

A PROGRAMME TO FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

by

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Declaration

I, Vangeli Emmanuel Ntseto, hereby declare that this thesis submitted by me in fulfilment of the requirements for the degree Ph.D. in Education at the University of the Free State, is my own work, that all the sources used or quoted have been indicated and acknowledged by means of complete references, and that the thesis was not previously submitted by me at another university/faculty. I furthermore cede copyright of the thesis to the University of the Free State.

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Date

Student number: 1997609621

SUMMARY

Since 1994, the South African education system has been characterised by the implementation of new legislation steering the restructuring of management systems and the decentralisation of powers to schools, as also set out in the preamble of the South African Schools Act No 84 of 1996. This includes the delegation of decision-making powers regarding the management of school funds to School Governing Bodies of Section 21 public schools, as well as to the principals as the financial managers of these schools. Consequently public school principals need to have the skills, knowledge and appropriate attitudes that are required in order to ensure that public funds are spent wisely.

In the light of his own experience as a public school principal, and having had to manage school funds over a period of seven years, as well as being influenced by reports of financial malpractices amongst departmental employees of the Free State Department of Education (FSDoE) since 2003, the researcher opted to do an investigation into the need for and the nature of a possible extended and/or improved programme to better facilitate principals' financial management of public schools in the province.

In order to do the investigation, the researcher firstly employed an extensive literature review regarding the major roles and responsibilities of school principals as financial managers of schools, as well as possible programmes to develop school principals as financial managers in South Africa. The research design and methodology employed involved an embedded mixed methods approach consisting of two empirical research phases. During phase one the researcher firstly undertook a situation analysis by means of a quantitative checklist survey amongst public school principals in the Motheo Education District of the FSDoE. In order to validate the findings of the checklist survey, he subsequently employed an embedded, qualitative, interactive and one-on-one interview survey amongst non-respondents to the checklist survey, as well as an embedded, non-interactive, qualitative interview survey amongst office-based education officials (nominated for this purpose by two provincial education departments). In short, the research findings from this first phase of the investigation may be summarised as follows:

- Despite any existing attempts or programmes to facilitate principals' financial management of public schools, it was clearly reported that school principals in

the Free State Province still experienced problems with the execution of their financial management roles and responsibilities at the time of the surveys.

- Some of the school principals taking part in the surveys were not conversant with and/or did not adhere to all the regulations and guidelines regarding their financial management responsibilities.
- In general, the participants involved in the mentioned surveys were in favour of an extended and/or improved programme to better facilitate principals' financial management of public schools.

These findings were considered to be an adequate answer to the basic question: WHY should an extended/improved developmental financial management programme be established? During phase two of the empirical investigation the researcher was eventually able to formulate a semi-final plan for an extended and/or improved support, training and development programme consisting of 67 salient features, inductively derived from the findings of the literature study and the preceding surveys, and which relate to the remaining five basic and guiding questions: HOW?; WHAT?; WHO?; WHEN?, and WHERE?. The semi-final plan was then evaluated by a panel of purposefully selected office-based education officials and public school principals who were considered to be experts regarding public school principals' financial management problems. The results of this quantitative questionnaire evaluation survey confirmed the validity of at least 62 of the 67 features.

In his final plan for a programme to facilitate principals' financial management of public schools, the researcher subsequently replaced five of the 67 features proposed in the semi-final plan with improved features and recommended the addition of three more important features. It is hoped that the FSDoE, as well as other provincial education departments in South Africa, will be able to use the proposed plan in the development of customised support, training and development programmes for school principals as financial managers of public schools.

Key terms:

School principal
School fund
Support programme
Development programme

Public school
Financial management
Training programme
Education management

OPSOMMING

Sedert 1994 word die Suid-Afrikaanse onderwysstelsel gekenmerk deur die implementering van nuwe wetgewing wat gerig was op die herstrukturering van bestuurstelsels en die desentralisering van magte na skole, soos ook verwoord in die aanhef van die Suid-Afrikaanse Skolewet, Nr. 84 van 1996. Dit sluit die delegering van besluitnemingsmagte aangaande die bestuur van skoolfondse na Skoolbeheerliggame van Afdeling 21-skole, asook na die betrokke skoolhoofde as die finansiële bestuurders van hierdie openbare skole, in. Gevolglik word daar van skoolhoofde verwag om die nodige vaardighede, kennis en houdings te hê wat nodig is om te verseker dat hierdie openbare fondse kundig bestee word.

In die lig van sy eie ervaring as 'n openbare skoolhoof wat vir 'n periode van sewe jaar 'n skoolfonds moes bestuur, en onder die indruk van gerugte van finansiële wanpraktyke onder departementele amptenare van die Vrystaatse Departement van Onderwys (VDvO), het die navorser besluit om 'n ondersoek te onderneem na die behoefte aan en die aard van 'n moontlike uitgebreide en/of verbeterde program om skoolhoofde se finansiële bestuur van openbare skole in die provinsie beter te kan fasiliteer.

Vir die doel van die ondersoek het die navorser eerstens 'n uitgebreide literatuurondersoek oor die belangrikste rolle en verantwoordelikhede van skoolhoofde as die finansiële bestuurders van skole, asook moontlike programme om openbareskoolhoofde as finansiële bestuurders in Suid-Afrika te ontwikkel, onderneem. Die navorsingsontwerp en –metodologie wat gevolg is, het uit 'n ingebedde gemengdemetodebenadering, bestaande uit twee empiriese fases, bestaan. Gedurende fase een het die navorser eerstens 'n situasie-analise deur middel van 'n kontrolevraelysopname onder hoofde van openbare skole in die Motheo Onderwysdistrik van die VDvO onderneem. Ten einde die geldigheid van die resultate van die kontrolevraelysopname te verseker, het hy vervolgens 'n ingebedde, kwalitatiewe, interaktiewe en een-tot-een onderhoudopname onder nie-respondente van die kontrolevraelys, asook 'n ingebedde, nie-interaktiewe onderhoudopname onder kantoorgebaseerde onderwysamptenare (wat deur twee provinsiale onderwysdepartemente genomineer is), onderneem. Die bevindings van voorgenoemde opnames kan kortliks soos volg opgesom word:

- Ten spyte van enige bestaande pogings of programme om die finansiële bestuur van openbare skole te fasiliteer, was dit duidelik dat skoolhoofde in

die Vrystaatprovinsie nog steeds probleme met die uitvoering van hul finansiële bestuursrolle en –verantwoordelikhede tydens die opnames ondervind het.

- Sommige van die skoolhoofde wat aan die opnames deelgeneem het, was nie vertrouwd met al die regulasies en riglyne ten opsigte van hul finansiële bestuursverantwoordelikhede nie en/of het nie daarby gehou nie.
- Oor die algemeen was die deelnemers aan die voorgenoemde opnames ten gunste van 'n uitgebreide en/of verbeterde program om die skoolhoofde se finansiële bestuur van openbare skole beter te fasiliteer.

Hierdie bevindinge is as 'n genoegsame antwoord op die volgende basiese vraag beskou: HOEKOM moet 'n uitgebreide/verbeterde finansiële bestuursontwikkelingsprogram daargestel word? Gedurende fase twee van die empiriese ondersoek was die navorser uiteindelik in staat om 'n semi-finale plan vir 'n uitgebreide en/of verbeterde ondersteunings-, opleidings- en ontwikkelingsprogram, bestaande uit 67 uitstaande kenmerke (wat inductief op grond van die bevindings van die literatuurondersoek en die voorafgaande opnames saamgestel is), te formuleer. Hierdie kenmerke hou verband met die oorblywende vyf basiese en leidende vrae: HOE?; WAT?; WIE?; WANNEER?, en WAAR?. Die semi-finale plan is vervolgens deur 'n paneel van kantoorgebaseerde onderwysamptenare en openbare skoolhoofde wat doelgerig (vanweë hul kundigheid oor openbare skoolhoofde se probleme) geselekteer is, geëvalueer. Die resultate van hierdie kwantitatiewe vraelysevalueringsopname het die geldigheid van minstens 62 van die 67 kenmerke bevestig.

In sy finale voorgestelde plan vir 'n program om skoolhoofde se finansiële bestuur van openbare skole beter te fasiliteer, het die navorser vervolgens vyf van die 67 kenmerke van die semi-finale plan met verbeterde kenmerke vervang en drie addisionele kenmerke aanbeveel. Daar word gehoop dat die VDvO, asook ander provinsiale onderwysdepartemente in Suid-Afrika, in staat sal wees om die voorgestelde plan te gebruik ten einde 'n pasgemaakte ondersteunings-, opleidings- en ontwikkelingsprogram vir skoolhoofde as finansiële bestuurders van openbare skole te ontwikkel.

Sleuteltermes:

Skoolhoof

Skoolfonds

Ondersteuningsprogram

Ontwikkelingsprogram

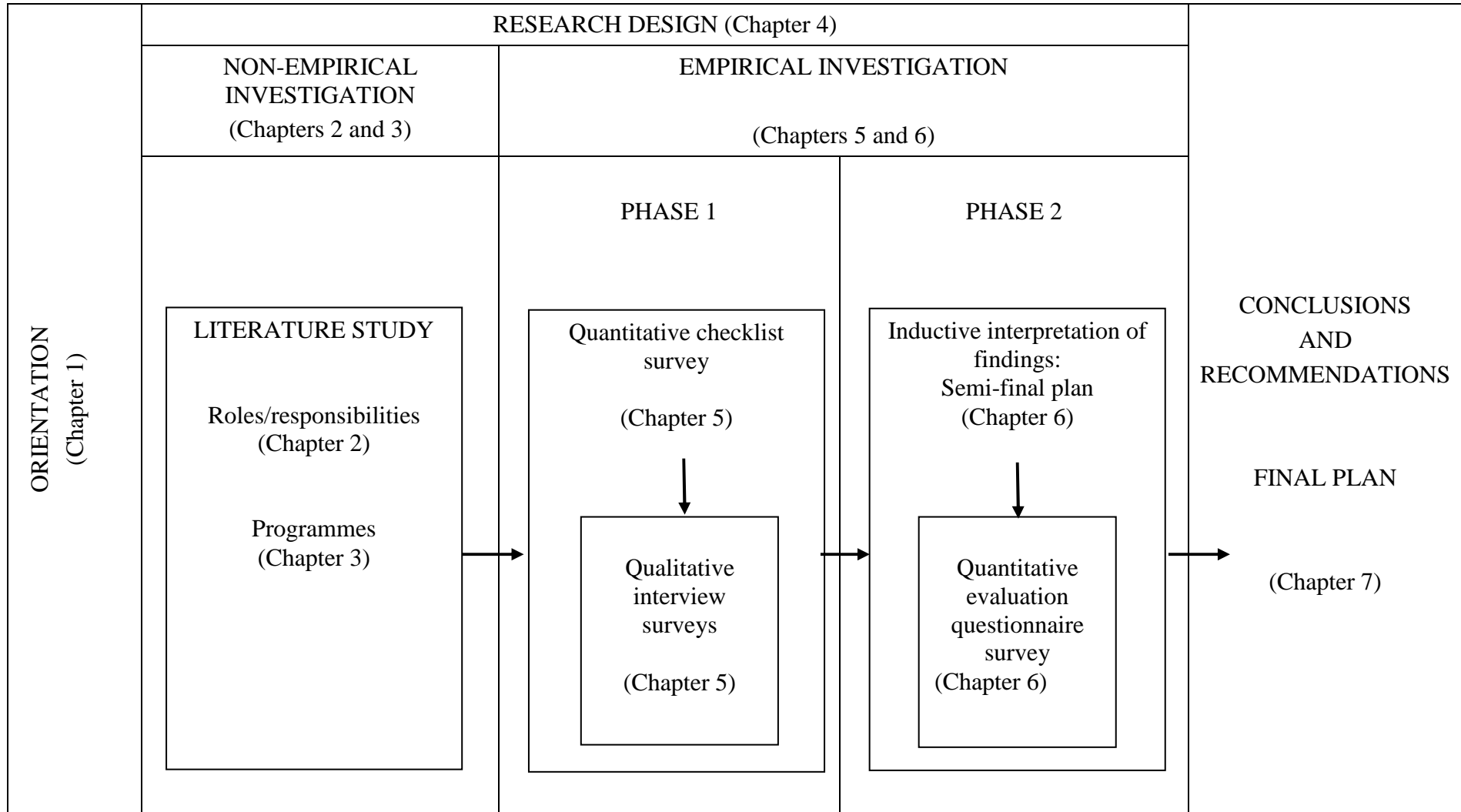
Openbare skool

Finansiële bestuur

Opleidingsprogram

Onderwysbestuur

OUTLINE OF THE THESIS



LIST OF ACRONYMS

ACE	Advanced Certificate in Education
B.A.	Bachelor of Arts degree
B.A. Ed.	Bachelor of Arts degree in Education
B.A. Hons.	Bachelor of Arts Honours degree
B.Com	Bachelor of Commerce degree
B.Ed.	Bachelor of Education degree
CD	Chief Director
CES	Chief Education Specialist
DCES	Deputy Chief Education Specialist
DDG	Deputy Director General
DG	Director General
DoE	Department of Education
ECDoE	Eastern Cape Department of Education
ELRC	Education Labour Relations Council
ERC	Education Resource Centre
FDE	Further Diploma in Education
FEDSAS	Federasie van Suid-Afrikaanse Skoolbeheerliggame
FSDoE	Free State Department of Education
GAAP	Generally Accepted Accounting Practice
HEI	Higher Education Institution
HoD	Head of Department
IQMS	Integrated Quality Management System
JSTC	Junior Secondary Teacher's Certificate
LMS	Learning Management System
LTSM	Learning and Teaching Support Materials
M.Ed.	Master of Education degree
MEC	Member of the Executive Council
NCS	National Curriculum Statement
OHRD	Office for Human Resource Development
PED	Provincial Education Department
PPBS	Planning, Programming Budgeting System
PTD	Primary Teacher's Diploma

RSA	Republic of South Africa
SADTU	South African Democratic Teacher's Union
SAOU	Suid-Afrikaanse Onderwysersunie
SASA	South African Schools Act
SED	Secondary Education Diploma
SFC	School Finance Committee
SGB	School Governing Board
SMGD	School Management and Governance Developer
SMT	School Management Team
STD	Secondary Teacher's Diploma
TQM	Total Quality Management
UFS	University of the Free State
UNESCO	United Nations Educational, Scientific and Cultural Organization
VDvO	Vrystaatse Departement van Onderwys
WSE	Whole School Evaluation
ZBB	Zero-based budgeting

CHAPTER 1

ORIENTATION

1.1 INTRODUCTION

As in many other countries, South African education has been characterised by the passing of new acts, structuring of management systems and the decentralisation of powers to schools as set out in the preamble of the South African Schools Act No. 84 of 1996 (SASA; RSA 1996c). Regarding school financial management, this Act clearly spells out that school funds must be administered in terms of the rules made by the Head of Education in the Province (HoD). This led to the delegation of decision-making powers regarding school financial resource management to those who use them. School principals therefore share the huge responsibility of taking care of controlling and protecting school funds. In fact, the survival of any school is dependent on how the school manages its financial resources. This additional burden has undoubtedly increased the number of tasks and responsibilities expected of school principals; tasks and responsibilities they have not been prepared for in many instances.

Being a school principal at a primary public school in the Motheo District in the Free State for seven years, the researcher has experienced the extent of increasing financial responsibilities placed on the shoulders of individuals who are often not skilled in financial management. This study is therefore an outflow of a concern about public school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks and from an understanding of the dire need for advanced knowledge, skills, support and training in this regard.

The premise underlying this study is, therefore, that the financial management of schools by school principals in the Free State province (and for that matter, also in the Motheo Education District) is problematic and that there seems to be a need for a programme to improve this situation.

This need is highlighted in the contextualisation of the study provided in this chapter (see 1.2) and in particular, the overview of resource management, the functions of School Governing Bodies (SGBs) and the departmental arrangements for controlling financial processes and developing the necessary skills. This is followed by an outline of the research questions, purpose and objectives, as well as an overview of the research design and methodology employed in the study. The chapter concludes with an outline of the structure of the thesis.

1.2 CONTEXTUALISATION

According to Botha (2002:362) and Coleman, Bush and Glover (1994:4) education may be characterized as an input-output system. Schools provide the inputs of human and material resources. These combine to deliver activities and processes. The activities and processes lead to certain outputs or outcomes which should be consistent with schools' educational objectives. Thus, with more and better resources one could expect better educational outcomes. The latter argument is, however, also controversial. Hanushek (1997:141) has, for instance, concluded from a survey of studies that there is not a consistent relationship between student performance and school resources. It must therefore be acknowledged that there are also factors other than school resources which contribute to better educational outcomes. Nevertheless, it can still be argued that no educational activities and processes can happen without the necessary human and material resources.

As far as resource management is concerned, Coleman *et al.* (1994:4) mainly distinguish between financial and real resources. Financial resources refer to the money available to purchase real resources, whereas the latter refer to those human and material resources which are required to deliver educational services to learners. Since these real resources are dependent on the availability of funds, financial management at school level has become primarily significant for delivering quality educational services to learners at school level.

According to the SASA (RSA 1996c:37) schools are to be governed by local SGBs whose functions include the following:

- To promote the best interest of the school and ensure its development;
- to administer and control the school's property, buildings and grounds, including school hostels;
- to maintain and improve the school's property, buildings and grounds;
- to buy textbooks, educational materials or equipment for the school; and
- to pay for services rendered to the school.

These delegated duties therefore imply that school principals, together with their governing bodies, have the responsibility of taking care, controlling and protecting school funds and resources. According to Bischoff and Sayed (1999:311), school principals should therefore have a basic knowledge of and skills for financial management. Since schools perform their functions by receiving and spending public money, it is a major responsibility of school principals to see to it that the money is spent wisely, and that accurate and complete financial records are kept.

As cheques and balances to effect effective financial management by school principals, the Free State provincial Education Department has come up with the arrangements as explained in paragraphs 2.1, 2.2 and 2.3

1.2.1 The Directorate: Strategic Management Services

The Directorate: Strategic Management Services of the Free State Department of Education is charged with the task of managing and leading the strategic programmes of the Education Department (FSDoE 2001:3). Amongst others, the task of the directorate is clearly defined through the work of one component, namely the Internal Audit and Anti-Corruption Unit. The directorate is also faced with the challenge of human resource capacitating, which impacts on its ability to deliver optimal and efficient services.

Internal Audit and Anti-Corruption, as a unit, is responsible for ensuring clean management and administration within the Education Department and for bringing offenders to book. The unit is duty-bound to take pro-active, preventive measures to combat fraud and corruption throughout the Education Department. In this regard the unit has already organized a series of financial management workshops for school principals in an effort to curb financial irregularities and maladministration.

The Unit's immediate challenge, however, is that the workshops that it has conducted up to now have not covered all the education districts of the Free State Department of Education. For example, the Motheo Education District never received this type of workshop from 2001 up to 2006.

One of the successes of the Unit includes the publication, at the beginning of 2003, of the names of officials who had been involved in fraud. During the period covering January to November 2002, six employees who had been involved in fraud were arrested and 77 were dismissed (FSDoE 2003:2).

The South African Democratic Teachers Union (SADTU) has also raised their concern with the manner in which school funds are managed by principals (SADTU 2003:3). According to SADTU the Education Department should tackle the issue of capacity in schools as a matter of urgency, especially as far as Section 21 public schools are concerned (Section 21 public schools are those that draw up and control their own budgets; see 2.2). SADTU believes that the Education Department cannot afford to simply provide money to schools that cannot manage school funds properly.

In order to train and develop principals as school resources managers, the Free State Department of Education entered into an agreement with the Matthew Goniwe School of Leadership and Governance. According to their agreement, this organisation had to train 60 school principals from the five education districts in the Free State Province. The composition of the trainees from each district was as follows: Motheo = 10; Xhariep: 5; Lejweleputswa: 15; Fezile Dabi: 15; Thabo Mofutsanyana: 15. Training of the school principals as SGB Trainers continued from September 2006 until October 2006 (FSDoE 2005:10).

One of the key points set in the agreement was that all stakeholders in education had to accept responsibility concerning the organisation, governance and funding of schools. So, the SGB members also needed to have a thorough knowledge of implications for the school governance (FSDoE 2005:10). According to the agreement, after these principals had been trained, they would, in turn, train all the school principals and SGBs in the Province during 2007. The training and development of principals as SGB trainers focused on the following programmes (FSDOE 2005:10):

- (i) Programme 1: Developing school policies and cooperation between the school governing body and the school principal as a team; the ability to make decisions on the school budget and school financial administration.
- (ii) Programme 2: School organisation, relationship building, leadership, decision making and conflict management.
- (iii) Programme 3: Functions of the SGB together with School Development Planning.
- (iv) Programme 4: School finances, constructive partnership, budgeting, procurement and financial administration.
- (v) Programme 5: School Governance at a glance: Leadership and governance.
- (vi) Programme 6: Accredited assessor programme.
- (vii) Programme 7: Outcomes-based facilitation.

The Free State Department of Education and the Matthew Goniwe School of Leadership and Governance both believed that this training could help the SGBs and school principals to have a thorough knowledge of their responsibilities, such as the management of the school resources, school budgeting, the difference between management and governance and drawing up of the School Development Planning. The principals having undergone training by the Matthew Goniwe School of Leadership and Governance would be used by the Free State Department of Education to implement the training programme and to monitor its implementation in all the schools in the Province as from 2007 onwards.

Unfortunately, the project was not continued in 2007 and no further training has occurred since 2006. At the conclusion of this study the success of the aforementioned training could therefore not be established at all. However, it is important to mention that the national Department of Education initiated the institution of an Advanced Certificate of Education (ACE) in School Leadership as from 2008. More information of this training opportunity is provided in Chapter 3 of this study (RSA DoE 2007; see 3.4).

1.2.2 The Department's Workplace Skills Development and Training Committee (WSDTC)

The tasks of the Workplace Skills Development and Training Committee of the FSDoE are as mentioned below (FSDoE 2001:11):

- To compile the department's Workplace Skills Plan and implement it by allocating 1% of the salary bill for the development of the Education Department's employees as stated in the Skills Development Levies Act;
- to support the implementation of workplace skills plans;
- to ensure that there is co-ordination between educator and non-educator training; and
- to ensure that, whatever learner-ships and skills programmes employees undergo, will lead to the development of the Free State Department of Education and contribute towards an effective and efficient workplace.

The in-service training workshops referred to earlier have done a lot with regard to this legislation, but the problem lies with the communication and implementation at school level. It is important that serving, as well as prospective school principals receive in-service training. At the same time, SGBs also need to be empowered. The former MEC for Education, Mr. Papi Kganare, in his budget speech on 5 April 2003, made a commitment to the training of SGB's, starting in August 2003 (FSDoE 2003:7). This training is in line with the powers delegated to the SGBs (RSA 1996c:37).

1.2.3 School financial management as a task of school principals

An integral part of financial management is budgeting. Murphy and Beck (1995:49) contend that budget control is at the heart of school-based management. The SASA makes provision for school principals and governing bodies to become progressively more responsible for managing aspects of recurrent expenditure. Provincial Education Departments (PED's) should therefore devise a managerial capacity checklist which will include items relating to the capacity to handle and account for public funds and the ability to make financial decisions that are educationally sound (RSA DoE 1998:23).

Chapman, Froumin and Aspin (1999:139) contend that the government, as the provider of formal education and as the custodian of the public purse, should set up appropriate and workable accountability mechanisms. School principals are therefore required to (in relation with the South African Schools Act (SASA) of 1996 and the Provincial Guidelines) establish an adequate accounting system so as to achieve the greatest economy possible in the management of the school's money.

School principals, as decision-makers, are continually confronted with problems of managing school funds. With so much at stake resting upon the principal's decisions, it is necessary that they be well informed about the many facets of their demanding job. According to Leithwood and Stainback (1995:33), school principals are confronted with literally hundreds of small spontaneously occurring leadership opportunities (problems to be solved) in their day-to-day management of their schools.

Hemmed in with the responsibilities and duties of their positions, school principals often find it difficult to keep abreast of changing policies and practices. Sagor and Barnett (1994:7) agree that policies and guidelines are essential, because they help to make or determine appropriate actions. These policies and guidelines become the working norms of the school rather than formal board policies or statements of operating procedures. Typically, they dictate what will not be tolerated in reaching the mission. Murphy and Louis (1999:504) refer to the popular trend of delegating the management of school funds to school principals and SGBs as an increase in the allocation of decision-making, school-based management and participative decision-making.

According to Earley (1999:35) school principals and SGBs should be empowered to understand and supervise school funds. Earley maintains that school principals should work with their SGBs in the financial matters dealing with budgeting, purchasing and in managing school resources. According to Earley (1999:35), school principals need not necessarily be financial experts or accountants, but it is believed that they should be knowledgeable enough to keep on top of the school's budget and accounting process and knowledgeable enough to speak and understand the relevant language.

1.3 RESEARCH PROBLEM AND RESEARCH QUESTIONS

The contextualisation provided in the previous section highlighted problems surrounding the roles and responsibilities of public school principals as financial managers, the functions of SGBs and school principals as their accounting officers, as well as the departmental arrangements for controlling financial processes and developing the necessary skills in this regard among public school principals. In essence, it has become clear that the sound financial management of public schools depends on the expertise and leadership/managerial skills of school principals in a demanding, but often less supporting environment. As such, the research problem for this study flows from a deep concern for:

- public school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks; and
- the appropriateness of the existing support, training and developmental programmes to address the problems experienced by these school principals.

This problem necessitates a thorough investigation and gives rise to the following five research questions:

- What is the nature and extent of principal's financial management responsibilities in South African public schools?
- Are these principals conversant and do they comply with the regulations and guidelines regarding their financial management tasks?
- Is there a need to extend or improve the existing support, training and developmental programmes for facilitating these principals' financial management of public schools?
- What is the nature and extent of possible support, training and development practices to facilitate principals' financial management of public schools in South Africa?
- How may these principals' needs for support, training and development be addressed?

1.4 AIM AND OBJECTIVES OF THE STUDY

The complexity of the research problem and the five research questions identified in 1.3 were taken into account when formulating the aim of this study. *Initially, the aim* was to investigate public school principals' knowledge of and adherence to the regulations and guidelines for performing their financial management tasks, as well as the appropriateness of the existing training and developmental programmes to address the problems they may be experiencing in this regard. This investigation took place by means of a non-empirical literature study and an empirical investigation. The *ultimate aim* of the study was to propose a plan for an extended and/or improved programme to facilitate principals' financial management of public schools.

In order to realise the initial and ultimate research aims, the following objectives were eventually formulated:

- To undertake a quantitative checklist survey in order to check public school principals':
 - knowledge of and adherence to regulations and guidelines regarding their financial management tasks; and
 - problems and needs regarding training and development programmes to facilitate their financial management tasks.
- To extend and validate the findings of the checklist survey by the use of qualitative interviews with a limited number of non-respondents and selected office-based education officials.
- To compile a semi-final plan for an extended and/or improved support, training and development programme for facilitating principals' financial management of South African public schools.
- To have the semi-final plan evaluated by experts by means of a quantitative evaluation questionnaire survey before finalisation/adaptation/refinement.

1.5 SIGNIFICANCE OF THE RESEARCH

The results of this research study may contribute to the improvement of the management of school funds by school principals and may serve to empower them to manage such funds effectively. The guidelines provided may also assist the Department of Education with the appropriate training and developmental programmes. This study may, furthermore, serve to stimulate other school principals to conduct wider research on the other tasks of principals as school managers.

1.6 CLARIFICATION OF CONCEPTS

The following concepts need to be clarified within the context of this particular study:

- *Programme* refers to a planned series of events, or a set of related measures or activities with a long-term aim.
- *Facilitate* refers to a means of making something easy, or easier and successful.
- *Principal* refers to an educator who is appointed as the head of a school.
- *Financial management* refers to the process of managing school funds according to the regulations and guidelines provided by the education authorities and relevant legislation.
- *Public school* refers to a school under the jurisdiction of a provincial or national Department of Education in South Africa which enrolls learners in one or more grades in the general and further education and training school system.
- *The school fund* refers to the money given to the school by the State and/or obtained by the school from sources such as donors, sponsors or the parents.

1.7 DEMARCATION OF THE INVESTIGATION

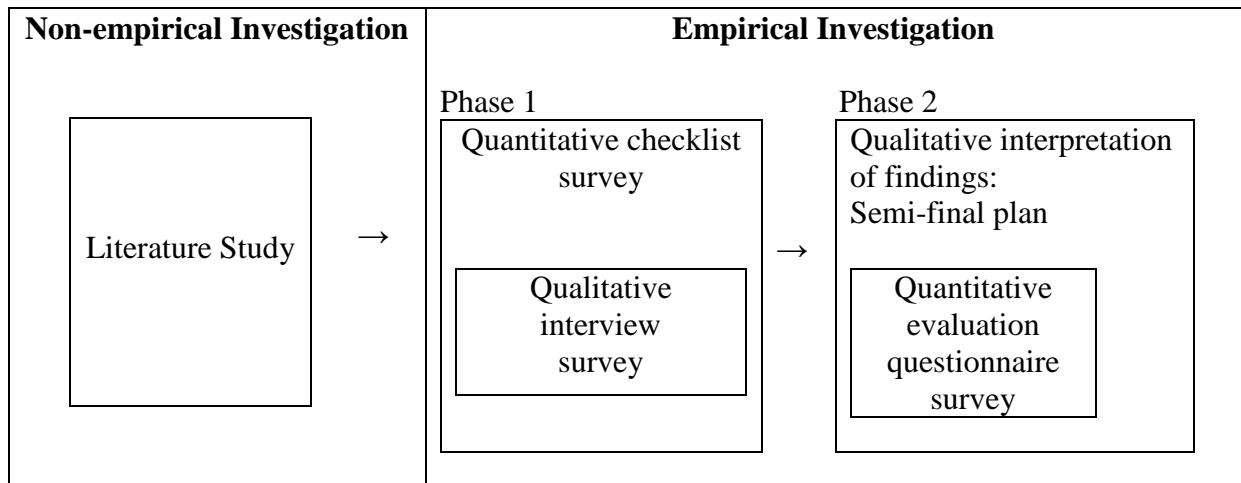
This study has a relation to the educational management and the development of the financial management knowledge and skills of school principals. In this sense, the project falls within the field of Financial Management in Education and for that

matter, also within the field of Educational Management. For the purpose of this investigation, the research undertaken by the researcher was restricted to the Motheo Education District in the Free State Province in South Africa, which covers the Mangaung Municipality (Bloemfontein, Botshabelo and Thaba Nchu). The study population was therefore restricted to schools in the Mangaung Municipality.

1.8 RESEARCH DESIGN AND METHODOLOGY

In order for the researcher to be able to accumulate sufficient knowledge and understanding of the research problem and answer all the research questions, this study was based on a non-empirical literature study and an empirical investigation into the context of the research problem in the Motheo Education District. The research comprised a mixed method design, which made use of quantitative, as well as qualitative methodologies (see 4.1 to 4.3).

Figure 1.1 The research design employed



The literature study was used as a basis for the empirical investigation. The entire research design is summarised in Figure 1.1, but is outlined in more specific detail in Chapter 4 of this study. In this chapter, only the main features of the research design and methodology are therefore provided.

1.8.1 Non-empirical research: A literature study

The non-empirical research employed in this study consisted of the literature study performed and reported in Chapters 2 and 3, which served to establish a pertinent theoretical and conceptual framework before the empirical investigation could be performed (cf. Obenzinger 2005:1; McMillan and Schumacher 2006:75). A literature study is necessary to refine the research problem; establish a conceptual or theoretical orientation; develop the significance of the research; identify methodological limitations; identify contradictory findings; develop research questions or hypotheses, and learn new information (McMillan and Schumacher 2006:75).

The literature study performed for this study investigated questions relating to the nature and extent of regulations and guidelines for public school principals' financial management roles and responsibilities, as well as possible training and development practices that could serve to facilitate these principals' financial management of public schools (see 4.1). The literature study was therefore employed in order to answer the first and the fourth research questions as listed in paragraph 1.3 of this chapter (see 1.3, 4.1, 4.2 and 4.3.1).

1.8.2 Empirical research

The second and third research questions, listed in 1.3, directly relate to a first phase of the empirical investigation employed, whereas the fifth question mainly relates to the second phase of the empirical investigation. For the purpose of achieving the aforementioned empirical research questions, an embedded mixed method design consisting of two phases was therefore employed (see 4.1; cf. Creswell and Plano Clark 2007: 67-71; Ivankova, Creswell and Plano Clark 2007:267-268). The embedded design included a quantitative, non-experimental, descriptive checklist survey, followed by embedded, qualitative, interactive and non-interactive interview surveys in the first phase of the empirical investigation in order to extend and validate the findings obtained from the initial checklist survey. During the second phase of the empirical investigation, the findings from the first phase were integrated with each other, as well as with the findings from the literature study in a qualitative way. With this as a basis, a semi-final plan for facilitating school principals' financial

management of public schools was compiled and eventually evaluated by selected school principals and other experts in the field of school financial management in an embedded quantitative evaluation questionnaire survey during the second phase of the empirical investigation (see Figure 1.1 and 4.3.3)

The premises underlying the empirical investigation in this study are both phenomenological and post-positivist in nature (cf. Babbie and Mouton 2001:78). Although a qualitative, phenomenological approach was taken in the qualitative interview survey, which followed the initial quantitative checklist survey, it may also be assumed that the researcher followed a post-positivist approach in implementing and interpreting the empirical research, since the major type of research employed was survey research (see 4.3.3).

Due to financial constraints, the size and scope of the empirical investigation as well as the accessibility of school principals were affected. The researcher consequently used subjects who happened to be easily accessible and represented certain types of characteristics (McMillan and Schumacher 2001:173-174). A convenience sampling method was therefore implemented to select the principals in the Motheo Education District, as well as the office-based education officials who took part in the checklist and interview surveys respectively, during the first phase of the empirical investigation. During the second phase of the investigation, the respondents in the quantitative evaluation survey of the semi-plan were, however, purposefully selected.

1.8.2.1 Quantitative non-experimental checklist survey

In the execution of the non-experimental, quantitative checklist survey in the first phase of the empirical investigation, post-positivist claims for developing knowledge and the employment of strategies were used (Creswell 2003:13). For this purpose, a group checklist questionnaire, mainly consisting of checklist questions, was compiled and administered in order to investigate the extent to which Motheo Education District school principals were conversant with and complied with regulations and guidelines regarding their roles and responsibilities as financial managers of public schools, as well as the possible need for a training and development programme in this regard (cf. Maree and Pietersen 2007:157; see Appendix A and 4.3.3.1).

At the time of the first phase of the empirical investigation the researcher was still a principal of a public school and one of the 120 delegates of the Motheo Principals' Conference held in February 2006. During the conference, the researcher was permitted to distribute the checklist questionnaire to the remaining 119 delegates. Eventually, 79 of the 119 checklist questionnaires were completed and handed back to the researcher before the end of the conference. The response rate of the checklist survey therefore was 66,4%, which is relatively acceptable and increases the generalisability of the findings of the checklist survey to the target population consisting of the other 119 conference attendants. The demographic profile of all the respondents is discussed in detail in paragraph 4.4.1 (see Table 4.1).

1.8.2.2 Qualitative interview survey amongst non-respondents

The first qualitative interview survey was employed in order to extend and validate the findings from the quantitative checklist survey. This qualitative interview survey produced descriptive data in the participant's own written or spoken words. Face-to-face, one-on-one, semi-structured interviews (for the interview schedule, see Appendix B) were carried out with school principals in the Motheo Education District who did not respond to the checklist questionnaire (see 4.2 and 4.3.3.2).

Nine months after the conference where the checklist questionnaires were distributed, the researcher was successful to secure appointments for interviews with a number of purposefully selected non-respondents. McMillan and Schumacher (2001:309) suggest that, following a survey, a researcher should interview a sample of non-respondents in order to investigate the possibility of a biased group of respondents to the initial survey. Eventually, only five of the selected non-respondents were interviewed, because a point of saturation of the data was reached. The researcher was fortunate that these five interviewees represented a fairly representative selection of the target population considering the principle of maximum variation in a qualitative sample (see Table 4.2 and 4.4.3).

1.8.2.3 Qualitative Interview survey amongst office-based education officials

Non-interactive, but open-ended interviews were also conducted with six education officials in two different provinces in South Africa who were nominated by their respective Education Departments. The officials were provided with a preliminary outline of the semi-final plan for facilitating school principals' financial management

of public schools (see Appendix C) and asked to comment on the preliminary outline. The officials eventually responded (as pairs) in writing, providing their impression of the outline, and proposing particular recommendations in this regard (see 4.3.3.2).

Two of the six office-based education officials were nominated by the FSDoE and the remaining four were nominated by a neighbouring Education Department by request. The researcher therefore only had a limited influence in the selection of the interviewees. Thus, the sampling in this case may be typified as convenient in nature. Nevertheless, the demographic profile of the six interviewees also shows a fair distribution of characteristics (as depicted in Table 4.3; see 4.4.4).

1.8.2.4 Quantitative evaluation questionnaire survey

On the basis of the research findings of phase 1 of the empirical investigation (see Figure 1.1), a semi-final plan for an extended and/or improved training and development programme to facilitate principals' financial management of public schools, was eventually formulated (see 6.2). A quantitative questionnaire was subsequently compiled (see Appendix D), based on the salient features of the semi-final plan. This was distributed amongst a purposefully selected group of eight office-based Education Department officials who were involved in school financial management development, as well as 15 public school principals in the Motheo Education District. The office-based education officials and public school principals were chosen, because they were knowledgeable and also informative about the management of school funds in public schools. Eventually, eleven of the 15 selected school principals (i.e. 73%) and six of the eight (i.e. 75%) of the education officials responded to the questionnaire, representing an average response rate of 74%. The demographic profile of the sample of respondents is summarised in Table 4.4 and discussed in more detail in 4.4.4 (see 6.2).

The purpose of the follow-up questionnaire survey was to afford a purposefully selected group of public school principals and office-based education officials the opportunity to evaluate the salient features of the semi-final plan (see 6.2 to 6.7). The ultimate aim of this evaluation survey was therefore to determine the strengths and weaknesses of the semi-final plan and to improve the plan, if necessary. In Chapter 7 of this study, the final plan (as adapted after an analysis of the evaluation survey) is eventually proposed (see 7.3).

1.9 STATUS, ROLE AND OBJECTIVITY OF THE RESEARCHER

As previously mentioned, the researcher was still a principal at an Intermediate School, with mainly black learners, at the time of the checklist and interview surveys. He had seven years' experience as a school principal and was also the chairperson of the school finance committee. On 15 April 2008, the researcher was seconded as a school principal of a secondary school in Bloemfontein, and since 01 October 2008, he was appointed as Deputy Chief Education Specialist: School Management and Governance Developer in the Motheo Education District of the Free State Department of Education (see 4.5.3). The researcher may therefore be viewed as a participant observer in the investigation (see 4.5.3).

In this regard, the researcher's own experience may be viewed as influential in the interpretation of the research findings on the one hand, but also conducive for developing an understanding of the role of a principal as the financial manager of a public school on the other. While acknowledging the fact that it is not possible for a researcher to remain totally objective in a research study, the researcher, however, hereby declares that he deliberately attempted to remain as objective as humanly possible in the analysis and interpretation of the research data. The latter attitude is frequently referred to as disciplined subjectivity (see 4.5.3). The disciplined subjectivity employed by the researcher in this study is argued in more detail in paragraphs 4.5, 4.5.1 and 4.5.2 by, amongst others, indicating which strategies he had employed in order to enhance and contain his own reflexivity at the same time.

1.10 ETHICAL CONSIDERATIONS

Throughout the research, it was essential that the researcher followed standard ethical principles, namely (cf. Hinckley 2005:298-299; Maree and Van der Westhuizen 2007:41-42):

- Informed consent and voluntary participation: The researcher always explained the purpose and voluntary nature of the research and sought verbal confirmation from the participants that they would take part on a voluntarily basis. A letter of permission was obtained from the FSDoE to conduct the research project (see

Appendix E), while permission was also obtained from the Eastern Cape Department of Education to involve four of their education officials.

- Privacy, confidentiality and anonymity: All participants were assured that their identities would be kept private and confidential. The research results were indeed presented in an anonymous way and no participant or school is therefore identifiable from this report.
- Protection from harm: The researcher tried to remain honest, respectful and sympathetic towards all the participants (see 1.9).

1.11 LIMITATIONS AND TRUSTWORTHINESS OF THE RESEARCH

In light of possible threats to the reliability and validity of the research, the researcher, rather than looking for consistency of behaviour in this study, was more interested in the accuracy and comprehensiveness of his observations and inferences. Reliability and validity in this study were therefore, amongst others, enhanced by detailed field notes, the use of direct participant quotations and literal descriptions. More generally, it was important to obtain an accurate match between the researcher's categories and interpretations and what was actually true. That is, to investigate whether the meanings, categories and interpretations of the researcher reflect reality, if the pattern has limitations in the data gathering or the situation has distorted the pattern (see 4.6 and 4.7).

Since the one of the mediums through which the data were collected and interpreted was qualitative in nature, any opinions, biases or expectations held by the researcher could be reflected in the results, thus diminishing accuracy. As the researcher was aware of the fact that his disciplined subjectivity and potential bias might threaten the trustworthiness of the research, steps were taken to avoid this. In paragraphs 4.6 and 4.7 the researcher has argued in length how he has ensured that his research is both valid and reliable. Accuracy was strengthened by taking enough time to obtain a valid judgement of what was being observed. A long and intense period of study allowed triangulation and in-depth analyses of the data during data collection. Reliability was also enhanced by an abundant use of detail. The detailed descriptions included as much verbatim language from the participants as

possible. Details were also provided concerning the process that was used in the research and the setting.

Taking the high response rates reported for both of the quantitative questionnaire surveys employed in this study (66, 4% and 74% respectively) into account, as well as the relatively balanced composition of the demographic profiles of the two samples, the researcher is fairly convinced that the research findings obtained by means of these two surveys are reliable and generalisable (see 4.4.1 and 4.4.4). This is also confirmed by validation of the findings of the checklist survey by means of the interview survey findings (see 5.2.2 and 5.2.3), as well as the validation of the researcher's semi-final plan during the evaluation survey reported in paragraph 6.2.

In the detailed discussions provided in paragraphs 4.6 and 4.7 in this study, the researcher has also clearly acknowledged all possible factors that could be viewed as limitations to the investigation (for more details, see 4.5.2, 4.6. 4.7.1 and 4.7.2).

1.12 DIVISION OF CHAPTERS

The following is an outline of the chapters included in this study:

- Chapter One: Orientation.
- Chapter Two: Financial management in South African public schools: School principals' roles and responsibilities (a literature study)
- Chapter Three: Possible programmes to develop school principals as financial managers in South Africa (a literature study).
- Chapter Four: Research design and methodology
- Chapter Five: Research findings and interpretation: Phase One of the empirical investigation.
- Chapter Six: A semi-final plan for a programme to facilitate principals' financial management of public schools: Phase Two of the empirical investigation.
- Chapter Seven: Conclusions and recommendations: Towards a final plan for a programme to facilitate principals' financial management of public schools.

1.13 SUMMARY AND CONCLUDING REMARKS

This chapter serves as an orientation for this research study and therefore focuses on the various aspects to be investigated. These include a detailed outline of the research problem which stemmed from the researcher's concern for:

- public school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks; and
- the appropriateness of the existing training and developmental programmes to address the problems experienced by these school principals.

In the context of this research problem, the researcher subsequently formulated five research questions, as well as overarching aims and specific objectives for the research study. Besides arguing the significance of the research, clarifying the salient concepts, and demarcating the investigation within the boundaries of Educational Management and the Motheo Education District as the geographical area of investigation, the researcher also provided an outline of the research design and methodology employed in the study. It was explained that the non-empirical literature study contained in Chapters 2 and 3 served as a basis for an embedded mixed method empirical research design involving both quantitative and qualitative questionnaire and interview surveys, which are mainly reported in Chapters 5 and 6 of the study. The description of these surveys included information about the techniques of data collection, analysis and reporting, as well as the sampling methods employed in each case. In conclusion, an outline was provided of why the researcher views his research as trustworthy and how the study was divided into chapters.

The next chapter contains the literature study on school principals' roles and responsibilities in the context of South African public schools and therefore serves as the starting point for the non-empirical part of this study.

CHAPTER 2

FINANCIAL MANAGEMENT IN SOUTH AFRICAN PUBLIC SCHOOLS: SCHOOL PRINCIPALS' ROLES AND RESPONSIBILITIES

2.1 INTRODUCTION

In this chapter an attempt is made to answer the first research question stated in chapter one by means of a literature review, namely: *What is the nature of principal's financial management roles and responsibilities in South African public schools?* This review is essential for an understanding of the nature and scope of the financial management skills required by the school principal. As such, the information could also play a guiding role in the compilation of a questionnaire (check-list) for determining whether school principals in the Motheo District are conversant with all the relevant regulations and execute their financial management tasks in accordance with the different acts, regulations and guidelines.

During the past four decades, management responsibilities of school principals have undergone a radical change. In the past, the school principal only required professional training and experience as a teacher. This traditional view was based on a belief that a competent teacher with a certain number of years of experience had more than enough skills, knowledge and the appropriate attitude to manage a school (Ubben, Hughes and Norris 1994:1). As this situation is no longer appropriate, in particular since democracy in 1994, a closer look at the demands of the school financial management process is essential (see 2.2).

School financial management entails four basic or fundamental actions, namely, financial organising, planning, leading and control (Palmer, Van der Walt, Vuba, De

Klerk and Pitout 1992:2; Calitz, Viljoen, Möller and Van der Bank 1992; 9; Van Deventer and Kruger 2005:68; Du Toit, Du Plessis and Nortjé 1990:25). These four actions or categories of financial responsibility are discussed in more detail in 2.2.1 (financial organisation); 2.2.2 (financial planning); 2.2.3 (financial leading or guiding); and 2.2.4 (financial control).

The chapter concludes with an overview and summary of the extent of the financial responsibilities of school principals. The summary, together with the regulations and guidelines spelt out in the chapter, formed the basis of the questionnaire compiled for use in the first part of the empirical investigation (see chapter 4).

2.2 THE FINANCIAL MANAGEMENT RESPONSIBILITIES OF THE SCHOOL PRINCIPAL

One of the biggest changes that has taken place in educational management since 1994 is the local management of the school fund, for example, by the school governing body, financial committee and the school principal. This has given schools much more freedom in managing their own affairs and opened the door to better ways of managing the school fund (Dean 2004:114). There is a considerable delegation within the schools, with individuals being responsible for the budgets for their departments. Each department thus becomes a cost centre with its own budget and responsibility for spending (Berkhout 1992:4; Herman 1994:95 and Brock and Grady 1995:41).

This means that not only principals, but also the heads of departments and subject heads must become knowledgeable about the management of their school fund. It also means that there must be clear systems for dealing with the school budget and which cover the way money is allocated, the way that school accounts are kept and the way spending is monitored. These systems are not only needed by principals but by all the members of staff who have a budget responsibility (Dean 1993:114). Principals should encourage discussion within departments about budget spending

so that all members of the staff are aware of and have a say as to how the school fund is administered (Berkhout 1992:4 and Zymelman 1973:2000).

From 1996, the changes brought about in the management of schools in South Africa took shape. The new government was faced with the challenge of different and unequal educational systems. There were separate schools for whites, coloureds, Indians and blacks. The government aimed at the creation and management of the new national school system that gives everyone an equal opportunity and where there will be no place for racism, sexism or intolerance. The education system of the apartheid era was replaced with the democratic system that promotes full participation by principals in the management of their schools (RSA 1996a and 1996b; Konnert and Augenstein 1990:160). Refer to figure 2.1.

The new dispensation delegated the management of schools to principals under the authority of the Member of the Executive Council (MEC) and of the Head of Education (HoD) in each particular province. School principals are now required to organise, plan, guide and control school finances; they are expected to run the day-to-day financial activities of their schools; to decide on the school curriculum; and to buy textbooks and other teacher and learner support material (RSA DoE 1999:10). Refer to paragraph 2.2.

Principals, as school financial managers, are expected by the Education Department to perform the following managerial functions (Van Deventer and Kruger 2005:66; Nieman and Bennett 2002:101):

- Implement the school financial policies and regulations.
- Manage the school financial organisation, planning, leading and controlling of all educational activities in their schools in order to achieve the school's objectives.
- Develop educational goals, policies and strategies for the entire school from the broad, general strategies and policies of the Education Department and to translate them into specific goals and action plans.

- Establish target dates for school projects to be completed, developing criteria for evaluating their staffs' performance (see paragraph 3.2.1), allocating resources to projects and translating the Education Department's general goals into specific operational plans, schedules and procedures.
- Ensure that quality teaching and learning continues to take place in their schools.
- Ensure that the school financial policies are executed. This entails management of school assets and liabilities (see paragraph 2.3.4.3).

Other management tasks important to school principals include giving financial direction to the staff, setting financial outcomes or needs and allocating financial resources to the school as a whole (Van Deventer and Kruger 2005:74 and Calitz *et al.* 1992:16). The following are prerequisites for sound financial management by the school principal (Palmer *et al.* 1992:36; Calitz *et al.* 1992:9 and Van Deventer and Kruger 2005:70):

- Conceptual skills, which refers to the mental ability to view the financial operation of the school and its departments holistically.
- Interpersonal skills, meaning the ability to work with people. It stands to reason that if school principals spend about 60% of their time working with people, they should be able to communicate, understand people's behaviour and motivate groups as well as individuals.
- Technical skills, enabling principals to use knowledge to attain their schools' objectives. Principals need to have a sound knowledge of financial management, so that they can manage school funds successfully.
- Management skills, which have the following key dimensions, namely, frameworks or school aims, school financial policies and systems; roles and responsibilities of people who are doing the work to achieve the aim and to implement policies; and working together, which is the synergy between the frameworks, roles and financial responsibilities.

The South African government has delegated school financial management tasks to the school principals, since the government views schools as educational enterprises with the principals as school financial managers. Because of this responsibility, school principals have both business and educational functions (Glynn, Perrin and Murphy 1994:12 and RSA 1996a and 1996b).

Good management of school finances means that principals should involve parents, community members, staff and learners when making financial decisions. Principals, as school financial managers, need to look for ways in which the interest and ability of each individual stakeholder can contribute to effective financial management. The first task is to ensure that the elected school governing body will assist them in managing their school finances. This also implies that the school principal should see to it that all SGB members are thoroughly trained (see figure 2.1 and 3.2.1.1) (Kritzinger and Fourie 1997:2).

Section 20 of the South African Schools Act No. 84 of 1996 (RSA 1996c) requires that the Head of Department of an Education Department must ensure that school principals and other officers of the education department render all the necessary assistance to governing bodies in the performance of their functions in terms of this Act. Section 20, in its original form, excludes functions with the financial implication and deals with actions which the governing body must take in the interest of the school. It involves deployment of documents, support to staff, and administration issues at a school.

Subject to this Act, the governing body of a school (RSA 1996c:17):

- (a) Promotes the best interest of the school and strives to ensure its development through the provision of quality financial management.
- (b) Adopts the constitution.
- (c) Develops the mission statement of the school.
- (d) Adopts the code of conduct for the governing body members.

- (e) Supports the principal, educators and other staff of the school in the performance of their professional duties.
- (f) Determines times of the school day, consistent with any applicable conditions of employment of staff at the school.
- (g) Administers and controls the school's property, buildings and grounds occupied by the school, including school hostels, if applicable.
- (h) Encourages parents, learners, educators and other staff at the school to render voluntary services to the school.
- (i) Recommends to the Head of Department the appointment of educators at the school, subject to the Educators Employment Act, 1994 (Proclamation 138 of 1994) and the Labour Relations Act, 1995 (Act 66 of 1995).
- (j) Recommends to the Head of Department the appointment of non-educator staff at the school, subject to the Public Service Act, 1994 (Proclamation 103 of 1994), and Labour Relations Act, 1995 (Act 66 of 1995).
- (k) Allows, at the request of the Head of Department, reasonable use, under fair conditions, of the facilities of the school for educational programmes not conducted by the school.

However, Section 20 was amended by the Education Laws Amendment Act 1997, which introduced functions with financial implications. The functions contemplated in Section 21 of the SA Schools Act are distinguishable from those listed in Section 20. These are functions with direct financial implications and are only conferred on the school if it has applied for them or if one or more functions have been assigned to it by the MEC by notice in the Provincial Gazette. The functions contemplated in Section 21 include the following (RSA 1996c:19):

Subject to this Act, the governing body may apply to the Head of Department in writing to be allocated any of the following financial functions:

- (a) To maintain and improve the school's property, buildings and grounds.

- (b) To determine the extra-mural curriculum of the school and choice of subject options in terms of the provincial curriculum policy.
- (c) To purchase textbooks, educational materials or equipment for the school.
- (d) To pay for services to the school.

The Act indicates that the MEC may, by notice in the Provincial Gazette, determine that some governing bodies may exercise one or more functions without making an application if (ELRC 2004:20):

- (a) He or she is satisfied that the governing body concerned has the capacity to perform such functions effectively; and
- (b) There is a reasonable and equitable basis for doing so.

Furthermore, the Act (RSA 1996c:20) stipulates that the set of measures and criteria need to be developed by the province to evaluate all schools. This evaluation includes not only issues of capacity, but also considerations of reasonableness and equity before the decision to assign such allocated functions can be taken. One such criterion may be the fact that newly elected governing bodies have performed these functions well. All schools must be evaluated. The development of such measures and criteria and the evaluation of schools in the province are essential before functions can be assigned to schools.

As indicated above, management of school finances comprises a cycle of financial planning, organisation, leading/guiding and control (Rees and Porter 1996:2 and Palmer *et al.* 1992:267). However, since financial organisation relates very closely to the policies, rules, regulations and legislation discussed in the preceding paragraphs, it is considered first in the discussions that follow, despite the fact that it should actually be preceded by financial planning in the above-mentioned financial management cycle.

2.2.1 Financial organisation

Financial organisation includes establishing the school structure, delegating and co-ordinating the school's financial activities (Walker 1978:37-46). School financial organisation is critical, because it involves principals deciding on who should do what. It also involves grouping of school financial activities (Allen 1994:132; Loots and Du Plessis 1996:115).

The school financial plans devised and strategies formulated will never become a reality if manpower and the school financial resources are not properly deployed and relevant school financial activities are not suitably co-ordinated. Effective school leadership is not possible if lines of authority and responsibility are not clearly spelt out. Similarly, effective control of school funds is out of the question if people do not know what financial management tasks they are responsible for. School financial organisation is necessary for the following reasons (Palmer *et al.* 1992:179; Du Toit *et al.* 1990:78 and Van Deventer and Kruger 2005:108):

- School financial organisation leads to a structure that indicates clearly who is responsible for what task. It clarifies people's financial management tasks and responsibilities. Financial responsibility can never be delegated. Even if the principal delegates liability for the job, he or she is still personally responsible for it being carried out. In other words, the principal is accountable for the financial management task.
- Financial accountability is also an important aspect of school financial organisation. Lines of authority are indicated; in other words the question of who has authority and power is addressed. This gives direction to the governing body. If there is no authority, there will be chaos.
- Clear channels of communication are pinpointed. This ensures that school financial communication is effective, and that all the school financial information required to perform jobs, is available through the correct channels.
- School financial organisation helps school principals to deploy school financial resources meaningfully.

- The principle of synergy helps to promote effectiveness and the quality of work performed. Thus, if three people work together, their joint endeavours are greater than what will be achieved if each of them works independently.
- The total workload is to be divided into activities that are comfortably performed by the individual or the group of individuals. School financial management tasks are allocated to individuals according to their ability or qualifications, ensuring that everyone in the school has more or less the same amount of work. This leads to improved management of the school funds.
- Financial organisation means systematically grouping a variety of the school financial management tasks, procedures and resources. This is possible because the financial organising process entails an in-depth analysis of work to be done. Thus, each person should be aware of his or her duties.
- Related financial management tasks and activities of people are grouped together meaningfully in specialized sections or departments so that experts in various fields can deal with certain tasks.
- The organisational structure is responsible for creating a mechanism for co-ordinating the entire school.

It is clear, therefore, that the process of financial organising helps schools to realise their predetermined objectives and goals (Palmer *et al.* 1992:175; Van Deventer and Kruger 2005:108; Calitz *et al.* 1992:112 and RSA DoE 2000b:7).

In designing the structure for effective management of the school fund, components for administrative and accounting tasks are included. Furthermore, the financial organisation of the school's activities implies that financial planning and leading only take place once human resources are assigned to tasks. Financial leading is effective only once clear financial responsibilities and authority are allocated to people who have the appropriate skills. Successful financial leadership takes place when people know what is expected of them and effective financial control occurs once procedures have been established (Nieman and Bennett 2002:106). Refer to paragraphs 2.2.2 to 2.2.4.

2.2.1.1 The school governing body

The first step in organising school finances is to institute the school governing body, which in turn appoints the school financial committee. Both bodies are prescribed by legislation (RSA: 1999b:36). Refer to Figure 2.1.

The school governing body is made up of parents of the learners at the school, the school principal, educators and learners who are in grade eight or higher. People from the community may be co-opted as governing body members. For example, an expert on financial matters may be co-opted in the finance or fund-raising committee of the governing body (RSA 1996c:24; see Figure 1.2). The school governing body (SGB) is an important element of democratisation in education. Therefore it is essential that SGBs work closely with the school principals as school financial managers.

The school governing bodies should assist principals in administering the school finances; with fund-raising projects; to establish a school fund account; and to administer it in accordance with the guidelines. They prepare the school budget each year that shows the estimated income and expenditure and is presented to the general parent's meeting for approval (Correia, Flynn, Uliana & Wormald 2003:1 and RSA 1996c:39).

The SGB should find ways of obtaining enough money for the school by approaching business people to sponsor school activities; asking parents to pay school fees; and organising fundraising projects for their schools. The SASA (RSA 1996c) allows the school governing body to use the school hall for fund-raising. The money raised by the school is paid into the school account. The school finances should be administered in terms of the rules drawn up by the Head of Education in the province (RSA 1996c:37 and RSA 1999b:9).

The guidelines on school financial management indicates that the school principals and governing bodies should open and maintain a single bank account in the name

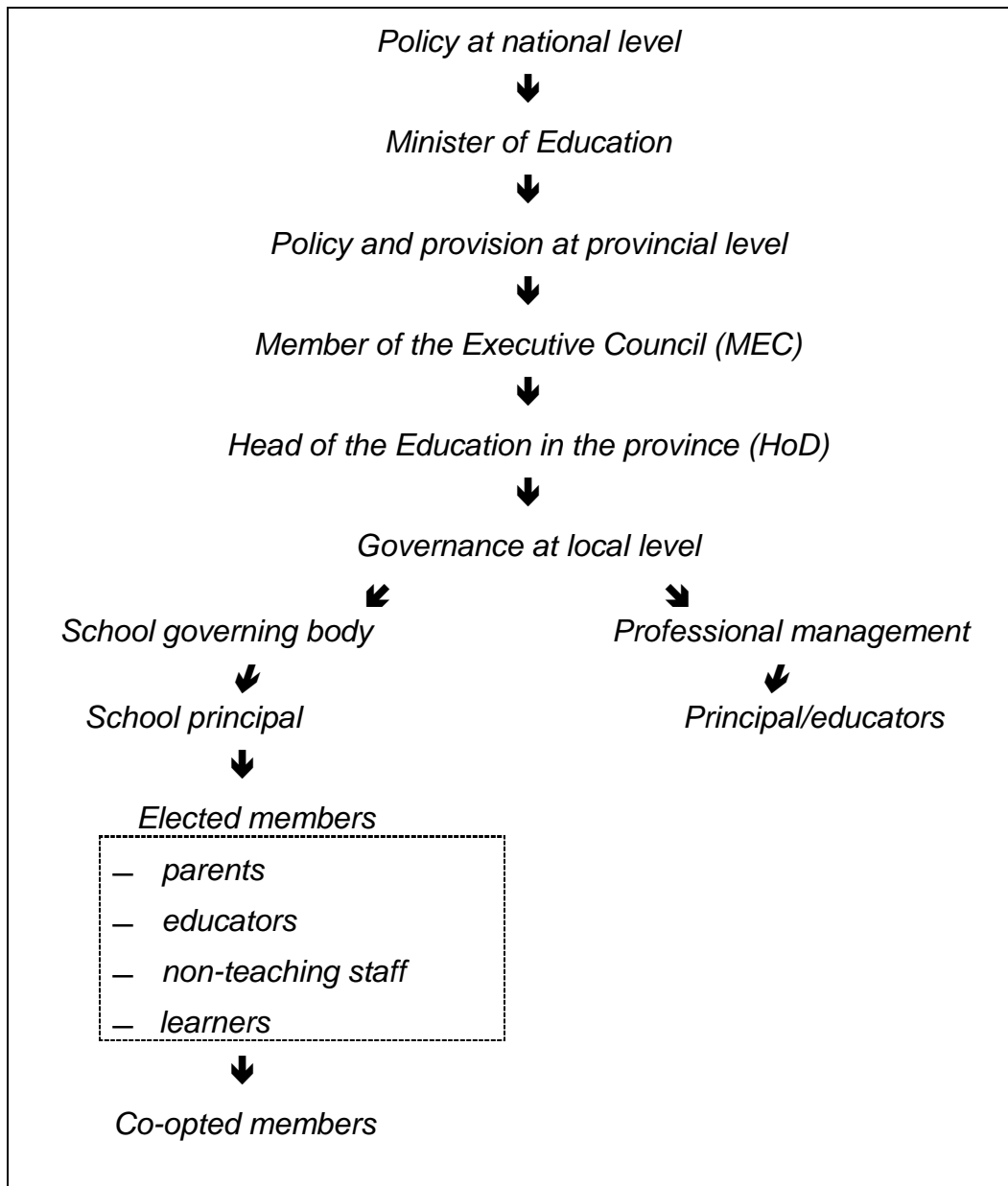
of the school at a registered bank. Nobody is allowed to keep money or deposit it into a bank account other than the one that exists in the name of the school. The school governing body should look after school property. Principals are not free to use the school finances as they please and money donated to the school should be used for educational purposes only. If the principal and the governing body need money for something else they must obtain written permission from the head of education in the province. The necessary expenses of the governing body members to perform their duties, for example when the governing body members have to travel to a meeting or to a workshop, are paid from the school fund (RSA 1999a:42; RSA 2000a and 2000b).

