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ANNEXURE A

1066 Jajat Str
Actonville Extz
BENONI
1501
.../2004

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Dear.....

RE: M.Ed RESEARCH
STUDY TOPIC: HOW DOES GOVERNMENT POLICY AFFECT THE CONTROL
OF SCHOOL FUNDS IN SECTION 21 PUBLIC SCHOOLS?

I am currently engaged in studies towards a M-Ed degree and have chosen you to be interviewed on the above topic.

I would be most obliged if you would kindly consider this matter and leave a message with your school secretary to advice me of your decision.

Should you agree to participate in my research, an interview will be arranged at a time convenient to you. Proposed questions for the purpose of this interview, will be forwarded to you.

Take note that the findings of the study will be made known to you. With your permission, I would prefer to tape our interview, as this will assist me greatly in my study.

Thanking you in anticipation

Yours faithfully

L.R. SINGH



ANNEXURE B

GOVERNMENT POLICY/CONTROL OF SCHOOL FUNDS

1. How would you define a Section 21 public school?
2. What, in your opinion, is the purpose of government legislation in the control of finances of Section 21 public schools?
3. How does Section 21 policy affect the administration of school funds in public schools?
4. What do you think are the strengths of your school financial control system?
5. What do you think are weaknesses inherent in your school's financial control systems?



ANNEXURE C

INTERVIEW: (A) 2004-08-02 (MR...) PRINCIPAL

Researcher: Good morning Mr. Principal.

Principal: Good morning.

Researcher: As indicated in our conversation, I would like to interview you concerning the issue of how government policy affects the control of school funds in public schools. May we begin?

Principal: Yes we may begin.

Researcher: Tell me sir, how would you define a Section 21 public school?

Principal: At school level this status is informed by circular 55 of 1999. Simply speaking, the Head of the Provincial Education Department will allocate functions to schools, that were normally conducted by the Educational Department. These functions include maintaining grounds and buildings; purchasing learner and teacher support materials and paying for lights and water of the school.

Researcher: What in your opinion, is the purpose of government legislation in the control of finances of Section 21 public?

Principal: IT tells us how public schools are to be funded. Section 34 of SASA asserts that the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of the learners to education and the redress of past inequalities in education provision. Section 36 of SASA enlists School Governing Bodies as partners in this regard. Section 36 of SASA states that a governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners at the school. At the end of the day SGB's are still answerable to the Department of Education.

Researcher: How does Section 21 policy affect the administration of school funds in public schools?

Principal: According to Circular 55/1999, the school must have a democratically elected SGB which is functional. Circular 13/2000 further informs us that the SGB must have the capacity to ensure the following:

- Proper management systems namely: planning and monitoring systems.
- Proper accounting and budgeting systems that will ensure the proper use of funds;
- A safe and secure storage facility and adequate administrative systems to perform all the allocated functions.

The SGB must also organise capacity-building programmes that are aimed at developing its members.

Researcher: What do you think are the strengths of your school's financial control system?

Principal: Our school has a fully functional SGB, who received capacity building training by Dinakos Management Consultants. The core strength of our system lies in the following:

- A finance clerk who is conversant with accounting procedures (this clerk is our school secretary).
- Banking is done daily or as often as possible.
- Accounting records and past financial statements are stored in a safe place.
- We do not have a petty cash fund and all payments are made by cheque.
- Cheques are issued only once the necessary requisition forms have been completed.

Researcher: What do you think are weaknesses in your school's financial control system?

Principal: Our weaknesses include the following:

- SGB sub-committees are non-existent. It is difficult to carry out all the functions of the SGB and SMT without these sub-committees.

Researcher: Thank you very much for your contribution. It was indeed a pleasure talking to you.

INTERVIEW (B) 2004/08/09

Researcher: Good afternoon Sir.

Principal: Good afternoon.

Researcher: May we begin with the interview?

Principal: Yes, we may.

Researcher: Tell me sir, how would you define a Section 21 public school?

Principal: These are ordinary public schools who have democratically elected SGB's. These functional SGB can apply in writing for and receive special allocations of an economic nature – such as maintaining buildings and grounds, buying educational material and paying for services received by the school. In these areas the SGB is now responsible for servicing the school. At our school the SGB has applied for five functions and have received them.

Researcher: What in your opinion is the purpose of government legislation in the control of finances of Section 21 public schools?

Principal: The purpose of government legislation regarding the control of public school funds has a dual economic role. Firstly, the state ensures sound economic procedures and financial management practices at individual institutions. Secondly, School Governing Bodies are assisting the state in funding public education in South Africa

Researcher: How does Section 21 policy affect the administration of school funds in public schools?

