



Financial Management in Affluent Secondary Schools in Gauteng: A Case Study

BY

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Mr Miguel Moses (219079562)
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Dear Mr Moses,

Protocol reference number: HSSREC/00001418/2020

Project title: Investigation of financial management in former Model C secondary schools in Gauteng Province.

Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 25 May 2020 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted FULL APPROVAL

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 02 June 2021.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)

/dd

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INSPIRING GREATNESS

DEDICATION

This work is dedicated to Mother "Florinda Moses," who believed in me and supported me in every way possible. Your support kept me going even when there was no hope.

I would also like to dedicate this work to my late father, Gabriel Moses. Dad, you inspired me in so many ways. I know you would have done justice and would have supported me throughout this journey. Your thoughts kept me going, and I know that, wherever you are, you are proud of me. May your soul continue to rest in eternal peace.

I would also like to dedicate this work to my son, Moses Khumoetsile Messiah. Your coming into this world helped me to better myself in every aspect of life.

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ABSTRACT

In South Africa, research revealed that many schools fail to effectively manage their finances due to various factors, including the limited financial management knowledge of their governing bodies. The South African Schools Act (SASA) 84 of 1996 stipulates how schools should manage their finances. SASA further states that the school management, including the principal and the governing body, should ensure that the school's financial resources are appropriately managed. The study's main aim was to examine the financial management of affluent schools in Gauteng province.

A case study of four affluent schools was conducted, and it followed a qualitative approach. Purposive sampling was used to select four study participants (the principal, treasurer, and finance officer) from each school, making it twelve. The data were collected using semi-structured interviews and document reviews. After that, the data were analysed using thematic analysis and presented as narratives or in-depth responses from the study participants.

Key findings of the study revealed that various stakeholders play a vital role in managing school finances; for example, the principal is an official executive member of the governing body, whereas accounting officers are responsible for documentation, including making payments and providing supporting documentation. To ensure collaboration and avoid confusion among the SGB members, affluent schools implemented working policies that assisted in defining roles for each member and held workshops for capacity building. Additionally, the school governing body members (SGB) met monthly for some schools, whereas for other schools, the SGB members met quarterly to discuss financial management. Interestingly, affluent schools employed several measures to combat the mismanagement of financial resources. These included having three signatories for the authorisation of funds, bank statements, and receipt books.

From the findings, I concluded that SGBs of sampled affluent schools manage their financial management effectively; although minimal discrepancies exist, the positives supersede the drawbacks. A recommendation is that the department of education collect data from affluent schools and establish a model of financial management in schools that can serve as a guideline for other schools, especially those in townships and rural areas.

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ABBREVIATIONS

DoE	Department of Education
DBE	Department of Basic Education
FINCOM	Finance Committee
HOD	Head of Department
LTSM	Learning and Teaching Support Material
MEC	Member of Executive Council
NNSSF	National Norms and Standard for School Funding
PAM	Personnel Administrative Measure
PED	Provincial Department of Education
PFMA	Public Financial Management Act
RSA	Republic of South Africa
SASA	South African Schools Act
SGB	School Governing Body
SMT	School Management Team

CHAPTER 1

ORIENTATION TO THE STUDY

1.1 Introduction

The South African Schools Act No. 84 of 1996 gives a command to school leaders, particularly the governing bodies, to manage the finances of their schools (Republic of South Africa, 1996). The same legislation further outlines the rules and procedures for the school principals' and governing bodies' obligations and roles in school financial management. Before 1994, the state financed public schools through a centralised system. This implied that schools had restricted control over the use of their assigned finances. The passing of the South African Schools Act No. 84 of 1996 has thus brought significant changes in decentralising power and defining duties for school financial management. This has opened up participation for governing bodies to be focal in the determination of school needs and the allocation of assets. Conversely, this model of decentralisation is not without issues. As will be discussed in this research report, numerous schools are still battling to implement efficient systems of financial management because of the absence of financial management skills and appropriate checking and reporting. These challenges have been predominantly associated with rural and township schools (Aina, 2020), and little has been researched around affluent schools. In line with this, the study sought to investigate school financial management in affluent schools.

The current chapter presents an overview of this research, which includes an introduction and background to the study, the rationale and purpose of the study, and key research questions. This is followed by a brief discussion of the limitations and definitions of terms. Following the above-mentioned are the research description and a conclusion highlighting the key issues that the chapter has presented and the main arguments on those issues.

1.2 Research Background and Problem Statement.

According to the South African Schools Act No. 84 of 1996 (Republic of South Africa, 1996), school governing bodies (SGBs) have the responsibility of ensuring that schools' financial resources are properly managed to achieve a school's objectives and that there is financial viability. In essence, this implies that the financial stability of schools depends heavily on sound financial management methods and systems that are implemented by the SGB. It is noteworthy that mishandling of finances in most cases occurs in schools where there are no

sound financial management methods and systems in place. SGB members do not have full comprehension of financial management or lack the skills to approach management and control of the finances of the school (Dibete, 2015).

Financial management is primarily concerned with the proper use of school finances to move towards a certain goal or vision. Various scholars have defined the concept of financial management in schools. For example, Mestry and Bisschoff (2009) define school financial management as the performance of administration activities associated with the financial aspects of schools to accomplish quality education. According to Shapiro (1995), financial management involves financial planning and the drafting of a budget, bookkeeping, monitoring, decision-making, and execution, whereas Du Toit, Erasmus, and Strydom (2010) define financial management as the procurement and utilisation of finances. Watson (2000) and Sayed (1998) indicate that financial management alludes to activities undertaken by SGBs and School Management Teams (SMTs) of schools, which incorporate managing finances, keeping transaction records, procurement, cost administration, property maintenance, generation of income, evaluating and monitoring resources, as well as budget administration. Learning from the definitions above, in this study, by financial management, the researcher mean administrative actions undertaken by school managers and governors to ensure that the finances of an organisation or institution are utilised in a proper manner that benefits the people, improves services, and sets a standard for the school as an organisation.

Research by McLennan (2000); Mestry (2006); Rangongo (2011) on school management reveals that financial management is vital for enhancing quality education that meets the economic and social needs of the youth and the community at large. It is also a known fact that school finances are generated through taxpayers' money. Therefore, as a way of ensuring proper accountability to taxpayers, effective school financial management is vital (Helle, Letshego, & Marinda, 2011). In the press release statement for the annual national budget for 2019, Mr. Tito Mboweni stated that the budget for schools is 17 percent of total government expenditure (National Treasury, 2019). Thus, such an enormous amount of finance requires a high level of accountability to guarantee the integrity and responsive administration of education. The state, parents of learners, and other stakeholders who sponsor or invest in education need a judicious and accurate account of the finances and need to be given statements of account on how the finances provided for education are spent (Xaba & Ngubane, 2010), and this requires proper financial management.

As also demonstrated through the research presented above, Campbell (2011) is of the view that finances are the backbone of every school. Therefore, their proper and efficient management is imperative. He further maintains that finances are significant educational assets because the success of any school depends largely on how the finances are managed. Similarly, Allison (2004) tells us that no school has ever thrived without finances. Consequently, it becomes imperative for schools to consider effective financial management to improve their performance and, more importantly, to minimise the chances of financial mismanagement. Since school efficiency and performance are affected by how financial inputs are administered, schools need to recognise that the management of finances is one key task that needs to be prioritised (Davies & Ellison, 1998). A study conducted by Setloaba (2011) reveals that proper financial management helps ensure that all programs directed at enhancing the quality of education in schools are successful. The above is justified by the fact that proper financial management enables schools to procure significant teaching and learning resources; increase productivity, leading to job satisfaction; and, lastly, assist the school in achieving its goals (Mphafe, Murika, & Pelser, 2014). When accessible finances are ideally and cautiously utilised, it makes the school a pleasing, safe, and conducive center for education (Dorleans, 2009).

The South African Schools Act No. 84 of 1996 imposes an obligation on all government-funded schools to do their best to enhance the nature and quality of education. Gorton and Alston (2012) point out that for schools to enhance the quality of education, adequate finances must be accessible. This argument emerges from the fact that the finances that the state gives to schools are not adequate to meet every educational necessity (Botha, 2012), predominantly in poor schools. Thus, the management of these limited funds is crucial to achieving quality education.

Reviewing the few existing studies on the relationship between financial management and the quality of education (Conradie & Fourie, 2002; Maritz, 2005; Naidoo, 2010; Du Plessis, 2013), managing finances in education emerges as the most crucial responsibility facing school managers. The sole purpose of schools is to promote and improve the quality of education services; for this to occur, financial management is critical since it plays a fundamental role in the development of quality education (Norman, 2010). This has been emphasised by different researchers and reports (UNESCO, 2006; Fullan & Watson, 1996; Norman, 2010). According to Mphafe, Murika, and Pelser (2014), financial management is concerned with the effective

usage of finances to enhance education quality; in other words, it promotes school effectiveness by clearly connecting the use of finances to the accomplishment of educational objectives. This is supported by Maritz (2005), who states that the managers and governors of schools ensure that the finances of the school are spent in a manner that assists the school in achieving its objectives.

Despite its importance, financial management has been a serious challenge in South Africa's public schools. Various researchers (Mahlangu, (2008); Ahmed and Ahmed, (2012); Talane and Pillay, (2013); Makiri, (2014); Pather, (2015) indicate that there are difficulties experienced by schools with financial management. This is echoed by reports from anti-corruption agencies such as Corruption Watch (2012, 2015) and the Public Service Commission, which indicate that despite the concerted endeavours made by communities to battle maladministration of finances, it remains prevalent in South African schools. The above-mentioned reports further express that in certain public schools, principals are the main culprits when it comes to improper financial maladministration. It is indicated in these reports that principals are found to be neglecting due processes, lacking financial accountability, and exercising misappropriation of funds (Rangongo, Mohlakhwana, & Beckmann, 2016; Myende, Samuel, & Pillay, 2018).

The above notion is further supported by Education Department reports published in The Star Newspaper (2012), where Gauteng Education MEC Barbara Creecy stressed that it is against the law to withdraw funds from the school account without all three signatories (the treasurer, school principal, and governing body chairperson). However, financial policies are not constantly followed, particularly in schools that have ineffective management where there is a toxic relationship and tension between school principals, governing bodies, and other relevant stakeholders (Mestry, 2006). Instances of maladministration investigated by the Education Department regularly involve SGB members and teachers accusing the school principal of being the only signatory, taking the funds of the school, and utilising finance however they see fit. This has been reported on different platforms (Chaskalson, 2017). Consequently, apart from the finances set aside for schools that end up being utilised for personal gain by a few individuals, the Department of Basic Education (DBE) incurs huge legal expenses trying to deal with cases of mismanagement and misappropriation of school finances.

In a study conducted with teachers about the functionality of the SGBs, Van Wyk (2004) identified concerns that SGBs frequently fail to meet expectations in financial management, and this is because they are utilising poorly qualified parents who are ineffective and not satisfactorily trained in maintaining money-related accounts or finance controls and thus fail to follow the appropriate accountability procedures. He further states that numerous school governing bodies are not well skilled or adequately prepared, and as a result, they do not understand what is expected of them concerning the management of finances (Van Wyk, 2004). Governing bodies just sign cheques without confirming or understanding what is on them, and this affects financial plans even when the South African Schools Act (Sections 37, 38, 42, and 43) provides instructions on how school governing bodies should manage the finances of schools (Macupe, 2014; Mashaba, 2015).

A study conducted by Bush, Joubert, Kiggundu, and Van Rooyen (2005) outlines certain problems facing the governing bodies of schools because of their financial oversight role. These are: financial loopholes in reviewed financial records; delayed reports to various stakeholders of how finances were managed; and disorder during discussions on budgets by governing bodies. Mestry's (2004) findings indicate that there is an absence of openness, honesty, and communication as SGB members are only occasionally informed of significant decisions concerning the finances of schools. Rangongo (2011) agrees that certain schools in South Africa show signs of a lack of coordinated effort and transparency concerning financial decision-making. He further suggests that in most schools, governing bodies hesitate to communicate or express their opinions.

Mestry (2006) specifies that there are numerous school heads and members of governing bodies who are put under huge pressure since they are incapable of working out practical solutions to finance-related issues. The Limpopo DoE Institution Government Financial Audit surveys, conducted in 2010, revealed that the mismanagement of finances occurs in certain schools because of ineffective governance by both the principals and the SGBs, which, as a result, compromises the management of finances. The provincial head of education, following a forensic audit of schools, suspended some principals and deputy principals and dissolved governing bodies. It was discovered that the deputies and principals were mixing and confusing roles in their capacities as members of governing bodies and as employees with respect to the Employment Act 76 of 1998 (PAM, Chapter A, Section 4). Studies (Mashaba, 2015; Myende, Samuel, & Pillay, 2018) further reveal that SGBs and principals are also found to have "role

confusion" about responsibilities, and it has been discovered that often school principals take over financial management because they are perceived to be more knowledgeable than the governing bodies. It is also noticed that numerous principals and governing bodies fail to follow PFMA administration policies and plan poorly, which, in turn, hinders proper financial administration, leading to overspending or underspending, which may prompt embezzlement and maladministration of school financial resources (Mito & Stigmata, 2012). From these studies, it is apparent that both SGBs and school principals have somehow contributed to the mismanagement or maladministration of finances in schools.

The abovementioned financial management challenges are normally associated with schools that are not part of the wealthy quintile (Joubert & Van Rooyen, 2008). According to the norms and standards for funding (1998), the provincial department ranks all schools from poorest to least poorest by first weighting them as indicated by their surroundings, amenities, services, conditions, and number of learners in a single class, as well as the neediness level of the surrounding community (Republic of South Africa, 1998). This ranking is referred to as quintiles, and the purpose of ranking schools based on the aforementioned conditions is to address inequalities in education funding. The secondary schools that I worked with in conducting the study are classified as quintile 4-5 schools according to the norms and standards for funding (DOE, 1998) and are affluent. There is a perception that these schools manage their finances properly, effectively, and efficiently. This remains a perception, as there is no established body of knowledge on how these schools manage their finances. In a study by Bush, Derek, Bischoff, and Moloi (2006), it is noted that more research is needed in a wide range of schools to establish how various schools manage their finances. Research on how schools manage their finances has been conducted before by various researchers; however, the researchers have realised that there is much focus and attention given to previously disadvantaged schools in South Africa and how they manage or fail to manage their finances, whereas the financial management in affluent schools and private schools is given less attention. The researcher, therefore, saw a need to investigate the financial management in affluent schools, which are also public schools but are partially managed and subsidised by the parents and through fundraising activities led by SGB.

1.3 Rationale for the Study.

The researcher's interest in conducting this study developed from three sets of experiences. Enthusiasm came first from his experience as a former learner at a school located in a rural area that used to mismanage its finances. Secondly, from his career journey as a teacher in one of the public schools, and lastly, from theoretical concerns and debates around the topic. I wished to contribute by seeking ways through which public schools in South Africa could effectively manage their finances, regardless of their rankings and location.

1.3.1 Personal experience

Before the departure of our former principal, the financial management of my former secondary school was transparent. The principal ensured that allocated funds were wisely utilised to assist the school in achieving its objectives, and all our necessities were provided. After the principal left, our school went through major changes, particularly in the management of finances. A new principal took over, which resulted in the budget that was meant for the school starting to disappear and the school buildings starting to deteriorate due to poor maintenance and an inadequate stock of learning and teaching materials. There were assumptions and rumours that the principal was misusing, misappropriating, and embezzling the school's finances.

Somehow, the community noticed the enormous changes that were taking place in the school; these changes pushed the community to investigate what was happening in the school. While doing grade 12, learners were required to establish a management club at the school through the educational leadership and management elective. I was one of the people in charge at that time. The purpose of establishing the club was to focus on the development and financial management of schools – specifically in relation to the concept of learners' voices being heard and them being treated as people whose ideas matter. After 2012, the established club failed to sustain itself into 2013, which triggered my interest in conducting this research.

1.3.2 Career journey

Professionally, my passion for studying the management of finances in schools developed when I became an educator at a secondary school in Johannesburg East, where my observation suggested that the management of finances was not done appropriately, and I would like to see the situation change. This passionate interest persevered after I was nominated to replace the

teacher who represented educators in the SGB. My position allowed me to be fully involved in financial matters at our school.

Following the election of the SGB in 2019, I witnessed enormous financial issues. At the beginning of the year, numerous concerns were frequently raised by educators concerning the management of finances in our school. Section 30 of the Schools' Act, No. 84 of 1996, specifies that the SGB is permitted to set up various committees to serve or deal with different concerns of the school (Republic of South Africa, 1996). However, my school never had effective committees as specified by the South African Schools Act, and this made it difficult for us to effectively utilise the finances of the school. South African Schools Act, No. 84 of 1996, Section 21 mandates the SGB to design various policies depending on the school's necessities and wants. The motive behind the development of financial policies is to direct how the SGB, the principal, and staff are to undertake financial tasks. The policies are important in guiding how schools use the finances (Satimburwa, 2018). Educators in my school consistently raised concerns about the implementation of a proper finance policy to control and direct the administration of funds; we had no idea which policies were adopted by the school.

Myende, Bhengu, and Ngcobo (2015) state that it is significant for schools to include all stakeholders in the drafting of school plans, including financial plans. In my school, budgetary planning is done without informing or consulting all relevant parties. Circular 13/2000 indicates that for the sake of transparency, those tasked with the management of finances of the school should constantly maintain accountability and all relevant parties need to be given weekly or monthly reports on how finances are utilised (DoE, 2000). I have witnessed unplanned fund-raising activities, transfers, procurements, and projects done in the school with infrequently given feedback, creating tension concerning financial management.

1.3.3 Theoretical justification

This investigation of financial management in schools is required as part of the development, assessing, and spreading of information about efficient administration of finances. I am conducting this research from one viewpoint - to comprehend and explore the financial management in Affluent schools. Preceding studies on the management of finances in schools concentrated on issues such as, causes of financial mismanagement (Rangongo, Mohlakwana, and Beckmann, 2016); budget control and monitoring challenges for SGBs (De Bruin, 2014);

financial accountability (Mestry, 2004); factors influencing financial management in schools (Munge, Kimani, & Ngugi, 2016), gaps in the application of financial management systems (Makrweide, 2012), and role players' understanding of public school principals' legal responsibilities concerning the management of finances (Rangongo, Mohlakwana, & Beckmann, 2016). These studies, as articulated earlier, have been focused mostly on previously disadvantaged schools in quintiles 1–3. Financial management in affluent schools is a neglected but crucial area of educational leadership and management research. This research could add to the existing knowledge on how the management of finances should be practiced by different schools to ensure that school finances are managed accordingly. It is assumed that there are financial management lessons that can be drawn from affluent schools.

1.4 Study Purpose

Given the background and the problem discussed above, the purpose of this study was to examine financial management in selected affluent schools in Gauteng province. The study focused on the management of the school finances, in relation to the policies put in place, the roles undertaken by different stakeholders and the financial management challenges encountered in affluent schools.

1.5 Key Research Questions

1.5.1 Primary question

- How do selected affluent secondary schools in Gauteng manage school finances?

1.5.2 Sub-questions

- What roles do various stakeholders undertake in managing school finances in affluent schools?
- What policies do affluent schools put in place to manage finances and how do these policies contribute towards effective financial management?
- What challenges do affluent secondary schools encounter in managing finances?

1.7 Definition of Terms

The central concepts of this study include affluent schools, financial management, finance organisation, school budgets, school financial policies, budget checking and control, and financial accounting. These concepts' meanings as applied in this study are explained in the following sub-sections:

1.7.1 Affluent school

According to Mestry (2013), an affluent school is one that charges tuition, is supported by both the public and private sectors, and relies heavily on parental donations for funding. In line with the above definition, Huhting (2021) defines an affluent school as an economically privileged institution that relies on the private sector and tuition fees from the students' parents (Huhting, 2021). In this study, a similar understanding of this concept is used in that the term affluent school refers to a school that is economically privileged and depends on fees paid by learners' parents.

1.7.2 Financial management

Motsamai, Jacobs, and De Wet (2011), Thwala (2010), and Mestry (2013) define financial management as the performance of management activities associated with financial aspects of a school to accomplish productive education. In other words, it is the actions by which an individual in power must manage and control the finances of the school in an effective way. Selesho and Mxuma (2012) further contend that financial management is a fundamental part of school management. It guarantees that expenditure is coordinated towards accomplishing great value for money through the proper acquisition and distribution of resources (Selesho & Mxuma, 2012). In this study, financial management refers to the administrative actions undertaken by managers to ensure that the finances of an organisation or institution are utilised in a proper manner that benefits the people, improves services, and raises the standard of the organisation.

1.7.3 Finance organisation

Organisation as a management concept is conceptualised as a procedure, which involves determining what capacities must be undertaken, who is to carry out those duties, who reports to whom, who takes decisions, and where (Robbins, Bergman, Stagg, and Coulter, 2009). In line with this definition, Thenga (2012) defines finance organisation as an activity directed at consolidating all methods accessible for rendering a service with respect to the finances of an institution. In this study, a similar understanding of this concept is used in that finance organisation refers to the arrangement and organisation of all fiscally related responsibilities in a way that impacts the accomplishment of the school's objectives.

1.7.4 School budget

The Department of Education (2002) in the NNSSF defines a financial budget as a plan of expenditure and income activities for the following year. However, Bischoff (2003), as cited by Kruger (2011), sees budgets as something beyond income and expenditure. In his definition, a financial budget is defined as the statement of purpose of the school communicated in money-related terms. In line with this, Xaba and Ngubane (2010) describe the school financial budget as a statement of resources that deals with the planning of finances. In this study, a school budget is defined as a fiscal document utilised to plan for income and expenses for the following year.

1.7.5 School financial policy.

A policy is defined as a statement of objectives, commitments, values, or targets that exist as procedures for administration in achieving the organisation's goals (Johannsen, 1995). In line with the definition of policy, a school finance policy can be viewed as an instrument illustrating the rules and procedures about how finances are to be controlled in a school (Mestry, 2004; Mestry and Bisschoff, 2009). In this study, "school financial policy" alludes to a set of procedures and guidelines that are intended to enhance effective management of finances and management methods to be applied to the school's financial matters.

1.7.6 Budget checking and control.

According to Naidu, Joubert, Mestry, Mosoge, and Ngcobo (2008), budget monitoring might be characterised as a way of comparing real income and expenses against budgeted income and expenses, whereas budgetary control shields funds and guarantees that they are used as approved. Therefore, monitoring in the budgetary sense has to do with all measures that are associated with the organisation and preparation of the financial activities (Kruger, 2003). In this study, "budget checking and control" refers to the monitoring of statements and yearly reports and ensuring that the allocated finances are properly used.

1.7.7 Financial accounting.

Kruger (2003) describes financial accounting in the school setting as a basic part of school financial management and alludes to the processing, examining, and interpreting of the information that is needed if school financial management is to operate efficiently. Xaba and Ngubane (2010) define financial accountability as a lawful obligation put on a person, group

of people, or institution to enlighten how the assets, resources, or financial powers given by a third party have been utilised. In this study, financial accounting refers to reporting on the utilisation of finances by those responsible and liable for financial management and being held accountable for decisions taken.

1.8 Research Outline

This dissertation has five chapters, which are demarcated as laid out below:

1.8.1 Chapter one

Chapter one has provided an overview of this research, including an introduction and background to this study, the rationale, the study purpose, research questions, and definitions of terms. The chapter further provided the outline of the dissertation.

1.8.2 Chapter two

Chapter two contains discussions on the conceptual framework that underpinned this study and relevant local and international literature on how schools manage finances.

