5 The signatories of a bank account opened in terms of Section 37 of the Act shall be the chairperson of the school governing body, principal and the treasurer.
- 2.3.6 The principal shall, on a daily basis, bring into account all moneys received on behalf of the school, and, as far as possible, deposit all the moneys on the day of receipt or at the earliest opportunity, but not later than 5 days of receipt thereof, in the account of the school with the registered commercial bank concerned.
- 2.3.7 No School Governing Body shall, under any circumstances, overdraw its banking account. In the event of an overdraw, the Gauteng Department of Education may not be used as guarantor for such an overdraft.
- 2.3.8 Cash cheques may be issued only for the purpose of replenishment of the petty cash account, provided that receipts and invoices are available to support petty cash withdrawals.
- 2.3.9 The treasurer shall ensure that the bookkeeper maintains a proper cash book, either manually or computerised, as far as possible a three column, single page cash book in which particulars of all moneys received, receipt numbers, deposits, payments and cheque numbers are contained. All transactions shall be recorded in the cash book and reconciled on a monthly basis.
- 2.3.10 Receipts shall be issued immediately for all moneys received, from whatever source, and invoices shall be obtained for all moneys expended.
- 2.3.11 The treasurer shall only use one official receipt book at any given time. The receipt book must be numbered sequentially.
- 2.3.12 Receipts shall be made out in their serial number order and no alterations to the name and amount in words and figures are permissible unless initialed.
- 2.3.13 Receipts shall be made out in triplicate. The school stamp shall be used in all cases. A computerised receipt is acceptable only in the event of it containing the name of the school and its logo.

- 2.3.14 If a mistake is made on a receipt, the original shall be cancelled and kept in the receipt book for inspection and audit purposes.
- 2.3.15 Particulars of receipts issued by the bookkeeper shall be entered daily in the cashbook.
- 2.3.16 The principal shall record, in a distribution register, the serial numbers of all receipt books purchased and issued.
- 2.3.17 All payments shall be made only on submission of invoices which reflects the name of the person or firm to whom payment is to be made, the nature and date of the claim of services rendered and the amount due: only original invoice(s) and tax invoices are acceptable for all payments. No photocopy invoices can be used for payment except tax copy invoices. All payments must be against budgeted expenditure.
- 2.3.18 A contract register must be kept at all times and be used for payment of lease agreements.
- 2.3.19 Debts incurred, contrary to the provisions of any national or provincial law, shall not be charged against the school fund. School Governing Body members who, according to the minutes, voted in favour of the resolution to incur such debts shall be jointly and severally liable for these debts
- 2.3.20 The Department shall not be liable for any debt incurred by the School Governing Body contrary to the provisions of any national or provincial law.
- 2.3.21 No personal loans shall be made from the school fund under any circumstances or for any reason
- 2.3.22 The School Governing Body may grant approval for the principal to keep a petty cash account, in an amount not exceeding One Thousand Rand (R1000, 00), which amount shall be reviewed annually, according to an imprest account system

**2.4. Appropriation of school funds**

With due regard to the conditions of any donation, bequest or trust, school funds may only be only used for the purposes as set out in Section 37(1) of the Act.

**2.5 Checking of registers**

- 2.5.1 The chairperson or any member of such School Governing Body may call upon the treasurer at any reasonable time to produce the books of account, registers, receipts books, cash on hand and any other statements or documents in respect of the school fund for examination.
- 2.5.2 If, in an examination, any incorrect entries or other arithmetical or accounting errors are found, the chairperson or the School Governing Body or member appointed by the School Governing Body shall take the necessary steps to correct the situation.

## 2.6. Investigations by the Head of Department

- 2.6.1. The Head of Department or his or her delegate may at any time call for a report or such other particulars as he or she may consider necessary in connection with the administration of the school fund.
- 2.6.2. The Head of Department may also appoint an officer to investigate and to report to him or her on the administration of the school fund.

## 2.7. Irregularities

The Governing Body or the principal or any other person shall report all suspected irregularities with regard to the management of the school fund without delay to the Head of Department and the South African Police Service.

  
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MALLELE PÉTJE  
ACTING SUPERINTENDENT - GENERAL

UNIVERSITY  
OF  
JOHANNESBURG

# Circular Approval Route Form

Circular No.:	Date:	Number of Pages: 4
Topic:		
CIRCULAR: DIRECTIVES REGARDING THE ADMINISTERING OF A SCHOOL FUND IN TERMS OF SECTION 37 (1) OF THE SOUTH AFRICAN ACT 84 OF 1996		

This Circular was compiled in consultation with the Supervisor by:

Name: Mpho Mofokeng	Date:
Tel. No.: 355 - 0256	E-Mail: mchom @ ggc.gov.za
	Room No: 403

The Language, Publications and Media unit personnel have checked the editing and completed the layouts:

Name:	Date:
Tel. No:	Room No:

Circular Approved by:

Mpho Mofokeng Director: Finance	Signature
Recommendations	

Barend Wessels Chief Director: Personnel and Administration	Signature
Recommendations	

Ronnie Swartz Acting Deputy Director General	Signature
Recommendations	

Mallele Petje Acting Superintendent-General	Signature
Recommendations	

*Approved*      2/3/2000

# The worst headmaster in SA

- He used school fees to pay his domestic — and his bills, his petrol, and his Diners Club card
- He blocked a bursary to a poor student, allegedly because she is black
- The school's ambulance delivers food — prepared at the school's hostel — to his house every day
- He drives a C180 Mercedes — paid for with school fees

Story on  
Page 7.