Principal: The administration of school funds will become the direct responsibility of the SGB. SGB's must set in place and maintain a budget that will ensure the responsible use of funds. Management systems that will ensure the

proper safekeeping of all financial records must be maintained. Annual submissions of schools audited financial statements to the Head of the Education Department, ensures that the SGB's accountability to the institution as well as the education department.

Researcher: What do you think are the strengths of your school's financial control systems?

Principal: Our strengths include:

- A motivated SGB and educators.
- A knowledgeable accounting officer (the school secretary).
- Immediate (when possible) banking of funds.
- Strict control of cheques issued, by use of requisition forms.
- Petty Cash is controlled by Imprest System.
- Dual control of incoming fees is ensured between the Finance Officer and respective Educators.
- Annual Financial Statements are completed by Auditors and sent timeously to the Department of Education.

Researcher: What do you think are the weaknesses in your school's financial control systems?

Principal: The major problem experienced by our control system is the retrieval of school funds from parents who are liable to pay. All we can do is hope that parents pay the school fees.

INTERVIEW (C) 2004/09/09

Researcher: Good day sir.

Principal: Good afternoon to your sir.

Researcher: May we begin with the interview?

Principal: Yes we may.

Researcher: How would you define a Section 21 public school?

Principal: My understanding is guided by the South African schools Act. According to Section 21(1) of SASA, the Head of the Education Department will grant to functioning SGB's the following responsibilities:

- To maintain and improve school property, grounds and buildings.
- To purchase educational material and equipment
- To pay for services to the school.
- To determine the extra-mural curriculum.

Researcher: What, in your opinion, is the purpose of government legislation in the control of finances of Section 21 public schools?

Principal: Government legislation in this regard has forged a partnership with SGB's. School Governing Bodies are now helping the state to fund public education. Section 39 of SASA empowers SGB's to take all reasonable steps in order to supplement the resources supplied by the state in order to improve education provided by the school. Section 39 of SASA gives SGB's authority to charge school fees in consultation with parents.

Researcher: How does Section 21 policy affect the administration of school funds in public schools?

Principal: Funds now need to be raised and controlled by SGB's. To do justice to all the allocated functions is a mammoth task, even for a fully functional SGB with the necessary capacity. As a result, sub-committees need to be formed. These would include:

- A Finance Committee conversant with budgeting and accounting procedures.
- A Learning Support Committee to assist with the selection, distribution and retrieval of learning support material.
- A Maintenance Committee to develop improvements and additions to school buildings according to a cost-saving plan.

It also allows the school and SGB more scope in using finances to fulfil their vision and mission according to the needs of the school.

Researcher: What do you think are the strengths of your school financial control system?

Principal: Our strengths:

- A fully functional SGB, Finance Committee and a knowledgeable Finance Clerk Officer.
- Our schools financial control system is a computerised package from Edupac.
- Monies are paid directly to the Finance Officer.
- Computer generated receipts are issued.
- Funds are banked as soon as possible.
- Cheque payments are controlled by requisition forms.
- Finance Officer attends SGB meetings once per term.
- Petty Cash is controlled by the Imprest System.
- Independent Auditors complete our Annual Financial Statements.
- All financial statements are stored in a safe place.

Researcher: What do you think are weaknesses in your school's financial control systems?

Principal: One of safety and security. Since all money are paid directly to the Financial Officer, her office was subject to a hijacking three years ago.

- Retrieving school funds from parents who can afford to pay, is a problem that our school is facing now.

INTERVIEW (D) 2004/10/17

Researcher: Good afternoon to you sir. Thank you for meeting with me this afternoon.

Principal: Good afternoon. You are welcome.

Researcher: May we begin with the interview?

Principal: Yes we may.

Researcher: how would you define a Section 21 public school?

Principal: This must be differentiated from Section 20 schools where the Department of Education controls the general administration of school funds. In Section 21 institutions however, the School Governing Body is expected to maintain the school buildings and grounds; purchase books, textbooks

and other learning support material; pay for services to schools such as lights and water; determine subject choices and the extra-mural activities.

Researcher: What, in your opinion, is the purpose of government legislation in the control of finances of Section 21 public schools?

Principal: The purpose of government legislation in the control of public school funds is to ensure that school funds are not stolen or misappropriated. Therefore, strict accounting principals are adhere to during the year; and audited financial statements are submitted to the relevant Provincial Education Department at the end of the year.

Researcher: How does Section 21 policy affect the administration of school funds in public schools?

Principal: The responsibility for the administration of school funds is now that of the SGB. They are expected to learn how to take control of all income and expenditure. The SGB must make sure that the school has enough money to maintain the school buildings and grounds, purchase books and equipment and to pay for services.

Researcher: What do you think are the strengths of your school's financial control system?

