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Implementation of SGB fuctions (School finances and budgeting): AS case study in Bolobedu District

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CHAPTER 1

IMPLEMENTATION OF SGB FUNCTIONS: SCHOOL FINANCES AND BUDGETING

1.1 TOPIC

The topic of the study is the factors that explain how different rural schools in the Bolobedu district (Limpopo Province) interpret and implement their newly-granted SGB powers regarding school finances and budgeting.

1.2 BACKGROUND

After the establishment of the first democratic government in South Africa, the Education Ministry committed itself to transforming the education system through developing a range of new policies and legislation, which redefined what it means to govern and manage schools, and aimed to achieve equitable access to education and improve the quality of education.

School improvement has become part of the educational lexicon. It features in government policies, educational conferences, and most importantly, in school strategies around the world. Indeed, governments have developed substantial programmes of school reform that target school governance in the hope of improving the quality of education and learners' achievements. In South Africa there have also been various school development attempts in response to the breakdown in the culture of learning and teaching (COLT).

One of the school reform policies is the South African Schools Act (SASA), which aims to democratise and improve school education (Department of Education, 1996). It does so by devolving certain responsibilities and powers on schools and promoting more democratic governance by introducing school governing bodies (SGBs). As Porteus mentions, "While there was 'consensus` over the concept of decentralized

governance in education, there was intense contestation about the actual form and functions of the SGB's. The framework for the SGB's must be understood as an outcome of this contested process" (Porteus, 2001:8).

The SGB is a body on which all components of the school community (i.e. parents, teachers, non-teaching staff and learners in secondary schools) are represented. SGBs are meant to promote the best interests of the school and ensure that all learners at the school receive the best possible education. It is responsible for deciding on school policy and the direction of the school as well as assisting the principal of the school in directing, managing and running the school's activities in an effective manner. In other words, it is there to support the principal in managing the school well. It does not perform the work of the principal (i.e. it is not involved with professional matters) but it must work hand in hand with the principal as a team. The organisation and support of teaching and learning at the school remains the responsibility of the principal.

More specifically, SASA stipulates that the SGB should decide on the following:

- school policy (school hours, language and religious policy, dress code, learners' code of conduct and the goals of the school);
- school development (a development plan, getting voluntary helpers when needed, partnerships with the community, and relationships with other schools);
- school administration (looking after school buildings, grounds and other property, deciding when others may use this property, recommendations regarding the appointment of educators, and the annual general meeting of parents); and
- school finances (raising funds, opening a bank account and overseeing the school income and expenditure).

It should be noted that these policies must comply with the framework and provisions of SASA and the Constitution of the Republic of South Africa (Act 108 of 1996).

The introduction of SASA signalled the SA government's commitment to decentralising certain powers to the local structures i.e. the schools within the education system. Although there were some forms of educational decentralisation during the apartheid era, major issues such as examination and supervision, school organisation, curriculum development and teaching methods, teacher recruitment and compensation and financial matters were decided by the central government (NEPI, 1992). Because these major issues were centralised at national level, schools and educators felt that they were pawns of the greater system, and that they did not have much control of or impact on improving the quality of their children's education.

Democratisation of education or the involvement of the school community and more specifically, the parents, is believed to be important because the latter are often in the best position to contribute to the values and culture of their children's schools as well as to assist in resolving some of the problems experienced. It is important to have collaboration among all the school stakeholders who have an interest in education. These stakeholders are the state, educators and learners, but also parents and members of the school community.

SASA says that one of the important functions of the SGB is to prepare a budget every year. The budget is prepared by the SGB during the third term of each year, and then presented to parents at a general meeting early in the fourth term (SASA, section 38 (1) and (2)). The reasons for drawing up a budget are:

- to plan expenditure and income for the next year;
- to supplement the resources provided by the State;
- to set priorities when allocating money to different activities according to the school development plan and its main aim, i.e. to provide good learning and teaching;

Once the budget has been approved, the document will serve to control spending during the next year. The budget must be a simple and realistic document so that even parents who are not trained in financial matters are able to understand it.

1.3 AIMS AND OBJECTIVES OF THE STUDY

The study aimed to investigate the factors that explain how different rural schools in the Bolobedu district (Limpopo Province) interpret and implement the newly-granted SGB powers and responsibilities regarding school finances and budgeting.

Firstly, the researcher wanted to understand how SGBs manage their financial and budgetary powers in terms of raising school income, allocating it, and monitoring the expenditure. The research focused on how the school budget is linked to the school development plan. It then examined the income side: what money does the school get from various sources such as the state, private and community sector, and how? It also looked at the expenditure side and the strategies developed in the process of allocating funds and monitoring the school budget. The important questions would therefore include:

- What are the most pressing problems and needs of the school?
- How are the priority needs of the school decided upon, by whom, and are they reflected in the SDP?
- How do the stakeholders perceive the newly-decentralised school financial powers?
- Does the state money allocated to the school get supplemented by outside sources?
- How is the school budget prepared and finalised?
- Is it used as a planning tool and does it reflect the main development priorities of the school?
- What aspect is privileged by the allocation of money, and what is not privileged?
- How are the expenditures managed and by whom?
- How are the expenditures monitored and by whom?
- How are the expenditures accounted for to the SGB and the parents?
- How are they audited?

- How have these school expenditures contributed to improvement of the quality of the school during the past three years?

It was hoped that by investigating school development, financial and budgetary issues in different rural schools in a district, one would be able to identify the factors which contribute most to the effective functioning of SGBs regarding their decentralised budgetary and financial management powers.

1.4 RATIONALE

Since SASA was enacted, various researchers and institutions have conducted research on whether the SGBs are able to implement the powers that have been decentralised as they were intended to be. Some of the findings (Kgobe, 2000) are that the experiences of SGBs have been uneven, depending on and related to their different school and community contexts. It is often argued that SGBs in schools from advantaged areas had a tradition of parental participation and demonstrated relatively highly functioning SGBs, especially regarding matters related to financial management and fundraising, while in the previously disadvantaged areas, problems with the functioning of SGBs were widespread and wide ranging. The advantaged areas refer to affluent suburban areas with former white schools having SGBs which are dominated by well-off highly-skilled professionals and managers, predominantly white, but including a small but growing complement of blacks who accumulated a number of years' experience in running schools under the old model C system from 1992 to 1994. The disadvantaged areas refer to rural, poor communities, traditionally black schools with SGBs where the parent components are largely illiterate. Most of the parents were never exposed to the running of schools. Under the apartheid government, these schools were supplied with few or no resources.

On the basis of the above, the researcher decided to investigate whether such uneven experiences also occur among or within the rural schools of the Bolobedu district. If it is found that they exist, it will be important to identify the possible factors that contribute to schools' making the best of the implementation of these SGB powers.

The study is therefore worth doing as it may contribute to assisting rural schools to understand how to make the best of some of the decentralised SGB powers such as school finance and budgeting powers. It will further seek to add to the existing literature on decentralised SGB powers in rural schools.

CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

Review of the literature focused on the debates about the decentralisation of policy powers to schools, and the debate about policy implementation. It then looked at various studies of the South African Schools Act and the implementation of the SGBs' powers. Lastly, it looked at what is meant by efficient school financial management.

2.2 DEBATES ABOUT DECENTRALISATION

Decentralisation refers to the delegation of administrative decision-making powers to lower authority levels, or the transfer of authority and power from central to local structures which then plan, manage and administer on behalf of the central structures. De Clercq (2000:4) argues that: "the main reason for the central authority to decentralize educational power is that they cannot adequately govern from the centre to deal with efficiency, equity and democracy".

Weiler (1989:5) argues that "in the education systems of other countries, decision-making is neither fully centralized nor decentralized". The country may elect to operate some aspects of its education system in a decentralised manner, while other aspects remain centralised. It depends on the intentions of that country. For example, in South Africa, certain educational functions are performed by the central government (certification and curriculum) while others are performed by local communities (implementation of some policies).