**But now he has been suspended — thanks to our investigation team**



# The worst headm

Principal accused of blocking a R2 760 bursary to poverty-stricken black p

RAFORA RANGONGO

**A**N INVESTIGATION by the Sunday Times has led to the suspension of a headmaster who stands accused of gross mismanagement after being caught blowing school funds on a Mercedes-Benz, booze, dinners and a casino outing.

Furious education authorities have vowed to lay criminal charges against Koos Kruger, the headmaster of Hoërskool Ermelo in Mpumalanga.

A nervous-looking Kruger had "no comment" when the Sunday Times confronted him this week with evidence of startling irregularities at the school.

But provincial education MEC Craig Padayachee was furious.

"In the light of the available evidence, which confirms rampant and serious transgressions that border on criminality, the head of department issued the principal of Ermelo High School with a letter of suspension without pay pending criminal and administrative charges," he said.

Part of the newspaper's investigation was based on a secret report from the Auditor-General's office, which has also discovered alleged mismanagement at the school.

"After the final report of the Auditor-General has been presented before the end of October, the matter will be referred to the relevant authorities for criminal prosecution," vowed Padayachee.

Kruger — who also used school fees to pay his domestic worker's salary — blocked a R2 760 bursary to a pupil, allegedly because she is black.

Kruger was allegedly so adamant that 17-year-old Dulcie Mahlangu was not going to get her money that he told a bursary committee on the day funds were being awarded that he was no longer at the school. The Sunday Times has documents which record what he told the committee.

But Mahlangu was at school that day, on May 21 this year, and has never left.

Her unemployed parents, Anna and Jeremiah Mahlangu, who struggle to feed their six children, have been slapped with a summons from the school for unpaid fees.

They applied to the principal writing for the bursary but were never told why their daughter did not qualify.

According to the South

African Schools Act and the National Education Policy Act, both of 1966, they are entitled to a full exemption from paying fees. The laws state that "if the combined income of the parents is less than 10 times the annual school fees per learner, the parents qualify for an exemption".

Padayachee said "a lot of people at the school will have a lot to account for" for reported racial discrimination against Mahlangu and possibly other pupils of colour.

The director-general of the national Education Department, Thami Mseleku, said: "We have an obligation to monitor that our policies are followed. We would like to know what happens and would insist that action is taken."

Our investigation shows that Kruger, the school's principal for the past six years, has been using school fees to line his pockets.

He lives for free in a neat three-bedroomed home on the school property and drives a Mercedes-Benz C180, paid for with school fees.

Fees have also been used to pay for his water and lights, petrol, Diners Club card, telephone and cellphone, and for the private line he has in his big, airconditioned office.

He also pays his domestic worker out of school fees. According to the Auditor-General's report, he has paid her R11 250 in wages and Christmas bonuses over the past two-and-a-half years — an amount that could have paid the education costs of four pupils for a year.

Every day, three times a day, cooked meals are delivered to his home in the school ambulance. The food is made in the school hostel and delivered by a matron and her staff.

A Sunday Times team photographed the ambulance on its "food delivery rounds" last week. The ambulance is also part of the Auditor-General's investigation into mismanagement at the school, which is known for having the South African cadet band champions.

The once flourishing school is now facing bankruptcy. Its bank accounts were R122 870 overdrawn on Friday.

Among other irregularities, the Auditor-General found that:

- The school "meals on wheels" ambulance had no logbook and no records were kept of the issue and return of keys and petrol cards,
- Other school vehicles did



**MEALS ON WHEELS:** Koos Kruger, above, and the school ambulance delivering food to his home, top

bought on account at De Witt's Garage in Ermelo;

- A computer was bought for about R3 000 out of school funds and installed at the deputy principal's home;

- Surety to the tune of almost R20 000 was signed by the Hoërskool Ermelo's "Prestasie Trust" to help a teacher obtain a loan from Absa to buy a house. The teacher has now left the school and the bank might recall the loan and request payment from the school;

- School staff were paid from two accounts for the purposes of tax evasion and PAYE was not deducted from their salaries;

- Loans given to employees, as far back as 1996 — in another contravention of school legislation — had not been paid back and

- At least 10 appointments at the school were invalid. Employees received appointment letters but did not sign these as an acceptance of the offer. In some cases, letters were not signed on behalf of the school or the signature of the employee wasn't witnessed.