Principal: The school's strengths are:

- A fully functional SGB and Finance Officer.
- A computerised financial control system.
- Monies are paid directly to the Finance Officer.
- Computer generated receipts are not issued, instead receipts from specially printed receipt books are issued manually. This system offers an immediate check on the activities of the Finance Officer.
- Monies are banked as soon as possible.
- Cheque payments are controlled by requisition forms.
- Petty Cash is controlled by the Imprest System.
- Independent Auditors complete our Annual Financial Statements.

Researcher: What do you think are the weaknesses in your school's financial control system?

Principal: The “Free-Education” concept has resulted in parents not wanting to pay school fees nor apply for exemption. This non-compliance attitude of parents in the payment of school fees is a major weakness in our school financial control system.

INTERVIEW E 2004/10/09

Researcher: Good afternoon to you sir.

Principal: Good afternoon.

Researcher: May we begin with the interview?

Principal: Yes we may.

Researcher: How would you define a Section 21 public school?

Principal: In Section 21 public schools, School Governing Bodies are expected to take over certain responsibilities of the Provincial Education Department. These responsibilities are allocated to SGB’s who apply for these functions. These allocated functions are:

- To maintain building and grounds.
- To improve school property.
- To purchase educational material and equipment.
- To pay for lights, water and telephone accounts of the school.

Researcher: What in your opinion is the purpose of government legislation in the control of finances of Section 21 public schools?

Principal: The purpose of educational legislation empowers Governing Bodies to raise funds for the school and to exercise control over those funds according to the dictates of general accepted accounting practices. Accountability to the state is ensured through the submission to the Education Department of Audited Annual Financial Statements.

Researcher: How does Section 21 policy affect the administration of school funds in public schools?

Principal: School Governing Bodies must now administer the school fund in partnership with the school Principal. The GDE suggests that the SGB

delegates each of the allocated functions to a specific sub-committee to administer. In this way, each function can be dealt with thoroughly and monitored at all times. Sub-committees also ensures that sound management procedures are developed and maintained. However, it must be the SGB that must develop a strategic financial plan as well as its concomitant control system.

Researcher: What do you think are the strengths of you schools financial control system?

Principal: These would include:

- A functional SGB and Finance Officer.
- A computerised financial control system.
- Monies are paid directly to the Finance Officer.
- Computer generated receipts are not issued, instead receipts from specially printed receipt books are issued manually.
- Monies are banked as soon as possible.
- Cheque payments are controlled by requisition forms.
- Petty Cash is controlled by the Imprest System.
- Independent Auditors complete Annual Financial Statements.

Researcher: What do you think are weaknesses in your school's financial control system?

Principal: The weakness in this system has to be the difficulty in retrieving school funds from parents who qualify according to their income status, to pay [even the full amount]. Using the threat of law to force parents to pay made matters worse. It established strained relationships between the said parents and management of the school. Learners also felt victimised and harboured feeling of resentment towards the establishment. We have never used this form of coercion again.

SYNOPSIS

South Africa's transformation process has effected momentous policy changes that have been designed under extreme pressure of redesigning a whole society. The process of transforming the Education system has been characterised by the passing of new legislation, restructuring of management systems and the decentralisation to a school level authority to make decisions related to the allocation of resources.

Implementation problems arose when the policy has been misunderstood by managers at various levels of the department, or at school, perhaps because of insufficient explanation and socialisation from the National Department of Education and the Provincial Education Departments.

The current financial climate in South Africa has resulted in the responsibility for the financing of education being devolved to the private sectors, particularly the parent and business communities of the institutions. Schools therefore have to generate more funds to supplement the resources supplied by the State to be administered and managed as school funds.



It is against the background of a fragile financial foundation for the funding of public education as well as the implementation problems experienced by various levels of the education department, that the remedy may then point to the development of awareness campaigns, or a rewording through not a redesign of policies. Therefore we need to look at the process of policy implementation from time to time in order to assess the degree of alignment with policy and effect various changes timeously in our attempt to fine-tune our systemic and individual capacities on an ongoing basis.

Chapter one outlines the content of the research study, the declaration of the problem, the objectives of the study and the clarification of the concepts.

Chapter two comprises of a thorough literature study which outlines the perspectives of various stakeholders regarding current financial management procedures in public schools in South Africa.

Chapter three outlines the research methodology that is used in this research study. A valuable method was used to gather research material for the study of financial management at public schools.

Chapter four is about the collection of information, its analyses and its interpretation. Themes and categories are identified and information analysed. Themes are also used as sub-categories during the analyses of the information.

Chapter five is the findings of the research study. Theoretical information from the research study was compared with information consolidated from questionnaires and interviews.

The last chapter consists of a summary, recommendations and the conclusion of the study.