Figure 2.1 outlines the position of the school governing body within the national, provincial, and local educational structures and it also indicates the composition of the governing body:

The duties of the different stakeholders within the national, provincial and local educational structures are as follows (RSA 1996a and 1996b):

- At *national* level the *Minister of Education* determines the norms and standards for the funding of schools.
- The MEC at *provincial* level determines the composition of the *school governing body*.
- The *Head of Education in the Province* (HoD) helps and supports principals in performing their financial duties; *school principals* help their governing bodies in performing their financial functions.
- *Educators* and *non-educator* staff members serve as representatives of their interest groups.
- *Parents* are involved in managing the school fund.
- *Learners* in grade eight to twelve serve as elected members of the governing body to represent the interests of the learners of their schools (see figure 2.1).

Figure 2.1: The position of school governing bodies within the national, provincial and local educational structures



Source: FSDoE 1996a and 1996b

In addition to the school governing body, a financial committee has to be established.

2.2.1.2 The school financial committee

Schools are organisations that result from the grouping of work and the allocation of financial duties, financial responsibilities and authority to individuals in order to achieve specific educational goals. Therefore, organising a school's finances includes aspects such as the following (Van Deventer and Kruger 2005:240):

- The drawing up of the school's financial policy.
- Setting up the structure within the school that will handle administrative and financial matters.
- Delegating certain financial functions to clerks, class teachers and school treasurers.
- Coordinating the schools' financial activities.

To assist the school governing body in the fulfilment of its functions, the SASA (RSA 1996c) stipulates that SGBs should appoint the school financial committee, which is responsible for controlling the school financial affairs. The school financial committee consists of the accounting officer, who is the principal and also its chairperson; at least one other member of the governing body; as well as other co-opted members, who may be parents or members of the community (see figure 2.1). Meetings of the school financial committee take place quarterly and minutes of each meeting are discussed at the meeting of the governing body (FSDoE 1996a and 1996b).

In addition to assisting the governing body in the fulfilment of its functions, the school financial committee is responsible for ensuring that all the financial and related documentation is safeguarded against loss, theft or fire; that proper controlling measures are implemented and that all expenditure and income are authentic and are reflected in the financial records. The school financial committee also advises the governing body on the schools' financial matters. School financial organisation, therefore, is a process of *specialising, departmentalising, delegating, decentralising*

and *co-ordinating the school financial activities* by the school principal (RSA 1996a and 1996b).

(a) Financial specialisation

School financial specialisation has a bearing on the extent to which financial management tasks of the school are subdivided into smaller components. It is the degree to which special financial management tasks are identified and allocated to individuals or groups of staff with special training, for example, the collection of school funds may be assigned to the school finance clerk (Palmer *et al.* 1992:181). Financial *specialisation* means that the school principal and the school financial committee have the necessary skills, knowledge and appropriate attitudes to manage the school fund well.

The main advantage of specialisation is that there will be effective management of school funds, because no one person is able to perform all the school financial management tasks. Secondly, no single person has the specialised knowledge to execute all the school financial management functions. It is therefore necessary to specialise and to assign specific school financial management tasks to other people. For example, the school treasurer who is in charge of all the school financial matters, needs to have some book-keeping skills that will enable him or her to perform the following tasks (RSA DoE 1997:21):

- To take charge of school finances.
- To control the school budget.
- To keep accurate records of the money spent and by whom.
- To be informed about money donated to the school or of funds raised.
- To compile the balance school financial report.

The disadvantage of specialisation is that, if it is applied injudiciously, negative trends may develop and destroy its very advantage. For example, the SGB members who perform highly specialised financial management tasks may become

bored because they perform the same tasks day after day. Such SGB members may feel dissatisfied because their daily tasks are no longer a challenge and offer no stimulation. This may result in absenteeism during SGB meetings, with consequent poor management of the school fund (Palmer *et al.* 1992:182).

(b) Departmentalisation

The second building block is departmentalisation. *Departmentalising* is a process whereby the school principal assigns to members of the school financial committee tasks such as the receiving and receipting of school fees and bookkeeping. It is actually the answer to the question: How are the school's financial management tasks going to be distributed? Specialisation occurs as soon as the school becomes too large for the principal to manage the school finances alone. The logical consequence of specialisation then is that the SGB elects the school financial committee to assist with the management of the school fund. Allocation of the financial committee members according to the specific school financial plan is the foundation of all departmentalisation. Departmentalisation is therefore the process in which the school financial management tasks are grouped into controllable units (Palmer *et al.* 1992:123).

Distribution of school financial management tasks is the first step of departmentalisation. The key to effective departmentalisation lies in the successful organisation of the SGB and the school financial activities, so that the school financial information can flow easily through the school.

Different forms of departmentalisation are applied at different levels of the school. The school that departmentalises according to function, groups people together who perform the same or similar tasks, for example, receipting, budgeting, purchasing, banking, controlling and record keeping (Du Toit *et al.* 1990:81).

The **advantages of departmentalisation** include the following (Palmer *et al.* 1992:185):

- People who are specialists in their own fields man the departments. This promotes job satisfaction, because the expertise of people increases through interaction with other SGB members.
- Supervision is easier because the school principal only needs to be conversant with a relatively small number of financial management skills.
- Internal co-ordination is facilitated.

The **disadvantages of departmentalisation** include the following (Palmer *et al.* 1992:186):

- Decision-making is slower because groups must obtain approval from the school principal.
- People tend to lose sight of the overall goal of the school because they have to concentrate too much on their own departments.
- It becomes increasingly difficult to monitor responsibility and performance of one specific financial management task.
- Conflict and a lack of communication may develop among departments. This places an extra burden on the group leaders.

It is therefore clear that, as schools grow over the period of time, the principal as school financial manager should consider an alternative form of departmentalisation (Palmer *et al.* 1992:186).

(c) Co-ordination

School financial committee members must know the role they are supposed to play. The school governing body delegates the day-to-day management of school finances to the principal and the school financial committee may in turn authorise the school clerk to be responsible for receiving school fees on its behalf. The school principal, as the accounting officer, *co-ordinates* all the financial activities at the school. This is done by communicating with all the interested parties, such as the

Education Department, parents, community, learners, staff and school governing body members by means of quarterly financial reports (Kemp and Dunbar 2003:2).

(d) Delegation

Delegation is the technique, which implies that some of the school financial management tasks are assigned to the school principal and members of the school governing body. The aim of delegation is to utilise the talents of the principal and governing body and to train them by developing their financial management skills (Theron and Bothma 1990:20). Delegation of financial management tasks to the school principal is believed to lead to improved school effectiveness by legislators and administrators. The legislators and administrators produce the rationale that school based financial management is the solution to many current problems besetting the school system.

Many proposals for the financial delegation focus upon financial management efficiency and effectiveness. Here, financial delegation is seen as pushing financial decision-making down to schools who are best informed and motivated to take these decisions closer to the clients whom should benefit from the decisions (Dimmock 1993:114). The principle that *spending is most effective when it is near the action* implies that there are individuals at the school who are responsible, for example, in drawing up the school budget. Each department at the school thus becomes a cost centre with its own budget and responsibility for spending. This means that not only the principal but also the heads of department become knowledgeable about accounting (see paragraph 2.2.4.1). It also means that there is a clear system for dealing with the school budget, which covers the way that the money is allocated, school accounts are kept and spending is monitored (Dean 1993:114).

These systems are needed by the principal and by all members who have budget responsibility, for example, the school's financial committee (see paragraph 2.2.1.1). Discussions should be held within school departments about the budget spending to ensure that all members of staff are aware of and have a say in the matter (Dean 1993:114). The school budget is set in the context of collaborative management in

which the school financial policy is compiled for every area of school life and is the responsibility of the policy group, which is probably the school governing body.

The importance of the school principal may increase significantly with financial delegation. For example, Dimmock (1993:120) indicates that the principal now has the unenviable task of arbitrator, of soliciting the needs and wishes of staff and the community (often conflicting and in competition) and of being the final authority on decisions reflected in the proposed school budget. Delegation gives the school governing body an enhanced role in the management of the school fund.

Dimmock (1993:121) also suggests the following taxonomy of the school financial committee:

- The *trustees*, where the school governing bodies are really the watchdogs, and trust the principal to run the school unless they have some reason to be concerned.
- *Partners*, where the governing body wants to work alongside its school staff, sharing ideas and expertise.
- *Board of Directors*, where the governing body takes strategic financial decisions, but leave executive action to the managing director (principal) and his or her colleagues.
- *Activists*, where the school governing body is the master, elected to run the school on behalf of the parents.

In order to delegate and to lead school financial management effectively, the principal and governing bodies must be familiar with the correct procedures used in the school for the following financial activities (Van Deventer and Kruger 2005:238):

- The handling of the school fund account.
- Receiving, recording and administering of the school finances.
- School financial accounting and reporting.

(e) Decentralisation

Decentralising the management of the school fund refers to a participatory decision making framework provided for the school principal and the school governing body. Herman (1994:94) and Dean (1993:84) state that one of the biggest changes that has happened in educational management over recent years is the local management of the school fund. This has given the school principal much more freedom in managing the school and opened the door to better ways of managing the school fund.

At the same time, decentralisation has posed considerable problems for the school principal and the school governing body, for many of whom much of the work of managing the school fund on this scale is new. Herman (1994:94) and Dean (1993:84) indicate that it remains to be seen whether decentralisation will result in efficient and effective management of the school fund by the school principal. Decentralisation would therefore results in better spending, since those nearest the action, such as the principal and the school governing body, are in a better position to make sound decisions about financial spending than those further away, such as the National or the Provincial Governments.

2.2.1.3 Summary

The principal, who is also chairperson of the school financial committee, has a duty of ensuring that all systems are in place, for example, a school governing body must among its members elect a school financial committee. The school financial committee is responsible for the management of the school fund. It is therefore the duty of a principal to ensure that there is a programme in place to capacitate the school financial committee to manage the school fund efficiently.

Principals have the responsibility of ensuring that school financial policies are drawn up and that they are implemented accordingly, for example, that a school budget is drawn up and adopted by the parent community of the school; records for school

expenditure and income are kept at all times; SGB and school financial committee hold meetings, at least once in a term; and that school financial records are audited annually.

Paragraph 2.2.2 focuses on the second task of a principal as a financial manager, namely a principal as a school financial planner. The main aspects covered are types of planning and the school budget.

2.2.2 Financial planning

School financial planning is concerned with the setting of the school's financial goals by the principal and school governing body. It involves translating government guidelines on the effective management of the school fund (Correia, Flynn, Uliana and Wormald 2003:20).

The school's financial plan is concerned primarily with efficient use of the school fund. It is a written document describing what the school is going to do to achieve its educational goal. It usually includes the steps that are going to be followed in carrying out the tasks and the timeline for completion (Kemp and Dunbar 2003:2). School financial planning is carried out in accordance with the particular school's financial policy or the set of financial procedures that give direction to routine school financial activities, thereby facilitating execution of the school financial plans and aims (Palmer *et al.* 1992:93 and Du Toit *et al.* 1990:72).

School financial planning is the task of the principal who has to see that the school's purpose, mission, goals and methods of attaining these are clearly understood by all the stakeholders at the school. It is the fundamental element of the principle that predetermines what the school proposes to accomplish; it is the starting point of the financial management process and is the point around which all the school financial activities revolve. Important aspects of successful financial planning that the school

principal should understand are the following (Palmer *et al.* 1992:82 and Du Toit *et al.* 1990:72):

- The nature of school financial planning.
- Needs for and benefits of a school financial plan.
- Types of school financial plans.
- Time frames for financial planning.
- Steps in the planning process.
- Barriers to effective financial planning.
- Financial planning aids.

School financial planning forms the basis of all the other financial management tasks, namely school financial organising, leading and controlling, because it gives direction to the school financial activities. The importance of the school financial planning is summarised as follows (Palmer *et al.* 1992:82 and Du Toit *et al.* 1990:72):

- School financial planning gives direction to the school in the form of objectives, and it indicates how to go about achieving those objectives. At the same time school financial planning clarifies objectives and determines their feasibility.
- School financial planning promotes co-operation between the various departments and people in the school. If the school's financial objectives are clearly formulated and financial plans are developed, the school financial management tasks and resources will be allocated in such a way that everyone will be able to contribute effectively in the realisation of the school objectives. The school's financial resources would be channelled and utilised rationally, which is absolutely necessary for management of the school fund.
- Financial planning compels the school principal to look to the future.
- Increasing complexity of the school and interdependence of the various financial management areas where decisions cannot be made in isolation emphasises the necessity of a school financial plan. A financial plan enables the principal to see

the school as a total system in which objectives of the different departments are reconcilable both with one another and with the primary endeavours and objectives of the school as a whole.

- It encourages pro-active management, which means that the school principal plays an active part in creating the future of the school rather than allowing the future to be pulled passively along and accepting change with reluctant resignation when compelled to do so (RSA DoE 2000b:7 and Calitz *et al.* 1992:17).

Requirements of sound financial planning are the following (Van Deventer and Kruger 2005:238):

- It begins with the vision, mission and general aims of the school as the framework.
- It determines the school's outcomes according to the needs of the school and identifies actions for each activity or area of school programmes.
- It searches for relevant alternatives.
- It measures the costs of school programmes and establishes school fees and other financial sources to supplement the income of the school.
- It evaluates the output of each school programme.

2.2.2.1 Types of financial planning

The different school financial planning strategies that may/should be used by the principal and the school governing body are discussed below and include long-term/strategic financial planning; functional financial planning; departmental planning; and short-term financial planning (Grace 1997:235)

(a) Long-term/strategic financial planning

Long-term financial planning is carried out by the school governing body and has a time frame of three to ten years. This financial planning strategy focuses on all the

school's financial activities and it requires constant adaptation. The school's strategic financial planning gives long-term direction to the school, with its mission as an ultimate aim to be achieved. Various long-term financial strategies should be devised to accomplish the school's mission. The following are characteristics of strategic financial planning for the school (Palmer *et al.* 1992:82 and Du Toit *et al.* 1990:72):

- The principal, the school governing body and the School Management Team carry out the school's strategic plan.
- It has a time frame of three to ten years or more.
- Strategic planning is focused on the school as a whole.
- It is future-orientated and constantly on the lookout for changes in the environment.
- It requires constant adaptation to the environment in order to survive in the long run.
- The school's strategic plan does not concern itself with details but with broad and general financial guidelines to keep the school on course.
- By means of this, the school principal constantly endeavours to deploy resources and skills of the school with regard to opportunities and risks in the environment and to steer it towards attaining its mission and surviving in the long run.

These characteristics distinguish the school's strategic plan from functional planning and operational planning in which the emphasis falls more on short-term and comprehensive financial plans for the particular school departments. The school's strategic plan, therefore involves development of the mission and the long-term objectives of the school and it depends upon the functional planning to be put it into effect (Palmer *et al.* 1992:93).

(b) Functional financial planning

School functional financial planning refers to a medium term financial plan, which is carried out by the middle management at the school, such as the departmental

heads. It includes areas such as the administration of fees and purchasing of the school equipment. Functional planning is sometimes of a long-term nature, although it is normally designed for a medium-term and is therefore more tactical than strategic in nature. Most medium-term financial plans are components of the long-term financial strategy (Palmer *et al.* 1992:82 and Du Toit *et al.* 1990:72)

(c) Departmental planning

Departmental planning does not differ from functional planning (by the SMT) as both focuses on the administration of fees and are developed by the departmental heads (Correia *et al.* 2003:20 and Grace 1997:235).

(d) Short-term financial planning

Short-term financial planning is concerned with a period of not longer than a year, and is developed by the teachers, financial committee, and the SGB, considering the teaching and learning needs in the classrooms and in the school. Short-term or operational planning is concerned with periods of not longer than a year. Short-term plans are concerned with the day-to-day school financial activities and the allocation of the school's financial resources to school departments in accordance with the school's financial policy and the school's budget so as to fulfil the school aims (Palmer *et al.* 1992:93 and Du Toit *et al.* 1990:72).

(e) Conclusion

The school principal and the school financial committee members should make financial plans for the coming year from assumptions based on reliable data of expected income, which should form the basis for projected expenditure, and as the year progresses, adjustments should be made to these financial plans. According to preceding discussion, school financial planning is the most basic of all the school financial management tasks of the principal. It is the starting point of the school financial management process, and is the point around which all the school's financial management activities revolve. The purpose of the school's financial plan is to facilitate accomplishment of its purpose, mission and its goals. Financial

planning gives direction to the school, it promotes co-ordination between various departments and people in the school and it compels the school principal as the school financial manager to plan for the future (Calitz *et al.* 1992:16).

In order to plan the school finances well, the principal needs to understand different types of the school financial planning, namely, long-term financial planning, medium-term and short-term financial planning. The school principal therefore should be developed and trained in implementing the different types of the school financial planning and to ensure that he or she faces barriers to the school financial planning head-on. The school budget constitutes the main instrument used in planning the school finances, and is discussed in the following paragraph (Palmer *et al.* 1992:93).

2.2.2.2 Budgeting

The school budget constitutes the main expedient that is used in planning allocation of the school fund to different programmes. It is the planning document where the expected income and expenditure is shown in a systematic way for a given period, usually the financial year. In the school, the expenditure budget reflects expected cost to implement the educational programme over a financial year, while the income budget shows the expected income from each source to finance the programme. The school budget forms the basis for consideration of the financial implications of actions proposed for the future; it provides a measure of control; it is the yardstick to compare actual results; is used to identify excessive costs which must be addressed immediately; and also provides co-ordination to ensure fair distribution of the available funds (Kaye 1994:10; Fitzgerald, 1992:243 and FSDoE 1996a).

The school principal and the school governing body prepare the school budget according to the guidelines determined by the MEC in the province. The following guidelines are provided by the SASA for compiling the annual budget for schools (RSA 1996c:49):

- The financial year of the school starts on 1 January and ends at 31 December of each year.

- The school budget is an estimate of an income of the school as well as the expenditure for educational purposes (Kemp and Dunbar 2003:2).
- The estimated expenditure is never more than the expected income; in other words, the school is not allowed to budget for a deficit.
- When considering the expenditure, preference is given to costs directly linked to the provision of education to learners. Expenditure on other activities, including sport and culture, is only considered if funds are available (Kemp and Dunbar 2003:168).
- The school budget is prepared and referred to a meeting of parents convened on at least 30 days' notice. Normally this is during November of the preceding year, after the Education Department has informed the governing body about the amount it makes available to the school (Badenhorst 1993:103).
- The school principal and the school governing body declare all interest on investment in the estimate of income; they provide details in the budget of all posts; and the estimated cost thereof related in addition to staff establishment determined by MECs.
- The annual budget of expected income and expenditure of the school includes all income received from the Education Department for items such as the personnel expenditure, current expenditure, immovable capital improvements, as well as the estimated spending of these funds (Kemp and Dunbar 2003:72).
- The school budget, which includes the amount of school fees to be paid by the learners is presented to and approved by the general meeting of parents (Kaye 1994:10).

School financial planning is one of the most important tasks of a principal as a school financial manager. School budgeting is a component of financial planning done by principals. In the following section types of school budgeting are discussed.

(a) Types of school budgeting

School budgeting is an important source of information for cash management by the principal and the school governing body. It is the report showing the school's projected cash inflows and outflows over some specified period (RSA 1996c:49 and Glynn *et al.* 1994:290).

One of the most important school financial planning and control measures is to draw up the school budget, which is generally expressed in monetary terms and reflects activities of the school for a particular period in the future. The school budget is therefore the management tool by which the school management team and the school governing body estimates, plans, utilises, coordinates, monitors and evaluates the allocated school financial resources. It is seen as the school's financial planning instrument and the statement in financial terms of the school's priorities. The school budget is the management process reflecting revenues and expenditures of the various programmes in the school, which is related to the school financial plan. The total budget of the school consists of the following sub-budgets (Van Deventer and Kruger 2005:237 and Nieman and Bennett 2002:103):

(i) A cash budget

The operating or the cash budget covers the day-to-day operations of keeping the school's programme on track. It includes things such as materials, services, stationery and repairs. The cash budget is the statement containing an estimate of the outflow and inflow of cash amounts for a specific period of time in the future, and is important to new as well as existing schools. The pre-calculated balance sheet shows the schools' financial situation only for a particular moment in time, but there is also the need to know whether or not schools will have sufficient funds to continue operating for a specified period. Shortages of funds may have serious consequences for a school's operation (Erickson and Reller 1978:317).

Compiling the cash budget for the school enables it to make its cash prognosis. The cash budget is usually compiled a year in advance and it indicates the expected

cash situation of the school at the end of each month. The cash budget indicates the following to school the principal (Nieman and Bennett 2002:227):

- The school cash flow.
- The rate at which the cash flows in the form of repayments and purchase of fixed assets (see paragraph 2.2.4.3).
- The availability of cash in relation to the need of the school.
- Cash surpluses and deficits.
- The time frame for which surpluses and deficits will exist.

The cash budget is a very useful means of financial control to ensure that all the school activities are carried out according to the plan and within the specified time frames.

(ii) A project budget

A *project budget* is concerned with particular projects such as the development of a school hall. Project budget results are included in both the capital and cash budget, and it is the once-off directional tool for any specific school project (Van Deventer and Kruger 2005:237).

(iii) A capital budget

A *capital budget* covers the purchase of certain assets for the school, for example, sports equipment, gardening equipment and transport (Hart 1993:70).

(iv) Term budgets

The term budget deals with the financial plan over a period of time, whether short-, medium- or long-term. The long-term budget concerns plans for a period longer than a year and it includes capital budget for longer terms as well as pro-forma financial statements. Other term budgets include *short-term budgets* like the capital budget and the cash budget for the latest financial year. The term budget has a repetitive

character, while the project budget is a once-off activity. However, it is almost impossible to make the precise distinction between the two (Berkhout 1992:48; see paragraph 2.2.2).

(v) An annual budget

The annual budget provides the financial plan of action for the year ahead and it consists of the main budget, which is compiled from the departmental-orientated partial or auxiliary budgets (Cohen and Robbins 1996:266; see paragraph 2.2.2).

(vi) An activity or departmental budget

An activity or departmental budget covers various school activities such as curricular and extra-curricular programmes offered by the school.

Most schools use a combination of different types of budgets. The MEC for Education in each province provides the school governing body with guidelines, which must be taken into account when drawing up the school budget (Van Deventer and Kruger 2005:237). Refer to paragraph 2.2.2.

(b) Drawing up the school budget

Designing the school budget is based on the school programme, where the school income and expenditure are stated and the functional budget where income and expenditure items are listed. As is evident from both budget designs, extensive and accurate estimates of income budget items, as well as expenditure budget items are provided. The income budget reflects various sources of income and their potential financial value. These are grouped together under certain headings, such as the school fund, donations and fund-raising projects. The needs and programmes of a school determine the expenditure for budget items. Expenditure items are also grouped together under manageable headings such as administration, educational aids, grounds and sites, teaching and learning, maintenance and school departments (Van Deventer and Kruger 2005:239). Refer to Table 2.1.

The following serve as a guide on how to draw up the school budget (RSA 1996c):

- *Allocating funds:* Once budget items have been determined, the school's various programmes are prioritised and amounts for each of these items is allocated. Because the school's financial resources do not meet all its educational requirements, priorities have to be set. Prioritising involves putting the most important things first (Theron and Bothma 1990:160).
- *Implementing the budget:* The following steps are taken into account when implementing the school budget (RSA 1996a, 1996b and 1996c):
 - The school budget is approved by appropriate authorities and stakeholders, including parents, the governing body, staff and learners (in the case of the secondary school) and the Department of Education (Theron and Bothma 1990:160 and Drake and Roe 1986:405).
 - Once approved, the school budget becomes the basis for financial decision-making.
 - The school budget is now monitored, supervised and controlled (RSA 1996c).

When drawing up a *provisional school budget*, the school principal and the school governing body consider all probable income for the next year, for example, money that the government may provide, income from interest and income from all other projects or sources. Then probable expenditure is considered. This means all the entities on which money will probably have to be spent for educational purposes during the coming year. Here, money to be paid for water and electricity, rates and services; maintenance of school equipment; insurance and school transport serve as examples. The school may not spend more money than it has and therefore the provisional school budget is balanced. In other words, probable income and probable expenditure should be the same. Regular budgetary control reports show the budget total for the year, expected expenditure to date, committed expenditure to date, actual expenditure to date, as well as differences or variables (Evans and Gold 1998:84 and Fitzgerald 1992:203).

(c) Possible approaches to school budgeting

The school principal and the school governing body use the following approaches when drawing up the school budget (Forojalla 1993:316):

(i) Zero-based budgeting (ZBB)

Zero-based budgeting is used by the principal and the school governing body to improve financial planning in their schools, because it allows them to re-assess how they manage their school finances, and to justify every financial expenditure that has been incurred. Zero-based budgeting is not built upon the previous years' expenses but starts at the decreased expenditure or the base zero and activities are ranked according to their importance (Drury 1997:210).

A zero-based budget starts from the basic premise that the school budget for the present year is zero and that every expenditure, old and new, is justified on the basis of its costs and benefits in relation to the school plan. There is a fresh start each year, with little consideration of the past. In zero-based budgeting there is a ranking process of school programmes by principals and governing bodies that assists them in identifying school activities that have lost their effectiveness and that are placed at a low priority or are eliminated altogether (Evans and Gold 1998:84 and Drury 1997:210).

Zero-based budgeting assumes a new year, every year. The school is divided into programmes or budget units. The mere fact that the programme is funded during the current year or in previous years is no assurance that it will be funded in subsequent years. Programme units, and ultimately programme heads, are expected to justify their programme and money needed to support such programmes on an annual basis. The school budget is zero until this is done (Ubben, Hughes and Norris 1994:276 and Fitzgerald 1992:219).

Justifications are made on the basis of curriculum evaluations and established school and programme goals. A zero-based budget (ZBB) system is therefore

compiled without considering figures, which relate to previous periods and it is based on the fundamental re-evaluation of objectives, methods and sources. Arguments and motivations from previous budgets are not readily accepted (Fitzgerald 1992:219).

One advantage of zero-based budgeting is that it forces continuous re-evaluation of programme objectives, needed resources, and the establishment of new priorities or the re-establishment of existing priorities. A disadvantage is that a zero-based budgeting is a time-consuming process and does not recognise that schools have fundamental requirements (Ubben *et al.* 1994:276 and Fitzgerald 2002:219).

The most important disadvantage of ZBB is that it is time consuming and it is not as straightforward as standard methods of budgeting, where past situations normally form the point of departure. Financial analysis and assumptions concerning cash movements play an important role in standard methods of budgeting (Drury 1997:210).

(ii) Incremental budgeting

An incremental budget involves an approach that uses the previous year's expenditure as the base from which to make adjustments. The previous year's budget is not challenged but attention is given to minor adjustments in the financial spending. There is no attempt to assess the validity of existing spending problems and very little time is needed to collect financial information and assess alternatives. This approach by principals and governing bodies is not developmental; it does not involve financial overview; and no long-term planning is undertaken (Drury 1997:210 and Evans and Gold 1998:82). Refer to table 2.1 and paragraph 2.2.

Incremental budgeting begins with the previous year's budget, and its pure form is largely an *add-on* or *subtract from* process. The next school year is assumed to be very much like the current year. School principals are expected to project the needs

for the next year on the formula that is most often based on the number of learners anticipated to be enrolled (Ubben *et al.* 1994:276).

When totals are calculated, preliminary decisions are made with regard to appropriation for school for the next year. Incremental budgeting assumes that what exists is working well enough. It does not take into consideration any changes in the nature of learners to be served, or changes in instructional technology. It is status-quo driven and structural, curricular, and instructional innovations are less encouraged than is desirable. The amount of money to be spent is viewed as finite and dependent on the school's income allocation and learner enrolment (Ubben *et al.* 1994:276).

(iii) The planning, programming budgeting system (PPBS)

The planning, programming budgeting system (PPBS) may be a better alternative to either incremental or a zero-based budgeting, as it recognises that there are needs for a consistent base of support, and that a per-learner allotment is best to provide for the baseline. That is, there is enough experience in the school to know that, irrespective of individual learner needs, changes in instructional technology, and curriculum revision, certain per-learner costs of education can be anticipated (Ubben *et al.* 1994:277).

PPBS takes on elements of zero-based budgeting, because it also emphasises that processes used to address goals are subjected to evaluation. It requires establishment of specific programme goals and processes to achieve these goals; a projection of needs; consideration of the learners to be served; new technology; alternative processes to achieve the goals; other sources of funding; any additional personnel or additional facilities needed and the cost involved (Ubben *et al.* 1994:277).

The planning, programming budget system is used by the principal and the school governing body to compare costs of the various school activities, for example,

indicating how much was spent in the previous year for sport, textbooks, and maintenance and on buying school equipment. This comparison assists the principal and the school governing body in establishing priorities among the school programmes and to consider alternative means to attain educational goals. If, for example, it is found that more money was spent on sport than on teacher-learner support material, the principal is required to change allocation, so that more money is allocated to teacher-learner support material (Nigro 2003:43).

The characteristics of the planning, programming budget system are the following (Nigro 2003:43): It is aimed at examining alternative means of reaching financial targets; it enables the principal to provide justification of school activities on which expenditures are incurred; it represents an appropriation of a fixed sum of money for the specific programme; and it requires that only cost-effective programmes are selected for more allocation.

In drawing-up the planning, programming budgeting system, there are a number of steps that are followed (Nigro 2003:43):

- The school objectives are defined and analysed.
- The previous years' financial performance levels are traced and compared with the present levels of performance.
- Changes that the school wants to achieve in the following year are determined.
- Anticipated outputs are analysed in the light of each objective and benefits to the school are listed in terms of the money saved or increased, which means that the impact of each objective is shown.
- Using the above items, the anticipated total costs for several years ahead are projected.
- Alternatives are put forward and analysed. This step helps the school to develop convincing reasons for accepting the budget.
- Allocation is broken down into interim and total costs.

(iv) Line-item budgeting

A line-item budget is one that requires that the school budget be organised according to functions such as teaching and learning support material, administration, supplies, equipment, services and transportation. These appropriations of financial categories are not reviewed at a time the new budget for the school is prepared. The new budgetary process is an incremental one, that is to say, that the previous year's budget is used as the basis for projecting the financial needs of the following year for the school (Drury 1997:210).

Line-item budgeting therefore involves the breakdown of budget items, such as staff salaries, distributed according to their tasks. Basic components of school expenditures are arranged under staff salaries, running expenses that include travel expenses of staff, services such as the water and electricity, as well as repairs and maintenance for the school grounds (Drury 1997:210).

Line-item budgeting by the school principal and the school governing body does not provide sufficient information on future expenses; it is not forward looking; and it tends to give the impression that the school budget is made on an incremental basis with no proper financial appraisal of the current budget. Line-item budgeting may therefore be wasteful, because of its tendency to perpetuate obsolete activities and thus possibly hinder innovations and thereby defeating an overall financial planning process (Drury 1997:210).

(v) Proportional budgeting

Proportional budgeting is based on prioritising school financial activities when allocations are made. Proportional budgeting does not promote equal treatment to the school activities when financial allocations are made, and it views certain activities (such as supply of water and electricity) as more important than others (e.g. maintenance of grounds). Therefore, more funds will be allocated to the more important activities (RSA DoE 2002a:65).

(vi) Site-based budgeting

Site-based budgeting is the concept where the school budget is developed through the involvement of the staff, parents and the community at school level. It is a decentralised system of providing money for school activities, and it encourages the whole staff in the school to be part of financial planning. The purpose of site-based budgeting is to give the school principal, the school government body and staff more control over their budget at the school level and it encourages greater involvement in financial decision-making. By means of site-based budgeting, the school principal is given authority to move funds equally to all the school programmes (Burrup, Brimley and Garfield 1999:295).

(vii) Combination of budgeting approaches

A combination of the approaches of financial budgeting by the principal and the school governing body may bring together all the good qualities from the aforementioned different budgeting systems such as the zero-based, site-based, line-item, incremental, proportional and the planning, programming budgeting. Such a combination of approaches assists the principal and the governing body to come up with the best budget for the school (RSA DoE 2002a:65).

The combination of approaches also serves as a control mechanism for evaluating the school activities. It limits the amount of money that is used in the various programmes and it establishes the standard of performance against which future financial activities of the school compared. The combination of approaches assists the principal and the governing body to co-ordinate the school finances and projects; it defines standards needed in all the school control systems; it provides clear guidelines about school finances and it facilitates good financial performance. The combination of approaches is therefore seen as one of the best budget systems, because it facilitates accomplishment of the school's purpose and vision.

This approach to budgeting has the following benefits (Hart 1993:29):

- It serves as a school financial planning aid, and its compilation always leads to the refinement of the plan.
- It serves as a means of conveying the school financial policy to subordinates, staff, parents, the school governing body and to those who are responsible for implementing it.
- It is an instruction to the stakeholders and it delegates authority needed for them to act. People who know what is expected of them have a greater chance of success than those who work in an atmosphere of vagueness and insecurity.
- It serves as a means of co-ordination within and among departments at the school.
- It helps to make the principal aware of his or her own responsibilities. In particular, it is of great value to the newly appointed school principal who needs to settle into a new environment.

The combination of approaches is also the tool to control financial management and it takes place in four stages (Hart 1993:30):

- The setting of standards.
- Collecting figures which indicate the school's actual performance and comparing these with the set standards.
- Critically analysing and evaluating the school's financial management and any deviations from the norm.
- Taking any necessary corrective measures.

(d) An example of a school budget structure

Table 2.1 depicts the school budget as a financial plan that deals with allocation and utilisation of the school funds. The school budget is a tool that the school principal uses to translate the future financial plans into quantitative terms and it also serves as the control mechanism for evaluating the school financial activities. The headings

assist in comparing budgets, namely the previous year; current and proposed budget.

Table 2.1 also shows the detailed outline of what a particular school financial activity will cost. The cost of each school activity needs to be identified to give the overall budget or cost of the project. The school principal needs to keep a check on the budget by comparing what the school has spent with what it intended to spend on its budget. It therefore serves as an important control mechanism for evaluating the school financial activities (RSA DoE 2000b:7 and RSA DoE 2000c:8).

This proposed structure is suitable for incremental budgeting that uses the previous year's expenditure as the base from which to make adjustments, as well as the line-item budget, which requires that the school budget be organised according to functions, such as personnel expenditure, administration, stores, equipment, buildings and grounds, maintenance, transport and school departments (RSA DoE 2000b:7). Budgeting here begins with the previous year's budget and its pure form is largely an add-on or a subtract from process. The school budget then serves the following purposes (Palmer *et al.* 1992:102):

- It sets limits on the amount of resources that can be used by the school.
- It establishes standards of performance against which future events will be compared.
- It helps the school principal to co-ordinate the school financial resources and projects.
- It helps to define the standards needed in the school's financial system.
- It provides clear guidelines about the school's financial resources and on how these should be utilised.
- The school budget facilitates performance evaluation of the principal.

Table 2.1 Structuring a school budget

BUDGET ITEMS	Previous budget	Previous actual	Current budget	Current actual	Proposed budget
Income					
Funds allocated by state					
School fees					
Donations					
Fund-raising projects					
Investments					
Hiring of facilities					
Etc.					
TOTAL INCOME					
Expenditure					
Personnel					
Administration					
Stores					
Equipment					
Buildings and grounds/ maintenance					
Transport					
School departments					
Etc.					
TOTAL EXPENDITURE					
Surplus/Deficit					

Source: RSA DoE 2003b:7

Although the school budget is an important aspect of the school financial planning and a useful financial control device, it has its limitations. One of the major risks is over-emphasising it at the expense of other considerations. Often one finds that the school principal focuses almost exclusively on meeting the budget while neglecting other aspects that cannot be measured in quantifiable terms, for example, staff development. Although staff development is a goal that schools and the Education Department should pursue, it is not usually included in the school budget and therefore receives little attention (Palmer *et al.* 1992:102). Refer to paragraph 3.3.

2.2.2.3 Summary

Principals, as school financial planners, must ensure that their SGBs have the necessary knowledge on how to draw up a school budget. Financial planning implies looking to the future, for example, where the school expects to get funds and at the same time, how the school fund is going to be spent. School financial planning requires a principal and a governing body to understand how a school budget is drawn, implemented and monitored. This means that, schools must be managed as businesses.

The following paragraph deals with the task of a principal as a school financial leader (see paragraph 2.2.3 below):

2.2.3 Financial leading or guiding

School financial leading or guiding includes financial communication, motivation, conflict management and negotiation (Goldring and Rallis 1993:140; Drake and Roe 1986:105 and Dubin 1991:71).

Nowadays, the school principal in South Africa is judged on the quality of his or her management, for example, the quality of the education the school offers and the management of the physical and financial resources in the school (RSA DoE

2000c:2 and Van Deventer and Kruger 2005:70). No one style of school financial leadership is suitable for every situation; therefore, the school principal needs to be conversant with all the possible financial leadership styles, namely the situational financial leadership style; the Laissez-faire style; an Autocratic leadership style and a democratic leadership style (RSA DoE 2000c:13 and Van Deventer and Kruger 2005:68). This will enable them to know which leadership style will be suitable for a particular situation (see paragraph 2.2.3.1).

Leadership is one of the most important tasks of the principal as a school financial manager. Leadership is the process of influencing and directing staff behaviour to enable them to pursue the financial objectives of the school (Calitz *et al.* 1992:18 and Van Deventer and Kruger 2005:188). It is one of the four fundamental financial management tasks of the principal, namely financial planning, organising, guiding and control. School financial planning and organising sets the wheels of the school financial management process in motion, but the process is by no means yet complete, because the school's financial plans are formulated to achieve objectives. Thus, financial management activities that are set in motion must also be kept in motion in order for the objectives to be achieved. It is here that the third fundamental element comes into play, namely the lead taken by the principal to set the school financial activities in motion (Palmer *et al.* 1992:332 and Du Toit *et al.* 1990:81).

Once the school governing body has been elected and the school's financial objectives have been set up, these objectives must be monitored to ensure that they are implemented in accordance to the guidelines. School financial leading is an attempt by the school principal to guide the school governing body to manage the school finances well. It includes the issuing of orders that are clear, complete and within the understanding of the members. Financial leading involves continual financial training by which the school governing body members are developed to carry out school financial management well. This includes motivating them to maintain financial discipline and rewarding governing body members who are performing their financial management tasks well.

School financial leading means influencing and directing the behaviour of school financial committee members in such a way that they work willingly to pursue the financial objectives of the school. The school financial committee members in particular need some form of guidance on how to go about performing their financial functions. The school principal provides guidance by, amongst others, communicating financial and educational goals of the school to them. When providing guidance to the governing body members, the school principal shows empathy and respect to them. The principal assesses the situation and knows the style of leadership that best suits the situation (Loots and Du Plessis 1996:119 and Northcraft and Neale 1994:8). Refer to paragraph 2.2.3.1.

If management of the schools' financial activities is to succeed, its success depends on the people involved. It is therefore important that the school principal must have the necessary leadership skills that enable him or her to direct the people's actions and to motivate them to realise their school's stated financial outcomes. The following are therefore desirable characteristics of the principal as an effective financial school manager (Northcraft and Neale 1994:8 and Nieman and Bennett 2004:114):

- The principal must have a strong desire to influence others with the focus on the set school financial objectives.
- The principal must have the ability to handle complicated school financial information.
- The school principal must exercise honesty and truthfulness with subordinates and others in dealing with the school financial matters.
- The principal must be decisive and assertive without being arrogant when working with others on the school finances.
- The principal must have a solid understanding of school financial management tasks.
- The principal needs to have the willingness to take initiative and a need for achievement.

The next paragraph is about leadership styles. It is important for principals as school financial managers to know different leadership styles, which are required by different situations (see paragraph 2.2.3.1 below):

2.2.3.1 Leadership styles

The leadership style(s) that is/are adopted by the school principal may have a positive or a negative effect, depending on the manner in which he or she manages the school finances (Van Deventer and Kruger 2005:142).

When guiding the school governing body on effective financial management, the school principal should consider the goals of the school and guidelines of the government on school financial management. The way the principal conducts him/herself towards the school governing body has an effect on how the latter responds to his or her leadership. The school principal should show empathy when interacting with the school governing body, in other words he/she should try to understand how the school governing body members feel and what their intentions are. Guiding should be done by means of recognising the rights of the people and appreciating their outstanding work. Principals should be sincere in their interactions, which means that they should be honest, open and spontaneous when guiding school governing body members. Clarity is required from the schools principal to avoid generalisation and vagueness when confronting the misuse of the school's finances (Marcus 1996:94).

(a) The situational leadership style

The situational leadership style implies that as the situation changes, the school principal employs different combinations of characteristics and behaviours in order to be more successful. The school principal therefore applies different grades of autocratic, democratic and laissez-faire leadership styles. This is done according to the specific situation, taking into account factors present in themselves, staff, parents, and the environment or situation. The following three forces are present in every educational situation and will, to a large extent, determine the approach the

school principal will choose with regard to the leadership styles (ELRC 2004:114 and Van Deventer and Kruger 2005:145).

- *Forces within the school principal.* The school principals' personality, background knowledge and experience, all influence the behaviour. Other internal forces include the school principals' value-system, confidence in the subordinates and the sense of security in the specific situation, particularly if he or she is inclined to work from a position of power.
- *Forces within the subordinates and others.* Before the school principal can decide on how to lead others, he or she should consider forces, which influence him or her. Every person has a different personality and has expectations as to how the school principal is going to behave towards him or her. Principals should allow subordinates more freedom and involvement in decision-making if they illustrate the will and capacity to be involved (Van Deventer and Kruger 2005:145).
- *Forces within the environment.* Forces within the environment include time constraints, the complexity of problems, availability of relevant resources expectations and requirements of the Department of Education, as well as other relevant legislations and Provincial Education Ordinances (Van Deventer and Kruger 2005:146).

Clearly, every situation requires a unique course of action by the school principal. Each situation is therefore carefully analysed and adapted to the school principal's own abilities and personality, forces within the staff and parents and within the environment or situation.

Situational leadership further includes the following important concepts (Van Deventer and Kruger 2005:146).

- *Task behaviour,* which implies the degree to which the school principal is likely to organise and spell out the tasks of group members by indicating, who should do what, when, where and how? Financial task execution is characterised by the principal instituting a well defined organisational structure in the school, channels

of communication and procedures for the execution of the financial management tasks.

- *Relationship behaviour* implies the degree to which the school principal is likely to maintain interpersonal relationships between him/herself and the school governing body members, by providing for his or her personal needs, opening channels of communication, facilitating conflict and allaying fears.
- *Maturity levels* which include the following (Van Deventer and Kruger 2005:146):
 - *Low maturity* refers to school governing body or staff members who are unwilling or unsure of how to execute financial management tasks, and who do not have the necessary ability to carry it out.
 - *Low to average maturity* refers to school governing body or staff members who do not have the ability to execute financial management tasks, although they are willing and confident enough to attempt it.
 - *Average to high maturity*, refers to school governing body or staff members who have the ability to execute tasks, but are unwilling or unsure of doing so.
 - *High maturity*, refers to school governing body or staff members having the ability and confidence to execute financial management tasks and also willing to do it.

School principals, as financial managers, must know what is good or bad about a laissez-faire leadership style. The following paragraph deals with a laissez-faire leadership style (see paragraph (b) below):

(b) A laissez-faire leadership style

A laissez-faire leadership style with regard to the management of the school fund is usually demonstrated by the following characteristics (Marcus 1996:100):

- The school principal is uninvolved and even passive with regard to the effective management of the school fund.

- The school principal hesitates to make financial decisions, preferring to leave them to others.
- The school principal shows little or no interest in school financial planning, organisation and controlling (see paragraph 2.2).
- The communication takes place horizontally in the school (within departments and between staff) and as a result there is a lack of downward communication.
- Little attention is paid to school financial policy making, which may result in poor financial management.
- Financial management tasks, responsibilities and authority are delegated without the school principal accepting any responsibility.
- This style of leadership is predominantly people-oriented and as a result, the management of the school fund is not necessarily good or effective.
- There is little or no financial control.

The school principal who predominantly makes use of the laissez-faire financial management leadership style usually demonstrates a lack of good leadership, which may have the following negative results (Van Deventer and Kruger 2005:143):

- Management of the school fund is usually poor.
- Clear school financial management aims and objectives are not set.
- There is a general frustration, aimlessness and indecision with regard to the management of the school fund.
- The school principal works haphazardly with the school's finances, and as a result staff members become demotivated and experience little job satisfaction.
- School financial control focuses only on controlling the people (see paragraph 2.2.4).

The major advantage of a laissez-faire school financial leadership style is that it creates a situation in which the individuals have to make their own financial

decisions, which could stimulate individual development (Loots and Du Plessis 1996:119 and Van Deventer and Kruger 2005:144).

(c) An autocratic leadership style

An autocratic leadership style with regard to the management of the school fund is usually demonstrated by the following characteristics (Northcraft and Neale 1994:8):

- There is little teamwork at the school.
- The school principal makes all the financial decisions.
- The school financial authority for organising, planning and controlling is vested in the principal (see paragraph 2.2).
- Only one-way school financial communication takes place between the principal and staff.
- An autocratic school principal does not allow participative school financial decision-making.
- The school's financial policy is rigidly applied and has a strong disciplinary character.
- School financial tasks and responsibilities are delegated without the necessary financial authority to make independent decisions.
- Good human relationships are unimportant.
- A predominantly task-oriented management style is followed.

The following negative results are usually associated with a predominantly autocratic leadership style (Van Deventer and Kruger 2005:144):

- Staff and committees are motivated by fear.
- A tense atmosphere with little job satisfaction prevails and staff members suffer from stress.
- There is dissatisfaction with the management of the school's financial resources.
- Human relations in the school are poor.

- There is little or no development of the principal as the school financial manager (see paragraph 3.1).
- Staff turnover is unusually high.

The major advantage of an autocratic leadership style is that the performance is usually good. The autocratic leadership style is a very good example of a school principal whose attempts at leadership are often successful, but which are ineffective in motivating the staff and in creating harmonious human relations and job satisfaction amongst them. Despite the fact that financial management in the school is high, staff members are usually not happy (Van Deventer and Kruger 2005:144).

(d) A democratic leadership style

According to Marcus (1996:30), important characteristics of a democratic leader are the following: There is teamwork on the management of the school fund, such as the formation of a school financial committee (see paragraph 2.2.1.2 above); leadership takes place through consultation; school financial organisation, planning, leading and control are all decentralised and there is two-way communication between the school financial committee and all stakeholders at the school. A democratic leadership style implies a balance between people-oriented and task-oriented styles; and that control is with the aim of correcting behaviour (see paragraph 3.1 below).

The following are advantages of the democratic leadership style (Van Deventer and Kruger 2005:145):

- The staff and the school governing body members are motivated to realise the school's financial aims and objectives.
- The staff experiences job satisfaction.
- There is simultaneous two-way movement of the school financial information and ideas.
- Human relations are good.

- An atmosphere prevails in which staff and governing body members can develop their financial management skills and knowledge (see paragraph 3.3).
- Staff turnover is low.

The major disadvantage associated with the democratic leadership style is when a situation arises in which snap financial decisions have to be made. A great deal of time is lost because too many people have to be consulted. For example, setting a date for the meeting on the term and year programme may result in long discussions because there are always SGB members and/or staff who do not agree with the particular date (Van Deventer and Kruger 2005:145).

There is a strong link between the dominant leadership style of the person and the effective management of the school fund. Effective school financial leadership therefore focuses on both task performance (task-orientation) and good human relationships (people-orientation) [Goldring and Rallis 1993:135].

(e) Choosing the right leadership style

No one style of leadership is right for every situation. Sometimes, for example, the school principal needs the task-oriented style to get the job done quickly and efficiently. At other times, the relationship-oriented style, which focuses on team-building and morale-building is more appropriate, for example, when the school finances are not managed well, the principal will not first stop to consult everyone on what to do about it. The good leader chooses the right kind of leadership for the particular situation (RSA DoE 2000c:13 and Van Deventer and Kruger 2005:88).

By leading, the school principal also gives direction to school financial activities so that all the school financial resources are deployed as effectively as possible to realise the objectives of the school. Once the school principal has provided the necessary leadership to set the school financial management process in motion, he or she must periodically monitor the situation to see that the school financial activities and financial resources are applied properly so as to enable the school to

continue functioning well. Thus, school financial control is exercised (Palmer *et al.* 1992:332 and Van Deventer and Kruger 2005:188).

2.2.3.2 Summary

A particular situation will require a particular style of leadership. School principals must be familiar with different leadership styles if they are to manage the school fund successfully. This is necessary as they are dealing with people with different levels of understanding, such as parents, the community, business people, staff and learners. At times, they will be required to apply a situational, democratic, autocratic, laissez-faire or a situational leadership style. In most cases a situation would determine a leadership style required or a combination of different leadership styles (see paragraph 2.2.3.1 above).

Financial control is the fourth task required by principals as school financial managers. A school financial control is discussed in the following paragraph (see paragraph 2.2.4 below):

2.2.4 Financial control

Controlling or evaluating the management of the school fund includes assessment, taking corrective action, supervision and disciplinary measures (Palmer *et al.* 1992:425 and Du Toit *et al.* 1990:84).

Financial control, therefore, is the fourth and final primary financial management task that links directly with school financial organisation, planning and leading. Financial control is the principal's task that ensures that there is coordination and effective functioning of all the school's financial activities, so that the formulated school objectives are implemented and pursued according to the school financial plan (Van Deventer and Kruger 2005:240 and Nieman and Bennett 2004:111).

Financial control is the process whereby the school principal ensures that the school activities fit in with the predetermined school objectives and the planned financial activities. It is the final step in the school financial management process and is an important link in the cycle of the financial management process. The best school financial plans can be formulated, impressive financial structures designed and people motivated to attain objectives, but this still does not ensure that the school's financial activities will proceed according to the financial plan and that the objectives that have been formulated will in fact be realised (Palmer *et al.* 1992:426 and Du Toit *et al.* 1990:85).

The school financial control process narrows the gap between school financial planning and the actual financial performance by setting the performance standards in the right places. Financial control focuses on virtually every school financial activity. Strategic financial control focuses on the performance of schools, and it involves a study of the effectiveness of the management of the school fund. Effective management of the school fund is characterised by the extent to which financial planning and financial control are integrated (Palmer *et al.* 1992:441).

The school principal carries out school financial control in order to ensure that school finances are managed in line with the goals of the school and it is necessary to ensure that the school finances are managed well. The schools cannot survive without controlling their financial activities. Proper recording of expenditures and income will assist the principal to control financial activities of the school. The school principals and the school governing body should therefore be able to understand what financial control means (Kaye 1994:11 and Loots and Du Plessis 1996:120).

The school needs to monitor its financial management continuously. Monitoring of the school budget entails keeping a check on the difference between the planned financial status of the school at any given time and the actual financial status at the time. Financial control therefore involves (Van Deventer and Kruger 2005:242 and Nieman and Bennett 2004:114):

- The drawing up of a projection for revenue and spending for the whole year, and identifying positive and negative variances.
- Checking expenditures against budget allocations (see figure 2.2).
- Checking if the school's financial resources are mobilised effectively.
- Evaluating and re-organising the school's financial activities.
- Noting if there is a surplus or deficit at the end of the financial year and whether there is any possibility of building reserves.
- The school financial control and checking of expenditures by means of monthly financial statements (see paragraph 2.2.4.1), quarterly financial statements and the schools' annual reports.
- Drawing up criteria to ensure that the control system is linked to the desired goals of the school.
- The control process should be objective in order to eliminate partiality (Nieman and Bennett 2004:118).
- School financial control should be completed by considering all the relevant factors and evaluating what is supposed to be evaluated.
- The financial control system should be recognised by the school governing body as necessary and appropriate for establishing and maintaining good financial management.
- The school principal and the school governing body must fully understand the meaning of the set standards.
- Financial control is of no use if it measures or indicates deviations, but no applicable corrective action follows.
- The school principal should allow the school governing body to participate in the process of developing the schools' financial control system (Nieman and Bennett 2004:118).

The effective school financial manager is, therefore, the school principal that follows up planned school financial activities, and sees to it that things that need to be done

are in fact carried out, and predetermined school objectives are obtained. Until the school financial activities of individuals and departments are evaluated (that is, until the actual school performance is compared with the standard required), the school principal will not know whether the financial activities are executed according to the school financial plan (Van Deventer and Kruger 2005:223).

Financial control should be aimed at determining whether the planned course has become a reality and whether any adaptations are needed. Critical observation, assessment and corrective action should form an important cornerstone of school financial control. The following four steps in the school financial control process are important (Du Toit *et al.* 1990:85 and Van Deventer and Kruger 2005:223):

- Setting the standards – these are the specified criteria in terms of which the effective management of the school fund can be measured and may concern physical as well as monetary aspects.
- Measuring performance – determining the actual financial management and comparing it with the predetermined standards.
- Assessing the differences/deviations – careful analysis of deviations on how the school fund is managed with the view to corrective action.
- Taking corrective steps if and where school financial plans or objectives have to be adjusted.

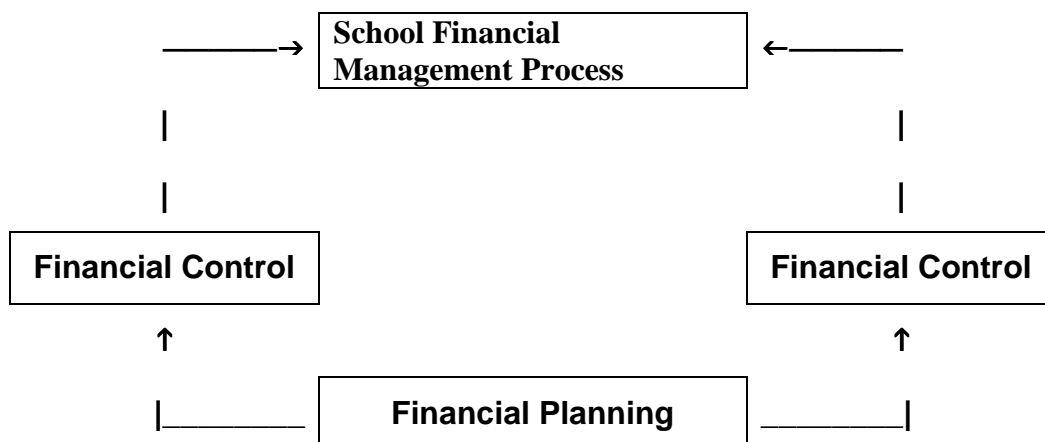
The aim of school financial control is to keep deviations from the planned school financial activities and performance levels to a minimum so that the mission and objectives are achieved with as few hitches as possible. It is therefore a regulatory task of the school principal in that it allows action to tie in with the school plan. This is an important guide in the execution of the school plan. The school control system therefore supervises the progress of objectives and measures progress that has been made. It determines whether or not there has been a deviation in the school financial planning so that steps can be taken to prevent and rectify errors (RSA DoE 2000b:7 and Calitz *et al.* 1992:160).

In the school financial controlling process, the school principal endeavours to make the school financial planning and performance coincide; it bridges the gap between formulating and attaining the school objectives; and it ensures that all the school activities are performed as they should be. School financial control is a continuous process and is interwoven into school financial planning, organising and leading. It is probably one of the most important links in the school financial management cycle (see figure 2.1). On the other hand, school financial control is the final stage in the process, because it evaluates the principals' efforts. Financial management knowledge, experience, as well as financial information and facts acquired and collected during the school financial control process are most important inputs in the next round of school financial planning because when deviations are encountered, it shows that the school financial plans and even school objectives need to be revised. The school principal should formulate financial plans and use the financial control process to monitor the progress of these plans. The school financial control system should therefore inform the principal of the following (Palmer *et al.* 1992:427):

- Whether the school's financial activities are proceeding according to the school financial plan; that is, whether the existing school's financial plan should be continued.
- Whether things are not proceeding according to the school financial plan, and that the existing financial plans need to be adjusted.
- That the situation has changed; in other words, a new school financial plan must be devised.

Figure 2.2 depicts the link between school financial planning and control. According to the figure, the school financial management process takes place between the school financial planning and financial control; the one is the point of departure for the other and successful management of the school fund is often dependent on sound financial planning and effective financial control.

Figure 2.2: The link between school financial planning and control



Source: Palmer *et al.* 1992:427

In conclusion, the school financial control is one of the four fundamental financial management tasks carried out by the school principal. School financial control therefore is the final step in the school financial management process, on the one hand, and the starting point for the school financial planning and the strategic planning on the other hand (see figure 2.1).

School financial control involves a number of activities, namely financial accounting, managing financial records and auditing.

2.2.4.1 Financial accounting

In this section the financial accounting control function of the school principal is discussed.

(a) Financial accounting as a control function

School financial accounting by the principal and the school governing body is a process where these persons provide information about financial activities at the school. This involves checking that duplicates are not removed from receipt books, ensuring that all petty cash payments are accompanied by invoices and petty cash

voucher documents and that these are properly filed. The public school principal only, is allowed to approve financial transactions and this therefore does not allow any member of the SFC to approve payments thus ensuring that the school finances are used strictly for school educational purposes. This financial information is needed by its customers, namely, the parents, staff, learners, community members, the school governing body and the education department. These persons are known as customers or clients, because they are the ones who assist the school financially, by paying fees or rendering a service and they need to be given feedback on how their monies are spent (Alexander and Britton 1994:265).

School financial accounting assists the school principal to maintain good financial control, because it requires that he or she analyses and interprets all the school financial information so as to detect if there is mismanagement of the school fund.

It implies identifying, measuring and communicating school economic information to permit informed judgement by the users of information. It captures and processes the school financial information which school auditors will work on (see paragraph 2.2.4.3). It also involves identifying, organising, summarising and communicating the school financial information (Porter, Simon and Hatherly 2003:8 and Drury 1997:3).

The school principal and the school governing body should account for or report to parents and the Department of Education with regard to economic activities at the school. The origin of the school's accounting system is found in reporting and explaining to stakeholders what has been done with school funds. Such financial reports need to be endorsed by an impartial outsider who is not part of the school (Drury 1997:3, Millichamp 2002:1 and Allen 1964:21). Refer to paragraph 2.2.4.3.

The school accounting system exists in order that the school may spend the school fund purposefully, efficiently and in accordance with the school budget. It also provides the history of spending, and is used to evaluate how the school financial plan was developed and the school budget document is proceeding. School

financial resources are always in short supply and it is not likely that all of the budgetary requests in support of the instructional objectives and the school goals can be met in any one year. Thus, it becomes most important for the school principal to keep a close record of the expenditure, making sure that it is consistent with the school budget plan and that sufficient funds remain for the purchasing of high-priority items throughout the school year. It is the responsibility of the principal and the school governing body to make sure that the financial practices being followed are efficient and provide for quick delivery of materials and other services to the school (Ubben *et al.* 1994:283).

The school accounting system, therefore, is responsible for the managing and tracking of all the school's financial transactions. It is the provision of the financial information required by management for the following reasons (Kaye 1994:10):

- To formulate the school financial policy.
- For planning and controlling of the school's financial activities.
- Decision-taking on alternative financial courses of action.
- Disclosure to those external to the school, such as the parents and the Department of Education on its financial activities.
- To disclose financial information to the staff.
- For safeguarding the school assets.

Bookkeeping, which forms part of the accounting component, is usually allocated to a capable member of the school governing body who has knowledge of accountancy. However, the school principal and the school governing body remain responsible and accountable for the effective management of the school fund. The school's accounting system therefore makes provision for the following accounting tasks (RSA 1996c; Van Deventer and Kruger 2005:241):

- Identifying, allocating, analysing and interpreting the school's financial information.
- Implementing and executing the schools' financial policy.

- Communicating the schools' financial information to all the stakeholders.

Once the school budget is developed and approved, it becomes the responsibility of the principal to see to it that it is managed properly. The school receives and disburses huge amounts of money for a variety of services and materials over the period of a year. The school principal is responsible for the administration of these financial resources that come from the government, as well as the sum that comes from school fund-raising projects (Ubben *et al.* 1994:281).

Every school should keep its accounting records, which fairly present the state of its affairs and the business of the school and explains transactions, as well as its financial position (see paragraph 2.2.4.2). The school's annual financial statements are based on these accounting records. School accounting records include records showing its assets and liabilities (see paragraph 2.2.4.3), such as financial transactions, purchases, sales, inventories, as well as the register of fixed assets showing respective acquisition dates (Coetsee, Stegmann, Van Schalkwyk and Wesson 2000:4).

The school principal and the school governing body are responsible for the drawing-up of the school accounting policy that ensures that the school financial statements comply with the requirements of each statement of Generally Accepted Accounting Practice (GAAP). In developing an accounting policy, the school should ensure that the school financial information provided is *relevant* and *reliable* (Everingham and Kana 2000:9).

The school's financial information is *relevant*, where it influences the economic decisions of its users, by helping them to evaluate the past, present or future financial events or help them to confirm or to correct their past financial evaluations. The school's financial information is *reliable* when it is free from material errors and bias, and it can be depended upon to faithfully represent transactions and financial events that the school financial information purports to represent. The financial

information contained in the financial statements would be considered reliable if it meets the following criteria (Everingham and Kana 2000:10):

- If it fairly presents the school's financial results and its financial position.
- If it reflects the school's economic substance of events and its financial transactions.
- If it is neutral and free from bias.
- If it is prudent.
- When the school's financial information is complete in all material respects (Correia *et al.* 2003:1).

The school financial accounting is also a system whereby the principal and the school governing body analyses and interprets receipts, expenditures, assets and the school financial liabilities. It enables them to see if the school's finances are spent in accordance with the school budget. The following are possible approaches for school financial accounting (Stewart 1994:323 and Caldwell and Spinks 1988:109):

- *Cash-basis financial accounting* involves all the receipts and expenditures being recorded as they occur.
- *Accrual basis financial accounting* encourages expenditures to be recorded as they occur, irrespective of when they are received or when the payment is finally made. Accrual basis financial accounting by the principal and the school governing body is usually the best, because it provides the complete picture of the school's finances whenever it is needed, unlike cash basis accounting, where the transactions are not entered in the school financial records until the cheque is drawn (which delays recording of the expenditures).
- *Modified cash accrual* is done by handling receipts on a cash basis. This approach provides the principal and the school governing body with greater financial control, and also makes it possible for the school principal to make informed financial decisions.