Decentralisation of education is a trend advocated internationally by agencies such as the World Bank. Decentralisation of powers to local structures is often represented to be about greater participation of stakeholders. The idea of devolving powers and promoting stakeholder participation in the management of schools has gained momentum in South Africa with the passing of the South African Schools Act. The

other argument is that it will lead to greater efficiency in the educational system. However, decentralisation has been analysed differently from different theoretical /conceptual perspectives.

Some authors argue that decentralising educational powers to schools has been motivated on the grounds that it yields considerable administrative and managerial efficiency in the management of schools. The rational analysts argue that schools will be able to mobilise and generate additional resources that are not available to the central state and that decentralisation will promote managerial efficiency and a better matching of state provisions with peoples' needs. They add that decentralisation has an impact on educational effectiveness because the local structure is more sensitive and understands how to plan, manage and adapt the curriculum framework to suit the contexts of the local needs, conditions and preferences (de Clercq, 2000). Chau (1985) argues that decentralisation is based on the claim that, being closer to the services and their clientele, the particular unit of administration becomes better positioned to assess the needs, recruit personnel, monitor the services and take the initiative when necessary. In fact, it is assumed that the more people contribute to and participate in the whole process of planning, the more they become aware of these plans and intentions, and as a result they become more committed to achieving their objectives. Gutman (1987) agrees that local school structures should have some control and autonomy to exercise their discretion over the education within their school districts.

Since education plays a key role in allocating social roles and status, and thus in determining and sustaining social hierarchies, it makes sense that it is the principal instrument through which communities transmit their values and norms and inculcate them in successive generations of their citizens. Weiler (1990) reports that some authors believe that the notion of decentralising the contexts and contents of learning is important because it is a means of recognising the diversity and importance of different cultural environments in one society. Since South Africa is a country which is characterised by different races and cultures, the argument is that decentralisation can

provide greater sensitivity to the local contexts and variations in language, culture and tradition.

Although the main aim of decentralised governance is based on the assumption that it would create conditions in which the state would be responsive to local needs, Elmore (1993) contests that there has not been any researched evidence that shows that either centralisation or decentralisation has had a significant impact on the ground, and in particular on better teaching and learning.

This explains why some authors are more cynical/critical of the motive behind decentralisation and argue from a political approach. Weiler (1990) argues that the state needs to decentralise some functions in order to survive politically. A common political reason is that the state uses decentralisation to diffuse conflict by giving some powers to local communities. Decentralisation is a strategy for conflict resolution in order to restore the cohesiveness, order and functionality of society. Since the local communities will be having certain powers, they will then be able to plan and manage their own activities. The tension between central government and local communities will be loosened because the local communities will feel that they are also responsible for the system rather than merely agents of the system. However, the national government will regulate the decentralised powers and monitor how the local structures implement them. The other reason advocated is that decentralisation of educational control could be part of a process of shifting power from central to local structures as a means of strengthening the political power of the central government i.e. to fulfil capital accumulation and legitimation. Furthermore, Weiler (1990) argues that decentralisation is advocated to tap local and private resources into the overall resource pool available to education. It is argued that the transfer of responsibilities to the local authorities is done by the government to share educational costs and the financial burden with the local authorities. To support this argument, Carnoy (1993) alludes that the financial advantage is most attractive for governments that are faced with financial and fiscal constraints, because it helps them to divert onto local communities many of their financial and social responsibilities. This gives one the idea that sometimes the

government does not willingly choose to decentralise some activities but is forced to do so by a shortage of resources.

Finally, other authors are more discerning about decentralisation and argue that the benefits of decentralisation are not automatic and can only be realised under certain conditions. These authors adopt a post-structuralist perspective. They neither agree nor disagree with decentralisation, because they argue that, before decentralisation yields some benefits, certain conditions must first be met. Wohlstetter and Mohrman (1992) argue that the organisational performance of schools improves only when power is shifted down to the lower structures of the organisation, but some resources such as information, knowledge and skills, power and rewards are needed so that the local structures gain the capacity to make appropriate decisions. This means that those empowered should be trained and capacitated for their new decision-making roles, have information to make genuine and informed decisions, and get rewarded for high performance.

From these debates, it can be seen that decentralisation is not an automatic solution to the educational problems faced by many countries. The fact that decentralisation produced good results in one country or in one area does not mean that it will in others.

These debates have assisted the researcher in developing a conceptual framework about the nature, meaning and possible impact of SASA decentralisation of school management. Given these theoretical perspectives, this research will be informed by the post-structuralist perspective because it will assist the researcher to be more critical when looking at the impact of decentralisation on different schools. It will enable the researcher to probe deeply into why certain SGBs cope well with their managerial and financial powers while others are overwhelmed by them. This perspective allows the researcher to ask the following questions:

- What are the factors that make some schools learn how to make the best of these powers?

- What capacity/competences do members of the SGB have in the area of school development, school budget and financial management?
- What kind of leadership (external and internal) is needed to assist SGBs?

2.3 DEBATES ON POLICY IMPLEMENTATION

Policy implementation has been viewed variously. De Clercq (1997) views policy implementation as the rational, technical and administrative activity of the bureaucracy, which is politically neutral and whose actions are aimed at the achievement of policy objectives as formulated. It requires tight central control over implementation to ensure that the bureaucracy implements as intended. De Clercq (1997) asserts that, when a discrepancy develops between intended policies and implemented policies, it is blamed on the state bureaucrats as lacking institutional and resourcing capacities or insufficient control systems. The bureaucrats will defend themselves by pointing out that the education departments are overwhelmed by policy overload, unfunded mandates, lack of prioritisation plans and strategic planning as well as severe inherited backlogs, insufficient provincial resources and managerial capacity (de Clercq, 2000).

McLaughlin (1987) argues that policy implementation is not about transmission but is subject to negotiation and bargaining between the various levels of actors. This is viewed as a political process because each level of implementation interprets, makes sense of and adapts the policy to their context and with their interests in mind. The implementing bureaucrats (senior and middle managers) will always put their own interpretations and meanings to the intended policies and, in the process, may use their power or discretion to subvert or transform the original aims and objectives of the policy makers. Policies differ in their meaning, purpose, complexity, aim, cost distribution, benefits and location of their impact. De Clercq (1997) maintains that some policy analysts recommend that effective policy making should reckon with and anticipate the problems and agendas of implementers in order to strategise accordingly and monitor the implementation agents.

So, if the policy makers want the policy to achieve the intended goals and objectives, more attention is needed to impart the implementers with resources, information, knowledge and skills and rewards, so that they have the capacity and ability to interpret, make sense of and adapt the policy to their context in a manner that reflects the intended changes of the policy makers. This research will adopt a post-structuralist perspective because, for the SGBs to implement their finance and budgetary powers well, it is important that certain conditions must first be met. Indeed, if the SGBs are to interpret SASA differently with their interests in mind, but reflect the intentions of the policy and for the good of the school, certain conditions will have to exist. In fact, SGBs should be trained and capacitated for their new decision-making roles, and have information to make genuine and informed decisions, so that they will be able to govern schools well and improve the quality of education.

Others like Elmore (1979) argue that policy implementation should not be in the form of a top-down approach. This is because the policy makers are so far from the concrete situation and dynamics on the ground. In fact, they do not know the real situation on the ground and how best the intentions of those policies can be achieved. They can only generate and formulate policies whose implementation programmes are not clearly specified, i.e. left deliberately vague, broad and ambiguous (De Clercq, 1997).

Elmore (1979) argues that the problem with the top-down approach or forward mapping is its unquestioned assumption that policy makers control the organisational, political and technological factors affecting implementation. Although the authority is located at higher office, it should allow room for the implementers and the various stakeholders to make some inputs, rather than the policy to be about policy implementation and the intentions of the policy. It should not start with intentions to control behaviour.

Elmore (1979) argues furthermore that policy implementation should be approached through backward mapping. This means that it should start at the lowest level of the implementation process in order to generate and formulate a policy and establish a policy target at that level. With this approach, people first assess the situation in order

to change. If it is found that it is necessary for a change, then they think of how to bring about change. It is argued that this approach clearly challenges the idea that policy makers exercise the determinant influence over what happens in the implementation process. It also questions the assumption that explicit policy directives, clear statements of administrative responsibilities and well-defined outcomes necessarily increase the likelihood that policies will be successfully implemented (Elmore, 1979/80). Cohen (vol. 24, no. 9) maintains that the criteria for the success of systemic reform in changing practice is to make educators aware of the new policy directions, engage them in order to know their beliefs, values and attitudes towards the reforms so as to understand what is needed to change them, and implement the policies.