1.8.3 Chapter three

Chapter three presents the research design and methodology that were utilised to conduct this research. It explains the research paradigm, research approach, research design, selection of participants, data collection and analysis procedures followed, and its trustworthiness and ethical considerations.

1.8.4 Chapter four

Chapter four presents the findings from the qualitative dataset. The findings are discussed and analysed in order to arrive at solid factors that help resolve the research questions. This chapter lays out conclusive contentions about the problem researched and other relevant content.

1.8.5 Chapter five

Chapter five provides a summary of the findings, conclusions, and recommendations drawn from the research. In this chapter, a consolidated summary that gives directions for the enhancement of financial management in schools is provided.

1.9 Chapter Summary

In this chapter, the research background and problem statement, rationale for the study, study purpose, and key research questions were presented. This chapter has highlighted who, according to the South African Schools' Act, is responsible for financial management in schools. Traditionally, the school governing bodies (SGBs) have had the responsibility of ensuring that the schools' financial resources are properly managed to achieve the school's objectives. This chapter further highlights what financial management is and its importance. The argument raised by this study is that financial management is still a serious challenge in South African public schools because educators still do not understand their duties when it comes to the financial management of schools. There are deputies and principals mixing and confusing roles in their capacities as members of the governing bodies and as employees in respect of the Employment Act 76 of 1998 (PAM, Chapter A, and Section 4). In the next chapter, the researcher review the literature on school financial management.

CHAPTER 2

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 Introduction

The purpose of this section is to review the previous work on financial management in schools. This section will review relevant literature under the following themes: how schools manage finances; the different roles played by the various stakeholders in financial management; the policies put in place to effectively manage the finances; and the challenges faced when managing finances. But first, I will interrogate the construct of financial management, which is critical in this study, and lastly, I will explain the conceptual framework for the current study.

2.2 Financial Management

In the interrogation of literature, it appears that there is little, if any difference in how financial management is defined; in other words, the understanding of financial management has related perspectives. For example, Motsamai, Jacobs, and De Wet (2011), Thwala (2010), and Mestry (2013) define financial management as the performance of management activities associated with financial aspects of a school to accomplish productive education. In other words, it is the actions by which an individual in power must manage and control the finances of the school in an effective way. Selesho and Mxuma (2012) further contend that financial management is a fundamental part of school management. It guarantees that expenditure is coordinated towards accomplishing great value for money through the proper acquisition and distribution of resources (Selesho & Mxuma, 2012). Leo (2003) describes financial management as the obtaining, utilising, protecting, and discarding of resources to make the most of their service delivery potential and deal with their related risks and expenses over the valuable existence of the resource (Leo, 2003). He further contends that the goal of financial management is to accomplish the most ideal match of resources with the delivery of services both internally to the school and externally to the community (Leo, 2003). Although various scholars define financial management differently, the concept in education is well defined since all definitions are narrowly related, and all scholars view financial resource management as a form of administrative activity undertaken to ensure that the finances are utilised in a manner that benefits the people and improves the standard of the organisation.

2.3 School Funding in South Africa

Section 34 of SASA (Republic of South Africa, 1996) stipulates that the state finances government-funded schools from the public income on a reasonable basis to guarantee the appropriate exercise of pupils' rights to education and to review past disparities in education. The NNSSF includes norms that are set by the Education Department, which specify both the processes for the way in which financing is assigned to public schools and, furthermore, directions on how to use such finances (Mestry, 2010). The norms and standards for school funding request that the government set aside a block budget for all schools annually. The Education Minister must first consult the Financial and Fiscal Commission, the Minister of Finance, and the Council of Education Ministers before determining the norms and standards for the funding of government-funded schools. To decide on the amount to be allocated to the schools, the PED must create an asset targeting list for public schools in the province in question (Mbatsane 2006). The table below indicates the allocation of school funds in South Africa (National Norms and Standards for School Funding Policy, 1998).

School quintiles, from poorest to wealthiest	Expenditure allocation as a % of resources	Cumulative percentage of schools	Cumulative percentage of non-personnel and non-capital recurrent expenditure	Per learner expenditure indexed to average of 100
Poorest 20%	35%	20%	35%	175
Next 20%	25%	40%	60%	125
Next 20%	20%	60%	80%	100
Next 20%	15%	80%	95%	75
Wealthiest 20%	5%	100%	100%	25

The NNSSF policy enacts continuous financing of public schools. This implies that government-funded schools are categorised into quintiles and then financed depending on the income or wealth of the community where the school is located (Mestry, 2016). The quintile system was effected with the goal of addressing and enhancing both equity and public spending

on schools and was explicitly focused on the necessities of the most unfortunate. Schools are, subsequently, categorised into quintiles 1–5, with quintile 1 representing the most financially impeded or poorest schools and quintile 5 the wealthiest schools (Mestry, 2016). The policy necessitates that 60% of the accessible assets be allocated to the most unfortunate 40% of pupils (Dibete, 2015). Schools falling into quintiles 1 to 3 are designated non-paying schools and accordingly are not permitted to charge school fees (Dibete, 2015).

In South Africa, schools are allocated their budget yearly by the Provincial Department of Education. The allocated budget is deposited into the account of the school, and each school controls its finances and reports them to the Education Department (Republic of South Africa, 2000). The above only applies to section 21 (with function C¹) schools (Republic South Africa, 1996), whereas non-section 21 schools get their merchandise and services through the department of education (Republic South Africa, 1996). All the schools with Section 21 status have to control their own finances and assets and guarantee that all income, resources, liabilities, and expenditures of that school are overseen adequately and proficiently as instructed by policies such as the Public Finance Management Act, Financial Management Prescripts, the South African Schools' Act, and the National Norms and Standards for School Funding (Republic of South Africa, 1999). The above-mentioned legal frameworks administer the operations of all finance related administration systems in schools, thus making sure that these management systems do not exist in a vacuum (Makrweide, 2012). The following section will discuss whose responsibility it is to oversee finances in schools.

2.4 The Responsibility of Financial Management in South African Schools.

There have been debates around who is responsible for financial management in South African schools: the school principal or the governing body. One argument is that policies provide no clarity on who is responsible for financial management in schools (Aina, 2020). According to the South African Schools Act No. 84 of 1996 (Republic of South Africa, 1996), Section 37, the general responsibility for controlling the finances and assets of the school lies with the SGB, which is completely responsible and liable for the distribution of finances to reflect school needs and the preparation and auditing of reports every year. On the other hand, the duty for the efficient monitoring of the school funds, both externally and internally, is

¹ Section 21 schools refer to schools that manage their own budgets or funds; they get funding from the state and are in charge of purchasing supplies like stationery and books, as well as paying bills for their water and electricity and doing their own maintenance.

commonly designated to the school principal, who is responsible to the SGB, and in addition to the Head of Department (Clarke, 2012, and Section 16 of SASA). This is supported by PAM (1998), Chapter A, Section 4, which stipulates that the principal has the duty to help the SGB with their capacities, support and guide expenditure in consultation with the SGB, help the SGB in keeping appropriate financial records of the school, administer the drafting and finalisation of the yearly financial reports, and lastly, provide advice on teaching and learning materials to be purchased by the SGB (PAM, Chapter A, Section 4).

Although the principal is responsible for the accuracy of the school's budgetary books, school financial management is the primary task of the governing body, of which the school principal is an ex-officio member (Hansraj, 2007). It must be noted that accountability is the shared responsibility of the whole governing body, and, thus, the school principal alone may not be held responsible for the embezzlement and misuse of the school's finances (Nkosi, 2011; Thenga, 2012). An example of this that caught everyone's attention is the case of mismanagement of funds recorded as: the Mpumalanga province case of Schoonbee and others versus Education MEC. The issue of accountability was raised in the sense that people wanted to know who should be held accountable for the mismanaged finances: the governing body or the school principal. All things considered, the Tshwane court ruled that it was the governing body that should be held responsible for the school's finances and not the principal (Mestry, 2004). School principals are accountable to governing bodies for the utilisation of school finances, and the governing body should hold the principal accountable if the governing body permits him or her to utilise such finances (Kgetjepe, 2011; Naidu et al., 2008; Mestry, 2004). The South African legal framework stipulates the obligations and duties of school managers in school financial management. The responsibilities of the school governors will be laid out and discussed in the following section.

2.4.1 Financial management roles and responsibilities of the SGB

Since the introduction of the South African Schools Act (Republic of South Africa, 1996), 1996), SGBs have become liable for a wide range of functions that were formerly the responsibility of the Education Department. The SGB, according to Mestry (2013) and the Eastern Cape Education Manual (2012), is a statutory body that cooperates to enhance the effectiveness and prosperity of the school community and thereby improve both teaching and learning. In addition, SASA 84 of 1996 (Republic of South Africa, 1996), to be specific,

Section 21 specifies particular functions for SGBs regarding the management of schools (Lemmer & Van Wyk, 2010). Among the many functions that they are to perform is the management of finances, which includes the preparation and auditing of financial reports every year (Clarke, 2012). This view is supported in a study conducted by Squelch (1999), who states that since a school is an institute of the state, SGBs are required by law to be responsible for the finances they oversee.

As indicated by sections 42 and 43 of the South African Schools Act (Republic of South Africa, 1996), SGBs are given the duty to keep records of finances received from the state, records of how much was used by the schools, and records of financial transactions, purchased assets, and liabilities, in accordance with the procedures determined by the MEC. The SGB is further expected to draw up an annual financial statement at the end of each financial year with the help of a registered auditing company. The aforementioned responsibilities are confirmed by various authors (Mestry, 2004; Naidu et al., 2008; and Clarke, 2009), who all concur that the SGB of every government-funded school must guarantee that there are appropriate systems and policies set up for the proper, effective financial administration of school finances. Furthermore, the SGB should equally have established frameworks to control and assess the appropriate implementation of such policies and to report subsequently. What I extracted from the above viewpoints is that SGBs have been offered a responsibility to effectively manage school finances, and they are required to perform the functions allocated to them in terms of the South African Schools Act in the interest of the schools. The governing body is required to start by drafting the school budget for the following year. The principal's financial roles and responsibilities will be discussed in the following section.

2.4.2 Financial management responsibilities of the principal

It is a known fact that school principals are by default members (ex-officio) of the SGB; they are also the accounting officers, accounting to both the Provincial Education Department (PED) and the SGB, which indicates that they account for all the activities taking place at schools, including the management of finances (Brijraj et al., 2004). So, when it comes to the management of finances, Clarke (2012) states that despite the fact that the financial management of a school is vested in the hands of the SGB, it is normal and advisable for the SGB to assign some day-to-day duties of managing finances to the school principal and educators. The degree to which the school principal will be engaged with the daily finance-

related administration functions will depend on how big and prosperous the school is. Mavuso and Duku (2014) contend that the principal's responsibility of making sure that the SGB manages the finances in line with the guidelines and provisions of the Schools' Act and in the best interest of all the stakeholders, particularly the learners, is one responsibility he or she cannot abrogate. Apart from this, the school principal is required to ensure that procedures and policies set up by the SGB are passed on to the staff and implemented (Mavuso & Duku, 2014). Although the fund management function of school finances is the SGB's responsibility, it is evident that the role of the school principal is similarly significant where school funds are concerned. Furthermore, principals have a responsibility to encourage and help the governing body in the performance of its tasks relating to the management of finances.

2.5 Finance Organisation

Finance organisation is widely defined, and there seems to be a common understanding of what finance organisation is. Organisation, in management terms is conceptualised as a procedure that involves determining what capacities must be undertaken, who is to carry out those duties, who reports to whom, and who takes decisions and where (Robbins, Bergman, Stagg, and Coulter, 2009). In line with this definition, Thenga (2012), defines finance organisation as an activity directed at consolidating all methods accessible for rendering a service with respect to the finances of an institution. All schools need to have structures created by the SGB that will facilitate effective management of finances and show how administration functions are carried (Mestry and Bisschoff, 2009). According to Naidu et al. (2008), Section 30 of the South African Schools Act (1996), Joubert and Prinsloo (2008), and Mestry and Bischoff (2009), these organisational structures commonly take the form of committees and subcommittees.

2.5.1 Financial committees and sub-committees

Lemmer and Van Wyk (2010) teach us that the entire SGB takes legal responsibility for the budgetary administration of the school. However, it would be unreasonable and difficult for the SGB to do all the administrative work. It is for the above reasons that the governing body is required to establish various committees. According to the prescripts for the financial management of school funds in public schools, the SGB should establish committees to deal with matters of the school and give feedback to the SGB. The South African Schools Act (Republic of South Africa, 1996) validates this view when it specifies that the school governing body, in terms of Section 30, is permitted to set up finance committees and sub-committees

such as fund-raising, a tuck shop, or school fund committees and distribute duties accordingly. All these committees have to organise or resolve issues so that all components integrate well to achieve the ultimate goal (Makrweide, 2012). Further, in the study by Brent and Finnigan (2008), it is noted that the SGB may assign the duties of managing the finances to the FINCOM. The FINCOM has a wide range of important responsibilities to fulfill (Naidu et al., 2008). However, Mestry (2004) emphasises that the most significant functions of the FINCOM are to create and implement a finance policy, develop a financial budget and keep control of it, oversee and approve all expenditures, and guarantee that all acquisitions are done through a precise quotation and tendering process. It is evident from the above viewpoints that the school's FINCOM plays a crucial role in managing the finances.

In addition to the functions that the SGB is supposed to perform, Goodson, Mory, and Lapointe (2012) maintain that FINCOM needs to regularly submit audited financial statements or reports. Evidence from a study conducted in South Africa (Mbatsane, 2006) has shown that auditing is not practicable in certain government-funded schools due to a lack of knowledge. Thus, it is suggested by Mestry (2006) that where individuals from the SGB have little or no financial knowledge, at that point the SGB can request the intervention of a specialist to assist them with the auditing of financial statements. FINCOM must gather regularly, and it is significant for the principal, the treasurer, and the chairperson of the SGB to be present in every single customary gathering about finance-related issues to consistently endorse decisions concerning financial matters taken by FINCOM (Mestry 2004). It has been witnessed in some schools that the school principal, together with the FINCOM, takes decisions concerning finances (Mestry 2004). However, some of the decisions taken were not approved by the full SGB (Mestry 2004). In order to avoid the above-mentioned, the Education Department (2002), in the National Norms and Standards for School Funding (NNSSF) Training Manual 2, specifies that the FINCOM should assign a finance officer who will oversee financial matters on a daily basis. She or he records all transactions, provides reports month-to-month, and keeps the principal, the treasurer, and FINCOM completely up-to-date regarding financial resource matters.

2.6 Control of School Finances

Most of the literature on financial management indicates that control mechanisms and frameworks are necessary to guarantee that opportunities for mishandling of money,

fraudulence, and maladministration are limited and that the finances of the school are utilised for the purpose of achieving the school's objectives (Clarke, 2007). Budgetary control can consequently be accomplished through control mechanisms and frameworks. A few control mechanisms will be discussed in the following sections.

2.6.1 School finance policy

The South African Schools Act makes provisions for the SGB to establish and implement a finance policy that will guide school leaders to control and direct the process toward managing the finances concerning receipting, withdrawals, and expending assets (Republic of South Africa, 1996). However, this policy should be in line with the guidelines and policies of the PED on finances in schools. SASA emphasises that school activities and tasks concerning the utilisation of school finances must be in line with and informed by the finance policy of the school (Western Cape, Republic of South Africa, 2010). In other terms, the policy should contain all processes, responsibilities, and rules for the management of school finances.

According to Mestry and Bisschoff (2009), a school finance policy can be viewed as an instrument illustrating how finances are to be managed in a school. Mestry (2004) maintains this view when he mentions that a finance policy "is an archive with rules and procedures on how finances are to be controlled in schools". In line with the above definition, Johannsen (1995) defines policy as a statement of objectives, commitments, values, or targets that exist as procedures for administration in achieving the organisation's goals (Johannsen, 1995). Naidu et al. (2008) and Van Wyk (2007) are of the opinion that for a school to oversee finances effectively, a school finance policy must be created, approved by all appropriate shareholders, and implemented accordingly; furthermore, the policy must give clear guidance on the duties of the school governing body, the different committees that are in charge of school finances, the treasurer, the financial official, and the SMT. The policy presents methods and systems for how the finances assigned to schools are to be used to serve the school.

The above viewpoints uphold the perspective of Mestry (2011) that the policies guarantee that finances are utilised effectively and according to the rules and regulations of the Head of Department. Thus, it is important that the finance policy reflects the necessities of the school and is fully implemented to avoid the maladministration of school finances (Mestry, 2011). This view is corroborated by Pauw, Woods, Van Der Linde, Fourie, & Visser (2009), who

further contend that a policy should be drafted based on the necessities of the particular school, and the authorities in charge of the administration of finances in the school should have fundamental capacities, with the goal that they become skilled in the roles they are relied upon to complete.

Studies conducted in South Africa by Mestry (2004) and Rangongo, Mohlakwana, and Beckman (2016) reveal that South African schools have finance policies; however, their administrators are not very clear on how to manage finances, and more often than not, these policies are not followed. The finance policies clearly specify the roles and duties of the SGB, SMTs, FINCOM, and finance officers. Together with a failure to follow the policies, it is also revealed that FINCOM members are not sufficiently equipped with the necessary financial capacities or knowledge to manage or oversee finances, and as a result, they fail to effectively implement the finance policies (Mestry, 2004). Finance policies, according to Mestry (2004), should clearly reflect the necessities of the school and be implemented to avoid maladministration and malpractice. The literature above teaches us that schools have finance policies; however, the policies are not effectively and successfully implemented by the school managers because of limited knowledge on how to practice the sound management of finances, and this is what triggers mismanagement, malpractice, and the maladministration of finances in most schools.

2.6.2 Accounting, auditing, and reporting

Accountability and reporting of school finances are the foundations for guaranteeing that schools disburse the finances and resources assigned to them in the learners' best interest. The prescription of the Schools Act designates both accountability and reporting of finances to the governing body and, in that respect, makes accountability and reporting of finances a lawful necessity (Xaba and Ngubane, 2010). Accounting and reporting of finances are, therefore, significant parts of school financial management. Kruger (2003) describes financial accounting in the school setting as a basic part of school financial management and alludes to the processing, examining, and interpreting of the information that is needed if school financial management is to operate efficiently. In another study, Xaba and Ngubane (2010) define financial accountability as a lawful obligation put on a person, group of people, or institution to enlighten how the assets, resources, or financial powers given by a third party have been utilised. Even though accountability is meant to limit the embezzlement and misuse of finances

and power in schools, there are still numerous complaints from various circuits and districts that have not received reports from certain schools (Serfontein, 2010).

Financial statements and budget reports must be easily accessible for examination by all the stakeholders (Naidu et al. 2008; Davidoff and Lazarus 1997) if democracy's principles, particularly honesty, accountability, and openness, are to be maintained (Davidoff and Lazarus 1997). According to Goodson et al. (2012), the principles of honesty, accountability, and openness in this setting articulate the openness of an institution, for instance, a school, to its constituencies. At the same time, accountability alludes to the principle whereby the organisation and the people responsible (governing bodies) are liable for their decisions and actions, as well as their management of finances, and they open themselves to proper external investigation (Goodson et al. 2012). These organisations are legally required to make documents, for instance, statements and fiscal reports accessible on demand. Subsequently, SASA Section 38(3) states that the budget plan of the school must be accessible for examination at the school no less than 14 days preceding a meeting where the budget is discussed. However, Macharia (2002) argues that guardians and parents are kept in the dark about how finances are utilised when schools withhold information about school finances.

Auditing refers to the external finance-related control that contains a complete investigation of an organisation's activities in financial management by an expert from outside that organisation (Xaba and Ngubane 2010). It is noteworthy that an audit is a self-ruling inspection of the archives, for example, minutes of gatherings, a participation register, and departmental letters of an organisation, which leads to a statement laying out the auditor's view on the organisation's state of affairs (Xaba and Ngubane 2010). However, a study conducted by Irungu (2012) discovered that the audit of documents such as financial statements, minutes of gatherings, participation registers, and departmental letters took many years to be completed. According to this author, there was a scarcity of auditors; hence, the government could not pressurise nor rush schools to audit and submit their financial statements (Irungu, 2012). He further revealed that auditors and state officials were paid off or bribed to cover up for schools that had misused their finances.

According to the literature, "financial reporting" means giving a budgetary report on how school finances have been used and, accordingly, indicating how a school is being financed and from which sources (Xaba and Ngubane 2010). Financial reporting thus offers schools an

opportunity to report to various stakeholders, such as the state, the learners, the parents and guardians, and the community at large, and to account for the manner in which they have utilised the finances allocated by the state (Xaba and Ngubane 2010). As a result, governing bodies have an obligation to report to their constituencies about the utilisation of school funds. A governing body's constituency consists of the education department and the school community. Depending upon the situation of the school, a medium of communication (such as newsletters, circulars, and meetings) can be chosen to give reports on financial matters to the parents and the school community. To give reports on financial matters to the Department of Education, monthly or quarterly statement reports need to be submitted. (Kruger 2011). The governing body must be given a final report on the income and expenses for the financial year for confirmation and approval. The same annual report must also be submitted to the learner's parents to comment on and acknowledge (Kruger 2003).

2.7 Challenges of Financial Management

Studies conducted in South African schools by Dossing et al. (2011); Rangongo, Mohlakwana, and Beckmann (2016); The Gauteng Department of Education (2004); The Limpopo Department of Education Government Financial Audit (2010); Mestry (2004, 2006); The Public Service Commission, Republic of South Africa (2011); Vandeyar (2002); and Mngoma (2009) reveal that schools are faced with serious challenges regarding the management of finances since numerous SGB members have little or no financial knowledge and skills. These challenges include:

2.7.1 Relationship between principals and SGBs

It is evident from various studies (Rangongo, Mohlakwana, and Beckmann, 2016; De Bruin, 2014) that, generally, school financial management is ineffective. Among other commonly stated or reported challenges is the fact that school principals do not have decent working relationships with school governing bodies. A study conducted by Mestry (2006a, 2006b) discovered that financial management challenges involved the role of the principal. They portray this as an absence of coordinated efforts with SGB members, with school principals being unwilling to share the duties of school administration in fear of losing their power and deliberately retaining data on the finances of the school. Mosala and Mofolo (2016), on the contrary, suggest that the duty of managing school finances is assigned to the governing body, but the SGB needs to cooperate with the school management team and the school principal to

guarantee that the school's administration activities are informed by the needs of the school and are entwined with the objectives. Furthermore, according to Mosala and Mofolo (2016), school principals are supposed to be the link between the SGBs and SMTs, not the obstacle, because the duties of these two structures are coherently related (Mosala and Mofolo, 2016). Research (Mestry 2006a, 2006b), however, suggests that schools experience challenges in dealing with their funds effectively because of a lack of cooperation and toxic relationships between principals, SMTs, and SGBs, and managers who fail to understand that numerous financial management activities need the application of positive standards and input from all stakeholders.

2.7.2 Insufficient monitoring and lack of proper reporting

Various policies (SASA, PFMA, financial management manuals, etc.) evidently present methods and systems on how the finances assigned to schools are to be used to serve the schools. Among those systems is the method of properly reporting and monitoring school finances to prevent maladministration, mismanagement, fraud, and exploitation. However, it has been reported that schools are incapable of using the provided methods and systems to effectively manage school finances. Xaba and Ngubane (2010) discovered that schools only monitored the finances for purposes of reporting to the districts and not necessarily for purposes of ensuring accountability. The above statement is in line with the report by the National Audit Office of 2007, which uncovered that there were shortcomings that were reported in schools, particularly township schools, which included insufficient monitoring of actual expenses against planned expenses and a lack of proper reporting (Chaka, 2005). Shortcomings identified by the auditors in the report were connected to inconsistent reporting and poor monitoring. According to the report, these shortcomings trigger the risks of finance embezzlement, inadequate teaching and learning materials, and poor documentation of the use of finances, and according to Chaka (2005), it is because school managers do not have a grounded comprehension of proper financial management, which is an important facet of school management. Moreover, Mestry and Naidoo (2009) express that there are primarily four reasons why schools do not have the important skills required to monitor and control their finances. These studies and reports are demonstrative of the challenges faced in reporting and monitoring finances in schools and, based on the argument raised by the above authors, it can be concluded that negligence and insufficient reporting and monitoring led to maladministration and mishandling of school finances.