It is also critical that principals adhere to guidelines of the Education Department with regard to record keeping. The following paragraph deals with various financial records that must be kept by schools, namely an annual financial statement, such as a balance sheet; income statement; cash-flow statement and audited financial report (see paragraph 2.2.4.2):

(b) School financial records

Good school financial organisation, planning and guiding by the school principal and the school governing body is necessary, but it is not a guarantee that they will succeed in improving the school's financial management. The school governing body must also keep written school financial records. This is done by recording the money received by the school, such as issuing receipts immediately for postal orders and for post-dated or paid out cheques. All negotiated cheques should always be available for inspection, attached to applicable invoices, cash slips and cheque authorizing documents and properly filed. The school principal should design assets registers where all the property that belongs to the school is listed. If the school buys or receives equipment then it must be entered into the school assets register (Burrup *et al.* 1999:314 and Robbins 2000:39). Refer to appendix B and paragraph 2.2.4.3.1.

At the end of every financial year the school principal and the school governing body are obliged to produce the annual financial statement and to lay it before the annual general meeting, in terms of Section 38 of the SA Schools Act of 1996 (RSA 1996c). The Act states that the financial statement shall, in conformity with generally accepted accounting practice, fairly present the state of affairs of the school and the results of the school financial operations for the financial year. The school's financial information should include at least matters as prescribed and should consist of the balance sheet, income statements, the principals' reports, and the auditor's report (Correia *et al.* 2003:135; RSA DoE 2002b:17; RSA 1996c).

These financial reports should be combined to form the school's financial report or the school's annual financial report. The school's annual financial report should

contain financial information which is categorised into *descriptive* and *quantitative* information. The *descriptive statement* includes the principals' report that describes the schools' financial operating results during the past year and it should discuss new developments that will take effect during future periods. The *quantitative* financial statement should consist mainly of the income statement, balance sheet, and the cash flow statement. Collectively, this financial information would give the indication of the school's performance and its current financial position (Correia *et al.* 2003:136).

School financial records are required in order to provide the basis from which to prepare the school financial report. The chief users of the schools' financial information are the school governing body and the Department of Education, which requires it in order to keep track of what is happening within the school. An important characteristic of the present approach to educational management and specifically in school financial management, is an emphasis of *transparency* and *information sharing* among the stakeholders, such as the parents, learners, community, staff and the Department of Education. *Accountability* has become the collective responsibility, which includes all the stakeholders. For the school principal and the school governing body this means that they are expected to manage the school fund in a responsible manner, and that they are accountable to the parents, learners and Department of Education for their actions (Van Deventer and Kruger 2005:242 and Marcus 1996:2).

To be able to give a clear picture of the state of the schools' finances, the school principal should see to it that, monthly and quarterly financial statements are kept. The final report on the income and expenditure for the financial year, including a balance sheet, should be submitted to the school governing body for approval. The parents should be invited to comment on and acknowledge the school annual financial report. The school's financial records should provide information to the stakeholders of the school. Decision-makers outside the school, such as the donors and sponsors, are essentially influenced by the overall financial management at the school. The government and parents are other examples of creditors that use the

school's financial records. The school's financial records should also be used by the school governing body to get detailed information with regard to the income and all expenses of the school (RSA 1996c and Nieman and Bennett 2004:212).

School financial reports should be compiled monthly, and should include income and expenditure for that month. A third column is added to show the difference between the actual income and expenditure for the month, the budgeted income and expenditure for that month. The audited school financial report should include the actual income and expenditure and the budgeted income and expenditure for the year to date, that is to say the financial year. The difference between these two columns is shown in the variance Column (FSDoE 1996a and 1996b).

The manner in which the school income statement is portrayed in the school financial report provides the school governing body with a very powerful management tool. Actual income and expenditure is compared with the school budgeted income and expenditure for the month. This ensures that the attention of the school governing body is drawn to areas where anticipated income and expenditure, the school budget, differs from actual income and expenditure (Nieman and Bennett 2004:214; Coetsee *et al.* 2000:4; FSDoE 1996a and 1996b).

Auditors should be called upon to give expression of their opinion on the fairness of presentation of financial statements. The major purpose of the audit process is to obtain that degree of confidence about the absence of material errors and irregularities that, if undetected, would affect fairness of the school's financial presentation (Correia *et al.* 2003:141). Refer to paragraph 2.2.4.3.

(i) Annual financial statement

The school's annual financial statement represents results of the school's financial operations as well as its financial position at the end of a period. Its commencing date is the 1st of January of each year up to the 31st of December. The school

annual financial statement should be laid before the annual general meeting of parents and should consist of (Coetsee *et al.* 2000:4):

- A balance sheet.
- An income statement.
- A cash-flow statement.
- The principal's report.
- The auditor's report.

The school financial statement is produced annually and it takes the form of the annual report. The annual financial statement should be in conformity with generally accepted accounting practice, should fairly present the state of affairs of the school (see appendix B), and should provide financial information on the position of the school, as well as its performance and cash flow, which is useful to a wide range of users in making financial decisions. The annual financial statement should be approved by the majority of parents present at the annual general meeting and signed on their behalf by the chairperson of the school governing body and the principal. The overriding requirement of GAAP is that the schools' annual financial statement should fairly present the financial state of affairs of the school and its business at the end of the financial year. The following are characteristics of a good financial statement (Millichamp 2002:1; Everingham and Kana 2000:1 and Coetsee *et al.* 2000:22):

- *Understandability*: The financial information included in the school financial statements should be readily understandable to the users who have a reasonable knowledge of business and economic activities and accounting. The school's financial information that is relevant for economic decision-making should therefore not be excluded from the financial statement merely on the grounds that it may be complicated (see appendix B).
- *Relevance*: Only the school's financial information which is useful to the users to evaluate the past, present and future financial events should be included in the school's financial statement.

- *Materiality*: The school's financial information is only relevant if it is material due to its nature and size. Financial information is material if its omission or misstatement influences economic decisions.
- *Reliability* assumes that the school's financial information does not include any material errors or bias, and it is depended upon by the users to truly represent that which it purports to represents.
- *Comparability* implies that all the similar financial transactions and events are recorded consistently in the given period, as well as from one period to the next.

The following are components of the school's financial statements (Everingham and Kana 2000:6):

(ii) A balance sheet

The balance sheet provides information about its assets and liabilities. The main purpose of the balance sheet is to point out the schools' financial stability or instability. It paints the picture of the school's finances at a point in time. The picture shows what the school owns, its assets, and how the ownership of the school assets is financed. A balance sheet shows the detailed breakdown of the schools' assets and liabilities at the end of its accounting period. It is a statement relating to the financial position of the school at a specific time. A balance sheet is categorised into two main categories, namely (Allen 1964:52 and Glynn *et al.* 1994:52):

- *Assets*, which are the resources controlled by the school as a result of past financial events and from which future economic benefits are expected to flow into the school.
- *Equity*, which is the result of a residual interest in the school's assets after deducting all their liabilities which are present obligations arising from past events, settlement of which is expected to result in the outflow from school resources (Everingham and Kana 2000:14).

The balance sheet has two fundamental shortcomings (Fridson 1995:25):

- While in theory it is quite useful to have the summary of values of all the assets owned by the school, these values frequently prove elusive in practice.
- Many kinds of things have value and can be construed, at least by the school principal, as assets. Not all of them can be assigned a specific value and recorded on the balance sheet.

The school determines, based on the nature of the operations, whether or not to present current and non-current assets and current and non-current liabilities as separate classifications on the face of the balance sheet (Coetsee *et al.* 2000:37).

(iii) School assets

School financial resources comprise the second group of resources that the principals must control, the first being physical resources. School physical resources refer to its tangible assets, such as the school buildings, office equipment and furniture, vehicles, as well as learning and teaching support materials. The management of the school should ensure that it has sufficient cash inflow and its physical resources are well looked after (Palmer *et al.* 1992:433, Loots 1997:56 and Du Toit *et al.* 1990:183).

The following are components of school assets namely, fixed assets and current assets (Glynn *et al.* 1994:53).

- *The school's fixed assets*, are purchased by the school and generally have an economic life-span in excess of one year. These assets are not purchased for re-sale but are rather used for the provision of effective teaching and learning in the school. Examples of fixed assets of schools include buildings, machinery and motor vehicles. Fixed assets are stated in the financial statements at their original cost, less accumulated depreciation. The starting point in the process is the price which was originally paid for the asset, its original cost. This is recorded in the co-accounting records (Nieman and Bennett 2004:211 and Coetsee *et al.* 2000:37).

- *The school's current assets* are converted into cash within a year. The main categories of current assets include stock or inventory, debtors, cash and bank balances, investments, accounts and advance payments (Coetsee *et al.* 2000:85 and Nieman and Bennett 2004:211).
- *Tangible assets* are the school's property, plant and equipment that are used for providing services or for administrative purposes. Tangible assets are expected to be used for more than one period. Tangible assets are summarised with such particulars as are necessary to disclose their general nature and are classified under appropriate headings and sub-headings.
- *Intangible assets* are non-monetary assets without physical substance and include, but are not restricted to goodwill, licences and know-how. The school determines whether or not to present current and non-current assets and current and non-current liabilities as separate classification on the face of the balance sheet. Information to be presented on the face of the school *balance sheet* is the following (Coetsee *et al.* 2000:37):
 - *Financial assets* of the school refer to cash and contractual rights.
 - *Investment properties* are the properties, for example, land or buildings held by the school to earn rental.
 - *School inventories* are the assets in the form of materials in rendering teaching and learning (Glynn *et al.* 1994:53).

School assets may be controlled in the following manner (Millichamp 2002:84):

- *The school principal allocates and defines responsibilities.* Thus, persons responsible for, for example the school petty cash, are identified.
- *Segregation of duties.* No one person is responsible for the recording and processing of a complete transaction. Involvement of several people reduces risk of intentional manipulation or accidental error and it increases the element of checking of work. The school financial functions that are separated in this way include the following (Millichamp 2002:86):
 - Initiation.

- Authorisation.
 - Execution.
 - Custody and arrival of goods.
 - Recording.
- *Physical* resource concerns physical custody of the school assets and it involves procedures designed to limit access to authorised personnel only. The access can be direct, for example, being able to enter a strong room, or indirect, by means of signing documents like the permission register. The personnel who know the correct procedures are able to extract goods by doing the right paper work. These controls are especially important in the case of valuable, portable or desirable school assets (Millichamp 2002:86).
 - *Authorisation and approval.* All school transactions require authorisation or approval by the school principal.
 - *Personnel.* Procedures are designed to ensure that the personnel (including SGB or SFC members) operating the system are competent and motivated to carry out the school financial management tasks assigned to them. Measures include selection of the people with the appropriate training.
 - *Management.* These are controls exercised by the school principal and include the overall supervisory controls, review of the school accounts, comparison with the school budget and internal audit.

The school auditor has a duty to verify all school assets appearing on a balance sheet and also to verify that there are no other assets which ought to appear on a school balance sheet and are not there. The following aspects are verified (Millichamp 2002:168):

- The cost.
- Authorisation.
- Value.
- Existence.

- Beneficial ownership.
- Presentation in school accounts.

The following methods are used to verify school assets (Millichamp 2002:169):

- *Opening balance.* The school auditor must verify by reference to a previous year's balance sheet.
- *Acquisition.* Documentary evidence, for example, invoices, must be available at all times
- *Disposals.* Auditors verify reasonableness of proceeds.
- *Depreciation.* Check calculations.

School assets; income statement; cash-flow statement and a school fund account are all components of a school financial statement that must be managed by a school principal (see paragraphs iii to v below):

(iv) Income statements

A public school financial statement includes: a statement of income and expenditure of the past financial year. The financial statement of a school must cover the following aspects as income: all money received as school fees, money received from the government, all donations and grants; as expenditure: all the money which was spent by a school for operational costs during a financial year must be recorded. Income statements report accurately on a school's revenue, expenses and earnings (Davis 1992:17).

(v) Cash-flow statements

Cash-flow statements provide users of financial statements with a school's information to assess its ability to generate cash. A positive cash flow is crucial for continuing success and existence of schools (Everingham and Kana 2000:90 and Glynn *et al.* 1994:75).

A *cash flow statement* is designed to show cash generated or utilized in a schools' financing activities. This statement is particularly useful in assessing the financial health of schools. The overall objective of a financial statement analysis is to examine a school's financial position with a view to forecasting a school's future prospects (Correia *et al.* 2003:139 and Fitzgerald 1992:36). Refer to appendix B.

(vi) The school fund account

All the funds that are collected in the name of a school are school funds, and are deposited in a school fund account. The main purpose of a school fund is to supplement resources supplied by the Department of Education. The school fund supports a school's educational programme by providing items that the Department of Education does not make provision for (RSA 1996c; Badenhorst 1993:102, 104 and Kruger and Van Schalkwyk 1993:165).

The best and safest way to deal with incoming money is to have a secretary who is appointed to collect money and issue receipts for all money paid to the school. Funds received are deposited at a bank where the school fund account is kept on a daily basis (RSA 1996c). There are certain regulations governing the spending of school funds. For example, purchases from the school fund are only allowed for the following reasons (Van Deventer and Kruger 2005:240):

- For educational purposes of a school.
- The execution of a school governing body's tasks.
- Any other educational purpose as agreed upon between the SGB and the Department of Education.

The following guidelines are applied for purchases at a school (Van Deventer and Kruger 2005:241):

- School expenditure is checked against the funds budgeted and allocated for specific items.

- All purchases and payments made from the school fund are authorised by the school principal.
- An official school order book, in which all purchases are recorded, is used for school purchases.
- Invoices and receipts for purchases from the school fund are filed for auditing purposes.
- Payments are only made by cheque on submission of a specified account.

The following paragraph deals with fund-raising as a component of a school financial statement that must be managed by a principal (see paragraph vii below):

(vii) Fund-raising projects

A fund-raising project is an important aspect of organising and adding to school funds. School governing bodies have the responsibility of taking measures to supplement resources provided by the state. The SASA (RSA 1996c) indicates that governing bodies must not merely increase school fees, but should think creatively of other means of supplementing their financial resources. The task of fund-raising is allocated to a fund-raising committee, which is responsible for co-ordinating all the school's fund-raising efforts (RSA 1996c).

There are various types of fund-raising projects that schools can embark upon. The projects, should, however, be suitable for the specific circumstances of the school, and governing bodies must make sure that all legal requirements of fund-raising are met. The following are examples of school fund-raising projects that can be used by schools (Van Deventer and Kruger 2005:242):

- Bazaars, concerts, sales and other functions.
- Donations to a school fund.
- Sale of products produced by learners as part of their instruction, for which materials were bought out of school funds.

- Hiring out of school facilities for community use.
- Competitions, such as fun-runs where learners are sponsored per round.
- Running a tuck-shop at school.
- Read-athon, spell-athon or maths-athon.

A school's financial records must be audited annually. This will ensure that school expenditure is in line with the guidelines of the Education Department. The following paragraph deals in detail with the auditing of school financial records (see paragraph 2.2.4.3 below):

2.2.4.2 School auditing

In this section different types of audits and auditors are discussed. These include an overview of the auditor's report; independent auditors; internal auditing; government auditors; compliance audits; operational audits; performance audits/programme audits.

(a) Financial auditing as a control function

Auditing is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events, to ascertain the degree of correspondence between those assertions and established criteria and to communicate school financial results to interested users (O'Reilly, Winograd, Gordon and Jaenickie 1999:4).

Auditing by school principals and governing bodies include the collection, classification and assembly of a school's financial information incorporated in financial statements, examining these transactions and maintaining established professional financial management standards.

It is not enough for principals and governing bodies to draw up financial statements; these financial statements are given to a registered accountant/auditor to check whether they are in order. If an auditor is not available, then a person who is qualified to act as an accounting officer is appointed. The person appointed to check school financial records is independent and is not involved in any affairs of schools. The MEC may, at any time, ask the Auditor-general to check financial statements of schools if he or she thinks that it is necessary to do so (Spencer and Pruss 1997:98 and Kinserdal 1995:101).

The independent auditor is responsible for verifying that a financial report compiled by the principal and the governing body fairly presents financial inflow and outflow, and reflects the financial position of a school. Principals should not view school auditing as simply a means of discovering financial shortages or misuse of school finances, but as a means of protecting honesty. Auditing indicates the degree of observance of government laws and policies on effective financial management. It projects the financial condition of schools, indicates the adequacy or inadequacy of schools' accounting procedures, provides suggestions to improve schools' financial management, and it gives an official review of financial activities of schools for a period of audit (Burrup *et al.* 1999:311 and Gann 1999:299).

Three kinds of audits may be used by principals to ensure effective financial management in their schools, namely a *pre-audit* that occurs before any financial transaction occurs; a *continuous audit* that occurs continuously during the complete financial period; and a *post-audit* that occurs after a financial period has elapsed. These audits form a basis for more efficient financial management by school principals and they also protect principals and governing bodies from criticism of poor financial management (Gann 1999:299).

In other words, auditing involves examination of the school's financial reports prepared by the principal and the school governing body in order to ensure that they are in conformance with the guidelines on effective financial management in the school (RSA 1996c).

A *continuous school financial audit* is much like the pre-audit, but it is carried out throughout the entire school financial year. It is important for effective financial management that the principal conducts a continuous financial audit in the school. It is clear therefore, that school auditing is the responsibility of the school principal who is involved in the day-to-day running of the school's financial activities (Burrup *et al.* 1999:314 and Spencer and Pruss 1997:98).

It is also important that the school principal compares the actual results with the estimated cash flow used in the capital budgets of projects, and to provide explanations for the differences. This process is termed a *post-audit*. It is good business sense to monitor the performance and progress of the school capital projects once they are implemented. The main objective of post-audits is to improve the capital budgeting process and to improve management of the projects subsequent to their implementation. A post-audit ensures that the school principal works hard to ensure that the forecasts are achieved. The post-audit is used when the education department, in the absence of legal requirements, does not authorise an external audit. The post-audit function is therefore an integral part of the control system that the principal can use to assure proper and careful financial management (Correia *et al.* 2003:291 and Loots and Du Plessis 1996:120).

A *state audit* is the result of the government's direct interest in the manner in which the school finances are managed. The government has the right, as well as the responsibility to know how the school finances are managed by the school principal and the school governing body, and that is why it requires periodic audits of school finances to ensure that the law is observed (RSA 1996c:38).

An *external financial audit* is conducted by qualified agencies or individuals, usually certified public accountants. A *complete year end audit*, on the other hand, includes actions such as scrutiny of the minutes of the school governing body, review of the financial records in terms of the agreement with the school financial policy and verification of expenditures. This review should take place in relation to the

guidelines set by the government. In essence, therefore, a *school financial audit*, implies a detailed study of the internal financial control system by the principal of all the financial records to determine the legality, accuracy, complete accountability and application of government guidelines on the financial management (Kaye 1994:12 and Burrup *et al.* 1999:312).

There are also other kinds of school financial audits, like a *special financial audit* that is used when the suspicion of error or fraud is involved. It is usually initiated by the principal, who takes steps to prevent unwise expenditures of the school finances (Konnert and Augenstein 1990:160).

School financial reports, however, may also be misleading. For example, the school financial report compiled by the school principal may (Millichamp 2002:2):

- Contain errors.
- Not disclose fraud.
- Be inadvertently misleading.
- Be deliberately misleading.
- Fail to disclose relevant financial information.
- Fail to conform to the financial management regulations.

The solution to this problem of credibility in compiling the school financial report and accounts therefore lies in appointing independent auditors, to investigate the school's financial reports and to report on the findings. The school auditor should confirm reliability of the financial statement and ensure that detailed conditions of accountability have been complied with. At the end of the audit, the auditors produce a report addressed to the stakeholders, in which they express their opinion of the truth and the fairness of the statement (Porter *et al.* 2003:3; Millichamp 2002:2 and Glynn *et al.* 1994:132).

A school auditor should possess the following important *qualities* (Millichamp 2002:4):

- *Independence*: The school auditor should give an unbiased opinion; should be independent of all the parties involved; be intellectually honest; should be recognised as independent; and should be free from any obligation to or interest in the clients or the school governing body. He/she should avoid situations that lead to outsiders doubting his/her independence (O'Reilly *et al.* 1999:40).
- *Competence*: The school auditor should be thoroughly trained and prove his or her competence before he or she signs the school's audit report.
- *Integrity*: As a qualified accountant, the school auditor should be renowned for his or her honesty, discretion and tactfulness.

School auditors can be classified into three categories, namely independent, internal and government auditors (O'Reilly *et al.* 1999:20). These categories are discussed in the following three sections [see (b), (c) and (d)].

(b) Independent/external auditing

It may happen that stakeholders believe that the school principal and the school governing body may bias the school financial report, so that it reflects favourably on the management of the school fund. There is therefore a possibility of potential conflict of interest between the preparers and the users of the school financial report. Audit plays a vital role in helping to ensure that the school principal should provide and that the users would be confident in receiving, information which is a fair representation of the school's financial affairs. If the users of the school's financial statement base decisions on unreliable financial information, the school may suffer serious financial losses (O'Reilly *et al.* 1999:75).

Therefore, before basing decisions on the school financial statement, stakeholders at the school wish to be assured that the information is reliable and safe to act upon. These users are usually unable to verify for themselves the reliability of information contained in it; as a result, an independent party is needed to assess its reliability on their behalf. An independent, qualified auditor who has the necessary competence

and expertise to understand the schools' transactions and accounting systems is appointed to perform this task (O'Reilly *et al.* 1999:10).

Independent auditors are also referred to as the *external auditors*. They are either individual practitioners or members of public accounting firms who can render professional auditing services to the school. Clients rely on these auditors' independence and derive value in the fact that auditors are unbiased (O'Reilly *et al.* 1999:71).

(c) Internal auditing

Internal auditing is an independent appraisal function that is established within the school to examine and evaluate its financial activities. The objective of an internal school audit is to assist the school principal in discharging the school financial responsibilities effectively. Its primary function is to examine the principal's internal financial control and to evaluate how adequate and effective it is (Boynton, Johnson and Kell 2001:980).

Internal school auditing is usually performed by staff or school governing body members who are then referred to as internal auditors. It may be wide-ranging or narrowly-focused, and continuous or once-off in nature. School internal auditing may also be as broad as to investigate the appropriateness of, and level of compliance with the Department of Education's system of internal control (see paragraph 2.2.4); or as narrow as examining the school's financial policy and procedures for ensuring compliance with effective financial management (Porter *et al.* 2003:7 and Frith and Duffy 1988:25).

(d) Government audits

Government auditors are employed by the various local, provincial and national governments. In performing the audit function, government auditors engage in a wide range of audit activities, including the school's financial statement, compliance and operational audits. The results of this audit are then reported to the relevant

council, legislator, parliament and general public. Governmental auditing is premised largely on the concept that the school principal and the school governing body are accountable to the public. A government audit focuses on the following (Coetsee *et al.* 2000:21 and Boynton *et al.* 2001:992):

- The school's financial position.
- Whether the school is adhering to specific financial compliance requirements (see Appendix A).
- Investigating the school's internal financial control. Specific examples could include the internal control and compliance with the laws and regulations such as those that govern the bidding, accounting and reporting related to grants and contracts.

The following paragraphs discuss compliance and operational audits that can be used by school principals (see paragraphs (e) and (f) below):

(e) Compliance audits

A *compliance audit* determines whether the school has acted in accordance with the procedures or regulations established, for example, by the Department of Education. A compliance audit is conducted by a competent, experienced professional who is appointed by, and reports to the authorities who set the procedures in place. The audit includes those actions that are conducted in the school to ascertain whether the school is complying with the system of internal control established by the Department of Education. It is intended to determine whether the school has also complied with the specified policies, procedures, laws and regulations. The widest application of a compliance audit relates to the criteria based on the government regulations (O'Reilly *et al.* 1999:17; see (d)).

(f) Operational audits

An *operational audit* involves a systematic examination and evaluation of the school's financial operation which is conducted with the view of improving efficiency

and effectiveness. An operational financial audit may apply to the school as a whole or to identified departments only. The objective of this type of audit is to improve the overall efficiency of the school and to identify a variety of school financial activities that may include evaluating the school's financial organisation, planning, leading and control by the school principal.

An operational audit reports the results of evaluations to the appropriate persons along with recommendations for improvement. The essential parts of an operational audit are the following (Boynton *et al.* 2001:6):

- A *systematic process*, which involves a logical, structured and organised series of steps. A systematic process includes proper financial planning as well as obtaining and objectively evaluating the evidence pertaining to the school's financial activities being audited.
- An *evaluation of the school's operations* is based on the established criteria that are expressed in terms of performance standards.
- The primary purpose of the evaluation of the *effectiveness, efficiency and economy of operations* is to help the principal of the audited school to improve management of the school funds. It focuses on the future; this is in direct contrast to a financial statement audit which has a historical focus (Boynton *et al.* 2001:987).
- *Reporting to appropriate persons* implies that the appropriate recipient of the operational audit report is the school principal, who requested it. Except when the audit is requested by a third party, it is distributed to the relevant stakeholders only.
- *Recommendation for improvement* implies that, unlike a school financial statement audit, an operational audit does not end with a report on the findings, but extends to make recommendations for the improvement on the management of the school fund. Developing recommendations is one of the most challenging aspects of the operational audit (Boynton *et al.* 2001:987).

The following paragraph focuses on a performance or programme audit that can also be used by a principal to control management of the school fund.

(g) Performance audits/Programme audits

A *performance audit* includes an investigation into economy and efficiency, which determines whether the school is acquiring, protecting and using its financial resources economically and efficiently; the possible causes of inefficiencies or uneconomical practices; and whether the school has complied with the laws and regulations concerning matters of economy and efficiency. Similarly, a *programme audit* includes determining the extent to which the derived financial management results or benefits established are being achieved; the effectiveness of the school's financial management, programmes and functions; and whether the school has complied with the significant financial management laws and regulations that are applicable to the programme (Fridson 1995:168).

2.2.4.3 Summary

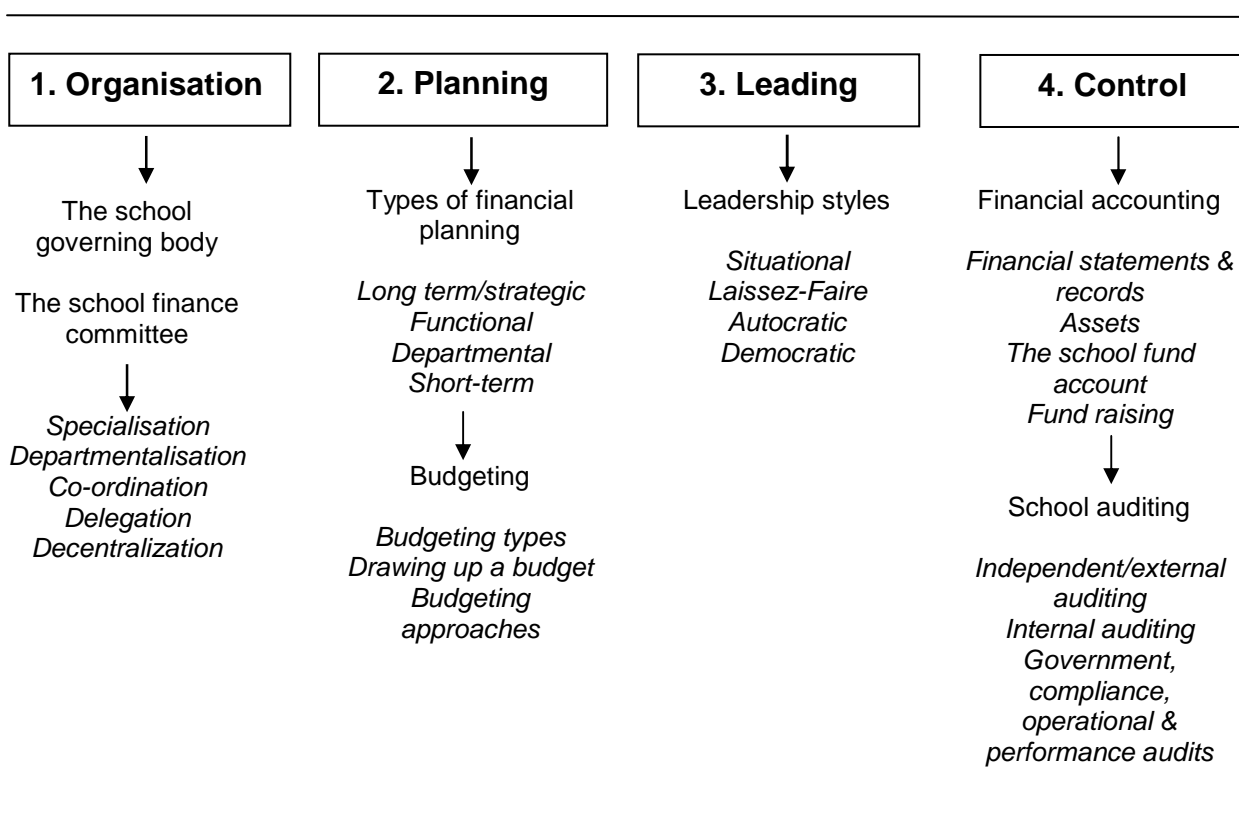
Paragraph 2.2 discussed the following roles of a principal as a school financial manager, namely a principal as a school financial organiser; a school financial planner; a school financial leader; and a school financial controller. Components of financial organisation include the election of a school financial committee and the compilation of a school financial policy. Aspects covered in school financial planning include types of planning and the drawing up of a school budget.

The role of a principal as a school financial leader was discussed. This included leadership styles that principals must be familiar with in order to work in harmony with other stakeholders, such as the governing body and school financial committee. The fourth task of a principal is that of a school financial controller. This deals with controlling the school budget and expenditure, as well as ensuring that school financial records are in place and that they are implemented in accordance with a school financial policy.

2.3 SUMMARY AND CONCLUDING REMARKS

It is clear from the review of this chapter that one of the most important management tasks at a public school is the management of the school fund by the principal and the school's governing body. To ensure that the school fund is managed successfully, the Department of Education, the school governing body and the school principal all play an active role. This implies that the Department of Education should ensure that the school principal and the school governing body have the knowledge, skills and appropriate attitude to manage the school fund effectively.

Figure 2.3 Scope of the school principal's financial management responsibilities



The discussions in this chapter have clearly indicated the wide range of financial management responsibilities carried by a school principal. The scope of these responsibilities as presented in this chapter is summarised in Figure 2.3. It is clear

that for effective school financial management, the school principal must have the necessary knowledge and skills, as within four categories (financial organisation, planning, leadership and control). The question that thus arises is whether school principals in the Motheo District are conversant with all the regulations and guidelines related to school financial management and whether they are equipped with the necessary skills and knowledge in this regard.

The next chapter focuses on training and developmental programmes for the principal as a school financial manager. The need for this programme results from delegated financial management tasks to the school principal and the school governing body.

CHAPTER 3

POSSIBLE PROGRAMMES TO DEVELOP SCHOOL PRINCIPALS AS FINANCIAL MANAGERS IN SOUTH AFRICA

3.1 INTRODUCTION

In this chapter an attempt is made to answer the research question stated in chapter one by means of a literature review, namely: What is the nature and extent of possible support, training and development practices to facilitate principals' financial management of public schools in South Africa?

This literature review is therefore essential for an understanding of the nature and extent of possible programmes that may be considered for better facilitating these principals' financial management roles and responsibilities discussed in Chapter 2. As such, the information in Chapters 2 and 3 played a guiding role in the compilation of a checklist questionnaire for school principals and the interview schedules for interview surveys with non-respondents to the checklist survey, as well as with office-based education officials who were involved in school management and governance development (see Chapters 4 and 5). Additionally, the information in this chapter was essential for the researcher to develop a plan for such a programme (see Chapters 4 and 6).

3.2 MANAGEMENT CHALLENGES FACING SCHOOL PRINCIPALS AS FINANCIAL MANAGERS IN SOUTH AFRICA

The management challenges facing school principals are far greater than those of the decades ago due to the fact that, before 1994, some financial decisions were often made by departmental officials and/or the national government. Now most are made by school principals at school level. The national Department of Education (DoE) has created new policies and regulations to redefine the roles of school principals. These duties are outlined in the South African Schools Act, No. 84 of

1996 (RSA 1996c) and in the Norms and Standards for School Funding (RSA DoE 1998). This development means that school principals, school governing bodies, staff, parents, the community and the learners should all take part in the management of school finances in one way or another (Bush, Bell, Bolam, Glatter and Robbins 1999:51; RSA 1996c:37; and RSA DoE 1998:28).

It is common to find school principals who feel that management of school funds is not problematic and who take it for granted as a simple day-to-day operation which could be tackled. Hence many school principals would not actively seek avenues for upgrading their financial management competence through appropriate training programmes or courses (Ribbins *et al.* 1991:323 and Campher *et al.* 2002:50).

Related to this issue is a view that preparation of school principals as financial managers is a one-shot or once in a life-time process in professional preparation. Very often, a need for continuity, follow-up and recurrent training is not recognised and valued by school principals themselves and/or by the Department of Education. A solution to these two problems could be partly found by making available a variety of development programmes and publicising their availability and usefulness to school principals as financial managers and the Department of Education (Ribbins *et al.* 1991:323-324).

Preparation and training efforts should take good account of organisational context and constraints within which school principals will be operating or working. In addition, a thorough knowledge and appreciation of social, economic, cultural and political factors that impinge on these schools are necessary before meaningful and adaptable training or preparation can be given (Campher *et al.* 2002:50).

The classical problem of bridging gaps between theoretical frameworks offered in programmes for school principals as financial managers on the one hand, and practical situations on the other, is still a reality. Closer and continuing contact of trainers with practising or operating environments, and opportunities for trainers to work for specific periods in schools and education offices would help to resolve this problem partly. Another approach would be to integrate as much as possible theoretical positions and practical realities in a truly interactive manner. Such

attempts to integrate theoretical aspects and practical implications should be undertaken at the preliminary planning stage itself and continued through programme delivery, evaluation and feedback. Theory-practice integration should be supported and reinforced by research and development (Ribbins *et al.* 1991:325; Bushnell and Rappaport 1971:183; and Campher *et al.* 2002:50).

The South African government encourages schools to become self-managed and self-reliant and if schools are successful in this, among others, they attain Section 21 status, which gives them authority to run their own financial affairs. Self-managed and self-reliant schools create new management challenges for school principals, who are ultimately responsible for the day-to-day management of school financial matters (see figure 2.1). School principals are expected to be conversant with leadership styles that make financial management tasks in schools successful (see paragraph 2.2.3.1). Section 20 of the SASA outlines the functions of a school governing body and Section 21 outlines extra powers which apply to self-managing schools (RSA 1996c and RSA DoE 2000a:13).

A school principal as a financial manager and the school governing body need to revise the school's financial planning annually (see paragraph 2.2.2). School financial planning should be linked directly with the quality assurance framework of the DoE. The quality assurance framework requires that goals that are set by school principals and school governing bodies are used as performance indicators for financial management in schools (Sallis 1997:27; Jackson 2004:48 and RSA DoE 2000b:5; see 3.6).

A school principal, as financial manager, therefore, has control over money that is generated by fees, fundraising as well as money that is devolved by government. This responsibility requires appropriate financial control, meaningful budgeting and taking right financial decisions. This includes safe keeping of school financial records and regular meetings between the school principal and the school governing body. A governing body is an important element in the management of school finances, and the principal fulfils this role by working with them (see 2.2.4; RSA 1996c and RSA DoE 2000c:36).

The researcher is of the opinion that school principals and school governing bodies need to set up procedures that are followed in the management of school finances. These procedures, rules and regulations should then ensure that a school principal and school governing body work within the parameters of the law.

The growing demands on effective management of school funds by school principals deserve an appropriate response. The traditional pattern of appointing school principals is not suitable to address demands placed on them. A school principal therefore needs to be well prepared to manage the school fund effectively, because inadequate knowledge on school financial management methods would lead to inefficiency (Sallis 1997:27 and Harris and Muijs 2005:140).

Inefficiency regarding school financial management could be alleviated through providing financial management knowledge, changing attitudes, and by organising in-service and pre-service training and development programmes for school principals as financial managers (see 3.3; Head and Watson 1998:2).

School principals actually need to have sufficient knowledge to organise, plan, lead and control school funds (see 2.2). According to the SASA, a school principal is judged on the quality of his or her financial management skills (RSA 1996c).

Developmental programmes for a school principal as financial manager should be viewed in the light of the fact that changes in the management of school funds calls for people who have appropriate financial management knowledge, skills and attitudes (RSA 1996c).

This implies that the Education Department and individual school principals need to play an active role in initiating and participating such developmental programmes (Joy-Matthews, Megginson and Surtees 2004:4; Rees and Porter 1996:17 and Dean 2002:44).

It therefore seems that it gradually becomes more and more difficult to be a school principal. The question arises whether school principals perform these financial management tasks successfully.

This section focused on the challenges faced by school principals as financial managers. The following section will look at the role of the Education Department with regard to developing school principals as financial managers (see 3.3).

3.3 THE RESPONSIBILITIES OF THE EDUCATION DEPARTMENT

After 1994, school principals in South Africa found themselves having to manage multiple changes in the education system. It is sometimes argued that the management of the school fund was delegated to school principals and school governing bodies without considering whether they have the appropriate attitude, knowledge, and skills to manage this in accordance to the regulations. Thus, being a school principal is not easy, is demanding and full of tensions and dilemmas and the work appears to have intensified in recent times. As a result, more is expected of principals; yet some of them have not received much in the way of development from the education authorities (Jackson 2004:2; Rees and Porter 1996:68).

As far back as 1987, UNESCO (1987) already indicated that there is an increasing demand for distance development programmes for school principals as financial managers and that these should be relevant to school needs (see 3.10). Unless school principals can identify with these developmental programmes, such opportunities are unlikely to be undertaken.

Developmental programmes for school principals as financial managers could also assume the following forms (Russel and Korthagen 1995:147):

- Summer financial management courses, short-courses, intensive seminars and single-day study programmes could be arranged.
- Use of mass-media on how to manage school funds effectively (by the use of circulars, government gazettes, newspapers, radio and television).

The development of school principals as financial managers could also be organised by universities, by means of lectures, a series of courses, organising weekend study programmes, or by means of summer classes (Bush *et al.* 1999:108 and Sallis 1997:29).

In 1987, UNESCO (1987:22) already pointed out that there are no institutions devoted exclusively to the development of the school principal as a school financial manager. The report says that developmental programmes could take place while a principal is on the job (see 3.8). It could be a continuation of development which was started during the pre-service period of preparation. It further indicates that there is a real urgency which demands that these programmes are focused on the totality of developing principals as school financial managers.

The relevant Education Departments therefore need to plan more wisely in terms of appropriate experience to be offered in both the pre- and in-service phases, and to co-ordinate efforts to promote continuous development of principals from the time of entrance into pre-service programmes until they retire at the end of their professional career. Such a re-focus would necessitate considerable adjustments and modifications of present teacher education programmes (Gmelch 1994:106).

The training of school principals as financial managers should also not be relegated entirely to teacher training institutions. Rather, the employing Education Department should assume the primary role in planning and programming of the in-service period of a school principal's growth. In the past, it was attempted to accomplish more in the pre-service phase than is feasible or practicable, because of the prevalent notion that little could be or would be done once a school principal has begun to practise (Gmelch 1994:106).

Gmelch (1994:612) states that there is a great need for an education department to provide co-ordinating leadership for the growth and developmental programmes, at both pre- and in-service levels. He says that the Education Department has distinct advantages of having a legal, as well as a strategic relationship with both teacher training institutions and the school system, and so situated, can provide strong leadership for co-ordination of what is done at teacher training institutions and during in-service training.

The role of the Department of Education with regard to the development of school principals as financial managers should therefore be (Calitz *et al.* 1992:149):

- To train school principals to manage school funds successfully.

- To plan and co-ordinate in-service training and development programmes.
- To ensure that school principals have the necessary knowledge and skills required for the effective management of school funds.
- To co-ordinate in-service training activities with school principals from different Education Districts.
- To identify capable school principals who can be nominated as trainers for in-service training programmes.
- To evaluate in-service training programmes in the district; to determine what is needed and to budget accordingly and to make recommendations with regard to utilizing principals from neighbouring schools.

According to the South African Schools Act, No. 84 of 1996 (RSA 1996c) the Head of the Education Department should establish a programme to provide training for school principals and newly elected school governing members from the funds appropriated for the enhancement of capacity of a school governing body by a provincial legislature, to enable them to perform the functions contemplated in Section 21 of the SA Schools Act, No. 84 of 1996 (RSA 1996c). The reason for this is that newly promoted school principals are faced with new problems and responsibilities that demand appropriate financial management knowledge, attitudes and skills (Nigro 2003:8 and Erasmus and Van Dyk 1999:221).

The development of school principals as financial managers is therefore of the utmost importance, because they are responsible for organising, planning, leading and controlling school funds (see 2.2). In addition, it would expose them to the latest financial management strategies. Many past failures by school principals as financial managers could be attributed to their lack of awareness that management approaches need to be improved continuously. The Education Department should actually be responsible for drawing up a development programme for school principals that would enable them to reach satisfactory performance (Erasmus and Van Dyk 1999:209; Nieman and Bennett 2004:265; and Harris and Muijs 2005:58).

The Education Department that is closely associated with local schools, should ensure that there is quality management of school funds and consequently, that

Education Department should be directly responsible for the provision of developmental programmes for principals as school financial managers (Bradley, Conner and Southworth 1994:196; Megginson and Clutterbuck 1995:22).

3.4 CURRENT PROGRAMMES TO DEVELOP SCHOOL PRINCIPALS AS FINANCIAL MANAGERS IN SOUTH AFRICA

In South Africa before 1994, nine South African university departments of Education trained school principals through a one-year postgraduate course. In the former Transvaal (part of which is now known as the Gauteng Province), the step was taken by the previous government of linking teacher training with local universities. The courses introduced then were aimed at improving principals' management skills, knowledge and attitudes on areas such as human resource, physical resource and financial resource management (Rose 1970:13):

After 1994, it became the belief of the South African government that education management is the key to unlocking and building a culture of life-long learning and teaching and of instilling the values of our diverse cultures. School principals, as educational leaders, needed a complex mix of skills relating to leadership of staff and school governing bodies, as well as managing school funds (Van Deventer and Kruger 2005:62).

Since 1996, many reports of people in authority have confirmed a dire need for the proper training of school principals as financial managers. In the past, school principals were appointed to managerial positions of Head of Department (HoD), deputy-principal and principal at schools without proper prior training. School principals had to learn as they go along, making many mistakes in the process. This situation was neither productive nor conducive to developing school principals as financial managers. Quality education is directly dependent on the quality of management of the school fund by principals (Van Deventer and Kruger 2005:62).

A Ministerial Committee on Teacher Education was appointed by the former Education Minister, Kader Asmal, in February 2003. According to this government report, handed to the next Minister of Education, Naledi Pandor in July 2005, the

training crisis of school principals as financial managers was a key consequence of a lacking national development policy (Macfarlane 2006:4).

In 2007, the national Department of Education responded to the government report by introducing a pilot project for the institution of an Advanced Certificate in Education (ACE): School Leadership. The pilot project started in the Free State Province in January 2008, with the University of the Free State offering the qualification. The curriculum is divided into the following modules, which are facilitated by lecturers from the UFS (RSA DoE 2007: V):

- Understand school leadership and management in the South African context.
- Managing teaching and learning.
- Lead and manage people.
- Developing a portfolio to demonstrate School Management and Leadership competence.
- Manage organisational systems, physical and financial resources.

With the introduction of this programme, the Education Department is hoping to address the lack of effective management of public school by principals. The Free State Department of Education (FSDoE) has since identified 51 principals from the five education districts, namely, Motheo, Xhariep, Lejweleputswa, Fezile, Dabi and Thabo Mofutsanyane to undergo this training. The ACE (School Leadership) programme is therefore aimed at empowering school leaders to lead and manage schools effectively in a time of great change, challenge and opportunity (RSA DoE 2007: IV).

In its final form, the ACE programme is actually aimed at School Management Team (SMT) members who aspire to become school principals at a stage in their professional career planning. Furthermore, the programme seeks to provide standard learning opportunities that promote quality education in South African schools. This is to take place through the development of a group of education leaders who apply critical understanding, values, knowledge and skills to school leadership and management within the vision of democratic transformation (RSA

DoE 2007:IV). This, however, still leaves a gap as far as the development of current principals of public schools is concerned.

Management of financial resources is a unit in one of the aforementioned modules of the ACE. This unit aims to assist principals to manage the financial resources of their schools in a transparent and accountable way within a financially sound and effective accounting system (RSA DoE 2007:5).

According to the Education Department, managing financial resources of a school is not simply about finances and accounting, but it is a component of management that touches on every other activity within a school as an organisational system. It is therefore necessary for principals as school leaders to understand the requirements for financial systems and policies, as well as the legal framework that defines the relevant requirements, such as the following (RSA DoE 2007:6):

- The national and departmental legal and regulatory requirements for managing school finances.
- Managing the finances of Section 21 and Non-Section 21 schools.
- Compiling a school budget, including the budget policy and the budget process.
- Financial monitoring and control, including cash management, the ordering and procurement of goods and services, payment for these goods and services, auditing and reporting, and asset management.
- Guidelines on marketing a school.

It is important to note, however, that the report by the Ministerial Committee on Teacher Education (chaired by Wally Morrow, the former Dean of Education at Nelson Mandela Metropolitan University), indicated that a major crisis in the supply of skilled principals was imminent. The report recommended that costs for aspiring principals be reduced, and that the general B.Ed. degree offered by most universities be replaced by a three-year degree programme, followed by a year of formal induction during which novice principals would be employed and paid a salary (see 3.8.4 and 3.9.4.8). The report also noted that there was no system of continuing professional teacher development which aimed at enabling school principals to continually revitalise and improve their professional practices (see paragraph 3.8.2).

A system of continuing professional development of principals was important in the context of far-reaching curriculum reform, delegated financial management tasks, and because many serving school principals had not yet reached minimum qualification levels (Macfarlane 2006:4).

Furthermore, the report recommended that the qualifications framework for educators needed to be rethought, so that there was a clear distinction between professional and academic qualifications, because many developmental programmes did not contribute to effective financial management by principals (Macfarlane 2006:4).

The general development and training objectives should be directed at school management in general terms, and specific training objectives should be directed at satisfying specific management training needs, for example, the successful management of school funds by school principals. The development of school principals as financial managers should not be done through the formal education systems alone, but individual school principals should also be the key drivers in developing their own financial management skills (Stewart 1994:5; Law and Glover 2000:39; Erasmus and Van Dyk 1999:44).

3.5 IDENTIFYING TRAINING AND DEVELOPMENTAL NEEDS OF SCHOOL PRINCIPALS AS FINANCIAL MANAGERS

Identifying developmental needs of school principals as financial managers should involve the examination of existing needs and the gathering of data that could enable the Education Department to make informed decisions. A needs analysis could establish what the present state of financial management in schools is and project what the desired results should be. Change in the rules generates management needs. The following approaches could therefore be used to identify developmental needs of school principals as financial managers (Nigro 2003:43 and Rees and Porter 1996:17):

- Identifying the gap between actual and potential financial management tasks. This is done by means of the formal performance appraisal system.

- Self-assessment.
- Peer-audit, where a school principal is dependent on his or her colleagues, rather than a supervisor, for comments about how he or she can improve the way he or she manages school fund.
- Identification of problematic areas for school principals as financial managers.
- Identifying development implications of change, such as a need arising from school restructuring and new working arrangements, including changes in the relevant Act (Law and Glover 2000:238; see 3.6).

Whatever pattern of development is adopted for school principals as financial managers, it is important that it is monitored to ensure that it meets the needs and gives value for money. Identification of developmental needs in terms of objectives and expected outcomes should make it easy to judge whether existing programmes have been worthwhile. Interim evaluation is needed so that adjustments are made in time for those who are on the developmental programme to benefit before activities are completed (Rees and Porter 1996:263 and FSDoE 2003:5).

Follow-up studies could also be done to estimate the long-term impact of the developmental programmes of school principals as financial managers. Immediate supervisors of school principals could be involved in evaluating their progress. Ways of evaluating existing programmes could include interviewing principals after they have completed a formal development programme, so as to discuss what needs to be improved and to review the effectiveness of the programme during the appraisal process (see 3.6; FSDoE 2003:7 and Boninelli and Meyer 2004:167).

The empirical research performed in this study indeed included such a situation and needs analysis (see Chapters 4 and 5)

3.6 THE ROLE OF PERFORMANCE APPRAISAL IN THE DEVELOPMENT AND TRAINING OF SCHOOL PRINCIPALS

Two very important aspects of human resource development are appraisal systems and support programmes (see 3.4). These not only apply to newly appointed school

principals, but to all educators, including experienced school principals. A school management development team must make sure that all the newly appointed educators and school principals, especially those who are under probation, understand the school appraisal system that is being used (Van Deventer and Kruger 2005:210).

The literature on performance appraisal and the development of school principals as managers emphasises the theory of Total Quality Management (TQM). In the context of school financial management, TQM seeks to obtain principals' commitment to improve their financial management skills. The intention of TQM includes quality management at the earliest stages, especially for newly appointed school principals, and to do it right the first time around, instead of relying on end-of-line activities such as monitoring, quality control and assurance to remedy errors after they have occurred. Properly applied, a TQM system involves a major shift in school culture and requires a new decision-making structure so that all stakeholders understand the strategic direction of a school (Rees and Porter 1996:118).

Performance appraisal ensures that school principals are part of the system and they are able to contribute to decisions made. Performance indicators to which an appraisal programme is tied should not be judgemental, but more positively oriented and should acknowledge strengths and weakness of principals with regard to their management of the school finances. Instead of blaming principals for ineffective management of school funds, this programme should be intended to find ways in which such negative aspects could be addressed. The appraisal programme should acknowledge that school principals have strengths in managing finances, but upon which further developmental programmes could be based (Kaye 1994:163 and Samuel, Perumal, Dhumath, Jansen and Lewin 1999:257).

A performance appraisal system should be subject to criticism by school principals. Most common problems that lead to criticism against such a system include the following (Rees and Porter 1996:233):

- *Unclear standards*, for example, what do *excellent*, *good*, *fair* and *poor* mean with regard to the management of the school fund?

- The *halo effect*, which occurs when one or few performance aspects dominate all other aspects, for example, the drawing up of a school budget receives more attention than the provision of quarterly financial reports to stakeholders, such as parents and staff.
- *The problem of central tendency*, which occurs when supervisors rate all school principals in the middle of a scale.
- *Leniency*, which occurs when supervisors assign high ratings to all principals as school financial managers.
- *Strictness*, which is the opposite of leniency.
- *Bias*, that is, a tendency to allow individual differences such as age, race, sex and religion to affect appraisal ratings that school principals receive with regard to their management of school fund.
- *Relevance*, that is, the degree to which rating forms include necessary information on the management of the school fund.
- *Regency errors*, which occur when ratings are heavily influenced by recent events.

A performance appraisal system should help school principals to know what they are doing and it must provide a structure for aspects of financial management. The reason for implementing an appraisal scheme should be to ensure that there is a regular (once or twice a year) review of school principals' management progress. This would be conducted between individual principals and their supervisors (Stewart 1994:218 and RSA DoE 2003a:6):

As far as performance appraisal of a principal is concerned, the appraisal system should:

- Enable school principals' work to be monitored in totality rather than on a day-to-day basis, and work reviews should focus more on specific financial management tasks currently being performed (Sutton, Turner and Turner 1995:182).
- It must be an opportunity for everyone concerned to discuss a schools' financial management problems and to make adjustments for even better management of the school fund in the future.

- The developmental needs of the principal should be identified during the appraisal.
- Performance appraisal should be a chance for all school principals (as financial managers) to give and receive feedback on their performance, what they are doing well, what is not so good and what needs to be changed.

3.6.1 Components of a good performance appraisal system

The essential components of a good performance appraisal system include the following (see 3.6.1.1 to 3.6.1.10):

- Internal performance appraisal
- Self-appraisal
- Regular, constructive feedback
- Potential appraisal
- Pay appraisal
- Peer audit
- 360-Degree appraisal
- External appraisal
- Review of duties
- Probation appraisal
- Upgrading appraisal

3.6.1.1 Internal performance appraisal

An *internal performance appraisal* system is used to identify principals' strengths and weaknesses in managing the school fund. It is conducted by staff employed in the school; for example, staff members who are elected to form an internal auditing committee (Kaye 1994:163).

3.6.1.2 Self-appraisal

Self-appraisal should involve asking school principals to identify appropriate criteria, the extent to which criteria have been met and areas for possible improvement. The general philosophy of self-appraisal should be used in giving school principals

informal guidance about how to improve their financial management skills (Rees and Porter 1996:232).

3.6.1.3 Regular, constructive feedback

Constructive feedback to school principals is very important, even if there are complaints about certain parts of their financial management standard. It would be more motivating to be reprimanded occasionally than to be ignored (Stewart 1994:219).

3.6.1.4 Potential appraisal

Potential appraisal enables school principals who are being appraised to discuss their career aspirations and to compare these with future direction, manpower and succession plans of a school. The *appraisees* review their personal strengths and weaknesses, likes and dislikes and also consider in what direction they want their career to go, be that a promotion within the system or transfer to gain experience of other management areas (Stewart 1994:220).

3.6.1.5 Pay appraisal

Pay appraisal is linked to salary reviews and merit increases. The advantage of this approach is that it shows a systematic method of deciding on salary increases (Stewart 1994:220).

3.6.1.6 Peer audit

A *peer audit* is a process whereby school principals assess each other's financial management skills. Its benefit is that it creates a formal structure for critical self-appraisal and discussions. Peer audit allows school principals to choose people to evaluate their financial management knowledge, skills and attitudes. Furthermore, it is appropriate for maintaining quality standards and identifying developmental needs (Sutton *et al.* 1995:191).

3.6.1.7 360-Degree appraisal

360-Degree appraisal involves assessment of school principals as financial managers, by all parties who are affected by their performance; it includes the immediate supervisor, staff or parents. At times, information about managerial skills of school principals can be collected by means of questionnaires. The 360-degree

appraisal system provides a much more rounded assessment of school principals as financial managers. Those who are affected by the management of school principals often have critical insights and information about their strengths and weaknesses, which immediate supervisors of principals do not have. Although a 360-degree appraisal system has the potential to perform a thorough assessment, there are considerable practical difficulties in implementing it, such as the following (Rees and Porter 1996:233):

- School principals may be in competition with one another for rewards and this may distort feedback.
- It may be inappropriate to ask staff to formally assess their principals' financial management skills.
- School principals' ability to control school finances and to discipline staff may be undermined if they are also under pressure to get appraisal ratings from them.

3.6.1.8 External appraisal

An *external appraisal* system, also known as *environmental analysis*, is directed towards identification of opportunities and threats and involves a survey of all factors that impact on the management of the school fund, including Acts and Regulations (ELRC 2004:28).

3.6.1.9 Review of duties

The appraisal system should review all financial management duties of school principals. Regular reviews of school principals' financial management tasks are needed for the following reasons (FSDoE 2003:2):

- Misunderstandings could easily arise about what actually is required of school principals as school financial managers.
- It demands change and capacity of principals as school financial managers.
- Motivational needs of principals as school financial managers also need to be considered.

3.6.1.10 Probation appraisal

A *probation appraisal* system is used to indicate whether the principal's probation has been completed successfully or not (FSDoE 2003:3).

3.6.1.11 Upgrading appraisal

An *upgrading appraisal* system is implemented when school principals are rewarded for acquiring new and relevant knowledge, skills for management of the school fund (FSDoE 2003:3).

3.6.2 The performance appraisal system in South African education

Every school in South Africa is expected to develop itself as a learning organisation by embarking on a prescribed appraisal system. This means that all staff, including school principals, members of the School Management Team (SMT), educators, learners and school support staff must learn (Van Deventer and Kruger 2005:210 and RSA. DoE 2000c:28).

The current performance appraisal system for educators (including school principals) in South Africa is a developmental programme and not a judgemental appraisal system, because it is aimed at helping every educator and principal to keep growing and learning through professional development programmes. The appraisal system is part of an overarching total quality management system known as the Integrated Quality Management System (IQMS), which is used to perform Whole School Evaluations (WSEs).

The aim of the IQMS and its appraisal component is to facilitate personal and professional development of educators and school principals in order to improve the quality of teaching practice and management in schools. The developmental appraisal system within the IQMS is designed to (Van Deventer and Kruger 2005:210 and RSA. DoE 2000a:33):

- Help educators and school principals to identify ways of enhancing their professional skills and performance.
- Assist in the planning of in-service development and training of school principals, both individually and collectively with regard to the management of school fund.

- Help to determine whether the new or updated assignment will assist with the professional development of individual principals and to improve their career prospects.

The performance appraisal programme is led by District Support Teams or Professional Support Services who assist school principals to implement recommendations of evaluation reports (RSA DoE 2002b; 2002c; 2003).

The pre-service and in-service training of school principals is an essential and integral component of preparing for the whole-school evaluation programme. The DoE formulated a National Policy to ensure that the whole-school evaluation is carried out in accordance with particular guidelines. It indicates how to identify and acknowledge school principals who are managing school finances well and also how to deal with underperforming school principals. This policy urges officials from Education Departments who visit schools for evaluation to follow the guidelines (RSA DoE 2002b; 2002c; 2003).

The process of appraisal should be carefully planned, and there must be follow-up. During the first week or two of school, members of a School Development Team (SDT) should ask every educator and a school principal to choose members of their appraisal panel. In case of the appraisal of a school principal, the following may, for example, be part of the appraisal panel (RSA. DoE 1998:6; 2000a:35; 2002c:4):

- The principal him/herself (self-appraisal)
- Peers
- Subordinates
- Customers (parents and community)
- Work teams, such as a School Development Team (RSA DoE 1998:6).

The aim of the performance appraisal system is to acknowledge positive aspects with regard to successful management by principals and to build on the strengths that principals have on managing school funds. It also attempts to improve negative aspects by providing ways to respond to ineffective financial management

approaches in a developmental way and on the basis of existing strengths (RSA DoE 2000c:3 and Samuel *et al.* 1999:257).

Performance appraisal should not be seen as a management instrument to discipline principals; but should rather be linked to competitive advantage. It should be directed towards motivating school principals to maximise their efforts to the advantage of a school. The performance appraisal system should be a formal system of periodic review of a school principals' current or past performance relative to set financial management standards. Furthermore, it should assess the school principals' actual management of school funds relative to these standards; and provide feedback to school principals with the aim of encouraging management of the school fund that is even better than set standards (RSA. DoE 2002b:4).

The Performance Appraisal System in South Africa, when it is used as a management tool, should have the following uses (RSA. DoE 2002b:5):

- It should improve the financial management in schools.
- It should provide a profile of the schools' human resources, that is, the strengths and weaknesses which support human resource planning.
- It should help to identify principals' specific needs for development as school financial managers.
- It should help to identify principals' strengths and weaknesses with regard to the management of school fund, thus assisting in development.
- It should serve as a basis for fair compensation.
- It should help in the assessment of a principals' potential as a school financial manager.

3.6.3 The usefulness of the performance appraisal system for this study

It should be clear that the performance appraisal system in South African education may be used as a tool to identify the strengths and weaknesses of public school principals as financial managers. Additionally, the data obtained by means of the performance appraisal of school principals may be very useful in determining the need for a programme to better facilitate these principals' financial management of

their schools. It should therefore be obvious that the plan for a programme for facilitating principals' financial management of public schools in the Free State province would include making use of the IQMS, WSE, and in particular, the data obtained from this performance appraisal system (see Chapters 6 and 7).

3.7 APPROACHES AND MODELS FOR THE DEVELOPMENT OF SCHOOL PRINCIPALS AS FINANCIAL MANAGERS

Developmental programmes for principals as school financial managers could take place in accordance with a carefully planned learning programme and emphasis could be on the needs of school principals as financial managers. The learning programme should be based on developmental objectives agreed upon, and content should enable principals to achieve set objectives (FSDoE 2003:1; RSA DoE 2002b:1; Erasmus and Van Dyk 1999:42 and Jackson 2004:71).

3.7.1 Self development models

Self-development of school principals could, for instance, involve the following possibilities:

- *Learning resource centres* could be established where principals may access learning material on the management of school funds.
- *Action learning* could be embarked upon, which would require that a group of school principals meet at regular intervals, tackle problems and work together in resolving their financial management problems.
- *Distance learning* could be encouraged. This entails studying at a distance institution, and it would enable individual principals to study at a place, a time and a pace which suits them (Stewart 1994:8).
- *Self-managed learning*, which involves a learning contract, also known as a personal development plan, could be promoted. Such a contract would enable school principals to focus specifically on what they want to learn; for example, the effective management of school funds (Law and Glover 2000:260; see 3.8.2 and 3.8.3).

3.7.2 Nadler's development model

Nadler's development model views the development of school principals in holistic terms, and involves the following steps (Erasmus and Van Dyk 1999:41):

- *Identifying the developmental needs of school principals:* An important consideration during this step is that school and individual needs be taken into account when gathering information. Once an agreement has been reached regarding the nature of the training needs, the design and implementation may follow.
- *Evaluation and feedback* are aspects that are central to Nadler's model; they are regarded as continuous; and are executed in each step of the training process.
- *The specifying step:* Principals' financial management tasks are analysed with the aim of determining work standards against which their performance can be measured.
- *Compiling the syllabus (learning programme):* Emphasis should be on what financial management functions should be learned and the order in which these are to be learned.
- *Selecting instructional strategies:* Aids should be selected in view of presenting the training programme in a meaningful and enriching manner.
- *Acquiring instructional resources:* A variety of resources need to be considered to ensure a successful presentation of the development programme (such as financial resources and programme facilitators).
- *Presentation of the developmental programme* should integrate all previous steps and include aspects such as presenting, evaluating and concluding the developmental programme.

The empirical research performed in this study (as explained and reported in Chapters 4, 5 and 6) closely resembles Nadler's model for the development of a training and development programme. In particular, the plan for a programme to facilitate principals' financial management of public schools, which is proposed in Chapters 6 and 7 of this study, clearly covers all the components of Nadler's model.

The developmental programme of Nadler overlaps with a model of Camp, which is geared towards definite needs (Erasmus and Van Dyk 1999:44).

3.7.3 The high-impact development model of Camp

Camp's model includes the following steps (Erasmus and Van Dyk 1999:46):

- Identifying training needs of school principals as financial managers.
- Once training needs have been identified, then measurable objectives should be set and a design should be mapped out. The objectives should define in detail what training is required.
- Effective learning tools are created and should include manuals and materials to support the training programme.
- The developmental programme is delivered to a target population.
- The trainer should determine whether the stated objectives are achieved by means of calculating measurable results.
- By means of follow-up, trainers are to ensure that the developmental programme remains objective (cf. Jackson 2004:71).