Although people at the implementation stage have the challenge of putting policy into practice through grappling with new ideas, programmes, and activities, the researcher will try to find out the reasons behind the different interpretations of the SGB policy in different schools. The researcher will try to find what the stakeholders' values, attitudes and beliefs about SGBs are.

2.4 STUDIES ON THE IMPLEMENTATION OF THE SOUTH AFRICAN SCHOOLS ACT

It is stated in SASA that the devolution of powers to local institutions (i.e. schools) has certain goals, which include the increase of democratic participation in decision making, the creation of an equitable system of education, and the improvement of the quality of education. Porteus (2001), Kgobe (2000), Karlsson (1999) and Pampallis (1998), however, express concerns about decentralisation. Their concerns are generally about the historically disadvantaged school communities and whether such an education policy drives greater equity, given the disparities in socio-economic factors, participation, resources and capacity, and ability to make informed decisions for quality education.

The idea of democratising education is that stakeholders in education (i.e. parents, teachers, community and learners) have the right to participate in decision making

regarding the way in which schools are run and their business is done. The foremost duty is to provide the best possible education for learners. However, Carrim and Sayed (1997) argue that there is a tension between participation and equity and redress. They argue that while equity and redress have been central claims in policy development in South Africa, the tension manifests itself in relation to mandatory school fees or MMFC in the proposed funding formula. The idea that the current proposed funding formula indicates that it will benefit the previously disadvantaged schools cannot close the gap between the schools from different socio-economic backgrounds. The schools in the advantaged communities will still accumulate more resources in comparison with their counterparts in poor communities. It will therefore perpetuate the existing inequalities rather than challenge them.

Due to the openness regarding how decisions should be taken without providing any guidance on how to take decisions except to propose that SGB members should have voting rights, if decisions are to be based on simple majority vote, the issue of voter training becomes critical and problematic.

SASA also makes provision for the participation of stakeholders such as parents, educators, principal, learners and non-educator staff on the SGB, and they may co-opt other members from the community whom the SGB feels can serve in the best interests of the school. The notion of stakeholder participation means that members of the community who do not have children at school are not necessarily eligible for participation within the SGB, though they may have useful contributions to make to enhance the performance of the school, just as it is conceivable that those who are regarded as legitimate stakeholders may not have anything substantive to contribute (Sayed and Carrim, 1997). They conclude by suggesting that the move towards democratising school governance as articulated in the policy texts does not necessarily effect a fundamental restructuring of the education system and ensure genuine equity and redress in educational provisioning.

Pampallis (1998) argues that despite the government's policy of democratising schools through the decentralisation of power, SASA has serious inherent dangers for any involvement towards the goal of equity. This is precisely because a partial decentralisation of school finance has been in the process, and especially since this has taken place at a time of financial constraints on the part of the state. The designers and legislators of SASA did not foresee the extent of the financial squeeze that education would experience. The result could well be that the poorest schools remain poor, though some may experience marginal improvement, while the formerly white privileged schools actually improve their resource base through the contribution of parents.

Pampallis (1998) argues that there are widely varying capacities among SGBs in affluent suburban schools and those in rural areas. SGBs in urban schools are dominated by well-off and highly qualified professionals and managers, predominately whites, but including a small and growing complement of blacks who have accumulated some experience in running schools under the old model C system. SGBs in rural areas are often dominated by parents who are illiterate and without administrative and financial experience to oversee the affairs of the schools.

However, Mathonsi (2001) does not agree with this claim. He argues that although the majority of South African parents have not received any formal education (reading, writing, and numeracy), this does not mean that they cannot think logically, conceptually and contextually. He further argues that these parents could participate actively in meetings, depending on the language used in conducting the meeting and the friendliness of the environment in which the meeting takes place. Parents can make informed decisions provided they are assisted to understand their responsibilities within the SGBs.

Mathonsi (2001) has a point when he notes that if the SGBs are well informed and capacitated in understanding their roles and responsibilities, they will be able to govern schools well and improve the quality of education in South Africa. For the government

to close the gap that exists between policy and implementation, SGBs should not be given the policy document only, but intensive, constructive workshops must be conducted with the idea of capacitating them. The policy gap is likely to remain for a long time since equity and democracy are far from being achieved in the school system. There are many problems in implementing SASA and the SGBs in schools. Even at former model C schools, the gap between the policy intentions and practices still exists.

It has been argued that the payment of school fees by some communities will free the resources for poor schools but others argue that, with the existing disparities, it will tend to perpetuate and reproduce historic inequalities in education (Kgobe, 2000, and Porteus, 2001). However, one views this concern in a more critical way when looking at the publishing of the national norms and standards for school funding. This indicates that funds have been distributed according to certain categories of schools, and consistently target the poor according to a resource-targeting table. However, poor schools that are persistently disadvantaged, will take far longer to overcome the barrier of the past, thus prolonging the cycle of poor quality education. This is because the school-funding norm is not sufficient as it covers only 15% of the total school budget. The question is where these schools get additional funds. What is the SGBs' capacity regarding fundraising?

Porteus (2001) argues that the distribution of voice such as language and culture around dialogue in South African schooling is perhaps even more essential in unpacking the functioning of decentralised school governance. Though the governance system should embrace the multilingualism of our school system, governance issues have in fact failed to 'translate' fluently across languages. The terminology used (e.g. the difference between 'governance' and 'management') often does not translate easily and meaningfully into local languages. Beyond problems of terminology, the materials for training SGBs were largely produced in English. The result is that the SGBs in the rural areas and in less advantaged urban areas encounter difficulties in understanding and interpreting SGB powers, which causes them not to fulfil their basic function properly or qualify for additional functions.

Beyond problems of language, there is also the restriction of 'voice' in the tacit cultures of many schools. There is lack of meaningful dialogue between and among school stakeholders because they perceive the unwritten rules guiding communication and blocking dialogue and engagement. Each component (learners, parents and educators) uses its own discretion for participation. Learners will talk little while educators and parents will compete in terms of which group should dominate the other, and, as a result, parents will then express frustration over the lack of meaningful communication (Porteus, 2001). On the basis of the above, it can be questioned how power is distributed among the participants, and how power relations impact on the dynamics of participation and decision making within the SGB.

2.5 WHAT ARE EFFECTIVE SCHOOL FINANCIAL MANAGEMENT PRACTICES?

According to SASA section 20 (1), the SGB of a public school must:

a) promote the best interests of the school and strive to ensure its development through the provision of quality education for all learners at the school;
b) adopt a constitution;
c) develop the mission statement of the school;
d) adopt a code of conduct for learners at the school;
e) support the principal, educators and other staff of the school in the performance of their professional functions;
f) determine times of the school day consistent with any applicable conditions of employment of the staff at the school;
g) administer and control the school's property and buildings, and grounds occupied by the school, including school hostels, if applicable;
h) encourage parents, learners, educators and other staff at the school to render voluntary services to the school;
i) recommend to the Head of Department the appointment of the educators at the school;

j) recommend to the Head of Department the appointment of non-educator staff at the school.

The SGB may allow reasonable use of the facilities of the school by the community for social and school fundraising purposes which may include the charging of a fee or tariff which accrues to the school.

According to SASA, effective financial management practices must cover the following:

1) making a budget to be approved by the majority of parents;
2) opening a bank account;
3) managing funds through a school fund under directives issued by the Head of Department;
4) using funds for educational purposes as per school budget (tabled priorities), having them audited by professional auditors, and being able to account and report financial statements to parents.

The drawing up of the budget must fulfil the following aims:

1) to plan the expenditure and income for the next year;
2) to supplement the resources provided by the state;
3) to set the priorities when allocating money in line with the school development plan and its main development priorities.