2.7.3 Lack of transparency and honesty in decision-making.

It is common knowledge that school financial management must be carried out in accordance with the provisions of the Constitution. According to the Batho Pele White Paper (Department of Public Service and Administration, Republic of South Africa, 1997), "all stakeholders should be informed about how national and provincial organisations and institutions are operated, how all decisions are reached, as well as who is responsible." This suggests that all interested parties should be informed of how monetary issues are managed and who is accountable for school financial planning, regulation, and reporting. In this way, governing bodies are anticipated to administer the finances of the school according to the values founded in the Constitution, specifically fairness, honesty, and openness (Uwizeyimana and Moabelo, 2013). However, Xaba and Ngubane (2010) discovered that when school budget plans are being prepared or drafted, there is frequently a lack of honesty and transparency in processes, decision-making, and the preparation of the budget, probably because of a lack of capacity.

2.7.4 Weak accounting control mechanisms and poor budgeting.

Accountability and reporting of school finances are the foundations for guaranteeing that schools disburse finances and resources assigned to them to foster the learners' best interests. Accounting and reporting of finances are, therefore, significant parts of school financial management. Even though such accountability is meant to limit the embezzlement and misuse of finances and power abuse in schools, there are still numerous complaints from various circuits and districts that have not received reports from certain schools (Serfontein 2010). An investigation conducted by Mobegi, Ondigi, and Simatwa (2012) discovered that poor budgeting and accounting control systems in schools were the most dominant causes of maladministration, mishandling, fraud, and exploitation and the misuse of finances. According to the above-mentioned authors, treasurers and finance officers were generally unfit, unqualified, unskilled, and consequently incapable of preparing financial records or accounts, and on the other hand, educators were not in a position to identify loopholes and irregularities in financial statements and records whenever prepared by the treasurers or finance officers. They further disclosed that because of the incompetence of educators, finance officers, and treasurers, schools took their financial books to qualified and skilled accountants to help them prepare their financial records (Mobegi, Ondigi, and Simatwa, 2012). Additionally, Mobegi, Ondigi, and Simatwa (2012) noted that late transactions by the government are among the

major factors that contribute to poor management of finances in schools. Whereas Ngubane (2010) believes that the primary cause of maladministration, mishandling, fraud, exploitation, and misuse of finances is attributed to the inability and incapability to perform financial reporting and accounting activities in schools, Siringi (2002) posited that mismanagement and misappropriation transpired, more particularly at the secondary school level, because large amounts of money were subjected to insignificant accounting techniques and a lack of legitimate systems for making the people in charge of finances liable.

2.7.5 Low literacy rate, lack of necessary financial knowledge, and inadequate training.

In relation to the challenges that are faced by some of the schools regarding financial management, Rangongo, Mohlakwana, and Beckmann (2016) emphasise that a low literacy rate among SGB members, a lack of necessary financial knowledge, and inadequate training by the Department of Education all contribute to the malpractice, mismanagement, and maladministration of finances in schools. The above-mentioned research finding is supported by Mestry (2004, 2006), who indicates that principals and SGB members are not satisfactorily furnished with the important financial abilities or information to oversee or administer the school finances. In support of what Mestry (2004, 2006a, 2006b) argues regarding the lack of training of the people responsible for finances in schools, Vandeyser (2002) claims that numerous SGB members have parents who have little or no financial knowledge or skills. In the same study (Vandeyser, 2002), it is indicated that numerous governing bodies do not have the required capacity to manage the finances of the school, and as a result, both the principal and the SGB are found switching or confusing roles. A study conducted by Mito and Simatwa (2012) in Bondo, Kenya, revealed that account clerks were generally unqualified and incapable of organising, arranging, and preparing records of accounts. Hence, the absence of financial management capacities is a cause of excessive concern in many schools (Xaba and Ngubane, 2010). This finding concurs with that of Mosala and Mofolo (2016), who established that in certain schools, the understanding or knowledge of budgeting as part of financial administration is deficient or insufficient. The above perspective is in line with Maile (2002, referred to in Xaba (2011)), who posits that the problem of inexperience and illiteracy among members of the SGB, specifically parent governors, is a restraining component for schools to effectively administer their finances (Maile, 2002, referred to in Xaba (2011)). The fact that numerous parent governors are reportedly illiterate (Bush and Heystek, 2003) makes it difficult to communicate with them through emails and other mediums of communication. The only

way of communicating is through meetings, which are rarely attended (Duma, Kapueja, and Khanyile, 2011). Mestry and Grobblers (2006) affirm the above when they mention that South Africa has a lack of governors with good management capacities and abilities. Governors (Mestry and Grobblers, 2006) lack the skills to deal with financial matters, prompting embezzlement and maladministration of finances. A lack of capacity among parent governors and incompetence among finance officers and treasurers is a serious challenge that heavily influences and contributes to poor financial management, which negatively affects the overall management of most schools.

2.8 Emerging Issues: Current Scholarship and Gaps

Firstly, on a review of school financial management, the following issues emerged:

- The majority of South African literature focuses on the financial management of township schools. Financial management has been identified as a significant concern in South Africa's public schools. According to many researchers (Mahlangu, (2008); Ahmed and Ahmed (2012); Talane and Pillay, (2013); Makiri, (2014); and Pather, (2015)), schools face financial management challenges. Anti-corruption organisations such as Corruption Watch (2012, 2015) and the Public Service Commission reveal that despite community efforts to combat financial maladministration, it persists in South African schools. The research has mostly concentrated on historically disadvantaged schools in quintiles 1–3. Financial management at wealthy schools is an underserved but critical topic of educational leadership and management study.

Secondly, on a review of the literature on the financial management roles and responsibilities of SGB members in affluent schools, the following issues emerged:

- Studies (Mestry, 2004; Rangongo, Mohlakwana, and Beckman, 2016) reveal that South African schools have financial policies, and these policies clearly specify the roles and duties of the SGB, SMTs, FINCOM, and finance officers. However, these policies are not followed to the letter, which leads to SGB members confusing roles and responsibilities (Mestry, 2004). The above-mentioned studies have looked at traditional schools in quintiles 1–3. This research focuses on affluent schools in quintiles 4-5, and it has been discovered that the schools have policies that are clear as to who is responsible for certain financial management tasks, and these policies are followed or implemented when managing finances.

Thirdly, on a review of the literature on the financial management control mechanism of SGB members in affluent schools, the following issues emerged:

- According to research done in public schools in townships (Mobegi, Ondigi, and Simatwa, 2012; Siringi, 2002; and Ngubane, 2010), inadequate financial management controls in schools were the main reasons for poor management, mismanagement, fraud, and exploitation and abuse of funds. Huge sums of money were subjected to weak accounting procedures, which led to mismanagement and embezzlement, and there were no effective processes in place to hold those in charge of the finances accountable (Mobegi, Ondigi, and Simatwa, 2012; Siringi, 2002; Ngubane, 2010). In wealthy schools, the root causes of financial mismanagement have gone unaddressed.

The research on affluent school financial management is insufficient to function as a complete guide for SGBs wishing to improve school financial management. The constraint is that the majority of research is carried out in areas that are comparable and that the majority of literature comes from public township schools. For instance, a lot of the literature on financial management in South Africa discusses research conducted in quintile 1–3 public township schools. However, I contend that the literature that is accessible in the South African context is a crucial step in revealing the gaps, obstacles, and possibilities that schools currently face in carrying out their necessary functions and obligations regarding financial management.

2.9 Conceptual Framework

This study used the functions of management as its conceptual framework. As indicated by Hellriegel, Jackson, and Slocum (2007), management incorporates the activities associated with coordinating an association or organisation. Hellriegel et al. (2005) remark that management includes planning and carrying out plans, completing things, and working adequately with other individuals. Brevis and Viba (2002) agree when they express that the term "management" alludes to getting things done successfully and effectively through and with other individuals. The "things" incorporate the assets and resources of the organisation in a manner that allows the school to accomplish its objectives. De Beer and Rossouw (2005) concur that management is the process of using an organisation's assets or finances to accomplish explicit goals through the elements of planning, leading, organising, and controlling. Management of finances rests on four primary pillars, to be specific: planning,

leading, organising and controlling. I used these concepts to understand the management of finances in affluent schools.

2.9.1 Planning

Planning is the beginning stage of the management process. It is an essential component of management that determines in advance what the school needs to accomplish and how these objectives can be achieved. Planning includes every one of the management activities that deal with the school's objectives and determine how these can be accomplished (De Beer and Rossouw, 2005). With regards to this research, it related to the planning of finance-related matters at a school. Financial planning might be viewed as a cycle that incorporates the creation of policies and procedures, the determination of both long- and short-term priorities, the arrangement of service delivery, reflecting such plans in the finance distribution, and the supervision of the outcomes (Makrwede 2012). Hence, financial planning is a significant element of sound finance-related administration since it gives a school a perfect view of how to use its finances (Cole and Kelly, 2011). This view is supported in a study by Nel (2000), which emphasises that planning is the most significant component of any activity and that without it, there will be no objectives toward which the staff can work. Section 16 of the SASA Amendment Act (Republic of South Africa, 1996) specifies that schools must prepare, plan, and organise in such a way that it reflects both the focused-on targets of the school and, furthermore, how it plans to accomplish the ideal objectives (Makrwede, 2012). Thus, planning involves asking questions such as, "For what good reason, what, when, where, who," and "how?" The responses to these inquiries will at that point determine the way forward (Makrwede, 2012). Regarding the planning of finances for a school, the SGB has to ensure that goal setting is aligned with the vision of the school since it makes it much easier to plan (budget) and work towards the desired outcomes (quality education). The SGB needs to plan for the following year in the third term because, at that time of the year, they already know what the school needs. When well-adjusted goals are set, the evaluation of progress is easy, and even when some objectives have not been met, progress still occurs.

2.9.2 Organising

According to Strydom (2008), organising is about coordinating activities so that goals can be accomplished. Similarly, Thenga (2012) defines organising as an activity directed at consolidating all methods accessible for rendering a service concerning the finances of an

institution. Mestry and Bischoff (2009) emphasise that all organisations need to have structures created by the SGB that will facilitate effective management of finances and show how administration functions are carried out in a school. Thus, organising is primarily concerned with the classification and designation of activities and the determination of an employee's obligations and duties (Mestry and Bischoff, 2009). Hellriegel et al. (2005) further state that organising is the course toward deciding where decisions will be made, who will perform what duties and tasks, and who will answer to whom. Smit and De Cronje (2004) suggest that the organising procedure includes dividing the work of the institution, distributing it coherently to specialty units, departments and areas, assigning authority, and building up coordination, correspondence, and data frameworks to guarantee that everybody is cooperating to accomplish the objectives of the organisation.

The task of partitioning the work and apportioning obligations is alluded to as the plan of the organisational structure. As indicated by Smit and De Cronje (2004), organising is the way toward making a structure for the organisation that will empower its staff to work adequately towards its vision, mission, and objectives. Organising school finances adheres to the above structures. The finance committees are set up so as to satisfy the organising task of finance-related management at the school. These committees are structures created to ensure effective use of the allocated finances, so as a result, it is significant for schools to establish committees to carry out various duties. In line with this concept, the study sought to find out what structures are put in place by affluent schools to manage finances and how these structures contribute to the process.

2.9.3 Leading

Lewis, Goodman, and Fandt (2004) declare that managers must have the capability to lead their subordinates towards the achievement of the organisational objectives. Leadership, as indicated by Yukl (2002), is the procedure of impacting other individuals to comprehend and concur concerning what should be executed and how it may be done successfully and encouraging everyone and joint endeavours to achieve common goals. From this meaning of leadership, it follows that there must be individuals who use their power and capacity to impact others. Fapojuwo (2002) considers leadership to be the capacity to control, lead, direct, or impact one's group to achieve shared objectives or functions. This infers that leaders can influence others to accomplish results.

Hargreaves, Boyle, and Harris (2014) emphasise that to be prosperous leaders, managers must comprehend the elements of individual and group conduct and be able to inspire. Leadership is a significant achievement factor and determines the future of an institution such as a school. The leadership style that the leader adopts will determine the climate, qualities, development, and improvement of subordinates. For leaders to be powerful, they should develop their very own authority practice and brand of leadership, since schools are unique from other organisations (Moloi, 2005). The governing body chairperson and the principal play leading roles as far as the leadership provided in the budgetary issues of the school. The principal and the chairperson of the SGB need to set a clear vision and ensure that the finances are properly in line with the vision and work lucidly to the advantage of the school. It implies that the individuals chosen to be the leaders have sound knowledge regarding the management of finances, and that is the reason why they need to consistently endorse decisions concerning finance matters taken by FINCOM. Likewise, this study sought to understand how those who lead financial management in affluent schools do it and how they persuade others to follow the parameters they have set. The study further sought to understand who leads these processes within the context of affluent schools.

2.9.4 Delegation

One of the most challenging aptitudes that an effective manager must have, is the capacity to delegate efficiently (Lewis, Goodman, & Fandt, 2004). As indicated by Corwin (2005), delegation is a basic system that numerous new administrators, for example, principals, might find challenging to put into practice, yet it is a powerful method to save time and improve leadership capability in all spheres inside the school. Delegation alludes to the process of transferring the obligation for a particular task to another individual from the organisation and empowering that person to achieve the task successfully. The FINCOM, as a delegated committee of the SGB, regularly deals with the finance part of a school (Corwin, 2005). Delegation is a broad approach that spreads across the diverse structural positions and departments of a school. Since it is impractical for the SGB to perform all the duties, the SGB needs to set up committees and share obligations and duties amongst various committees that act on various levels within the school to guarantee production and effectiveness. With regard to financial resources, the SGB needs to delegate all the financial activities and duties to the FINCOM, which is set up specifically for finance-related management.

2.9.5 Control

Nel (2000) clarifies that control is the function of ensuring that activities are carried out according to plans and models while managing any deviations that need remedial action. Control is undertaken at various stages, and it is an ongoing procedure to guarantee that things are still on track as arranged. Control is practiced when the management guarantees that its arrangements and plans are carried out. A management function framework is utilised to monitor and quantify employees' performance and to compare this performance with the set norms and goals (De Beer and Rossouw, 2005). With regard to control of financial resources, the principal as leader, as well as the SGB need to utilise all the administration standards to effectively deal with the finances of a school. Since the SGB is in charge, they need to investigate and control the finance-related administration in their school weekly or monthly to ensure that the finances are utilised in the correct manner and in line with the guidelines of the HoD.

So, one of the strategies used to control finances of the school is auditing. Each government-funded school in South Africa is legally required to have its books of account reviewed and audited each year. The reason for reviewing and auditing is to guarantee that the school is recording and monitoring its finances in terms of its financial policies and to guarantee that the school is meeting the legitimate necessities of the South African Schools' Act of 1996 and the National Norms and Standards for School Funding of 1998 (Republic of South Africa, 2005). The South African Schools' Act instructs that the SGB should hire an independent, qualified individual who is not part of the school staff or SGB to review the books every year (Republic of South Africa, 1996). The appointed auditor needs to check archives, for example, minutes of gatherings, a participation register, and departmental letters, to perform legitimate auditing services (Republic of South Africa, 2002). With regard to the financial management of schools, the SGB needs to review, assess, evaluate, and audit the financial statements of schools toward the end of each financial year as recommended by the law and submit them to their respective districts. They further need to ensure that the submitted and reviewed financial statements are drawn from the month-to-month or week-by-week budget reports, exhibited to the learners' parents and guardians in yearly general gatherings, and submitted to the Education Department every year.

2.9.6 The relevance of this framework to this study

Through this framework, I hoped to understand how affluent schools engage in planning, what kinds of activities they include in the planning, and what kinds of financial policies and procedures are put in place to determine both long- and short-term priorities for the school. With regard to organising, this framework seemed relevant to the study since it assisted me in examining the types of structures created by the school governing body to facilitate effective management of finances and how the administration functions are carried out in these schools. Concerning leadership, I hoped to identify who the leaders are, what qualities they have, and how they influence other individuals to comprehend and agree what should be executed and how it might be done successfully, while also encouraging everyone in joint endeavours to achieve common goals. Lastly, with regard to control, this framework seemed relevant to the study since it assisted me in examining the type of control measures put in place to ensure that activities are carried out according to the plans and models of the school. Since controlling is an ongoing procedure, this framework seemed relevant in that it assisted in finding out how these schools continuously exercise control to guarantee that things are still on track and that plans are carried out, and how the principal, as a leader, as well as the governing body, as a body, utilise all the administrative standards to effectively deal with the finances of a school.

2.10 Chapter Summary

This chapter explored the existing literature on the management of school finances. School financial administration is the primary duty of governing bodies, and, subsequently, the whole administration of schools was investigated as far as the structure and responsibilities of governing bodies are concerned. The chapter then discussed financial administration in the school setting in relation to the techniques required to oversee funds adequately and proficiently. Key administration tasks for efficient financial administration, including but not limited to the following, were investigated: financial organisation, auditing and reporting, school budget, observing and controlling, challenges of financial management, and lastly, legitimate systems important to the administration of finances.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The purpose of this study was to investigate financial management in selected affluent schools in the Gauteng province, as well as the financial management policy frameworks that are put in place to effectively manage finances, the roles different stakeholders undertake in the process of managing finances, and lastly, the challenges these schools face when managing finances and how they resolve them. Therefore, this chapter discusses the overall methodology of the study used to achieve the goals and aims highlighted in Chapter 1.

3.2 Research Paradigm, Approach, and Design

3.2.1 Research paradigm

This study utilised an interpretive paradigm. According to Maree (2007), an interpretive paradigm is concerned with understanding the subjective worldviews and experiences of people. This paradigm, according to Maree (2016), suggests that members involved in research determine what reality is. In support of the above claim, Chilisa and Kawulich (2012) see the interpretive paradigm as precise and comparative, implying that the study will be grounded in different subjective perspectives and experiences. Following the points above, this paradigm was used to explore how those involved in financial management describe their experiences regarding financial management in affluent secondary schools in the Gauteng province. Since this paradigm allowed me to acquire a better understanding of individuals in their settings (Rubin and Babbie, 2010), a qualitative approach was utilised to deduce the detailed meaning that emerges through interviews, to understand the viewpoints of the SGB members on the management of financial resources.

3.2.2 Research approach

This study adopted a qualitative research approach. Maree (2016) and Punch (2013) characterise qualitative research as "any type of research that produces discoveries not arrived at by measurable procedures or other means of quantification." It can refer to research about people's lives, feelings, experiences, and behaviours (Neuman, 2014). In relation to the above, this study sought to investigate how affluent schools manage their finances, which is about the lives and experiences of those working in these schools. Specifically, the study aimed to

discover, by way of interpretative analysis, how affluent schools manage their finances. The reason for this was to explore complex details about phenomena such as emotions, manners of thinking, and feelings that are hard to learn about or extract through research that uses more traditional experimental and quantitative methods (Maree, 2007). It is believed to be difficult to comprehend the perceptions of SGB members about how affluent schools manage their finances using a quantitative methodology; however, qualitative research allows a platform to comprehend and interpret the meaning of the thoughts and behaviours of SGB members around finances (Punch, 2013). This method enabled me to gain a better and more profound understanding of the actual life experiences and points of view of the SGB members of financial management and, in addition, answer the basic questions of this study (McTighe, 2013).

3.2.3 Research design

In this study, I utilised a case study design. A case study is described as "an instrument that gives multi-perspective analysis in which the researcher considers not only the viewpoint and voice of two or more participants in a situation but also the perspectives of other relevant groups of actors and the interaction among them" (Maree, 2015:111). According to Yin (2014), "case studies underline the detailed contextual analysis of a confined number of occasions or conditions and their relationships." Case studies assist in analysing real-life situations and the reasons why certain phenomena happen in the way that they do, utilising a small population scale (Garvis, 2015). This method was especially important for this study since it aimed to look at selected schools (affluent secondary schools) in Gauteng and how they manage their finances; the different roles played by the various stakeholders in finance management; and lastly, policies put in place to effectively manage finances, as well as what affluent schools do differently with respect to financial management. According to Maree (2015), a case study's key strength is the utilisation of various techniques and sources in the data gathering process. Based on what Maree (2015) states, I chose in advance which information, data, and evidence to gather and what analysis strategies to use with the data to answer the research questions.

3.3 Methodology

3.3.1 *Selection of participants and schools*

To select schools and participants, I used purposive sampling. Sampling is normally referred to as a procedure used to choose a quota of participants in a study (Maree, 2015). In other

words, sampling is the procedure of identifying and choosing a population to use for a study, and the choice of a suitable method depends upon the aim of the study (Marshall & Rossman, 2011). According to Silverman (2011), in purposive sampling, the researcher utilises uncommon knowledge or expertise about particular groups to choose subjects who represent this population. As Patton (2002, p. 242) in Macmillan and Schumacher (2010, p. 318) have put it, "purposive sampling is choosing data-rich cases for in-depth study." Macmillan and Schumacher (2010, p. 318) further explain, "Samples are selected since they are likely to be informative and knowledgeable about the phenomena the researcher is investigating." The main purpose of the purposive selection of these participants and schools depends on the fact that the researcher will be able to acquire rich data (Creswell, 2012) and be able to answer the research question. Thus, this sampling method was perfect for this study because it not only incorporated the participants but also the areas, proceedings, and how I gathered information.

The study was conducted at four selected affluent secondary schools in the Tshwane North district in Gauteng province. This district consists of 15 affluent schools. Of these 15 schools, seven are primary schools, and eight are secondary schools. Of the eight fee-paying affluent secondary schools, four were purposefully selected because they were considered relevant to the study by being holders of the necessary data that was required to answer the questions at hand. The four schools sampled were convenient since they were all close to where I lived. Secondly, they had good facilities and infrastructure, which indicates that funds are properly used to improve the school. Thirdly, they had good performance records.

Since SGB members and school principals of these selected schools were the ones in charge of the management of finances and would know about how finances in these schools are managed, their participation in this regard was extremely useful and informative. They are also familiar with the financial management policies that are used and the roles of different stakeholders in the process of managing finances. It is for this reason that I chose the SGB treasurers, members who are part of the FINCOM, and the principals with the intention of deriving an understanding of the management of finances. The premise of this determination is that being part of the SGB, particularly the FINCOM, and these individuals would have watched the trend of how finances are managed in their schools. The sample size, therefore, consisted of the school principal, SGB treasurer, and a finance officer from each of the selected schools, for a total of 12 participants. Information accumulated from the selected members of the FINCOM was utilised to answer the questions of this research.

3.3.1.1 Convenience sampling

Another sampling method used in this research was convenience sampling. Convenience sampling was utilised in this research as a result of limitations in resources, funds, and time. As highlighted by Maree (2015:79), convenience sampling (also known as availability sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study. Creswell (2012) and Neuman (2014) concur that in this kind of sampling, the choice of the sample population depends on whether the sample is promptly accessible, advantageous, and simple to reach, and it speaks to a few qualities the researcher is interested in. Babbie (2005) alludes to this process as "dependence on accessible subjects." Newby (2011) agrees that convenience sampling is the utilisation of information sources that simply happen to be near the researchers. Convenience sampling refers to sampling those who are not difficult to find (Walter, 2013:110; Cohen et al., 2007). In agreement with Walter (2013), the attractiveness of convenience sampling is based on the simplicity and inexpensive nature of information gathering. The last motive was the reason I deliberated when preparing the sampling procedure. This sampling method was suitable for this study since it allowed me to sample nearby places and discover suitable participants. This method was used to sample schools that were not far from where I lived in order to save money and time.