As is the case with Nadler's model (see 3.7.2), the aforementioned plan proposed by the researcher in Chapters 6 and 7 of this study, also caters for all the components of Camp's model.

3.7.4 Competency-based development models

Competency-based training programmes can also be used to provide school principals with the necessary knowledge, skills and appropriate attitudes needed to manage school funds successfully. This type of programme can expose the school principals to well planned, high quality and carefully designed learning programmes. It could give them time to master one financial management task before proceeding with the next. A financial management task will be completed only once it is performed at a high standard in an actual or simulated work environment. The following are characteristics of a competency-based training programme (Jackson 2004:68; Boninelli and Meyer 2004:161):

- The developmental programme is individualised, where trainees are the focal point and are responsible for their own performance improvement.
- Evaluation of the programme takes place on a continuous basis according to financial management skills mastered. This allows continuous feedback to principals, causing them to be more motivated (Boninelli and Meyer 2004:167 and Law and Glover 2000:255).

3.7.5 Components of and activities for training and development programmes

Development programmes for school principals as financial managers should be designed to help them change the manner in which they manage school funds. The development of school principals as school financial managers should be a continuous process sequenced over time, rather than a once-off event. In other words, in selecting a developmental programme for school principals as financial managers, care should be taken of the impact it will have, such as: whether school principals seek to change their awareness; knowledge, attitudes, or financial management skills; who will be involved (for example, individuals or groups) and in what ways this developmental programme will be implemented (e.g. career/ role/ practice/ personal growth) (Craft 2000:31).

The following general components of developmental programmes have been identified by Craft (2000:26):

- Presentation, which impacts on awareness on the part of trainees.
- Demonstration, which impacts on awareness and financial management knowledge.
- Practice in simulated settings, which impacts on awareness of the financial management and knowledge and the application of financial management functions.
- Feedback on the performance, which impacts on the awareness, knowledge, skills and application.
- Assistance or coaching, which impacts on the awareness, knowledge, skills and application.

Craft (2000:18) also proposes a number of developmental activities such as the following:

- Practitioner development, which is usually school-based, involves individual school principals and includes such activities as observation, job shadowing, induction (see 3.8) and team teaching.
- Professional education involves credit-bearing courses offered at higher education institutions and which focus on interface between theory and practice.
- Professional training, which includes activities such as courses, workshops and conferences, with an emphasis on practical financial management skills and information – some of which lead to academic awards or accreditation towards national standards.
- Professional support, which includes such activities as appraisal of school principals (see 3.6), promotion, career development, mentoring (see paragraph 3.7.5), team building, equality of opportunities and re-deployment.

The components of the plan proposed by the researcher in Chapters 6 and 7 of this study makes provision for all the above-mentioned activities as identified by Craft.

3.8 ON-THE-JOB DEVELOPMENT AND TRAINING METHODS AND STRATEGIES

On-the-job training of school principals as financial managers usually involves developmental programmes at the school where they are employed. It may be informal, for instance, if and when officials from the Education Department visit school principals, and explain how to handle school financial documents. This programme is likely to produce good results, as a principal would not be intimidated by the presence of a large group of officials. School principals are likely to participate in such an exercise and make comments on the findings of a supervisor with regard to aspects of the school's financial management.

On-the-job training could take any of the following forms: Induction; mentoring; workshops; principal controlled training; junior board training; financial instruction; assignment to committees; local outdoor-training programmes; and counselling (see

3.7.1.1 to 3.7.1.10; Harris and Muijs 2005:58; Sagor and Barnett 1994:506 and Goodlad 1975:95).

It is, however, very important to emphasise at this point in time that the distinction between off-the-job and on-the-job methods is not always very clear. Thus, some of the methods classified in this section as on-the-job in nature, may also be employed in an off-the-job context and *vice versa* (see 3.9).

The development of school principals would be more effective if it is handled by immediate supervisors who might have good working relationships with them, because school principals are encouraged to discuss work related problems and learn from their supervisors. Supervisors are more likely to treat management problems faced by their down-line staff as learning opportunities than occasions for censure (Rees and Porter 1996:247 and Stewart 1994:219).

On-the-job development may also include any of the following methods or activities:

- At times a school principal could be invited to understudy the post holder, for example, Chief Financial Officer of the Department of Education performing financial management tasks (Dean 1993:55).
- Keeping a diary would help a school principal to reflect on the financial management activities at a school. It could be even more useful if a pair of principals both do this, exchanging information about their findings and discussing the way forward (Baginski and Hassell 2001:303).
- Observing or working with a principal from another school, could be arranged by the Department of Education where school principals observe one another and give feedback (Dean 1993:57).
- Personal reading and study on effective financial management in schools, would give extra impetus if principals are asked to report on their findings to other groups. This is a useful activity for yearly meetings of school principals where they make their findings known to their colleagues.
- A survey may be undertaken to learn more about school financial management tasks by asking or interviewing other principals about their experiences as school financial managers.

- Principals who conduct in-service sessions for their colleagues could also learn in the process.
- Shadowing another school principal for part of the day. This could be an opportunity for a newly appointed school principal to see financial management tasks being performed by a more experienced colleague and would be a valuable opportunity for him/her to learn (Baginski and Hassell 2001:231).
- Taking part in group problem-solving activities, related to the management of the school fund provide learning opportunities for school principals.
- School principals may learn a great deal when watching lessons on the management of school fund from a videotape that is discussed with them.
- Visiting other schools. There are, however, problems about finding the time to visit other schools, but this could be a very useful opportunity for school principals to learn how the school fund is managed by other principals (Dean 1993:59).

3.8.1 An on-the-job in-service strategy for school principals as financial managers

One of the functions of the Department of Education is to constantly try and improve the quality of its manpower, specifically school principals who are financial managers at their schools. The development of school principals as financial managers should therefore be the highest priority of the Department of Education. The main aim of in-service training must be to develop school principals as financial managers (Calitz *et al.* 1992:143).

The operating principles behind an on-the-job or school-based in-service strategy should include involving school principals in financial planning and in developing themselves. School principals should also undertake measures of self-evaluation from time to time (see 3.6 and 3.8.3).

A weakness of a school-based in-service strategy could occur if school principals are left to determine what is to be done themselves. To combat such weaknesses, experts, consultants, and facilitators should be requested to assist with the development of school principals. School clusters could also be considered as a

sub-case of a school-based in-service strategy, where schools in easy reach of each other co-operate in the development of their principals (UNESCO 1987:15).

Another weakness in the school-based approach is that it becomes rather insular, whether it is facilitated by someone within the school or from outside. Although, by bringing in an outsider insularity is at least reduced initially. On the other hand, the school-based approach is seen as comprising a wide range of opportunities for the school principal (Craft 2000:20).

The on-the-job or school-based approach, in so far as a financial management development programme is concerned, is related to the needs of a particular group of school principals. However, the location for development of school principals could be outside the school itself, and distractions of receiving training in a school can therefore be avoided (Sutton, Turner and Turner 1995:182).

3.8.2 Development planning for school principals

The development of school principals as financial managers could be clarified by the presence of a school development plan. Such a plan should set out aims and priorities for a school principal developmental programme. To be effective, a development plan should be linked to the availability of resources; for example, it should state clearly who will be funding the programme (Calitz *et al.* 1992:144).

A sound school developmental policy could be the best guideline for on-the-job in-service training of school principals as school financial managers. It is a systematic account and summary of accepted practice, prescribed work methods, codes of conduct, and so on, which apply to the management of school funds by school principals. It makes it possible for school principals to familiarise themselves with everything that has to do with their development, especially for newly appointed ones. A school developmental policy therefore should be constantly updated and improved, at least once a year (Calitz *et al.* 1992:144).

The development plan process should consist of the following stages (Van Deventer and Kruger 2005:234):

- *An audit*, which implies a review of the strengths and weaknesses of the school principals as financial managers.
- *Construction or identifying of priorities* for development and turning these into specific targets.
- *Implementation of the development plan* (Harris and Muijs 2005:126).
- *Evaluation*, which implies checking successes or failures of development plan.

A school development plan could be split into a long-term (three year) / strategic plan and a short-term (one year) plan (Craft 2000:202 and Van Deventer and Kruger 2005:235).

3.8.3 Formal and informal self-development

School principals can learn from many activities; for example, from financial management courses that are organised by the Department of Education; provisions made by schools to develop staff from their own resources and from colleagues who have knowledge and skills on the management of school fund. The following ways could be useful opportunities for school principals to improve their management of school funds themselves (Stewart 1994:5 and Dean 1993:5):

- *Open learning*, which is sometimes linked to learning resource centres in which learning materials are housed. If this is not feasible, resources could be provided via information technology (IT), where individual school principals may access these resources through the Internet or software on their own personal computers. A good example of the latter would be the use of learning management systems (LMSs) such as Blackboard, WebCT and Moodle.
- *Action learning*, which would require principals to meet together at regular intervals over a period of time. In their meetings they would tackle school financial management related tasks and work together to learn in the process.
- *Accelerated learning*, which is aimed at speeding up the process of learning for individual principals.
- *Distance learning* has become widespread and it entails studying through a distance institution. The chief advantage is that distance learning enables school principals to study at a place, time and pace which suit them (Stewart 1994:8).

- *Self-managed learning* involves learning contracts. A learning contract implies a series of goals or objectives that school principals pursue over a period of time. Learning contracts are also known as personal development plans, and these contracts could enable school principals to focus specifically on what they want to learn. Another key element of self-managed learning is that school principals use on-the-job projects as vehicles for the learning process (see paragraph 3.3.1) (Law & Glover 2000:260; Stewart 1994:8).

All these self-development approaches require individual principals to take charge of and be responsible for their own development as school financial managers (Baginski and Hassell 2001:34).

The following ways can be employed for the informal self-development of school principals as financial managers:

- Asking local people such as accountants to come and demonstrate their financial management skills, and even assist principals with day-to-day school financial management tasks.
- Organising co-operative financial management activities with other government agencies, such as the treasury.
- Employing visits and field trips to other institutions as a device for familiarising school principals with school financial management tasks (UNESCO 1987).

3.8.4 Induction of principals as effective school financial managers

Induction is a strategy that can be used to make it easy for new principals to settle into their jobs. It could help new principals to adjust as quickly as possible to their new working conditions, in order to achieve maximum working efficiency in the shortest possible time (Van Deventer and Kruger 2005:209).

Induction processes presuppose that school principals have adjustment problems and need to be developed. School principals who could be inducted may be divided into the following four groups (Dunham 1995:89):

- Newly appointed school principals
- School principals who have become a little rusty because of interrupted service.

- School principals who were trained in human resource management, but who have no knowledge of financial management
- Principals of schools which have recently been allocated Section 21 status (see paragraph 3.2).

A good school should have a carefully planned induction programme for all staff, which is run at the beginning of each academic year. Part of the induction process could be formal and be similar for all newly appointed school principals at the beginning of each year. The induction process could take place intensively during the first week, stretch over the first term and indeed, over the whole year (RSA. DoE 2000a:30 and Van Deventer and Kruger 2005:209).

Part of the induction process could be informal, where there are social occasions at which newly appointed school principals meet principals who have been in the job for a longer period. This programme could help a new principal to develop a clear understanding on the management of the school fund. The task of induction organiser could be delegated to School Management and Governance Developers (SMGDs), who are the immediate supervisors of school principals. Induction organisers could arrange special activities at the beginning of each year. They should keep a close eye on newly appointed school principals during the first term and be available to assist them for the whole of the first year (RSA. DoE 2000a:30 and Van Deventer and Kruger 2005:209).

The personnel department in the Education Department could also plan to run and evaluate induction programmes for school principals. These programmes, however, should not be the concern of personnel department alone. The immediate supervisors of school principals should also have a special responsibility in ensuring that their down-line staff members are fully developed (Van Deventer and Kruger 2005:10). Immediate supervisors of school principals could be assigned to arrange special developmental programmes for the principal and to keep a close eye on how they are managing school finances (Dunham 1995:89 and RSA DoE 2000a:30).

All school principals, whether newly appointed or experienced, therefore need induction programmes at some point in time. Induction programmes should ensure

that newly appointed principals are given the necessary support and guidance which would enable them to manage the school fund successfully; at the same time it could provide them with a proper foundation for further development as financial managers (Baginski and Hassell 2001:231).

3.8.5 Mentoring of school principals as financial managers

Appraisal processes put a lot of emphasis on the professional development of educators and principals at school level (see paragraph 3.6). Schools are expected to be active in in-service training (INSET) for staff, including newly appointed principals and educators. As part of their professional development programmes, schools should also organise their own mentoring systems. Mentoring programmes, therefore, would help newly appointed principals and educators to cope with their new roles (RSA. DoE 2000a:38).

Mentoring could be a powerful and effective way to provide support and assistance to new school principals during their first year as financial managers. Mentoring involves support offered by senior staff with more experience to school principals with less experience, and which ranges over a great number of school financial activities. It could be a way through which more experienced officials could pass on their financial management knowledge, understanding, abilities and skills to less experienced school principals (Nigro 2003:4; Portner 1998:XI and Craft 2000:208).

Mentoring could therefore also be used as a developmental programme for a school principal who requires clarification of new roles and tasks; it could provide feedback on the principal's performance; could highlight opportunities for greater effectiveness and could provide personal support. Therefore the current thinking in the management of successful schools should put great emphasis on the support and development of schools' greatest assets, namely school principals (Nigro 2003:43).

Mentoring may offer that support by providing school principals with someone who can give feedback, question, share, discuss, challenge, confront and guide them through the learning cycle (Nigro 2003:43).

As part of the mentoring process, reflection should involve observing, discussing, generating and evaluating alternative ways of performing financial management tasks (see paragraph 2.2). It could also enable school principals to gain insight into their own financial management practices and explore new ways of managing these. Therefore, a mentor could have a vital role to play in this reflection process by observing, guiding through example and by coaching (Rees and Porter 1996:262).

3.8.5.1 Practice shock

For newly appointed school principals, mentors could play a very important role, because principals need to establish themselves in the new environment. They could render invaluable assistance at the same time by providing access to resources, support and advice which are essential for principals to perform school financial management tasks successfully. Mentoring could ease entry of newly appointed school principals to acquire knowledge and skills required for the effective management of the school fund (Kerry and Mayes 1995:257).

Practice shock (that is, a difference between what one thinks principalship is all about and what it really is) gives rise to inner tension. Beginner school principals often experience enormous changes in their job expectations, approaches, responsibilities and even the friendship of colleagues. Although practice shock is not unique to principalship, it does, however, seem more profound, because of the diversity of financial management tasks delegated to this position. Therefore, mentoring could be an off-line help by one person to another in making significant transitions in financial management knowledge, work and thinking.

3.8.5.2 The need for mentoring

The following factors may converge to make mentoring necessary (Meggison and Clutterbuck 1995:1; Kerry and Mayes 1995:59 and Samuel *et al.* 1999:252):

- A reduction in the size of personnel and training departments means that the Education Department has less internal resources to provide developmental programmes for school principals. In South Africa, the developmental programmes have shrunk from a fortnight to a week, to a couple of days, to a day or even to hours.
- Pressures on the role of school principals, e.g. as financial managers.

- A move towards effective management of school funds (Goldring and Rallis 1993:39).
- Changing professional requirements.
- New perspectives on management, e.g. on the management of school funds (Brock and Grady 1995:22).

3.8.5.3 Mentoring functions

Portner (1998:7-9) and Kerry and Mayes (1995:35) distinguish between the following mentoring functions:

- *Relating*, where a mentor (an immediate supervisor of a principal) builds and maintains a relationship with the mentee (a school principal), based on mutual trust, respect, and professionalism.
- *Assessing*, where the mentor gathers and diagnoses data about the mentee's ways of managing school fund. The mentor determines the mentee's competency and the confidence in managing the school fund.
- *Guiding* could stimulate the mentee's creative and critical thinking. It could empower school principals to take informed financial decisions and also help them build capacity to develop perceptive decisions and to take appropriate financial decisions (Herman 1994:70).
- *Coaching* is usually done by supervisors when they guide the actions of their down-line staff, such as helping principals to manage school funds well. Coaching could be aimed at a development programme, but pressure that is put on trainees to complete tasks at a particular time might make it difficult for them to complete it. This developmental strategy involves observing school principals performing relevant financial management tasks and leads to suggestions and advice for improved performance where it is lacking (Rees and Porter 1996:247). *Coaching* could be particularly appropriate for newly appointed school principals. Its disadvantage is that it could perpetuate a status quo, as newly appointed school principals adopt the same values and perspectives as their coach. Its advantage is that supervisors develop good working relationships with their down-line staff, in such a way that they are in a position to encourage them to discuss their work related problems with them. Therefore, coaching of school principals as financial managers could ensure rapid feedback on performance, since trainees and trainers should always be in contact with one another (Dean

2002:55; Erasmus and Van Dyk 1999:217). *Coaching* also implies that the mentor should help the mentees to fine-tune their financial management skills; it allows the mentor to serve as a role-model to mentees; to share relevant management experiences, examples and strategies and could open new avenues by which mentees, through reflection and practice, would take responsibility for improving their own financial management skills (Erasmus and Van Dyk 1999:217).

3.8.5.4 The Education Department and mentoring

Mentoring of school principals as financial managers may be formal, where regular weekly or monthly meetings between the mentor and school principals would occur, or it can be informal, where regular chats occur between the mentor and mentees. Officials from the Education Department, school principals from neighbouring schools, the school management development team, or knowledgeable people from the private sector may serve as mentors for school principals (Erasmus and Van Dyk 1999:217).

As part of its professional development programme, the Education Department should therefore also organise mentoring systems for school principals. For example, officials from the Education Department could be identified and mandated (as mentors) to assist school principals (as mentees) to cope with new developments in the management of school fund (RSA DoE 2000a:38).

Although it is believed that many principals need support on the management of school funds, it is not possible for officials to visit all schools regularly since the majority of schools in South Africa are in rural areas and are located far from the Education Department's offices (RSA DoE 2000b:9). Materials like training guides of the Education Department could therefore be used to support principals from these schools.

3.8.5.5 The benefits of mentoring

The major benefit of mentoring is probably that it would offer to the mentees a personal reflective space where they would have the opportunity of exchanging

ideas and views outside any reporting relationships (Clutterbuck and Ragins 2002:273 and Kerry and Mayes 1995:10).

Clutterbuck and Ragins (2002:273), Kerry and Mayes (1995:59; 257), Nigro (2003:43) and Theron and Bothma (1990:31) highlight the following possible benefits of a mentoring programme:

- Mentoring could help new school principals to gain a better understanding of their roles (see 2.2).
- School principals could develop greater professionalism and contribute to more effective and efficient financial management of schools.
- Highly qualified school principals could be retained (cf. Theron and Bothma 1990:30).
- Professional financial management knowledge would be transferred from experienced staff members to less experienced ones.
- There could be practical reinforcement of financial management knowledge acquired, for example, by means of workshops.
- Schools could become more of a learning organisation as school principals begin to share financial management knowledge and skills (Kerry and Mayes 1995:89).
- It would create a climate in which school principals are encouraged to learn and develop their full potential.
- It could extend a learning culture.
- It could make a human resource development strategy central to a school development policy.
- It should involve a continuous process of school transformation and harnessing the fruits of learning by school principals.

3.8.6 A mobile development strategy for school principals as financial managers

An essential feature of a mobile development strategy is that it takes an in-service training facility to schools where it is required. Several variations of a mobile development strategy include the following (UNESCO 1987:15):

- Experts who make short visits to schools, to engage in on-the-spot in-service training.
- Groups that are set up with special mobile facilities and suitable resources, to undertake group visits for the explicit purpose of conducting in-service training.
- Advisors who become available on request to provide school principals with assistance (see paragraph 3.3.2.7) (UNESCO 1987:15).

3.8.7 Job enrichment

Job enrichment occurs when a school principal is given the responsibility to coach others in managing the school fund (Dean 1993:55). It therefore refers to vertical extension of a job. Vertical work loading will occur when financial planning and control previously performed by a school principal is now performed by a person who is responsible for the actual job, for example, a school financial committee member who is assigned to draw up a school annual budget. Job enrichment also could imply addition of the following financial activities: measurable goals; financial decision-making responsibility; financial control and feedback (Palmer *et al.* 1992:327).

3.8.8 Job rotation

In a job rotation developmental programme, school principals move from one task to the other. This may happen at a particular school or between different schools. School principals who are involved in such a programme take turns in doing various school financial management tasks. The school financial management task does not change; it is only trainees who alternate (see figure 2.2). Because school principals use different financial management skills and abilities in different tasks, it becomes a means of relieving monotony and boredom, which is typical of over specialisation. Job rotation therefore creates training opportunities for school principals that are beneficial to schools (Erasmus and Van Dyk 1999:217).

3.8.8.1 Advantages of job rotation

Through job rotation, the school principal becomes better motivated, because job rotation contributes to development, improved self-image and job satisfaction (Erasmus and Van Dyk 1999:217; and Dean 1993:271). The job rotation may focus on the work and role of school principals as school financial managers; for example, roles played by school principals of Section 21 and Non-Section 21 Status Schools (see 2.2; 3.2; and 3.4) (Craft 2000:31 and RSA 1996c:17). Equally, job shadowing forms part of needs identification for in-service development of school principals. It is a way of extending financial management experience of school principals (Craft 2000:31).

There is value in a school principal exchanging financial management tasks for a period with someone on the same post level. Working in a new school environment with new colleagues is stimulating and suggests new ideas. This could be arranged between school principals who perform similar tasks, for example, school principals of Section 21 status schools or non-section 21 status schools (see 2.2). It may last for a week, a term or the whole year, and it could enable school principals to know how the school fund is being managed in other schools (Dean 1993:272; and Erasmus and Van Dyk 1999:217).

3.8.8.2 Disadvantages of job rotation

Job rotation may also be disadvantageous because the school principals may see themselves as doing tasks only temporarily, and may tend to be less dedicated. The potential of a school principal who rotates from task to task may also not develop to the full, since a school principal may not have reached optimal proficiency before being moved on to the next task. When they return to previous tasks, it would take some time to reach the required standard once again. In cost terms, job rotation could be expensive, because service time might be lost. Team spirit may also be adversely affected, because individual principals could see themselves as temporary, and might therefore never really become part of a group (Dean 1993:272; and Erasmus and Van Dyk 1999:217).

3.8.9 Job enlargement

Job enlargement entails addition of a variety of tasks to a job to make it larger. Another term used to describe this is horizontal work loading. The concept of job enlargement is illustrated as follows by Palmer *et al.* (1992:325):

Worker: A	Worker: B	Worker: C	Worker: D
Step: 1	Step: 2	Step: 3	Step: 4

According to this example, job enlargement comprises of four steps, for example, receipting, balancing, recording and banking of the school fees. It could be performed by four staff members at the school, each of which specializes in one step. Although job enlargement increases the variety of tasks, it might not change much in the challenge that the work could offer. The concept of job enrichment originated as a result of shortcomings of job enlargement (Palmer *et al.* 1992:326).

3.8.10 Other continuous on-the-job development strategies for school principals as financial managers

Continuous development implies that school principals are able to demonstrate that they maintain and develop their financial management knowledge, skills and attitudes. According to the Skills Development Act, No. 97 of 1998, (RSA 1998:6), the South African government requires that a number of skills are instilled in school principals through development programmes, specifically as school financial managers. Generally, South Africans have poor financial management skills profiles as a result of the poor quality of general education for the majority of South Africans. This profile inhibits effective management of school funds by school principals. The Act therefore implies the need to (Rees and Porter 1996:254; and Herman 1994:70):

- Develop skills of school principals who are financial managers.
- Increase investment in education and training in the labour market.
- Use schools as active learning environments, so that principals can be provided with the new skills needed in the management of the school fund.
- Train and develop newly appointed school principals in different ways.

- Encourage school principals to participate in the developmental programmes.
- Ensure quality financial management in public schools.
- Assist the Department of Education to obtain principals who have appropriate financial management skills.

The following continuous development strategies for the development of school principals as financial managers may be considered as on-the-job training possibilities:

3.8.10.1 Workshops

A *workshop* on financial management is arranged by school principals themselves at the schools where they are employed. The first step is for school principals to identify areas where support is needed. Officials from the Education Department would then visit the relevant group of schools to assist these principles (Bisshoff 1996:13).

3.8.10.2 Principal controlled training

A variant to the former type is *principal controlled training* (also known as *learner controlled training*). This allows school principals to decide on the pace at which training should be provided. School principals would decide to have weekly, monthly or daily sessions. They make arrangements with officials regarding the time and venue for the training (Chapman, Froumin and Aspin 1999:491).

3.8.10.3 Junior board training

Junior board training is a developmental programme, where school principals are issued with a questionnaire on how they manage the school fund. School principals are urged to complete a questionnaire. The purpose is to investigate areas where school principals need some assistance and it also gives a picture to the Education Department officials on the financial management by school principals (Rainbird 2000:20).

3.8.10.4 Financial/job instruction

Financial or job instruction, succeeds the junior board method. It follows up on the identified problems regarding the management of the school fund by principals. The Education Department could then send officials to schools principals who need support (Andrews 1999:93).

3.8.10.5 Assistant to positions

Assistant to positions, involves a developmental programme, for example, where school principals are assigned to financial management tasks at the offices of the Department of Education. School principals are expected to assist with the management of financial documents in the education office. This exposes them to a wide variety of financial management activities performed by other officials (De Cenzo and Robbins 1996:247).

3.8.10.6 Committee assignment training methods

School principals may also be *assigned to committees*, (a development method that does not really differ much from the assistant to positions). Assignment to committees is done by delegating school principals to work with committees that deal with school financial management issues at the education offices. School principals, who are assigned to committees, are expected to visit schools that are managing their school finances well and those that are experiencing problems in managing school fund. This exposes school principals to approaches that are used by other principals in managing school finances (Erasmus and Van Dyk 1999:217; and De Cenzo and Robbins 1996:247).

3.8.10.7 Local outdoor training development programme

A *local outdoor development programme*, may involve a process where the Education Department assigns officials or experienced school principals to go and assist school principals who are not managing funds well. These officials are referred to as mentors, because of their task of providing support and guidance to principals (see 3.8.5). This programme could also be used where school principals who have common problems with regard to managing school finances, are grouped together during their training (Reigeluth and Garfinkle 1994:22; Milkovich and Boudreau 1994:459).

3.8.10.8 Employee counselling training method

This involves a programme that could be used to support school principals who cannot manage school finances well. Whenever school principals show poor financial management skills, education authorities could intervene by assigning experts to support the school principals. After causes of poor management of school funds have been identified, school principals and counsellors could be advised to work together to rectify the situation. If these school principals display an unwillingness to improve, it may lead to disciplinary measures against them, such as further counselling, a verbal warning, written warning, final written warning, a fine, not exceeding one month's salary, suspension without pay for a period of three months, demotion or dismissal (RSA 1999b:12 and English and Hill 1994:102).

3.8.10.9 The Kepner-Tregoe method

The *Kepner-Tregoe* programme could be compared to a case study programme, where principals are given the role of exercising tasks, such as collecting money from learners and to name documents that are required to perform these tasks. The purpose of this programme is to evaluate attitudes and knowledge of school principals with regard to various documents that are used to manage school finances (De Cenzo and Robbins 1996:243).

3.9 OFF-THE-JOB DEVELOPMENT METHODS AND STRATEGIES

During *off-the-job* or *off-site* training and development school principals attend developmental activities away from their schools. School principals might find such courses stimulating both in terms of acquiring new ideas and also in exchanging experiences with school principals from other schools. Off-the-job developmental programmes could provide opportunities for school principals to update their knowledge and to gain new skills throughout their careers. School principals are thus provided with the opportunity of exchanging ideas and best practices with others in the profession and have access to quality research (Goodlad 1975:195; Milkovich and Boudreau 1994:504 and Craft 2000:19).

An off-site approach therefore implies that school principals from a number of schools come together for varying lengths of time for development courses. Such

courses range from short courses of one day to an award-bearing course (De Cenzo and Robbins 1996:243). An off-site, developmental programme removes school principals from their daily environment to minimise interruptions and disruptions. A school could conduct its own developmental programme or send its principal to generic management skills programmes offered by a consulting firm or university (Erasmus and Van Dyk 1999:218; Gerber, Nel and Van Dyk 1998:469; Bisschoff 1996:147; De Cenzo and Robbins 1996:243 and Milkovich and Boudreau 1994:505). It may also entail a career-long approach from initial training to retirement. This requires commitment to preparation and induction for all newly appointed school principals and for the duration of their service (Brock and Grady 1995:22).

Formal developmental programmes for school principals as financial managers could mainly be presented off-the-job, away from their normal place of work. One reason for this is that the developmental programme would be considered more of a perk, if conducted at an off-site location rather than at a school.

The *weaknesses* of an off-site approach include the perceived or actual gap between theory and practice and a lack of supporting culture. There is a five-phase career long approach to meet in-service needs of a school principal as a financial manager, namely (Craft 2000:19 and Bush *et al* 1999:103):

- Induction (see paragraph 3.3.1.5).
- Consolidation.
- Re-orientation.
- Advanced training.
- Refreshment.

As stated in 3.8, the distinction between off-the-job and on-the-job methods is not always very clear. Thus, some of the methods classified in this section as on-the-job in nature, may also be employed in an off-the-job context and *vice versa*. For example, there are other forms of off-site developmental approaches, such as the *placement* of school principals in a local workplace, which can also be classified as on-the-job approaches (see 3.8 and 3.9.7). This approach offers school principals an opportunity to negotiate the terms and focus of the placement so as to meet their

developmental needs. These local workplaces involve job shadowing, working on a small scale financial management project and collecting materials and ideas. Off-site programmes could also include, cluster or cross-school developmental work, working groups, workshops and training courses. A cluster or cross-school developmental approach is distinct in so far as the needs are collectively identified and addressed by the schools involved (Craft 2000:20 and Bush *et al.* 1999:103).

3.9.1 Sensitising developmental programme

A sensitising developmental programme encourages the use of sessions, where principals discuss their feelings towards their tasks and their challenges as school financial managers. The aim of a sensitising approach is to increase awareness of school principals on the management of school funds (Erasmus and Van Dyk 1999:218).

3.9.2 Team-building training and developmental programmes

A team-building developmental programme focuses on intact work-groups, and it strives to develop principals' ability to work together effectively on the tasks assigned to them. Team-building without feedback, but with heavy emphasis on group problem-solving skills could also be provided to new teams when self-directed work groups are established (De Cenzo and Robbins 1996:243).

3.9.3 The behavioural approach/modelling

A behavioural developmental programme is based on the social learning theory, which says that, most human behaviour is learned by observing others and then modelling the behaviour when appropriate. Learning from others reduces a need for trial-and-error learning. Social learning is adapted for developing school principals as school financial managers. Rather than telling school principals how to manage the school fund, this approach shows them how to do so by means of videotaped dramatisations, using actor models and then allowing him/her to practise the acquired financial management skills (Milkovich and Boudreau 1994:505).

The behavioural approach follows a fixed sequence of steps, namely (Erasmus and Van Dyk 1999:219):

- The trainers introduce financial management tasks, perhaps in a short lecture that conveys principles underlying financial management tasks. School principals then view the videotape of trainers performing such tasks. Trainers play the tape again, calling attention to key principles or steps called learning points. Retention is improved when school principals generate their own learning points after watching the tape, rather than passively receiving these points from trainers.
- School principals take turns playing the roles of trainers and trainees, so that each of them has the opportunity of practicing the trainers' tasks being taught. The principals then consequently receive feedback on the effectiveness of their role-playing behaviour. This practice continues until the principals feel confident with their financial management skills.
- *Management games*, are similar to a role play development programme. Here, school principals are divided into groups where certain roles are portrayed, for example that of a school treasurer, a school financial committee chairperson or a secretary. This development programme helps school principals to perform different financial management tasks (Gerber *et al.* 1998:471).

The following paragraph discusses how leaderless approaches can be used to develop school principals as financial managers (see paragraph 3.9.4).

3.9.4 Leaderless group discussions

A leaderless discussion approach features school principals working together to solve a hypothetical financial management problem. It is performed by a large group, where school principals are frequently assigned different financial management tasks to perform in simulation. Information unique to a task is provided, for example, financial organisation, financial planning, leading or control. School principals are encouraged to take on different roles, such as the role of a governing body chairperson, a treasurer and secretary. When analysing their behaviour after the simulation, the school principals learn more about their interpersonal, decision-making and financial management tasks (Erasmus and Van Dyk 1999:221 and Correia, Flynn, Uliana and Wormald 2003:1).

3.9.4.1 Case studies

A *case study* programme is the process that requires school principals to study and then to analyse a hypothetical question that deals with the management of the school fund. For example, principals are asked to provide procedures that must be followed when drawing up a school budget. This approach gives school principals the opportunity of applying the knowledge gained from reading books to practical financial management problems on the ground. This approach is often applied in the drawing up of a school budget and assists in assessing knowledge and skills of principals as school financial managers (Erasmus and Van Dyk 1999:220).

3.9.4.2 Incident training

An *incident training* programme allows principals to investigate each financial incident separately and to come up with an independent solution for a financial management problem identified. For example, this could be done by urging school principals to provide school financial documents that are necessary for effective management of the school fund and also to indicate the functions of such documents (Gerber *et al.* 1998:469).

3.9.4.3 Role play

A *role-play* programme could be used to encourage principals to play different roles during training. They may, for instance, play the role of a bookkeeper. Role-play programmes place principals in a real school situation where various financial management tasks are performed (Bisschoff 1996:147).

3.9.4.4 In-basket exercises

An *in-basket* programme, which is also called an *in-tray exercise*, involves the process where a school principal is given a number of financial documents that are arranged according to their functions. The purpose of this programme is to assess the knowledge of a school principal on the documents that are used for financial management (Erasmus and Van Dyk 1999:221 and Gerber *et al.* 1998:470).

3.9.4.5 Syndicate programme

The *syndicate* programme, is a combination of a lecture training programme and a group work programme. School principals are required to listen to presentations on the effective management of school funds. This is followed by groupwork where they are assigned problems that relate to school financial management, such as the compilation of an annual financial report. This programme encourages teamwork and promotes analytical skills (Milkovich and Boudreau 1994:505).

3.9.4.6 Conference programme

In a *conference* programme, knowledgeable presenters (usually from outside the education sector) are invited to make presentations on the management of school fund. The purpose of this programme is to create a link between the public and private sector so as to facilitate improved financial management in schools. For example, chartered accountants may be invited to make presentations on the merits of auditing school financial statements. School principals are usually more empowered after a conference and their attitudes could be greatly improved because of their active participation (Sagor and Barnett 1994:504; Gerber *et al.* 1998:471).

3.9.4.7 University training programme

A *university training* programme involves registration for a course on financial management at any university, so as to be equipped with financial management skills, knowledge and an appropriate attitude (Gerber *et al.* 1998:472). The ACE discussed in 3.4 is an example of such a programme.

3.9.4.8 Sabbatical programme

A *sabbatical* programme applies to school principals who have been at school for a long period. One academic year sabbatical leave (for every ten years of employment) is granted for these school principals to attend a developmental programme on the management of school funds. This programme offers principals an opportunity to refresh their knowledge and skills (Bisschoff 1996:151).

3.9.4.9 Programmed training

Programmed training involves a process where school principals are assigned financial management tasks to perform. Tasks that are assigned can be, for

example, to compile asset registers or to draw up a school's income and expenditure sheet for the term. During the developmental programme, school principals are divided into groups and each group is assigned a financial problem to work on. Examples of aspects that could be dealt with are: the drawing up of an annual budget for a school or the planning of a fundraising project for the school (Gerber *et al.* 1998:472).

3.9.4.10 Computer assisted programme

A *computer assisted* programme is effective when it is combined with videos and it could enable school principals to see how school financial documents are handled. A computer assisted programme encourages school principals to observe all school financial management activities on the screen, followed by discussions and questioning time. By observing how documents are handled, the school principal may learn financial management skills and acquire knowledge and an appropriate attitude with ease (Bisschoff 1996:151).

3.9.4.11 Lecture programme

A *lecture* programme, can be also used to develop principals as financial managers. This programme operates by inviting people who are experts on financial management to present models and papers to school principals. Different speakers make their presentations on different financial areas and at the end, school principals are given the opportunity to make comments and ask for clarifications from lecturers. After a lecture, school principals are expected to become confident in managing the finances of their schools (De Cenzo and Robbins 1996:243).

3.9.5 The Cascade approach

The Cascade approach involves one or two school principals being trained at off-site courses and then charged with replicating the training for their colleagues. In other words, dissemination is built into the initial learning process. The cascade model envisages a series of consecutive training processes, each occurring as a result of the previous one and designed to impart an agreed and consistent body of financial management knowledge, skills and attitudes. Successful implementation of a cascade training model requires that (Law and Glover 2000:260):

- School principals are identified and their particular developmental needs are carefully targeted.
- Clear developmental objectives are set and training materials are of a high quality, well structured, logical, credible and consistent. Detailed and comprehensive training notes (available to all involved) should be used.
- Trainers should be carefully selected for their support of the aims of a developmental programme. There should be a clear match between the following aspects: trainer experience and expertise and the particular stages of a developmental programme; their competence as trainers; and their understanding of financial management knowledge and skills to be imparted.
- Each stage of the developmental programme should provide trainees with time to prepare thoroughly and to absorb and reflect on content.

Fundamental requirements for a Cascade model (Craft 2000:23) include the following:

- Intensive training of school principals to manage school funds.
- Dissemination of financial management activities among school principals.
- Provision of ideas, materials, formats and activities for effective the management of school funds.

The complexity of dissemination relates to whether development is primarily concerned with imparting of financial management knowledge, developing of financial skills or changing of attitudes. Changes in financial management skills and attitude will require support and training over time (Law and Glover 2000:260).

3.9.6 Action research approach

An action research approach (which may be implemented both on-the-job and off-the-job) starts with school principals defining the problems which they want to solve, looking at their dimensions in some detail and forming an action plan which is then implemented. The outcomes of implementation are evaluated, leading to further planning and action. Action research leads to principals questioning their personal

approaches to the management of the school fund and working together so that a variety of ideas is put forward (Law and Glover 2000: 5; Rees and Porter 1996:263).

There is a strong case for encouraging principals to engage in action research, identifying problems in the management of school fund and studying how to overcome them. It is a good idea for school principals to form a group of critical friends or peers who judge the authenticity of each other's work. Furthermore, there is a climate where school principals feel that they can ask each other to observe and to contribute to a solution of a research problem. Behaviour of observers is very important in this context and therefore, the focus of a lesson and the role of the observer is agreed upon in advance. The focus should be either specific or more general and the observer should not move too quickly in making judgements about what is seen (Stewart 1994:15).

School principals should make use of their colleagues' views, often taking them into their confidence and explaining the nature of the study at hand and what they are trying to find out. Questionnaires to their colleagues could provide valuable information about what they find to be effective in the management of the school fund. The following steps are usually undertaken in action research (Dean 1993:111):

- Problem analysis, which is the initial formulation of a problem.
- Data collection or fact finding.
- Data analysis and conceptualisation.
- Planning of the action programme.
- Implementation of the action programme.
- Evaluation of the effects of the action programme and judging the quality of changes.

Action research should link development and evaluation. The development of principals through action research should be grounded in an analysis of the situation in which they operate and various interactions that are involved. Action research should be intended to involve a wide range of approaches for gathering data about the principals' work. It should be a systematic attempt to ensure that personal

reflection is carried out in a valid way. Focus should be on concerns and issues of individual principals and be open for peer support and collaborative learning (Law and Glover 2000:255).

3.9.7 Visits and placements

Visits, which could be either on-the-job or off-the-job in nature, provide another form of in-service development of school principals as financial managers. These should include visits to other schools, resource centres or other kinds of workplace, such as those that are organised through the placement of school principals. The key features of any visit should be made clear, namely: why school principals should undertake it and precisely what they hope to learn, gain, achieve or to find out. Furthermore, visits could help to perform the following functions (Jackson 2004:63):

- A visit to another school should be aimed at finding out about the way the other schools' finances are managed.
- It could focus on composition of a school financial committee (see paragraph 2.2.1.2).
- It could focus on the way a school budget is allocated and managed (see paragraph 2.2.2.1).
- It could focus on whether a school governing body, staff, and parents are involved in the management of school fund.

Such visits could be short or long. A visit to a resource centre could focus on enriching school principals as financial managers, or could be much more narrowly focused on a particular financial activity of a school, for example, controlling school financial records (Bush *et al.* 1999:108; Jackson 2004:63 and Craft 2000:30).

3.9.8 The creative use of ICTs in development and training

Information and Communication Technology offers an increasing range of ways to link with developmental programmes. These include simple data/resource collection, supported open learning programmes, which have interactive elements built in via electronic conferencing and e-mail support with a tutor, as well as personally initiated

dialogues with other principals about management of school finances (Craft 2000:30).

Learning management systems such as Blackboard, WebCT and Moodle are nowadays very popular and may be used to manage the whole learning process of university and college students. This creates wonderful opportunities for distance and blended learning modes of course delivery and should be seriously considered in all future training and development programmes for school principals. Examples include electronic conferences themed around school financial management issues (cf. Craft 2000:30).

3.10 AN INTERNATIONAL PERSPECTIVE ON A PROGRAMME TO DEVELOP SCHOOL PRINCIPALS AS FINANCIAL MANAGERS

Literature pertaining to international experiences regarding the support, training and development of school principals are scarce. For this reason, only a few international examples are discussed in this section, with the aim of identifying possible lessons that could be learned from these experiences.

3.10.1 The UNESCO school financial management project in Africa

As far back as 1994, Coombe and White (1994: 4) reported that, since 1991, UNESCO had tried to raise the profile of school management issues and to seek ways of improving school principals as financial managers in Africa. In the 1980s, UNESCO's Basic Education division had underwritten the development of resource manuals for school principals as financial managers. The secretariat worked to improve financial management in schools in Africa. The UNESCO proposal coincided with requests from several African education ministries for assistance in helping school principals cope with declining resources in schools.

3.10.1.1 Materials development

Coombe and White (1994:4) indicated then that it was clear that existing procedures and resources did not allow for the possibility of addressing the needs of school principals as financial managers. Following consultations with education ministries,

seven topics were eventually chosen. The series, now known as *Better School: Resource Materials for School Heads* includes (Coombe and White 1994:5):

Module 1: Self-development for educational managers (Zimbabwe).

Module 2: Principles of educational management (Namibia).

Module 4: Managing the curriculum and resources (Botswana).

Module 5: Financial management (Uganda).

Module 6: Monitoring school effectiveness (Nigeria).

Module 7: The governance of schools (Ghana).

The materials development programme was carried out against a background of a vigorous review of existing training patterns of principals as school managers, and identification of innovative and cheaper strategies. It was agreed that good strategies had to be based on the evaluation of current management of school funds by principals. The audit of needs and evaluation of existing policy, practice and resources and guidelines for action, which were flexible, ensured a consistent and coherent approach to the development needs, were demand-led rather than course-led and incorporated appropriate training and support materials.

3.10.1.2 Reviewing training strategies

The demand-led training programme would involve more training on-site (i.e. in school or on-the-job); peer-group tutoring in schools, which would increase opportunities for self-study and a commitment to providing opportunities for principals to be responsible for their own professional development as school financial managers (Coombe and White 1994:7).

Coombe and White (1994:9) point out that the intensive, hands-on developmental programme of principals as school financial managers took place within a stream of other developmental activities and material development. The programme suggested a developmental model for principals as school financial managers which would be applied at regional, national, local or school/cluster levels. School based strategies for training principals as school financial managers, using these techniques, would allow participative and incremental hands-on applications in the management of school funds and maximum levels of ownership by the trainees themselves, namely school principals.

3.10.1.3 Evaluating the joint development programme

At a March 1993 workshop in Botswana, participants agreed on a *Statement of Principles*, summarising their perceptions of improving the management of school funds. They also made commitments to action and asked that their management of the school fund should be monitored (see 3.6). The results of the workshop were reviewed along with substantive reports from ministries at an evaluation meeting hosted by the Namibia Ministry of Education and Culture during the last quarter of 1994.

3.10.1.4 The development programme

A strong degree of consensus on the developmental strategic issues evolved during the course of the programme. These issues are summarised as follows (Coombe and White 1994:9):

- There was to be an identified point within the ministries of education responsible, not necessarily for carrying out training of principals as school financial managers, but rather for formulating school financial management policies and plans, promoting and coordinating developmental programme initiatives taken by others, mobilising financial resources, initiating research and representing claims of educational management in various forms.
- The efficient use of existing school financial resources by better financial strategic planning, deployment and mobilisation could make a great difference to what was to be achieved and might limit or even remove the need to depend on international support.
- The developmental programmes for principals as financial managers would provide the foundation for improving management of school funds by principals. Decentralised in-service developmental programmes for principals as school financial managers could be cost efficient and capable of reaching large numbers of principals on a regular basis. They also permitted proactive management of schools from within, rather than relying on directive school management from headquarters.
- There would be merit in working together at international, national, regional and local levels, in formulating the development policies for principals as school

financial managers through consultative processes, creating developmental opportunities and developmental materials by involving all stakeholders in the process. At national level, ministries of education, inspectorates, colleges and faculties of education, heads associations and unions would have a role to play.

- The role of colleges and faculties of Education in pre-service and in-service training, materials development and research would bear a heavy responsibility for the quality and creativity of the training curricula, methods and materials for school principals as financial managers.
- The ministries of education, through their units at various levels, and where possible (in partnership with heads associations and unions could rather than providing training) could create opportunities for self-study, peer group study, distance learning and school-based development. Ministries could create a climate in which training of principals as school financial managers could be decentralised rather than trying to provide all the developmental services from Head Office.
- The school principals would be encouraged to take greater responsibility for their own professional upgrading (see 3.7.1).
- In creating developmental opportunities, the role of convenors would be central in setting a date, place, time, venue and agenda, but not necessarily in paying expenses or providing professional support. Convenors would provide locus for action.
- It was vital to have sound, attractive and relevant school financial management resource materials as the focus for developmental strategies for principals as school financial managers. Coombe and White (1994:10;12) concluded that school principals in Africa should have access to these development modules.

3.10.1.5 The statement of principles

The following statement of principles was agreed upon by Directors and Chief Inspectors of schools and other senior officials, trainers and school principals from sixteen African countries (Coombe and White 1994:12):

- Training for headship: School principals need professional training in managing the school financial resources, and for providing professional leadership for their staff.

- A Locus for management planning and coordination: There needed to be a clearly defined locus for the management of school funds within each education ministry which would establish a sustainable financial management policy.
- School principals should take the initiative to upgrade themselves as financial managers (see paragraph 3.7.1).
- Opportunities for developing the financial management skills of school principals should be available at four stages – pre-service, pre-selection, induction and as in-service-training, supplemented by regular support for both the school principals and senior staff during their careers. Headquarters staff, district officers and inspectors, amongst others, require systematic training on the management of school funds (see paragraph 3.7).
- The developmental programme for principals as school financial managers should involve ministry units at national and district levels, associations of school heads, inspectorates, teachers' unions, teachers' centres, distance education units, colleges, institutes and faculties of education, management development institutes and education resource centres.
- The potential of distance education and open-learning, peer groups, mentors, study circles, mass media, in-school staff development (where viable, in school clusters) and programmes of principals' associations and teachers' unions, should be exploited to take fuller advantage of expertise to develop school principals as financial managers.
- School principals must also have access to the relevant financial management regulations, codes of conduct and other official guidelines on the management of school funds.
- While every effort would be made to supplement national provision with international assistance, aid-supported initiatives on the developmental programme for principals as school financial managers should be incorporated, consolidated and coordinated within the national school management capacity-building programme (Coombe and White 1994:12).

The afore-mentioned principles eventually came in very handy when the researcher had to formulate his proposed plan for facilitating principals' financial management of public schools in the Free State province (see Chapters 6 and 7). Moreover, the first

phase of his empirical research confirmed the similarity of the situation in the Free State province with the situation in the rest of Africa, as described by Coombe and White (1994) in this section (see Chapter 5).

3.10.2 The United Kingdom

In 2002, the United Kingdom introduced a Training Board Programme to develop school principals as financial managers. The National Development Centre was a programme in the United Kingdom that was aimed at developing principals' financial management skills. These programmes started at schools where principals were visited by officials from the Education Department. The officials assessed how school finances were managed by principals and whether there were any weaknesses that had been identified. School principals were then referred to centres for developmental programmes. The United Kingdom used on-site and off-site developmental programmes for principals as school financial managers (see paragraph 3.8 and 3.9.3; Harris, Day, Hopkins, Hadfield, Hargreaves and Chapman 2003:157).

3.10.3 Malaya

In 2000, the National Institute of Educational Management of Malaya trained and developed school principals as financial managers. This was an off-the-job developmental programme where principals were invited to listen to different speakers during a conference. The developmental methods that were used during the conference included lectures and discussions (Rainbird 2000:1). Refer to paragraph 3.9.4.1.

3.10.4 Namibia

In 1998, the government of Namibia provided a developmental programme for school principals as financial managers. It organised workshops for school principals at least once a year, where school principals were expected to attend refresher courses that were organised by the government. Principals who had attended refresher courses received certificates at the end of the programme.

Mentoring of school principals was also one of the methods used in Namibia to enable principals to manage school finances well (see paragraph 3.8.5). Namibia, therefore, used both on-the-job and off-the-job training. By combining the two methods, Namibia seemingly succeeded in developing school principals as financial managers (Olivier 1998:9).

3.10.5 The usefulness of international experiences for this study

Lessons to be learnt from international experiences with regard to the training and development of school principals as financial managers are extremely useful when a plan for facilitating principals' financial management of public schools in the South African context needs to be formulated. Not only was the importance of using both on-the-job and off-the-job training and development methods highlighted in the literature on international experiences, but principles in this regard were stated within African context. These principles feature very strongly in the plan eventually proposed by the researcher in Chapters 6 and 7 of this study.

3.11 SUMMARY AND CONCLUDING REMARKS

Whatever developmental programmes are used to develop school principals as financial managers, they need to be monitored to ensure that identified needs are met. This means that programme evaluation is also critical in order to make timely and appropriate adjustments. Evaluation of developmental programmes could help in ensuring that (Sutton *et al.* 1995:8 and Alexander and Britton 1994:3):

- Newly appointed school principals get appropriate knowledge, skills and attitudes that would equip them to manage school funds effectively.
- The development needs of school principals as financial managers are addressed.
- The gap between the actual and potential financial management is closed.

The delegated financial management tasks of school principals discussed in Chapter 2 (see 2.2), urged an investigation into the programmes of the government, aimed at developing the necessary financial management skills, knowledge and attitudes.

The requirement of the education authorities in South Africa that school principals must embark in life-long learning, as well as obvious advantages that are brought about by the developmental programmes for school principals, created a situation both challenging and rewarding in the South African context.

It is clear from the literature review in this chapter that one of the most important management tasks at a public school is the management of the school fund by the principal and the school's governing body. To ensure that the school fund is managed successfully, the Department of Education, the school governing body and the school principal all play an active role. This implies that the Department of Education should ensure that the school principal and the school governing body have the knowledge, skills and appropriate attitude to manage the school fund effectively.

The discussions in this chapter have clearly indicated the wide range of developmental programmes for school financial management available. The chapter includes a discussion of these programmes, as well as challenges facing school principals as financial managers in South African schools. The responsibility of Education Departments with regard to the development of school principals as financial managers, approaches towards this development, an international perspective concerning this matter and the current programme to develop school principals as financial managers in South Africa, have been outlined.

The next chapter focuses on the research design employed in this study. It explains the role and purpose of the non-empirical literature reviews included in Chapters 2 and 3, as well as how these served as the basis for the two phases of empirical research employed to investigate the need for and the nature of a programme to facilitate principals' financial management of public schools in the Free State province.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

In Chapter 1 of this study it has become clear that sound financial management depends on the expertise and leadership/managerial skills of school principals in a demanding, but often less supporting, environment. As such, the research problem for this study flows from a deep concern for:

- public school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks; and
- the appropriateness of the existing training and developmental programmes to address the problems experienced by these school principals.

In Chapters 2 and 3 of the study, a non-empirical literature study was subsequently undertaken to gain an understanding of the nature and extent of:

- regulations and guidelines regarding school principals' financial management roles and responsibilities in South African public schools; and
- possible training and development practices to facilitate these principals' financial management of public schools (see paragraph 3).

The first and third subsidiary research questions formulated in Chapter 1 of the study were, therefore, covered in Chapters 2 and 3. It subsequently became necessary to investigate Motheo District public school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks, as well as their problems and needs regarding training and development programmes to facilitate their financial management tasks (see paragraph 3.2).

With the latter purpose in mind, the researcher therefore undertook an empirical study to investigate the second and fourth research questions identified in Chapter 1. These are as follows:

- Are these public school principals conversant and do they comply with the regulations and guidelines regarding their financial management tasks?
- Is there a need to extend or improve the existing support, training and developmental programmes for facilitating these principals' financial management of public schools?

In order to do this empirical investigation, an embedded mixed method design consisting of two phases was employed (cf. Creswell and Plano Clark 2007: 67-71; Ivankova, Creswell and Plano Clark 2007:267-268). This investigation included a quantitative checklist survey, during the first phase, to investigate these principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks outlined in Chapter 2. The checklist survey was also used to identify possible problems and needs regarding training and development programmes to facilitate these principals' financial tasks. To extend and validate the findings obtained by means of the checklist survey, a qualitative interview survey was eventually embedded into the original quantitative research design during the first phase of the investigation.

On the basis of all these findings from the literature study, as well as this empirical investigation, the researcher eventually compiled a semi-final plan for an extended and/or improved training and development programme to better facilitate public school principals' financial management of schools during the second phase of the empirical investigation. The reason for drafting this plan lies with the fifth subsidiary research question identified in Chapter 1 of this study, namely:

- How may these principals' needs for support, training and development be addressed?

To validate the researcher's findings regarding a programme to facilitate principals' financial management of public schools, the semi-final plan was finally evaluated by a cohort of experts and school principals in the Free State province during the second phase of the empirical investigation.

In this chapter, the rationale for the embedded mixed method research design is outlined in more detail. This includes an identification of primary and secondary objectives for the empirical investigation, as well as methodological considerations for employing the particular research design.

4.2 AIM AND OBJECTIVES

The delegated financial management tasks as set out in the South African Schools Act No. 84 of 1996 (SASA; RSA 1996c) imply that school principals, together with their governing bodies, have the responsibility of taking care of, controlling and protecting school funds and other school resources. According to Bischoff and Sayed (1999:311), school principals should therefore at least master basic knowledge and skills related to financial management, since schools perform their management functions by receiving and spending public money. Therefore it is a major responsibility of school principals to see to it that the money is spent wisely, and that accurate and complete school financial records are kept.

With this view in mind, and taking the complexity of the research problem and the five subsidiary research questions identified in Chapter 1 of the study into account, the **initial aim** of this study was to investigate, by means of a non-empirical literature study and an embedded mixed methods empirical investigation, public school principals' knowledge of and adherence to the regulations and guidelines for performing their financial management tasks, as well as the appropriateness of the existing training and developmental programmes to address the problems they may experience in this regard. The **ultimate aim** was to propose a plan for an extended and/or improved programme to facilitate their financial management of public schools.

In order to realise the initial and ultimate research aims, five objectives were formulated in Chapter 1 of the study. Three of these objectives directly relate to the empirical investigation employed. The distinction between an initial aim and an ultimate aim eventually necessitated a two-phase empirical investigation.

During the first phase, the following was eventually identified as a primary objective:

- To undertake a **quantitative checklist survey** in order to check these principals':
 - knowledge of and adherence to regulations and guidelines regarding their financial management tasks; and
 - problems and needs regarding training and development programmes to facilitate their financial management tasks.

To enhance the findings of the checklist survey, the following secondary objective was subsequently identified for the first phase:

- To extend and validate the findings of the checklist survey by conducting **qualitative interviews** with a limited number of non-respondents and selected education officials.

With the ultimate aim in mind, namely to propose a plan for an extended and/or improved programme to facilitate the financial management of public schools, the following primary objective was finally identified for the second phase of the empirical investigation:

- To compile a semi-final plan for an extended and/or improved support, training and development programme for facilitating principals' financial management of South African public schools.

As a secondary objective to the aforementioned primary objective of compiling a semi-final plan, the following secondary objective was necessary in order to validate the semi-final plan:

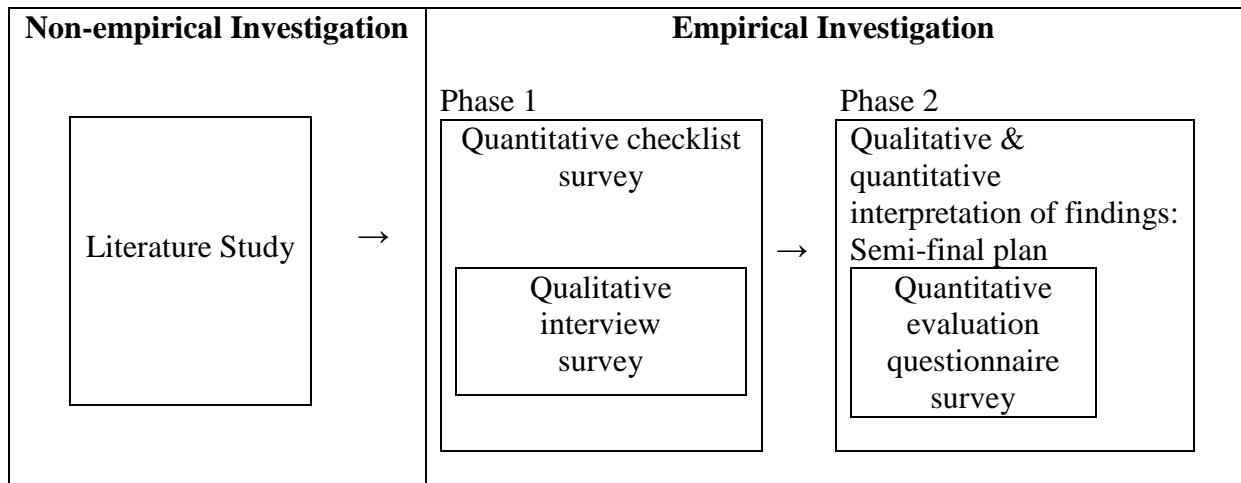
- To have the semi-final plan evaluated by experts by means of a quantitative evaluation questionnaire survey before finalisation/adaptation/refinement.

In the following sections, the methodological considerations for employing the particular research design, as well as the details surrounding the implementation of the research design are discussed.

4.3 METHODOLOGICAL CONSIDERATIONS

It is important to note that this study includes both a non-empirical and an empirical investigation, as classified by Babbie and Mouton (2001:76-79). The entire research design is summarised in Figure 4.1:

Figure 4.1 The research design employed



4.3.1 Non-empirical research: A literature study

The non-empirical research employed in this study consists of the literature study performed and reported in Chapters 2 and 3, which served to establish a theoretical and conceptual framework before the empirical investigation could be performed (cf. Obenzinger 2005:1). In these two chapters non-empirical meta-analytical, conceptual, theoretical and normative research questions (Babbie and Mouton 2001: 77) were explored and eventually answered. These include questions relating to the nature and extent of regulations and guidelines for public school principals' financial management roles and responsibilities, as well as possible training and development practices that could serve to facilitate these principals' financial management of public schools (see 4.1).

The literature study included views from various sources (cf. Naoum 2002:18). Primary and secondary text data sources such as articles, books, chapters in books, papers presented at meetings, dissertations by graduate learners, research reports,

policy documents and relevant Acts were consulted to inform the literature study (Mouton 2001:180).

4.3.2 Empirical research

The premises underlying the empirical investigation in this study are of a methodological nature. In the empirical research mainly primary data were collected (cf. Babbie and Mouton 2001:78).

Although a qualitative, phenomenological approach was taken in the qualitative interview survey, which followed the initial quantitative checklist survey, it may be assumed that the researcher mainly followed a post-positivist approach in implementing and interpreting the empirical research, since the major type of research employed was survey research. Many authors usually classify survey research as non-experimental quantitative research (e.g. Creswell 2005:52; McMillan 2008:204; McMillan & Schumacher 2001: 304-310), which in essence implies either a positivist or post-positivist approach to data collection, analysis and interpretation. It should be remembered, however, that qualitative questionnaire or interview surveys (using mainly open-ended questions) are also possible. Because of their qualitative nature, the major approach used in the latter types of surveys may be more phenomenological in nature.

The first two research questions relating to the empirical investigation may be typified as descriptive, explanatory, exploratory and/or evaluative in nature (cf. Babbie and Mouton 2001: 76; McMillan and Schumacher 2001: 304). The researcher firstly wanted to develop an own understanding of the way in which public school principals in general know, understand, experience and fulfil their roles and responsibilities as financial managers of these schools. However, the research objectives also indicate an interest in school principals', education officials' and experts' perceptions regarding the possible problems and principals' needs regarding training and development programmes to better facilitate the fulfilment of their roles and responsibilities. These objectives were investigated in the first phase of the empirical investigation.

The remaining two research questions relating to the empirical investigation (which are descriptive and evaluative respectively) clearly indicate the researcher's interest in providing a plan for an extended and/or improved training and development programme for better facilitating these school principals' financial management roles and responsibilities in public schools in South Africa.

4.3.3 Embedded mixed methods empirical research

The ultimate aim of an empirical research design is to provide a plan that specifies how the study is going to be executed in order to answer the research questions, including multiple decisions on how data will be collected, interpreted, analysed and reported (Durrheim, 1999:30).

Recognising that biases inherent to the use of one approach could have a negative effect on the validity and reliability of the research findings, the investigator used both qualitative and quantitative research methods. Triangulating of data sources, a means of seeking convergence across qualitative and quantitative methods, increases the validity and reliability of research results. The reason for combining the two types of data is that the results from one method can help develop or inform the other method or to answer the primary research question (Creswell 2003:15; Berg 1995: 7; Cherry 2000: 48 to 90).