Schools are expected to raise additional resources through fundraising. According to SASA, once schools are able to meet the requirements mentioned above, they may apply for section 21 status to be allocated any of the following functions:

to maintain and improve school property, buildings and grounds occupied by the school, including school hostels if applicable;

to determine the extra-mural curriculum of the school and the choice of subject options in terms of provincial curriculum policy;
to purchase textbooks, educational materials or equipment for schools;
to pay for services to the school.

Section 21 schools refer to those schools which are self-reliant or self-managing schools. The central government devolves power to local school level. The schools are the primary units of improvement or development. The SGBs in these schools are empowered to take control and be responsible for educational and organisational matters in their schools. Most of them are former model C schools. Section 20 schools refer to those schools where the primary responsibilities of the SGBs are to provide policy directions for the schools.

Schools that hold section 20 status are those found in black communities with SGBs having an illiterate parent component that rubber-stamps the decisions of the principal.

SASA section 30.1 (a) and (b) allows the SGB to establish committees on finance, management, fundraising, resources, etc. The finance committee is one of the committees, which assists the principal and the SGB. According to the Sacred Heart College Training Manual (1999), the functions of the finance committee will include:

- keeping overall control of school money;
- drawing up the budget each year;
- assisting in drawing up annual financial statements;
- checking financial records internally;
- advising the SGB on the amount of school fees as per school development plan, which is aimed at improving the quality of teaching and learning in the school. The school development plan includes the developing of a long-term shared vision for the school, drawing up a mission statement and an action plan. The school development plan should strike a balance between maintenance and development planning.

- ensuring that all procurement (purchasing of goods and services) is done through quotation and tendering procedures;
- developing a financial policy, describing clearly what the procedures and rules are for handling money in the school and providing a clear understanding of the responsibilities of the treasurer, finance officer, the principal, and other persons delegated for specific jobs.

According to SASA, section 37, the overall responsibility for the control of school money lies with the SGB. During the year, the SGB needs to monitor the budget, i.e. check that expenditure and income stay in line with the budget. It is also important to ensure that the "cash flow" is good, i.e. that there are sufficient funds at the times when they are needed. This can be done through using a budget control statement, which assists in overseeing whether any items are being overspent or underspent or whether any items need to be re-allocated. Since the budget is a plan of expenditure and income for the activities of the next year, it should be linked to the school development plan which sets school priorities, values and goals as expressed in the mission statement. The researcher will check whether the budget is well linked with the school priorities as identified in the school development plan.

Much of the literature on decentralisation in South Africa argues that SASA's objective of attaining equity, participation and redress may not fill the gap created by the apartheid legacy. Instead, they advocate that the whole issue of devolution of financial power to schools will only favour the historically advantaged schools, and perpetuate the existing inequalities in the education system. This literature review has provided the researcher with the research issues to be looked into when investigating SGBs and school finances and budgeting. Because the study aimed at investigating the factors that explain how different rural schools in the Bolobedu district (Limpopo Province) interpret and implement the newly-granted SGB powers and responsibilities regarding school finances and budgeting, the researcher tried to:

1. understand how the SGBs manage their financial and budgetary powers in terms of raising school income, allocating and monitoring it;
2. examine the income side to establish what money the school gets from various sources such as the state, private and community sector and how it is obtained;
3. focus on the expenditure side and strategies developed in the process of allocating and monitoring the school budget.

The researcher adopted a post-structuralist perspective which argues that, before decentralisation can yield any benefits and success, certain conditions must be met. This perspective allowed the researcher to investigate what factors are responsible for some SGBs' assuming their powers and responsibilities regarding school development, school finances and budgeting more effectively.

To understand how SGBs were able to interpret and implement their policy powers as expected, the researcher checked SGBs' understanding of their roles concerning school development plans, finances and budgeting as well as how they manage such powers. If it is found that the SGBs draw up viable development plans linked to the budget, which are negotiated and adopted by the majority of parents, and that there is a strong finance committee to assist the principal in deciding about, managing and monitoring school finances and budgeting to assist with the improvement of school performance, such schools will be shown to have the resources, capacity and leadership to practise good financial management. The researcher will also check how the SGBs acquired their expertise (whether through human resources or specific relevant training from non-governmental organisations or the Department). To sum up, the post-structuralist perspective about school decentralisation would allow the researcher to examine, in line with Mathonsi's argument (2001), what makes SGBs well informed and capacitated to play their roles effectively and carry out their responsibilities and contribute to the improvement of the quality of the school.

CHAPTER 3

METHODOLOGY

3.1 INTRODUCTION

The research was conducted in the form of a case study. The researcher chose a case study in order to look deeply into why certain SGBs are doing well while others are not. This research method was selected because it permits the researcher to do an in-depth study of a unit by probing deeply and analysing intensively the characteristics and behaviour of a certain school or community (Cohen & Manion, 1986). According to Neuman (1994), a case study can be described as a particular kind of study method in which the researcher collects a large amount of data on one or a few cases in depth, and finds more details about the issues that are being investigated.

It is asserted that a case study is particularly appropriate for researchers because it gives the opportunity for one aspect of a problem to be studied in some depth within a limited time frame (Bell, 1993). The decentralised SGB powers are in their sixth year of operation and the factors contributing to their success and challenges can be best investigated through the case study method. The case study focused on four rural, disadvantaged schools in the Bolobedu district (Limpopo Province).

3.2 PILOT STUDY

A pilot study was conducted prior to the actual data collection so that the researcher would be able to determine whether instruments should be modified or not, and to diagnose whether the variables of the study are measurable or not. A pilot study was conducted in four rural schools, where interviews were conducted with educators, principals, parents and learners (members of the SGB and non-members).

3.3 SAMPLE

The researcher used purposive sampling to select schools. Purposive sampling is regarded as a strategy which chooses small groups or individuals likely to be knowledgeable and informative about the phenomenon of interest, the selection of cases without requiring or desiring to generalise the findings to all such cases (McMillan & Schumacher, 2001).

The idea behind purposive sampling is to choose rural schools with different characteristics to identify the factors that are linked to effective SGBs' development, financial and budgeting practices. The study covers four schools: two primary, one junior secondary and one senior secondary, some of which with SGBs appearing to be doing well. In some schools there are developments taking place which include the building of new classroom blocks and toilets, and fencing, though there is no programme for building schools from the Department of Education. Other schools are not doing well, with one having only three classes, planks, many stones on the roof and broken windowpanes. In addition, this school appears overwhelmed by the new task of school finances and budgeting. The last school is also struggling without a principal. It has five blocks of classrooms (one built with mud bricks) and two classes attending under the trees. There is one small room which is used as administration office and the SGB does not appear to be very involved.

In each of the sample schools, interviews will be conducted with learners (two members of the SGB or of the Learners' Representative Council in the secondary schools), two educators (one a member of the SGB and a non-member), principal, and two parents (a member of the SGB and a non-member).

3.4 RESEARCH INSTRUMENTS

The researcher used three methods to collect the empirical data: semi-structured interviews, documentary data analysis and observation (SGB meetings). In order to ensure the value of this study and its findings, the researcher seriously considered

issues of validity and reliability. McMillan and Schumacher (2001:407) assert that "validity refers to the degree to which explanations of phenomena match the realities of the world, or the degree to which the interpretations and concepts have mutual meanings between the participants and the researcher". Validity can therefore be regarded as a descriptive word or the use of variables that measure accurately the issue that it is aimed to measure. There are two different kinds of validity. They are internal validity (causal inferences) which is the degree to which extraneous variables are controlled; and external validity, which refers to the "generalisability of the results, the extent to which the results and conclusions can be generalised to other people and settings" (MacMillan & Schumacher, 2001:167). For that reason construct validity is needed, or "a type of validity that refers to the extent to which the study represents the underlying construct" (McMillan & Schumacher, 2001:586). Operational validity is also needed to ensure that the data collection process manages to secure data that is congruent with what the study aims to investigate. For this purpose triangulation of data can be a useful device.