Padayachee said: "The nature and extent of the misdemeanours might prompt my office to institute a full-scale forensic audit of finances of other suspect schools."

Asked about irregularities at his school, Kruger said: "There is an investigation by the Auditor-General and I can't respond before the investigations are finalised."

Asked whether he had denied a black pupil a bursary on the basis of her colour he said: "We treat all children equally."

not have logbooks. As a result, there was no control over petrol and usage;

- Kruger used a Diners Club card while on holiday to pay hundreds of rands for alcohol, dinners and a visit to the Grace-land casino in Secunda. The card bills were allegedly paid with school funds;

- He signed cash cheques in the name of "Die Hooft" instead of his own name, as required by law, estimated to total R359 000 over two years;

- Cheques totalling about R1-million were drawn against school funds at least 250 times without the supporting documents required by legislation;

- The deputy principal's petrol for two private cars was paid out of school funds,



# Principal abuses funds – teachers

By SPHIWE MBOYANE

THE principal of Isikhumbuzo Comprehensive Secondary School in Orange Farm, south of Johannesburg, has been accused of colluding with two "self-appointed" school governing body (SGB) members who misused school funds amounting to thousands of rands.

The allegations were made by concerned teachers who also accuse their principal, Solly Mkhabela, of failing to pay them salaries for three months.

The teachers claim that in May this year Mkhabela told them they could not be paid because there was "insufficient" funds in the school's bank account. The same happened in August and September.

One of the teachers told City Press none of the 28 teachers has a written contract, adding Mkhabela has threatened to fire some of them.

"Our salaries are fluctuating from month to month. We do not exactly know how much we are earning," said one teacher.

Isikhumbuzo is a section 21 school. Sec-

tion 21 schools are self-management schools who do their own administration, maintenance and purchasing of learner support materials with the subsidy, calculated per learner, received from the provincial education department.

But so far children at the school have been purchasing stationery for themselves.

City Press is in possession of copies of cash cheques which reveal that between July 17 and July 27 nearly R300 000 was withdrawn from the school account for reasons which were not beneficial to the school.

Mkhabela has allegedly disbanded the finance committee and retained the school's cheque books since April this year.

One of the teachers who used to serve on the finance committee said the school has received payments of more than R700 000 and was to receive another R129 000 soon.

The SGB, who it is alleged was not democratically elected, is paid by the school.

Mkhabela, who is doubling as school director, is also accused of truancy.

Mkhabela claimed this week the Gauteng Department of Education (GDE) has been withholding 30 percent of the school's subsidy and has failed to release funds to the school since last year.

He said he only started having access to the funds last week.

GDE director Tidimalo Nkotoe confirmed to City Press funds had been withheld by the department after there were allegations of financial mismanagement.

Nkotoe explained the GDE had no problem in releasing the funds if the school management applies for them.

She said the school received more than R1 million a year.

Mkhabela also denied there was any financial mismanagement, insisting SGB members were not paid but compensated for their transport expenses when they attend meetings.

He also denied he was never at school and accused some teachers of gunning for his position, saying he had improved matric results from 20 percent to 34 percent.

CITY PRESS

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# ANNEXURE E

## Annexure Guide/schedule

### Interview Guide/Schedule

1. **Heading: Accountability and Transparency in school financial management.**

#### **2. METHOD OF RESEARCH**

The qualitative research paradigm will be used throughout the study.

Interviews with semi -structured questions will be conducted with school governing body member, principals and educators from the six schools in Gauteng West District- D2.

#### **3. INFORMATION TO THE INTERVIEWEE BEFORE THE START INTERVIEW QUESTIONS.**

The corner stone of the South African Government is co-operative governance Institutions. This calls for active involvement of stakeholders in decision- making in school as government institutions.

The research will never at any given stage mention your name or the name of the school without your written permission, so feel free to

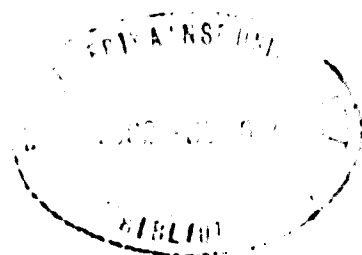
answer questions the way you feel is correct. The researcher is trying to find out what is exactly happening in schools.

#### 4 QUESTIONS

1. What is the role of school governing body in school financial management?
2. How is the Budget done?
  - Were you consulted or were you involved?
  - What role did you play during the budget session?
  - Do you know how much the school collect yearly?
3. How often do you hold financial meetings? Do you think these meeting/s is/are enough?
4. Does your school have financial policy? How was it compiled? Do you use it effectively?
5. What kind of training were you given by the district or educational department?
6. Do you have anything you want to share about your school finances?

#### POSSIBLE FOLLOW-UP QUESTIONS

7. What is the role of the principal in managing finances?
8. Who is responsible for accounting and why?
9. Do you know your powers according to SASA chapter 4?
10. What is the difference between Section 20 and Section 21 schools?



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