For the purpose of achieving the empirical research questions in this study, an embedded mixed method design, consisting of two phases was therefore employed (see 4.1; cf. Creswell and Plano Clark 2007: 67-71; Ivankova, Creswell and Plano Clark 2007:267-268). The embedded design included a quantitative, non-experimental, descriptive checklist survey, followed by an embedded, qualitative, interactive interview survey in the first phase of the empirical investigation in order to extend and validate the findings obtained from the initial checklist survey. During the second phase of the empirical investigation, the findings from the first phase were integrated with each other, as well as with the findings from the literature study in a qualitative way. With this as a basis, a semi-final plan for facilitating school principals' financial management of public schools was compiled. This was eventually evaluated by selected school principals and other experts in the field of

school financial management in an embedded quantitative evaluation questionnaire survey during the second phase of the empirical investigation.

4.3.3.1 Quantitative non-experimental checklist survey

McMillan and Schumacher (2001:301-331) indicate that a distinction is basically made in terms of the way the research data obtained are analysed, interpreted and reported.

Quantitative research usually involves an investigation of a single reality that can be measured by a particular instrument. In this case, a quantitative checklist questionnaire was used in order to present the findings in the form of frequencies, percentages and by making use of tables and graphs. Quantitative research is therefore based on some form of logical positivism that assumes that there are stable, social facts with a single reality that can be separated from the feelings and beliefs of individuals. Quantitative research can, however, also be classified as non-experimental survey research if its main purpose is to describe, explore and explain an existing situation. This includes investigations into people's attitudes, beliefs, values, demographics, behaviour, opinions, habits, desires, ideas, and other types of information (McMillan and Schumacher 2001:15; 30-34; 304).

The findings derived from quantitative research techniques are based on the representativeness of the sample, the reliability and validity of the measures being used and statistical analysis (see 4.4 to 4.7).

In the execution of the checklist survey in the first phase of the empirical investigation, post-positivist claims for developing knowledge and the employment of strategies were used (Creswell 2003:13). For this purpose, a group checklist questionnaire, mainly consisting of checklist questions, was compiled and administered in order to investigate the extent to which Motheo District principals were conversant with and complied with regulations and guidelines regarding their roles and responsibilities as financial managers of public schools, as well as the possible need for a training and development programme in this regard (cf. Maree and Pietersen 2007:157; see Appendix A).

The reasons for the administration of a group checklist survey in this study were as follows:

- It was convenient for the researcher be present and to wait for the respondents to complete the questionnaire (Maree and Pietsen 2007:157).
- Quantitative research instruments such as checklists are best at measuring frequencies, amounts, percentages, or quantity and making conclusions regarding a given situation (Berg 1995:2; Creswell 2003:153 and Cherry 2000:77).

4.3.3.2 Qualitative interview survey

Qualitative interactive research necessitates the narrative presentation of data and not statistical representation and interpretation, as found in a quantitative study (see paragraphs 4.5.2 and 5.3.2). According to De Vos, Strydom, Fouché and Delpont (2002:77), a qualitative research method stems from a post-positivist approach; it is holistic in nature, and is aimed at understanding social life and the meaning people attach to everyday life in terms of what they experience while executing their tasks (e.g. managing school funds). In the case of this empirical investigation, the aim was to investigate and understand a particular phenomenon, namely school principals' financial management of public schools, including their training and developmental needs in this regard. A phenomenological approach was therefore taken in the qualitative interview survey employed.

The context of an interactive, participant-observation study, such as the interviews that were done with the five school principals, includes the site, the selected settings, social scenes and the participants (e.g. principals as school financial managers). Presenting the context is essential for readers to understand the study and for extending the understandings acquired to future research or practices.

According to Berg (1995:9) and Creswell (2003:17) qualitative research is a process of interim, discovery analysis, developing coding topics and categories that may initially come from data or be predetermined and pattern-seeking for plausible explanations. Despite this variation, two aspects of a study are usually presented as qualitative data, namely the context and the quotations of participants' language.

The actual statements of the people interviewed represent their construction of the world and the meanings they give to social situations and events. The researcher's task is to arrange these views in a logical manner, making participant's meanings unmistakable to the reader (Cherry 2000:116).

The qualitative interview survey was employed in order to extend and validate the findings from the quantitative checklist survey. This qualitative interview survey produced descriptive data in the participant's own written or spoken words. Firstly, face-to-face, one-on-one, semi-structured interviews (for the interview schedule, see Appendix B) were carried out with school principals in the Motheo Education District who did not respond to the checklist questionnaire (see 4.2).

Non-interactive, but open-ended interviews were also done with four education officials, in two different provinces in South Africa, who were nominated by their respective Education Departments. The officials were provided with a preliminary outline of the semi-final plan for facilitating school principals' financial management of public schools and asked to comment on the preliminary outline (see Appendix C). The officials eventually responded (as pairs) in writing, providing their impression of the outline, and proposing particular recommendations in this regard (see Table 4.3).

4.3.3.3 Quantitative evaluation questionnaire survey

On the basis of the research findings of phase 1 of the empirical investigation (see Figure 4.1), a semi-final plan for an extended and/or improved training and development programme to facilitate principals' financial management of public schools, was eventually formulated (see 6.2). A quantitative questionnaire was subsequently compiled, based on the salient features of the semi-final plan and distributed among selected office-based education department officials involved in school financial management development, as well as public school principals.

The purpose of the follow-up questionnaire survey was to afford a purposefully selected group of public school principals and office-based education officials the opportunity of evaluating the salient features of the semi-final plan (see 6.2 and 6.3). The ultimate aim of this evaluation survey was therefore, to determine the strengths and weaknesses of the semi-final plan and to improve the plan, if necessary. The

semi-final plan proposed alternative strategies for better facilitating of principals' financial management of public schools.

In Chapter 7 of this study, the final plan (as adapted after an analysis of the evaluation survey) is eventually proposed and discussed (see 7.3).

4.4 SAMPLING, RESPONSE RATES AND DEMOGRAPHIC PROFILES

Due to financial constraints, the size and scope of this investigation, as well as the accessibility of school principals were affected. The researcher therefore used subjects who happened to be easily accessible and represented certain types of characteristics (McMillan and Schumacher 2001:173-174). A convenience sampling method was implemented to select the principals in the Motheo Education District, as well as the education officials who took part in the checklist and interview surveys respectively, during the first phase of the empirical investigation. During the second phase of the study, the respondents in the quantitative evaluation survey of the semi-plan were purposefully selected.

4.4.1 The checklist survey

At the time of the first phase of the empirical investigation the researcher was still a principal of a public school and one of the 120 school principals who attended the Motheo Principals' Conference held in February 2006. The researcher was permitted to distribute the checklist questionnaire to all 119 fellow-delegates during the conference. Eventually, 79 of the 119 checklist questionnaires were completed and handed back to the researcher by the end of the conference. The response rate of the checklist survey therefore was 66,4%, which is relatively acceptable and increases the generalisability of the findings of the checklist survey to the target population.

The total number of respondents (79) comprised 40 (i.e. 50,6%) primary school and 39 (i.e. 49,4%) secondary school principals. At the time of the checklist survey, there were 130 public schools and consequently the same number of principals in the Motheo Education District. The number of respondents therefore represented

60,8% of the of the total population at the time of the research. The demographic profile of the respondents to the checklist survey is summarised in Table 4.1.

Table 4.1 Demographic profile of the respondents who completed the checklist questionnaire

										Total (N)
Experience as school principals	Years <u>2-5</u> 26	Years <u>6-10</u> 31	Years <u>11-15</u> 22							79
Gender	<u>Male</u> 64	<u>Female</u> 15								79
Race	<u>Black</u> 59	<u>Whites</u> 13	<u>Coloured</u> 7							79
Age	Years <u>31-40</u> 20	Years <u>41-50</u> 43	Years <u>51-65</u> 16							79
Professional qualifications	<u>JSTC</u> 3	<u>SED</u> <u>PTD</u> <u>STD</u> 2	<u>FDE</u> 10	<u>ACE</u> 9	<u>BA.Ed</u> 14	<u>B.Com</u> 5	<u>B.Ed Hons</u> 2	<u>B.Ed</u> 32	<u>M.Ed</u> 2	79
Academic qualifications	<u>Grade 12</u> 79	<u>BA</u> 12	<u>Honours</u> 0	<u>Master's</u> 2	<u>Doctorate</u> 0					79

From Table 4.1 it can therefore be calculated that 32,9% of the 79 respondents had two to five years of experience as school principals; 39,2% had six to 10 years' experience and 27,8% had 11 to 15 years' of experience. In terms of gender, 81% of the respondents were male and 19% female. With regard to the race, 74,7% were Black, 16,5% White and 8,9% Coloured. The age of 25,3% of the respondents ranged between 31 and 40 years; 54,4% were aged between 41 and 50 years and the remaining 20,3% were between 51 and 65 years old.

The professional qualifications held by the respondents were as follows: Three (i.e. 3,8%) of the respondents held a Junior Secondary Teacher's Certificate and 2,5% held either a Primary Teacher's Diploma, teacher's diploma or a Secondary Teacher's Diploma. Another 12,7% held a Further Diploma in Education and 11,4% an Advanced Certificate in Education. As far as professional degrees are concerned, 17,7% held a B.A. Ed. degree, 6,3% a B.Com. Ed. degree, 43% a B.Ed. or a B.Ed. Hons degree and another 2,5% an M Ed degree. Concerning academic qualifications, other than qualifications in education, 2,5% respondents held a Master's degree and 15,2% had completed a pure B.A. degree. All 79 of the respondents had completed matric/Std 10/Grade 12 at school level.

It is interesting to note that, since the beginning of 2006, the number of public schools (and therefore school principals as well) had increased to an astounding 343 by 2008. This includes independent schools, farm schools, specialised schools and new public schools built between 2006 and 2008.

4.4.2 The qualitative interview survey among school principals

Nine months after the conference, the researcher was successful in securing appointments for one-on-one, semi-structured, face-to-face, interviews with a number of purposefully selected non-respondents. This followed the recommendation by McMillan and Schumacher (2001:309) that a sample of non-respondents should be interviewed after a survey, in order to investigate the possibility of bias in the initial group of respondents. Eventually, only five of the selected non-respondents were interviewed, because a point of saturation of the data was reached.

Table 4.2 Demographic profile of the interviewees (school principals)

					Total (N)
Experience	<u>Years</u> <u>5 – 7</u> 1	<u>Years</u> <u>8 – 10</u> 3	<u>Years</u> <u>11 – 15</u> 1		5
Gender	<u>Male</u> 3	<u>Females</u> 2			5
Race	<u>Black</u> 2	<u>White</u> 1	<u>Coloured</u> 2		5
Age	<u>Years</u> <u>40 - 45</u> 1	<u>Years</u> <u>46 - 50</u> 1	<u>Years</u> <u>51 - 55</u> 2	<u>Years</u> <u>56 - 65</u> 1	5
Qualifications	<u>FDE</u> 1	<u>BA.Ed</u> 1	<u>B.Ed Hons</u> 2	<u>M.Ed</u> 1	5

The researcher was fortunate in that the five interviewees were a fairly representative selection of the target population, when considering the principle of maximum variation in a qualitative sample (see Table 4.2). The demographic profile of the interviewees is summarised in Table 4.2 and confirms this assumption. Note the fair distribution as far as experience, gender, age and qualifications are concerned and how this correlates with the demographic profile of the respondents in the checklist survey.

4.4.3 The qualitative interview survey among education officials

As indicated earlier, the researcher also involved six office-based education officials from two provincial departments of education specialising in school financial management, in a non-interactive, but open-ended interview survey. The interviewees were asked to comment on a preliminary outline of the semi-final plan for facilitating principals' financial management of public schools. The FSDoE nominated two of these interviewees and neighbouring education departments were requested to nominate the other four. As the researcher had limited influence in the selection of the interviewees, the sampling in this case may, therefore, be typified as convenient in nature. The demographic profile of the six interviewees also shows a fair distribution of characteristics (as depicted in Table 4.3).

Table 4.3 Demographic profile of the education official interviewees

				Total (N)
Experience	Years 3 – 5	Years 6 - 10	Years 11 – 13	6
	1	1	4	
Gender	Male	Female		6
	5	1		
Race	Blacks	Whites		6
	2	4		
Age	Years 40 - 50	Years 51 - 65		6
	2	4		

4.4.4 The quantitative questionnaire evaluation survey

One of the first steps in planning the evaluation survey was to choose participants who would complete the questionnaire. In order to evaluate the researcher's semi-final plan for a programme to facilitate principals' financial management of public schools, it was important to compile an evaluation panel of "experts" as far as the current situation in schools is concerned. Purposeful sampling was therefore employed in order to obtain the views of office-based education officials and public school principals on a proposed semi-final plan for such a programme (see 6.2).

The purposeful sampling increased the utility of information obtained during the first phase surveys, namely the checklist and interview surveys (see 4.3.3.1 to 4.3.3.3

and 4.4.1 to 4.4.3). The education officials and public school principals were chosen, because they were knowledgeable and also informative about the management of school funds in public schools. The power and logic of the purposeful sampling was that the participants yielded many insights about the proposed programme, simply because they were involved in the management of school funds and in the training and developmental programmes for educators and public school principals (see 6.2 to 6.7).

Table 4.4 Demographic profile of the respondents to the evaluation questionnaire survey

							N
Post occupied	School principal 11	Education official 6					17
School status	Section 20 3	Section 21 8					11
Socio-economic background of learner population	Poor socio-economic background 7	Privileged socio-economic background 4					11
Experience	Years <u>1-5</u> 6	Years <u>6-10</u> 3	Years <u>11-15</u> 1	Years <u>16-20</u> 5	Years <u>21-25</u> 1	Years <u>31-40</u> 1	17
Gender	<u>Male</u> 11	<u>Females</u> 6					17
Race	<u>Black</u> 9	<u>Whites</u> 8	<u>Coloureds</u> 0				17
Age	Years <u>36-40</u> 2	Years <u>41-45</u> 4	Years <u>46-50</u> 4	Years <u>51-55</u> 4	Years <u>61-65</u> 1		17

For the purpose of the survey, a total of 15 school principals in the Motheo education district, as well as eight education officials of the FSDoE were selected as a sample for the survey, keeping maximum variation of possible respondents in mind. Eventually, 11 of these school principals (73%) and six of the eight (75%) of the education officials responded to the questionnaire, representing an average response rate of 74%.

The demographic profile of the sample of respondents is summarised in table 4.4. From the profile it may be concluded that there was a fair distribution amongst the school principals and education officials as far as years of experience, race, gender and age are concerned. Although not proportionally representative of the number of schools in the district, there was a fair representation of the learner population in that 36% schools represented learners from a privileged and 64% from a poor socio-

economic background. Additionally, the fact that only three of the school principals (i.e. 27%) in the sample were from Section 20 status schools, while eight (i.e. 73%) were from Section 21 schools, is in line with the fact that this study mainly focuses on a possible programme to facilitate public school principals' management of school funds (which is more relevant to Section 21 schools). Thus, Section 21 school principals should be more knowledgeable of the problems school principals experience as far as the management of school funds is concerned. The researcher is therefore convinced that the evaluation panel was appropriate to evaluate his semi-final plan.

4.5 STATUS, ROLE AND OBJECTIVITY OF THE RESEARCHER

In any quantitative or qualitative empirical investigation, the status, role and objectivity of the researcher is highly important, since as a human being, there is always a possibility that the researcher may be subjective during the interpretation of the research findings. Whereas quantitative research usually assumes total objectivity on the researcher's behalf, qualitative research cannot really be performed objectively at all. In view of the fact that the researcher employed an embedded mixed method research design with components of both these research approaches, it is important for the researcher to declare his/her status, role and degree of objectivity during this investigation; to investigate his/her own reflexivity in the context of qualitative research; and to declare what strategies he/she has employed, in order to ensure as much objectivity as possible (McMillan and Schumacher 2006:300).

4.5.1 Reflexivity

McMillan and Schumacher (2006:327), describe reflexivity as a rigorous self-scrutiny by the researcher throughout the entire process. The researcher's very act of posing difficult questions to himself or herself assumes that he/she cannot be neutral, objective, or detached. Reflexivity is an important procedure for establishing credibility. Qualitative researchers, therefore, do not deny human subjectivity, but rather take it into account through various strategies, in order to ensure discipline subjectivity at the very least.

According to McMillan and Schumacher (2001:412 and 2006:327), qualitative research depends to a great extent on the interpersonal skills of the enquirer, such as building trust, keeping good relations, being non-judgemental and respecting the norms of the situation. In this study, the researcher attempted to use all his personal experience and ability of engagement, balancing the analytical and creative through empathic understanding and profound respect for participants' perspectives. Interpersonal emotions are essential in data collection activities, because of the face-to-face interaction. The progress of the study depended primarily on the relationship the researcher built with participants. Therefore, data obtained from the informants may be viewed as valid, even though they may represent particular views or have been influenced by the researcher's presence (McMillan and Schumacher 2001:412; 2006:327).

McMillan & Schumacher (2001:412; 327), provide validated strategies of reflexivity:

- Reflexivity as recognition of self-personal self-awareness.
- Reflexivity as recognition of the other - capturing the essence of the informant or "let them speak for themselves".
- Reflexivity as truth gathering - the researcher's insistence on getting it right or being accurate.
- Reflexivity as transcendence - the aim that the researcher, through transcending his own subjectivity and cultural context, can be released from the weight of (mis)representation for accuracy in reporting.

4.5.2 Strategies to enhance reflexivity

In this study, the researcher combined the following strategies to monitor and evaluate the impact of his objectivity and disciplined subjectivity (McMillan & Schumacher 2001:413; 2006:328):

- Reflex notes were continuously taken of the decisions made during the emergent design and rationale. This allowed for justification, based on the available information at the time, as well as of the modifications of the research problem and strategies. The reflex notes helped to trace the researcher's ideas and

personal reactions throughout the investigation. Self-critique was also consistently employed by asking difficult questions and considering own positionality.

- The researcher made strategic choices during the course of the empirical investigation, some of which were based primarily on ethical considerations. A record of ethical concerns helped to justify choices in data collection and analysis.
- Auditability is the practice of maintaining a record of data management techniques and decision rules that document the chain of evidence or decision trail. That record included the codes, categories, and themes used in the description and interpretation, as well as in drafts and preliminary diagrams. Thus, the chain of evidence is available for inspection and confirmation by outside reviews. This chapter, in particular, serves as such an audit trail.
- Formal corroboration/confirmation of the initial findings in this investigation were conducted by means of more than one follow-up surveys.

4.5.3 The researcher as a participant observer

At the time of the checklist and interview surveys, the researcher was still a principal at a primary school with mainly black learners. He had seven years' experience as a school principal, and was also a chairperson of the school finance committee. On 15 April 2008, the researcher was appointed as acting principal of the Bloemfontein South Secondary School and since 1 October 2008, he has been holding the position of Deputy Chief Education Specialist: School Management and Governance Development in the Motheo Education District of the Free State Department of Education.

In this regard, the researcher's own experience may be viewed as influential in the interpretation of the research findings on the one hand, but also conducive for the development of an understanding concerning the role of a principal as the financial manager of a public school, on the other. While acknowledging the fact that it is not possible for a researcher to remain totally objective in a research study, the researcher, however, hereby declares that he deliberately attempted to remain as

objective as humanly possible in the analysis and interpretation of the research data. The latter attitude is frequently referred to as disciplined subjectivity.

4.6 RELIABILITY OF THE RESEARCH

The reliability of a research study is described by McMillan (2008:150) and McMillan and Schumacher (2001:244; 2006:130), as a degree of consistency with which research instruments measure what they are supposed to measure. It refers to the extent to which results obtained by means of a research instrument would be similar over different forms of the same instrument or at different occasions of data collection. It is the extent to which what is recorded as data is what actually occurred in the setting that was studied, as well as whether interpretations and conclusions are accurate (Mc Millan 2008:150; McMillan and Schumacher 2001:244; 2006:130).

McMillan and Schumacher (2001:244 and 2006:130) and McMillan (2008:150) indicate that another way to conceptualise reliability is to determine the extent to which measures are free from error. If an instrument has little error it is reliable, and if it has a great amount of error it is unreliable. They also identify many possible factors which may contribute to the less than perfect nature of measures. There may be ambiguous questions, the lighting may be poor, guessing on an achievement test may be lucky or unlucky, some of the participants may be feeling ill or observers may get tired. In this regard, the researcher was not able to control the following factors unconditionally:

- Human factors: The mood, health, possible fatigue and motivation of the questionnaire respondents and the interviewees could not be controlled before the researcher began with the study. Additionally, anxiety on the part of the interviewees could not be addressed by the researcher. The researcher cannot account for fluctuation in memory or attention on the part of the interviewee.
- Ethical considerations: The researcher had to rely on the willingness and availability of respondents or interviewees to take part in the research study.
- Sampling: It was not possible to employ random sampling for the different questionnaire and interview surveys. However, purposeful sampling (with maximum variation of the participants) was employed as far as possible.

- Race and time: Other factors beyond the researcher's control include the possible effect of his race and gender on the respondents and the time at which the questionnaires were completed by the respondents.

In the light of the aforementioned possible threats to the reliability of the research, the researcher, rather than looking for consistency of behaviour in this study, was more interested in the accuracy and comprehensiveness of his observations and inferences. Reliability in this study was therefore enhanced by detailed field notes, the use of direct participant quotations and literal descriptions. More generally, it was important to obtain an accurate match between the researcher's categories and interpretations and what is actually true. That is, to investigate whether the meanings, categories and interpretations of the researcher reflect reality, whether the pattern has limitations in the analysis or if the situation has distorted the pattern.

Since the qualitative research study was one of the mediums through which the data was collected and interpreted, any opinions, biases or expectations that the researcher had, might have been reflected in the results, thus diminishing its accuracy. Being aware of the fact that his subjectivity and potential bias might threaten the credibility of the research, the researcher took steps to avoid it. For example, a long, intensive study was embarked upon to establish credibility. Furthermore, detailed field notes diminished the effect of the researcher's subjective opinion.

Accuracy was strengthened by taking enough time to obtain a valid judgement of what was being observed. A long and intensive period of study allowed triangulation and in-depth analyses of the data. Reliability was also enhanced by abundant use of detail. This detailed description included as much verbatim language from the participants as possible. Details were also provided concerning the process that was used in the research and the setting. This provided a framework from which the researcher understood the context.

Taking into account the high response rates reported for both the quantitative questionnaire surveys (66,4% and 75% respectively), as well as the relatively balanced composition of the demographic profiles of the two samples, the

researcher is fairly convinced that the research finding obtained by means of these two surveys are fairly reliable (see 4.4.1 and 4.4.4). This is also confirmed because of the validation of the findings by means of the interview survey findings (see 5.2.2 and 5.2.3).

4.7 VALIDITY OF THE RESEARCH

The validity of research is the extent to which inferences, that are appropriate, meaningful and useful, can be made on the basis of the research results. It refers to the extent to which the research instruments employed, investigated what they were supposed to investigate. In other words, validity refers to the degree of accuracy and trustworthiness of the research results (McMillan and Schumacher 2001:186; Berg 1995:14; Creswell 2003:71 and Cherry 2000:34). McMillan (2008:219) and McMillan and Schumacher (2006:324), also indicate that validity refers to the degree of congruence between the explanations of the phenomena and the realities of the world. Validity should indicate whether the researcher actually observed what he/she thought he/she saw. Validity is therefore the degree to which the interpretations have mutual meanings between the participants and the researcher. Thus, the researcher and the participants should agree on the description or composition of events, and especially the meanings of these events.

There are two types of design validity in both quantitative and qualitative research, namely internal and external validity.

4.7.1 Internal validity

McMillan (2008:258) and McMillan and Schumacher (2001:408; 2006:324) describe internal validity of a research study as a judgement that is made concerning the confidence with which possible external factors can be ruled out as explanations for the research results. It involves a deductive process in which the investigator systematically examines how each of the threats to internal validity may have influenced the results. If all obvious threats could be reasonably eliminated, the researcher can be confident that, an observed relationship is causal.

McMillan (2008:220) and McMillan and Schumacher (2006:259) identify and discuss the following as threats to internal validity:

- History: Unplanned or extraneous events that occurred during the research might affect the results.
- Instrumentation: Differences in results could be due to unreliability, changes in the measuring instrument, or observers.
- Diffusion of treatment: Subjects in one group could have learnt about conditions from other groups or individuals.
- Researcher effects: Deliberate or unintended effects of the researcher could influence subjects' responses or answers.
- Selection of subjects: Generalisation may be limited to the subjects in the sample if the subjects are not selected randomly from an identified population.
- Characteristics of subjects: Generalisation could be limited to the characteristics of the sample or population, e.g. socio-economic status, age, location, ability and race.
- Time of measurement or investigation: Results might be limited to the time frame in which they were obtained.

In this study, the researcher was able to have relative control as far as instrumentation, the selection and characteristics of the subjects and the time of measurement/investigation were concerned. However, the effects of history, researcher effects and diffusion of information (as described above) were very difficult to control. Other possible threats that may have influenced the results are aspects such as the race, gender and the possibility that participants might have contacted each other to discuss the checklist questions having to be completed during the afore-mentioned conference. The group administration of the checklist survey may also be viewed by some as a threat to the reliability and validity of the results. Additionally, the time during which the interview survey was done (i.e. during the end of the year school exams in November 2006 and nine months after the initial checklist survey) may also limit the external validity of these findings to some extent.

It was therefore necessary to deliberately employ a combination of particular strategies to enhance the internal validity of this empirical investigation, as identified

and described by McMillan (2008:227) and McMillan and Schumacher (2001:408; 2006:324). The choice of strategies involved issues of feasibility and ethics from the researcher. Appropriate strategies were added to maintain the least amount of intrusion. These are discussed in the next few sections.

4.7.1.1 Prolonged and persistent field work:

Participant in-depth interviews were conducted in natural settings to reflect the reality of life experience more accurately than do contrived or laboratory settings. The lengthy data collection period provided an opportunity for interim data analysis, preliminary comparison and corroboration, to refine ideas and to ensure the match between research-based categories and participant reality.

4.7.1.2 Participant language and verbatim accounts:

Verbatim accounts of conversations, transcripts, and direct quotes from documents are highly valued as data. The researcher presented in his study extensive direct quotations from the data to illustrate participants' meanings.

4.7.1.3 Low-inference descriptors

Concrete, precise descriptions from field notes and interview elaborations are the hallmarks of qualitative research and the principle method for identifying patterns in the data. Low-inference means that the descriptions are almost literal and that participants are familiar with important concepts. Low-inference descriptions are in contrast to the abstract language of the researcher.

4.7.1.4 Multi- and mixed-method research strategies

McMillan & Schumacher (2001:428), define multi-method research as the use of multiple strategies to collect and corroborate the data obtained from any single strategy and/or ways to confirm data within a single strategy of data collection. Qualitative and quantitative follow-up surveys were employed to validate the findings obtained from an initial quantitative survey and a qualitative interpretation of initial findings respectively. This is considered a mixed research method design (see 4.3.3). The data collection techniques employed also included different questionnaires and interviews with both closed and open-ended questions.

4.7.1.5 Maximum Variation Sampling

Although convenience sampling was employed, the researcher consistently tried to combine this with maximum variation sampling (see 4.4).

4.7.1.6 Triangulation

Triangulation is the cross-validation between the sources, data collection strategies, time periods, and theoretical schemes employed in the study. To find regularities in the data, the researcher compared different sources, situations, and methods to see whether the same pattern keeps recurring. The information on principals as school financial managers was therefore, cross-checked by comparing data found in the literature, quantitative surveys and qualitative interviews (McMillan & Schumacher 2001:478).

4.7.1.7 Participant observer

As explained in section 4.5.3, the researcher himself was a school principal of a public school for a large portion of time during this study. In this sense, the researcher may be seen as a participant observer in the investigation.

In conclusion, the researcher is convinced that the interpretations and concepts reported in this investigation have mutual meanings between the participants and the researcher. The researcher therefore views his research findings as internally valid.

4.7.2 External validity

The external validity of research refers to the generalisability of research results to a larger population. As far as this investigation is concerned, its external validity refers to the extent to which results and conclusions made may be generalised to all principals of public schools as financial managers, or at least to school principals in the Free State province or the Motheo education district. McMillan (2008:227) and McMillan & Schumacher (2006:261) refer to external validity as the extent to which the results of an investigation can be generalised to people and environmental conditions outside the context of the sample. It is concluded that the external validity of an investigation is strong if the generalisability is relatively extensive and that it is weak if it is not possible to generalise very much beyond the actual sample.

According to McMillan (2008:227) and McMillan and Schumacher (2006:261) the following factors may affect the generalisability of research (which could also be the case in this particular investigation):

- Characteristics of participants, such as socio-economic status, age, gender, race and ability, because group averages may be inappropriately assumed true for individuals or sub-groups within the sample.
- Selection of subjects: Generalisation is limited to the subjects in the sample if the subjects are not selected randomly from an identified population.
- Time of measurement/investigation: Results may be limited to the time frame in which they were obtained. Some explanations change over time, e.g. over years or decades.
- Situation: Characteristics of the setting in which the information is collected, e.g. naturally occurring or contrived; time of day; surroundings; etc.

Without internal validity, external validity is a moot concern. In this study, the researcher therefore strived to balance the threats of internal and external validity by using sufficient rigor to make the results scientifically defensible and by conducting the study under conditions that permit generalisation to other situations. One good approach to solving the dilemma was to replicate studies with different samples in different settings (see 4.3.3.2 and 4.3.3.3).

Generalisability or external validity is often weak in qualitative studies, because the purpose of the research is to increase an understanding of phenomena and not necessarily to represent a larger population. Therefore, the methods used in any single qualitative study are unique to that study. There is little or no emphasis on replications. Qualitative researchers alternatively use terms such as translatability and comparability as concepts related to external validity. The emphasis is on how well the data, categories, analyses and patterns are described and how well other researchers can understand the findings, so that they can be used in other settings.

In the context of the quantitative investigations included in the empirical research for this study, the relatively high response rates in the checklist and final surveys (66,4%

and 75% respectively; see 4.4.1 and 4.4.4) strengthen the external validity of these findings to the target population of conference attendants and even to the total population of public school principals in the Motheo District at the time of the research. However, possible threats to external validity as identified by McMillan and Schumacher (2001:328) that could jeopardize the generalisability of results include the convenient selection of subjects for the checklist and evaluation surveys. A constraint for generalisability to the Free State Province and the rest of South Africa, is the limitation of the empirical investigation to the Motheo Education District.

Despite the aforementioned threats and problems, the researcher is still of the opinion that the research results obtained during the empirical investigation are relatively reliable and valid (see 4.5 to 4.7).

4.8 DATA COLLECTION INSTRUMENTS, ANALYSIS AND INTERPRETATION OF THE DATA

In this following section, the focus is on the analysis and interpretation of the different data collecting techniques employed during the empirical investigation, namely a checklist questionnaire, a quantitative evaluation questionnaire, as well as the semi-structured and open-ended interviews performed. The researcher intended to interpret and evaluate the results of this investigation in conjunction with the literature study on the financial management in the South African schools and the methods to facilitate principals' management of school funds.

4.8.1 Checklist survey

The checklist survey involved the group administration of a checklist questionnaire. (see 4.1; Appendix A). Checklist questions, including a limited number of opinions to choose from, were mainly included in the questionnaire. The aim of these questions was to obtain an overall profile of the efficiency of the school principals in managing the school funds, as well as their problems and needs regarding training and development programmes to better facilitate their financial management of public schools. These forced choices between limited options therefore "forced" the respondents to choose specific events (De Vos *et al.* 2002:137). The questions

were formulated in the shortest and simplest terms possible and any potential bias within the questions was avoided. None of the questions were formulated in a negative format (cf. McMillan and Schumacher 2001:259; Berg 1995:14; Creswell 2003:71; Cherry 2000:34). The checklist questionnaire is included in Appendix A.

4.8.1.1 Categories of questions included in the checklist questionnaire

The 36 questions from the checklist questionnaire were categorised in order to obtain more specific answers to address the research questions and to simplify the data analysis process. Three major categories were identified namely, the principals' knowledge of and adherence to regulations and guidelines regarding their roles and responsibilities; possible training and development practices that may support their management of schools funds and the need for a programme to facilitate their financial management of the schools. Various questions from the questionnaires were selected under each category:

- (a) **Category 1:** Investigating principals' knowledge of and adherence to regulations and guidelines regarding their roles and responsibilities as financial managers:

Table 4.5 shows how twenty-seven of the questions from the questionnaire directly related to this category. The original numbers of the questions, as they appeared in the checklist questionnaire, are maintained for referencing purposes. The formulation of some of the questions was slightly adapted to suit their presentation in the table.

Table 4.5 Questions from the checklist questionnaire relating to Category 1

2. Are you confident that you perform the following financial management tasks according to the regulations laid down by the government, i.e. financial planning; organisation; guiding/leading and control?
3. Does your school operate two bank accounts (e.g. one for sport and one for school fees)?
4. Who of the following people draws up your school budget?
5. Which of the following financial records does your school have?
6. Who, according to your school policy, is allowed to authorise financial expenditure at the school?
7. Which budgeting method is used at your school?
8. Tick the financial planning methods that are used at your school.
9. As a financial manager, do you view yourself as a democratic, autocratic, laissez-faire or bureaucratic leader?
10. Tick the audit methods that are used at your school.
12. Who is responsible for the day-to-day financial administration at your school?
13. Is the school's annual financial statement drawn up by an independent chartered accountant/auditor?
14. Does your school immediately issue a receipt for money received?
15. Does your school issue receipts for postal orders and for post-dated cheques?
16. How often are your School Governing Body meetings held?
17. How often are your School Finance Committee meetings held?
18. Has the responsibility of managing school finances been delegated to you in writing?
22. Do you keep money received separate from the petty cash?
23. Do you remove duplicates of a receipt from the receipt book?
24. When do you do stock-taking at your school?
25. Are all negotiated cheques always available for inspection and attached to applicable invoices, cash slips and a cheque authorising document?
26. Are all petty cash payments accompanied by applicable invoices, petty cash voucher documents and properly filed?
27. Do all members of the School Finance Committee approve financial transactions?
28. Who adopts the school's annual budget?
30. Are you the chairperson of the School Finance Committee?
31. Do you allow any member of the School Finance Committee to approve payments?
32. Who signs petty cash vouchers?
33. Has your school entered into a loan or overdraft agreement with a bank?

(c) **Category 2:** The identification of possible training and development practices that may support principals' financial management of public schools.

Table 4.6 depicts three questions from the checklist questionnaire that related to Category 2:

Table 4.6 Questions from the checklist questionnaire relating to Category 2

- | |
|---|
| <p>11. Tick next to the off-the-job and on-the-job training methods you are familiar with.</p> <p>35. Do you feel that the training of school principals on financial management tasks should include both on-the-job and off-the-job training programmes?</p> <p>36. Do you believe that teacher training colleges, technikons and universities have played an important role in improving the financial management skills of school principals?</p> |
|---|

(c) **Category 3:** The need for a programme to facilitate principals' financial management of public schools

Table 4.9 shows the six questions from the checklist questionnaire relating to Category 3:

Table 4.7 Questions from the checklist questionnaire relating to Category 3

- | |
|---|
| <p>1. As a school financial manager, do you feel that you have the right attitude, knowledge and skills to manage the school fund effectively?</p> <p>19. Have you been trained on the status of Section 21 schools?</p> <p>20. Do you (including the School Finance Committee members) have problems in compiling financial records?</p> <p>21. Do your administrative staff members have problems in compiling financial records?</p> <p>29. Have you trained your School Governing Body on financial management?</p> <p>34. Is there a need for you to be trained the guidelines for financial management?</p> |
|---|

4.8.1.2 Analysis and interpretation of the checklist survey data

The data obtained from the checklist questionnaires were tabled, counted and reported in terms of numbers. Thus each item was analysed and interpreted in terms of the frequency of responses representing a particular answer, with some kind of interpretation and/or elaboration (see 5.2.2 and table 4.1 to 4.7). Graphical representation of some of the data was also used as a summarising technique.

4.8.2 Interview survey amongst school principals

The first and last open-ended questions used during the semi-structured, face-to-face, one-on-one interviews with the five school principals were formulated in such a way that they would cover the information collected by means of the checklist

survey. However, because it was found that the checklist survey had provided too little information on the need for training and development programmes for school principals as financial managers, additional emphasis was placed on this issue in the interview questions. Other issues not clearly emanating from the checklist survey were also emphasised during the interviews. These included: sticking to the school budget, as far as the management of the school fund is concerned, as well as the use of allocations for Learning and Teaching Support Materials (LTSM), water, electricity and maintenance as intended. By providing an opportunity for the interviewees to motivate their answers, the researcher also tried to establish an understanding of the interviewees' own unique situations.

Strategies used by the researcher during the qualitative interview survey among school principals included the following:

- The investigator compiled interview transcripts in order to identify interviewees' interpretations of the issues at hand. Researcher comments were also separated from the actual data.
- The researcher compiled summaries of the interviews to synthesize and focus the research data. The researcher frequently asked himself after each interview, what he had learnt from the interviewee and how he could briefly describe the interviewee's perceptions to someone who was not present during the interview. In this way, the researcher was forcing his mind to selectively pull out the important aspects and arrange them in a logical order.
- The researcher consequently re-explored the literature data in order to establish their relation to the interview data.

Table 4.8 depicts an adapted and concise representation of the five interview questions put to the interviewees (for the interview schedule, see Appendix B). In the case of these questions, reasons for the interviewee's answer were also requested during the interviews:

Table 4.8 Questions asked during the interviews with school principals

- | |
|---|
| <ul style="list-style-type: none">(a) As the school accounting officer, do you think that you are qualified to manage school funds in accordance to the regulations and guidelines?(b) Are there programmes in place which are aimed at training and developing principals as school financial managers?(c) Do you manage school funds in accordance to the school budget?(d) Are allocations for Learning and Teaching Support Material, water, electricity and maintenance used exactly for what they are intended?(e) What is your view regarding the belief that some school principals experience problems in managing school funds? |
|---|

Qualitative data analysis started as soon as the first set of data was gathered and ran parallel to the interview data collection process, because each activity (data collection and interim analysis) informed and drove the other activity (see table 4.1 to 4.7). This enabled the researcher to identify the point at which the saturation of data was reached. Eventually, only five interviews were necessary.

Qualitative data were tabled and compared in order to find general patterns in the responses of the interviewees. In this way the data could be divided into relevant parts or units and chunks of meaning. Because the human mind is not able to process large amounts of diverse content all at once, the researcher concentrated on sets of smaller and similar material at particular points in time. The analysis started with reading of the data in the table to gain a sense of the whole, which facilitated interpretation of small units of data (Berg 1995:174-195). The qualitative data segments were categorized according to the five interview questions.

4.8.3 Interview survey amongst education officials

In order to supplement the checklist survey, non-interactive, but open-ended interviews were also conducted with four education officials, nominated by their respective education departments, in two different provinces in South Africa. The officials were provided with a preliminary outline of the draft plan for facilitating school principals' financial management of public schools(see Appendix C) and asked to comment on this. The officials eventually responded in writing, as pairs,

providing their impression of the outline and proposing particular recommendations in this regard. These comments are shown and interpreted in Chapter 5.

4.8.4 Evaluation survey amongst school principals and education officials

On the basis of the research findings of phase 1 of the empirical investigation (see Figure 4.1), a semi-final plan for an extended and/or improved training and development programme to facilitate principals' financial management of public schools, was eventually formulated (see 6.2). The questionnaire covered a total of 67 features of the semi-final plan, divided among five main sections, which were directly derived from the detailed research findings obtained from the literature review and the preceding surveys (see 4.3.1 to 4.3.3).

The main sections in the semi-final plan and the questionnaire related to the following five basic and simple questions regarding a possible programme to facilitate school principals' financial management of public schools, namely: **How? What? Who? When? Where?** (see Appendix D and 6.3). The question "Why?", however, was not included in the questionnaire, because the need for such a programme had already been confirmed after an analysis of the results of the preceding surveys, discussed in Chapter 5 (see Appendix D and 5.3). The aforementioned main sections related to the issues outlined in Table 4.9 below:

Table 4.9 Main sections of the evaluation questionnaire

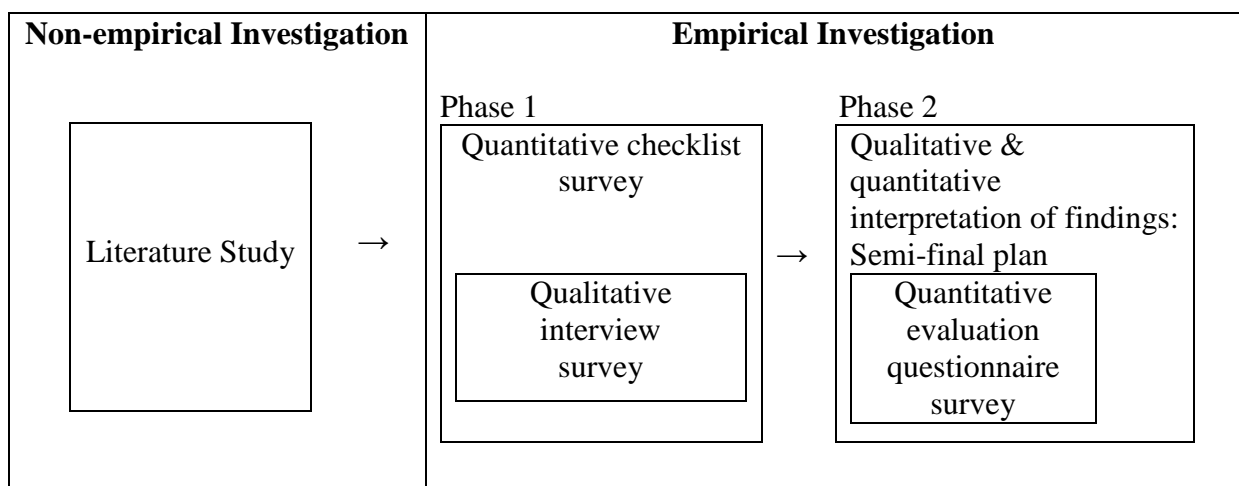
<p>HOW can a programme be established to better facilitate principals' financial management of public schools?</p> <ul style="list-style-type: none"> • Establish a support programme for these school principals as financial managers, consisting of a number of components and based on a number of important principles (11 features) • Develop and present a variety of workshops/courses/qualifications for school principals focusing on school financial management (21 features)
<p>WHAT curriculum contents should be included in the proposed school financial management training & development workshops/courses/qualifications for school principals?</p> <ul style="list-style-type: none"> • General principles for compiling these workshops/courses/qualifications (4 features) • Proposed contents to be included in workshop/course/qualification curricula (20 features)
<p>WHO should be involved in the development of the workshops/courses/qualifications and who should present these? (4 features)</p>
<p>WHEN should the training and development workshops/courses/qualifications be presented? (4 features)</p>
<p>WHERE should the training and development workshops/courses/qualifications be presented? (3 features)</p>

The evaluation questionnaire involved the evaluation of the afore-mentioned 67 features, according to a rating scale of importance. The respondents were required to rate the importance of each feature by merely indicating whether it was essential, useful or not necessary. The quantitative results of the evaluation survey are reported in paragraphs 6.3 to 6.8 of this thesis. Additionally, the qualitative comments provided by the respondents after each main section in the spaces provided for this purpose, were also analysed and discussed in order to enhance and validate the quantitative results (see Appendix D and 6.3).

4.10 SUMMARY AND CONCLUDING REMARKS

In this chapter, the rationale for the embedded mixed method research design was outlined in more detail. This included an identification of primary and secondary objectives for the empirical investigation, as well as methodological considerations for employing the particular research design. The data collection techniques, sampling, objectivity, reliability and validity of the empirical investigation are all argued in detail. For the sake of clarity, the entire research design, as explained in this chapter, is outlined in Figure 4.1, which is copied in this section for the reader's convenience (see below).

Figure 4.1 The research design employed



In Chapter 5, the research findings obtained from the checklist and interview surveys are discussed and interpreted in detail. In Chapter 6, on the other hand, a semi-final plan for a programme to facilitate principals' financial management of public schools, is proposed. To validate this semi-final plan, it was finally evaluated by a cohort of experts and school principals in the Free State Province during the second phase of the investigation. The results of this evaluation survey are therefore only discussed in Chapter 6.

CHAPTER 5

RESEARCH FINDINGS AND INTERPRETATION: PHASE ONE OF THE EMPIRICAL INVESTIGATION

5.1 INTRODUCTION

As indicated from the literature, South African education has been characterized by the passing of new Acts, structuring of management systems and the decentralization of powers to schools as set out in the preamble of the South African Schools Act No. 84 of 1996 (SASA; RSA 1996c). These developments have serious implications for the roles and responsibilities of school principals as financial managers at their respective schools.

With this in mind, an empirical mixed methods research design was employed during the first phase of the empirical investigation undertaken (see 4.3 and Figure 4.1). This included a quantitative checklist survey in order to investigate the following issues as a primary objective for the first phase:

- school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks; and
- problems and needs with regard to training and development programmes relating to financial management (see 4.2).

The checklist questionnaire was mainly compiled by making a random selection of the most important roles and responsibilities of school principals as financial managers of public schools in South Africa, as outlined in the regulations, guidelines and principles discussed in the literature study in this regard (see Chapter Two). Only a few questions in the checklist questionnaire related to training and development programmes for school principals as financial managers (see Chapter 3). The intention of the checklist survey, therefore, was merely to establish the respondents' knowledge of and adherence to these regulations, guidelines and principles; to identify specific problems being experienced and ultimately to establish

their needs regarding training and development programmes to better facilitate financial management tasks.

In order to enhance and validate the findings of the checklist survey, as well as to obtain more information from school principals regarding their needs pertaining to training and development programmes, the following secondary objective was subsequently employed during the first phase of the empirical investigation:

- To extend and validate the findings of the checklist survey by the use of qualitative interviews with a limited number of non-respondents and selected education officials (see 4.2).

In this chapter, the findings from the two aforementioned surveys are reported, interpreted and integrated in conjunction with the findings from the non-empirical literature study reported in Chapters 2 and 3. This process therefore overlaps with the second phase of the empirical investigation in the sense that it serves a basis for the ultimate aim of proposing an extended and/or improved programme to better facilitate school principals' financial management of public schools (see 4.3). However, the rest of phase two of the empirical investigation will only be reported in later chapters (see Chapters 6 and 7).

5.2 RESEARCH FINDINGS OF PHASE ONE

As indicated in the previous section, the research findings of phase one of the empirical investigation are reported, interpreted and integrated with the findings of the literature study.

5.2.1 The checklist survey

In this report, the results obtained from an analysis and interpretation of the data obtained from the checklist questionnaires that were completed by 79 of the 119 respondents (i.e. a response rate of 66,4%) are discussed. (For a more detailed discussion of the response rates and the demographic profile of the respondents, see 4.4.1).

For the purpose of analysis and interpretation, the questions contained in the checklist questionnaire were divided into three categories (see 4.8.1.1, and Tables 4.5, 4.6 and 4.7). See Appendix A for a complete summary of the results of the checklist survey.

5.2.1.1 Category 1: Principals' knowledge of and adherence to regulations and guidelines regarding their roles and responsibilities as financial managers

Table 4.5 in Chapter 4 shows the twenty-seven questions from the checklist questionnaire directly relating to this category. The results of each of these questions are discussed and interpreted in more detail in this section.

- (a) Are you confident that you perform the following financial management tasks according to the regulations laid down by the government?

Table 5.1 represents the results of the above-mentioned question (question 2 in Section B of the checklist questionnaire; see Appendix A). The table indicates the total number of responses (N), the number of responses (i.e. the frequency; f) for each category, as well as the number of responses expressed as a percentage (%) of the total number of responses to the question. This format is also used in all the other tables in this Chapter which report the results of the checklist survey.

Table 5.1 Do you perform financial management tasks according to the regulations laid down?

	$N = 79$	f	%
Financial Planning	YES	79	100
	NO	0	0
Financial Organisation	YES	79	100
	NO	0	0
Financial Guiding or Leading	YES	79	100
	NO	0	0
Financial Control	YES	79	100
	NO	0	0

From the table it is clear that all the respondents (100%) indicated that they were confident that they performed the management tasks of financial planning, organisation, guiding/leading and control in accordance to the regulations laid down by the government (see paragraph 2.2.1 to 2.2.4). This is an encouraging response to allegations that principals of public schools in the Free State province are not managing school funds in accordance with Regulations (see 1.3). At least it is an indication that the respondents have confidence in their own abilities.

(b) Does your school operate two bank accounts (e.g. one for sport and one for school fees)?

In answer to question 3 in Section B of the checklist questionnaire (see Appendix A), twenty-nine of the 79 respondents (i.e. 36,7%) indicated that their schools operate a single bank account, while as many as 50 (i.e. 63,3%) clearly indicated that their schools operated more than one school bank account, as depicted in Table 5.2.

Table 5.2 Number of schools operating a single bank account

	<i>N</i> = 79	<i>f</i>	%
YES	29		36,7
NO	50		63,3

Regulations require that all the schools may only operate a single bank account [see 2.2.1.1 and 2.2.4.1(b) (vi)]. Few schools are therefore operating within the parameters of these regulations. This implies that more effort should be put into making school principals aware that their schools may only operate one school bank account.

(c) Which of the following people draws up your school budget?

Table 5.3 depicts that all the respondents (i.e. 100%) said that their School Governing Bodies (SGBs) draw up their school budgets (also see Appendix A, Section B, Question 4).

Table 5.3 Who draws up the school budget?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Principal		0	0
Staff		0	0
SGB		79	100
Other – Please specify?		0	0

This response from the respondents is in accordance with the regulation of the South African School Act (SASA), No 84 of 1996 [see paragraph 2.2.2.2(b)] and represents a positive sign as far as the investigation is concerned.

(d) Which of the following financial records does your school have?

In answer to question 5 in Section B of the checklist questionnaire (see Appendix A), all the respondents (100%) indicated that their schools keep the following financial records: petty cash register, income statement, balance sheet, a cash flow statement, cash analysis book and assets register (see Table 5.4).

Table 5.4 Financial records kept by schools

	<i>N = 79</i>	<i>F</i>	<i>%</i>
Petty Cash Register		79	100
Income statement		79	100
Balance Sheet		79	100
Cash Flow		79	100
Cash Analysis book		79	100
Assets Register		79	100
Other – Please specify?		0	0

The results to this question therefore confirm that the respondents' schools adhere to the guidelines laid down by the education authorities [see 2.2.4.1(b)].

(e) Who, according to your school policy, is allowed to authorise financial expenditure at the school?

Table 5.5 clearly indicates that all the respondents were in agreement that only the school principal is allowed to authorise school expenditure (see Appendix A, Section B, Question 6).

Table 5.5 Who authorises school financial expenditure

<i>N = 79</i>	<i>F</i>	<i>%</i>
Admin. Clerk	0	0
Deputy Principal	0	0
School Budget	0	0
School Governing Body	0	0
Principal	79	100
Other – Please specify?	0	0

This result is in line with requirements about the authorisation of financial expenditure at public schools (see paragraph 2.2) and it is encouraging to see that the duty has not been delegated unlawfully to other staff or SGB members. This question, however, also directly related to questions 27 and 31 in Section B of the checklist questionnaire [see 5.2.1.1(v)].

(f) Which budgeting method is used at your school?

In answer to question 7 in Section B of the checklist questionnaire (see Appendix A), all the respondents (100%) indicated that a combination method of budgeting is used for drawing up a school budget (see paragraph 2.2.2.2).

Table 5.6 Budgeting methods used by schools

<i>N = 79</i>	<i>f</i>	<i>%</i>
Zero-based Budget	0	0
Line-item Budget	0	0
Site-Based Budget	0	0
Incremental Budget	0	0
Proportional Budget	0	0
Combination of approaches	79	100
Programme Planning Budget System	0	0
Other – Please specify?	0	0

In paragraph 2.2.2.2 of this study it was indicated that a combination of budgeting approaches provides flexibility in combining advantages of all the other budgeting approaches listed in the table above and may therefore also lead to improved school budgeting. The question may, however, also be asked whether any of the respondents were actually aware of the different methods listed in the table.

(g) Tick the financial planning methods that are used at your school

Question 8 of Section B in the checklist questionnaire required of respondents to select the financial planning methods used at their respective schools from a checklist (see 2.2.2). The responses to this question, as well as the three possible planning methods listed in the checklist, are summarised in Table 5.7.

Table 5.7 Financial planning methods used

<i>N</i> = 79	<i>f</i>	%
Strategic financial planning	79	100
Departmental financial planning	79	100
Short-term financial planning	79	100
Other – Please specify?	0	0

It is encouraging to see that all the respondents (100%) selected all three the planning methods, namely strategic, departmental and short term financial planning. This is also according to the regulations and guidelines discussed in paragraph 2.2.2 of this study.

(h) As a financial manager, do you view yourself as a democratic, autocratic, laissez-faire or bureaucratic leader?

In response to question 9 of Section B in the checklist questionnaire, it was somewhat surprising for the researcher that all 79 respondents (100%) indicated that they viewed themselves as democratic leaders. The checklist provided also mentioned other leadership styles such as the autocratic, laissez-faire and bureaucratic styles, but failed to mention the possibility of a situational leadership style (see Table 5.8 and 2.2.3). The researcher intentionally did not include the option of situational leadership since he wanted to find out whether the respondents would perhaps mention this option under the category “other”. In retrospect, therefore, the researcher regrets this decision.

Table 5.8 Leadership styles used

<i>N = 79</i>	<i>f</i>	<i>%</i>
Democratic leader?	79	100
Autocratic leader?	0	0
Laissez-Faire leader?	0	0
Bureaucratic leader?	0	0
Other – Please specify?	0	0

The responses to question 9 are, in fact, in direct contrast with what the researcher has identified as the ideal for school principals as financial managers (see paragraph 2.2.3). While the researcher admits that it is fine to be a democratic leader, he also believes that school principals need also to be exposed to and exercise other management styles, depending on the particular situation at a given point in time. Knowledge of the different management styles and emphasis on their suitability for particular situations may in future enable school principals to adapt their management styles to different situations (see paragraph 2.2.3).

(i) Tick the audit methods that are used at your school

Question 10 in Section B of the checklist questionnaire required from the respondents to indicate the particular audit methods used at their respective schools (see Table 5.9).

Table 5.9 Audit methods used at schools

<i>N = 79</i>	<i>f</i>	<i>%</i>
Pre-audits	0	0
Continuous Audits	0	0
Post Audits	0	0
Internal Audits	0	0
State Audits	0	0
External Audits	79	100
Special Audits	0	0
Other – please specify?	0	0

All respondents (100%) pointed out that only external audits are used to verify their school financial records. However, this situation contravenes regulations, as schools are also encouraged to have internal audits in place (see paragraph 2.2.4.3). The

apparent ignorance of the respondents in this regard therefore needs to be taken into account in any possible future training and development programmes for school principals on the topic of financial management.

(j) Who is responsible for the day-to-day financial administration at your school? As far as question 12 of Section B in the checklist questionnaire, is concerned, it is encouraging to see that all the respondents (100%) agreed that the school principal is the sole person who should take responsibility for the day-to-day financial administration of the school (see Table 5.10).

Table 5.10 The person responsible for the day-to-day financial administration of a school

<i>N = 79</i>	<i>F</i>	<i>%</i>
Deputy Principal	0	0
Treasurer	0	0
Admin. Clerk	0	0
Principal	79	100
Other – Please specify?	0	0

The regulations and guidelines provided by the education authorities also confirm that this is what should actually happen (see paragraph 2.2).

(k) Is the school's annual financial statement drawn up by an independent accountant/auditor?

It is important to note the responses of the respondents to question 13 in Section B of the checklist questionnaire (see Table 5.11 and Appendix A).

Table 5.11 Is the school's annual financial statement drawn up by an independent accountant/auditor?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	57	72,2
NO	22	27,8

In paragraphs 2.2.4.2(a) and 2.2.4.2 (b) of this study it has been indicated that a school's financial statements should be drawn up and audited by independent accountants and auditors. It is therefore an eye opener to see that only 57 of the

respondents (i.e. 72%) indicated that their annual financial statement is drawn up by an independent accountant or auditor. This means that at least 22 of the 119 schools (i.e. 22,8%) represented in the checklist survey do not abide by this particular regulation. Thus the issue of drawing up annual financial statements (and perhaps also the process of auditing) should receive attention in any future training and development programmes for school principals.

(l) Does your school immediately issue a receipt for money received?

In paragraph 2.2.4.1(b)(vi) it is indicated that the best and simplest way to deal with money received at a school is to have a secretary who is appointed to collect the money and immediately issue cash receipts. This guideline has been tested in question 14 of Section B of the checklist survey (see Appendix A) and the responses received are summarised in Table 5.12.

Table 5.12 Are receipts for money received issued immediately?

	<i>N = 79</i>	<i>F</i>	<i>%</i>
YES	79		100
NO	0		0

It is encouraging to see that all the respondents answered the question affirmatively.

(m) Does your school issue receipts for postal orders and for post-dated cheques?

Table 5.13 represents the responses to question 15 in Section B of the checklist questionnaire and shows a definite discrepancy regarding the issuing of receipts for postal orders and post-dated cheques (see 2.2.4.1(a)).

Table 5.13 Are receipts issued for postal orders and post-dated cheques?

	<i>N = 79</i>	<i>F</i>	<i>%</i>
YES	32		40,5
NO	47		59,5

It is worrying to see that only 32 of the respondents (i.e. 40,5%) agreed that their schools issue receipts for postal orders and post-dated cheques, while an astounding 47 of them (i.e. 59,5%) answered negatively. However, it could have

been possible that the relevant schools never receive postal orders and post-dated cheques, prompting the respondents to answer this question negatively. Nevertheless, the researcher is of the opinion that this issue should also be emphasised in any future training and development programmes.

(n) How often are your School Governing Body (SGB) meetings held?

According to regulations and guidelines pertaining to the institution of School Governing Boards for public schools in South Africa, SGBs should meet quarterly (see 2.2.1.1). The South African Schools Act (SASA), No. 84 of 1996 (RSA 1996c) makes allowance for other types of SGB meetings, such as the SGB Executive and School Finance Committee meetings. Table 5.14 depicts the responses to question 16 in Section B of the checklist questionnaire.

Table 5.14 The frequency of SGB meetings

<i>N</i> = 79	<i>f</i>	%
Once a month?	0	0
Once a term?	79	100
Weekly?	0	0
Other – Please specify?	0	0

All 79 of the respondents indicated that their SGB meetings are held on a quarterly basis. This is in agreement with the guidelines for the school governing body meetings (see paragraph 2.2.1.1).

(o) How often are your School Finance Committee (SFC) meetings held?

In Chapter 2 it was indicated that meetings of the SFC should take place monthly (see 2.2.1.2). Question 17 in Section B of the checklist therefore required of the respondents to indicate whether the meetings of their SFCs are held quarterly, monthly, or weekly (see Table 5.15).

As shown in Table 5.15, all 79 the respondents (i.e. 100%) indicated that their SGC meetings were held monthly, which is in line with the regulations and guidelines. The purpose of these frequent meetings is to ensure that the school's financial transactions are monitored and reported regularly to the SGB.

Table 5.15 Frequency of SFC meetings

<i>N</i> = 79	<i>f</i>	%
Once a week?	0	0
Once a term?	0	0
Monthly?	79	100
Other – Please specify?	0	0

(p) Has the responsibility of managing school finances been delegated to you in writing?

Table 5.16 depicts the responses to question 18 in section B of the checklist questionnaire which asked whether the respondents had received written confirmation of their responsibility to manage school finances. According to Section 21 of the South African Schools Act (SASA) No. 84 of 1996 (RSA 1996c) determines that a SGB may apply to the Head of Department (HoD) of the Department of Education (DoE) in writing to be allocated the responsibility for a number of financial functions. The HoD, in turn, must inform the SGB that the request has been granted (see 2.2). The implication of this regulation is that school principals may not perform management functions unless they have been mandated to do so.

Table 5.16 Has the responsibility to manage school funds been delegated to you in writing?

<i>N</i> = 79	<i>f</i>	%
YES	29	36,7
NO	50	63,3

As indicated in Table 5.16, only 29 of the 79 respondents (i.e. 36,7%) clearly confirmed that the responsibility to manage school funds has been delegated to them in writing. Thus the majority of respondents, namely 63,2% may have been in charge of managing their school funds without any proof that they have been delegated this responsibility. This is therefore in direct conflict with the guidelines discussed in paragraph 2.2 and implies that there is a need to inform school principals (and their SGB members, as well as their SFC members in particular) of this important requirement.

(q) Do you keep money received separate from the petty cash?

In Chapter 2 it was indicated that all money received by a school should be kept separate from the petty cash used by the school administration [see 2.2.4.1(a)]. Question 22 in Section B of the checklist questionnaire therefore tested the respondents' knowledge of and adherence to this regulation. The responses are indicated in Table 5.17.

Table 5.17 Is all money received kept separate from the petty cash?

<i>N</i> = 79	<i>f</i>	%
YES	56	70,9
NO	23	29,1

Only 56 of the 79 respondents (i.e. 70,9%) confirmed that all money received is always kept separate from the petty cash. The remaining 29,1% of the schools represented by the respondents do therefore not abide with the regulation. The responses indicate that some principals still need to be trained on how to manage money received and how to manage petty cash.

(r) Do you remove duplicates of a receipt from the receipt book?

For proper control of school funds, the guidelines require that a duplicate of a receipt must not be removed from the school receipt book [see 2.2.4.1(a)]. Table 5.18 summarises the responses to the above-mentioned question.

Table 5.18 Are duplicates of receipts removed from receipt books?

<i>N</i> = 79	<i>f</i>	%
YES	1	1,3
NO	78	98,7

It is encouraging to note that, in response to question 23 in Section B of the checklist questionnaire, only one respondent (representing only 1,2% of the respondents) indicated that duplicates of receipts are removed from receipt books at their school. However, even if only one principal indicated that this is sometimes done at the school, it shows that some principals may still require training regarding record keeping.

(s) When do you do stock taking at your school?

Question 24 in section B of the checklist questionnaire required of respondents to indicate how often stock-taking was done at their respective schools. In Table 5.19 it is shown that all 79 respondents (i.e. 100%) have indicated that stock taking is done at least once a term (see 2.2.4.1).

Table 5.19 Frequency of stock-taking at public schools

<i>N</i> = 79	<i>f</i>	%
Monthly	0	0
Once a term	79	100
Weekly	0	0
Other – Please specify?	0	0

It is therefore clear that all the schools represented by the respondents abide by this regulation [see 2.2.4.1(b)(ii)]. This may help to eliminate stock losses in schools.