In order to maximise the validity of the study, the researcher used multi-method strategies such as semi-structured interviews, recorded data, documentary data and observation. Multi-method strategies permit triangulation of data across inquiry techniques which enhance the validity of the study. Furthermore, for the study to have epistemic quality, the researcher considered construct validity which is defined as "a type of external validity that refers to the extent to which the study represents the underlying construct" (MacMillan & Schumacher, 2001: 586).

The researcher maximised the reliability of the data collection process. Reliability can be defined as the likelihood that a particular method will yield the same findings if the study is repeated or conducted by another person. Because this is a social study, it may not generate perfectly issues of validity and reliability. It is possible that some people give the researcher information that is time-specific and may change in future. This is because human beings are dynamic and unpredictable. Their thoughts can vary and adapt, depending on the time and the context. Though the researcher was aware that

there was a need to maximise validity and reliability of this study, he used triangulation of research instruments and interviewees to obtain data. The interviewee's responses were recorded and transcribed verbatim. The researcher also compared the data obtained from several sources. This triangulation of data increased data validity. Triangulation in qualitative research is meant to be a cross-validation among multiple data sources, data collection strategies and theoretical schemes (McMillan & Schumacher, 2001). McMillan and Schumacher (2001) assert that the use of multi-method strategies will assist in enhancing the credibility of the study. To improve reliability, the researcher conducted the interviews in a manner that was as objective and professional as he could manage.

3.4.1 SEMI-STRUCTURED INTERVIEWS

The purpose of the interviews in this study was to obtain more in-depth information and clarity from the questions asked. Neuman (1994) points out that interviews represent a direct attempt by the researcher to obtain valid results in the form of verbal responses from one or more respondents. These interviews were used so that the researcher could ask follow-up questions.

3.4.2 DOCUMENT ANALYSIS

Documents, especially school records and minutes of SGB meetings, school financial policy, school budget and auditors' reports played an essential role. These documents were reviewed to give an indication of how mandated policies and regulations regarding school finances and budgeting from national, provincial and district levels are interpreted at school level. McMillan and Schumacher (2001) assert that documents provide an internal perspective of the organisation and describe functions and values and how various people define the organisation. Documentary evidence will shape and inform the practice in schools.

3.4.3 OBSERVATION (SGB meetings)

The researcher attended the SGB meetings with observer status, at least two sessions per school, and both after the interviews. This assisted the researcher to understand what school level relationships are like and the kinds of participation that exist. The observational data served to verify some of the data collected during the interviews.

3.5 DATA ANALYSIS

Since this study is qualitative in nature, qualitative methods of data analysis and interpretation were employed. “Qualitative data analysis is a primary and inductive process of organising the data into categories and identifying patterns (relationships) among the categories” (McMillan & Schumacher, 2001:461). Data collected during this study were organised into conceptual categories and themes were created, especially those to be used when analysing data.

3.6 STUDY LIMITATIONS AND POTENTIALS

As already indicated, this study was conducted in the form of a case study. Its findings are not generalisable to other schools beyond the scope of the study. It may not be possible to verify how the findings on factors explaining how some rural schools interpret and implement the newly granted SGB’s powers for improving the quality of education regarding school finances and budgeting, could be helpful to other similar schools. The administration of questions and interviews could be subjected to interviewer’s bias and the interviewer can influence the participants’ responses.

Although the findings of this study cannot be generalised, they can be related to similar situations in other schools. Despite all these shortcomings, the study will provide a new hypothesis about whether rural schools have or do not have good financial management practices.

CHAPTER 4

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.1 INTRODUCTION

The rationale of this study is to contribute to the existing body of research by various researchers and institutions on whether SGBs are able to implement the powers that have been decentralised, as they were intended. Some findings (Kgobe, 2000) are that the experiences of SGBs are uneven, depending on their different school and community contexts. It was argued that SGBs in schools from advantaged areas, which had a tradition of parental participation, demonstrated relatively well functioning SGBs, especially regarding matters related to financial management and fundraising, while in the previously disadvantaged areas the problems with SGB functioning were widespread and wide ranging. Hence the study is aimed at testing the factors/conditions that are responsible for the way in which SGBs assume their financial responsibilities.

During the course of the research project, the selected schools experienced visible changes and developments, which were the criteria used to select the schools. The findings from each school are presented below.

4.2 SCHOOL A

4.2.1 SCHOOL PROFILE

The school has 23 classes and a two-roomed house which was used as SMT office. Ten classes are new and 13 old. After the completion of new classes, the principal relocated to one class which serves as an office while educators use two classes as staff rooms. The school has old and new toilets for both educators and learners. The school yard is surrounded by a fence. The new classes and toilets have been built through the efforts of the SGB working in partnership with the community education committee to secure the

assistance of an NGO called Tsogang, based in Tzaneen. It deals with sanitation projects in various villages, and is funded by the Spanish government. While it was busy with sanitation projects in this community, it was impressed by the commitment of the community and the need for development. It then sponsored the community to build six classrooms, a resting centre, and to buy nine rain-water collection tanks.

The community has diverse social, historical, cultural and economic characteristics. There are Tsonga and Pedi-speaking people. Some are Christians affiliated to different churches while others are non-Christians. The majority of people are unemployed, while some work in Gauteng and others at neighbouring farms. Some of the families depend mainly on social (pensioners') grants.

The school also caters for learners from other communities and this makes a difference to school/classroom attendance. These communities are approximately 7 km from the school and learners arrive late because some do not use common means of transport. They use public transport which is scarce and unreliable. Some of these learners decided to attend this school because they failed several times at the schools which they were attending. The pass rate in grade 12 from 2000-2002 has been 56%, 61% and 59% respectively. The school has 18 teachers and the teacher:pupil ratio is 1:32.

The relationship between educators and parents does not appear to be good. The reason may be that most of the educators are members of the community, and are regarded as the most educated people, some of whom attended school with pupils' parents. Some educators have taken their children to former model C and private schools. There is a complaint from some parents about the quality of education provided to the remaining children. However, that does not mean that there is no relationship. The relationship between educators and learners appears to be good, although there are some learners who lack discipline. The relationship between educators and the SMT does not appear to be good. The interviewed educators indicated that there is little trust between educators and SMT (the principal in particular) because if they agree on something at a staff meeting, the principal will implement it in another way or not at all, if he does not support it. The

school stakeholders do not appear to have a common vision and commitment to the school. One educator said: "This 'one man show' makes some educators to do things for themselves and individualise certain duties and responsibilities from the school. For example, the requirements for the deputy principal's post were unilaterally done by the principal". This exacerbated the lack of trust and commitment among stakeholders.

The leadership and management styles that are applied in this school appear not to be acceptable to all educators. The educators interviewed indicated that the principal uses an autocratic style of leadership. They added that most issues are imposed on them and are not the subject of much consultation or discussions. They also indicated that the principal uses the fact that almost 90% of the educators in that school are his former students from a neighbouring school where he worked as a teacher.

4.2.2 THE SAMPLE OF PEOPLE INTERVIEWED

The researcher interviewed two learners, two educators, two parents (one SGB member and one non-SGB member) and the principal. These interviewees have been purposively chosen because they are relatively knowledgeable and informed about the phenomena the researcher is investigating (McMillan & Schumacher, 2001). They are best placed to provide sufficient data on SGBs and their roles concerning school development plans, finances and budgeting as well as how they practise them in the school.

Since the school was established in 1989, it has been managed by the same principal, who was permanently appointed in 1990. He has sixteen years' experience in teaching. He teaches History in grade eleven. The educator in the SGB has twelve years' experience and is an acting Head of Department (HOD) and teaches Physical Science in grade ten and English in grades eleven and twelve. The other educator (not on the SGB) has ten years' experience and is an assistant teacher. The chairperson of the SGB works as a security guard at a nearby clinic. He only passed Std 8 (grade ten), which he did through ABET, while the other parent (not a member of the SGB) is a pensioner who attended school up to Std 5 (grade seven). The learner in the SGB is in grade twelve and

is the chairperson of the Learners' Representative Council, while the other one (not on the SGB) is in grade ten.