3.4 Data Generation

"Data collection is the process of collecting and measuring data on targeted variables in an established systematic fashion, which at that point enables a researcher to answer significant questions and assess results" (Maree, 2015, p. 156). For a qualitative research method of gathering information, researchers often interact with their participants separately or in groups. To explore financial management in affluent schools in Gauteng province, South Africa, data was gathered using tape-recorded, semi-structured interviews and document reviews.

3.4.1 Semi-structured Interviews

Interviews were utilised to gather information. As described by Maree (2007, p. 87), an interview is "a two-way dialogue between two or more people in which the interviewer questions the interviewee to gather information and learn about the thoughts, convictions,

perspectives, and practices of participants." An interview is important because it allows the researcher to gain valuable insight into participants' experiences, perspectives, sentiments, and feelings, which require in-depth examination (Denscombe, 2010). Newby (2010) adds that interviews can be conducted with one or more people on a cooperative basis. As noted by Nieuwenhuis (2006, p. 77), the key aim of qualitative interviews is to "see the world through the eyes of the participants," and the interviews "can be a significant source of data whenever utilised effectively." Cohen, Manion, and Morrison (2011) are of the belief that interviews offer detailed and valuable data as well as being an adaptable tool for information gathering.

Twelve semi-structured interviews were conducted in this study. McMillan and Schumacher (2010) say that "semi-structured queries offer no choices from which the participants choose an answer." Rather, the query is formulated in such a manner that it allows for responses from individuals. "It is an open-ended question yet is genuinely precise in its plan" (McMillan and Schumacher, 2010). This type of interview is significant because a researcher can ask follow-up queries to explore a perspective and is likewise allowed to clarify individuals' understanding and answer inquiries (Newby, 2010). Creswell (2012), in support of what Newby (2010) stated about interviews, agrees that in qualitative research, a researcher asks open-ended questions with the goal that the participants can best voice their experience unconstrained by any viewpoints. Over the course of this research, I conducted one-on-one interviews with the participants. Creswell (2012) defines one-on-one interviews as "information-gathering procedures in which the researcher asks inquiries of and records responses from just a single participant in the research at a time." A one-on-one interview was important for this study since it allowed participants to express themselves and their perspectives without fear. The interviews were 45 minutes to an hour long and were conducted in schools. However, for whoever wished to be interviewed outside the school premises, arrangements were made. The interviews were conducted in whatever language the participants felt comfortable with; however, we encouraged them to communicate in English. The decision to encourage the use of English was because it the medium of instruction in all the schools that were sampled, it was believed that all staff in these schools understood English. All schools had English either as a home language or as a first or second additional language.

3.4.2 Document review

The second method utilised to gather data was document review. Birley and Moreland (1999) define document review as a typical method that allows for the review of different kinds of documents for an organisation or business. They further contend that these documents can be either official or non-official. McMillan and Schumacher (2010) suggest that information can be accumulated from legitimate archives and records such as minutes of gatherings, finance policies, and school budget plans. The aforementioned documents portray capacities and qualities, and how different individuals characterise the organisation. Document review is useful in this study because documents are rich sources of information for educational researchers. Punch (2009) supports this view when he states that researchers could use archives such as journals, articles, autobiographies, proposals, and policies to understand the phenomena under study.

Documents included in this research were school budget plans, weekly financial records, financial resource policies, audited financial statements, deposit and cashbooks, check books, and procurement slips. The document review was important for this study because it enabled me to compare the participants' interview responses with the data from the documents. Furthermore, it eliminated bias and contrasting responses from interviews. Financial policies, gathering minutes of the SGB where finances were discussed, gathering minutes of the FINCOM, and money-related records were evaluated, analysed, and interpreted in this research to understand how finances are managed in these schools. I was aware of the fact that these types of documents are confidential; however, I needed them to compare the participants' responses with the information in the financial resource documents. I negotiated with the school principals and SGBs to grant permission to use the school's financial records and statements.

3.5 Data Analysis

Data analysis is the systematic organisation, synthesis, and explanation of data gathered with the goal of understanding rather than predicting data in terms of participants' perceptions of the phenomena in question (Cohen et al., 2018). According to Kaluwich (2004), data analysis is a process that involves making meaning of raw data by summarising and categorising it, as well

as by recognising patterns and themes that emerge. In this study, data from semi-structured interviews and document reviews were analysed using an inductive thematic method.

3.5.1. Inductive thematic method.

According to Nowell, Norris, White, and Moules (2017), an inductive thematic method consists of detecting, structuring, summarising, and reporting themes revealed in the collected data. This method is useful for breaking down large volumes of data into manageable chunks (Castleberry & Nolen, 2018). A thematic analysis examines all of the collected data to identify reoccurring common events, and major themes are determined from all of the viewpoints indicated in the data (Patton & Cochran, 2002:23). According to Patton and Cochran (2002:24), the major stages of a thematic analysis are as follows: reading and taking notes on the transcripts; identifying themes; developing a coding framework; and coding the data. The next sections explain how these processes were performed in this investigation.

3.5.1.1 Read and make notes on the transcripts

Reading and note-making were the first stage of this data analysis after the data collected from the semi-structured interviews had been typed into a word program. The transcripts were studied repeatedly in order to organise and make sense of the data (McMillian & Schumacher, 2014:399).

3.5.1.2 Develop a coding structure

According to Neuman (2011:512), a coding structure serves three purposes: to make it easier to spot emerging themes quickly; to help the researcher uncover topics in prospective open-coding; and to utilise the list to create a universe of all the themes in the study. By assigning different colours and numbers to the meaning units within the data, we were able to identify similarities, contrasts, categories, themes, concepts, and ideas in this study.

3.5.1.3 Code the data

According to Nieuwenhuis (2016), coding is the act of carefully examining every word of every transcription of data and combining it into the appropriate units. To make coding easier, the acquired data was logically grouped into usable units. To give context to the study's results and conclusions, the data was carefully examined, divided into categories, reviewed often, and continuously coded (Nieuwenhuis, 2007:101).

3.5.1.4 Identify the themes

At this stage, the common emerging words, phrases, patterns and themes were summarised to assisted understanding and interpretation (Nieuwenhuis, 2007:100). It was useful to identify a few general themes and sub-themes which aided interpretation.

3.5.2 Document analysis

Document analysis was the second data analysis method employed. Document analysis, according to Bowen & Glenn (2009), is a methodical process for reading through and assessing documents, both printed and digital. Document analysis requires data to be reviewed and evaluated in order to elicit meaning, gain insight, and provide empirical knowledge, much like other analytical approaches in qualitative research (Corbin and Strauss, 2008). Without the researcher's input, text (words) and images have been captured in documents. Merriam (1988:118) adds that papers of all kinds can aid the researcher in finding meaning, gaining comprehension, and coming up with ideas pertinent to the study subject. Bowen (2009:29–30) outlines the four distinct roles that the research study's documentary material served to help the researcher analyse documents pertaining to financial management.

- Firstly, documents can provide data on the context within which research participants operate. Documents provide background information as well as historical insight. Such information and insight can help researchers understand the historical roots of specific issues and can indicate the conditions that impinge upon the phenomena currently under investigation. The researcher can use data drawn from documents, for example, to contextualize data collected during interviews (Bowen, 2009:10).
- Secondly, information contained in documents can suggest some questions that need to be asked and situations that need to be observed as part of the research. Document analysis helps generate new interview questions. I demonstrated how one method can complement another in an interactive way. Interview data helped focus specific participant observation activities, document analysis helped generate new interview questions, and participant observation at community events provided opportunities to collect documents (Goldstein & Reiboldt, 2004:. 246; Bowen, 2009:30).

- Thirdly, documents provide supplementary research data. Information and insights derived from documents can be valuable additions to the knowledge base. In the study of financial management in affluent secondary schools in Gauteng Province, I used acts and other legislative documents, and departmental NNSSF self-evaluation data to supplement data gained through interviews. Minutes and memos written by participants in the SGB meetings were analysed as a supplement to interview data. Document analysis was used to supplement data from other sources, such as semi-structured interviews and document review, as they developed a number of case studies.
- Lastly, documents can be analysed as a way of verifying findings or corroborating evidence from other sources. If the documentary evidence is contradictory rather than corroboratory, the researcher is expected to investigate further. When there is convergence of information from different sources, readers of the research report usually have greater confidence in the trustworthiness (credibility) of the findings.

Bowen & Glenn (2009:27) define document analysis as a systematic procedure for reviewing or evaluating documents—both printed and electronic material. Documents used in this study included financial management prescripts and other relevant documents. The following copies of documents were also requested from the four selected affluent schools for analysis:

- Finance committee minutes
- Monthly/quarterly financial reports
- 2020 school budget
- Deposit books, cashbooks and cheque books
- Procurement slips
- Audited financial statements.

The usage of the aforementioned materials was requested from the principals, and I checked them for completeness and suitability for addressing the study questions. Regarding that, I wrote down the details from the documents. I was able to better grasp the financial management of particular affluent secondary schools owing to a careful, methodical analysis of the documents. Documents were very helpful in pre- and post-interview situations with the participants, in addition to adding context richness to the research. The participants were questioned more and more in-depth about the documents that were provided. I adopted Babbie

and Mouton's viewpoint (2007: 288). Document analysis helped to validate the information gained from interviews. Documents provided a clear indication of whether funds are effectively and efficiently managed in the sampled schools or not. The roles various stakeholders undertake in managing school finances in affluent schools; the policies affluent schools put in place to manage finances; and how these policies contribute towards effective financial management; how affluent schools ensure that there is collaboration and no role confusion among members of the SGB; how policies assist affluent schools in managing finances effectively; the measures affluent schools put in place to combat mismanagement of school finances; and the challenges affluent secondary schools encounter in managing finances were all analysed through document analysis. With the assistance of the principals as gatekeepers, I managed to access these documents. They stated that none of these documents were to leave the school premises due to their sensitivity.

3.6 Trustworthiness

How the inquirer can convince an audience that their findings are worth paying attention to and that the research conducted is of high quality is the basis of trustworthiness (Maree, 2007; Babbie & Mouton, 2007; Schwandt, 2007). "Trustworthiness incorporates credibility, confirmability, applicability, and dependability, and these are developed to parallel the traditional criteria of inquiry of external and internal validity, neutrality, and reliability" (Maree, 2015: 112). In this section, I discussed the various quality criteria and how he employed them in the study.

3.6.1 Credibility

Credibility aims to show that the inquiry was conducted in a manner that ensures the subject was accurately described and identified (De Vos, Strydom, Fouch, & Delport, 2002). Credibility, in the opinion of Babbie and Mouton (2007:277), is attained by practices like extended engagement, which refers to being in the field until data saturation occurs, and member-checking, which refers to going to the source of the information and verifying both the data and the interpretation. Credibility ensures that the phenomenon that the researcher intends to explore is actually explored.

In this study, I established credibility by applying triangulation to the methods of data collection and analysis; this enabled me to ascertain if there were any gaps in the research

findings. At this stage, the data was considered and analysed carefully. This allowed for the identification of consistent trends in the data findings. Considering the data carefully and identifying the trends, inferences were made concerning the findings. At this stage, I aimed to draw inferences about the ways in which SGB members viewed the management of finances in their school. I made written notes throughout interviews and when analysing documents to further support the study's credibility. I also audio-recorded interviews to ensure the correctness of the transcripts. The ongoing advice and suggestions I received from the supervisor throughout the research, whether in the form of written feedback on the work done or online sessions, furthered its legitimacy.

3.6.2 Transferability

Transferability can be described as the extent to which the findings of a study can be applied in other contexts (Babbie and Mouton, 2007). In order for findings to be transferable, the researcher needs to ensure that he or she provides a complete understanding of the context being studied. It is from here that the audience can explore the research to ascertain whether or not it can be transferred into the setting of their study (Maree, 2016). It was the researcher's responsibility to paint a complete picture of SGB views and experiences on the management of finances in schools. By making use of thick descriptions, I was able to provide a full and purposeful account of the participants, the context of the study, and the research methodology employed. In doing so, readers can make their own choices about transferability (Maree, 2016), but case studies by intention are not designed to be generalised.

3.6.3 Dependability

In qualitative research, the term "dependability" is used in reference to reliability (Maree, 2016). Dependability is demonstrated through the research design and how it is implemented, details on the data gathering, and a reflective appraisal of the research study (Maree, 2016). The dependability of the findings in this study was strengthened as I continuously sought input from others during the data analysis process, specifically from the supervisor and the participants of the study (Shenton, 2004). In terms of dependability, I described in full the research design and methodological approach, and attempted to utilise methods to demonstrate that if the research were to be repeated in a similar setting with similar individuals and questions, the researcher would have similar outcomes.

3.6.4 Confirmability

Lincoln and Guba (1985) describe confirmability as the degree of neutrality or the extent to which the researcher's findings are shaped by the participants and not by the motivation, bias, or interest of the researcher (Lincoln & Guba, 1985). Strategies such as triangulation can be used to reduce the effects of bias. To reduce researcher bias, the researcher is required to admit their own opinions and views on the phenomenon they are studying. Babbie and Mouton (2001) mention Lincoln and Guba's confirmability audit trail, in which the researcher should leave an ample trail to ascertain if interpretations and conclusions can be traced to their sources and if they are supported by the inquiry (Malekane, 2009, p. 53). In this study, a trail was created using methods such as summaries, personal notes, and condensed notes on themes.

3.7 Ethical Considerations

"A fundamental ethical aspect is the issue of the confidentiality of the outcomes and findings of the study and the protection of the identities of those who participated in the study" (Maree, 2015, p. 98). This incorporated acquiring letters of consent, getting authorisation to be interviewed, and undertaking to destroy audiotapes.

I first asked for permission from the Ministry of Education and Training district resource centre to approach the schools in the Tshwane South District. I also wrote to the Gauteng Provincial Education Department (Gauteng PED) to ask for their permission to conduct the study. I also asked for permission to conduct the study from the UKZN College of Humanities Ethics Committee. Following the arrangements and before I started with the actual data collection, I established a dialogue with each participant by presenting the study and the reason for which the data would be collected. The time that every participant was required to partake in the research was also indicated, and all members were guaranteed that the questions asked were not meant to be in any way judgmental, that there were no correct or incorrect responses, and that they were encouraged and expected to give their honest perspectives on the questions asked.

3.7.1 Informed consent

According to the University of Kwa-Zulu Natal's code of ethics for research, participants in the research ought to have a say in what will happen and what will not happen. Written consent is additionally fundamental; this consent should be in a language that participants understand.

Participants were given the choice of whether to participate in the research process or not. Most importantly, it was necessary to clearly explain and discuss all the facts (what the study is all about and its purpose) relating to the study that could impact their choice (Cohen et al., 2003). I prepared a consent letter for the participants. The participants were informed in the consent letter that they might withdraw from the study at any time without consequence or penalty.

3.7.2 Anonymity, confidentiality, and privacy

"*Privacy* implies a sphere of exclusivity, which makes it possible to choose what private conduct, attitudes, and stances could be uncovered publicly and what will be kept private" (Resources for Researching Morals, 2016: 202). During the research, the identities of the participants, for instance, names, addresses, and pictures, were not revealed.

Anonymity - When the researcher or another individual cannot identify a participant or subject based on the information supplied, the participant or subject is deemed anonymous. To achieve this, I ensured that the participant's information did not expose their identity in any manner.

Confidentiality, according to Cohen (2011: 91), is one strategy to safeguard a participant's right to privacy. To ensure confidentiality I refrained from sharing participant information in a manner that might be used to trace or identify the participant.

The data gathered during the research was managed privately, and I was obliged not to share any data without the permission of the participants. Both the schools and the participants were informed that in cases where their schools or names were quoted, pseudonyms would be used, and that I made every effort to remove any identifying details from the research report that might jeopardise their schools' or participants' confidentiality and privacy.

3.7.3 Protection from harm

Regardless of whether participants have volunteered for a research project or not, the researcher, as a responsible person, is obliged to protect all the participants from harm (Babbie, 1995; Malekane, 2009). This study had low risks for participants, and such risks should not cause any harm. All participants were reassured that the data collected was for the partial fulfillment of the master's degree, and all participants were additionally guaranteed that the

names of their schools and the data they gave during the data collection would be kept unknown and confidential by not revealing the real names of their schools or the participants' names.

3.8 Limitations

When doing research, there are many limitations that hinder its progress. The following paragraphs explain some of the limitations that hindered the progress of this research and their solutions: The research was limited by the time span within which all the activities of the study needed to be concluded. So, to deal with this problem, I made sure that he used his time wisely and effectively. Four schools were sampled, and the data gathered was restricted to the four schools as the information could not be generalised to other schools. For more conclusive results, all affluent secondary schools in Gauteng should have been included in the study; however, this was impossible. Alternatively, further research with a bigger quantity could be conducted but school with similar profiles may consider the findings of this study

Funding was another sensitive matter that hindered the progress of the study. The study had inadequate funds, which did not support a very extensive list, including all or numerous affluent secondary schools. To deal with this matter, I attempted to get sponsors to fund the research but failed due to the fact that he applied late and most sponsors could not take late applications; some reached full capacity, and as a result, I had to cover all the costs from his own pocket. With regard to data gathering, despite being given an assurance of confidentiality and anonymity, some of the participants gave inadequate responses to the question, as they assumed the information they provided could be utilised to implicate them. To deal with this, I clearly explained and discussed all the facts relating to the study. All participants were reassured that the data collected would be for the partial fulfillment of the master's degree, and all participants were additionally guaranteed that the names of their schools and the data they gave during the data collection would be kept confidential by not revealing the real names of their schools or the participants.

Another limitation was access to correct and authentic documentation. I was handed the wrong records or records that reflected figures as the end result of the spending procedure. The activities and procedures that prompted the results of such figures could not be followed with complete accuracy. Clarke (1999) contends that information obtained from documentation, records, and files all has limitations that should be recognised and that documents need cautious

handling. Documentation, records, and files do not emulate a direct target depiction of social reality, yet by displaying a specific translation of occasions, they assist in developing a form of the real world. It should not be presumed that documentation, records, and files comprise autonomous records of occasions or conditions. The researcher must comprehend the procedure by which an archive is created and the social and political setting in which it is entrenched (Clarke, 1999). I convinced the school managers to provide him with the correct financial documents by making it clear that the purpose of taking a look at the documents was only to compare their management of finances to other schools.

The setting and area of meetings also affected the success of the interviews; it was not easy to find a conducive environment to conduct the interviews in. Various settings are probably likely to prompt and compel discussion of a specific kind (Clarke 1999). I utilised semi-structured interviews (one-on-one) to alleviate the limitations of this research. Meetings were conducted at schools and additionally at the interviewees' houses, depending on where they felt free and relaxed.

3.8 Chapter Summary

The chapter presented a full description and justification of the design and methodology applied in this study. It discussed the interpretive paradigm as that which led me to choose a qualitative approach. Interpretive methods enabled me to choose the processes and methods that would help answer the questions of the study. Consequently, the qualitative method was most suitable to provide a nuanced understanding of the study or phenomenon: the financial management of affluent secondary schools in Gauteng Province. Moreover, this chapter outlines the data gathering tools along with the sampling procedures utilised to choose the research participants for this study. The aim of utilising purposive and convenient sampling in this research was to get detailed and rich information. Additionally, the data gathering procedure was done in two synchronised stages: semi-structured interviews and document review. This chapter explained that the synchronised data gathering was carried out in such a manner that the qualitative approach played a huge role in the search for answers to the study's key questions. This chapter additionally clarified the ethical considerations pursued and the manner in which the research's quality was guaranteed and maintained. The chapter ended with a brief discussion of the study's limitations and how each obstacle encountered was handled. The following chapter will present and discuss the research findings.

CHAPTER 4

PRESENTATION AND DISCUSSION OF FINDINGS

4.1 Introduction

The previous chapter discussed the research design and methodology. This current chapter focuses on the presentation and discussion of findings. The primary purpose of this study was to investigate financial management in four selected affluent schools in Gauteng. Additionally, the study investigated how finances in these schools are managed and what financial management policy frameworks were put in place to assist in financial management by different stakeholders undertaking the process of managing finances. Furthermore, the study explored how affluent schools ensured that there was no role confusion among members of the SGB; how they work collaboratively with each other on the school's finances; what internal and external financial control mechanisms affluent schools have in place; how the entire SGB accounts for the spending of school finances; and what challenges affluent secondary schools face when managing their finances.

This chapter provides a presentation and analysis of the qualitative research findings. Data collection and analysis were carried out concurrently but independently. The chapter begins with the schools and participants' profiles. After that, the study's findings are presented and discussed. Firstly, the main questions are presented as the main themes, and then the themes that emerged from the data are presented as sub-themes. The information presented in this chapter was obtained from the semi-structured interviews and the documents obtained from the schools. The study's findings are presented under the four key themes, which align with the four study questions. For privacy purposes, research participants and schools were given pseudonyms as follows: schools A–D, principals (Mr. Chauke, Mr. Rich, Mr. Nyandeni, Mr. Mashishi), finance officers (Mrs. Mafora, Mrs. Moselane, Mrs. Hlongwane, Mrs. Smith), and treasurers (Mr. Mtshali, Mr. Majola, Mr. Khoza, Mr. Adams). Financial statement examinations were done to authenticate and confirm the information acquired from the semi-structured interviews (Ndou, 2012). The following documents were examined: Financial policies of the school

- Finance committee's minutes
- Monthly/quarterly financial reports

- 2020 school budget
- Deposit books, cashbooks and cheque books
- Procurement slips
- Audited financial statements.

The sample consisted of the school principal, a finance officer, and a treasurer from each of the four selected schools, totalling 12 participants. All of the study's participants were given the same questions.

4.2 Profiling the Research Sites and Participants

The schools' and study participants' profiles are shared to show how this study was conducted. This includes the schools, the quintile, the location, and the number of learners, the value of the school's annual budgets, staffing, and a brief profile of the SGB structure. In addition, the role of the SGB and how long they have been part of the school are explored.

4.2.1 Profiling the schools

Table 4.1 presents the profiles of the four selected schools. The study's findings showed that three schools are classified as quintile 5, whereas one is classified as quintile 4. Additionally, the enrolment ranged from 900 to 1020 learners. Quintiles four to five are fee-paying schools, and they receive a small amount of funding from the government and are therefore allowed to charge school fees.

Table 4.1: The profiles of the selected schools

School names	Quintile	Number of learners
School A	5	915
School B	4	1020
School C	5	900
School D	5	960

4.2.2 Profiling the participants

Table 4.2 presents the participant's information; surprisingly, all the principals were males, implying that women are not represented in the senior managerial positions of the schools. Interestingly, all the finance officers are female, whereas the treasurers are male. In terms of working years' experience, principals ranged from eight to eleven years, finance officers from

four to seven, and treasurers from one and a half to three. Generally, this suggests that the principals and the financial officers are experienced, whereas the treasurers are the least experienced.