(t) Are all negotiated cheques always available for inspection and attached to applicable invoices, cash slips and a cheque authorising document?

According to auditing regulations regarding school finances, all negotiated cheques should always be available for inspection [see 2.2.4.1(b)]. It is encouraging to note that, in response to question 25 in Section B of the checklist questionnaire, all the respondents (i.e. 100%) indicated that they did follow the required procedures regarding record keeping and control of financial transactions (see Table 5.20).

Table 5.20 Are all negotiated cheques always available for inspection and attached to applicable invoices, cash slips and a cheque authorising document?

<i>N</i> = 79	<i>f</i>	%
YES	79	100
NO	0	0

This arrangement of safekeeping all financial records is obviously also very important for auditing purposes, should be supported by the Education Department and will lead to improved management of school funds by school principals.

- (u) Are all petty cash payments accompanied by invoices, petty cash voucher documents and properly filed?

Question 26 in Section B of the checklist questionnaire also relates to record keeping and filing requirements [see 2.2.4.1(a)] and serves as a confirmation of the responses to the previous question. However, Table 5.21 shows that not all the schools represented by the respondents adhered to this requirement.

Table 5.21 Are all petty cash payments accompanied by invoices, petty cash voucher documents and properly filed?

	<i>N</i> = 79	<i>f</i>	%
YES	77		97,5
NO	2		2,5

At least two of the respondents (i.e. 2,5%) answered this question negatively. This therefore indicates ignorance regarding the particular requirement by the relevant school principals and confirms the need for inclusion of this aspect in any future training and development programmes for school principals as financial managers.

- (v) Do all members of the School Finance Committee (SFC) approve financial transactions?

Do you allow any member of the School Finance Committee (SFC) to approve payments?

According to guidelines provided in the literature and discussed in paragraphs 2.2.4.1 and 2.2.4.1(b)(iii) of this study, only school principals (who are the official accounting officers of the schools) need to approve financial transactions and payments made by the school. The implication is that the principal is the sole person to whom the authorising powers had been delegated by the SGB and the SFC. It may also be interpreted that the school principal actually represents the SGB and the SFC in this regard.

Questions 6, 27 and 31 in Section B of the checklist questionnaire were included to test the respondents' knowledge of this particular guideline and they delivered similar, yet not identical results (see Tables 5.5, 5.22 and 5.23 and Appendix A). This may be an indication of ambiguity in the formulation of at least one of the three

questions and may implicate doubt about the validity and reliability of at least one of the three questions. However, the difference in responses is so minute that the researcher is satisfied that this should not be a problem.

Table 5.22 Do all members of the SFC approve financial transactions?

<i>N = 79</i>	<i>F</i>	<i>%</i>
YES	76	96,2
NO	3	3,8

In response to question 27 in Section B of the checklist questionnaire (see Table 5.22 and Appendix A), a vast majority of 76 respondents (i.e. 96,2%) indicated that all SFC members at their schools had to approve school financial transactions. In line with this, the responses to question 31 in section B of the checklist questionnaire (see Table 5.23 and Appendix A), indicate that only one respondent (i.e. 1,3 %) allowed any member of his/her SFC to approve payments made by the school.

Table 5.23 Do you allow any member of the SFC to approve payments?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	1	1,3%
NO	78	98,7%

In 5.2.1.1(e) it was shown that all the respondents to question 6 in Section B of the checklist questionnaire indicated that only the school principal authorises financial expenditure at their respective schools. In general, therefore, it seems as if the respondents agreed that the school principal is the sole person who should be allowed to approve and authorise financial expenditure, payments and transactions on behalf of the school and the SGB.

(w) Who adopts the school’s annual budget?

Question 28 in Section B of the checklist questionnaire required from respondents to indicate who adopts their schools’ annual budgets. Table 5.24 summarises the responses to this question

Table 5.24 Who adopts the school's annual budget

<i>N = 79</i>	<i>f</i>	<i>%</i>
Governing Body	0	0
Finance Committee	0	0
Parents	79	100
Staff	0	0
Other – Please specify?	0	0

According to the regulations discussed in paragraph 2.2.4.1(b)(i) a school's annual budget should be approved by a majority of the parents of learners during an annual general meeting of parents. It is encouraging to note that all 79 of the respondents (i.e. 100%) conformed adherence to this regulation.

(x) Are you the chairperson of the School Finance Committee (SFC)?

In answer to the question whether the respondent is the chairperson of the SFC, the majority of the respondents, namely 97,5% (i.e. 77 of the 79 respondents) answered affirmatively (see Table 5.25).

Table 5.25 Are you the chairperson of the SFC?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	77	97,5
NO	2	2,5

In Chapter 2 of this study it was indicated that the school principal is supposed to serve as the chairperson of a school's SFC. The fact that two respondents (i.e. 2,5%) indicated that they were not the chairpersons of their respective SFCs, is therefore in violation of this particular SASA regulation (see 2.2.1.2; RSA 1996c:37). Training on the composition of the school finance committee and its office bearers is therefore needed in this regard.

(y) Who signs petty cash vouchers?

In paragraph 2.2 it was explained that the school principal acts as the school's accounting officer and that he/she therefore represents the SGB and SFC regarding all financial transactions. It should therefore be obvious that the school principal should be the signatory for all payments or transactions made [see 2.2.4.1(a)]. In response to question 32 in Section B of the checklist questionnaire, all 79 the

respondents (i.e. 100%) indicated that they themselves signed petty cash vouchers (see Table 5.26).

Table 5.26 Signatories of petty cash vouchers

<i>N = 79</i>	<i>f</i>	<i>%</i>
Treasurer	0	0
Secretary	0	0
Deputy principal	0	0
SGB Chairperson	0	0
Principal	79	100
Other – Please specify?	0	0

The researcher views this situation as a step in the right direction. This arrangement will help to reduce confusion on who is responsible for what as far as the financial management responsibilities at the school are concerned.

(z) Has your school entered into a loan or overdraft agreement with a bank? Regulations pertaining to financial management of public schools clearly stipulate that schools may not enter into a loan or overdraft agreement with its bank (see 2.2.1.1).

Table 5.27 Has your school entered into a loan or overdraft agreement with a bank?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	0	0
NO	79	100

The responses to question 33 in section B of the checklist questionnaire clearly shows that none of the schools represented by the 79 respondents had entered into a loan or overdraft agreement with a bank (see Table 5.27 and Appendix A). These schools therefore operate in line with the guidelines pertaining to the prohibition of loans or overdraft agreements.

(aa) Conclusions regarding principals' knowledge of and adherence to regulations and guidelines regarding their roles and responsibilities as financial managers

An investigation into the data obtained from the 27 questions pertaining to school principals' knowledge of and adherence to regulations and guidelines regarding their roles and responsibilities as financial managers, confirms the researcher's concern in this regard, as well as the need for an extended, or at least improved, training and development programme to better facilitate their financial management of public schools. This conclusion is based on a number of arguments outlined below.

The findings from the 27 questions in the checklist questionnaire clearly indicate that at least some principals are not managing school funds in accordance to the regulations and guidelines laid down by legislation and the relevant education authorities. In this regard, no less than 11 of the 27 issues (which represents 40,7% of the randomly selected regulations and guidelines tested by means of the checklist questionnaire) covered in this category, were identified as problematic issues in the respondents' financial management of their respective schools. Some respondents therefore either showed a lack of knowledge (i.e. ignorance) relating to the relevant regulations and guidelines or failed to adhere to these (i.e. negligence). Thus, contrary to the regulations and guidelines:

- 36,7% of the schools represented by the respondents operate more than one bank account;
- none of the respondents have indicated that they need to apply a situational leadership style in the management of their schools' finances;
- none of the respondents indicated that they employ any internal auditing;
- 27,8% of the schools represented by the respondents do not make use of an independent accountant to draw up their annual financial statements;
- 59,5% of the schools represented by the respondents do not issue receipts for postal orders and post-dated cheques;
- 63,3% of the respondents indicated that the responsibility to manage their schools' finances was not delegated to them in writing;
- 29,1% of the schools represented by the respondents do not keep money received separate from the petty cash;

- at least one respondent (i.e. 1,3%) admitted that he/she removed duplicates of receipts from the receipt book;
- two of the respondents (i.e. 2,5%) admitted that petty cash payments were not always accompanied by invoices, petty cash vouchers and properly filed;
- at least one of the respondents admitted that he/she allows members of his/her SFC to approve payments; and
- at least two of the respondents indicated that they do not serve as the chairpersons of their SFC.

5.2.1.2 Category 2: Possible training and development practices that may support principals' financial management of public schools

Table 4.6 in Chapter 4, shows the three questions from the checklist questionnaire, which directly relate to this category. The results of each of these questions are discussed and interpreted in more detail in this section.

(a) Tick the training method you are familiar with

In Chapter 3 of this study different on-the-job and off-the job training and development methods were identified and discussed in relative detail (see 3.8 and 3.9). Bearing the ultimate aim of proposing a plan for an extended or improved programme to better facilitate principals' financial management of public schools in mind (see 4.2), the researcher decided to check the respondents' knowledge of possible on-the-job and off-the-job training methods in question 11 in Section B of the checklist survey (see Appendix A). A selection of these training methods as listed in Tables 5.28 and 5.29 respectively, were included as options in the checklists for the aforementioned question.

Table 5.28 Off-the job training methods familiar to the respondents

<i>N</i> = 79	<i>f</i>	%
A case study training method	0	0
Incident training method	0	0
Role-play	0	0
In-basket method	0	0
The Kepner-Tregoe method	0	0
Management Games	0	0
Syndicate training method	0	0
Conference training method	79	100
Brainstorming training method	0	0
University training programmes	0	0
Sabbaticals training method	0	0
Programmed training method	0	0
Computer assisted training method	0	0
Lecture training method	79	100
Other – Please specify?	0	0

Surprisingly, the only two off-the-job training methods the respondents identified were the conference and lecture training methods (see Table 5.28), while the only on-the-job training method identified was the workshop training method. The reason for the surprising responses obtained may lie with the fact that the researcher did not include explanations of the different training methods listed, as well as the fact that some of the training methods listed as off-the-job may also be implemented as on-the-job methods and *vice versa* (see 3.8 and 3.9). It is, however, important to take cognisance of the fact that none of the respondents were seemingly aware of any other methods being implemented in their training (if any) than conference, lecturing and workshop training methods. In conclusion, besides the aforementioned argument, the results of this checklist question are not really of significance for the purpose of this study.

Table 5.29 On-job training methods familiar to the respondents

<i>N</i> = 79	<i>f</i>	%
Junior Boards Training Method	0	0
Job Instruction Training Method	0	0
Understudy Training Method	0	0
Job Rotation Training Method	0	0
Assistant to Positions Training Method	0	0
Committee Assignments Training Method	0	0
Outdoor Training Method	0	0
Employee Counselling Training Method	0	0
Learner-Controlled Training Method	0	0
Workshop as a Training Method	79	100
Other – Please specify?	0	0

- (b) Do you feel that the training of school principals on financial management should include both on-the-job and off-the-job training programmes?

Question 35 in Section B of the checklist questionnaire (see Appendix A) required of the respondents to indicate whether both on-the-job and off-the-job training methods (see 3.8 and 3.9) should be included in any future training for school principals on financial management (see Table 5.30).

Table 5.30 Should the training of school principals include both on-the-job and off-the-job training methods?

<i>N</i> = 79	<i>f</i>	%
YES	79	100
NO	0	0

All 79 of the respondents (i.e. 100%) answered this question affirmatively. Although they might not have been fully informed about the different possibilities in this regard [see 5.2.1.2(b)], it is possible to conclude from their responses to this question that they do prefer that a variety of both on-the-job and off-the-job training methods be used in any future training. It may also be an indication that they do expect that the Education Department should create opportunities for them to improve their skills.

- (c) Do you believe that teacher training colleges, technikons and universities have played an important role in improving the financial management skills of school principals?

In the past, higher education institutions such as teacher training colleges, technikons (now known as universities of technology) and universities have played an important role in the training of teachers and management staff in education. It is also envisaged that universities may even play a more important role in this regard in future. An example of the involvement of a university in the training and development of school principals and other school management staff is the Advanced Certificate in Education (ACE) focusing on School Leadership, which is currently offered by universities such as the University of the Free State (see 3.4). In question 36 in Section B of the checklist questionnaire (see Appendix A), the researcher therefore wanted to check whether the respondents were of the opinion that higher education institutions should continue to play a role in this regard.

Table 5.31 Have teacher training colleges, technikons and universities played an important role in improving the financial management skills of school principals?

<i>N</i> = 79	<i>f</i>	%
YES	72	91,1
NO	7	8,9

Seventy-two of the 79 respondents (i.e. 91,1%) indicated that they believed that these higher education institutions had played an important role in improving the financial management of school principals. Only 8,9% did not agree with the question (see Table 5.31). The researcher therefore believes that the role that higher education institutions may play in facilitating principals' financial management of public schools should not be underrated at all.

- (d) Conclusions regarding possible training and development practices that may support principals' financial management of public schools

The data obtained from the aforementioned three questions in the checklist questionnaire, although very limited, provide important information to be taken into

account when formulating the proposed plan for the training and development of school principals. The following important issues therefore need to be highlighted:

- Besides for the conference, lecturing and workshop methods of training, none of the respondents were aware of any alternative training methods that may be used in their training and development.
- All the respondents (i.e. 100%) were positive about the inclusion of both on-the-job and off-the-job training methods in any future training and development programmes of school principals.
- A vast majority of respondents, namely 91,1%, showed a positive attitude towards the involvement of higher education institutions in any future training and development programmes of school principals.

As far as the researcher's proposed plan for an extended or improved training and development plan for school principals as financial managers of public schools is concerned, it is therefore important to consider the inclusion of both on-the-job and off-the-job training methods and to consider how higher education institutions may be involved in such a proposed programme. Additionally, the apparent positive attitude of the respondents in answering the last two questions listed in Table 4.8 may be an indication of a positive attitude towards the establishment of an extended and/or improved programme.

5.2.1.3 Category 3: The need for a programme to facilitate principals' financial management of public schools

Table 4.7 in Chapter 4 shows the six questions (which cover at least five important issues) from the checklist questionnaire, which directly relate to this category. The results of each of these questions are discussed and interpreted in more detail in this section.

- (a) As a school financial manager, do you feel that you have the right attitude, knowledge and skills to manage the school fund effectively?

Question 1 in section B of the checklist questionnaire was aimed at checking the respondents' perceptions of their own ability to manage school funds effectively by

asking whether they felt that they had the right attitude, knowledge and skills to perform their financial management tasks (see Appendix A). The responses to this question are summarised in Table 5.32.

Table 5.32 Do you have the right attitude, knowledge and skills to manage the school fund effectively?

	<i>N</i> = 79	<i>F</i>	%
YES	79		100
NO	0		0

The fact that all the respondents (i.e. 100%) answered this question positively, may be viewed as proof that they have confidence in their ability to perform their financial management tasks effectively. However, their responses to the questions discussed in Category A (see 5.2.1.1), clearly indicate that neither are they all knowledgeable of the regulations and guidelines for performing these tasks effectively, nor do they adhere to these regulations at all times [see 5.2.1.1(aa)].

(b) Have you been trained on the status of Section 21 schools?

In Chapter 2 of this study it was emphasised that the SGBs and principals of public schools have been delegated certain financial management roles and responsibilities by legislation. School principals should take up the responsibility of serving as the accounting officers of their respective schools and they should represent their respective SGBs in this regard (see 2.2 and 2.2.1.1). Section 21 of the SASA (RSA 1996c) especially places very important responsibilities on the shoulders of both school principals and their SGBs. It therefore stands to reason that, at the least, school principals of Section 21 schools should be trained on the status of their schools and what the legislation prescribes in this regard (see 2.2 and 2.2.1.1). This issue has been covered by means of question 19 in Section B of the checklist questionnaire (see Appendix A and Table 5.33).

Table 5.33 Have you been trained on the status of Section 21 schools?

	<i>N</i> = 79	<i>F</i>	%
YES	19		24,1
NO	60		75,9

A minority of only 19 of the 79 respondents (i.e. 24, 1%) confirmed that they had been trained on the status of Section 21 Schools. It should be borne to mind, however, that not all the schools in the Motheo education district are necessarily classified as Section 21 schools. This may be the reason why such a small minority answered the question affirmatively. On the other hand, it could be argued as well, that irrespective of the fact that a school principal may be attached to a Section 20 school, he/she still needs to be informed about the status of Section 21 schools and exactly what that entails as far as school management is concerned. School principals and SGBs who are ignorant of this issue will never know how to apply for Section 21 status or what the implication thereof would be for their respective schools (see 2.2 and 2.2.1.1).

(c) Do you (including the School Finance Committee) / Does your administrative staff have problems in compiling financial records?

Financial control requires of school principals and their SFCs to perform particular duties, including the compilation and safekeeping of school financial records and controlling the compilation and safekeeping processes (see 2.2.4 and 2.2.4.2). Financial records such as financial statements [see 2.2.4.2(a)] are very important for the compilation of financial reports to stakeholders (see 2.2.4), as well as for effective auditing (see 2.2.4.3). Scrutinising all the roles and responsibilities of school principals and SFCs in this regard (as discussed in 2.2.4), it could be expected that those involved in the process of compiling and safekeeping financial records might experience problems. This issue was therefore included in both questions 20 and 21 in section B of the checklist survey (see Appendix A and Tables 5.34 and 5.35).

Table 5.34 Do you (including the SFC) have problems in compiling financial records?

	<i>N</i> = 79	<i>F</i>	%
YES	28		35,4
NO	51		64,6

It is consequently not surprising that at least 28 of the 79 respondents (i.e. 35,4%) who answered question 20, confirmed that they (including their SFCs) had problems in compiling financial records (see Table 5.35).

Table 5.35 Does your administrative staff have problems in compiling financial records?

	<i>N = 79</i>	<i>F</i>	<i>%</i>
YES	39		49,4
NO	40		50,6

Similarly, thirty-nine of the respondents (i.e. 49,3%) also confirmed that their administrative staff experienced problems in compiling financial records (see table 5.36). This means at least half of the respondents' administrative staff may need some assistance in compiling the school financial records. The school finance clerk is the one who must assist the principal on the day-to-day handling of school funds.

It is therefore important that the principals are trained on the handling of school funds, and that they train their SFCs and own staff members, or alternatively, at least arrange for this training to take place [cf. 2.2.4.2(a)(ii)]

(d) Have you trained your School Governing Body (SGB) on financial management?

It has been argued elsewhere [see 5.2.1.1(aa), 5.2.1.3(b) and 2.2.4.1(b)(ii)] that school principals and SGB members should be trained regarding their financial management responsibilities. It should therefore stand to reason that it is also the responsibility of the principal to see to it that all his/her SGB members are thoroughly trained regarding their financial management roles and responsibilities, whether by offering the training him/herself or by arranging the relevant training for these members (see 2.2). Question 29 in Section B of the checklist questionnaire therefore asked the respondents to indicate whether they have trained their SGBs on financial management (see Appendix A and Table 5.36).

Table 5.36 Have you trained your SGB on financial management

	<i>N = 79</i>	<i>F</i>	<i>%</i>
YES	74		93,7
NO	5		6,3

A vast majority of seventy-four of the 79 respondents (i.e. 93,6%) confirmed that they have trained their SGBs in this regard.

(e) Is there a need for you to be trained on guidelines for financial management?

Taking the question pertaining to the need for training of principals as financial managers of public schools even further, question 34 in Section B of the checklist questionnaire (see Appendix A), intended to check the respondents' views regarding the need for training principals of public schools on guidelines for financial management (see Appendix A). In essence, this question actually summarises the researcher's aim with the six questions discussed in this category of questions (i.e. Category C). A positive response to this question would confirm the researcher's concern expressed in the research problem (see 1.3; 3.2; 4.1).

Table 5.37 Is there a need for you to be trained on guidelines for financial management?

YES	78	98,7
NO	1	1,3

The fact that a vast majority of 78 of the 79 respondents (i.e. 98,7%) agreed that there is a need for the school principals to be trained and developed as school financial managers (see Table 5.37), therefore undoubtedly confirmed the researcher's conclusions made in sections 5.2.1.1(aa) and 5.2.1.2(d) of this chapter. The researcher is therefore convinced that the respondents have expressed a clear message, namely that they need to be assisted with the knowledge and skills that will enable them to manage school funds well.

- (f) Conclusions regarding the need for a programme to facilitate principals' financial management of public schools

The data obtained from the six questions in the checklist questionnaire included under Category C (see 5.2.1.3) clearly confirm the respondents' view that there is a definite need for a programme to facilitate principals' financial management of public schools and therefore pave the way for the researcher's vision of formulating and proposing an extended and/or improved programme in this regard. The following issues serve to substantiate this claim:

- All the respondents showed that they have the confidence to perform their financial management tasks effectively (see 5.2.1.3(a)).
- However, some of the respondents (24,1%) indicated that they have not received any training on the status of Section 21 schools (see 5.2.1.3(b)).
- Additionally, some of the respondents admitted that they (including their SFCs) and their administrative staff had problems in compiling financial records [see 5.2.1.3(c)].
- A vast majority of the respondents (98,7%) confirmed the need to be trained on guidelines for financial management [see 5.2.1.3(e)].

5.2.1.4 Final conclusions made from the findings of the checklist survey

As explained in paragraphs 4.1, 4.2 and 5.1 of this study, the checklist survey was undertaken in order to achieve the following primary objectives for the first phase of the researcher's empirical investigation:

- to investigate school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks; and
- problems and needs with regard to training and development programmes relating to financial management (see 4.2).

On the basis of the conclusions discussed in paragraphs 5.2.1.1 (aa), 5.2.1.2(d) and 5.2.1.2(g), the researcher would therefore like to make the following preliminary conclusions regarding the aforementioned two primary objectives:

- Some of the school principals in the Motheo education district were, at the time of the checklist survey, not yet fully conversant with and did not adhere to all the regulations and guidelines regarding their financial management tasks; and
- Some of the school principals in the district still experienced problems with their financial management tasks.
- The vast majority of these school principals were in favour of an extended and/or improved programme to better facilitate their financial management of public schools. The need for such a programme has therefore been confirmed.

In order to extend and/or validate the findings of and conclusions made from the checklist survey, the researcher subsequently employed a qualitative interview survey among some of the non-respondents to the checklist questionnaire survey, as well as a number of education officials (see 4.3.2 and 4.3.3.2). The findings of the interview survey, involving non-respondents to the checklist survey, are discussed in the next section of this chapter.

5.2.2 The interview survey amongst non-respondents to the checklist survey

The interview surveys employed as part of the empirical investigation in this study were mainly employed to extend and validate the findings from the quantitative checklist survey. As such, they may be viewed as being embedded into the original checklist survey, leading to what Creswell and Plano Clark (2007:67-71), as well as Ivankova, Creswell and Plano Clark (2007:267-268) typify as an embedded mixed method design (see 4.3.3 and Figure 4.1).

Nine months after the conclusion of the quantitative checklist survey, a qualitative, interactive, face-to-face interview survey was carried out with five purposefully selected school principals who attended the principals' conference during which the checklist questionnaires were handed out to all attendants, but who did not respond to the checklist questionnaire. The interviews were conducted by means of one-on-one semi-structured interviews according to a predetermined interview schedule (see 4.3.3.2, Table 4.10 and Appendix B). The methods of data collection, analysis and

interpretation, as well as the demographic profile of the interviewees are discussed in detail in Chapter 4 of this study (see 4.3.3.2; 4.4.2 and 4.8.2).

In this section of Chapter 5, the findings obtained by means of the aforementioned qualitative interview survey, are discussed according to the questions as they appear in the interview schedule (see Appendix B). Table 4.8 in Chapter 4 also shows the questions that were posed to all five the interviewees. In each case, reasons for the interviewees' answers were also requested. Data analysis started as soon as the first interview was completed and ran parallel to the rest of the interview data collection process. After the fifth interviewee was interviewed, the researcher decided that a point of data saturation was reached and that no more interviews had to be conducted. The interview data were gradually transcribed, arranged in table format and compared in order to find general patterns and categories of meaning (see 4.8.2). Thus the discussion under each of the interview questions also include subsections which collectively represent the interviewees' answers to the particular question as a whole.

5.2.2.1 As the school accounting officer, do you think you are qualified to manage school funds in accordance to the regulations and guidelines?

An analysis of the transcriptions of the answers of all five the interviewees revealed four important categories of meaning relating to this particular question.

(a) Not qualified

Firstly, it was an eye-opener for the researcher to observe that all five the interviewees indicated that they did not believe that they were qualified to manage school funds according to the regulations and guidelines laid down. This general feeling is evident from the following five quotes:

What a question. ... When I was trained at college there was no emphasis on the management of school funds.

Not at all sir.

I have never done financial management at the teacher college.

I cannot say that that I am qualified to manage school funds.

In that case my answer would be no. ... As a principal I was never trained to manage school funds.

It is important to note that the answers provided by the five interviewees to this interview question is in direct contrast with the respondents' answer to a similar question contained in the checklist questionnaire nine months before [see 5.2.1.3(a)] where all the respondents indicated that they had the right attitude, knowledge and skills to manage their school funds effectively.

(b) Learning on the job

At least two of the five interviewees indicated, either directly or indirectly that they were in the process of learning the necessary knowledge and skills to manage their school funds on the job (see 3.8). This is evident from the following the following two quotes:

I am learning management of school funds on the job.

... I only started to learn about it on my own after I was appointed as a school principal. ... By reading government circulars, Acts and guidelines, I try to improve myself on effective management of school funds.

(c) Duties are delegated to financial clerks and SFC members

As a follow-up to their indication that they were not really qualified to manage school funds, three of the interviewees hinted that they have solved the problem by delegating some of their financial management tasks to either a financial clerk or members of their SFC (see 2.2.1.2(d)). Alternatively, they relied very heavily on the SFC and the school auditor in this regard. This is evident from the following three quotes:

That is why I have requested the education department to provide me with a finance clerk. My duty is to control the school finance records at the end of the day and then to bank the money. The handling of school accounts, checking income and expenditure is delegated to the School Finance Committee by the SGB.

... I have delegated some duties to the School Finance Committee and finance clerk.

As a principal of a Section 21 status school, I am working very close with the School Finance Committee and the school auditor in order to improve on my financial management skills.

(d) Organizing own development workshops

One of the interviewees indicated that he was privileged to organize development workshops him/herself:

As a former Model C school principal, my school is blessed to be able to organize developmental workshops that are funded by the SGB. As a result of that, the school fund is managed exceptionally well.

5.2.2.2 Are there programmes in place which are aimed at training and developing principals as school financial managers?

Four categories of meaning were identified after analysing the interviewees' answers to the abovementioned questions.

(a) No awareness of such a programme

It is important to note that all five the interviewees indicated that they were not at all aware of any existing programmes aimed at the training and development of school principals as financial managers (see 3.4).

This is evident from the following quotes:

I will be telling you lies if I say that I am aware of any programme ...

I am not aware of a programme ..., I need your assistance with regard to that.

... No, I am not aware of any programme to that effect.

I have never heard of such a programme ...

My answer to your question is that up to this day I am not aware of any programme by the Education Department that is aimed at facilitating principals' management of school funds.

- (b) The Department of Education uses circulars to inform school principals of relevant regulations and guidelines.

Two of the interviewees referred to the fact that the Department of Education uses circulars in order to inform school principals of the most important regulations and guidelines relating to their financial management roles and responsibilities:

One of the strategies that is used by the Education Department to facilitate effective management of school funds is by means of circulars that explain what is expected of principals as school financial managers.

..., but the department at times is using circulars and guidelines to advise on the correct management circulars when we have attended principals' conferences.

(c) Lack of time for proper training and development

One of the interviewees complained about the lack of time experienced by school principals, which therefore prohibits the organisation of relevant training and development programmes for school principals, as well as proper studying of the overload of documents and circulars.

Remember that we have other work to do and we do not have enough time to go through all those circulars. We are expected also to teach, to attend unplanned departmental meetings, to control teachers' work and of non-educator staff. We do not have time on our side to do all those things at the same time. Have a look at all these documents lying in front of me.

(d) Alleged negligence on the side of the Free State Department of Education (FSDoE)

Two of the interviewees were very adamant with their allegations that the FSDoE was actually neglecting the problem of school financial management among school principals (see 3.3). In essence, the allegations include that the FSDoE is more concerned about other issues such as quality teaching and learning and the implementation of the National Curriculum Statement (NCS):

The education department is more concerned with effecting teaching and learning, such as implementation of the NCS. ... I cannot understand why such an important resource [financial management] can be neglected like that. ..., but if you ask me about a programme to train principals on the management of staff, then my answer is yes.

The developmental programmes I am aware of are those dealing with curriculum delivery, namely the NCS.

5.2.2.3 Do you manage school funds in accordance to the school budget?

Analysing the interviewees' responses to this question again led to at least four categories of meaning. However, it is important to note that at least two of the interviewees were principals of Section 20 schools, which do not have the financial independence that is delegated to Section 21 schools. Consequently their responses to the above-mentioned question could be expected to be different from the responses of the other three interviewees who were principals of Section 21 schools.

- (a) Not all school principals manage their school funds strictly in accordance with their school budgets.

Only two of three Section 21 school principals confirmed that they managed their school funds according to their school budgets [see 2.2.4.1(a)]. Their privileged position is also evident from the following two quotes:

Because of their [the SFC] assistance, I can safely say, yes, I manage school funds in accordance to the school budget. I am saying this because we hold our Finance Committee meetings monthly so as to give monthly reports to the SGB. The school auditor has also given a positive audited financial report to the school.

Yes, I manage school funds in accordance to the school budget. At our school we are fortunate to have parents who support our fund raising projects. It is very rare that we experience problems with parents who do not pay school fees. That is why we have enough funds set aside to employ additional staff from the school funds. I can assure you we adhere to the guidelines on the management of school funds.

However, another Section 21 school principal admitted that he/she did not really manage the school fund in accordance with the school budget:

No, I do not think I am in line with the guidelines of the education department.

It is interesting to note that the two Section 20 school principals who were interviewed were of the opinion that they were not necessarily bound to manage their school funds according to a school budget, because they did not have a final say on how school funds should be managed. Their arguments are based on the fact that the FSDoE is responsible for the management of funds related to Learning and Teaching Support Materials (LTSM), water and electricity, while they themselves were only allowed to collect school fees for issues such as extramural activities, etc. Additionally, one of them admitted to not following the guidelines:

I am managing a Section 20 status school. This means that no money is deposited into the school's bank account by the Department. The only money we handle is school fees: To be honest with you, it is really difficult to stick to the school budget. The Education Department does not deliver our requisitions in time, like LTSM. It therefore means that we use money allocated for something else to buy LTSM.

As a non-Section 21 status school, I do not have a final say on how school funds should be managed. The Education District Office is the one that buys and monitors school expenditure. ... This therefore means that the Education Department is responsible for managing school funds for Section 20 status schools. Furthermore, my school is allocated Quintile One; this means that it is a no fee paying school, except when we raise funds.

(b) The focus of financial management is often merely on control

One of the interviewees again pointed to the fact that he/she mainly managed the school fund by merely controlling (see 2.2.4) what the finance clerk and the SFC were doing:

I indicated to you that I am assisted by a finance clerk and the School Finance Committee and my duty is to control.

- (c) School auditors may play an important role in the management of school funds

One of the interviewees emphasized the important role the school auditor (see 2.2.4.3) had played in the way he/she managed the school fund:

... the school auditor assists on the correct procedures with regard to the management of school funds. ... No, I don't think I am in line with the guidelines of the education department, but I am learning from the school auditor.

- (d) Schools principals of some Section 21 schools may find their roles and responsibilities easier than others

One of the interviewees, who is a school principal of a financially affluent school, has emphasized the fact that he/she was privileged because of the fact that his/her school is financially more affluent:

Yes, I manage school funds in accordance to the school budget. At our school we are fortunate ... that is why we have enough funds to set aside ... I can assure you that we adhere to the guidelines ...

- 5.2.2.4 Are allocations for Learning and Teaching Support Materials, water, electricity and maintenance used exactly what they are intended for?

The above-mentioned question was closely related to the former question and therefore did not reveal more than one category of meaning, namely either a confirmation or a negation. It is also important to note that the question is not really relevant for principals of schools with Section 20 status.

As was the case with the previous question, two of the interviewees who were principals of schools with Section 21 status, confirmed that allocations for LTSM, water, electricity and maintenance were used exactly what they were intended for [see 2.2.2.2 and 2.2.4.1(a)]:

Working hand-in-hand with the School Finance Committee, I make sure that we do not deviate from the school budget. When there is a shortage of money, we embark on fund-raising activities. The school finance policy also guides us on the management of school funds.

Again, yes. The School Finance Committee and the School Management Team have regular meetings, where income and expenditure is discussed so as to avoid or correct any deviations from the budget.

The other interviewee who was a principal at a Section 21 status school, however, again admitted that his/her school did deviate from the school budget:

According to allocations from the Education Department, 50% goes to LTSM, 49% for water, electricity and administration; 1% for maintenance of buildings and premises. This is not enough and that is why we deviate from the school budget. There are times when we end up using funds allocated for LTSM, for example to replace damaged school equipment.

The fact, that some schools may deviate from the regulations, guidelines and specific budget allocations [see 2.2.4.1(a)], implies that some school principals are either not yet knowledgeable of the importance of these regulations and guidelines or deviate from the regulations and guidelines because of circumstances beyond their control. The latter conclusion closely relates to the next question asked to the interviewees.

5.2.2.5 What is your view of the belief that some school principals experience problems in managing school funds?

The two major categories of meaning, which surfaced from an analysis of the answers of the five interviewees to the above-mentioned question, relate to a mere confirmation of the existence of such problems, as well as reference to previous evidence of the existence of such problems (see 3.2).

(a) Confirmation of the existence of problems

All five the interviewees confirmed that school principals experienced problems in managing school funds:

That is true, and it is frustrating school principals. I always receive complaints from the staff, parents, learners and the Department of Education about the bad condition of the school buildings. They all forget that we do not have funds in the bank ... That is why some principals are resigning from the profession, simply because people think that principals are mismanaging school funds.

... Yes, it is possible that some principals are not managing school funds in accordance to the legislation.

... there is no doubt in my mind that some school principals are not managing school funds in line with the legislation.

I can agree ... Due to a lack of knowledge it is possible that some principals are experiencing problems in the management of school funds. I believe that the reason could be that some principals want to do everything by themselves and are not delegating other duties to a Finance Committee.

... I am one of the principals who need any form of assistance with regard to the management of school funds. I, at times, feel intimidated when I am confronted by the officials with regard to the way I manage school funds.

(b) Reference to previous evidence of the mismanagement of school funds
Two of the interviewees referred to the Commission of Enquiry appointed by a former MEC for Education in the Free State province during 2005 to investigate the alleged mismanagement of school funds at that point in time (see 1.2.1):

... I am sure that you are aware that the former MEC: Education in 2005, established a Commission of enquiry that investigated in the Free State. ... through the grapevines I understand that the findings indicated that school funds is not managed according to the legislation ...

I understand that in 2005 some school principals were identified and re-trained by the Education Department, after it was discovered after the Whole School Evaluation process, that school funds were not well managed in their schools.

5.2.2.6 Conclusions based on the interview survey amongst non-respondents

The confirmation of the existence of serious problems regarding financial management among school principals, by all the interviewees, clearly point to the following facts (and therefore serve as a confirmation of the conclusions made after the checklist survey done nine months before; see 5.2.1.4):

- Some school principals are not yet conversant with and/or did not adhere to the regulations and guidelines regarding their financial management tasks.
- Many principals of public schools still experience problems with their financial management tasks.

- In general, school principals in the Motheo district are in favour of an extended and/or improved programme to better facilitate the financial management of their schools. The need for such a programme has therefore been confirmed once more.

Seeing that both the checklist survey and the interview survey among non-respondents only tested and investigated school principals' knowledge of and adherence to a random selection of regulations and guidelines relating to the financial management of public schools, the researcher decided to extend the investigation even further. This was done by means of an extension of the interview survey to a small sample of six education officials in two provinces in South Africa who were involved in issues of school financial management. The findings of this extended interview survey are discussed in the next section of this chapter.

5.2.3 The interview survey among education officials

A non-interactive, open-ended interview survey was done with a total of six education officials from two different provinces in South Africa who were nominated by their respective Education Departments. The officials were provided with a preliminary outline of the draft plan for a programme to facilitate principals' financial management of public schools.

Two of the officials were from the Free State Province and the other four from the Eastern Cape Province. The latter four officials agreed to study the preliminary outline in pairs and also make written recommendations in pairs. Similarly, the two officials from the Free State Province also agreed to work as a pair and collectively provided written recommendations after studying the preliminary outline.

The preliminary outline of the researcher's plan mainly focused on the following issues pertaining to a possible training and development programme for school principals as financial managers (see Table 5.38 and Appendix C):

Table 5.38 First draft plan for facilitating principals' financial management

<p>Principals of public schools experience serious problems with the effective execution of their financial management roles and responsibilities. Consequently, there is growing support of the opinion that these principals need to be better trained and developed in order to execute their financial management tasks effectively [see 3.2; 5.2.1.3(c); 5.2.2.5(a); and 5.2.2.5(d)].</p>
<p>It should be the responsibility of the Free State Department of Education (FSDoE) to facilitate training and development opportunities for school principals as financial managers in this province. All these training and development programmes should clearly communicate exactly what the DoE would expect of school principals as financial managers (see 3.3).</p>
<p>All training and development opportunities for school principals as financial managers should be well coordinated and consistently monitored and evaluated (see 3.10.1.3).</p>
<p>Education authorities should establish partnerships with Higher Education Institutions (HEIs) in order to establish relevant training and development programmes for school principals as financial managers [see 3.4 and 5.2.1.2(c)].</p>
<p>There is a dire need to encourage school principals to take responsibility for their own development by providing the necessary funding and time off work for self-development initiatives (see 3.8.2 and 3.8.3).</p>
<p>The possibility of employing action learning and a project-mode delivery in future training and development programmes should be considered (see 3.7 and 3.8.3).</p>
<p>There is a need for a variety of short, pre-service, pre-promotional, in-service and <i>ad hoc</i> courses to enable the development of school principals. Some of these courses may be credit-bearing and may require cooperation with HEIs (see 3.7.5 and 3.8.1).</p>
<p>Collective ownership, provincial and district cooperation regarding training and development programmes for school principals is required (see 3.2; 3.3; 3.6.2; 3.8.1; 3.9; 3.10.1.4; and 3.10.1.5).</p>
<p>SGB members should meet particular requirements in order to be eligible and may also require special training regarding their financial management roles and responsibilities [see 3.3 and 5.2.1.3(d)].</p>
<p>There is a dire need for regular feedback to school principals on how they manage school funds (see 3.6; 3.6.1.3; 3.6.2; 3.7.2; and 3.7.5).</p>
<p>The contents of financial management training and development programmes need to focus on the multiple roles of school principals as financial managers, instead of specialist roles (see 2.2 and 5.2.1.4).</p>

The arrangement that the interviewees would work in pairs eventually culminated in the submission of three different written reports containing comments and recommendations regarding the researcher's preliminary plan. Their comments on the preliminary plan are therefore discussed in the next few paragraphs according to the topics extracted from the preliminary plan and that are listed above.

5.2.3.1 School principals' financial management problems and the need for appropriate training in this regard

In the preliminary plan submitted to the six education officials, the researcher explained that principals of public schools experience serious problems with executing their financial management roles and responsibilities effectively. Consequently, there is a growing body of opinion that these principals need to be better trained and developed in order to execute their financial management tasks effectively (see 5.2.3). The interviewees from the Free State Province indicated that some training and development programmes, although limited, did exist at the time of the interview (July 2007):

There are sub-districts in the Free State Province where SMGDs conduct relevant financial management training courses and provide effective support to principals with regard to financial management.

It is, however, important to note that the two officials also clearly expressed their agreement with the researcher's observations contained in his provided statements by specifically commenting on the existence of the school principals' problems, as well as the need for appropriate training. They emphasized that the training should be extended to all School Management Team Members (SMTs), SGB members and School Management and Governance Developers (SMGDs) (also see 5.2.3.9):

We agree with your findings ... that sound financial administration is imperative for successful schools and principals, in general, are not able to manage finances effectively. There is indeed a need for the implementation of a coordinated programme to facilitate the training of principals with regard to financial management.

Your framework for the training and development of principals as school financial managers, does not make provision for the important role School Management and Governance Developers (SMGD's) have to play with regard to support given to principals and monitoring of finances.

We acknowledge the importance of training for SGB's and the use of co-opted members to assist with proper financial management.

5.2.3.2 Responsibility of the Department of Education regarding financial management training and development of school principals

The second aspect the researcher emphasized in the preliminary plan was that it should be the responsibility of the Free State Department of Education (FSDoE) to facilitate training and development opportunities for school principals as financial managers in this province (see 5.2.3 and Figure 5.38). The researcher also recommended that all these training and development programmes should clearly communicate exactly what the DoE would expect of school principals as financial managers.

Whereas the interviewees from the Free State Province emphasized the fact that the SMGDs in the FSDoE did provide support to school principals and that there were some training and development programmes running in sub-districts (see 5.2.3.1), the interviewees from the Eastern Cape responded more to the researcher's statements included in this section. One pair of interviewees from the Eastern Cape Province confirmed the first statement, that it is the responsibility of the Department of Education (DoE) to facilitate training and development opportunities for school principals as financial managers:

It is true that, as head of schools, principals must have a sound knowledge of management of finances. How this must be auctioned remains a big question. But one unequivocally and clearly utters that the Department Of Education, as an employer, is charged with the responsibility of ensuring that every principal gets developed in this regard.

The other pair of interviewees from the Eastern Cape Province emphasized that the department should secure the necessary funding for such training from the funds set

aside for skills development training. They also referred to the need for training SFC members:

In the light of the research it is imperative that from skills development, funds should be set aside for financial management. Funds should not only be set aside for the principals, also for the whole finance committee.

5.2.3.3 Coordination, monitoring and evaluation of training and development programmes

The researcher also indicated in his preliminary plan that all training and development opportunities for school principals as financial managers should be well coordinated and consistently monitored and evaluated (see 5.2.3 and Figure 5.38). This statement was confirmed by the following three quotes from the comments of the two pairs of interviewees from the Eastern Cape. Note the very important recommendations they also make in order to facilitate the aforementioned coordination, monitoring and evaluation of programmes:

... a special task team should be introduced to monitor finances together with the school principals.

A special training section should be opened, introduced by the Department of Education.

The employer should always have monitoring and evaluation mechanisms so that "value in money" is attached.

5.2.3.4 Partnerships with HEIs to establish relevant training and development programmes for school principals

The fourth aspect that the researcher highlighted in his preliminary plan was that education authorities should establish partnerships with Higher Education Institutions (HEIs) in order to establish relevant training and development programmes for school principals as financial managers (see 5.2.3 and Figure 5.38). One pair of interviewees from the Eastern Cape Province, expressed their agreement with this statement by means of the following quote:

One suggestion to the Department of Education could be forging or establishing partnership with the higher education institutions in the vicinity to have a specially designed course that bears or includes “management of finances” not necessarily school finances.

5.2.3.5 Encouraging self-development among school principals

The researcher emphasized in his preliminary plan that there is a dire need to encourage school principals to take responsibility for their own development by providing the necessary funding and time off for self-development initiatives (see 5.2.3 and Figure 5.38). This aspect was fully supported by both pairs of interviewees from the Eastern Cape, who also indicated that self-development by school principals were not encouraged well enough by education departments:

Indeed the concept of the self-development is a critical one in the unfolding and the ushering of the new democratic society. For quite a long time this is one of the aspects that have been neglected. Developing oneself in financial acumen could actually make one to realise the importance of self-development. This could make one to be able to even properly and accurately manage personal finances.

In the Eastern Cape, principals are encouraged to be responsible for the school's finances although they are not fully encouraged to develop themselves. This is merely a verbal agreement with no resources made available for them. It was only in 2006 and 2005 when professionals were encouraged to develop themselves, not specifically on financial management. Short courses were solely based on computer literacy, project management and other related courses.

5.2.3.6 Possible methodologies to be used in training and development programmes

In the preliminary plan, the researcher proposed the possibility of employing action learning and a project-mode delivery in future training and development programmes (see 5.2.3 and Figure 5.38). At least one of the pairs of interviewees from the Eastern Cape fully supported the possibility of implementing action learning:

This mode of operation allows "action learning" to occur as principals are grouped. They have all the chances of supporting, advising and criticising each other. At the same time, they tackle their different financial problematic areas together.

The pair of interviewees from the Free State Province, on the other hand, emphasized that the programme should be practical and implementable:

We are in favour of a practical and implemental programme to facilitate financial management skills of schools ...

5.2.3.7 Possible types of financial management training and development programmes

In the preliminary plan, the researcher referred to the need for a variety of short, pre-service, pre-promotional, in-service (refresher) and other *ad hoc* courses to enable

financial management development among school principals (see 5.2.3 and Figure 5.38). The researcher also hinted that some of these courses may be credit-bearing and may require cooperation with HEIs. The pair of interviewees from the FS Province supported the institution of pre-promotional and in-service workshops, as is evident from the following quotes:

We recognize the importance of self-development of principals, but are of the opinion that pre-promotional training and in-service training workshops are more important and that all SMT members should be involved in this training.

SMT members should receive pre-promotional training as school financial managers.

One pair of interviewees from the Eastern Cape Province also supported in-service and short courses on financial management by means of the following quote:

In service and short courses on financial management are needed to upgrade school principals.

The other pair of interviewees from the Eastern Cape, on the other hand, proposed what they referred to as *transversal* training courses, but emphasized that they did not support any forms of crash courses in this regard. Additionally, they also indicated that training should not become a once-off event, but should take place over an extended period and might even be customized into a credit-bearing course:

Another proposed mode is to expose them to transversal training courses, which are conducted by certain service providers in the public service sector. These courses should not take the form of crash courses, as they have the potential of leaving the participants with no practicalities in terms of the implementations of the skill.

... It does not become a once off event, but duration of the training is at least one to two years in order for the course to be equivalent to a Postgraduate Diploma/Degree. This could as well be a qualification that recommends one to penetrate the echelons of the global village, which always seek for skilled personnel. One raises this as one of the fundamentals of the Skills Development Act of 1998. One undergoes training with the aim of improvement in the workplace, but also bears the element of employability, where applicable.

5.2.3.8 Collective ownership and cooperation

The researcher further emphasized the need for collective ownership, provincial and district cooperation in his preliminary plan, as far as training and development programmes for school principals are concerned (see 5.2.3 and Figure 5.38). In this regard, the pair of interviewees from the Free State Province subsequently recommended that all relevant stakeholders should be involved in the development of financial management training and development programmes for different categories of staff involved in school financial management. This confirms the need for collective ownership and cooperation:

Relevant stakeholders should be involved in developing a user-friendly manual and training programme for SMGD's, principals, finance clerks and SGB's.

The issue of cooperation between provinces and districts, proposed by the researcher, was indirectly supported by all the interviewees from the Eastern Cape, as can be derived from their respective recommendations quoted below. It is important to note, however, that no comments on provincial cooperation were received from any of the interviewees whatsoever:

Schools should be clustered and trained on a regular basis on financial management.

The mode of operation could be to group principals of various schools in the district to attend the training in the holiday. The rationale is that service delivery, by the time the principals attend the training, does not suffer.

5.2.3.9 Requirements of and training for SGB members

As far as the problems surrounding SGB members in South African school education is concerned, the researcher proposed in his preliminary plan that SGB members should satisfy particular requirements in order to be eligible and may also require special training regarding their financial management roles and responsibilities (see 5.2.3 and Figure 5.38). The problem surrounding the capacity of SGB members to oversee financial management of public schools was clearly confirmed by the pair of interviewees from the Free State province:

We agree that the capacity of School Governing Bodies, especially in previously disadvantaged schools, makes it difficult to implement effective financial control systems. We acknowledge the importance of training for SGBs and the use of skilled, co-opted members to assist with proper financial management.

One of the pairs of interviewees from the Eastern Cape also supported the researcher's claims regarding the requirements of SGB members and the fact that they also need to be trained. Additionally, they emphasized the need for training SFC members in particular:

In the Eastern Cape principals are always blamed and accused of misappropriation and embezzlement of school fund. Such accusations mainly come from the SGB's and other members of the community. This implies that SGB's should be well exposed to finances and the roles they are expected to play. Training of SGB's on financial management is crucial. In the most rural areas especially then Transkei, the level of illiteracy is too high. Any proposal pertaining by the principal is accepted.

Training occurs at a very low rate. It normally takes two days with illiterate people.

Some principals do not show much interest in financial management; as a result they assign such tasks to the finance committee. It is the reason why a proposal is made for the training of the finance committee.

5.2.3.10 Regular feedback to school principals and other stakeholders regarding school fund management

In his preliminary plan, the researcher hinted that there is a dire need for regular feedback to school principals on how they manage school funds (see 5.2.3 and Figure 5.38). This requirement was clearly supported by the pair of interviewees from the Free State Province. Additionally, they referred to the fact that auditors' reports do not always serve to solve the problems surrounding feedback to school principals:

Audited financial statements are submitted annually to the Department of Education, but no feedback is given to schools to recognize good efforts and to improve financial management of schools.

The Department of Education should give feedback to SMGD's, SGB's and principals with regard to the utilization of budget allocations and general finance practices as indicated in financial statements.

Another aspect that needs attention is the role auditor play. Auditors' reports are in general technical and not client-friendly for schools to implement recommendations for the improvement of financial administration.

5.2.3.11 Possible contents of future financial management training and development programmes

Taking into account his research results culminating from his literature study, the checklist survey and the interview survey among school principals, the researcher became highly convinced that the contents of financial management training and development programmes need to focus on the multiple roles of school principals as financial managers instead of specialist roles (see 2.2; 5.2.3 and Figure 5.38). He therefore emphasized this condition in the preliminary plan proposed to the six education officials.

The pair of interviewees from the Free State Province in essence fully supported the researcher's statement in this regard and actually proposed particular contents that should be included in future financial management training and development programmes: Their proposal was mainly based on the contents of the Free State Provincial Gazette no. 68 of 21 September 2001 and refers to minimum requirements pertaining to financial records, statements and the management of school funds:

Training should be relevant and in accordance with measures relating to the minimum requirements of financial records, statements and school funds of public schools as indicated in Provincial Gazette no. 68 of 21 September 2001. Above-mentioned Gazette is a simple, practical guideline for successful financial administration and makes provision for the following:

- *Format of books and records*
- *Keeping of records*
- *Payments from bank account*
- *Petty cash*
- *Recording of information in the analysis book*
- *Records of school assets*
- *Financial statements*
- *Financial committee*
- *Financial administration of hostels*

A pair of interviewees from the Eastern Cape also indirectly emphasized the relevance of contents to be included in future training and development programmes, since this is also a requirement of the Skills Development Act of 1998. It is important to note the reference to the importance of the Integrated Quality Management System (IQMS) in identifying the needs of school principals regarding financial management training and including these in any future programme:

This proposed function should be aligned with school development plans and school improvement plans as the department of education is required to respond to the individual educator's needs in the Integrated Quality Management Systems (IQMS). This is one of the ever-best tools to measure the need of training of principals in finances, even to those who do not recognise the need. It would be discernible during the evaluation time as the immediate senior to the principal is the department officials, not the person of the circuit manager.

One raises this as one of the fundamentals of the Skills Development Act of 1998. One undergoes training with the aim of improvement in the workplace, but also bears the element of employability where applicable.

One pair of interviewees from the Eastern Cape also referred to a problem surrounding the role of auditors in the financial management of school funds. The argument is that auditors charge exorbitant fees, whereas school principals, if trained appropriately, could execute these tasks instead and secure more funds for their own training in this regard. They also highly recommended that the contents of future financial management training and development programmes should focus on accounting and auditing:

Auditors are employed to audit the finance of schools, whereas if the principals were exposed to such training there should be no need of auditors. They (auditor) charge exorbitant amounts. Each auditor charges R3000, 00 per school quarterly which means, in a year a Section 21 school loses R12000,00. Such an amount should be used for training.

The national government should introduce a program which will encourage principals to develop interest in finance. This could be a course on accounting and auditing. Refresher courses should be done regularly either twice or thrice a month.

5.2.3.12 Conclusions and recommendations made from the interview survey amongst education officials

The researcher was satisfied that all 11 of the recommendations made in the preliminary plan for a programme to facilitate principals' financial management of public schools have been confirmed by the three pairs of education officials who evaluated the plan (see 5.2.3.1 to 5.2.3.11).

However, a number of additional perspectives emerged from this investigation and therefore needed to be incorporated in the researcher's final plan. These are the following:

- The proposed training and development programme should be designed in such a way that it could eventually be extended to all School Management Team Members (SMTs), SGB members and School Management and Governance Developers (SMGDs)
- The plan should include monitoring and evaluation mechanisms in place so that "value in money" is ensured.
- The plan should make provision for establishing partnerships with HEIs in the province for the training of school principals as financial managers. It should therefore include the possibility of establishing credit-bearing short courses or full qualifications presented in partnership with or by these HEIs themselves. These should be aimed at specifically preparing school principals to become effective school financial managers.
- The plan should be practical, practicable, implementable and user-friendly.
- The plan should be aimed at continuous training and development of principals as financial managers of public schools and should not only make provision for a once-off event.

- The plan should take into account the opinions of all the relevant stakeholders, including SMGDs, school principals, ordinary educators, SGB members and academics from HEIs who are specialists in school financial management.
- The plan should include recommendations to the education authorities regarding streamlining the process of feedback to SMGDs, SGBs and principals pertaining to the financial management of school funds by school principals.
- The plan should also consider the possibility of training SGB members and, in particular, SFC members.
- The plan should make specific recommendations pertaining to the contents of possible financial management training and development programmes. The contents should focus on *all* the possible roles and responsibilities of principals as financial managers of public schools, with a special focus on aspects such as accounting, auditing and record keeping. It should also properly prepare the school principal for his/her job as a financial manager. The contents may therefore include the following topics:
 - Format of books and records.
 - Keeping of records.
 - Payments from a bank account.
 - Petty cash.
 - Recording of information in the analysis book.
 - Records of school assets.
 - Financial statements.
 - The School Financial Committee (SFC).
 - Financial administration of hostels.
- The plan should take into account the IQMS and how it could assist in determining the needs of principals as school financial managers.
- The plan should include a recommendation to the Department of Education to consider establishing a special task team or a special training section that coordinates and monitors all the training and development programmes on financial management in the particular province.

5.3 CONCLUSIONS MADE FROM PHASE ONE OF THE EMPIRICAL INVESTIGATION

On the basis of all the findings obtained in sections 5.2.1, 5.2.2 and 5.2.3, the researcher was fortunate to make the following very important conclusions regarding school principals' knowledge of and adherence to the regulations and guidelines regarding their financial management responsibilities, as well as the possible need for a programme to facilitate their financial management of schools:

- Some of the school principals in the Motheo education district are not yet fully conversant with and do not adhere to all the regulations and guidelines regarding their financial management tasks.
- Some of the school principals in the district still experience problems with their financial management tasks.
- In general, school principals in the Motheo education district, as well as education officials involved in the development of school financial management, are in favour of an extended and/or improved programme to better facilitate their financial management of public schools. The need for such a programme has therefore been confirmed by means of the checklist and interview surveys among school principals, as well as among knowledgeable education officials in two of the provinces in South Africa.

In addition to the above-mentioned conclusions, the aforementioned checklist and interview surveys provided the researcher with very important recommendations to be considered in designing a final plan for a programme to facilitate principals' financial management of public schools in South Africa (see 5.2.3 and 5.2.3.12).

The aforementioned conclusions and recommendations therefore paved the way for the researcher to design the final plan during the second phase of the empirical investigation in this study. In order to finally validate the researcher's final plan, however, the researcher had to employ a final survey among a selection of school principals and other persons who were also knowledgeable about problems surrounding principals' financial management of public schools in South Africa. The

results of this survey, as well as the semi-final plan, are therefore discussed in the next chapter.

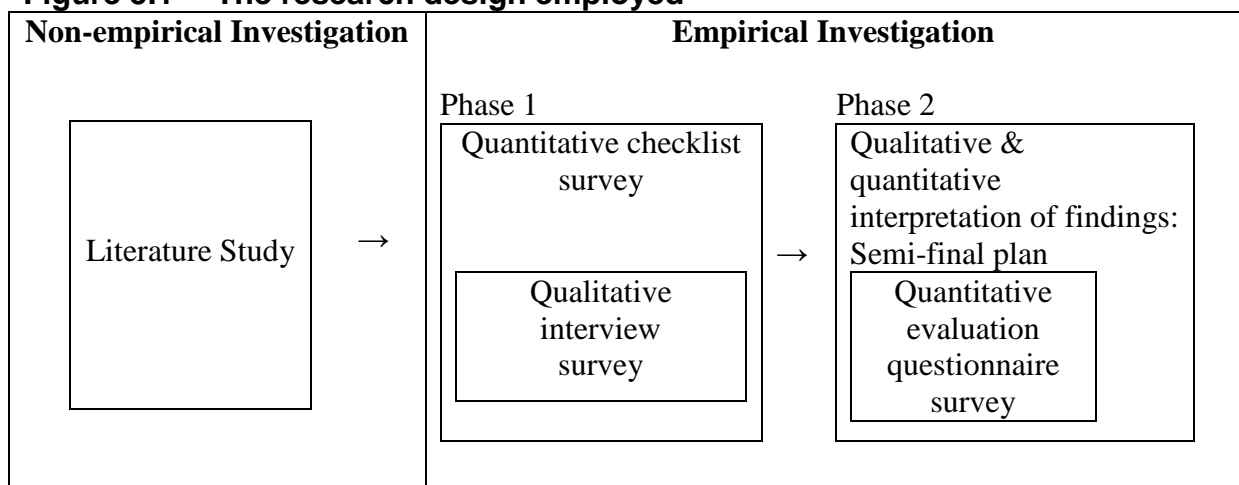
5.4 SUMMARY AND CONCLUDING REMARKS

In this chapter, the findings from phase 1 of the empirical investigation, namely a checklist questionnaire and two interview surveys are reported, interpreted and integrated in conjunction with the findings from the non-empirical literature study reported in Chapters 2 and 3 (see Figure 5.1).

The quantitative checklist survey investigated school principals' knowledge of and adherence to regulations and guidelines regarding their financial management tasks, and their problems and needs regarding a training and development programme (see 5.2.1 and Figure 5.1). The following findings emerged from the checklist questionnaire and were therefore reported in chapter five:

- That some public school principals are not managing school funds in accordance to the regulations and guidelines laid down by Legislations and the relevant education authorities (see 5.2.1.1).
- That both on-the-job and off-the-job training methods should be used to train and develop public school principals, and to consider how HEIs may be involved in a training and developmental programme.
- It confirmed the view that there is a definite need for a programme to facilitate principals' financial management of public schools (see 5.2.1.3).

Figure 5.1 The research design employed



Secondly, the research findings with a sample of non-respondents to the checklist survey were reported, interpreted and integrated in conjunction with the findings from the non-empirical literature study reported in Chapters 2 and 3 (see Figure 5.1). The interviews were employed mainly to extend and validate the findings from the checklist survey (see 5.2.2), as well as to obtain more information from school principals regarding their needs pertaining to training and development programmes. The following findings were highlighted:

- Some public school principals are not yet conversant with and/or did not adhere to the regulations and guidelines regarding their financial management tasks.
- Many principals of public schools still experience problems with their financial management tasks.
- Principals in the Motheo Education District are in favour of an extended and/or improved programme to better facilitate the financial management of their schools.

Thirdly, the findings on the extension of the interview survey to a small sample of six education officials in two provinces in South Africa, who were involved in issues of school financial management and development, are also reported, interpreted and integrated in conjunction with the findings from the non-empirical literature study reported in Chapters 2 and 3 (see 5.2.3 and Figure 5.1). From the interview survey, the following findings were derived:

- That all eleven recommendations made in the preliminary plan for a programme to facilitate principals' financial management of public schools, were confirmed by the three pairs of education officials, who evaluated the plan (see 5.2.3.1 to 5.2.3.11).
- A number of additional perspectives had emerged from this study, and therefore, needed to be incorporated in the researcher's final plan (see 5.2.2.12; Tables 5.1 and 5.2).

The findings discussed in this chapter have therefore paved the way for the researcher's vision of formulating and proposing an extended and/or improved

programme to facilitate principals' financial management of public schools (see Figure 5.1 and 6.2).

The next chapter therefore contains a semi-final plan for the development of a programme to facilitate principals' management of public schools (see Figure 5.1 and 6.2), as well as a report on a survey employed in order to afford a selection of school principals and education officials the opportunity to evaluate the semi-final plan (see Figure 5.1 and 6.3). This entails the second phase of the empirical investigation.

CHAPTER 6

A SEMI-FINAL PLAN FOR A PROGRAMME TO FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS: PHASE TWO OF THE EMPIRICAL INVESTIGATION

6.1 INTRODUCTION

Whilst the previous chapters pertain to the rationale for and background to a proposed programme to facilitate principals' financial management of public schools, this particular chapter sets the scene for such a programme. While the first number of subsidiary research questions were answered in Chapter 5, the last research question therefore still needs to be addressed in Chapters 6 and 7, namely:

- How may principals' needs for support, training and development be addressed?

Although the researcher's final answer to this last research question is only provided in paragraph 7.2.5, the process leading to the final answer is attended to in this chapter. The chapter is presented as follows: In paragraphs 6.2 to 6.7 the unfolding of the proposed semi-final plan for such a programme is presented by bringing together the challenges, concerns and issues identified in the empirical investigation and the perspectives gained in the literature review with a proposed plan for a programme that holds the potential of addressing the specific school financial management problems of public school principals. The special features of the semi-final plan are therefore discussed in these paragraphs. In the same paragraphs, the evaluation of the proposed semi-final plan by selected office-based education officials and public school principals is analysed and the implications of the results are discussed.

In the light of the researcher's own experience as a school principal, having to manage school funds over a period of seven years, as well as being influenced by reports of fraud among departmental employees issued by the Audit and Anti-Corruption Unit in the Directorate: Strategic Management Services, of the Free State Department of Education (FSDoE) since 2003 (see 1.2.1.), the researcher opted to

do an investigation into the need for and the nature of a possible extended and/or improved programme to better facilitate principals' financial management of public schools in the Province.