4.2.3 SGB OVERVIEW

The SGB is comprised of six parents, two educators, two learners and the principal. Most of the parents who serve on the SGB are women (4). It is only the chairperson who can read and write, while the others are illiterate. One of the educators is an SMT member while the other is the SGB secretary. The interviewees (learner and educator on the SGB) indicated that educators and chairperson often raise important issues which challenge some of the principal's decisions. The researcher also observed in SGB meetings that learners contribute least while some parents just remain silent, even though the language used in the meeting is understood by all SGB members. However, the terminology is not easily translatable into the vernacular. Porteus (2001) has a point when noting that learners will talk little while educators and parents will compete in terms of which group should dominate the other, and parents will often express frustration over the lack of meaningful communication. In the observation, the researcher tried to understand the level of stakeholder relationships to verify some of the data collected during the interviews.

This lack of genuine participation may be as a result of members of the SGB never having been exposed to SGB duties and responsibilities. Parents and learners were elected to govern and develop the school, but did not know how to govern and what exactly governance functions were all about. This is how the principal came to dominate the SGB meetings because he understood SGB functions better than the others. For example, the SGB treasurer cannot read and write, so the principal has appointed a teacher as the school finance officer.

The principal's domination over other SGB members may be due to the fact that he wants SGB members to regard him as a person who has more information on governance issues so that he can enjoy greater status in the community. His dominance during the

deliberations also suggested that he does not regard parents as strong contributors to school finances and budgeting matters because they are illiterate, whereas he is the one who should guide them in understanding governance issues.

The department provided a five-day SGB workshop which was attended by the chairperson and the secretary. This workshop was about SGB functions and duties. The chairperson said: "After we attended these workshops, we are now able to see where we are going. I think that we will be able to govern our school well. It assisted us a lot". The secretary also added that they appreciated how the workshops were conducted. They recommended that more workshops should be organised to capacitate all SGB members. This supports the argument made by Wohlstetter and Mohrman (1992), that when power is shifted down to lower structures of the organisation, some resources such as information, knowledge and skills, power and rewards are needed so that the local structures gain capacity to make appropriate decisions. Mathonsi (2001) also indicates that if the SGBs are well informed and capacitated in understanding their roles and responsibilities, they will be able to govern schools well and improve the quality of education in South Africa.

However, the SGB was able to attend to some of its duties. It was able to solve cases of undisciplined learners, administered school property through leasing chairs and tables to the community, employed two cleaners and one security guard.

4.2.4 SCHOOL DECENTRALISATION OF MANAGERIAL AND FINANCIAL POWERS: PERCEPTIONS AND PRACTICES

All the stakeholders interviewed believe that it was a good move for the Department to decentralise managerial and financial powers to schools because the parents are now involved and participate in the activities of school. They say so because there were assumptions in the past (before the SGBs were introduced) that some school principals were misappropriating school funds. The school supplements its resources from the state by generating additional funds from the community. However, the principal said that

though it seems to be a good move, he was sceptical about some SGBs, especially in rural areas. He cited an example regarding the manner in which issues are discussed at traditional gatherings (courts) because of 'nepotism and favouritism'. He is afraid that such may prevail even at school level. He further complained about the level of illiteracy. "How can you expect an illiterate person who does not know how to read and write his/her name to manage and monitor school finances?" asked the principal.

The interviewees, except the principal, mentioned that before the chairperson and secretary attended the induction workshop organised by the Department of Education, there was no transparency in the use of school finances. Finances were run by the principal alone. The SGB was not given any financial report in the SGB meetings. But after the workshop things started improving. It is therefore true that for the SGB to assume their powers and responsibilities regarding school finances and budgeting, the members should be trained and capacitated for their new decision-making roles. They should also have the information required to make informed decisions. The members should have a common understanding about governing schools well in order to improve the quality of education.

Although some believe that the SGB plays an important role in the school, the teachers and the parents who are not on the SGB indicated that some stakeholders are losing hope and trust in the SGB as they realise that the principal dominates the SGB meetings. This is partly reflected in the poor attendance of parent meetings at school arranged by the SGB. Parents maintain that the decentralisation of financial powers to schools has been useful because they are now exposed to the new task.

An educator (non-SGB member) said that, in fact, if the SGB had known its responsibilities and duties, it could have performed better. The educator (non-SGB member) said that it was not a good time for their school because the SGB was failing in the handling of its financial and budgeting powers. He indicated that, since the SGB was elected in 2000, it had not handled the school finances and budgeting properly. The principal had been at the forefront of running the school finances, while parents remained

passive. Educators said that money was used haphazardly; e.g., at one stage, the school had an overdraft at the bank because the signatories had failed to determine how much money had been banked and withdrawn.

The SGB was therefore not always able to execute its duties and responsibilities. It lacked the capacity because:

- it had not been exposed to this task before;
- the departmental workshop was not attended by all SGB members;
- some parents did not support the SGB in executing its role by not paying school funds or responding positively to the SGB's call to attend parents' meetings to decide about the future of their children.

Some authors like Mathonsi (2001) argue that SGBs will execute their duties and responsibilities and make genuine and informed decisions if they know what is expected of them and they are supported by all stakeholders in education.

4.2.5 SCHOOL PRIORITIES

The school priorities decided upon at a community gathering on 10 October 2001 are to:

- bring water to school;
- buy a copier; and
- build a library.

These community priorities influenced the SGB to adopt them and put them high on the agenda of both the SGB and the SMT because they are repeated in most of their meetings as evidenced by SGB minutes. The school does not have a formally written school development plan (SDP), but the stakeholders interviewed confirmed the priority needs that dominate the SGB. These include the need to:

- develop school financial policy;

- build classrooms and toilets;
- raise funds for building a library;
- promote education within the community;
- develop a mechanism to encourage all parents to pay school fees.

4.2.6 SCHOOL BUDGET

The first draft of the budget is prepared by the teachers under the guidance of the Heads of Department, and assessed by the principal before it is presented to the SGB. After the SGB has been convinced, it is taken to parents for approval. The principal plays an important role in guiding the stakeholders during the budget approval process. This seems to be in line with SASA, which stipulates that one of the important functions of the SGB is to review and approve a budget during the third term of each year, and then present it to parents at a general meeting early in the fourth term for approval (SASA, section 38 (1) and (2)). The planned budget statement for 2002 is provided below:

2002 BUDGET	
ITEM	**AMOUNT**
1. Copier	R11 448.98
2. Stationery	R21 400.00
3. Transport	R12 600.00
4. Sports Affiliation	R 2 500.00
5. Post rental	R 200.00
6. Bank charges	R 1 500.00
7. Salary (workers)	R12 000.00
8. Catering	R 1 000.00
9. Repair of buildings	R 4 800.00
10. Borehole	R 5 000.00
TOTAL	**R72 448.98**
NOTES: Norms and standards for school funding = R11448.98 School fund = R60000. (600 learners @ R100), and School usage facilities = R1000.	

As mentioned before, the school does not have a well-defined SDP, but has informally agreed on school priorities such as water, a copier and a library. The school budget cannot cover all the school priorities, especially the library. The reason advanced by the principal is that building a library needs a lot of money, and the SGB has agreed that a request should be forwarded to Tsogang, to provide the money if available. The respondents noted that it is difficult for the school to meet some of its priorities because the SGB does not get all the money it has budgeted for because some parents do not pay school fees.

4.2.7 INCOME SIDE

The actual total school income for the year 2002 was R51 148.98 contributed as follows:
R38 400 school fees paid by parents (for 384 learners; 246 learners did not pay);
R11 448.98 from the state; and
R1 300 from the use of school facilities.
The school had a shortfall of R21 600 in 2002.

The parents and learners do not know the exact figure of the state contribution to the school budget. They said that they were told that the Department had given the school a certain amount of money in terms of the allocation for ordinary public school funding (SASA). The principal further indicated that the allocation is based on conditions at the school, the level of poverty of the community and the learner population which is based on poverty ranking in the province. The school falls within quintile two [Q2]. The allocated funds may be used for recurrent costs as per section 114 and 116 of SASA as follows:

Immovable capital improvements and repairs;
Payment of services;
Purchase of educational materials and equipment for the school excluding textbooks and scholastic stationery; and

Recurrent costs related to the extra-mural curriculum of the school and the choice of subjects options in terms of the national and provincial curriculum framework and policy.