Table 4.2: Information for the study's participants

Pseudonyms	Position	Gender	Qualification	Years of experience
School A				
Mr Rich	Principal	Male	B.Ed. honours	9
Mrs Mafora	Finance officer	Female	Certificate	7
Mr Mtshali	Treasurer	Male	Diploma	2
School B				
Mr Mashishi	Principal	Male	B.Ed. Masters	11
Mrs Moselane	Finance officer	Female	None	5
Mr Majola	Treasurer	Male	Diploma	1.5
School C				
Mr Nyandeni	Principal	Male	B.Ed. Degree	8
Mrs Hlongwane	Finance officer	Female	Diploma	4
Mr Khoza	Treasurer	Male	Certificate	2
School D				
Mr Chauke	Principal	Male	Degree	9
Mrs Smith	Finance officer	Female	Certificate	4
Mr Adams	Treasurer	Male	None	3

4.3 Responsibilities and Roles of Stakeholders in Managing School Finances

In examining how financial management roles and responsibilities were understood, similar questions were asked of the study's participants, including the school principals, finance officers, and SGB treasurers. All the participants were asked what roles and responsibilities they undertake in the financial management of their schools.

4.3.1 Financial management responsibilities and roles of school principals.

The findings showed that principals understand their financial management responsibilities and roles to be interrelated. When asked about their responsibilities and roles, they identified themselves as guardians, monitors, controllers, and advisers on financial matters. For example, Mr. Rich indicated that he is an ex-officio member of the SGB and that his duties include giving advice and direction to the SGB and monitoring all financial management activities. He believes that the school principal is responsible for the general administration and control of the finances, so he must ensure that the school's finances are not mishandled and that the budget is used for its intended purpose. His voice is shared below:

“I have the ex officio role of advising, guiding, supervising, and monitoring all processes related to the school's finances, ensuring that they are in accordance with school and government policies. The overall management and control of finances are my responsibility, so as the principal of the school, I am required to make sure the finances of the school are not mismanaged and the budget is used for what it was intended for.”

According to the above extract, the principals are responsible for advising, directing, and guiding the SGB on financial matters at the school. This opinion is consistent with a study by Mestry (2011:7), which states that it is essential to note that the SGB is responsible and answerable for school finances and that the principal must aid, support, and help the SGB in carrying out its legal and financial management obligations. Mr. Nyandeni had a similar viewpoint. This principal indicated he is representing the Head of Department at the SGB level. His responsibility is to guarantee that all operations involving the school's finances are per the department's policies. He stated that:

"I am representing the head of the department, and my duty is to make sure that school finances are managed in accordance with policies provided by the head of the department. As an accounting officer, I need to see to it that the policies are implemented accordingly when managing the school's finances."

What can be noted from the extract above is that the Education Head of Department does provide schools with policies that guide and direct schools on how to manage finances, and schools must abide by these policies and regulations to avoid being penalised. Mr. Chauke's response did not diverge entirely from those of Mr. Rich and Mr. Nyandeni. In his view, his responsibilities include ensuring that money is spent as guided by policy, and his words below explicate this understanding:

I am the accounting officer. I am assigned to make sure that the SGB spends the money of the school according to the policies of the department because I represent the HOD

at the SGB level. My responsibilities are to ensure that procurement and expenditure are done in line with policy and to control all financial activities that take place within the school.

Mr. Chauke sees his role as that of an accounting officer. His response shows that there is awareness of policies put in place to guide and direct the management of finances in schools. He is also aware that he will be held accountable should any mismanagement or maladministration of finances occur. These results are consistent with what Mahlangu (2018) stated in one of his studies: that the principals are accountable to their employer, the Provincial Department of Education, regarding the school's finances. Mr. Mashishi regards himself as a chief accounting officer and understands that his primary role and responsibility is to ensure that the school's finances are managed according to the PFMA and to report to all stakeholders how the finances are used. He said:

As the chief accounting officer, I need to see to it that the finances are run in a proper way as indicated by the Public Finance Management Act, adhere to it, and give accountable reports to all stakeholders as required. I am there to guide the SGB and ensure that everything is done in accordance with the law. All I need to do is make sure that nothing is done outside of the policies and budget in place.

All principals in this study explain their responsibilities differently but in a comparable way. Hence, ensuring that the school's finances are effectively managed by following policies is a commonly understood responsibility. These principals' responsibilities also involve guiding, advising, assisting, and monitoring all processes that have to do with the school's finances as guided by policies to avoid maladministration and mismanagement of finances. The responsibilities listed by principals are in line with the Regulations for Managing Finances of 2014, Circular 22 of 2002, and Prescripts of 2006. In these documents, it is stipulated that the school's principal, as an ex-officio member of the SGB and accounting officer, is a crucial component of FINCOM.

From the above findings, it is clear that principals understand their responsibilities as far as financial management is concerned. The study's core findings revealed that most principals understand their financial management responsibilities, including being ex-officio members of the SGB, giving advice and direction to the SGB, and monitoring all financial management activities. The principal plays a significant role in monitoring compliance and ensuring that controls are in place and operational for cash collection (Lemmer and Van Wyk, 2010). Again, the principal is responsible for ensuring that the fiscal policies are followed and that the whole

SGB performs its financial duties following all applicable laws, rules, and departmental directives. Rangongo (2016) stated that school principals are responsible for assisting and directing the school's disbursements in consultation with the SGB, maintaining accurate records of all school accounts and financial statements, supervising the budget's development, making sure finance control mechanisms are in place, checking compliance, and taking corrective action when any noncompliance is discovered.

The above findings are in contrast to the findings of Beyers and Mohloana (2015), who believe that members of the SGB are often not mindful of their school's financial management responsibilities and legal duties. The discrepancy may be due to the dissimilarities between the schools. Beyers and Mohloana (2015) asserted that non-fee-paying schools are found in poverty-stricken areas, whereas the sampled schools in this study pay fees and are located in urban areas, and as a result, the context in which the schools sampled for this study operate is not comparable to those mentioned in the study of Beyers and Mohloana. It may be concluded that fee-paying school principals are aware and mindful of their responsibilities regarding school financial management. The reason is possibly that the DoE provides training and workshops to principals in the sampled schools.

4.3.2 Financial management responsibilities and roles of school finance officers

The sampled finance officers were asked the same question and had the opportunity to share their responsibilities and roles in managing their respective schools' finances. The shared perspective among the finance officers is that they are responsible for payments, financial records, and updating the SGB on how the finances are utilised. Mrs. Moselane's statements disclose that her responsibility in managing finances is to ensure a budget is in place. Her priority in financial management is to ensure that the school follows the budget, records all financial activity, and calls for FINCOM meetings to update school management and the SGB on the use of funds. She said:

‘My responsibility is to ensure that the budget is in place and that we adhere to what we budgeted. Also, to make sure that we record all the financial transactions and call finance committee meetings and regular finance meetings to discuss the finances of the school and to update the management and SGB members about what is happening with the finances of the school,

Similarly, Mrs. Mafora indicated that her responsibilities include ensuring that all the financial activities are recorded and that the financial statements are up-to-date and free from errors. She said:

"Responsibility number one is that we record all the financial activities and keep our records clear, clean, and up-to-date. The second one is payments, whereby we compile all the payment supporting documents."

Giving a similar response to Mrs. Mafora, Mrs. Hlongwane indicated that her financial management responsibilities involve tracking income and expenditure, compiling financial reports, and submitting the compiled reports to the SGB and the school principal. She explained:

"I do pastel income and outcome... I collect supporting documents, compile them, do annual financial reports and statements, and submit the compiled reports to the SGB and the school principal."

Similarly, Mrs. Smith reveals that her responsibility is to ensure that there are paper trails for all the activities in financial management, recording every cent that comes in or goes out of the school account and ensuring there are supporting documents. She said:

"Our duty is to make sure that there are paper trails for everything. For everything we have to buy, for example, papers or stationery, there should be a paper trail. Every time there is money coming in or going out, there should be paper trails; every time there is banking, there should be a paper trail. We need to ensure that there are supporting documents and that we record everything. After collecting all the paperwork, we compile a report on how the funds were used and submit it to the relevant people."

The finance officers in this study gave evidence that they are responsible for all the paperwork that has to do with the school's finances. The predominant perspectives articulated by finance offices included filling out supporting documents, balancing, and updating financial statements on how finances were spent. These findings are in line with NNSSF 2. The school finance officer is responsible for financial matters and must record all transactions and submit a monthly report to the relevant stakeholders. The finance officer should also continue to provide all stakeholders with sufficient information on financial issues. The responsibilities listed by the finance officers follow those outlined by the Regulations for the Management of Finances of 2014, Circular 22 of 2002, and Prescripts of 2006. These documents stipulate that the finance officers are responsible for making payments, compiling supporting documents, preparing financial statements every quarter, and giving financial reports to the SGB. Resources for

employers (2023) mentioned the roles of a finance officer, which were similar to those iterated by Mrs. Mafora and Mrs. Hlongwane: 1) keeping accurate records of daily transactions; 2) processing invoices; 3) reconciling bank statements; 4) assisting with budget preparation; and 5) reviewing and implementing financial policies. Elaine (2022) added that school finance officers keep the school's finances on track by keeping accounts and records, doing cash management, financial planning, and implementing cash management strategies.

4.3.3 Financial management responsibilities and roles of school treasurers

The treasurers were also asked the same question and had the opportunity to share their responsibilities in managing their respective schools' finances. These participants seem to have a profound understanding of their roles and responsibilities. The treasurer at School A responded as follows regarding the roles and responsibilities they undertake in the financial management of their schools:

As the treasurer of the school, my responsibility is to ensure that there is no mismanagement of the school's finances. I need to make sure that the school's budget goes to the allocated LTSM or devices that have been done the previous year, and I also need to make sure that every individual in the school environment is aware of their responsibilities when it comes to the management of the school's finances. [Mr Mtshali]

Mr. Mtshali considers his role to be that of a person who ensures that no financial mismanagement occurs and that the allotted funds go to the assets budgeted for, as well as making individuals aware of their legal duties. According to the above remarks, Mr. Mtshali manages the school's financial management and ensures that the institution adheres to the budget. Mr. Majola, on the other hand, stated that his responsibility is to develop financial policies and ensure that they are successfully executed and followed. He stated,

My responsibility is to oversee what the financial map would be, formulate policies and implement them, and make sure that policies and other guidelines are followed to the tee and nothing is done outside the policies and regulations in place.

When asked if he has any other responsibilities, Mr. Majola further pointed out that he is the school's treasurer, and therefore he has to ensure that all the decisions taken by FINCOM and the chairperson are going in the right direction. He said:

"To sit with the finance committee and the finance chairperson, making sure that all the decisions and things done are going the correct way."

The above statements show that Mr. Majola is responsible for ensuring that there are policies in place and that there is correct application of finance policy guidelines, and his guidance and presence in meetings are critical to ensuring that FINCOM operates according to policy. His statements further show he is knowledgeable about policies and what is expected of him as the treasurer.

Mr. Khoza's responsibility is to sign for funds to be released whenever the school plans to purchase something. According to him, the school cannot purchase anything without his signature. He also indicated that whenever the school wants to purchase something, they need to present at least three quotations to the SGB for them to choose from. He said:

"My main responsibilities are to approve whatever the school wants to buy and to oversee all financial matters... Assume we receive three quotations and choose one of them as SGB. So, after we have all agreed, I am the one who has to go and sign to say that we have approved this decision."

He further elaborated that his responsibilities include signing for the salaries paid to educators on SGB posts. This suggests that he is responsible for all the transactions that take place at the school. He said:

"There are also SGB posts; when they are getting paid, each and every month I must go and sign. So any money that comes out of the school account, I must be aware of."

On the other hand, Mr. Adams describes his primary responsibility as ensuring that the money that comes in and goes out of the school account is adequately monitored and recorded. His priority is monitoring and recording finances to avoid trouble with the law. He elaborated:

"My responsibility is supervising the financial management of this school. As the treasurer, I must ensure that every money that comes in and goes out of the school account is well monitored and recorded. I have to ensure that I record everything that happens here, and lastly, everything needs to be in line with the school budget."

Treasurers describe their finance management roles and responsibilities correspondingly. Mr. Mtshali believes he must ensure that there is no mismanagement of the finances in the school by ensuring that the school's budget goes to the allocated LTSM or devices. Mr. Majola, on the other hand, believes his responsibility is to ensure that all decisions and actions are taken in the right direction, whereas Mr. Khoza believes his responsibility is to authorise payments. Consequently, the treasurers must authorise any money from the school account. For instance, all the quotations are given to them to check that everything is in order and signed.

Generally, the responsibilities and roles stated by the treasurers in this study coincide with those mentioned in the Regulations for the Management of Finances of 2014, Circular 22 of 2002, and Prescripts of 2006. The treasurer's responsibilities are listed in these documents as monitoring FINCOM's decisions, keeping records of incoming and outgoing money, approving purchases, formulating financial policies, ensuring that the policies are successfully implemented, ensuring that the budget is followed, and, by default, being the chairperson of all FINCOM meetings. Again, in Sections 36, 37, 38, 42, 43, and 44 of the SASA, the governing bodies' duties and obligations regarding financial management are spelled out. In order to ensure successful financial management in schools, the financial duties assigned to SGBs require basic financial management skills and a grasp of SASA's guidelines (Republic of South Africa, 1996). Even though SGB members participating in this study described their roles slightly differently, the findings of this study imply that the members of the SGB have a basic understanding of SASA's guidelines, duties, and obligations.

After participants outlined their roles and responsibilities, I wanted to find out how the selected affluent secondary schools ensured that there was collaboration and no role confusion among members of the SGB. It can be noted from previous studies (Mashaba, 2015; Myende, Samuel, & Pillay, 2018) that financial role and responsibility confusion has been a serious concern in South African schools, predominantly township schools. This research question aimed to discover how SGB members in affluent schools ensured there was no role confusion in the school's financial management. In the next section, I will discuss what the SGB did to prevent role confusion and ensure collaboration among all stakeholders. Findings showed that some participating schools minimised role and responsibility confusion by conducting workshops and consulting policies.

4.3.4. Capacity building for SGB members.

Schools need to guarantee that their finances are properly managed. As a result, schools must be aware of and wholly acquainted with the various responsibilities each member of the SGB has to undertake to avoid role and responsibility confusion. Through the interview process, it was discovered that participants prevent role confusion by training and conducting capacity-building workshops. The purpose of the workshops was to educate SGB members about

different roles and responsibilities, which will ultimately prevent role and responsibility confusion among members of the SGB. The participants interviewed plainly articulated how they ensure that there is no role confusion between them and the other members of the governing body. For instance, Mr. Nyandeni emphasised that internal training is held to help SGB members develop and learn about their respective roles. He stated:

"Well, we have in-house training where all these different roles are defined according to South Africa's school Act, and then we give in-house training for every person, so they know that this is their responsibility and they cannot interfere in my responsibility, but at some point, these responsibilities overlap, and that is where we come together as the SGB and report to each other; where they overlap, we take hands."

The above extract also indicates that Mr. Nyandeni is aware of and understands that SGB members' responsibilities overlap at times. The above data supports a study conducted by Mestry and Govindasamy (2013), which recommended that principals of schools and SGB members have matching roles and responsibilities and that there ought to be a cooperative relationship between them at all times. However, Clarke (2009) is against overlapping responsibilities. His study asserts that the first and most crucial component of managing the school's finances is determining who is responsible for what. Overlapping responsibilities must be diminished since they are likely to be sources of fights or shifting blame, with no one accepting accountability. Concurring with Mr. Nyandeni, Mr. Mashishi expounded that one of the significant roles that the principal has to adopt is building the capacity of all stakeholders in their school. He said:

You see, one of the important roles that the principal has to adopt is building the capacity of all stakeholders in their school. When parents are elected, there must be capacity building and training that takes place, which can be outsourced from the department or from the private sector. There will be a clear guideline for cost-taking the policies that exist, whether to adopt them or rectify them, but ultimately it is important that you train and that you also adopt a transparent code of practice where, if there is any matter that is not clear, you then learn to come together with all the stakeholders in question to clarify whatever needs to be clarified.

It is evident from the literature (Mashaba, 2015; Myende, Samuel, & Pillay, 2018) that SGBs and principals have "role confusion" and differing responsibilities, and it has been discovered that often school principals take over financial management because they are perceived to be more knowledgeable than the governing bodies. Our findings showed that the major stakeholders collaborate well, and our research participants gave evidence that they do not experience role and responsibility confusion in their schools because they prevent it by

conducting in-house training and workshops. Additionally, some principals play a crucial role in the capacity building of the SGB members. According to these viewpoints, for SGB members to avoid role confusion, the school should educate and train them on their roles and responsibilities. Members of the SGB are now more cognisant of their responsibilities and roles in school financial management, and as such, they oppose the judgments by Mashaba (2015), Myende, Samuel, and Pillay (2018).

4.3.5 Measures to ensure role clarity.

Data reveals that some schools use policies as tools to prevent role confusion among members of the SGB. It has been revealed that the financial policies specify the roles and duties of the SGB, SMTs, FINCOM, and finance officers. In this regard, Mr. Mtshali claims they do not experience role and responsibility confusion since they have rules that outline each member's duties and responsibilities. He stated:

There is a policy in place, and the policy stipulates the exact roles and responsibilities of each member of the governing body, so obviously, we speak about that in meetings, and we give each person a responsibility and role. Obviously, we talk about expectations and that the members of the governing body are not expected to step on the toes of other members, so they have to stay within the domain of their roles and responsibilities.

Echoing the same sentiments, Mr. Majola of School B explained that it is impossible to experience confusion in financial management roles and responsibilities because the school uses policies and guidelines from GDE and local governments. He said:

"I do not think that is possible. It is quite simple; the school is running under policies and guidelines from GDE, and there are guidelines from local governments that every organisation uses. The policies outline all the roles and responsibilities and indicate who should be in charge of what."

The Western Cape Education Department (2020) mentioned that the SGB is responsible for formulating financial policies that clearly understand the treasurer's responsibilities and the roles of the finance officer, principal, and other delegated people. Based on the participants' responses, the participating schools seem to have the right policies, which stipulate the roles of different stakeholders. Mestry (2004) explains that policies that give direction and provide guidance are required in every school or institution. More comprehensive perspectives are given by Naidu et al. (2008) and Van Wyk (2007), who state that a good policy offers a clear

understanding of the SGB members' various responsibilities. It is impressive that most of the sampled participants are familiar with their school's finance policy, which serves as a roadmap for efficient financial management and various responsibilities. From the participants' voices, it is clear that policies were one of the tools employed to prevent role confusion among members of the SGB.

It was revealed through policy documents that the SGB members could differentiate financial roles and responsibilities because the financial policies specified the roles and duties of the SGB, SMTs, the FINCOM, and the finance officers. The presented financial policies outline the governing legislative framework as well as the responsibilities and roles of SGB members. They also outline the responsibilities to be carried out by each committee. For example, the fiscal policy of school A was impeccable because it clearly described the functions of the SGB members, the principal, the finance committee, and the finance officer. For schools B, C, and D, the SGB's duties and responsibilities were outlined. However, they did not indicate each member's responsibility, and it was unclear who was responsible for specific significant tasks, such as financial statement compilation, petty cash management, and authorising payments.

The next step was to find out if there was collaboration among members of the SGB. When managing school finances, principals are expected to work collaboratively with the other members of the SGB (Mavuso & Duku, 2014). However, various studies (Rangongo, Mohlakwana, and Beckmann, 2016; De Bruin, 2014) indicate that school financial management is generally ineffective because school principals do not have decent working relationships with the school governing bodies or vice versa. The study aimed to find out how the SGBs in this study ensure that they work collaboratively with the governing body members on the school's finances. Key findings reveal that schools ensure that members of the SGB work collaboratively with other governing body members on the school's finances by communicating with one another and calling meetings. The participants have explained how they prevent responsibility or role confusion at their schools.

4.3.6 Communication on financial issues.

There seems to be a trend that toxic relationships or a lack of collaboration among SGB members affecting how school finances are managed. It is believed that harmonious relationships among members of the governing bodies contribute to proper financial

management in schools. The SGB members in this study also seem to believe that collaboration among SGB members can influence school financial management, and they give the impression that effective financial management can only occur when there are good and healthy working relationships between SGB members. The data revealed that effective communication was one of the methods used by the participants to ensure that SGB members worked collaboratively.

Mrs. Smith indicated that communication is essential while carrying out tasks related to the school's finances. She claims that keeping the other members informed of financial developments guarantees that they collaborate effectively. Her remarks are included below:

“Communication is critical; remember, the SGB is not present at the school and knows nothing. So I will communicate with everyone all the time about the finances of the school. I will say the bottom line: communication is essential.

Similarly, Mr. Adams considers communication to be crucial. He said that he would keep the SGB informed whenever there was work to be done to ensure that he and the other members of the governing body worked together on the school's finances. He also said that, despite being the treasurer, he could not make financial decisions alone. As a result, he must first let the other members know whenever he has to do something. He stated:

"Ensuring that I communicate with them is the main thing. Yeah, I ensure that I communicate with them. Every time I do something in finance, I communicate with the rest of them. You see, I cannot make decisions on my own, so when I make a decision, I also have to tell them, and then they must give me their views on how it should be done."

Mrs. Hlongwane further emphasised the importance of maintaining constant communication with other members to ensure they work cooperatively on the school's finances. She also stated that she has a good working relationship with the SGB and that FINCOM reviews her financial records monthly. She expressed it as follows:

"This brings us back to the topic of communication. It comes back to honesty and communication. We communicate about everything that has to do with the school's finances, and the relationship between the other members of the SGB and me is good. The FINCOM comes to my office monthly to check my files."

Subjectively, there is a common understanding that the relationship between SGB members influences financial management in schools, and fights between SGB members and principals

in schools highlight this. A lack of collaboration among SGB members contributes heavily to the mismanagement of school finances. The sampled participants communicated everything concerning the finances of the school to ensure that there was collaboration. Mashego (2000) explains collaboration as a process that entails exchanging ideas, modifying actions, distributing assets, developing others' potential for communal benefit, and attaining joint goals. Collaboration allows for the distribution, deepening, and expansion of worldviews and collaborators' professional and personal development (Richards et al., 2001).

Key findings of the study indicate that SGB members communicate effectively with others, leading to proper financial management. Hallahan et al. (2007: 94) define strategic communication as "the purposeful use of communication by an organisation to fulfil its mission." As an emerging field of study, strategic communication is unique in that it requires the integration of concepts, theories, and methods from diverse disciplinary domains (Werder, 2015). As such, the concept of strategic communication has become broader in its application (Wang 2007, 93). Roberts (2021) asserted that strategic communication is multidisciplinary in that it draws from various methods and subject areas. The researcher presumed that strategic communication can be a catalyst to improve communication among all the SGB office bearers. Self-managed schools promote teamwork and help with making wise financial decisions. Collaboration among diverse role-players such as principals, management teams, and SGB members is claimed to be necessary for attaining long- and short-term objectives in the context of the South African education system. Because the SGB may lack the required skills and expertise for successful school financial management, members of the SMT or the principal may contribute significantly to managing these restrictions. According to Squelch and Lemmer (1994), to collaborate as partners for the benefit of the school and its learners, leaders, guardians, educators, and parents must establish a relationship built on trust and understanding. According to Govindasamy (2009), cooperation increases the effectiveness of financial utilisation in educational services.

4.3.7 Regular meeting attendance.

Meetings are held to ensure that all members of the SGB are on the same page and working together to manage the school's finances. From the interviews conducted, the members of the SGB described meetings as one of the initiatives they employ to ensure that the SGB members work collaboratively on school finances. For instance, Mrs. Moselane claims that the method

employed to ensure collaboration with other governing body members in the management of finances is meeting regularly with their various committees to present them with the information they need to approve and requisitions for all the payments that are due, discuss them in the meeting, and then have the principal and chairperson sign them. She said:

"We have committees, so we call these committees regularly; like the finance committee, we have it all pretty much every Friday, so in that meeting I will present what they must approve; for example, if we are nearing the end of the month, the bills need to be paid, so I normally prepare requisitions for all the payments that are due, and we discuss them in the meeting, and they get signed by the principal and the chairperson."