In order to do the investigation, the researcher firstly employed an extended literature review and situation analysis by means of a checklist survey among public school principals in the Motheo Education District of the FSDoE (see 2.2; 4.1; 4.2; 4.3.1; 4.3.2; 4.3.3.1; and 5.2.1). In order to validate the findings of the checklist survey, the researcher subsequently employed one-on-one, interactive and semi-structured interviews with non-respondents to the checklist survey (see 4.3.3.2 and 5.2.2). This was followed by a non-interactive interview survey among office-based education officials involved in school management and governance development from two provincial education departments, who were asked to evaluate the very first draft of the plan (see 4.3.3.3 and 5.2.3 and Appendix C). In short, the research findings from all three the surveys may be summarised as follows (see 5.3):

- Despite any existing attempts or programmes to facilitate principals' financial management of public schools, it was clearly reported that school principals in the province still experienced problems with the execution of their financial management roles and responsibilities at the time of the surveys.
- Some of the school principals taking part in the first two surveys were not conversant with and/or did not adhere to all the regulations and guidelines regarding their financial management responsibilities.
- In general, the participants involved in all three the surveys were in favour of an extended and/or improved training and development programme. The need for such a programme has therefore been clearly confirmed, while the salient features of a possible plan could be identified from all three the surveys.

On the basis of the research findings, the researcher was therefore able to formulate a semi-final plan for such an extended and/or improved training and development programme consisting of 67 salient features (see 6.2). The purpose of the follow-up evaluation questionnaire survey, of which the results are also reported in paragraphs 6.2 to 6.8 in this chapter, was therefore to afford an opportunity to selected office-

based education officials and public school principals to evaluate the 67 salient features of the semi-final plan.

6.2 EVALUATION OF A SEMI-FINAL PLAN FOR FACILITATING PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

The afore-mentioned survey questionnaire covered all the features of the semi-final plan which were directly derived from the detailed research findings obtained from the literature review and the preceding surveys (see 4.3.2; 5.3; and 6.2). The main sections in the semi-final plan related to the following six basic and simple, but guiding questions regarding a possible programme to facilitate principals' financial management of public schools, namely:

- WHY?
- HOW?
- WHAT?
- WHO?
- WHEN?
- WHERE?

The summary of the research findings provided in bullet format in paragraph 6.1 of this chapter already represents the answers to the question "WHY?", as obtained from the preceding surveys. Therefore only the remaining five guiding questions eventually featured in the survey questionnaire evolving from the semi-final plan, namely: HOW?; WHAT?; WHO?; WHEN?; and WHERE?

Once the semi-final plan was developed, it was evaluated by a team of office-based education officials and public school principals in the FSDoE. As such, the second phase of the empirical investigation for the research project entailed evaluation and subsequent refinement of the proposed semi-final programme that the researcher developed to better facilitate principals' financial management of public schools (see 4.3.2 and Figures 4.1 and 5.2). The development and evaluation of the semi-final plan was therefore part of an embedded mixed method design involving quantitative and qualitative surveys. The researcher did not only deem this second phase of the

empirical investigation of the research project necessary for the adaptation and refinement of the proposed plan, but also for enhancement of its external validity and thus generalisability to other public schools (see 4.7.2).

For the purpose of the survey, a total of 15 school principals in the Motheo Education District, as well as eight education officials of the FSDoE were selected as a sample for the survey with maximum variation of possible respondents in mind. Eventually, 11 school principals and six education officials completed the questionnaire, representing an average response rate of 74%. The demographic profile of the sample of respondents is discussed in more detail in paragraph 4.4.4 of this study.

The researcher personally delivered the survey questionnaire to all the participants. The questionnaire package consisted of seven A4 pages, including the following:

- A covering letter from the researcher.
- A one-page background to the project and the questionnaire.
- Guidelines and instructions for completing the questionnaire.
- Section One: Biographical information.
- Section Two: A semi-final plan for facilitating principals' financial management of public schools (pages 4- 7; see Appendix D).

Section Two of the questionnaire consisted of five main sections (two of which were each divided into two sub-sections), each of which pertains to one of the aforementioned basic and simple but guiding questions regarding a proposed programme to facilitate principals' financial management of public schools. In total, the five main sections (including the sub-sections) of the questionnaire represented 67 salient features of the researcher's semi-final plan. The participants had to rate each of the 67 features in accordance with its importance by making use of the following rating scale: Essential feature = E; Useful feature = U; Not necessary = N.

Besides the afore-mentioned 67 structured items, each main section also included an open-ended comments section in order to afford the respondents an opportunity to comment on any of the features included in that section or to add any further suggestions in this regard. It was hoped that the rating of the structured items,

combined with the open-ended comments sections would highlight the strengths and weaknesses of the proposed plan, whilst also providing the researcher with suggestions as to how the programme could be adjusted/ improved.

In the next number of sections each section or sub-section of the semi-final plan is discussed separately, while the results of the evaluation survey are also provided, interpreted and discussed at the same time. Thus, the outline of the semi-final plan is integrated with the findings of the evaluation survey.

6.3 HOW CAN A PROGRAMME BE ESTABLISHED TO BETTER FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS?

This section pertains to the features of a semi-final plan which directly relates to the basic question: HOW can a programme be established to better facilitate principals' financial management of public schools?

The researcher has recommended in the semi-final plan that this question be answered by means of TWO main components, namely:

- A support programme for school principals as financial managers, consisting of a number of components and based on a number of principles (see Table 6.1).
- Training and development workshops/courses/qualifications on school financial management (see Table 6.2).

6.3.1 A support programme for school principals as financial managers

This section pertains to the first of the two main components required to answer the basic question: HOW can a programme be established to better facilitate principals' financial management of public schools?

The need for a support programme for school principals mainly stems from the discussions included in paragraphs 3.2 to 3.6 of this study. From these paragraphs, and especially paragraph 3.6, it was clear that any programme to facilitate principals' financial management of public schools could not only rely on training programmes,

but also on the support given to these principals in terms of performance appraisal, regular constructive feedback, support teams and development planning (also see 3.8.2) within the ambit of a quality assurance system such as the IQMS, as implemented in the South African context. This assumption of a need for a special support programme was also confirmed by the results obtained from the interview survey among office-based education officials, as reported in paragraph 5.2.3 of this study.

In Table 6.1, the 11 features of the proposed support programme are listed. Additionally, the number of respondents who rated each feature as either essential (E), useful (U) or not necessary (N) during the evaluation survey are simultaneously reported. Comments made by participants on the proposed support programme and the 11 features are also provided in the table. It is important to note that only four of the 11 school principals and two of the six office-based education officials made use of the opportunity to comment on the different features of the entire semi-final plan. These respondents are identified as Principals A, B, C and D, as well as Office-based education officials 1 and 2 respectively. The same format is followed in all the other tables included in this chapter.

It is arguable whether rating a feature as either essential or useful is an indication that the respondent is not against such a feature being included in the proposed programme but actually supports it. In this discussion, as well as discussions surrounding the other components of the proposed programme which follow in subsequent paragraphs in this chapter, the frequencies of the “essential” and “useful” were therefore added in order to establish the amount of support for each feature. In all the discussions that follow, the frequency of responses indicating either essential or useful features are therefore grouped together as they both imply that the respondents support the proposed support programme. It is also important to note that in all the tables and discussions to follow, the initial numbers (namely 1 to 67) allocated to the 67 features of the entire semi-final plan evaluated by the respondents in the original questionnaire will be maintained in order to make comparisons possible.

Table 6.1 A support programme for school principals as financial managers

HOW can a programme be established to better facilitate principals' financial management of public schools?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
A support programme for school principals as financial managers, consisting of a number of components and based on a number of principles as outlined below:			
	E	U	N
1. Establish a well-organised & coordinated financial management support programme for school principals as financial managers.	16	1	--
2. Make use of performance management data obtained by means of the Integrated Quality Management System (IQMS) & Whole School Evaluation (WSE).	10	6	1
3. Establish support teams consisting of relevant stakeholders such as education officials & experienced school principals.	7	8	2
4. A mentoring system with experienced education officials & school principals serving as mentors for less experienced school principals.	9	8	-
5. Provide streamlined, regular & constructive feedback to all public school principals about their financial management performance.	11	6	-
6. Provide support for individual school principals regarding their own financial management development planning.	14	3	-
7. Continually inform principals of the latest developments by means of circulars & guideline documents.	17	-	-
8. Continually motivate school principals to ensure collective ownership of the support, training & development programmes.	13	4	-
9. Establish self development opportunities for principals by providing the necessary funding & time off.	14	3	-
10. Continually monitor & evaluate the support programme.	17	-	-
11. Financial management support may be part of a broader school management support programme.	14	3	-
Participants' comments with regard the proposed support programme:			
<ul style="list-style-type: none"> • Principal A (White female from Section 21/former Model C school): <i>Please do not send education officials, they were not principals and they don't have a clue about school management or finances.</i> • Principal B (Black male from Section 20 school in township): <i>Support programme will assist a great deal as some principals are in serious problems with school finances.</i> • Principal C (Black female from Section 20 school in township): <i>It is important to train more, especially newly appointed principals with financial management and also involve mentors. It should also be a continuous training to all other principals as well.</i> • Office-based education official 1: <i>Dept. officials should also be trained to enable them to efficiently support principals. Programme should take into account the different levels of financial management skills of principals.</i> • Office-based education official 2: <i>Principals should cascade knowledge to finance committees and SGBs, and this should be monitored by the Department.</i> 			

From the summary of responses reflected in Table 6.1, it is clear at a glance that a vast majority of the participants in the evaluation survey supported all 11 features of the proposed financial management support programme for school principals. The comments provided by the participants on the evaluation survey also indicate support for the establishment of such a programme (see Table 6.1)

6.3.1.1 Principles for establishing a support programme

In his semi-final plan, the researcher proposed that the support programme should be based on the following principles (see Table 6.1, features 1 and 5 to 11):

- The support programme should be well-organised and coordinated. This implies provincial and district cooperation and coordination regarding the implementation of all possible components of such a support programme (see 3.3 and 5.2.3)
- The support programme should aim at providing streamlined, regular and constructive feedback to all public school principals about their performance as financial managers of their respective schools (see 3.6.1.3; 3.6.2; 5.2.3.10; 5.2.3.12). The feedback obtained may be used in order to establish each principal's need for further training and development in financial management by assisting him/her to identify the particular financial management roles and responsibilities which require urgent attention (see 5.2.1.1(aa)).
- On the bases of the above-mentioned feedback provided to each principal, the programme should therefore also aim at assisting individual school principals with financial management development planning (see 3.6.2, 3.8.2).
- In order to be pro-active and make provision for any possible changes regarding the regulations, guidelines and the expected roles and responsibilities of public school principals as financial managers (see 2.2 and 2.3), it is imperative that these principals be continually informed of the latest developments in this regard. Departmental circulars and guideline documents explaining these changes of developments should therefore be provided to the principals on a regular basis (see 5.2.2.1 (b); 5.2.2.2 (b); 5.2.3).
- A further aim of the support programme should be to motivate school principals to buy into the support programme. For this to happen, it would be important to involve the principals in drawing up their own development plans and to accept collective ownership of all the available support, training and development programmes provided by the Department of Education (see 3.7.1; 3.8.3; 3.10.1.2; 5.2.3.8; 5.2.3)
- The development plan for each school principal participating in the support programme should make provision for self-development opportunities. In order to motivate principals to embark on such self-development opportunities may require particular incentives, such as assistance with the funding of these

development activities, and the necessary time off from work, if necessary (see 3.7.1, 3.8.3, 5.2.2.1 (d); 5.2.3.5).

- The support programme should be regularly monitored, evaluated and adapted in order to keep track of any new developments (see 3.4; 3.6; 5.2.3.3; 5.2.3.5; 5.2.3.7).
- In order to make maximum use of all financial, human and physical resources available, the proposed support programme may be part of a broader school management support and development programme (see 3.2; 3.3; 3.7.5).

6.3.1.2 Possible components for a support programme

As far as the possible components of the proposed financial management support programme are concerned, the researcher proposed a mentoring system in which education officials and school principals, who have extensive experience in the field, serve as mentors for less experienced principals (see Table 6.1, feature 4; 3.7.5; 3.8.5; 3.8.5.2; 3.8.5.4; 3.8.5.5). This proposal was supported by all 17 participants in the evaluation survey, with nine rating the proposal as essential and the remaining eight as useful. Although none of the participants rated a mentoring system as not necessary, at least one principal, namely Principal A, objected to the involvement of education officials in the support programme by making the following remark (see Table 6.1):

Please do not send education officials, they were not principals and they don't have a clue about school management of finances.

The very same remark may, however, also relate to the involvement of education officials in the proposed establishment of special support teams consisting of education officials and experienced school principals to assist the principals in the execution of their financial management tasks and development planning (see Table 6.1; 3.7.5; 5.2.1.2; 5.2.3; 5.2.3.2; 5.2.3.8). This proposed component of the support programme was also rated as not necessary by at least two of the participants in the evaluation survey (see Table 6.1, feature 3). An investigation into comments provided by other participants in the survey (as indicated in tables 6.2 and 6.5 respectively), clearly shows that Principal D also had a problem with the involvement

of education officials in the planning of workshops, short courses or full qualifications for school principals which focus on the development of school principals as financial managers. The following two remarks made by Principal D bear evidence of his objection:

Rather not persons from the education department, other experts may make positive contributions. (see Table 6.2)

... preferably not officials who have not done this before. (see Table 6.5)

It is therefore obvious that, in the planning and implementation of the proposed support programme for school principals, and especially in the context of establishing support teams and nominating mentors for less experienced school principals, the Department of Education should only select mentors and support team members who are well experienced school financial managers. It may also be necessary to train these mentors and team members beforehand. This recommendation is supported by the following comment made by Office-based education official 1 (see Table 6.1):

Dept. officials should also be trained to enable them to efficiently support principals.

6.3.1.3 The importance of IQMS and WSE data for a support programme

Another feature of the proposed support programme which was rated as not necessary by at least one of the survey participants, was the recommendation that the performance management data obtained by means of the Integrated Quality Management System (IQMS), and Whole School Evaluation (see 3.6.2), should be used in order to identify the particular areas of financial management in which respective school principals require support, assistance and development (see Table 6.1, feature 2). No comment to substantiate his rating of the feature as not necessary, was received.

It is important to note, however, that this feature was highly recommended by two interviewees from the Eastern Cape Department of Education taking part in the evaluation of the researcher's first draft plan for facilitating principals' financial management of public schools (see 5.2.3.11). The researcher is therefore convinced that this feature should remain part of his proposed support programme for school principals

6.3.2 Training and development workshops/courses/qualifications for school principals focusing on school financial management

This section pertains to the second main component required to answer the basic question: HOW can a programme be established to better facilitate principals' financial management of public schools?

This component of the semi-final plan involves a recommendation that the programme to facilitate principals' financial management of public schools should include the development and presentation of a variety of financial management training and development workshops, short courses and/or qualifications for these principals (see 3.2; 3.3; 3.5; 5.2.3; 5.2.3.7). The different features of this component are summarised in Table 6.2, while the evaluation survey results for each feature are also provided. Comments pertaining to these proposed workshops/courses/qualifications are also included.

From Table 6.2 it is clear that all 21 different features of the proposed workshops/courses/qualifications were supported by a majority of survey participants, while very few participants rated 12 of these features as not necessary. The development and presentation of relevant workshops, short courses and/or qualifications focusing on financial management was rated as useful by five of the participants and as essential by 12 of them (see Table 6.2, feature 1).

Table 6.2 Training and development workshops/courses/qualifications for school principals focusing on school financial management

HOW can a programme be established to better facilitate principals' financial management of public schools?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
Training and development workshops/courses/qualifications for school principals focusing on school financial management (consisting of the following components/based on the following:			
	E	U	N
12. Develop and present a variety of financial management training and development workshops/courses/qualifications for school principals.	12	5	-
13. Involve all possible stakeholders, including academics from higher education institutions (HEIs) in identifying the types of workshops/courses/qualifications required, the modes of delivery & the instructional methodologies to be employed.	10	5	2
Types of workshops, courses & qualifications required:			
	E	U	N
14. <i>Ad hoc</i> school financial management training & development workshops.	12	5	-
15. Initial teacher training curricula at HEIs should include school financial management.	10	5	2
16. Negotiate development of credit- & non-credit-bearing short courses with HEIs.	6	10	1
17. Special induction & orientation workshops for newly appointed school principals.	16	1	-
18. Pre-promotional short training courses for newly appointed school principals.	12	5	-
19. Refresher workshops for more experienced school principals.	7	10	-
20. Accredited full qualifications for school principals in school management with a special focus on financial management in the curriculum.	9	7	1
Possible modes of course delivery:			
	E	U	N
21. Full-time training opportunities (with sabbatical leave for school principals).	6	7	4
22. Part-time training & development short courses/full qualifications focusing on/ including school financial management.	9	7	1
23. Distance tuition of credit- & non-credit-bearing short courses/full qualifications.	3	13	1
24. A blended mode of delivery (a combination of contact tuition & e-learning).	7	9	1
Possible instructional methodologies:			
	E	U	N
25. Use on-line learning management systems (LMSs) in order to facilitate both distance & blended modes of delivery.	8	8	1
26. Use both on-the-job & off-the-job instructional methodologies in short training courses/full qualifications.	7	10	-
27. Focus on instructional methodologies involving hands-on activities, e.g. action learning & project-based methodologies.	7	10	-
Funding:			
	E	U	N
28. Use funds earmarked for skills development for workshops/short courses.	14	3	-
29. Provide FSDoE bursaries for principals enrolling for credit-bearing short courses/ full qualifications focusing on/including school financial management.	9	5	2
Monitoring & evaluation of workshops/courses/qualifications:			
	E	U	N
30. All workshops/short courses/full qualifications should be implementable in terms of the available human, financial, physical & time resources.	12	4	1
31. Establish a special training & development task team or a special training unit in the Directorate: Strategic Management Services of the FSDoE.	12	4	1
32. The task team/training unit should continually monitor & evaluate the effectiveness & efficiency of all financial management training & development workshops/courses/qualifications.	13	3	1

Table 6.2 (continued) Training and development workshops/courses/ qualifications for school principals focusing on school financial management

<p>Participants' comments regarding possible training & development workshops/courses/qualifications:</p> <ul style="list-style-type: none"> • Principal C (Black female from Section 20 school in township): <i>Financial support should be provided to cater for this type of training in order to develop all principals.</i> • Principal D (White male from Section 21/former Model C school): <i>Rather not persons from the education department, other experts may make positive contributions.</i> • Office-based education official 1: <i>Please do not complicate the matter. Use Provincial Gazette No 68 of 21 September 2001 as foundation.</i> • Office-based education official 2: <i>The training unit should follow-up on training given. Baseline assessment, to be conducted before training as principals are on different levels of efficiency and effectiveness.</i>
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6.3.2.1 General recommendations

Besides the recommendation of a variety of workshops, short courses and/or qualifications for school principals as financial managers (see Table 6.2, feature 12), the researcher also recommended that all possible stakeholders, including academics from higher education institutions, should be involved in identifying the particular types of workshops, courses or qualifications required, the required modes of delivery and the instructional methodologies to be employed (see Table 6.2, feature 13; 3.3; 3.10.1.4; 5.2.3; 5.2.3.8; 5.2.3.12). Although a vast majority of 15 of the 17 participants in the evaluation survey rated this recommendation as either useful or essential, the remaining two participants rated it as not necessary. The problem that Principal D had with the involvement of education officials in the planning of workshops short courses or full qualifications (and which has already been discussed in 6.3.1.2) might relate to the two participants rating this feature as not necessary. No comment rejecting the involvement of academics from HEIs was received, however (see Table 6.2). The researcher therefore concludes that, at the very least, the principle of involving all stakeholders in the planning of these workshops, courses or qualifications is important for any programme to facilitate principals' financial management of public schools.

6.3.2.2 Types of workshops, courses and qualifications required

The need for a variety of types of workshop, courses and qualifications focusing on school financial management is obvious if the contents of paragraphs 3.3, 3.4, 5.2.1.3(f), 5.2.2.3(d) and 5.2.3.7 are taken into account. In these paragraphs it was clear that principals of public schools may have different needs, depending on their

experience as school financial managers in regard to their initial, pre-service and in-service training. The argument that school principals may have different needs regarding the support, training and development they require as far as school financial management is concerned, is not only supported by the interview survey results reported in paragraph 5.2.2.3(d) and 5.2.3.7, but also by comments provided by Principals A and D and Office-based education officials 1 and 2 respectively (see Tables 6.1, 6.2 and 6.8):

Please don't put newly appointed principals in a course with other principals. Make it individual courses; some principals know accounting, others now nothing. Please differentiate. (see Table 6.8).

Do not invite me to a course on things I already know. (see Table 6.8)

Programmes should take into account the different levels of financial management skills of principals. (see Table 6.1).

Baseline assessment to be conducted before training as principals are on different levels of efficiency and effectiveness. (see Table 6.2).

The above-mentioned differentiation between the possible levels of competence among school principals was, however, not specifically highlighted as a feature in the researcher's semi-final plan (see Table 6.2, features 14 to 20). The above-mentioned comments made by the two participants have, however, convinced the researcher that this should be included as a feature in his final plan presented in Chapter 7 of this study.

The features relating to the types of workshops, courses and full qualifications that may be required, are listed in Table 6.2, and include *ad hoc* workshops, credit-bearing and non-credit-bearing short courses presented by HEIs, induction and orientation workshops and pre-promotional short courses for newly appointed principals, refresher courses for more experienced school principals, as well as accredited full qualifications in school management with a special focus on financial

management in the curriculum (see Table 6.2, features 14 and 16 to 20; 3.3; 3.4; 3.7.1; 3.7.5; 3.8.3; 3.8.4; 3.9; 3.10.4; 3.10.1.5; 5.2.3; 5.2.3.7; 5.2.3.12).

The evaluation survey results regarding the rating of these types of workshops, courses and full qualifications clearly show the support of a vast majority of participants in all cases (see Table 6.2, features 14 and 16 to 20). The development of credit- and non-credit-bearing short courses and full qualifications were rated as not necessary by only one participant in each case (see Table 6.2, features 16 and 20). However, no reason for the latter ratings could be detected in the comments provided by participants.

The researcher therefore concludes that all the above-mentioned types of workshops, courses and qualifications should be retained as features of the final plan for a programme to facilitate principals' financial management of public schools and which is presented in Chapter 7.

In paragraph 3.4 of this study it was explained that the curricula of initial teacher training curricula presented by teacher training colleges and HEIs in South Africa do not always focus sufficiently on the financial management roles and responsibilities of teachers and school principals. The researcher therefore decided to include this requirement as one of the features of his semi-final plan (see Table 6.2, feature 15).

Although 15 of the 17 participants in the evaluation survey rated this requirement as either useful or essential, two of the participants (one school principal and one office-based education official) rated the requirement as not necessary. It could, of course, be argued that initial teacher training curricula are already overloaded and leave very little room for focusing on school financial management. Moreover, the roles and responsibilities of school principals as financial managers may be viewed as a too specialised field in order to include it in any basic teacher training curriculum.

The researcher is, however, convinced that the education authorities should urgently take note of the fact that initial teacher training does not adequately prepare prospective teachers to eventually take on the role of school financial manager, and he will therefore retain this feature in the final plan. This argument is supported by

the comments provided by the school principals, who were interviewed as part of the face-to-face interview survey the researcher performed earlier, and which are reported in paragraph 5.2.2.1 (a) of this study.

6.3.2.3 Possible modes of course delivery

The literature consulted in Chapter 3 of this study clearly highlights the importance of different modes of course delivery concerning the training of school principals as financial managers. These include full-time or part-time courses as well as contact, distance or on-line tuition. Additionally, combinations of these different modes of delivery are also suggested, for example a blended learning mode which is a combination of contact and on-line tuition (see 3.3; 3.7.1; 3.8; 3.8.3; 3.8.10; 3.9; 3.9.4.7; 3.9.4.8; 3.9.4.11; 3.9.8; 3.10.1.4; 3.10.1.5).

In his semi-final plan for a programme to facilitate principals' financial management of public schools, the researcher subsequently considered the research results and conclusions reported in the above-mentioned paragraphs in Chapter 3 as well as paragraphs 5.2.3.7 and 5.2.3.12, and came to the conclusion that the following possible modes of course delivery should be considered when planning workshops, courses and qualifications aiming at equipping public school principals as financial managers:

- Full-time training (with sabbatical leave provided; see Table 6.2, feature 21; 3.9.4.8).
- Part-time short courses or full qualifications (see Table 6.2, feature 22; 3.3; 3.9.4.8 and 5.2.3.7).
- Credit- and non-credit-bearing short courses or full qualifications delivered in a distance mode (see Table 6.2, feature 23; 3.3; 3.7.1; 3.8.3; 3.9.4.7; 3.9.4.11; 3.9.8; 3.10.1.4; 3.10.1.5)
- A blended mode of delivery (see Table 6.2, feature 24; 3.9.8).

The evaluation survey results pertaining to the above possible modes of course delivery were perhaps the least supported by the survey participants: the majority of the participants rated three of the four features as useful instead of essential (see Table 6.2, features 21, 22 and 24). Moreover, four of the 17 participants rated full-

time training opportunities (with sabbatical leave for principals) as not necessary, while one participant rated the three remaining features as not necessary. It is important to note, however, that, if feature ratings as “essential” or “useful” are viewed as support for a particular feature, a significant majority of the participants still supported all four proposed features. The researcher is therefore convinced that all four features may be retained in his final plan which is presented in Chapter 7.

6.3.2.4 Possible instructional methodologies

In Chapter 3 of this study a variety of possible on-the-job and off-the-job instructional methodology for the training of school principals as financial managers has been investigated (see 3.8 and 3.9). Based on the research results reported in Chapter 5 of this study (see 5.2.1.2(d); 5.2.2.1(b); 5.2.3.6), however, the researcher was able to select particular instructional methodologies that he deemed as particularly useful in the context of the training of school principals. These include on-line learning (also referred to as e-learning) by means of an on-line learning management system (LMS; see 3.8.3 and 3.9.8) and hands-on activities such as action learning and project-based learning (see 3.7.1, 3.8.3; 5.2.3.6).

As far as on-the-job and off-the job instructional methodologies are concerned, the researcher deemed it sufficient to merely propose that both these types of methodology should be considered (see Table 6.2, feature 26; 3.7.1; 3.8.1; 3.10.4; 3.10.5; 5.2.1.2(a) 5.2.2.1(b)). The reason for this recommendation is that there is actually a whole series of both types of instructional methodologies (see 3.8 and 3.9) and that the researcher believes that the choice between these methodologies should be left to the discretion of those involved in the planning of the respective workshops, short courses and qualifications.

Contrary to the relative division regarding the rating of possible modes of course delivery among the survey participants (as explained in paragraph 6.3.2.3), a vast majority of the survey participants clearly supported the above-mentioned three features pertaining to instructional methodologies (see Table 6.2, features 25 to 27). The only feature rated as not essential by one particular participant, was the use of on-line LMSs in order to facilitate both distance and blended modes of course delivery (see Table 6.2, feature 25). It is important to note, however, that in the case

of two of the features, the majority of participants rated these as useful and not as essential (see Table 6.2, features 26 and 27). Nevertheless, the results confirm that all three features may be retained in the researcher's final plan for facilitating principals' financial management of public schools.

6.3.2.5 Funding

Any plan for a programme to facilitate principals' financial management of their schools should take into account the financial, human and physical resources that are available (see 3.7.2). Thus the funding required for the development and presentation of workshops, courses and qualifications is of vital importance. Since it is the undisputed responsibility of the Department of Education to provide the necessary support and training for public school principals in order to fulfil their roles and responsibilities as financial managers (see 3.3 and 5.2.3.2), the researcher deemed it necessary to propose possible sources of funding for the intended workshops, courses and qualifications. In paragraph 1.2.2 of this study it was explained that the Department of Education is obliged to allocate 1% of its salary bill for the skills development of its employees. The researcher therefore proposed this as a financial source for funding the proposed training programmes (see Table 6.2, feature 28; 5.2.3.2). All 17 participants in the evaluation also supported this recommendation.

As an alternative financial resource for funding the proposed training programmes, the researcher also proposed that, in view of its responsibility to provide appropriate training for these school principals (see 3.3), the Department of Education should consider providing bursaries for school principals who opt to enrol for credit-bearing short courses or full qualifications which focus on school financial management (see Table 6.2, feature 29). This recommendation is in line with the current practice of the FSDoE to provide bursaries to school principals enrolling for the ACE (School Leadership) at the University of the Free State (see 3.4). This recommendation was supported by a majority of participants in the evaluation survey (see Table 6.2, feature 29) which obliges the researcher to retain it in his final plan proposed in Chapter 7.

6.3.2.6 Monitoring and evaluation of workshops/courses/qualifications

The need to continually monitor and evaluate the effectiveness and efficiency of all financial management support development and training programmes was emphasised in paragraph 3.4 and 3.5 of this study. Whereas effectiveness relates to the relevancy of such programmes in terms of the latest developments regarding school financial management, the efficiency particularly relates to value for money (see 3.5).

In this regard, the researcher has identified three important features of all workshops, courses and qualifications on school financial management which should be considered. These include (see Table 6.2, features 30 to 32);

- All workshops/short courses/full qualifications should be implementable in terms of the available human, financial, physical and time resources (see 3.7.2; 5.2.3; 5.2.3.6; 5.2.3.12).
- There is a need to establish either a special training and development task team or a special training unit in the Directorate: Strategic Management Services of the FSDoE (see 3.5; 5.2.3.3; 5.2.3.12).
- The proposed task team or training unit should continually monitor and evaluate the effectiveness and efficiency of all the workshops/courses/qualifications (see 3.4; 3.5; 5.2.3.12).

A vast majority of 16 of the 17 participants clearly supported each of the three above-mentioned features (see Table 6.2, features 30 to 32). The researcher is therefore convinced that all three features should be retained in his final plan for a programme to facilitate principals' financial management of public schools.

6.4 WHAT CURRICULUM CONTENTS SHOULD BE INCLUDED IN THE PROPOSED FINANCIAL MANAGEMENT TRAINING AND DEVELOPMENT WORKSHOPS / COURSES / QUALIFICATIONS FOR SCHOOL PRINCIPALS?

This section contains the features of the semi-final plan which directly relate to the basic question:

WHAT curriculum contents should be included in the proposed financial management training and development workshops/courses/qualifications for school principals?

In the semi-final plan the researcher has recommended that this question be answered by means of TWO main components, namely:

- General principles for compiling workshops/course/qualification curricula (see Table 6.3).
- Proposed contents to be included in workshop/course/qualification curricula (see Table 6.4).

6.4.1 General principles for compiling workshop/course/qualification curricula

This section pertains to the first of the two main components which directly relate to answering the question: WHAT curriculum contents should be included in the proposed workshops/courses/qualifications.

The literature consulted in Chapter 3 of this study provides a number of general principles to be taken into account when compiling curricula for financial management workshops, courses or qualifications for school principals as financial managers in the South African context (see 3.2; 3.3; 3.4; 3.5; 3.8; 3.10.1.5; 3.11). The importance of these principles was subsequently confirmed by the research results reported in Chapter 5 (see 5.2.3; 5.2.3.3; 5.2.3.8; 5.2.3.11; 5.2.3.12). These principles include the following (see Table 6.3, features 33 to 36):

- All possible stakeholders should be consulted whenever a workshop/course/qualification is planned so that current problems and training priorities may be thoroughly determined (see 3.5; 3.8; 5.2.3.8; 5.2.3.11).
- All workshops/courses/qualifications should be continually adapted according to the latest developments in the field of school financial management (see 3.4; 3.5; 5.2.3.3; 5.2.3.12).
- All workshops/courses/qualifications should focus on the South African context and, in particular, the relevant legislation, rules, regulations and guidelines (see 2.2; 3.2; 3.3; 3.4; 5.2.3.12).

- All workshops/courses/qualifications curricula should focus on the multiple roles and responsibilities of school principals as financial managers (see 2.2; 3.11; 5.2.3; 5.2.3.11; 5.2.3.12).

Table 6.3 General principles for compiling workshop/course/qualification curricula

WHAT curriculum content should be included in the proposed financial management training & development workshops/courses/qualifications for school principals?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
General principles for compiling workshop/course/qualification curricula:			
	E	U	N
33. All possible stakeholders should be consulted whenever a workshop/course/qualification is planned so that current problems & training priorities may be thoroughly determined.	15	1	1
34. All workshops/courses/qualifications should be continually adapted according the latest developments in the field of school financial management.	17	-	-
35. All workshop/course/qualification curricula should focus on the South African context and, in particular, the relevant legislation, rules, regulations & guidelines.	16	1	-
36. All workshop/course/qualification curricula should focus on the multiple roles & responsibilities of school principals as financial managers.	16	1	-
<u>Participants' comments on general principles for compiling curricula:</u>			
<i>None</i>			

Although the survey participants did not provide any comments pertaining to the mentioned principles in the space provided for this purpose in the evaluation survey questionnaire (see Appendix D), Principal D did provide comments on the nature of courses in the space provided at the very end of the questionnaire for additional comments and suggestions. These comments are shown in Table 6.8 and relate to the adaptation of curricula according to the latest developments in the field of school financial management; and the need to focus on the South African school context, as well as the multiple roles and responsibilities of school principals as financial managers:

The course should be school-oriented.

Courses should cover a wide spectrum and should not focus on the problems of individuals.

From studying the evaluation survey results pertaining to the four principles as shown in Table 6.3 (see features 33 to 36), it is clear at a glance that all the

participants supported the latter three principles. Feature 33, namely that all stakeholders should be consulted, was opposed by only one school principal. However, no reason was provided for rating this principle as not necessary (see Table 6.3). The researcher is therefore firmly convinced that all four these principles should be retained in his final plan for a programme to facilitate principals' financial management of public schools.

6.4.2 Proposed content to be included in workshop/course/qualification curricula

This section pertains to the second component which directly relates to answering the question: WHAT curriculum content should be included in the proposed workshops/courses/qualifications? (see Table 6.4).

In Chapter 2 of this study a detailed investigation was performed into the roles and responsibilities of public school principals as financial managers. In paragraph 2.2 it was concluded that the management of school finances may be classified in terms of the four basic management functions, namely financial organisation, planning, leading or guiding and control. The researcher subsequently decided to use these four basic management functions as a basis in order to categorise the content he would propose to be included in the curricula of the proposed workshops/courses/qualifications. The researcher's decision was eventually supported by 16 of the 17 participants in the evaluation survey (see Table 6.4, feature 37). However, Office-based education official 1 rated this categorisation as not necessary. The possible reason for his opposition probably relates to the following comment he made and which is contained in Table 6.2:

Please do not complicate the matter. Use Provincial Gazette No 68 of 21 September as foundation.

The above-mentioned comment is clearly a confirmation of the recommendation of two interviewees (which included Office-based education official 1) who took part in the researcher's non-interactive interview survey among education officials and which is reported in paragraph 5.2.3.11 of Chapter 5. In their recommendation the

two interviewees emphasised that the mentioned Gazette is a simple, practical guideline for successful administration and makes provision for a number of topics which should be included in workshop/course/qualification curricula. In this regard, the researcher wishes to confirm that he did indeed make provision for all the topics listed by these interviewees in his semi-final plan (see Table 6.4) and that he will retain the topics in the final plan provided in Chapter 7 of this study.

Table 6.4 Proposed contents to be included in workshop/course/qualification curricula

WHAT curriculum content should be included in the proposed school financial management training & development workshops/courses/qualifications for school principals?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
Proposed contents to be included in workshop/course/qualification curricula:			
	E	U	N
37. The four basic financial management functions, namely planning, organisation, leading/guiding & control.	13	3	1
38. All the problematic issues & priorities as identified from the researcher's research findings (as divided among the four basic financial management functions below).	14	3	-
<i>Financial organisation:</i>			
39. Delegated financial management powers of Section 20 & Section 21 status schools.	17	-	-
40. Roles & responsibilities of School Governing Bodies (SGBs), School Finance Committees (SFCs), school principals, finance clerks & educators regarding the management of school funds.	16	1	-
41. Specialisation, departmentalisation, coordination, delegation & decentralisation of financial roles & responsibilities in the context of school financial management.	11	6	-
<i>Financial planning:</i>			
42. Types of financial planning (short-term, long-term/strategic, functional & departmental).	12	5	-
43. School budgeting (including types, approaches & processes of budgeting).	13	3	1
<i>Financial leadership:</i>			
44. Financial leadership styles (as required for particular contexts & situations).	9	7	1
45. How to train SGB/SFC members, finance clerks & school educators on school financial management in a cascading training model with principals as trainers.	12	4	1
<i>Financial control:</i>			
<i>Financial accounting:</i>			
46. Compiling financial records, statements & assets registers.	16	-	1
47. Filing & safekeeping of financial records, statements and assets registers.	16	1	-
48. Receiving, recording & administering school funds.	15	2	-
49. Managing fund raising projects.	14	2	1
50. Petty cash management.	14	3	-
51. Transactions, expenditures & payments from the bank account.	14	3	-
52. Financial administration of school hostels.	9	6	2
<i>Financial auditing:</i>			
53. Internal & external auditing processes.	14	2	1
54. The role of independent & government auditors in financial control.	14	1	2
55. Compliance, operational & performance audits.	12	4	1
56. Auditors' reports.	13	4	-

Table 6.4 (continued) Proposed content to be included in workshop/course/qualification curricula

Participants' comments on proposed content to be included in curricula:

- **Principal A** (White female from Section 21/former Model C school): *All stakeholders, that is, finances; sport; academic; learning facilitators and IQMS.*
- **Principal B** (Black male from Section 20 school in township): *It is also imperative to train the members of SGBs about finance matters.*
- **Principal C** (Black female from Section 20 school in township): *It is also important to train SGB members.*
- **Principal D** (White male from Section 21/former Model C school): *Courses with different criteria are essential. Not all principals have the same knowledge and that criteria should be made available to principals. Keep in mind that the principal remains responsible person and that too many persons in finances create problems.*
- **Office-based education official 2:** *Principals should train and assist their finance clerks without taking over from them. The roles of stakeholders with regard to different aspects such as petty cash to be included in the training.*

Additional to the categorisation of the proposed content to be included in the curricula of any future financial management workshops/courses/qualifications for school principals, the researcher also recommended that all the problematic issues and priorities that he identified from his research findings discussed in Chapter 5 of this study, should be included in the content of the future curricula for the proposed workshops/courses/qualifications (see Table 6.4, feature 38; 5.2.3.12). The researcher subsequently also divided these issues and priorities among the mentioned four basic financial management functions. This recommendation was supported by all the participants in the evaluation survey who rated it as either essential (14 participants) or useful (three participants). The researcher will therefore retain this feature in his final plan provided in Chapter 7 of this study.

6.4.2.1 Financial organisation

In paragraph 2.2.1 of the study it was explained that financial organisation includes establishing the school's financial structure, delegating and coordinating the school's financial activities. In this regard it is important to be knowledgeable about the roles and responsibilities of the School Governing Body (SGB) (see 2.2.1.1(d)) and The School Financial Committee (SFC) (see 2.2.1.2), and to have the skill of delegating and coordinating the different tasks and roles to and among the different SGB and SFC members. In order to know and/or perform these roles and duties, the school principal should also be knowledgeable about the delegated financial powers of

Section 20 and Section 21 status schools in the South African context (see 2.2 and 3.4).

The researcher has therefore recommended that the following content (which directly relates to the function of financial organisation) should be included in the curricula of all future financial management workshops/courses/qualifications (see Table 6.4, features 39 to 41):

- The delegated financial management powers as assigned to school principals as well as SGB and SFC members of Section 20 and Section 21 status schools in the South African context (see 2.2; 2.2.1.1; 3.4 and 5.2.1.3 (f)).
- The financial management roles and responsibilities of SGBs, SFCs, school principals, finance clerks and teachers (see 2.2; 2.2.1.1; 3.4).
- The specialisation, departmentalisation, coordination, delegation and decentralisation of the financial roles and responsibilities of SFC members in the context of school financial management (see 2.2.1.2 (a to e); 3.11)

Participants' comments pertaining to the proposed content mainly focus on the delegation of financial roles and responsibilities to SGB/SFC members and finance clerks as well as the need to train these members to fulfil their roles effectively (see Table 6.4).

The evaluation survey results pertaining to the mentioned content (relating to financial organisation) clearly show the support of all the participants (see Table 6.4, features 39 to 41). The researcher therefore views the ratings of the participants as an indication that all the content topics should be retained in his final plan for facilitating principals' financial management of public schools as presented in Chapter 7 of this study.

6.4.2.2 Financial planning

Financial planning at school level involves the translation of financial management regulations and guidelines into a plan for the expenditure of school funds (see 2.2.2). As such it involves the process of budgeting (see 2.2.2.2). In turn, budgeting may be

performed with different purposes in mind: it may involve short-, medium- or long-term planning (see 2.2.2.1).

In his semi-final plan for a programme to facilitate principals' financial management of public schools, the researcher has therefore summarized the content that relate to financial planning in terms of the types of financial planning (e.g. short-, medium- or long-term planning; see 2.2.1.1 (a to d)) and different types, approaches and processes of budgeting (see 2.2.1.2 (a to c)) respectively (see Table 6.4, features 42 and 43). These recommendations are also supported by the research results reported in Chapter 5 of this study (see 5.2.2.3 (a) and 5.2.2.4), as well as by the ratings of the participants in the evaluation survey. A vast majority of the participants clearly supported the two recommendations by rating them as either essential or useful. The two recommendations will therefore be retained in the researcher's final plan proposed in Chapter 7 of the study.

6.4.2.3 Financial leadership

The success of a school's financial activities depends on the people involved. It is therefore important that the school principal should have the necessary leadership skills to enable him/her to direct these people's actions and to motivate them to realise their school's stated financial outcomes. This implies that the principal should know and be able to apply a variety of leadership styles, depending on the particular situation at hand (see 2.2.3; 2.2.3.1; 3.2). Additionally, the school principal should take the lead in preparing SGB/SFC members, finance clerks and other staff members to fulfil their respective roles and responsibilities regarding school financial management (see 5.2.3.9 and 5.2.3.12).

The researcher therefore recommended in his semi-final plan that the content of financial management workshops/courses/qualifications should include investigations into different financial leadership styles as required for particular contexts and situations, as well as methods to train SGB/SFC members, finance clerks and other members regarding school financial matters (see Table 6.4, features 44 and 45). The researcher also recommended that the training should form part of a cascading training model with principals as trainers (see 3.9.5).

In the evaluation survey participants clearly supported the mentioned recommendations with only one participant rating them as not necessary in each case. Additionally, participants' comments also emphasized the need to train SGB members and finance clerks, as is evident from the comments of Principal C, as well as of Office-based education official 2 (see Table 6.4). The researcher's recommendations regarding the topics related to financial leadership will therefore be retained in the final framework provided in Chapter 7 of this study.

6.4.2.4 Financial control

Financial control is the process whereby a school principal ensures that all the school's activities fall within the predetermined school objectives and the planned financial activities. It mainly involves the actions of financial accounting or record keeping and auditing (see 2.2.4). In his semi-final plan the researcher has also divided the financial control functions to be included in the content of workshops/course/qualification curricula into two main sections, namely financial accounting and financial auditing respectively (see Table 6.4).

(a) Financial accounting

Financial accounting involves the compilation, filing and safekeeping of financial records, statements and assets registers (see 2.2.4.1(b)(i to v)). In addition, it involves the management of the school fund account and fund raising projects (see 2.2.4.1(b)(vi to vii)). In paragraph 6.4.2 of the Chapter, mention was made of the Free State Provincial Gazette No. 68 of 21 September 2001 which was viewed by two education officials (who took part in the interview survey regarding the researcher's first draft plan) as a simple practical guideline pertaining to the following topics: the format of books and records; keeping records; payments from bank accounts; petty cash; recording of information in analyses books; records of school assets; financial statements; the SFC, and the financial administration of hostels (see 5.2.3.11). Furthermore, it was also explained in paragraph 6.4.2 that the researcher's checklist and interview survey results regarding the knowledge of and adherence to the roles and responsibilities expected of public school principals as the financial managers of their schools, revealed a whole series of roles and responsibilities which should be included in the curricula of any future workshops/courses/qualifications for these principals (see 5.2.3.12).

In an attempt to accommodate for all the topics mentioned in the previous paragraph, the researcher rearranged and summarised these topics and subsequently succeeded in identifying the following topics to be part of future curricula for the proposed workshops/courses/qualifications (see Table 6.4, features 46 to 52):

- Compiling financial records, statements and assets registers.
- Filing and safekeeping of financial records, statements and assets registers.
- Receiving, recording and administering school funds.
- Managing fund raising projects.
- Petty cash management.
- Transactions, expenditures and payments from the bank account.
- Financial administration of hostels.

The evaluation survey results pertaining to the mentioned recommended contents regarding financial accounting were clearly supported by a vast majority of participants, with only one or two participants rating features 46, 49 and 52 as not necessary (see Table 6.4). The researcher is therefore satisfied that the listed content is a complete representation of financial accounting tasks and he is therefore determined to retain this list in his final plan as proposed in Chapter 7 of this study.

(b) Financial auditing

Financial auditing in the school context includes the collection, classification and assembly of a school's financial information incorporated in financial statements, examining these statements and maintaining professional financial management standards. This function is supposed to be performed both internally and externally (see 2.2.4.3(a)). Internally, the auditing process is usually performed by staff or SGB members (see 2.2.4.3(c)). Externally, the auditing is performed by an independent person (not involved in any of the affairs of the school) who is a qualified auditing officer (see 2.2.4.3(b)). However, provincial or national governments may also appoint government auditors, if required (see 2.2.4.3(d)).

Auditing may focus on particular purposes. For example, compliance audits may be aimed at investigating compliance with prescribed procedures and regulations (see

2.2.4.3(e). An operational audit, on the other hand, involves a systematic examination and evaluation of a school's financial operation with a view to improving efficiency and effectiveness (see 2.2.4.3(f)). If the aim is to investigate whether the school is acquiring, protecting and using its financial resources economically and efficiently, a performance audit is done (see 2.2.4.3(g).) Whatever type of audit is done, the relevant auditors are expected to produce an auditor's report addressed to the relevant stakeholders, in which they express their opinion with regard to the accuracy and fairness of the statements or registers investigated (see 2.2.4.3(a)).

It is therefore clear that, as the financial manager of the school, the school principal should have a thorough knowledge of the above-mentioned concepts and processes regarding auditing. The researcher therefore recommended in his semi-final plan that all these concepts and processes should be included in the curricula of the proposed workshops/courses/qualifications on school financial management (see Table 6.4, features 53 to 56).

The results of the evaluation survey again clearly show overwhelming support for all the afore-mentioned topics, with only one participant rating each of the different types of auditing as not necessary to be included in the curricula (see Table 6.4, features 53 and 55). The recommendation concerning the role of independent and government auditors in financial control (see Table 6.4, feature 54; 2.2.4.3(b) and 2.2.4.3(d)), although supported by the majority of participants, was rated as not necessary by two participants. However, neither of these participants provided a reason for their rejection of this feature. The recommendation that auditors' reports should be included in the curricula was supported by all the participants (see Table 6.4, feature 56). The researcher is therefore of the opinion that all four the features relating to financial auditing may be retained in his final plan proposed in Chapter 7.

6.5 WHO SHOULD BE INVOLVED IN THE DEVELOPMENT OF THE WORKSHOPS / COURSES / QUALIFICATIONS AND WHO SHOULD PRESENT THESE?

This section contains the features of a semi-final plan which directly relate to the basic question: WHO should be involved in the development of workshops/courses/qualifications and who should present these?

According to the South African Schools Act (SASA) No. 84 of 1996 (RSA 1996c), the Head of the Department of Education should establish a programme to provide training for school principals and newly elected SGB members from the funds appropriated for the enhancement of capacity of a school governing body by a provincial legislature, to enable them to perform the functions contemplated in Section 21 of the SASA (see 3.3; 5.2.3; 5.2.3.2).

The researcher therefore stated in his semi-final plan that the support, training and development of principals as financial managers is primarily the responsibility of the FSDoE (see Table 6.5, feature 57). This feature was deliberately included in the semi-final plan because the researcher views the FSDoE as the entity which should take the lead in and oversee the development and presentation of workshops/courses/workshops in school financial management and ensure that these be specifically customized to meet the needs of public school principals in the Free State province. Although the feature was supported by a majority of 14 out of 17 participants, it is important to note that three participants rated this feature as not necessary (see Table 6.5, feature 57).

From Table 6.5 it is clear that all the participants supported the three remaining features (regarding who should be involved in the development and presentation of the relevant workshops/courses/qualifications; see Table 6.5, features 58 to 60) by either rating these as useful or essential. According to these features:

- All stakeholders in school financial management should be consulted when planning the relevant workshops/courses/qualifications (see 3.10.1.4; 5.2.3.8).

- Experienced school principals and education officials should assist in the presentation of these workshops/courses/qualifications (see 3.8; 5.2.2.3(d)).
- The FSDoE should negotiate partnerships in the training and development of school principals as financial managers with local HEIs, especially if credit-bearing short courses or full qualifications are envisaged (see 3.3; 3.4; 5.2.2.2(d); 5.2.3.2; 5.2.3.4).

Table 6.5 Who should be involved in the development of the workshops/courses/qualifications and who should present these?

WHO should be involved in the development of the workshops/courses/qualifications and who should present these?			
Rating scale: E = Essential feature	U = Useful feature	N = Not necessary	
	E	U	N
57. The support, training & development of principals of public schools as financial managers is primarily the responsibility of the FSDoE.	12	2	3
58. All stakeholders in school financial management should be consulted in planning school financial management training & development workshops/courses/qualifications.	11	6	-
59. Experienced school principals & education officials should assist with presentation.	15	2	-
60. The FSDoE should negotiate partnerships in the training & development of school principals as financial managers with local HEIs, especially if credit-bearing short courses/full qualifications are envisaged.	14	3	-
Participants' comments on who should develop and present the workshops/courses/qualifications:			
<ul style="list-style-type: none"> • Principal A (White female from Section 21/former Model C school): <i>Use practising auditors to present the courses.</i> • Principal D (White male from Section 21/former Model C school): <i>Persons with knowledge and experience, preferably not officials who have not done this before. Persons who know the Schools Act, e.g. from FEDSAS or SAOU.</i> • Office-based education official 1: <i>School Management and Governance Developers (SMGDs).</i> • Office-based education official 2: <i>The OHRD to take the lead and appoint experienced trainers who are familiar with the school set-up.</i> 			

Despite the support of a majority or all the participants for all four of the mentioned features proposed in the semi-final plan, an investigation of the participants' comments in this regard (as indicated in Tables 6.1, 6.5 and 6.8) nevertheless shows some disagreement regarding the involvement of certain stakeholders:

Dept. officials should also be trained to enable them to efficiently support principals. (see Table 6.1)

Use practising auditors to present the courses. (see Table 6.5)

Persons with knowledge and experience, preferably not officials who have not done this before. Persons who know the Schools Act, e.g. FROM FEDSAS or SAOU. (see Table 6.5)

School Management and Governance Developers (SMGDs). (see Table 6.5)

The OHRD to take the lead and appoint experienced trainers who are familiar with the school set-up. (see Table 6.5)

The presenter should at least know more than I do. (see Table 6.8).

These comments are in line with some participants' concerns regarding the involvement of education officials who are not experienced school financial managers as discussed in paragraph 6.3.1.1 of this chapter. An important feature which emerges from these comments, however, is the opinion of some participants that the stakeholders who are allowed to be involved in the development and presentation of the relevant workshops/courses/qualifications should be persons with the necessary knowledge and experience of school financial management in the context of the South African School system; that presenters of the workshops/courses/qualifications should know more about school financial management than these who attend these, and that practising auditors should also be involved in the presentation (see Table 6.5).

On the basis of these evaluation survey results, the researcher is therefore convinced that the principles inherent in the four features of the semi-final plan discussed in this section should be retained in his final plan proposed in Chapter 7 of this study. However, the formulation of feature 59 (see Table 6.5) should be adapted as follows:

- Only stakeholders with the necessary knowledge and extensive experience of school financial management should be allowed to assist with the presentation of the workshops/courses/qualifications.

Furthermore, the researcher is now also of the opinion that the following two features should be added to this category as additional features:

- Presenters of the workshops/courses/qualifications should know more about the particular topics they present than do the attendees/students.
- Presenters of the workshops/courses/workshops should be thoroughly trained before they are allowed to take part as trainers.

6.6 WHEN SHOULD THE TRAINING AND DEVELOPMENT WORKSHOPS/COURSES/QUALIFICATIONS BE PRESENTED?

This section pertains to the features of a semi-final plan which directly relate to the basic question: WHEN should the training and development workshops/courses/qualification be presented?

In paragraph 5.2.2.2(c) it was reported that one of the interviewees who participated in the researcher's interview survey among non-respondents to the initial checklist survey (see 5.2.1), complained that school principals did not have the time to take part in proper training and development opportunities due to heavy workloads and other responsibilities they face as principals. The researcher therefore decided to include the following two recommendations in his semi-final plan (see Table 6.6, features 61 and 62):

- Training and development courses for school principals should not affect the normal operation of schools negatively.
- All courses should therefore be presented after school hours or during school holidays.

Although the majority of the participants supported both the above-mentioned features by either rating these as useful or essential, it is important to note that two participants disagreed with feature 61 and three participants with feature 62 respectively (see Table 6.6). The disagreement of these participants in this regard was also evident from the comments some of them provided (see Table 6.6):

Start 12:00 – 18:00 once or twice per term

Training should be presented during school hours and after hours but not during holidays.

Provision should be done to accommodate this kind of courses.

Four afternoons from 14:00 – 17:00

Training should be conducted after contact time with the learners

In the light of the extensive responsibilities a school principal bears as the school manager as well as the support of the majority of the participants in the survey for both features, the researcher remains convinced that the presentation of training and development workshops/courses/qualifications should preferably not take place during school hours, and that the above-mentioned features should remain intact in his final plan. However, it may be necessary to adapt the formulation of feature 62 in Table 6.6 as follows:

- Therefore workshops/courses/qualification should not be presented during school hours.

Table 6.6 When should the training and development workshops/courses/ qualifications be presented?

WHEN should the training and development workshops/courses/qualifications be presented?			
Rating scale:	E = Essential feature	U = Useful feature	N = Not necessary
	E	U	N
61. Training & development courses for school principals should not affect the normal operation of schools negatively.	13	2	2
62. All courses should therefore be presented after school hours or during school holidays.	6	8	3
63. Training & development courses should take place frequently & continuously.	10	7	-
64. The type of course should determine its frequency & when it should be presented.	12	5	-
Participants' comments on when the training should be presented:			
<ul style="list-style-type: none"> • Principal A (White female from Section 21/former Model C school): <i>Start 12:00-18:00 once or twice per term.</i> • Principal B (Black male from Section 20 school in township): <i>Training should be presented during school hours and after hours but not during holidays.</i> • Principal C (Black female from Section 20 school in township): <i>Provision should be done to accommodate this kind of courses. There should be a certain number of principals to be trained and deputies should run the schools.</i> • Principal D (White male from Section 21/former Model C school): <i>Specific advanced courses 1x per-year for others. Credit and acknowledgement should be given for completion.</i> • Office-based education official 1: <i>Communicate with districts for suitable dates. Four afternoons from 14:00-17:00.</i> • Office-based education official 2: <i>Training should be conducted after contact time with the learners.</i> 			

The question as to WHEN the training and development should take place obviously also implies a concern for the frequency of training courses, as well as for the duration of the training. In paragraphs 3.4 and 3.11 of this study it was argued that, for school principals to be effective financial managers, they need to embark on life-long learning. Additionally, the literature recommends a system of ongoing professional development for South African school principals in the light of far-reaching curriculum reform, the delegated financial management tasks of school principals and because many serving school principals in the country have not yet reached the minimum qualification levels required of school principals (see 3.4). In paragraphs 3.8 and 3.9 an extensive list of on-the-job and off-the-job training courses and methodologies were identified and discussed. From these discussions it became clear that the type of course would determine how often and when it should be presented.

The researcher therefore decided to include the following two features regarding the frequency of the proposed training workshops/courses/qualifications in the semi-final plan, both of which were eventually supported by all the participants in the evaluation survey (see Table 6.6, features 63 and 64):

- Training and development courses should take place frequently and continuously.
- The type of course should determine its frequency and when it should be presented.

The support for the above two features of the semi-final plan clearly confirms the need to retain these in the researcher's final plan proposed in Chapter 7 of this study (see Table 6.6).

6.7 WHERE SHOULD THE TRAINING AND DEVELOPMENT WORKSHOPS/COURSES/QUALIFICATIONS BE PRESENTED?

This section pertains to the features of a semi-final plan which directly relate to the basic question: WHERE should the training and development workshops/courses/qualifications be presented?

In paragraph 3.7.1 of this study learning resource centres were identified as ideal venues for principals to access learning material in the management of school funds. The FSDoE indeed has an Education Resource Centre in Bloemfontein which can not only provide such learning materials but also has suitable venues for the presentation of training workshops or courses. On the other hand, if partnerships with local HEIs could be successfully negotiated for the presentation of credit-bearing short courses of full qualifications focusing on school financial management, the facilities of these HEIs might also be used. These facilities include well-equipped training venues in Bloemfontein, Welkom and QwaQwa. Similarly, there are several campuses for Further Education and Training Colleges which may also provide suitable venues for training in other towns in the province.

In his semi-final plan, the researcher included all three the above-mentioned, possibilities for training venues as separate features (see Table 6.7, features 65 to 67). A relatively significant number of participants (either three or four) rated each of these features as not necessary. The reasons for the disagreement of the latter participants might relate to the following comments by some of the participants (see Table 6.7):

Training and development should be presented where there is less disturbance. ERC is best.

Venues/rooms with the necessary technological aids, where principals may feel like professionals.

Training should be conducted at venues that are suitable for specific areas. They should be available and accessible.

An analysis of these comments points to a number of important principles that should be taken into account when selecting venues for training purposes. These principles may be summarised as follows:

- Training and development workshops and courses should be presented at venues where attendees are free from disturbance and interference.

- Training and development workshops or courses should be presented at venues with the best technological aids available.
- Training and development workshops and courses should be presented at venues that are easily accessible to the attendees.

Table 6.7 Where should the training and development workshops/ courses/qualifications be presented?

WHERE should the training and development workshops/courses/qualifications be presented?			
Rating scale:	E = Essential feature	U = Useful feature	N = Not necessary
	E	U	N
65. The FSDoE has an Education Resource Centre in Bloemfontein with suitable venues.	10	3	4
66. Local HEIs have campuses in Bloemfontein, Welkom & QwaQwa with excellent venues for training & development courses.	10	4	3
67. Further Education & Training Colleges may also be approached for suitable training venues in other towns in the province.	8	6	3
<u>Participants' comments on where the training should take place:</u>			
<ul style="list-style-type: none"> • Principal A (White female from Section 21/former Model C school): <i>Develop a plan for each school because circumstances differ.</i> • Principal B (Black male from Section 20 school in township): <i>Training and development should be presented where there is less disturbance. ERC is best.</i> • Principal D (White male from Section 21/former Model C school): <i>Venues/rooms with the necessary technological aids, where principals may feel like professionals.</i> • Office-based education official 2: <i>Training should be conducted at venues that are suitable for specific areas. They should be readily available and easily accessible.</i> 			

The researcher is of the opinion that the inclusion of the three principles is a better option than the (initial) inclusion of features 65, 66 and 67 in his semi-final plan (see Table 6.7). The latter features will therefore be replaced by the three above-mentioned principles in the researchers' final plan for a programme to facilitate principals' financial management of public schools which is proposed in Chapter 7 of this study.

6.8 ADDITIONAL COMMENTS MADE

Table 6.8 contains comments provided by participants in the evaluation survey at the very end of the survey questionnaire (see Appendix D). Most of these comments, however, relate to particular issues already discussed in paragraphs 6.3 to 6.7 in this chapter. The rest of the comments relate to a confirmation of the need for an

extended and improved programme to facilitate principals' financial management of public schools.

Table 6.8 Participants' additional comments on the semi-final plan

Participants provided the following additional comments and suggestions regarding the semi-final plan:
Principal A (White female from Section 21/former Model C school): <i>Please don't put newly appointed principals in a course with other principals. Make it individual course, some principals know accounting, others know nothing. Please differentiate.</i>
Principal B (Black male from Section 20 school in township): <ul style="list-style-type: none"> • <i>Financial training and development is very essential for principals to avoid misadministration of funds.</i> • <i>I hope this questionnaire will assist the FSDoE to realise the need for training to have best schools in the Province.</i>
Principal C (Black female from Section 20 school in township): <i>These courses will be of the best to assist all the principals.</i>
Principal D (White male from Section 21/former Model C school): <ul style="list-style-type: none"> • <i>Do not invite me to a course on things I already know.</i> • <i>The presenter should at least know more than I do.</i> • <i>The course should be school-oriented.</i> • <i>The time should be used effectively during the course.</i> • <i>Courses should cover a wide general spectrum and should not focus on the problem of individuals.</i>
Office-based education official 2: <i>Principals should be trained because they are accountable, so they have to take informed decisions. They also have to manage the finances without taking over from SGBs and Finance Committees.</i>

6.9 SUMMARY AND CONCLUDING REMARKS

In the light of the researcher's own experience as a school principal, having had to manage school funds over a period of seven years, as well as being influenced by reports of fraud among departmental employees, issued by the Audit and Anti-Corruption Unit in the Directorate: Strategic Management Services of the Free State Department of Education (FSDoE) since 2003 (see 1.2.1), the researcher opted to investigate the need and the nature of a possible extended and/or improved programme to better facilitate principals' financial management of public schools in the Free State Province.

On the basis of the research findings, the researcher was therefore able to formulate a semi-final plan for such an extended and/or improved training and development programme consisting of 67 salient features (see 6.2 to 6.7). The purpose of the follow-up questionnaire survey, which is also reported in this chapter, was therefore

to afford an opportunity to purposefully selected office-based education officials and public school principals to evaluate the 67 salient features of the semi-final plan.

This chapter is presented as follows: In paragraphs 6.2 to 6.7 the unfolding of the proposed semi-final plan for such a programme is presented by inductively integrating the challenges, concerns and issues identified in the empirical investigation and the perspectives gained in the literature review, with a proposed plan for a programme that holds the potential of addressing the specific public school financial management problems of school principals.