Besides the state contribution, the school is able to generate its income through school fees (R100 per learner) paid by parents. However, some parents do not pay school fees. The chairperson and the principal indicated that the cause of this may be unemployment and lack of information concerning the government's position on school fees. The parent (non-SGB member) added that the cause of the problem is that the SGB failed to give financial reports to parents, and they do not want to pay before they see it because some parents have suspicions about misappropriation of school funds, although this does not exist.

This non-payment of fees is a major challenge to the SGB, but it tries to deal with it. At one stage the SGB took a decision to withhold the learners' progress reports until they had paid. The affected parents were served with letters calling them to the school to come and pay. Those with money were told to pay while those without, were told to complete and sign forms indicating the date on which they were going to pay. Despite these attempts, parents still remain adamant.

The school also manages to supplement its income from outside sources by leasing school properties such as chairs and tables which are used by the community members for funerals, parties, etc.

The procedure of collecting money is very good. The class teachers collect the money from learners' parents, and thereafter hand it over to the finance officer on a daily basis for reconciliation. The finance officer in turn submits the transactions and money to the principal for banking. This is in line with school financial management practices which require the SGB to open a bank account, to manage funds according to the directives of the Head of Department and to use the funds for educational purposes as per school budget.

4.2.8 EXPENDITURE SIDE

The budget expenditure is broken down according to different items as mentioned previously. The stakeholders indicated that the principal together with the HOD makes a draft, and takes it to the educators for comment and thereafter to the SGB for approval because he is responsible for the day-to-day running of the school. The principal said that he is the one who dominates the discussion about the allocation of budget priorities. That was also affirmed by the SGB chairperson. They managed to spend the income as follows:

DISTRIBUTION OF INCOME	
ITEM	**AMOUNT**
Copier	R11 449.48
Stationery	R17 760.00
Transport	R 8 830.00
Post rental	R 200.00
Bank charges	R 1 250.00
Salary	R 9 550.00
Catering	R 360.00
Repairs	R 5 650.00
TOTAL	**R55 049.48**

The principal said that stationery and transport were given highest priority because for teaching and learning to take place effectively, stationery such as chalk, duplicating paper, stencils, etc. are essential and are given first preference. He explained the importance of transport, due to the changes that are taking place within the education system, and educators have to attend workshops (e.g. for OBE) at the district office, which is approximately 66 km from the school.

When assessing the planned and actual expenditure statements, it is found that the school budgeted for R72 448.98. The school received an income of R51 148.98. An amount of R4 300.00 had been retained from the previous year (2001), and when added to the 2002 income, it amounted to R55 448.98. The school had a total expenditure of R55 049.48 and a balance of R399.50 as at 31.12.2002. However, there were items such as sports affiliation and the borehole, which were not rendered at all, while in others the planned budget was not properly followed due to unavailability of funds.

The principal and educators indicated that the school expenditure pattern of the last two years had improved the performance of the school. Some of the factors contributing to this improvement may be the provision of teaching facilities, in-service training, etc.

The educators and the parent (non-SGB member) said that the expenditures were not properly managed and monitored, as this was done by the principal alone. However, SASA section 37 indicates that the overall responsibility for the control of school money lies with the SGB, which should monitor throughout the year by checking that the expenditure and income stay in line with the budget. But the educator (SGB member) said that this management practice does not mean that money is embezzled. Another problem is that the budget priorities are not rendered as planned because the school does not receive the total income budgeted for at the same time. The principal monitors the expenditure by using bank statements. The SGB is told that there is no money because a certain amount of money has been used to buy "this and that", especially because the chairperson is not a signatory. The bank would not allow him to be a signatory because he is blacklisted at the credit bureau.

Because the school expenditures are not properly accounted for to the SGB, the latter cannot account fully to parents. For example, in 2002, finance statements were not audited by professional auditors. Auditing was done internally at school. The principal indicated that there was no money to pay auditors because some parents did not pay school fees.

After this, the SGB took a decision that in future, financial statements should be presented at every SGB meeting. This was asked because of the knowledge acquired by the chairperson and secretary who attended the induction workshop on their roles and responsibilities.

4.2.9 CONCLUSION

Since the researcher wanted to understand what makes the school SGB interpret and implement its policy powers in the way it does, he checked the SGB's understanding of

their roles concerning finance and budgeting, how they relate to the SDP as well as how they operate within the school.

The researcher found that the SGB has not developed a plan of action because the members have never been trained properly in finance and budgeting matters. The school budget is not used properly to address all the school priorities because of the socio-economic factors of the community. It was also found that there is no finance committee to assist the principal and SGB in managing and monitoring school finances and budgeting. It is therefore concluded that this school SGB has little knowledge and capacity to practice good financial management. But the SGB seems to have improved slightly, especially after attending the workshop, although only two SGB members attended the workshop. Vally (1998) argues that the SGBs could not perform better because there were the limitations in the training provided, but he also cites the confusion of roles and responsibilities among SGBs, principals and school management teams. Kgobe (2000) reports that SGBs in schools from privileged areas with a tradition of parental participation demonstrated relatively high functioning SGBs with relatively well-developed roles with reference to financial management and fund raising. However, in the previously disadvantaged communities, there were problems related to the lack of parental participation, and particularly a lack of SGB confidence in the face of traditional school management structures and poor information and training in SGB functions and responsibilities.

Though the SGB could have performed better than this, one may indicate that even the leadership and management styles at this school are not suitable because in most cases, the principal does not consult his colleagues, but imposes issues on stakeholders. Even on matters of governance, the principal dominates the SGB. One of the reasons why he undermines the SGB may be that he realises that most of them are illiterate. He seems to believe that illiterate parents cannot contribute positively to school governance. But the headmaster is the one who must assist the SGB to understand governance issues before they can receive training from outside. But instead, he acts in a contrary manner, and keeps the poor parents under his thumb. He operates in a manner which favours him. One

may also suggest that he fears that once the SGB understand what is expected of them, it can expose his poor planning regarding finance and budgeting and he may end up losing his credibility within the community. For example, he failed to show the SGB the financial statements in 2002 and the SGB, in turn, failed to account to parents.

There were no signs of funds being embezzled, but poor management strategies by the principal, e.g. of not following the school expenditure plan, ended up misleading the SGB. The educators and parent (non-SGB member) recommended that in order to improve the school expenditure decision-making process in this school, the principal must ensure that all SGB stakeholders are involved in affairs such as budgeting processes and auditing. It was further indicated that in case the SGB is not capable of carrying out some of its duties, it must co-opt people who have experience to assist so that the SGB can be able to account to parents how the school money has been spent. The Department and the principal must also ensure that all SGB members are given enough training regarding SGB functions especially on school finances and budgeting, and the formation of SGB sub-committees, e.g. finance committee, should be encouraged.

The researcher chose this school because of its important infrastructural developments to understand how the school handled its finances and linked them to the school development goals and priorities. It was found that the SGB did not assume its financial and budgeting powers very well, but had the support of an NGO, secured by the community education committee, to improve the school infrastructure.

As mentioned in chapter two, the study argues that the benefits of decentralisation are not automatic and can only be realised under certain conditions. In the case of this school, some conditions found are:

(i) Induction workshop for all SGB members, and

(ii) the co-operation, unity and commitment demonstrated by the community in the form of a community education committee which assisted the SGB to get funds from an NGO for its priorities.

However, there are some conditions which do not exist in this school. These conditions are regarded as essential. They are leadership, management style and transparency.

In this school, it was found that the principal's leadership and management styles were not suitable because in most cases, he does not consult his colleagues, but imposes issues on them. He is also not transparent. However, if the stakeholders are engaged in planning and making decisions about school activities, trust and unity may be built among stakeholders. Leadership can be viewed as something that shapes the systems that produce patterns of interaction and the importance that other participants attach to organisational events. It should also be noted that at school level, participative decision-making enhances communication and good relations among stakeholders and improves the quality of education.