On the other hand, Mr. Mtshali believes that having a shared vision concerning school finances is crucial. He reports that they meet to update each other on the school's finances. Moreover, he says they have a WhatsApp group where they converse about school finances. He said:

We have to have a shared vision regarding the school's management; the school's financial management has to be guided by the school's policy. We have to be guided by the constitution because everything we do actually comes from it. So we work in the meetings, we update each other, we have a WhatsApp group where we communicate, and we also send emails, and whenever some new things arise, we communicate so that we are on the same page.

To ensure that they work collaboratively with other governing body members on the school's finances, Mr. Majola reports that they regularly update the SGB on the use of finances. This means that the SGB of this school is well-informed regarding the finances of the school. He explained:

"We regularly update the governing body, so at each meeting we have with the complete governing body, we give a brief overview of where the school finances are standing."

Mr. Khoza ensures that they collaborate by holding meetings to discuss school finances. He also stated that the school comes first and that he will work with all members, whether they are on good terms or not. He stated:

"Meetings. I may not like you, but when we sit in a meeting, the school comes first. So we must be able to talk concerning one another and also look at the school's vision and the direction we want it to go." Similarly, Mr. Chauke indicated that meeting monthly helps them work together and collaboratively as a team. He said, *"Yah, we have created the finance committee, which meets once a month, so that assists with that."*

For governing bodies to function effectively, members of the SGB need to build good relationships with one another. Participants in this study highlighted that they collaborate with all SGB members to manage the school's finances properly. They do that by openly communicating and keeping each other up-to-date regarding the school's finances. The SGB members meet regularly with various committees to present information and approve requisitions. Generally, the school governing body reports to parents of learners on how school funds are used through annual general meetings (Mestry and Govindasamy, 2013). The findings of this study support the findings of Tsuari (2011), who contends that schools can become effective if members of the SGB take the appropriate steps to build good relationships with each other. The findings also corroborate Van Wyk's (2007) discoveries, which indicate that the governing bodies in affluent schools act in line with the schools' act and build formal relations between parents and school managers. This differs from the discoveries of various studies (Rangongo, Mohlakwana, and Beckmann, 2016; De Bruin, 2014; Mestry and Govindasamy, 2013), which describe a lack of collaboration between members of the SGBs. Principals typically do not create procedures for good cooperation to enable SGBs to take part in school governance, according to Mestry and Govindasamy (2013:431-432). As mentioned above, the difficulties mentioned in the research become particularly evident in non-fee-paying public schools found in townships and rural regions.

All participating schools in the research could produce FINCOM minutes of meetings as proof that the committee was in existence. This proved that the existing financial policies were being followed. These committees met and addressed the financial concerns impacting their schools, according to the minutes. Consequently, the researcher argued that these committees were following the applicable legislation.

4.4 Policy Assistance in Financial Management

Kaguri, Njati, and Thiane (2014) propose a need for enhanced policies for tracking finances to ensure appropriate, satisfactory, and accountable use of funds allotted to learners' education. Principals need to ensure that the policies in place are successfully implemented. Additionally, there is a need to ensure that the SGB manages the finances in line with the guidelines and provisions of the Schools' Act and in the best interest of all. (Clarke, 2012). The aim of the question was to determine if the participating schools have policies and how the available policies assist in financial management. From the interviews, all SGB members agreed that

their schools have financial policies and further explained how the policies in place assist the schools in managing finances.

4.4.1 Availability of finance policies.

The findings demonstrate that finance policies are used to manage school finances. Related viewpoints expressed by SGB members reflect that their different schools had financial policies outlining the measures to take while managing funds. In support of this, Mrs. Smith affirms that the school has policies and that everyone abides by them when managing its finances. She claims policies help since they specify all the steps that must be taken concerning the school's financial operations. She articulated:

“Yes, we do have policies. Our policies are the rules that must be followed when managing money. They outline all the necessary steps that need to be taken concerning the finances of the school. The policy prevents mismanagement of state resources, which are finances in this case, because it tells you exactly what you need to do.”

Mrs. Mafora concurs that there is a financial policy in place and that their school is successful. She claims that fiscal policy is the cornerstone of financial management since it explains the rules and laws that must be considered while conducting financial activities. She noted:

"Yes, there is a fiscal policy in place, and as I said, we are thriving as a school because of it. The finance policy is the backbone of our financial management as it lays down all the rules and laws to be considered when undertaking our activities.

Mr. Mtshali acknowledged the existence of policies at his school. According to him, policy is helpful as it outlines all the steps to be followed when managing finances and the roles undertaken by all stakeholders. He remarked:

"Definitely, our school has a financial policy. The financial policy stipulates exactly how the finances of the school should be used, from how we should see the budget to when the budget should be set, when the budget should be submitted to the SMT of the school, to the principal, and also whether the budget will be approved or not. The budget will also tell you how many quotes must be identified by the people seeking to purchase things, and obviously, the more we stick to the budget, the more we ensure that the financial policies are successfully implemented.

Also, Mr. Chauke confirmed that his school has a finance policy and expressed similar views that the policy guides the school when managing finances as it clearly states what to do. He explained:

"Yes, we do. The finance policy would explain how you go about payments; it would indicate the amount of petty cash that you can have, the number of accounts that the school must have, and it would also explain the amount of swiping that you can have and the amount you can swipe. So all these guidelines are stated in the policy."

Mr. Mashishi further noted that the available finance policy clearly states what to do and how to do it concerning the school's finances. He said:

"Look, policies are a guide, and it is people who implement policies, so those policies will clearly indicate, for example, in terms of requisitioning whatever the school needs, and would then give guidelines in terms of the quotations that need to be secured and who is supposed to go and make or do the purchase of whatever you require."

The above excerpts from the SGB members suggest that schools cannot manage finances excellently without a finance policy. School finance policies are beneficial since they outline all the rules, guidelines, protocols, and procedures for managing the school's finances. A study by Selesho and Mxuma (2012) indicated that a sound financial policy is required if schools are to manage their finances efficiently and effectively, as such a policy will provide guidelines on critical aspects of managing finances, such as who banks the monies and when; who audits the books; who heads the finance committee; and who the finance members are. Without this policy, the principal may collaborate with the financial officials and educators, and the treasurer will be summoned to sign checks as "emergencies" since the policy would specify when and how to make such a payment. Furthermore, in the absence of such a policy, everyone, notably the principal, will work with money that does not belong to them. All four sampled schools in this study indicated that they have financial policies and other relevant documents to manage finances. The presence of a financial policy may indicate that these schools understood its significance, that they had the skills necessary to create one, or that they were aware that all schools are required by law to manage their finances following a working guideline, in this case, a financial policy.

4.4.2 Finance policies and uncertain situations

The study's findings reveal that policies were consulted when managing school finances, especially when SGB members were unsure how to go about certain things. Related views articulated by SGB members included that their respective schools have finance policies that guide the school when managing the finances. Their general impression is that the financial policies help them manage school funds properly and effectively. Mrs. Moselane confirms that

they assist by guiding the school whenever there is something they do not understand or are unsure about. She proudly declares that she knows all money management principles by heart. She exclaimed:

“We always refer to them if there is something that we do not understand or are not sure of. So far, I think I know everything by heart; even if you wake me in the middle of the night and ask me about finances, I can tell you what is what and where to find what you are looking for.”

Mrs. Hlongwane said that their school has a financial policy that has been particularly beneficial; she shares the same sentiments as Mrs. Moselane. According to her, the policy provides all the necessary information for managing finances, so they go back to it whenever they are perplexed or uncertain about what to do with the school's finances. She remarked:

"Yes, we have, and it helps a lot. Whenever we are not sure what to do concerning the finances of our school, we go back to it; all the information you need is there.

Additionally, Mr. Majola explained that policies give clarity when they know how to deal with specific situations. He believes policies have a clear direction and should be consulted before spending school funds. This is what he said:

Policies are also used when we have problems. We go back to policies to consult if we are not sure how to go about certain things. For instance, if our policy allows our finance person or our principal to spend money without the knowledge of the chairperson, the knowledge of the chairperson of the finances, so, in the presence of a policy, there is a clear line of instruction; before she spends, she also needs to consult. So, that is how the policies and guidelines are helping the school.

On the other hand, Mr. Khoza also acknowledged that his school has policies, and they assist by guiding them on how to manage the school's finances. According to him, the policies stipulate all the rules and guidelines. He said, *"Yah. Well, our school's policies are just about rules and how to do things—the guidelines for managing finances."* In the same way, Mr. Rich indicated that it is ideal that they reflect on and check what the policy says and that they influence or persuade each other to agree to a particular approach when they are caught in an uncertain situation that requires making a major or minor decision:

“So it is my role as a leader, along with those I co-lead with, to ensure that policy, especially when we are caught on an uncertain element of making a major or minor decision, is ideal that we reflect and check what the policy says, and that we influence or persuade each other to agree to a particular approach.”

It is important that the finance policy reflect the necessities of the school and that it be implemented to avoid the maladministration of school finances (Mestry, 2011). Thus, a finance policy must give clear guidelines, methods, and systems for how the finances assigned to schools are to be used to serve the schools. Naidu et al. (2008) and Van Wyk (2007) are of the opinion that for a school to oversee finances effectively, a school finance policy must be created, approved by all appropriate shareholders, and implemented accordingly. Furthermore, the policy must give clear guidance on the duties of the school governing body, the different committees that are in charge of school finances, the treasurer, the financial official, and the SMT. Document analysis and the interview findings of this study revealed that the participating schools have policies that outline methods and systems for how the finances assigned to schools are to be used to serve the schools.

4.5 Financial Management Challenges

The SGB members elaborated on their challenges with their school's financial management. The challenge they encounter is parents not paying school fees, and this challenge seems to impact financial management in schools negatively.

4.5.1 Non-payment from parents.

Parents not paying their children's tuition seemed to be a common concern for members of the SGB. They suggest that this issue has financial implications for their school. However, not paying children's tuition impinges on their financial management because the schools cannot meet their needs. According to Mr. Mashishi, the leading financial difficulty they have as a school is a shortage of finances, which is because parents have stopped paying school fees, encouraged by the "fees must fall" campaign. He also stated that managing their finances as a school is not a challenge since, as far as he is aware, there is no corruption. They strictly adhere to the guidelines and do not misuse any school finances. No one at the school, not even himself, spends money outside the established procedure. He stated:

“Our major challenge is that parents have stopped paying school fees since the University of Pretoria's fees must fall campaign. As a school, how we spend it is not a challenge because there is no corruption that I can tell you about. We do not spend a cent of the school's money; we do things strictly according to the policy. No one, not even me, no one in the school spends money without following the standard procedure and obtaining approval if three signatures are not present.”

Similarly, Mr. Nyandeni disclosed non-payment of school fees as their only severe challenge as a school. He confidently reported that his school had had unqualified audits year after year since it has a skilled team that has been actively involved. He also revealed that they do not experience any challenges in managing the finances they receive, and they have been fortunate in that they have never encountered a circumstance in which one of them squandered the school's finances. He exclaimed:

“Payments, particularly for a fee-paying school like ours, are a major challenge; parents failing to pay school fees is a major challenge. Regarding how we manage the finances we receive, we do not have challenges; we are an experienced team, and so far, we have never had challenges that I can pinpoint. So far, we have been lucky; we have never experienced a situation where maybe one of us mismanaged the school's finances. That is why we have been getting unqualified audits year in and year out; we have been hands-on when it comes to finances.”

Mrs. Hlongwane, echoing Mr. Mashishi and Mr. Nyandeni, stated that acquiring school fees from parents is and has always been their main challenge. According to her, many parents do not pay or cannot afford to pay, which impacts their school budget and how they handle finances at the school. She stated:

"Getting money from the parents is our biggest challenge, and it has always been that way. Many parents fail to pay or cannot afford to pay, and that on its own affects our budget and how we manage finances in the school."

In the same vein, Mrs. Smith stated that their main challenge is that learners' school fees are not being paid by the parents, which he attributes to the nation's present economic situation and political atmosphere. He also mentioned that they do not face any challenges in terms of how finances are managed.

"The only challenge I can think of is school fees; people are not paying their children's fees because of the economy and the state of the country during this time of COVID," he said. "With our incomes and how we manage them, I do not think we have problems."

Mr. Mtshali described parents' failure to pay as a challenge that affects the staff and the school's operational expenses. He claims that parents who defer or refuse to pay their child's tuition impact the school's financial viability. Furthermore, in his opinion, none of them had ever misused or used school finances for their own gain. He proclaimed:

“Some of the challenges we encounter are the lack of payment from parents, which affects the running expenses of the school, and sometimes from the staff as well. Parents would be refusing to pay or delaying paying the school fees, and that would also impact

the functionality of the school's finances. I must say that since I came to this school, I would be lying if I said there was ever an instance where one of us misused the finances or used them for our personal gain. Our staff is very empathetic and professional; we are very privileged because we do not have challenges like that.''

Correspondingly, Mr. Majola stated that their biggest challenge is a lack of finances. He indicated that the school would be unable to do much without finances. According to him, many parents lost their major incomes due to the pandemic; many individuals have subsequently died; and some have had their compensation reduced, making it hard for them to pay for their children's education. He clarified:

"The lack of finances Look, without finances, there is very little you can do. With the pandemic, a lot of parents lost breadwinners. A lot has been lost. You find that although they are still working, their salaries were cut, so they cannot afford to pay school fees."

In the same way, Mr. Khoza stated that the parent's failure to pay school fees is their primary challenge. He argues that some parents require exemptions since they cannot cover their children's tuition. He said that overall, they have no problems managing the public finances they receive. He proclaimed:

"The parents not paying is a challenge that I wanted to tell you about. You know, some parents cannot afford school fees. So they must come and apply for an exemption. Overall, the finances we receive from the state are well managed without any challenges."

Also, Mr. Adams stated that some parents do not pay school fees, which is the only issue they have at their school regarding financial management; otherwise, everything is done as mandated and directed by the department of education. He mentioned that

"Some parents do not pay school fees. That is the only challenge we experience here; other than that, everything is done as required and instructed by the education department."

Regarding challenges encountered by the selected schools in managing finances, all the respondents agreed that not paying school fees to parents was a salient challenge in that it reduces the school budget and the school cannot meet its daily needs, such as paying for electricity and water. Additionally, most respondents blame the "fees must fall" campaign for higher education institutions perpetuating the problem. It is crucial to note that three of these schools were classified as quintile five and one as quintile four. This implies that these schools do not receive total funding from the government; therefore, they raise other sources of income,

mainly through school fees. For example, if the school fees are R7000 per annum and five hundred learners do not pay school fees, the school will have lost R3.5 million. This is a considerable amount of money.

The SASA Act encourages all SGBs of public schools to supplement government support by charging school fees, and the right not to charge school fees is declared by the government as no-fee schools based on the community's economic level (Department of Basic Education, 2023). Furthermore, SASA states that public schools can sue parents who refuse to pay school fees. Surprisingly, the learner must remain in school while the matter is being resolved, and the school cannot keep the learner's report because the parent cannot pay school costs. According to the Department of Basic Education, parents who cannot afford to pay school fees can apply to the SGB for conditional, partial, or complete exemption from paying school fees, and if the SGB rejects their application, the parents can appeal the decision. This implies that SASA empowers the SGB to decide who pays school fees and how much can be paid. However, many parents are experiencing financial difficulties; for example, the recent COVID-19 epidemic left many parents unemployed, and others have yet to recover.

After the participants outlined the challenges they face in financial management, it can be noted from the findings that the selected schools have fewer challenges compared to other schools, especially the township schools. The common challenge faced by the sampled schools is failure to pay school fees by parents, whereas other schools have challenges such as mismanagement or maladministration of finances. So I wanted to find out what these selected schools have as control measures to combat school financial mismanagement. As government institutions, schools must create financial internal and external control mechanisms to minimise or prevent the school's finances from being mismanaged or embezzled. As an accounting officer, the school principal must ensure that well-organised, competent, and proficient systems are in place for internal control and financial and risk administration (PFMA) (Republic of South Africa, 1999). Financial control mechanisms refer to all the measures, guidelines, and methods to ensure that school finances are disbursed correctly. Financial control mechanisms minimise or prevent maladministration.

The purpose here was to discover the financial control mechanisms in place to guarantee that there is no mismanagement of finances in schools. Information from interviews and data analysis discloses that there are established control mechanisms that the principals implement to prevent financial mismanagement and maladministration in their respective schools. From the interview data, it is clear that the participating schools have well-organised and proficient control mechanisms in place. However, it is worth noting that financial control mechanisms differ from school to school. This suggests that the Department of Education does not provide schools with control mechanism prescriptions or policies; each school establishes its own mechanisms. Three quotations before any purchase, three signatories, financial records or statements, and supporting documents were some of the strategies employed to minimise or prevent fund mismanagement. With these financial control mechanisms, schools can effectively and efficiently manage their finances.

4.5.2 Signing powers

From the study's findings, it emerges that some of the participating schools employed a method of three signatures to control and guarantee that there is no maladministration of finances in schools. The signatories are the school principal and the treasurer and financial officer of the school. The finances of the school cannot be used without all three signatures. Expressing their opinions about how the three signatures operate, Mr. Chauke's view was that their school account has three signatories, and it is impossible to use the school's finances without the approval of all the signatories. He said:

Our account has three signatories: the chairperson of the SGB, the principal, and the treasurer, who is a parent. Each one of them has a role to play, so for example, we cannot make payment without the signature of the treasure, so it means all the payment that we make for the parent component is involved, so everyone has a role to play, and it is impossible to have one person running the show, particularly with EFT, because one person has to load, one must approve, and the other one must release, so you cannot have one person running the show; it is impossible.

According to Mr. Mtshali, three signatures are required before a purchase can be made from his school: one from the deputy principal, one from the member of the SGB who is on the executive finance committee, and one from the principal. Their school also has a finance officer whose job it is to oversee money transfers. After purchasing an item, a receipt must be obtained and recorded in the book. He stated,

Before a purchase can be made from our school account, three signatures are required: one from the deputy principal in charge of logistics, one from the SGB member on the executive financial committee, and one from the principal. In our school, we have also added a financial officer, a lady who deals with finances.

Before making any purchases, Mr. Nyandeni said, one needs to obtain estimates, requisitions, and finally, the three signatures, and all three signatures need to be there for them to release funds or make payments. Without the three signatures, no payment or withdrawal will be made. He stated:

According to our policies, if you start from the beginning, there are requisitions, quotations, and three signatures for everything. There can be only one signature for requesting and releasing the money or making the payment. We follow that policy very strictly when we release money.

Mr. Rich proclaimed that their internal processes require that a requisition form be completed before any payment can be made, and all signatories relevant to that particular approval process must affix their signatures to authorise payment. Furthermore, supporting papers need to be added; it is also a policy requirement to locate them and attach them to the specific request or form that was authorised for payment. He said:

"It is stipulated in our internal processes that the requisition form be completed, and upon completion, all signatories relevant to that particular approval process must append their signatures to certify that they have indeed seen it necessary to authorise that particular payment."

To confirm the findings, I requested to see documents that prove that the school has three signatories and who they are. The financial policies listed the three signatories as well as their responsibilities and procedures to be followed. The signatories differed from school to school. At school D, it is the principal, treasurer, and chairperson of the SGB; at school A, it is the deputy principal, treasurer, and finance officer; and at schools B and C, it is the principal, treasurer, and finance officer.

4.5.3 Bank statements

The study's key findings show that bank statements are also used in some schools to control financial movement and prevent maladministration. Additionally, these bank statements are used to track all the financial activities that have taken place in the school accounts. The participants highlighted that constant checking of bank statements helped them identify what

happened regarding the school's finances, as all the transactions would reflect on the bank statements. Articulating her perspective on bank statements, Mrs. Moselane explained that her school has a cash book in which they record their financial operations, and each morning she is required to record all sums deposited into the school account by parents. Another method of control is to print the bank statement every morning and record all payments made into the school's bank account. Another is a budget, which acts as a guide to ensure that none of their resources are wasted. She stated:

Every morning when I come in, I print the bank statement and capture it as the report of all the payments deposited into the school's bank account. This process is done every morning when I come in from January to December, so this is the first control on cash management.

According to Mr. Khoza, because all transactions are shown on the bank statement, they print it out, examine all transactions in the school account, and file it as documentation of how the school funds were used. He stated:

"Everything we pay for or spend money on, beginning with salaries and monthly expenses like phone and ADT security, must be reflected in the bank statement. All transactions appear on the statement. So we print it, look at all the activities that have taken place, and file it as evidence of what the money was used on."

Mr. Chauke stated that bank statements are printed and given to the bookkeeper for compilation every Monday. He also explained that they employ a sophisticated accounting system called Pastel for bookkeeping, which loads all of their transactions. He stated:

"Yes, every Monday, we print the bank statement, and the bookkeeper should reconcile the bank statements; besides that, we also have the Pastel accounting system, which is used as bookkeeping to load all our transactions."

I acquired copies of prior bank statements to confirm what participants said about the financial statements. At school A, I was told that bank statements are sensitive documents; therefore, they could only provide him with old bank statements. I was given bank statement files for the current and previous years by Schools C and D, and the transactions on the bank statements matched what was in the receipt books and check books. School B also provided bank statements for the school account, but the transactions on the bank statements did not match what was in the receipt books and check books.

4.5.4 The receipt book

The study's findings show that the receipt book is another method used to control the movement of finances and prevent maladministration. These receipt books are used to record all the financial activities that take place at school. Every financial transaction of any kind that occurs at the school is recorded in the receipt book. These financial transactions may include sums received as grants-in-aid, payments, scholarship funds from public or private sources, and so forth. Below are the expressions of the participants on how the receipt book works:

"The receipt book. When you receive something, you record it. You have to make a record of everything; whether you are buying or receiving, you have to make a record of everything that is going on in the school." [Mrs. Mafora]

Mrs. Mafora indicated that the school has receipt books that record all payments. Whether you are purchasing or receiving something, they record it all in the receipt book. Mrs. Hlongwane and Mrs. Smith also explained that their schools have a receipt book in which they record their financial operations, and each morning they are required to record all sums deposited into the school account by parents. Below are their verbatim responses:

"We have a receipt book; every morning when I come in, I do banking and capture the payments that parents have deposited into the school account."

"A receipt book is another mechanism. We record everything in it; money that we receive should reflect in it."

In all schools, finance officers are responsible for recording all the transactions in the receipt book. However, for school B, transactions on the bank statements did not correspond with what was in the receipt books, and some transactions were not recorded. Schools C and D captured all transactions and compared them with what is on their bank statements. School A did not have a receipt book; however, they printed the bank statements every morning and filed them.

4.5.5 Source documents

Supporting documents are the other method used to keep track of or control the school's finances that emerged from the data. Supporting documents are documents that provide information about prior transactions. They serve as proof of the activities that have taken place in the school accounts. Bank statements, debit orders, receipts, and invoices are a few examples of source documents (Mestry & Bischoff, 2009: 128). These proof of purchase documents are

compiled and kept as evidence of what school finances were spent on. Expressing his perspective in this regard, Mr. Khoza stated:

Every month, when we do the filing of what happened in the finances, there will be receipts for groceries or whatever else has been bought with a card. Those receipts must correspond with the money taken out of the school's account. We also have an SMS-sending method. The SMS is for three people: the treasurer, the principal, and the chairman.

According to Mr. Mtshali, a receipt must be obtained and recorded in the books after purchasing an item. He stated:

“So after the item has been purchased, there must be a receipt that must go in the bookkeeping, and the receipt must correlate with what was built in the school's bank account or whatever the case might be.”