In the above-mentioned paragraphs, the special features of the semi-final plan are discussed; the evaluation of the proposed semi-final plan by selected office-based officials and public school principals is analysed, and the implications of the results are considered. The six main sections of the semi-final plan (see 6.2), the main concerns related to each particular issue, the recommended approach addressing the various concerns, as well as the applicable features that characterises the proposed semi-final plan, are also clearly outlined in this chapter. In addition, the findings of the evaluation survey carried out among selected office-based education officials and school principals are reported (see 6.2 to 6.7).

The 67 features of the semi-final plan are based on the results of the literature study in Chapters 2 and 3, as well as the findings of the empirical investigation reported in Chapter 5. Chapter 6 therefore sets the scene for a final programme to facilitate principals' financial management of public schools and for finally answering the last research question, namely, "How may principals' training and developmental needs be addressed?"

In Chapter 7 the researcher's final plan such a programme is proposed. All the subsidiary research questions identified for performing this study are also finally answered in Chapter 7.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS: TOWARDS A FINAL PLAN FOR A PROGRAMME TO FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

7.1 INTRODUCTION

The evaluation of the researcher's semi-final plan for a programme to facilitate principals' financial management of public schools and the proposed refinement of the plan reported in Chapter 6 of this study sets the scene for the presentation of his final plan as a final conclusion to the study. At this stage it is therefore necessary to revisit the five research questions formulated in Chapter 1 (see 1.3), which were intended to direct the entire research project:

- What is the nature and extent of principals' financial management responsibilities in South African public schools?
- Are these principals conversant and do they comply with the regulations and guidelines regarding their financial management tasks?
- Is there a need to extend or improve the existing support, training and developmental programmes for facilitating principals' financial management of public schools?
- What is the nature and extent of possible support, training and development practices to facilitate principals' financial management of public schools in South Africa?
- How may these principals' needs for support, training and development be addressed?

In this Chapter each of the mentioned research questions is briefly reconsidered in order to summarise the research findings and conclusions discussed in each of Chapters 2 to 6 of the study, thus providing answers to all these research questions. At this stage it is important to emphasise that the last research question directly

relates to the ultimate aim of this study, namely to propose a plan for an extended and/or improved programme to facilitate principals' financial management of public schools (see 1.4; 4.2);

- How may these principals' needs for support, training and development be addressed?

7.2 CONCLUSIONS AND RECOMMENDATIONS FLOWING FROM THIS STUDY

In the following paragraphs each of the five research questions is answered by referring to the research findings and conclusions on completion of the particular phase of the empirical and/or non-empirical investigation performed. This section therefore provides a brief overview of the entire study.

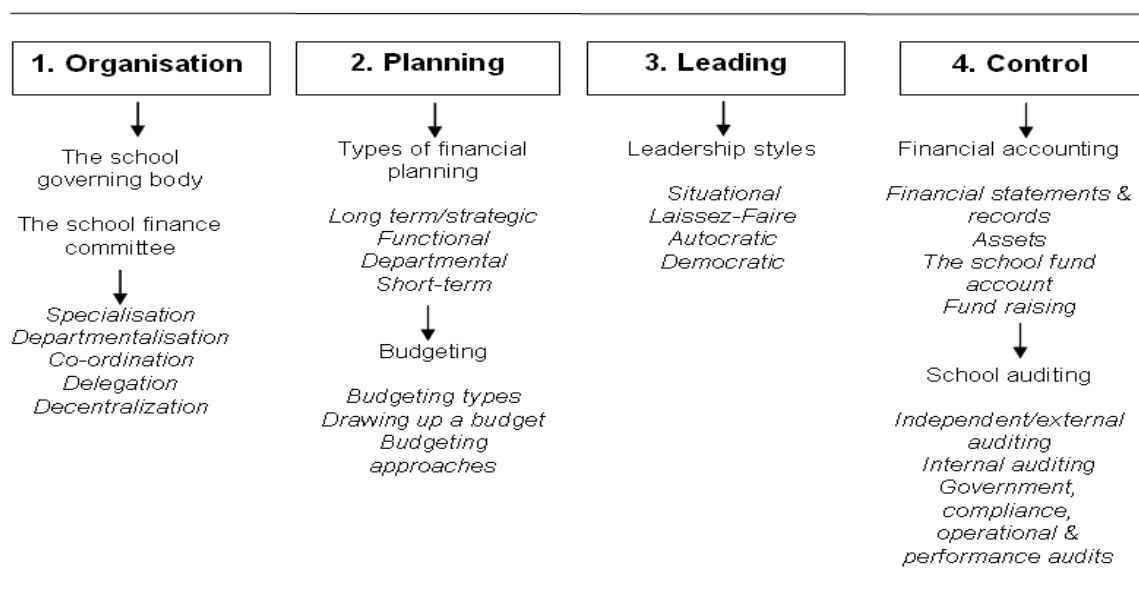
7.2.1 What is the nature and extent of principals' financial management roles and responsibilities in South African public schools?

In paragraphs 1.3 and 4.1 it was explained that the research problem investigated in this study flowed from the researcher's deep concern for public school principals' knowledge of and adherence to regulations and guidelines regarding their financial management roles and responsibilities. In order to investigate this problem and answer the relevant research question, the researcher therefore embarked on an extensive literature review of the financial management roles and responsibilities of principals in South African public schools in Chapter 2 of this study. The literature revealed that these roles and responsibilities could be categorised in terms of four basic financial management functions, namely financial organisation, planning, leading (i.e. leadership) and control. The scope of these responsibilities is presented in Figure 7.1 (see 2.2 and Figure 2.1).

The extensive literature review on the nature and extent of school principals' roles and responsibilities subsequently set the scene for investigating principals' knowledge of and compliance with the relevant regulations and guidelines directing these roles and responsibilities and determining whether public school principals are

in need of an extended and/or improved support, training and/or developmental programme in order to equip them in this regard.

Figure 7.1 Scope of the school principal's financial management responsibilities



7.2.2 Are public school principals conversant and do they comply with the regulations and guidelines regarding their financial management tasks?

In order to determine the degree of public school principals' knowledge of and compliance with the regulations and guidelines directing their expected roles and responsibilities as the financial managers of their schools, the researcher embarked on an embedded mixed methods research investigation involving a quantitative non-experimental checklist survey followed by an embedded qualitative interview survey amongst non-respondents to the checklist survey (see 1.4; 1.8.2.1; 1.8.2.2; 4.3.3.1; 4.3.3.2).

The findings of the checklist and interview surveys are discussed in paragraphs 5.2.1.4 and 5.2.2.6 of this study and may be briefly summarised as follows (also see 5.3):

- Public school principals in the Motheo Education District in the Free State province experience problems with the execution of their financial management tasks.

- Some of these principals are not yet conversant with and do not adhere to all the regulations and guidelines regarding their financial roles and responsibilities.

7.2.3 Is there a need to extend or improve the existing support, training and developmental programmes for facilitating principals' financial management of public schools?

The two conclusions reported in response to the previous research question in paragraph 7.2.2 above, clearly point to a need for an extended support, training and developmental programme for facilitating principals' financial management of public schools (also see 5.2.1.4; 5.2.2.6; 5.3). In order to validate these findings and conclusions, however, the researcher also embarked on an embedded qualitative non-interactive interview survey amongst office-based education officials from two provincial education departments (see 1.4; 1.8.2.3; 4.3.3.2).

The need for such an extended and improved programme was again confirmed by these interviewees (see 5.2.3.2). The researcher was therefore firmly convinced of the need for such a programme.

7.2.4 What is the nature and extent of possible support, training and development practices to facilitate principals' financial management of public schools in South Africa?

Since the ultimate aim of this study was to propose a plan for an extended and/or improved programme to facilitate principals' financial management of public schools, the researcher deemed it necessary, in Chapter 3 of this study, to embark on an extensive literature review regarding the nature and extent of possible programmes to develop these principles.

This literature review included an investigation into, inter alia, the financial management challenges facing the school principals (see 3.2); the responsibilities of the Education Department in this regard (see 3.3); current programmes to support and develop principals as financial managers in South Africa (see 3.4), as well as possible approaches and models for the development of school principals as

financial managers (see 3.7). Besides identifying the elements of support programmes as suggested in paragraphs 3.7.1 to 3.7.5, development and training methods and strategies were also categorised as basically either on-the-job or off-the-job (see 3.8 and 3.9), emphasising the existence of a wide variety of methods and strategies for support, training and development programmes to choose from.

Additional to the focus on the variety of on-the-job and off-the-job methods and strategies, Chapter 3 also includes an investigation into the importance of performance appraisal in the development, training and support of principals as financial managers (see 3.6), especially in regard to the process of identifying the training and developmental needs of these principals (see 3.5). The Chapter concludes with an international perspective on programmes to facilitate principals' financial management of schools (see 3.10).

Chapter 3 therefore finally paved the way for proposing a plan for a programme to facilitate principals' financial management of public schools and, in conjunction with Chapter 2, provided a conceptual framework for such a plan or programme.

7.2.5 How may public school principals' needs for support, training and development be addressed?

The last of the five research questions directing this study directly relates to the ultimate aim of this study, namely to propose a plan for an extended and/or improved programme to facilitate principals' financial management of public schools (see 1.4; 4.2). It is therefore important to note the answers to the preceding research questions, and especially the answers to the research questions discussed in paragraphs 7.2.2 and 7.2.3 of this Chapter.

Whereas the conclusions formulated in paragraph 7.2.2 confirm that some of the public school principals in the Motheo Education District in the Free State province are not yet conversant and do not comply with all the regulations and guidelines regarding their financial management responsibilities and therefore experience serious problems in this regard, the conclusion in paragraph 7.2.3 clearly confirms the need for a support, training and developmental programme for these principals.

These findings may therefore be considered as an adequate answer to the following basic question which should, inter alia, guide the design of any programme to facilitate principals' financial management of public schools:

- WHY should an extended/improved developmental financial programme be established for principals of public schools? (see 6.2)

During the second phase of the researcher's empirical investigation he was eventually able to formulate a semi-final plan for such an extended and/or improved programme, consisting of 67 salient features (see 6.2 to 6.7). These features were inductively derived from the findings of the literature reviews in Chapters 2 and 3 of the study, as well as the findings of the quantitative checklist and respective qualitative interview surveys reported in Chapter 5 of the study. (see 5.2.1.4; 5.2.2.6; 5.2.3.12; 5.3). The 67 features of the semi-final plan also directly relate to the remaining five basic but guiding questions: HOW?; WHAT?; WHO?; WHEN?, and WHERE? (see 6.2 to 6.7).

This semi-final plan was subsequently evaluated by a panel of purposefully selected office-based education officials and public school principals who were considered to be experts regarding public school principals' financial management problems. The results of this quantitative questionnaire evaluation survey eventually confirmed the validity of at least 62 of the 67 features (see 6.2 to 6.7), thus paving the way for the researcher to refine the semi-final plan and propose his final plan in this chapter. This refinement involved the replacement of five of the 67 features in the semi-final plan with improved features, as well as the addition of more important features.

The researcher's final plan is presented in more detail in the following paragraph (see 7.3) and involves TWO main components, namely (see Table 7.1):

- A support programme for school principals as financial managers consisting of a number of components and based on a number of important principles.
- Training and development workshops, courses or full qualifications focusing on school financial management.

7.3 A FINAL PLAN TO FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS IN THE FREE STATE PROVINCE

The researcher's final plan for a programme to facilitate principals' financial management of public schools is based on the semi-final plan introduced and discussed in detail in Chapter 6 of this study (see 6.2 to 6.7). Since at least 62 of the initial 67 features of the semi-final plan were validated by means of the evaluation survey undertaken amongst purposefully selected office-based education officials and public school principals, and all the changes to the remaining five features, as well as the three additions, were already extensively argued in Chapter 6 (see 6.3.2.2; 6.5; 6.6; 6.7), the researcher does not deem it necessary to discuss the 70 features of the final plan in detail here. Instead, the final plan is merely presented in the form of one extensive table included in this paragraph, showing all 70 features (see Table 7.1). Nevertheless, the researcher deems it necessary to highlight the eight changes to the semi-final plan, as well as to outline the main components and sub-components of the final plan.

In this regard, it is important to point out that, as was the case with the semi-final plan, the final plan is also based on the following guiding questions pertaining to a proposed programme to facilitate principals' financial management of public schools (see Table 7.10 and Tables 6.1 to 6.7):

- HOW can a programme be established to better facilitate principals' financial management of public schools? (see 6.3)
 - By means of a support programme consisting of a number of components and a number of important principles (see 6.3.1).
 - By means of presenting training and development workshops, courses, and/or qualifications focusing on school financial management (see 6.3.2).
- WHAT curriculum content should be included in the financial management training and development workshops/courses/qualifications for school principals? (see 6.4)
- WHO should be involved in the development of the workshops/courses/qualifications and who should present these. (see 6.5)

- WHEN should the training and development workshops/courses/qualifications be presented? (see 6.6)
- WHERE should the training and development workshops/courses/qualifications be presented? (see 6.7)

In refining the plan, the following three features were added to the original semi-final plan and are therefore now included in the final plan:

- The proposed workshops, courses and qualifications should differentiate between the different possible levels of financial management competence among school principals (see 6.3.2.2; Table 6.2; features 12 and 13; Table 7.1, feature 14).
- Presenters of the workshops/courses/qualifications should know more about the particular topics they present than do the attendees/students (see 6.5; Table 6.5; Table 7.1; feature 62).
- Presenters of the workshops/courses/qualifications should be thoroughly trained before they are allowed to take part as trainers (see 6.5; Table 6.5; Table 7.1; feature 63).

The following two features represent the reformulation of features 59 and 62 in the semi-final plan:

- Only stakeholders with the necessary knowledge and extensive experience of school financial management should be allowed to assist with the presentation of the workshops/courses/qualifications (reformulation of feature 59 in Table 6.5; see Table 7.1, feature 60).
- Workshops/courses/qualifications should not be presented during school hours (reformulation of feature 62 in Table 6.6; see Table 7.1; feature 65).

Features 65, 66 and 67 contained in Table 6.7 of the semi-final plan were completely replaced by the following three features in Table 7.1:

- Training and development workshops and courses should be presented at venues where there is no disturbance of or interference with the attendees (see Table 7.1, feature 68).
- Training and development workshops or courses should be presented at venues equipped with the best technological aids available (see Table 7.1, feature 69).

- Training and development workshops and courses should be presented at venues that are easily accessible to the attendees (see Table 7.1; feature 70).

Table 7.1 A FINAL PLAN FOR FACILITATING PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

HOW?	A support programme for school principals as financial managers, consisting of a number of components and based on a number of principles as outlined below:
1.	Establish a well-organised and coordinated financial management support programme for school principals as financial managers
2.	Make use of performance management data obtained by means of the Integrated Quality Management System (IQMS) and Whole School Evaluation (WSE)
3.	Establish support teams consisting of relevant stakeholders such as education officials and experienced school principals
4.	Implement a mentoring system with experienced education officials and school principals serving as mentors for less experienced school principals
5.	Provide streamlined, regular and constructive feedback to all public school principals about their financial management performance
6.	Provide support for individual school principals regarding their own financial management development planning
7.	Continually inform principals of the latest developments by means of circulars and guideline documents
8.	Continually motivate school principals to ensure collective ownership of the support, training and development programmes
9.	Establish self-development opportunities for principals by providing the necessary funding and time off from work
10.	Continually monitor and evaluate the support programme
11.	Financial management support may be part of a broader school management support programme
HOW?	Training and development workshops/courses/qualifications for school principals focusing on school financial management (consisting of the following components/based on the following principles:)
	<i>(i) General principles for planning training and development</i>
12.	Develop and present a variety of financial management training and development workshops/courses/qualifications for school principals
13.	Involve all possible stakeholders, including academics from higher education institutions (HEIs) in identifying the types of workshops/courses/qualifications required, the modes of delivery and the instructional methodologies to be employed
14.	The workshops/courses/qualifications should differentiate between the different possible levels of financial management competence among school principals
	<i>(ii) Types of workshops, courses and qualifications required:</i>
15.	<i>Ad hoc</i> school financial management training and development workshops
16.	Initial teacher training curricula at HEIs should include school financial management
17.	Negotiate development of credit- and non-credit-bearing short courses with HEIs
18.	Special induction and orientation workshops for newly appointed school principals
19.	Pre-promotional short training courses for newly appointed school principals
20.	Refresher workshops for more experienced school principals
21.	Accredited full qualifications for school principals in school management with special focus on financial management in the curriculum.

Table 7.1 (continued) A FINAL PLAN FOR FACILITATING PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

HOW?	Training and development workshops/courses/qualifications for school principals focusing on school financial management (consisting of the following components/based on the following principles:)
	<i>(iii) Possible modes of course delivery:</i>
22.	Full-time training opportunities (with sabbatical leave for school principals)
23.	Part-time training and development short courses/full qualifications focusing on/including school financial management
24.	Distance tuition of credit- and non-credit-bearing short courses/full qualifications
25.	A blended mode of delivery (a combination of contact tuition and e-learning)
	<i>(iv) Possible instructional methodologies:</i>
26.	Use on-line learning management systems (LMSs) in order to facilitate both distance and blended modes of delivery
27.	Use both on-the-job and off-the-job instructional methodologies in short training courses/full qualifications
28.	Focus on instructional methodologies involving hands-on activities, e.g. action learning and project-based methodologies
	<i>(v) Funding</i>
29.	Use funds earmarked for skills development for workshops/short courses
30.	Provide FSDoE bursaries for principals enrolling for credit-bearing short courses/full qualifications focusing on/including school financial management
	<i>(vi) Monitoring and evaluation of workshops/courses/qualifications</i>
31.	All workshops/short courses/full qualifications should be implementable in terms of the available human, financial, physical and time resources
32.	Establish a special training and development task team or a special training unit in the Directorate: Strategic Management Services of the FSDoE
33.	The task team/training unit should continually monitor and evaluate the effectiveness and efficiency of all financial management training and development workshops/courses/qualifications
WHAT?	General principles for compiling workshop/course/qualification curricula
34.	All possible stakeholders should be consulted whenever a workshop/course/qualification is planned so that current problems and training priorities could be thoroughly determined
35.	All workshops/courses/qualifications should be continually adapted according the latest developments in the field of school financial management
36.	All workshop/course/qualification curricula should focus on the South African context and, in particular, the relevant legislation, rules, regulations and guidelines
37.	All workshop/course/qualification curricula should focus on the multiple roles and responsibilities of school principals as financial managers
WHAT?	Proposed content to be included in workshop/course/qualification curricula
	<i>(i) General principles for inclusion and organisation of the content</i>
38.	The four basic financial management functions, namely planning, organisation, leading/guiding and control
39.	All the problematic issues and priorities as identified from the researcher's research findings (as divided among the four basic financial management functions below)
	<i>(ii) Financial organisation</i>
40.	Delegated financial management powers of Section 20 and Section 21 status schools
41.	Roles and responsibilities of School Governing Bodies (SGBs), School Finance Committees (SFCs), school principals, finance clerks and educators regarding the management of school funds
42.	Specialisation, departmentalisation, coordination, delegation and decentralisation of financial roles and responsibilities in the context of school financial management
	<i>(iii) Financial planning</i>
43.	Types of financial planning (short-term, long-term/strategic, functional & departmental)
44.	School budgeting (including types, approaches and processes of budgeting)

Table 7.1 (continued) A FINAL PLAN FOR FACILITATING PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

WHAT?	Proposed content to be included in workshop/course/qualification curricula
	<i>(iv) Financial leadership</i>
45.	Financial leadership styles (as required for particular contexts and situations)
46.	How to train SGB/SFC members, finance clerks and school educators on school financial management in a cascading training model with principals as trainers
	<i>(v) Financial control</i>
	• <i>Financial accounting</i>
47.	Compiling financial records, statements and assets registers
48.	Filing and safekeeping of financial records, statements and assets registers
49.	Receiving, recording and administering school funds
50.	Managing fund raising projects
51.	Petty cash management
52.	Transactions, expenditures and payments from the bank account
53.	Financial administration of school hostels
	• <i>Financial auditing</i>
54.	Internal and external auditing processes
55.	The role of independent and government auditors in financial control
56.	Compliance, operational and performance audits
57.	Auditors' reports
WHO?	Stakeholders to be involved in the development and presentation of the workshops/courses/ qualifications
58.	The support, training and development of principals of public schools as financial managers is primarily the responsibility of the FSDoE
59.	All stakeholders in school financial management should be consulted in planning school financial management training and development workshops/courses/qualifications
60.	Only stakeholders with the necessary knowledge and extensive experience of school financial management should be allowed to assist with the presentation of the workshops/courses/qualifications
61.	The FSDoE should negotiate partnerships in the training and development of school principals as financial managers with local HEIs, especially if credit-bearing short courses/full qualifications are envisaged.
62.	Presenters of the workshops/courses/qualifications should know more about the particular topics they present than do the attendees/students
63.	Presenters of the workshops/courses/qualifications should be thoroughly trained before they are allowed to take part as trainers
WHEN?	Principles for determining the time and frequency of training and development workshops/courses/qualifications
64.	Training and development courses for school principals should not affect the normal operation of schools negatively
65.	Workshops/courses/qualifications should not be presented during school hours
66.	Training and development courses should take place frequently and continually
67.	The type of course should determine its frequency and when it should be presented
WHERE?	Principles for the selection of venues for training and development workshops/courses/qualifications
68.	Training and development workshops and courses should be presented at venues where there is no disturbance of or interference with the attendees
69.	Training and development workshops or courses should be presented at venues equipped with the best technological aids available
70.	Training and development workshops and courses should be presented at venues that are easily accessible to the attendees

It is hoped that the Free State Department of Education, as well as other provincial education departments in South Africa, will be able to use this proposed plan in the development of customised support, training and development programmes for principals as financial managers of public schools. It is important to note, however, that this plan may only be viewed as a framework for the development of a programme to facilitate principals' financial management of public schools since most of the 70 features of the final plan are merely principles to be considered in the development process. As such, these principles are still open to different interpretations, depending on factors such as the target group of school principals and the availability of physical, financial and human resources.

7.4 RECOMMENDATIONS FOR FURTHER RESEARCH

It is clear that the FSDoE has a responsibility in ensuring that public school principals have the skills, knowledge and appropriate attitudes that are required to manage school funds effectively. The researcher believes that, by applying the plan proposed in this study, the FSDoE may be able to consolidate its efforts of improving the management of school funds by public school principals.

In addition to the proposed programme, the researcher recommends that regular school financial management audits and surveys should be carried out in public schools in order to:

- serve as an evaluation platform;
- gauge whether the current management of school funds is up to standard;
- investigate what needs to be improved on, and
- identify the particular support, training and developmental needs of public school principals, SFC and SGB members, as well as other staff members involved in the financial management of school funds.

Within a reasonable time, following the implementation of this final plan for training and development of public school principals as financial managers, distribution of a follow-up questionnaire on the survey that was conducted in 2008 (see 6.2 to 6.7), should be undertaken to track changes in opinion of public school principals and

office-based officials. The results of a follow-up questionnaire survey should therefore serve as a directive for further refinement of the final plan and also to initiate new activities for developing principals as public school financial managers.

An in-depth study should also be conducted to explore the roles and responsibilities of SGB and SFC members of public schools, as well as office-based education officials such as SMGDs, in the management of school funds. Furthermore, there is also a need to undertake extensive research regarding the need to support and train these SGB and SFC members, other relevant staff members of public schools, as well as SMGDs, regarding their respective financial roles and responsibilities pertaining to school financial management. It would also be worthwhile to investigate the specific perceptions of SGB and SFC members, other public school staff members and SMGDs, regarding the management of school funds, and what financial management mechanisms they believe need to be explored and implemented in order to improve the financial management of public schools.

7.5 FINAL REMARKS

In this study the researcher attempted to develop and propose a plan for a programme to better facilitate principals' financial management of public schools (see 7.3). It is hoped that the FSDoE, as well as other provincial education departments in South Africa, will be able to apply this final plan and make it an integral part of their training and development programme to better facilitate principals' financial management of public schools.

The researcher would like to see his final plan progressing from an academic to a tactical and practical level, with the FSDoE, office-based education officials (such as SMGDs) and public school principals collectively taking full ownership, responsibility and accountability regarding the training and development of public school principals as financial managers.

The researcher sincerely believes that the FSDoE has the capacity to explore and invest in support, training and developmental practices to better facilitate principals' financial management of public schools. With adequate physical, human and

financial resources and the necessary commitment from the relevant politicians, office-based and school based officials, SGB and SFC members, the education department should be able to bring an exciting new dimension to the management of school funds by public school principals.

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APPENDIX A

CHECKLIST QUESTIONNAIRE WITH FINDINGS INCLUDED

A QUESTIONNAIRE ON SCHOOL PRINCIPALS AS FINANCIAL MANAGERS

This questionnaire is made up of the following sections:

- Section A: Biographical information.
- Section B: School principals as financial managers.

GENERAL INSTRUCTIONS IN COMPLETING THIS QUESTIONNAIRE

- This questionnaire is made up of 13 pages. Its completion therefore will not take more than 30 minutes of your time.
- The questionnaire focuses on your views as a school financial manager.
- It forms part of a research project undertaken by a PhD (Ed) degree student at the University of the Free State, Bloemfontein.
- Completion of the questionnaire is not compulsory. Your willingness to complete it will, however, greatly enhance the reliability and validity of the research results and will therefore be highly appreciated.
- No individual principals or schools will be identified in the research report. You will therefore remain anonymous at all times (please **DO NOT** write your name or the name of your school on this questionnaire).
- Please answer **ALL** the questions to the best of your ability and as **HONESTLY** as possible.
- If a written answer is required, please use **BLOCK LETTERS**. Please regard these questions as open questions and respond as detailed as possible.
- Some of the questions are closed, however, and may only require the selection of one or more answers from a list of alternatives. These closed questions can be answered by one using a tick (✓) in the appropriate box(es).
- Please note that this questionnaire should only be completed by **principals** or **acting principals** of schools.
- Your cooperation is highly appreciated!

SECTION A: BIOGRAPHICAL INFORMATION

- The following biographical information is necessary for statistical purposes, and will not be used against any respondent or school.
- Tick (√)** your answer where empty boxes are provided. Please, tick (√) **only one** answer to each question in Section A: For example:

Management position:

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Principal	79		100
Deputy principal	0		0
Acting principal	0		0
Other – please specify	0		0

.....If other, do not complete the questionnaire.

Questions:

- 1....For how long have you been a school principal?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
0 – 1 year	0		0
2 – 5 years	26		32,9
6 – 10 years	31		39,2
11 – 15 years	22		27,8
16 or more years	0		0

2. Sex

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Male	64		81
Female	15		9

3. Age

	<i>N = 79</i>	<i>f</i>	<i>%</i>
20 – 30 years	0		0
31 – 40 years	20		25,3
41 – 50 years	43		54,4
51 – 65 years	16		20,3
Older than 65 years	0		0

4. Race

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Black		59	74,7
White		13	16,5
Indian		0	0
Coloured		7	8,9
Asian		0	0

5 Your highest Professional Qualification

	<i>N = 79</i>	<i>f</i>	<i>%</i>
PTC		0	0
JSTC		3	3,8
PTD/STD		2	2,5
FDE		10	12,7
ACE		9	11,4
BA Ed		14	17,7
B Com		5	6,3
B Ed / B Ed Hons		34	43
M Ed		2	2,5
Doctorate		0	0
Other - Please specify?		0	0

6. Your academic qualifications

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Matric (Grade 12/ Std 10)		79	100
BA		12	15,2
Honours		0	2,5
Master's		2	0
Doctorate		0	2,5
Other – Please specify?		0	0

SECTION B: PRINCIPALS AS FINANCIAL MANAGERS

Note: In this Section, you may select more than one option per question if necessary.

- As a school financial manager, do you feel that you have the right attitude, knowledge and skills to manage the school fund effectively?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	79	79	100
NO	0	0	0

- Are you confident that you perform the following financial management tasks according to the regulations laid down by the government?

Financial Planning

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	79	79	100
NO	0	0	0

Financial Organisation

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	79	79	100
NO	0	0	0

Financial Guiding or Leading

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	79	79	100
NO	0	0	0

Financial Control

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	79	79	100
NO	0	0	0

3. Does your school operate two bank accounts (e.g. one for sport and one for school fees)?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		29	36,7
NO		50	63,3

4. Which of the following people draws up your school budget?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Principal		0	0
Staff		0	0
SGB		79	100
Other – Please specify?		0	0

5. Which of the following financial records does your school have?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Petty Cash Register		79	100
Income statement		79	100
Balance Sheet		79	100
Cash Flow		79	100
Cash Analysis book		79	100
Assets Register		79	100
Other – Please specify?		0	0

6. Who, according to your school policy, is allowed to authorise financial expenditure at the school?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Admin. Clerk		0	0
Deputy Principal		0	0
School Budget		0	0
School Governing Body		0	0
Principal		79	100
Other – Please specify?		0	0

7. Which budgeting method is used at your school?

<i>N = 79</i>	<i>f</i>	<i>%</i>
Zero-based Budget	0	0
Line-item Budget	0	0
Site-Based Budget	0	0
Incremental Budget	0	0
Proportional Budget	0	0
Combination of approaches	79	100
Programme Planning Budget System	0	0
Other – Please specify?	0	0

8. Tick the financial planning methods that are used at your school:

<i>N = 79</i>	<i>f</i>	<i>%</i>
Strategic financial planning	79	100
Departmental financial planning	79	100
Short-term financial planning	79	100
Other – Please specify?	0	0

9. As a financial manager, do you view yourself as a:

<i>N = 79</i>	<i>f</i>	<i>%</i>
Democratic leader?	79	100
Autocratic leader?	0	0
Laissez-faire leader?	0	0
Bureaucratic leader?	0	0
Other – Please specify?	0	0

10. Tick the audit methods that are used at your school:

<i>N = 79</i>	<i>f</i>	<i>%</i>
Pre-audits	0	0
Continuous Audits	0	0
Post Audits	0	0
Internal Audits	0	0
State Audits	0	0
External Audits	79	100
Special Audits	0	0
Other – please specify?	0	0

11. Tick the training method you are familiar with:

- Off-the-job training programmes:

<i>N = 79</i>	<i>f</i>	<i>%</i>
A case study training method	0	0
Incident training method	0	0
Role-play	0	0
In-basket method	0	0
The Kepner-Tregoe method	0	0
Management Games	0	0
Syndicate training method	0	0
Conference training method	79	100
Brainstorming training method	0	0
University training programmes	0	0
Sabbaticals training method	0	0
Programmed training method	0	0
Computer assisted training method	0	0
Lecture training method	79	100
Other – Please specify?	0	0

- On-the-job training programmes:

<i>N = 79</i>	<i>f</i>	<i>%</i>
Junior Boards Training Method	0	0
Job Instruction Training Method	0	0
Understudy Training Method	0	0
Job Rotation Training Method	0	0
Assistant to Positions Training Method	0	0
Committee Assignments Training Method	0	0
Outdoor Training Method	0	0
Employee Counselling Training Method	0	0
Learner-Controlled Training Method	0	0
Workshop as a Training Method	79	100
Other – Please specify?	0	0

12. Who is responsible for the day-to-day financial administration at your school?

<i>N = 79</i>	<i>f</i>	<i>%</i>
Deputy Principal	0	0
Treasurer	0	0
Admin. Clerk	0	0
Principal	79	100
Other – Please specify?	0	0

13. Is the school's annual financial statement drawn up by an independent accountant/auditor?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	57	72,2
NO	22	27,8

14. Does your school immediately issue a receipt for money received?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	79	79	100
NO	0	0	0

15. Does your school issue receipts for postal orders and for post-dated cheques?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	32	32	40,5
NO	47	47	59,5

16. Are your School Governing Body meetings held:

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Once a month?	0	0	0
Once a term?	79	79	100
Weekly?	0	0	0
Other – Please specify?	0	0	0

17. Are your School Finance Committee meetings held:

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Once a week?	0	0	0
Once a term?	0	0	0
Monthly?	79	79	100
Other – Please specify?	0	0	0

18. Has the responsibility of managing school finances been delegated to you in writing?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	29	29	36,7
NO	50	50	63,3

19. Have you been trained on the status of Section 21 schools?

	<i>N</i> = 79	<i>f</i>	%
YES		19	24,1
NO		60	75,9

20. Do you (including the School Finance Committee) have problems in compiling financial records?

	<i>N</i> = 79	<i>f</i>	%
YES		28	35,4
NO		51	64,6

21. Does your administrative staff have problems in compiling financial records?

	<i>N</i> = 79	<i>f</i>	%
YES		39	49,4
NO		40	50,6

22. Do you keep money received separate from the petty cash?

	<i>N</i> = 79	<i>f</i>	%
YES		56	70,9
NO		23	29,1

23. Do you remove duplicates of a receipt from the receipt book?

	<i>N</i> = 79	<i>f</i>	%
YES		1	1,3
NO		78	98,7

24. When do you do stock-taking at your school?

<i>N = 79</i>	<i>f</i>	<i>%</i>
Monthly	0	0
Once a term	79	100
Weekly	0	0
Other – Please specify?	0	0

25. Are all negotiated cheques always available for inspection and attached to applicable invoices, cash slips and a cheque authorising document?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	79	100
NO	0	0

26. Are all petty cash payments accompanied by invoices, petty cash voucher documents and properly filed?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	77	97,5
NO	2	2,5

27. Do all members of the School Finance Committee approve financial transactions?

<i>N = 79</i>	<i>f</i>	<i>%</i>
YES	76	96,2
NO	3	3,8

28. Who adopts the school's annual budget?

<i>N = 79</i>	<i>f</i>	<i>%</i>
Governing Body	0	0
Finance Committee	0	0
Parents	79	100
Staff	0	0
Other – Please specify?	0	0

29. Have you trained your School Governing Body on financial management?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		74	93,7
NO		5	6,3

30. Are you the chairperson of the School Finance Committee?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		77	97,5
NO		2	2,5

31. Do you allow any member of the School Financial Committee to approve payments?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		1	1,3
NO		78	98,7

32. Who signs petty cash vouchers?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
Treasurer		0	0
Secretary		0	0
Deputy principal		0	0
SGB Chairperson		0	0
Principal		79	100
Other – Please specify?		0	0

33. Has your school entered into a loan or overdraft agreement with a bank?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		0	0
NO		79	100

34. Is there a need for you to be trained on guidelines for financial management?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		78	98,7
NO		1	1,3

35. Do you feel that the training of school principals on financial management tasks should include both on-the-job and off-the-job training programmes?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		79	100
NO		0	0

36. Do you believe that teacher training colleges, technikons and universities have played an important role in improving the financial management skills of school principals?

	<i>N = 79</i>	<i>f</i>	<i>%</i>
YES		72	91,1
NO		7	8,9

Any other remarks?

THANK YOU IN ANTICIPATION FOR YOUR CONTRIBUTION!

APPENDIX B

INTERVIEW SCHEDULE FOR ONE-ON-ONE INTERVIEWS

GUIDELINES

The following explanation was provided to all five the interviewees before the interviews started:

The South African education system has been characterized by the passing of the new Acts, structuring of the school management systems and the decentralization of powers to the school principals and School Governing Bodies, as set out in the South African Schools Act no. 84 of 1996. The effect of the SASA no. 84 of 1996 includes the delegation of decision-making powers regarding the management of school funds to the school principal.

1. The purpose of this study is therefore to investigate whether school principals have the necessary knowledge and skills regarding their roles and responsibilities as financial managers of public schools and to what extent they succeed in adhering to these.
2. This study forms part of my research project for a Ph.D. (E) degree at the University of the Free State.
3. Answering or responding to the questions is not compulsory, but your willingness to respond fully will greatly enhance the reliability and validity of the research study and will therefore be highly appreciated.
4. No individual interviewee or school will be identified in the research report. You will therefore remain anonymous at all times.
5. I humbly request you to answer all my questions to the best of your ability and as honestly as possible.

6. Your co-operation is highly appreciated.

ONLY FIVE INTERVIEW QUESTIONS WERE ASKED. EACH TIME THE INTERVIEWEES WERE ALSO REQUESTED TO ELABORATE ON THEIR ANSWERS OR TO PROVIDE REASONS FOR THEIR ANSWERS:

1. As the school accounting officer, do you think that you are qualified to manage school funds in accordance to the regulations and guidelines?
Please elaborate.
2. Are there programmes in place which are aimed at training and developing principals as school financial managers? Please elaborate.
3. Do you manage school funds in accordance to the school budget?
Can you give reasons for your answer?
4. Are allocations for Learning and Teaching Support Materials, water, electricity and maintenance used exactly what they are intended for?
Can you explain your answer?
5. What is your view with the belief that some school principals experience problems in managing school funds? Please elaborate.

END OF INTERVIEW

A DRAFT PLAN TO FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF SCHOOL FUNDS

1. INTRODUCTION

According to the findings of this research it is clear that principals are promoted from the ranks of teachers without being provided with programmes to train and develop them as school financial managers. The researcher believes that the principals as school financial managers should possess qualifications in the field of the school financial management, because the roles, functions and responsibilities of the principals as school financial managers are entirely different from those of the teacher. It is therefore imperative to provide pre-promotional/pre-induction training for the promotee in the fundamentals of the school financial management.

The researcher believes that strong school financial managers are the ingredients for successful schools. The researcher therefore recommends that the Department of Education should encourage school principals to have the skills and knowledge required to manage school funds well. The development of principals as school managers should not only focus on the delivery of the school Curriculum, but it must take very seriously the management of school resources, specifically, the management of school funds. This means that the Department of Education should initiate a training and development plan for principals as school financial managers, whereby they may be required to have a special qualification in financial management.

The expected financial management standard required for principals should clearly define what the education department expects from them, and in turn, what principals would expect from the department if they perform or fail to perform according to the set standards. I believe that the public schools are the key service delivery points of the government. Therefore, it is at this level that the Department of Education should ensure that the policies of the government are implemented correctly.

It is for this reason that the researcher feels that a co-ordinated training and development programme for principals as school financial managers is required. Emphasis must be on monitoring and evaluation of the training programme. Building sustainability also needs to fall under the spotlight, where there will be clarity on who takes responsibility for the management of the school fund. The training and development of principals should be about improving their school financial management skills.

The government should form a partnership with the Further Education and Training (FET) and Higher Education Institutions (HEIs) to re-skill the serving principals as school financial managers. Teacher Training Colleges should also be established in the rural areas and in small towns, affording principals of those areas an opportunity to acquire the skills and knowledge required to manage the school funds without having them travel long distances to big cities. Teacher Training Colleges should present the training and development of principals at their doorstep, even in the remotest of areas.

The manner in which the school fund is managed by principals is receiving a great deal of attention from the parents, government, Department of Education, staff, donors and the community. This plan will be largely based on the programme proposed by the researcher to train and develop the principals as effective school financial managers. The new training and development programme of principals as school financial managers would give all the stakeholders, such as the school principals, institutions of higher learning, department of education, trade unions and the government the opportunity to determine together what the outcomes and standard of the programme should be.

2. A FRAMEWORK FOR FACILITATING PRINCIPALS' MANAGEMENT OF SCHOOL FUNDS

2.1 Self-development

The changes that have taken place in the management of the school funds require that there should be a greater emphasis on self-development by the school

principals. By self-development the researcher means that the aim should be to encourage principals to take responsibility for their own continuing development as schools financial managers.

By providing money for training and giving time off, the government would really be leaving the development to the individual school principals. A problem for the Education Department, however, is knowing how far the judgement for the development needs can be left to individual principals. It may be that those principals who are most in need of training as school financial managers are the ones who do not recognize the need. Another problem could be deciding what, if anything apart from providing money and time, the Education Department could do to facilitate the school principals' self-development.

Action learning can be used to train and develop principals as school financial managers. The focus of action learning is learning by doing, where principals learn with and from each other by mutual support, advice and criticism. An example of action learning is for a number of principals from the learning group to work together in order to tackle their schools' financial management problems. Action learning could focus on giving principals the financial management skills. This implies that principals will be required to adopt a different attitude to their management of the school funds.

The changes affecting principals as school financial managers require them to have improved financial management skills. School principals need, therefore, to continue to develop themselves. It would become easier for principals to train and develop themselves if the government could increase a wide variety of short-courses on school financial management, including distance-taught financial management that can be taken while principals are still working.

The training and development of principals as school financial managers should take the form of pre-service courses, in-service financial management programmes and some *ad hoc* courses on the management of the school funds. These courses could be offered by the Departments of Education and teacher colleges and HEIs.

Pre-service training programmes for teachers should include an optional course in school organisation and/or educational management. They should be designed to convey a general appreciation and understanding of school financial planning, organisation, leading, control and policy implementation.

In-service training and development programmes for principals should not only include courses on school organisation and management, but also programmes on principals as school financial managers.

Project-mode delivery of specialist in-service training and development programmes of principals as school financial managers should be an innovative approach developed by institutions of higher learning in association with the Department of Education. In addition, self-financing non-credit tailor-made courses on the management of school funds can be organised by the teacher training colleges with the assistance of the Education Department.

The Provincial Departments of Education can also mount their own training and development programmes by enlisting the staff of teacher training colleges or universities near them.

2.2 In-service training programme

Apart from pre-promotional training of principals as school financial managers, in-service training programmes and refresher courses can be arranged on a continuous basis. Methodologies for the training of principals can consist of a lecture discussion, panel discussion, group work, case method, syndicate method, simulation exercises, role-play and in-basket simulation. The training modules and other instructional materials on the different school financial management aspects should be developed in the South African context and updated from time to time.

2.2.1 Refresher courses

The research study found a pattern of non-compliance with the South African Schools Act, 84 of 1996 with regard to the management of school funds by principals. These findings pointed to a lack of appropriate knowledge, skills and attitudes on principals to manage school funds. The research findings, therefore

pointed to the government to take responsibility for monitoring implementation of the laws with regard to the management of school funds. This suggests that the government should focus on both, the development of guidelines on the management of school funds and also ensuring that these guidelines are successfully communicated to all the stakeholders.

As the research findings have pointed out, there is no visible programme to train and develop principals as school financial managers. Refresher courses could be used to develop principals as school financial managers. The refresher courses could focus on the implementation of government policies and guidelines on the management of school funds; to change the tendency of principals to stick to the old way of doing things and to help principals to better understand their school financial management roles, as many principals still point to the education department as the only agent to improve their skills, knowledge and attitude on the effective management of school funds.

On the other hand, principals should have the capacity to improve their skills, knowledge and attitude on the management of school funds. School principals should be taught through the refresher courses that they have the responsibility to improve their financial management skills themselves without relying too much on the government. Refresher courses should therefore encourage collective ownership of a training and developmental programme for principals as school financial managers.

Furthermore, support teams should be established by the Education Department to assist principals who are not managing school funds accordingly; they should encourage a new management mindset which would transform principals to suit their new challenges and their new environments as school financial managers, and they should be used as a platform for serving principals and their deputies to prepare them well in advance to manage school funds well.

2.2.2 School Governing Bodies

While principals carry much of the blame for poor management in their schools, it is also equally true of a school governing body (SGB), which is charged with a

constitutional mandate to manage school funds well. There is a need also for a refresher course to be initiated for SGB members, specifically on their delegated functions.

At the previously disadvantaged schools, the majority of SGB members are illiterate. This could be one of the reasons why there are complaints about poor financial management in such schools. The government could address this by entering into an agreement with all the stakeholders, such as the employer, teacher unions, community members and SGBs, that there should be a minimum requirement for a parent to be elected as a SGB member, for example, grade 12.

Furthermore, the government could devise a managerial checklist for persons who are elected as SGB members. The checklist could include items relating to their capacity to handle and account for school funds; capacity to perform school contractual obligations to suppliers of goods and services; and the ability to make financial decisions that are educationally sound. The criteria to be used in developing such a list must be transparent and involve all the stakeholders in education.

The SGB members should be trained to keep school financial documents as evidence of correct dealings with supplies and contractors; financial records of how school materials and services were used; and to produce such school financial records at request for auditing purposes.

2.2.3 Monitoring

There would be a need for monitoring of the programme, aimed at training and developing principals as school financial managers. Principals who have attended refresher courses and performed well could be used to assist those who would still be struggling in managing school funds. These principals could work hand in hand with the Education Department in ensuring that guidelines are adhered to. The Directorate: Strategic Management Services, should become visible, by assisting with the conducting of refresher courses for principals as school financial managers. Lastly, whistle blowers should be encouraged among the stakeholders to blow their whistles at every level and to set up anti-corruption hotlines to facilitate this.

2.3 Feedback

The Education Department needs to have some kind of structure in place to give school principals feedback on how they manage the school funds. Highly motivated school principals also want feedback on how they are managing the school funds. If principals never get any response about their work and if no one seems to care what they are doing, this will hamper the manner in which they manage the school funds.

The researcher also believes that each training programme will have to be evaluated by the trainees with the view of getting feedback from them for its improvement. The evaluation needs to be performed in terms of the extent to which the pre-conceived objectives of the training programme are achieved, suitability or otherwise of the themes selected for the programme and the handling of various financial management themes. In the long-term financial management training programme, formative evaluations will be necessary at regular intervals and will need to be followed by a summative evaluation towards the end of the training and development programme.

2.4 Prospects for the future

Although a small proportion of school principals feel that the management of school funds is a simple and unproblematic one, there is a growing body of opinions that principals need to be upgraded and exposed to conceptual frameworks and theoretical propositions. Hence one sees a swing in the expressed demand for work and varied training and development of principals as school financial managers.

As a result of a long history of partnerships between the state and the education community one finds community involvement in the training of principals as school managers an important element in South Africa. This aspect of managing education could be reinforced and extended by stressing the role schools and the educational system could play in assisting and supporting communities in their initiatives and development efforts, and could be a worthwhile learning experience in itself. Otherwise, community involvement would tend to be a one-sided affair. The programmes for training and developing principals as school financial managers should also stress the need for the community to play a more assertive and constructive role in educational management and community development.

The human resource development model of management is coming to the fore in many parts of the world. Those who work in the areas of preparing and training principals as school financial managers find a ready social laboratory in which to experiment with this new approach. For instance, the leaders and senior officials subscribe to the notions of investing in people and people-centred development that are important considerations in human resource development. Another significant variation of approach to the training and development of principals as school financial managers is the emphasis on developing generalist, polyvalent or multiple roles of principals rather than school principals with unitary specialist roles. South Africa should therefore try to create a cadre of school principals who can fit into multiple roles in a flexible manner, a system that differs from the generalist cadre.

Traditionally, school financial policy-making, financial planning, and implementation have been regarded as separate and unrelated school financial functions of administration. These school financial functions cannot be performed as separate functions by officials functioning at different hierarchical levels. These school financial functions, which are traditionally conceived as separate functions, should really be performed together in an interactive and integrative manner.

The need for the Education Department to effect speedy implementation of its programmes and to ensure great public visibility of its performance should acutely be felt in the development of principals as school financial managers.

2.5 Provincial co-operation

Most of the small Education Districts would find it difficult to mount a comprehensive training and development programme for principals as school financial managers on their own. On the other hand, they increasingly find that some of the national theoretical models and the training offered to their school principals in HEIs do not closely correspond to the local realities and conditions. The universities in the provinces should assist the Provincial Education Departments, through on-campus financial management courses, distance education programmes, and consultancy visits, in their efforts to train and develop principals as school financial managers. The Education Districts in the Provinces could co-operate among themselves on a

sub-district level or on a provincial basis, to train and develop principals on the effective management of school funds. Strengthening provincial cooperation in the training and development of principals as school financial managers should be advocated and accomplished in a large measure. A balanced approach of this provincial cooperation together with some judicious selection of input from national and international sources in effective management of school funds would be productive.

3. SUMMARY AND CONCLUDING REMARKS

From the research study, it is clear that the task of developing principals as school financial managers is challenging in the extreme. But the researcher is optimistic that if the government, the education department and school principals can work together, they can be able to rise to the challenge and contribute, to the best of their capacity, to facilitate effective financial management in public schools.

Multi-modal, multi-level and continuous training and development of principals as school financial managers would be possible through the in-service, and the distance mode school financial management specialism offered by the HEIs. Universities and training institutes can supplement these efforts together with intra-provincial and national efforts.

Some problems that might be encountered in the training and developing of principals as school financial managers have been highlighted. Many of these may not be peculiar to the districts alone. An examination of the prospects and possibilities should be undertaken in the hope that these would generate new and relevant ideas. The school principals should be prepared to respond to and facilitate effective management of school funds in their schools. However, it is time that we move to the stage of preparing principals who do not merely respond to and facilitate effective financial management in their schools, but also anticipate future trends and needs and are able to shape the future of their schools, helping to fulfil the dreams for the future of their schools.

School principals and those responsible for their training and development as school financial managers should develop programmes that will prepare school principals to facilitate effective financial management in their schools.

APPENDIX D

COVERING LETTER, BACKGROUND PAGE AND QUESTIONNAIRE

PO Box 23545
Kagisanong
9309

1 December 2008

Dear Colleague

QUESTIONNAIRE SURVEY REGARDING A PLAN FOR A PROGRAMME TO FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

I am currently a doctoral student in the Department of Comparative Education and Educational Management at the University of the Free State, preparing a thesis with the following registered title:

A programme to facilitate school principals' financial management of public schools

My promoters for the Ph.D. study in Educational Management are Dr. S. P. van Tonder and Dr. E.R. du Toit of the University of the Free State. The research project has also been registered with the Free State Department of Education (FSDoE) and the necessary permission to perform the investigation has therefore been obtained from the department.

I am now in the final stages of the investigation and have purposefully selected you to take part in my last research survey for the thesis. The questionnaire survey involves an evaluation of a semi-final plan for a programme to better facilitate school principals' financial management of public schools in the Free State province. I therefore kindly request you to read the background provided on the next page before you attempt to answer the questionnaire.

Please note that completion and submission of the questionnaire is not compulsory and that neither your identity, nor the identity of your school will be made known to anybody else. Your participation in the questionnaire survey will, however, greatly enhance the validity and quality of the proposed plan, which will eventually be submitted to the FSDoE.

If you have any problems or queries regarding the completion of the questionnaire, you may contact me at any time at the following cell phone number: 0832827277. Alternatively, you may contact my main promoter, Dr S.P. van Tonder, at the following cell phone number: 0835616464.

Please note that I shall collect the questionnaire personally from your office on or before Friday, 5 December 2008.

Yours sincerely

Mr. V.E. Ntseto

Background to this questionnaire survey

In the light of my own experiences as a school principal having to manage school funds over a period of seven years, as well as having been influenced by reports of fraud amongst departmental employees issued by the Audit and Anti-Corruption Unit in the Directorate Strategic Management Services of the Free State Department of Education (FSDoE) since 2003, I opted to do an investigation into the need for and the nature of a possible extended and/or improved programme to better facilitate principals' financial management of public schools in the province as part of my doctoral study in Educational Management.

In order to do the investigation, I firstly employed an extended literature review and a situational analysis by means of a checklist survey among public school principals in the Motheo Education District of the FSDoE. In order to validate the findings of the checklist survey, I subsequently employed one-on-one, interactive and semi-structured interviews with non-respondents to the checklist survey. This was followed by a non-interactive interview survey among office-based educational officials involved in school management and governance development from two provincial education departments who were asked to evaluate the very first draft of the plan. In short, the research findings from all three these surveys may be summarised as follows:

- Despite any existing attempts or programmes to facilitate principals' financial management of public schools, it was clearly reported that school principals in the province still experienced problems with the execution of their financial management roles and responsibilities at the time of the surveys;
- some of the school principals taking part in the first two surveys were not conversant with and/or did not adhere to all the regulations and guidelines regarding their financial management responsibilities; and
- in general, the participants involved in all three the surveys were in favour of an extended and/or improved programme to better facilitate principals' financial management of public schools. The need for such a programme has therefore been clearly confirmed, while the salient features of a possible plan could be identified from all three the surveys.

On the basis of the research findings, I was eventually able to formulate a semi-final plan for such an extended and/or improved training and development programme. The purpose of this follow-up questionnaire survey is therefore to afford you the opportunity to evaluate the salient features of the semi-final plan.

The questionnaire covers all the features of the semi-final plan which were directly derived from the detailed research findings obtained from the literature review and the preceding surveys. You will also notice that the main sections in the questionnaire relate to the following five basic and simple questions regarding a possible programme to facilitate school principals' financial management of public schools: **How? What? Who? When? Where?**

The summary of the research findings provided in bullet format above represent the answers to the remaining question (**Why?**) which have already been obtained through the preceding surveys.

QUESTIONNAIRE TO EVALUATE A SEMI-FINAL PLAN FOR A PROGRAMME TO FACILITATE PRINCIPALS' FINANCIAL MANAGEMENT OF PUBLIC SCHOOLS

GUIDELINES AND INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE

1. Please note that completion and submission of the questionnaire is not compulsory and that neither your identity, nor the identity of your school will be made known to anybody else.
2. Please **DO NOT** write your name or the name of your school on this questionnaire.
3. Your participation in the questionnaire survey will, however, greatly enhance the validity and quality of the proposed plan which will eventually be submitted to the FSDoE.
4. Please complete this questionnaire only after you have read the background provided on the previous page.
5. Please answer **ALL** the questions as honestly as possible.
6. Section One of the questionnaire requires of you to provide biographical information regarding yourself as a school principal or as an office-based education official. This information is necessary to compile a demographic profile of the questionnaire respondents. Whereas school principals are requested to answer ALL the questions in this section, office-based education officials only need to answer those questions which are applicable to their particular situation. Please use **BLOCK LETTERS** to answer these questions?
7. Section Two of the questionnaire consists of five main sections representing 67 features of the semi-final plan relating to the basic questions **How?**; **What?**; **Who?**; **When?**; and **Where?** However, for the sake of clarity with regard to the nature of the semi-final plan, two of the five main sections are each divided into a number of sub-sections as well.
8. You are requested to rate each of the proposed 67 features in Section Two according to its importance. The rating scale for importance consists of only three levels, namely "**essential**", "**useful**" and "**not necessary**".
9. In Section Two, please select the relevant level of importance for each feature (i.e. either essential, useful or not necessary) by only making a cross (X) in the appropriate box.
10. At the end of each of the five main sections in Section Two, space is provided for comments and suggestions relating to the features included in that specific section. Please use **BLOCK LETTERS** if you wish to provide comments or suggestions.
11. Your participation in the questionnaire survey is highly appreciated.

SECTION ONE: Biographical information

1. Are you currently a school principal or an office-based education official? _____
2. If you are a school principal, is your school a Section 20 or a Section 21 status school?

3. How would you describe the general ethnic and socio-economic background of the learners in your school? _____

4. How many years of experience do you have as a school principal or as an office-based education official? _____
5. Please state your age in years? _____
7. Are you male or female? _____
6. To which race or ethnic group do you belong? _____

SECTION TWO: A semi-final plan for facilitating principals' financial management of public schools

HOW can a programme be established to better facilitate principals' financial management of public schools?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
A. A support programme for school principals as financial managers, consisting of a number of components and based on a number of principles as outlined below			
1. Establish a well-organised & coordinated financial management support programme for school principals as financial managers	E	U	N
2. Make use of performance management data obtained by means of the Integrated Quality Management System (IQMS) & Whole School Evaluation (WSE)	E	U	N
3. Establish support teams consisting of relevant stakeholders such as education officials & experienced school principals	E	U	N
4. A mentoring system with experienced education officials & school principals serving as mentors for less experienced school principals	E	U	N
12. Provide streamlined, regular & constructive feedback to all public school principals about their financial management performance	E	U	N
13. Provide support for individual school principals regarding their own financial management development planning	E	U	N
14. Continually inform principals of the latest developments by means of circulars & guideline documents	E	U	N
15. Continually motivate school principals to ensure collective ownership of the support, training & development programmes	E	U	N
16. Establish self development opportunities for principals by providing the necessary funding & time off	E	U	N
17. Continually monitor & evaluate the support programme	E	U	N
18. Financial management support may be part of a broader school management support programme	E	U	N
<u>Your comments and suggestions regarding the support programme:</u>			
B. Training and development workshops/courses/qualifications for school principals focusing on school financial management (consisting of the following components/based on the following principles:)			
12. Develop and present a variety of financial management training and development workshops/courses/qualifications for school principals	E	U	N
13. Involve all possible stakeholders, including academics from higher education institutions (HEIs) in identifying the types of workshops/courses/qualifications required, the modes of delivery & the instructional methodologies to be employed	E	U	N
Types of workshops, courses & qualifications required:			
14. <i>Ad hoc</i> school financial management training & development workshops	E	U	N
15. Initial teacher training curricula at HEIs should include school financial management	E	U	N
16. Negotiate development of credit- & non-credit-bearing short courses with HEIs	E	U	N
17. Special induction & orientation workshops for newly appointed school principals	E	U	N
18. Pre-promotional short training courses for newly appointed school principals	E	U	N
19. Refresher workshops for more experienced school principals	E	U	N
21. Accredited full qualifications for school principals in school management with a special focus on financial management in the curriculum.	E	U	N
Possible modes of course delivery:			
21. Full-time training opportunities (with sabbatical leave for school principals)	E	U	N
22. Part-time training & development short courses/full qualifications focusing on/including school financial management	E	U	N
23. Distance tuition of credit- & non-credit-bearing short courses/full qualifications	E	U	N
24. A blended mode of delivery (a combination of contact tuition & e-learning)	E	U	N

HOW can a programme be established to better facilitate principals' financial management of public schools? (continued)			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
Possible instructional methodologies:			
25. Use on-line learning management systems (LMSs) in order to facilitate both distance & blended modes of delivery	E	U	N
26. Use both on-the-job & off-the-job instructional methodologies in short training courses/full qualifications	E	U	N
27. Focus on instructional methodologies involving hands-on activities, e.g. action learning & project-based methodologies	E	U	N
Funding			
28. Use funds earmarked for skills development for workshops/short courses	E	U	N
29. Provide FSDoE bursaries for principals enrolling for credit-bearing short courses/full qualifications focusing on/including school financial management	E	U	N
Monitoring & evaluation of workshops/courses/qualifications			
30. All workshops/short courses/full qualifications should be implementable in terms of the available human, financial, physical & time resources	E	U	N
31. Establish a special training & development task team or a special training unit in the Directorate: Strategic Management Services of the FSDoE	E	U	N
32. The task team/training unit should continually monitor & evaluate the effectiveness & efficiency of all financial management training & development workshops/courses/qualifications	E	U	N
<u>Your comments and suggestions regarding training & development workshops/courses/qualifications:</u>			
WHAT curriculum content should be included in the proposed financial management training & development workshops/courses/qualifications for school principals?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
A. General principles for compiling workshop/course/qualification curricula			
33. All possible stakeholders should be consulted whenever a workshop/course/qualification is planned so that current problems & training priorities could be thoroughly determined	E	U	N
34. All workshops/courses/qualifications should be continually adapted according the latest developments in the field of school financial management	E	U	N
35. All workshop/course/qualification curricula should focus on the South African context and, in particular, the relevant legislation, rules, regulations & guidelines	E	U	N
36. All workshop/course/qualification curricula should focus on the multiple roles & responsibilities of school principals as financial managers	E	U	N
B. Proposed contents to be included in workshop/course/qualification curricula			
37. The four basic financial management functions, namely planning, organisation, leading/guiding & control	E	U	N
38. All the problematic issues & priorities as identified from the researcher's research findings (as divided among the four basic financial management functions below)	E	U	N
Financial organization			
39. Delegated financial management powers of Section 20 & Section 21 status schools	E	U	N
40. Roles & responsibilities of School Governing Bodies (SGBs), School Finance Committees (SFCs), school principals, finance clerks & educators regarding the management of school funds	E	U	N
41. Specialisation, departmentalisation, coordination, delegation & decentralisation of financial roles & responsibilities in the context of school financial management	E	U	N

WHAT curriculum content should be included in the proposed school financial management training & development workshops/courses/qualifications for school principals?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
Financial planning			
42. Types of financial planning (short-term, long-term/strategic, functional & departmental)	E	U	N
43. School budgeting (including types, approaches & processes of budgeting)	E	U	N
Financial leadership			
44. Financial leadership styles (as required for particular contexts & situations)	E	U	N
45. How to train SGB/SFC members, finance clerks & school educators on school financial management in a cascading training model with principals as trainers	E	U	N
Financial control			
<i>Financial accounting</i>			
46. Compiling financial records, statements & assets registers	E	U	N
47. Filing & safekeeping of financial records, statements and assets registers	E	U	N
48. Receiving, recording & administering school funds	E	U	N
49. Managing fund raising projects	E	U	N
50. Petty cash management	E	U	N
51. Transactions, expenditures & payments from the bank account	E	U	N
52. Financial administration of school hostels	E	U	N
<i>Financial auditing</i>			
53. Internal & external auditing processes	E	U	N
54. The role of independent & government auditors in financial control	E	U	N
55. Compliance, operational & performance audits	E	U	N
56. Auditors' reports	E	U	N
<u>Your comments and suggestions regarding curriculum contents for workshops/courses/qualifications:</u>			
WHO should be involved in the development of the workshops/courses/qualifications and who should present these?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
57. The support, training & development of principals of public schools as financial managers is primarily the responsibility of the FSDoE	E	U	N
58. All stakeholders in school financial management should be consulted in planning school financial management training & development workshops/courses/qualifications	E	U	N
59. Experienced school principals & education officials should assist with presentation	E	U	N
60. The FSDoE should negotiate partnerships in the training & development of school principals as financial managers with local HEIs, especially if credit-bearing short courses/full qualifications are envisaged.	E	U	N
<u>Your comments and suggestions regarding who should be involved:</u>			

WHEN should the training and development workshops/courses/qualifications be presented?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
61. Training & development courses for school principals should not affect the normal operation of schools negatively	E	U	N
62. All courses should therefore be presented after school hours or during school holidays	E	U	N
63. Training & development courses should take place frequently & continuously	E	U	N
64. The type of course should determine its frequency & when it should be presented	E	U	N
<u>Your comments and suggestions regarding when the training should take place</u>			
WHERE should the training and development workshops/courses/qualifications be presented?			
Rating scale: E = Essential feature U = Useful feature N = Not necessary			
65. The FSDoE has an Education Resource Centre in Bloemfontein with suitable venues	E	U	N
66. Local HEIs have campuses in Bloemfontein, Welkom & QwaQwa with excellent venues for training & development courses	E	U	N
67. Further Education & Training Colleges may also be approached for suitable training venues in other towns in the province	E	U	N
<u>Your comments and suggestions regarding where the training should take place:</u>			
<u>Any additional comments and suggestions you wish to make:</u>			

Thank you for your contribution to this survey

APPENDIX E