He said that they maintain files in which they organise their monthly records of each transaction made, each payment received, and each receipt. According to Mrs. Smith, for every transaction, they make sure that everything they buy comes with a purchase proof and a slip that details the location and price of the transaction. She stated:

"We make sure that if we buy, for instance, a plug, a bolt, a nut, or whatever it is, everything has a requisition, and a slip must be attached to the requisition to indicate where one bought it and how much one paid for it."

Monitoring and controlling the school's finances requires regular expenditure inspections instead of a budget. This is a critical activity in the school's financial management because it allows FINCOM to take remedial action if actual revenue and expenditure differ considerably from the predicted income and expenditure as shown in the budget (Mestry & Naidoo, 2009). Schools, through the FINCOMs, are instructed by the Department of Education to put in place external and internal financial control mechanisms. Financial mismanagement will likely emerge from a lack of monitoring and control, a risk that all schools must work tirelessly to prevent. Drawing from the participants' responses, it can be noted that all the sampled schools have internal financial control mechanisms. It can be deduced that proper financial management cannot happen in a vacuum. Internal financial control mechanisms were underlined as substantial contributory factors for proper financial management, and even though SASA is quiet on procurement processes in government schools, the sampled affluent schools seem to have implemented sound procurement procedures and rules. Procurement procedures and rules are linked to the recommendations made in Subsection 38(a) of the

PFMA, which stipulates that accounting officers should put in place a proper procurement structure that is rational, practical, decent, and profitable.

4.5.6 Auditing

Audits are used as another method of controlling finances. Schools, as mandated by SASA, require auditors to aid them in detecting financial defects and fraud and comprehending the sources of financial gain and loss in the school. From the interviews conducted by the researcher, all the participating SGB members agreed that their schools have auditors. It was of paramount significance for the school to have auditors to ensure that the finances of the school were managed effectively. In order to achieve this, the study's findings show that auditors visit the school to review the financial archives, such as bank statements and records, quotations, and proof of purchase.

Mr. Mashishi concurred that his school has auditors, and their responsibilities, according to him, include ensuring that the school funds are utilized appropriately, that the necessary documentation is used to justify the use of the finances, and that all relevant information is preserved and documented accurately, transparently, and without any ambiguity. He remarked,

We do have an auditor, and their responsibilities include ensuring that school funds are used appropriately, that they are accompanied by documents that support the use of finance, that they are kept and recorded clearly without any ambiguity or unclear receipts, and that they are completely transparent.

Mr. Rich also stated that the school has auditors, and one of their responsibilities is to examine financial records. He claims that they only allow auditors to work with them for a minimum of three years and a maximum of five years to prevent auditors from becoming too close to them and jeopardising the professional component they expect from auditing firms. He said:

"We have auditors, and their responsibility is to audit our books. We consistently use them annually, and under normal circumstances, we allow auditors to be contracted with us for a minimum of three years and a maximum of five years. After five years, we look for new auditors so that we do not create a comfort zone or relationship that may compromise the professional aspect that we need from auditing firms."

Similarly, Mr. Nyandeni agreed that the school has auditors. Their responsibility, according to him, is to ensure that the school's finances are utilised effectively, following the budget, and that no maladministration occurs. Mr. Nyandeni stated that:

“We do have auditors. Their responsibility is to ensure that the school's finances were appropriately used and followed the budget, and that no mismanagement occurred.”

Similarly, Mrs. Moselane confirmed that the school has auditors. Their job, according to her, includes visiting the school annually to inspect all assets, systems, and methods used in financial management. She mentioned:

“Their responsibilities include coming here once a year to conduct audits and inspect our policies, systems, and assets. They check everything and then give us their recommendation.”

Mrs. Smith also verified that the school where she works has an auditor. According to her, the auditors' responsibility is to ensure everything is carried out and done according to the school budget. She also stated that the audit is conducted once a year at her school and is required to ensure there are no irregularities or fraud. She emphasised that the auditors' job is to:

“Ensure things are done according to the school budget. The auditors check if the school fees coming in are the correct amount, and the correct amount is banked. With auditors, the audit is done once a year, which has to be done to show no discrepancy or fraud. That's the reason for auditors.”

Mr. Mtshali agreed that the school has auditors. According to him, their responsibility is to ensure that there are no inconsistencies between what was done regarding the school's finances and what was reported. He further explained the procedure to be followed when there are discrepancies in the school's finances. He remarked,

“Of course we do. Their duty is to see if there are no discrepancies that were made; obviously, if there are discrepancies, the school has to explain in writing what the discrepancies were for, whether the money is deficient or a surplus, and they have to provide reasons. Normally, what is accepted in auditing is 15%; anything that is 15% less or 15% more of the funds that were actually accepted or given by the district requires the school's principal and the SGB to write a report on what happened for that deficit or surplus to take place. So it is very important to have auditors in the school to avoid mismanagement of funds.”

Mr. Majola also agreed that the school has auditors who the Department of Education recommended. According to him, the auditors are independent of the school, so it is the school's responsibility to compensate them, and their major task is to ensure that everything that they do is accurate and that their reports to GDE appropriately represent the school's finances. He noted:

“Yes, we have auditors whom the education department recommended. The auditors work as an independent body; they are not part of us or the department of education, so we would be responsible for paying them, but the bottom line is that they are here to ensure that whatever we do here is true, that it is a true reflection of the school's finances, and that we report that to GDE.”

Mr. Khoza likewise concurred that their school has auditors. He emphasised that the money in the school coffers is for operating the school, not for SGB to do as they like. Therefore, the auditors must assess what they have done with the funds meant for the operations of the government school. He commented:

“Yes, we have auditors. Remember that the money is not for SGB to do what they want; it is for running the school. So we need auditors to come in and look at what we're doing or have done with the money for running the government's school. The audit will tell the government if their money is safe in our hands or not.”

Mr. Adams similarly acknowledged that the school has auditors. The auditors visit them to ensure that financial records correspond with funds provided by the state. According to him, the auditor's primary responsibility is supervising everything and ensuring everything is done according to government regulations. He elucidated, saying:

“They do have auditors. The auditors come here to check and ensure that what we recorded corresponds with what the state gave us. They check to see if the money we receive as a school matches what we have recorded.” The auditor's primary responsibility is to oversee everything, what is going on, and whether or not things are being done in accordance with government guidelines.

Auditing is another crucial control mechanism. Auditing alludes to external-related control that contains a complete investigation of an association's financial management activities by an expert from outside that association or institution. It then becomes essential to note that an audit is a self-ruling inspection of the archives, for example, minutes of gatherings, a participation register, and departmental letters of an association or institution, which leads to a statement laying out the auditor's view on the institute's state of affairs (Xaba and Ngubane 2010). In section 43(1) of the SASA Act, the SGB must appoint a registered accountant or auditor to conduct an audit report submitted by June 30th each year (Western Cape Education Department, 2020). Interestingly, all the selected schools do conduct audits using auditors as instructed, who, from time to time, visit the schools to audit the financial management activities undertaken by the SGB. A study by Irungu (2012), explained in Chapter 2, found that many quintile-one school audit documents take many years to complete, or sometimes state officials

pay the auditors to cover up for misused funds. For example, Mr. Mtshali iterated that their school has auditors who play a crucial role in determining whether there were no discrepancies, and the school explains in writing if there was a deficit above or below 15%.

All participating schools provided me with their financial statements for the study's document analysis. The financial statements given to me had been audited following legal requirements. It was evident that every school employed an auditor to audit their financial records, accounts, and books.

Following the PFMA's rules, government institutions are required to account to the cabinet on how they utilise state resources. Despite being exempt from the PFMA's requirements (Schedule 4), schools are nonetheless required by SASA to account for the spending of school finances to the parents of the learners, the HoD, and other interested stakeholders (Republic of South Africa). Accountability questions were directed to the participating schools' governing bodies to share their accountability experiences. The aim of the study was to determine how participating schools account for school finances. From the interviews conducted and document analysis, it emerged that there are systems in place that the participants use to account for the spending of school finances. The systems include annual general meetings and the submission of financial statements to the entire SGB and district. These measures are discussed distinctly below.

4.5.7 Accountability through annual general meetings

Schools need to ensure that SGBs account to parents and guardians for how school funds are spent on learners. The study's findings reveal that the participants account for the spending of school finances with parents in the AGMs. From the participants' responses, it came out that the meetings took place once a year and served a dual purpose. The meeting allowed SGB to account to learners' parents and guardians for how the school's finances were used during the year and to discuss the budget for the following year.

Regarding accountability, Mr. Chauke emphasised that they account to the parents at the AGM. The school invites parents to the annual general meeting every October to reflect on how money was spent and to submit the budget for the following fiscal year. He stated that:

“We account to the AGM, so every year in October, the parents meet at the AGM to discuss how the finances of the school were spent and present the budget for the following financial year.”

Other participants expressed similar views on how the finance committee and the entire SGB account for the spending of school finances. They mentioned that they account to parents and guardians of learners at the AGM. This is what Mr. Khoza and Mr. Mashishi, respectively, concurred on:

"To the parents. There is usually an AGM. AGMs are usually towards the year's end, and in these meetings, parents are given reports on how the finances of the school were used by those in charge of them. We also get an opportunity to present the budget for the following year.”

“Annual general meetings in October. What usually happens is that the SGB of the school presents the report on how finances were used to the parents and also allows them to ask questions where there is uncertainty.”

This study confirms that the participating schools account for their monetary status by reporting it to all stakeholders in their schools. In agreement with a study by Kgetjepe (2011), reporting represents the most vital form of accountability concerning governing bodies and FINCOM. The participating schools' common technique was calling stakeholders to the annual general meetings. It transpired from the finance SGB members' interviews that the meetings were held to account for how the finances were spent and to present the budget for the following year. The frequency of such meetings varied according to the demands of the different schools; for example, it was discovered that some schools reported to their stakeholders twice a year, once a year, or whenever they saw it as essential.

All sampled schools recorded the minutes of the AGM meetings held by the schools. The agendas and minutes for all meetings were included in the minutes for school C, and the minutes were authenticated to demonstrate that the SGB had approved them. Interestingly, the minutes for School B were signed and adopted by the principal and the SGB chairperson, but some of the agendas were missing. On the other hand, School A and D meetings were not signed to indicate that the SGB adopted them.

4.5.8 FINCOM financial accountability to the SGB

According to the study's findings, the FINCOMs of the participating schools reported to the entire SGB how funds were used by submitting quarterly and monthly financial reports. The purpose of these submissions is to keep the entire SGB up-to-date with school finances and account for the spending of school finances. Mr. Nyandeni remarked that in his school, the finance committee meets weekly to account for the spending of school finances. The SGB only meets once a month. He mentioned that

As I said, the finance committee meets every week, but the SGB meets once a month. The purpose of these meetings is to account for how we spent the school money, so the finance committee reports to the SGB for an expenditure report and sort of a summary of the main expenses, and then that is for the normal day-to-day running of the school.

The finance committee and the entire SGB account for the spending of school finances. Mrs. Mafora mentioned that they do so by providing an annual financial statement demonstrating evidence of all of the functions that occurred throughout the fiscal year. She said:

“By submitting an annual financial statement to the SGB that shows and proves all the functions that happened during the year, we have a financial report proving the executions of the year.”

Mrs. Hlongwane revealed that she accounts to the SGB and the principal, and she does that by submitting her files every two weeks. She further revealed that they also examine reports from auditors to confirm if any mismanagement occurred. She said:

"We account for this by submitting my files to the SGB and the principal every two weeks. We also check the report by the auditors to see if there has been any mismanagement."

Mrs. Smith expressed similar views to Mrs. Hlongwane when she indicated that they also account to the SGB, which they do by submitting their financial reports. The following are their comments:

We submit an income and expenditure report monthly to the SGB. If they find a discrepancy on it, you get reprimanded, and I am so thankful I have not been reprimanded before, but it's the accountability.

All participating schools have provided records of submissions of monthly and quarterly financial reports by FINCOM to the SGB, as indicated by the minutes of the meetings. The number of times the FINCOMs accounted for the entire SGB differed from school to school.

At schools C and D, they accounted monthly; at school A, it is annually, whereas at school B, it is every two weeks, and records and minutes of the meetings were also filed after each meeting.

4.5.9 Financial accountability to the district

Reporting is required to stakeholders such as learners' parents, the SGB, and the Department of Education (DoE). According to the study's findings, participating schools reported to the Department of Education how funds were used by providing quarterly and monthly financial reports and audited financial records. According to SASA, the prescriptions and Circular 22 submissions supposedly happen once every term, with audited financial statements sent annually in February or March of the following fiscal year. Section 43(5) of the Schools Act requires SGBs to submit audited financial records to the HOD through the principals within six months of the conclusion of each fiscal year.

Mr. Adams stated that they are required to follow the budget that has been established, document everything that the school's finances were spent on, and present financial records to the district. He stated that they also provide annual reports to the learners' parents. He said:

“We are required to record every activity and submit it to the district to prove that we are indeed using the money allocated to the school for the things budgeted for. We also account for the parents and guardians of the learners once a year.”

Mr. Nyandeni remarked that his school reports to the district, and the district randomly visits the school to review documents and check if the school is following its budget. He said:

"Of course, we report to the district about the school's finances, and we get random visits where they check out books. For everything that happens for a year, and with the asset register, they will pop in twice a year to do stock-taking and see if we are on track with our budget."

According to the participants' voices, submitting financial statements and reports was one of the methods they used to secure accountability in affluent schools. Through these submissions, SGBs can explain how the allocated school budget was spent. Section 43(5) of SASA stipulates that the SGB should report to the cabinet. According to the study's findings, accountability is based on annual general meetings and submissions of financial statements to the SGB and the district. For example, Chauke mentioned that they report to the parents through the annual general meeting. Generally, parents are not given a detailed statement of the school account; only a page or two of the financial statements are presented. Besides, many of the parents lack

financial literacy. The FINCOM of the selected schools reports to the SGB monthly and quarterly to account for the utilisation of school funds.

Similarly, these reports are sent to the Department of Education monthly and quarterly for accountability purposes. Mestry (2004) defined accountability as “being answerable to one’s client, liable to oneself, and liable to colleagues.” Mestry (2006) explained a case study whereby a principal of a high school in Ermelo misappropriated school funds, and the MEC fired him. Investigations showed that the principal acted on the policy of the school governing body. Therefore, professional management of the school funds and accountability are vested in the principal and the SGB. Mestry (2006) iterated that the issue of accountability is confusing; the employer wanted to hold the principal accountable for the professional development of the school but was not entitled to prescribe employees for statutory functions; therefore, the case was set aside.

4.6 Chapter Summary

This chapter discusses the study's findings. Concisely, the study discovered that the participants showed a clear comprehension of responsibility as it applied to financial management. Secondly, the sampled affluent schools have implemented effective internal financial control mechanisms. These control mechanisms are implemented to minimise or prevent mismanagement of finances. The study also reveals that the SGBs' efforts to properly and effectively manage finances in affluent schools occasionally run into challenges, such as non-payment of school fees. However, other findings revealed that school C's financial requisition had some pages removed, and school B refused to allow its cheque requisition to be viewed by the researcher. Furthermore, the study’s findings revealed that one of the major challenges encountered by affluent schools is that parents do not pay school fees, resulting in a loss of income. A summary, suggestions, and final thoughts regarding the study will be presented in Chapter Five, which will come next.

CHAPTER 5

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a concise summary of the most relevant findings connected to each research question. The primary findings from a sample of four wealthy schools in Gauteng province are compared to the present research on financial management. This chapter discusses confirmed and contradictory discoveries. This is followed by a discussion of the implications that can be drawn from the financial management research findings. Following the analysis and discussion of the findings, the next phase presents some ideas and recommendations based on the findings of the research's key components. A case study design, a qualitative technique, and an interpretative paradigm were all utilised in the research. Individual semi-structured interviews and document reviews provided the qualitative data for this study. Twelve members of the SGB, including principals from carefully selected schools, were interviewed. The interview data were analysed using deductive coding based on predetermined codes, and emerging themes were aggregated simultaneously. This methodology's primary goal was to create thorough responses to the major research question.

5.2 Summary of the Study

The basic premise underlying this research was that the state should experience a good return on its investment in basic education, including primary and secondary education. The essential aspect of determining the degree of such returns is how educational institutions manage their financial resources. In light of this perspective, the goal of this study was to give some insight into how wealthy educational institutions deal with the issues posed by their finances. The research study was divided into five chapters to achieve this goal, each of which has a specific objective, as shown in the following paragraphs.

The study presented the introduction, setting, and problem description in the first chapter. The main topic of this chapter was that SGBs are responsible for ensuring that the school's financial resources are efficiently managed to accomplish the school's goals and that the school is financially viable. According to studies, the financial management processes and systems put in place by the SGB contribute significantly to schools' financial stability.

The second chapter explored the study's conceptual framework and relevant local and international literature on how schools manage their finances. According to the research conclusions, all schools are required to keep control over their assets and finances and ensure that all of the government's income, resources, liabilities, and expenditures are sufficiently and effectively supervised. This ensures that policies such as the Public Finance Management Act, Financial Management Prescripts, the South African Schools Act, and the National Norms and Standards of School Funding are followed.

Chapter three describes the study's research methodology and overall design. An interpretive paradigm was applied. This paradigm allowed me to explore how people working in financial management in wealthy secondary schools in Gauteng province characterise their financial management experiences in those schools. A qualitative methodology was used to determine the specific meaning that emerged from interviews to understand SGB members' perspectives on the administration of financial resources. Because of resource, cash, and time restrictions, this study used a sampling method known as convenience sampling to save costs and simplify the study procedure. It allowed me to study nearby areas and identify potential study participants.

Chapter 4 presented and analysed the study's findings, derived from documents and interview analysis. The results gained from the data were presented, appraised, and discussed in this chapter, utilising themes related to the study topics. The study's findings are summarised in the following section: The fifth chapter presented the findings, summary, conclusion, and recommendations.

5.3 Summary of the Findings

The study's main aim was to examine various areas of financial management at various well-off schools in Gauteng Province. A qualitative research approach was used to investigate the perspectives of the SGB and principals on how the finances in these schools are managed, what financial management policy frameworks are put in place, the roles different stakeholders play in the process of managing finances, and, finally, the challenges affluent secondary schools face when managing finances and how they resolve them.

5.3.1 What roles do various stakeholders undertake in managing school finances in affluent schools?

A stakeholder is defined as “*an individual, group, or organisation whose interests are affected by the outcome of a project or business*” (Mind Tools, 2022). Stakeholders are essential because their decisions can impact the project, either positively or negatively. In this study, various stakeholders play a vital role in managing school finances. These are principals, treasurers, financial officers, educators, parents, co-opted members, and the Department of Education, represented by the MEC. According to the study's findings, each member of the SGB has a distinct set of functions and obligations to fulfil. The principals considered themselves to be accounting officers and ex-officio members of the governing bodies. The principals' made vehement claim that as accounting officers their job was to guide, advise, help, and supervise all financial operations at the school in line with the policies to prevent incorrect administration and management of the school's financial resources. The finance officers claimed that they were responsible for all essential documentation. Their responsibilities included making payments, preparing supporting documents, generating quarterly financial statements, and reporting to the SGB on how funds were spent. Treasurers, on the other hand, are responsible for developing financial policies, ensuring that those policies are successfully implemented, following the budget, and, by default, functioning as the chairperson of all FINCOM meetings.

Having ascertained what roles and responsibilities various stakeholders undertake in school financial management, the study explored the measures in place to ensure role clarity and collaboration among members of the SGB. According to the findings, affluent schools implemented policies and held workshops to prevent role confusion. Additionally, SGB members engaged in meetings to ensure collaboration among all stakeholders.

5.3.1.1 Workshops and role confusion

The participants perceived workshops organised by the school for SGB members as fundamental to attaining effective financial management. These workshops ensured that SGB members knew what roles and responsibilities they needed to undertake. Furthermore, various roles and responsibilities were outlined and explained in these workshops.

5.3.1.1 Policies and role confusion

SGB members designed policies that served to prevent role confusion among stakeholders. The designed policies include financial management guidelines and roles and responsibilities for all members. SGB members were made aware of their responsibilities and roles through policies and could detect and pick up on when other members were confusing roles.

5.3.1.3 Collaboration through communication and meetings

Communication considerably aided SGB members' ability to collaborate on financial management. They communicated with one another to ensure that everyone was informed and up to speed on financial management, and as a result, everyone engaged in the process was fully aware of the state of the school's budget. Meetings also allowed SGB members to coordinate their financial management better. Members of the SGB were able to debate financial matters and ensure that everyone was educated and up to speed on financial management through meetings; as a result, everyone who participated was better informed about the state of the school budget.

5.3.3 How do policies assist affluent schools in managing finances effectively?

Key findings of the study show that policies in place helped the SGB effectively manage the school's finances. After engaging with the participants on how policies assisted in financial management, it became clear that the policies are the backbone of financial management since they stipulate the guidelines and rules for managing finances. Schools relied on them for effective financial management.

5.3.4 What challenges do affluent secondary schools encounter in managing finances?

The challenge encountered by the selected schools in managing finances was that not all parents paid school fees, which ultimately reduced the school budget, and the school could not meet its daily needs, such as paying for electricity and water. Additionally, most participants blame the "fees must fall" campaign for higher education institutions' perpetuating the trend of non-payment. Three of these schools were classified in quintile five and one in quintile four. This implies that these schools do not receive total funding from the government; therefore, they raise other sources of income, mainly through school fees and fundraising.

After determining the challenges faced in financial management, the study investigated the various control mechanisms used in affluent schools to avoid or reduce financial mismanagement. What became clear from the findings is that SGB members and other stakeholders follow the financial transactions in the school account using instruments like the receipt book, bank statement, and three signatures. Additionally, the schools conduct audits (external and internal). The results also showed that each established control mechanism had a particular function that ultimately contributed to efficient financial management.

5.3.4.1 Three signatories.

Having three signatories on the school account ensured that the school's finances were used for what they were intended. The participants perceived that using three signatories is fundamental to effective management as it prevents people from using the school finances without the permission of the SGB members. In addition, the signatories differ from school to school; in some schools, it is the school principal, the chairperson of the SGB, and the treasurer, whereas in other schools, it is the school principal, the chairperson of the SGB, or the treasurer, and the finance officer.

5.3.4.2 Bank statements

The participants also used bank statements to monitor and track the movement of funds. Bank statements were significant since they outlined all the transactions (including the date, time, and place) that had taken place in the school accounts. Through monitoring and looking at the bank statements, SGB members were in a better position to understand how the school money was used.

5.3.4.3 The receipt book

A receipt book was used to record all the financial activities, and financial activities served as a strategy for tracking the movement of finances in the school accounts. As a result, SGB members and FINCOM could better understand where the money came from and what it was used for.

5.5 Conclusions from the Study

The key indicators of ethical leadership are responsibility, accountability, fairness, and transparency (Kings IV, 2016). The following conclusions are drawn from the study's findings:

- The governing bodies of affluent schools take responsibility by protecting school finances through crucial policies, such as SASA. Additionally, they recruit or select competent SGB members, including principals, treasurers, and finance officers. Further, they design effective policies; hence, good school policies are a catalyst for defining stakeholders' roles in managing the finances of affluent schools.
- Collaboration is key; otherwise, poor collaboration amongst the SGB members makes it a difficult task to manage school finances. The strategies used by these schools to collaborate effectively are conducting workshops, constructing policies, and conducting meetings. This suggests that the continuous improvement of SGB members is vital because they are trained on the different roles they have to exercise for effective financial management. In due course, they are also trained on the different SGB policies, ensuring no role confusion among the SGB members exists. Meeting SGB members regularly is crucial for accountability; therefore, the SGB can be held responsible for the decisions and actions that stakeholders take.
- The findings of the study indicated that the SGBs of affluent schools put measures in place to prevent the maladministration of financial resources. The key measure is the three-signature requirement on the school account. Other measures include the control of receipt books, bank statements, and auditing. All these measures ensure that the SGB is accountable and fair in exercising legitimate control that is reasonable and in the interests of all stakeholders involved.

Generally, the researcher conclude that "rich" or affluent schools practice top-notch management of school finances. Their key attributes are ethical and practical leadership that directs good performance and produces compelling results for these schools. Additionally, these affluent schools develop implementable policies and stipulate the roles played by each key stakeholder in the financial management of school funds.

5.6 Recommendations

5.6.1 This study indicates that affluent schools are good in all spheres of school governance, including the management of school funds. Hypothetically, a school that manages its funds effectively could perform very well, ensuring quality education for all.

“Section 29 of the South African Constitution enshrines the right to education and defines the positive responsibilities of the state in this respect. The section states, “Everyone has the right to a basic education, including adult basic education (Republic of South Africa, 1997).”

The previous comment confirmed that all South African citizens hold the fundamental right to an education. The South African government categorises schools as either "rich" (with a quintile score of 5) or "very poor" (quintile 1), and the Department of Education provides quintile five schools with less funding per learner than a quintile one school. Quintile 4 and 5 schools, however, generate additional revenue through school fees, fund-raising activities, and contributions. Quintile-one schools, on the other hand, are entirely dependent on government support. The study reveals that quintile four and five schools manage school funds effectively, whereas quintile one schools rarely manage school funds appropriately. I recommend that the Department of Education collect data from all successful schools and establish a model or framework that may serve as a guideline for capacitated schools to utilise to manage school funds effectively. In addition, the Department of Education must foster collaboration between the school governing bodies of quintile one schools and those of quintile five schools for capacity building through practical training.

5.6.2 The Organisation for Economic Cooperation and Development (OECD) recognises that many governments are struggling to provide the necessary resources to meet the growing demand for education. Similarly, South Africa does not fully finance some schools (including those in quintiles 4-5) but fully funds others (quintiles 1-3). In South Africa, the current policy structure results in the establishment of imbalances. For example, schools that the government does not fully fund are compelled to collect additional cash from parents through school fees. As a result, some parents whose children attend fee-paying schools have refused to pay those costs. To begin, we propose that school officials, such as the School Governing Bodies (SGB) and school principals, look into the possibilities of getting multiple sources of funding from philanthropists or the private sector to make up for the gap caused by non-payment of school

fees by parents. Secondly, for the government to play a substantial role in raising the standard of education in South Africa, it should look into the possibilities of developing partnerships with the private sector. In most circumstances, corporations are directly interested in investing in the country's education system since it can contribute to inclusive growth, which develops a more knowledgeable and productive workforce (OECD, 2022).

5.6.3 According to the study's findings, the chosen schools rely excessively on traditional ways of school finance management, despite the fact that the rest of the world is transitioning or has already migrated to Industry 4.0 technology. The use of financial management applications simplifies and improves financial accounting. Financial management systems, for example, automate various operations, such as the automatic generation of reports and the storage of transaction data. Financial accounting has become less tedious and more efficient. As a result, FINCOM will be able to focus more on the effectiveness and efficiency of financial management (Mas et al., 2019). For example, the analysis showed that several pages had been removed from school C's cheque requisition, implying that some transactions had been excluded. On the other hand, the use of a financial system makes removing some records once they have been recorded into the system nearly impossible. These educational institutions have been advised to consider implementing Industry 4.0 finance management systems. A system of this type can save financial records in a database for several years and generate reports automatically. A system can also be programmed to generate reports automatically and email them to FINCOM.

5.7.1 Recommendations for future research

In order to provide support for this study, future research should focus on how private schools manage their funds. This study might be expanded to cover both primary and secondary schools in the Gauteng province to get generalisable data on how affluent schools handle their finances in this area from SGBs. The study should be expanded to include the perspectives and practical experiences of educators, department heads, and deputy department heads in their different positions in financial management. If researchers had access to this type of data, they might compare the perspectives of SGB teachers, department heads, and deputy principals on financial management in both primary and secondary schools. This study was limited to five affluent secondary schools in Gauteng province. Because of the small sample size, the information gathered will only apply to those five schools and cannot be generalised to other

schools. As a result, future studies should also focus on private schools with a larger sample size to yield more conclusive results. This study might be expanded to other parts of the country so that students in schools around South Africa have a better grasp of the SGB's role in financial management. Additionally, future research should explore schools in all categories (quintiles one to five) as classified by the education department.

5.8 Conclusions

The study's findings reveal that the SGBs of the participating schools effectively manage their organisations' financial management procedures, and while there are a few discrepancies, the positives significantly outweigh the drawbacks in this situation. The importance of the principals, treasurers, and accounting officials cannot be overstated. In general, the study's findings show that working as a team and enhancing one's capacity through training catalyses better financial management of school money. Other studies have found that the school governing bodies (SGBs) of some schools, particularly those in rural and township settings, struggle with school financial management. The participating schools are located in relatively wealthy regions and are in quintiles four and five. SASA makes no distinction between quintile one and quintile five schools in terms of management. Members of the wealthier educational institutions' SGBs are well-versed in financial accounting and, for the most part, participate in courses aimed at raising their level of skills. One might conclude that affluent schools are more likely to recruit SGB members capable of making appropriate financial management decisions, ensuring sustainable school fund administration.

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APPENDIX A: PERMISSION FROM THE HOD



GAUTENG PROVINCE

Department: Education
REPUBLIC OF SOUTH AFRICA

8/4/4/1/2

GDE RESEARCH APPROVAL LETTER

Date:	13 February 2020
Validity of Research Approval:	04 February 2020 – 30 September 2020 2019/395
Name of Researcher:	Moses, M
Address of Researcher:	1567 Bela-Bela Warmbaths, 0480
Telephone Number:	071 532 3111
Email address:	miguelmoses1993@gmail.com
Research Topic:	Investigation of financial management in former model C secondary schools in the Gauteng province
Type of qualification	Master's Degree
Number and type of schools:	Five Secondary Schools
District/s/HO	Tshwane West, Tshwane North and Tshwane South

Re: Approval in Respect of Request to Conduct Research

This letter serves to indicate that approval is hereby granted to the above-mentioned researcher to proceed with research in respect of the study indicated above. The onus rests with the researcher to negotiate appropriate and relevant time schedules with the school/s and/or offices involved to conduct the research. A separate copy of this letter must be presented to both the School (both Principal and SGB) and the District/Head Office Senior Manager confirming that permission has been granted for the research to be conducted.

The following conditions apply to GDE research. The researcher may proceed with the above study subject to the conditions listed below being met. Approval may be withdrawn should any of the conditions listed below be flouted:



13/02/2020

1

Making education a societal priority

Office of the Director: Education Research and Knowledge Management

7th Floor, 17 Simmonds Street, Johannesburg, 2001

Tel: (011) 355 0488

Email: Faith.Tshabalala@gauteng.gov.za

Website: www.education.gpg.gov.za

1. Letter that would indicate that the said researcher/s has/have been granted permission from the Gauteng Department of Education to conduct the research study.
2. The District/Head Office Senior Manager/s must be approached separately, and in writing, for permission to involve District/Head Office Officials in the project.
3. A copy of this letter must be forwarded to the school principal and the chairperson of the School Governing Body (SGB) that would indicate that the researcher/s have been granted permission from the Gauteng Department of Education to conduct the research study.
4. A letter / document that outline the purpose of the research and the anticipated outcomes of such research must be made available to the principals, SGBs and District/Head Office Senior Managers of the schools and districts/offices concerned, respectively.
5. The Researcher will make every effort obtain the goodwill and co-operation of all the GDE officials, principals, and chairpersons of the SGBs, teachers and learners involved. Persons who offer their co-operation will not receive additional remuneration from the Department while those that opt not to participate will not be penalised in any way.
6. Research may only be conducted after school hours so that the normal school programme is not interrupted. The Principal (if at a school) and/or Director (if at a district/head office) must be consulted about an appropriate time when the researcher/s may carry out their research at the sites that they manage.
7. Research may only commence from the second week of February and must be concluded before the beginning of the last quarter of the academic year. If incomplete, an amended Research Approval letter may be requested to conduct research in the following year.
8. Items 6 and 7 will not apply to any research effort being undertaken on behalf of the GDE. Such research will have been commissioned and be paid for by the Gauteng Department of Education.
9. It is the researcher's responsibility to obtain written parental consent of all learners that are expected to participate in the study.
10. The researcher is responsible for supplying and utilising his/her own research resources, such as stationery, photocopies, transport, faxes and telephones and should not depend on the goodwill of the institutions and/or the offices visited for supplying such resources.
11. The names of the GDE officials, schools, principals, parents, teachers and learners that participate in the study may not appear in the research report without the written consent of each of these individuals and/or organisations.
12. On completion of the study the researcher/s must supply the Director: Knowledge Management & Research with one Hard Cover bound and an electronic copy of the research.
13. The researcher may be expected to provide short presentations on the purpose, findings and recommendations of his/her research to both GDE officials and the schools concerned.
14. Should the researcher have been involved with research at a school and/or a district/head office level, the Director concerned must also be supplied with a brief summary of the purpose, findings and recommendations of the research study.

The Gauteng Department of Education wishes you well in this important undertaking and looks forward to examining the findings of your research study.

GDE records



Mr Gumani Mukatuni
Acting CES: Education Research and Knowledge Management

DATE: 13/02/2020

APPENDIX B: CONSENT FORM FOR PARTICIPANTS

ENQ: MOSES. M

P.O.BOX 1567

CELL: 0715323111

BELA-BELA

STUDENT: 219079562

0480

...../...../2020

Dear Participant

Thank you very much for your agreement to participate in this research investigating how affluent secondary schools in the Gauteng province manage their finances. This research is part of my master's degree under the supervision of Prof Phumlani Myende, University of KwaZulu-Natal (South Africa). Please read carefully the attached consent form and sign to assert your willingness to partake in my research.

I..... (Participant) voluntarily agree to partake in the research study as highlighted in the letter of request. I attach my signature as a symbol of my approval to participate in this research and I understand that:

- Participating is voluntary and participants can withdraw at any time and there will be no negative consequences for withdrawal.
- Participating in this research offers no financial rewards, however the school will be offered research copy for library keep upon request.
- The interview will be audio-recorded and transcribed for analytic purpose and the interviews are expected to last 45-60 minutes per session. The interview will be based on how Affluent secondary schools in the Gauteng province manage finances.
- The data collected will be for the partial fulfilment of the masters' degree and the name of the school, the information I give amid the data collection would be kept unknown and confidential by not revealing my real names and the name of the schools. The school and the participant will be provided with pseudonyms in this study.
- The data collected in this research will be kept for five years in safe place at the University of KwaZulu-Natal.

Should you have questions or problems or need any further information related to the study, please feel free to contact me by email: miguelmoses1993@gmail.com and/or my research supervisor by email: MyendeP@ukzn.ac.za and\ research ethics committee by email: HSSREC@ukzn.ac.za. You can also call me on 0715323111 or my research supervisor on 0839681361 or my research ethics committee on 27312604557.

I attach my signature as a symbol of my approval to partake in the research.

Name of the participant.....

Contact
details.....

Participant signature.....Date signed.....

Permission to Audio Record

My signature below confirms that:

- ☐ I give the research consent to audio-record my interview
- ☐ I do not give the research consent to audio-record my interview

Signature.....Date signed.....

Moses. M

Student/Researcher

APPENDIX C: MINISTRY LETTER

Private Bag 1567

Bela-Bela

08 January 2020

Senior Education Officer

The Ministry of Education and Training

Pretoria 0001

South Africa

REQUEST FOR PERMISSION TO CONDUCT RESEARCH.

Dear Sir/Madam

I hereby ask for permission to conduct research with selected Affluent secondary schools within your district.

My name is Miguel Moses, and I am currently studying for a Master's qualification in education management with the University of the Kwazulu-Natal. As a major aspect of my Master's program, I am required to conduct research on an aspect of interest with an aim of contributing to our knowledge and comprehension of the phenomenon under study. The title of my research project is:

Investigation of financial management in affluent secondary schools in the Gauteng province.

This investigation of financial management in schools is required as part of development, assessing and spreading information about efficient administration of finances. There is a perception that these schools manage their finances properly, effectively and efficiently. This remains a perception, as there is no established body of knowledge on how these schools manage their finances. I am conducting this research from one viewpoint to comprehend and explore the financial management in affluent schools. The purpose for the study is to

investigate how affluent secondary schools in the Gauteng province manage finances. I am predominantly interested on roles various stakeholders play in managing finances in affluent schools, policies that affluent schools put in place to effectively manage finances, how the governing bodies in Affluent schools comply with the policy frameworks when managing the finances of the school, and lastly challenges encounter when managing finances and how they deal with them. The study has the potential to benefit schools by pointing out the challenges faced by schools when managing finances, and could contribute in seeking ways through which public schools in South Africa could be able to effectively manage their finances regardless of their rankings and location. It will further empower participants to reflect on their financial management practices.

The study will be conducted at five-selected affluent secondary schools in Tshwane South, West and North district in the Gauteng province. The study will involve interviews with school principal, SGB chairperson, treasurer, and a finance officer from each of the selected schools, which makes it a total of 20 interviews with intention of deriving understanding of the management of finances. The time, venue, and date for the interview will be arranged in consultation with the participants, interviews will take place at a venue and time that will suit them, but it may not interfere with school activities or teaching time. I will ensure that, all interviews will be scheduled for after hours, no Interviews will be conducted during contact time. Interviews are expected to last 45-60 minutes per session and will be tape-recorded with the consent of the participants.

I undertake to observe confidentiality, all participants will be reassured that data collected will be for the partial fulfilment of the masters' degree and all participant will be guaranteed that the name of their schools, the data they give amid the data collection would be kept unknown and confidential by not revealing the real names of their schools and the participants. The selected schools and participants will be provided with pseudonyms in this study. Regardless of whether participants have volunteered for a research or not, I the researcher and as a responsible person I am obliged to protect all the participants from physical or psychological harm. This study has low risks for participants and such risks will not cause any harm. Participating is only voluntary and participants can withdraw at any time and there will be no negative consequences for withdrawal. Upon the completion of the research, I undertake to give the Ministry of Education and Training a copy of the research report and to impart my discoveries to principals of schools.

Should you have questions or problems or need any further information related to the study, please feel free to contact me by email: miguelmoses1993@gmail.com and/or my research supervisor by email: MyendeP@ukzn.ac.za and\ research ethics committee by email: HSSREC@ukzn.ac.za. You can also call me on 0715323111 or my research supervisor on 0839681361 or my research ethics committee on 27312604557.

Hoping for your favourable consideration on this matter.

Yours sincerely

Miguel Moses. Cell: 0715323111 (E-mail: miguelmoses1993@gmail.com)

APPENDIX D: REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN YOUR SCHOOL.

ENQ: MOSES. M.

P.O.BOX 1567

CELL: 0715323111

WARMBATHS

STUDENT: 219079562

0480

..... /...../2020

THE PRINCIPAL AND SCHOOL GOVERNING BODY

Dear Sir/Madam

PERMISSION TO CONDUCT RESEARCH IN YOUR SCHOOL.

My name is Miguel Moses, and I am currently studying for a Master's qualification in education management with the University of the Kwazulu-Natal. As a major aspect of my Master's program, I am required to conduct research on an aspect of interest with an aim of contributing to our knowledge and comprehension of the phenomenon under study. This letter serves as request to conduct this research in your school.

The title of my research project is: **Investigating Financial Management in Affluent Secondary Schools in the Gauteng province.** This investigation of financial management in schools is required as part of development, assessing and spreading information about efficient administration of finances. I am conducting this research from one viewpoint to comprehend and explore the financial management in affluent schools. The purpose for the study is to investigate how affluent secondary schools in the Gauteng province manage finances. I am predominantly interested on roles various stakeholders play in managing finances in affluent schools, policies that affluent schools put in place to effectively manage finances, how the governing bodies in Affluent schools comply with the policy frameworks when managing the finances of the school, and lastly challenges encounter when managing finances and how they deal with them.

The study has the potential to benefit schools by pointing out the challenges faced by schools when managing finances, and could contribute in seeking ways through which public schools in South Africa could be able to effectively manage their finances regardless of their rankings and location. It will further empower participants to reflect on their financial management practices.

The principal, SGB chairperson, SGB treasurer and the finance officer will be requested to part in the study through one on one interviews with intention of deriving understanding of the management of finances. The time, venue, and date for the interview will be arranged in consultation with the participants, interviews will take place at a venue and time that will suit them, but it may not interfere with school activities or teaching time. All interviews will be scheduled for after hours; no Interviews will be conducted during contact time. Interviews are expected to last 45-60 minutes per session and will be tape-recorded with the consent of the participants.

The following School Governing Body documents will be needed for analysis to help me in completing the research:

- Financial policies of the school
- Finance committee's minutes
- Monthly/quarterly financial reports
- 2019 school budget

I undertake to observe confidentiality, the data collected will be for the partial fulfilment of the masters' degree, it is guaranteed that the name of the school, the data they give amid the data collection would be kept unknown and confidential by not revealing the real names of their schools and the participants. The school and participants will be provided with pseudonyms in this study. Regardless of whether participants have volunteered for a research or not, I the researcher and as a responsible person, I am obliged to protect all participants from physical or psychological harm. This study has low risks for participants and such risks will not cause any harm. Participating is only voluntary and participants can withdraw at any time and there will be no negative consequences for withdrawal. Please also note that participating in this research offers no financial rewards, however, upon the completion of the research, the school will be offered research copy for library keep upon request.

Should you have questions or problems or need any further information related to the study, please feel free to contact me by email: miguelmoses1993@gmail.com and/or my research supervisor by email: MyendeP@ukzn.ac.za and\ research ethics committee by email: HSSREC@ukzn.ac.za. You can also call me on 0715323111 or my research supervisor on 0839681361 or my research ethics committee on 27312604557.

Hoping for your favourable consideration on this matter.

Yours sincerely

Miguel Moses. Cell: 0715323111 (E-mail: miguelmoses1993@gmail.com)

APPENDIX E: DECLARATION

I, _____, principal of _____ School fully understand that:

- Participating is voluntary and participants can withdraw at any time and there will be no negative consequences for withdrawal.
- Participating in this research offers no financial rewards, however the school will be offered research copy for library keep upon request.
- The interview will be audio-recorded and transcribed for analytic purpose and the interviews are expected to last 45-60 minutes per session. The interview will be based on how Affluent secondary schools in the Gauteng province manage finances.
- The data collected will be for the partial fulfilment of the masters' degree and the name of the school, the information I give amid the data collection would be kept unknown and confidential by not revealing my real names and the name of the schools. The school and the participant will be provided with pseudonyms in this study.
- The data collected in this research will be kept for five years in safe place at the University of KwaZulu-Natal.

I attach my signature as a symbol of my approval to allow the researcher to conduct this research in my school.

Name of the principal.....

Contact details.....

Principal signature.....Date signed.....

APPENDIX F: INFORMATION FOR PARTICIPANTS

My name is Miguel Moses, and I am currently studying for a Master's qualification in education management with the University of the Kwazulu-Natal. As a major aspect of my Master's program, I am required to conduct research on an aspect of interest with an aim of contributing to our knowledge and comprehension of the phenomenon under study. This letter serves as request to conduct this research in your school.

The title of my research project is: **Investigating Financial Management in Affluent Secondary Schools in the Gauteng province.** This investigation of financial management in schools is required as part of development, assessing and spreading information about efficient administration of finances. I am conducting this research from one viewpoint to comprehend and explore the financial management in affluent schools. The purpose for the study is to investigate how affluent secondary schools in the Gauteng province manage finances. I am predominantly interested on roles various stakeholders play in managing finances in affluent schools, policies that affluent schools put in place to effectively manage finances, how the governing bodies in Affluent schools comply with the policy frameworks when managing the finances of the school, and lastly challenges encounter when managing finances and how they deal with them.

The study has the potential to benefit schools by pointing out the challenges faced by schools when managing finances, and could contribute in seeking ways through which public schools in South Africa could be able to effectively manage their finances regardless of their rankings and location. It will further empower participants to reflect on their financial management practices.

The principal, SGB chairperson, SGB treasurer and the finance officer will be requested to part in the study through one on one interviews with intention of deriving understanding of the management of finances. The time, venue, and date for the interview will be arranged in consultation with the participants, interviews will take place at a venue and time that will suit them, but it may not interfere with school activities or teaching time. All interviews will be scheduled for after hours; no Interviews will be conducted during contact time. Interviews are expected to last 45-60 minutes per session and will be tape-recorded with the consent of the participants.

The following School Governing Body documents will be needed for analysis to help me in completing the research:

- Financial policies of the school
- Finance committee's minutes
- Monthly/quarterly financial reports
- 2019 school budget

I undertake to observe confidentiality, the data collected will be for the partial fulfilment of the masters' degree, it is guaranteed that the name of the school, the data they give amid the data collection would be kept unknown and confidential by not revealing the real names of their schools and the participants. The school and participants will be provided with pseudonyms in this study. Regardless of whether participants have volunteered for a research or not, I the researcher and as a responsible person, I am obliged to protect all participants from physical or psychological harm. This study has low risks for participants and such risks will not cause any harm. Participating is only voluntary and participants can withdraw at any time and there will be no negative consequences for withdrawal. Please also note that participating in this research offers no financial rewards, however, upon the completion of the research, the school will be offered research copy for library keep upon request.

Should you have questions or problems or need any further information related to the study, please feel free to contact me by email: miguelmoses1993@gmail.com and/or my research supervisor by email: MyendeP@ukzn.ac.za and\ research ethics committee by email: HSSREC@ukzn.ac.za. You can also call me on 0715323111 or my research supervisor on 0839681361 or my research ethics committee on 27312604557.

APPENDIX G: INTERVIEW SCHEDULE FOR PARTICIPANTS

Good-day, my name is Miguel Moses, and I am currently studying for a Master's qualification in education management, law and policy with the University of the Kwazulu-Natal, faculty of Education. My research topic is "Investigation of financial management in affluent secondary schools in the Gauteng province". Thank you very much once more for your agreement to participate in this research. It is guaranteed that data collected will be for the partial fulfilment of the masters' degree, the name of the schools, the data participants give amid the data collection would be kept unknown and confidential by not revealing the real names of the schools and the participant's personal details. The school and the participant will be provided with pseudonyms in the study.

Thank you for your time.

1. In general, what are your views and understanding of your school's financial management?
2. What are your roles and responsibilities in finance management of your school?
3. Were you trained on how to carry out financial management duties and responsibilities, if yes, how helpful was the training?
4. How do you make sure that there is no role confusion between you and other governing body members?
5. How do you ensure that you work collaboratively with the other members of the governing body in the school's finances?
6. How do you ensure that the entire SGB fulfil its financial functions effectively and efficiently?
7. Does your school have policies, if it does, how do they assist the school in terms of managing finances?
8. How do you ensure that financial policies are successfully implemented?
9. How do you ensure that the suggested PFMA (public finance management act) administration policies are implemented?
10. How do you ensure that the governing bodies comply with the policy frameworks when managing the finances of the school?
11. SASA requires schools to have auditors, does your school have any? If yes, how often do they audit financial records of the school and why is it necessary?
12. Does your school have internal financial control mechanism, if yes, what kind of internal financial control mechanism does your school in place?

13. How functional is the finance committee in managing finances of the school?
14. How does the finance committee and the entire SGB account for the spending of school finances?
15. How do you ensure that the HOD is continuously informed about the use of finances?
16. What challenges do you frequently encounter when managing finances and how do you deal with them?