In conclusion one may concur with Wohlstetter and Mohrman (1992) as well as Mathonsi (2001) who maintain that SGBs should be trained and capacitated for their new decision-making roles, and have sufficient information to make genuine and informed decisions. Several authors have raised this point about the skills required to achieve the functions laid out for the SGBs. Porteus (2001) said that if SGBs do not gain the required capacities, failures and frustrations may occur. This may lead to a situation wherein those who never supported the idea of decentralising finance and budgeting powers to SGBs, think that they are correct without having assessed properly what leads to such failures.

4.3 SCHOOL B

4.3.1 SCHOOL PROFILE

The school has three blocks and ten classes. One block is new with four classrooms and another with three classrooms has been renovated with paving surrounding them. The school has new toilets. The schoolyard is surrounded by a fence. These infrastructural developments have been done by the SGB through putting pressure on the Department of

Education by indicating the need for classrooms because learners were attending classes under a tree.

The community has diverse social, historical, cultural and economic characteristics. It is dominated by Pedi-speaking people. Some community members are Christians affiliated to different churches. Most people are unemployed and many families depend on social (pensioners') grants. Some community members work at Phalaborwa and Gauteng.

The relationship between parents and educators is good, and the school community shares a common vision for and commitment to the school. The pupil:teacher ratio is 1:38 (7 teachers and 261 learners). The teachers find it difficult to attend community meetings which are convened during the weekend because some teachers travel from their homes on a daily basis.

4.3.2 THE SAMPLE OF PEOPLE INTERVEIWED

The researcher interviewed two parents, two educators (one SGB member and one non-SGB member) and the principal. These interviewees have been selected because they are likely to be able to supply the researcher with information about the phenomena which are being investigated (McMillan & Schumacher, 2001).

The principal has been managing the school for the past nine years. The educator is the SGB treasurer while the other (non-SGB member) is a senior teacher. The chairperson of the SGB is not employed and she passed grade twelve at a neighbouring secondary school, while the other parent (non-SGB member) passed grade six and lives next to the school. He is unemployed.

These are the people whom the researcher thought would provide him with sufficient information on the SGB's assumption of its duties and responsibilities pertaining to school finances and budgeting and how they are put in practice.

4.3.3 SGB OVERVIEW

The SGB is comprised of four parents, two educators and the principal. The chairperson of the SGB is a woman, deputised by a parent who is a male. The secretary and the treasurer are lady educators.

The SGB has a finance committee which co-opted one teacher who is not on the SGB but has specialised in accounting and mathematics. The committee has been formed with the aim of assisting the principal in managing and monitoring school finances and budgeting in order to improve the general school performance and development.

According to the chairperson and other respondents, the chairman presides at all the SGB meetings and everybody participates. They use Sepedi in their meetings so that everybody can understand. This was observed at an SGB meeting held on the date the researcher visited the school, and which was attended by the researcher. The observation was purposefully done in order to understand the relationships at school level and the participation that takes place during meetings.

The SGB members are serving for a second term. The chairperson, secretary and treasurer attended some workshops which were arranged by the Department. The chairperson indicated that when they were elected, parents did not know much about SGB duties and responsibilities, but after they had attended the workshops on SGB duties and how to handle school finances, they started working collectively and effectively. The principal said: “It is true that the SGB is united and works effectively. We took a decision to form a finance committee so that we can manage and monitor school finances well”. He was supported by other respondents. The formation of the finance committee was guided by the provision of SASA, that the SGB may co-opt other members (from the community) whom the SGB feels can serve in the best interests of the school and ensure that learners receive the best education possible.

4.3.4 SCHOOL DECENTRALISATION OF MANAGERIAL AND FINANCIAL POWERS: PERCEPTIONS AND PRACTICES

The stakeholders interviewed supported the idea of decentralising school finances and budgeting to the SGB. The principal said: “The support we receive from parents is because they are now involved in the activities of the school and they see how their money is used”. Chau (1985) argues that decentralisation is based on the claim that, being closer to the services and their clientele, the particular unit of administration becomes better positioned to assess the needs, recruit personnel and monitor the services and take the initiative when necessary. One may argue that the more people are given the chance to make contributions and participate in the process of planning, the more they become aware of these plans and aims, and they then become more committed to achieving their objectives.

The SGB chairperson said that the SGB enjoyed the trust and support of the stakeholders due to the roles it fulfilled. The co-opted finance officer said that he does not see anything wrong with this SGB especially as far as school finances are concerned because everything is done in a transparent manner. The respondents also indicated that parents have shown their co-operation through responding positively to the SGB’s call to parents to volunteer to cut and remove the grass within the school yard and to clean classrooms at the beginning of the year before the schools are opened, to be ready for teaching and learning on the first day.

The principal further indicated that the SGB has carried out its duties and responsibilities satisfactorily and effectively, though it was difficult in the beginning. It has been able to raise funds, monitor funds, draw up school policy, etc. He also indicated that all members are committed to their SGB activities and respond to the call for SGB meetings at short notice.

4.3.5 SCHOOL PRIORITIES

The school priorities are as follows:

- to bring water to the school;
- to employ cleaners;
- to build an administration block; and
- to fence the school.

These priorities were adopted by parents at the parents' meeting and are high on the agendas of both SMT and SGB, as evidenced by the SGB minutes book. The SGB minutes were checked, as school documents provide an internal perspective of the school and delineate the functions, values and the relationship between the school stakeholders. The SGB faces challenges such as:

- finding a mechanism for making all parents pay school fees on time;
- fencing the school;
- securing funds for building an administration block; and
- finding a date for meetings which will be suitable for all stakeholders to attend.

4.3.6 SCHOOL BUDGET

The budget is prepared by the SMT and finance committee by looking first at what has been achieved and what was problematic. Their proposals will then be taken to the entire staff, the SGB and finally to parents for approval. The budget presentation was therefore negotiated and bargained at every level. The 2002 school budget statement was adopted by parents at the meeting held on 05.12.2001:

SCHOOL BUDGET	
ITEM	**AMOUNT**
Stationery	R2000.00
Fence	R5300.00
Transport	R3000.00
Electricity	R 600.00
Equipment	R 900.00
Auditors	R 300.00
Postage	R 150.00
Repairs	R2000.00
Catering	R 900.00
Sport	R3200.00
TOTAL	**R18 350.00**

The principal and the finance committee play a vital role in making sure that the budget proposal is supported and ultimately approved.

The SGB faces a serious challenge to use the school budget to cover the school's priority needs. The principal said: "Our challenge is that the money which parents contribute does not meet all of the school priorities … we need an admin block, so … it's tough". Other respondents echoed these sentiments. They said that their priorities could not be achieved within one financial year and further said that the SGB had already sent an application to the Department of Education, requesting the erection of an administration block. Another point of concern was parents who do not pay school fees on time. Some of the reasons for the delay may be unemployment, poverty, etc., but they end up paying in order to support the programmes of the SGB. The respondents said that in addition to school fees, parents make direct contributions and suggestions to the school. Gutman (1987) has a point in saying that local school structures must have some control and autonomy to exercise their discretion over the education within their school districts.

4.3.7 INCOME SIDE

The school had a total income of R22 662. 21 which was contributed as follows:

248 learners x R50.00 = R12 400.00
lease of school property = R700.00;
norms and standards for school funding = R5 312.21; and

balance brought forward = R4 250.00.

The school had a shortfall of R650.00 because 13 learners did not pay their school fees.

The parents do not know the exact figure of the state contribution to the school budget, but the interviewed parents said that the principal informed the SGB about the state contribution, which is reflected in the SGB minutes book. The amount allocated to the school is R5 312.21 which is based on the conditions at the school, poverty level of the community and learner population, which is based on the poverty ranking in the province. The school falls within quintile two [Q2]. These state funds must be used for recurrent costs as per section 114 and 116 of SASA.

Besides the state contribution to the school budget, the school is able to generate some funds through school fees and leasing of school property to the community. The SGB managed to convince the government to build one block with four classrooms and toilets. It also renovated three classes and paved their surroundings, and lastly fenced the school yard. These infrastructural developments were done through tender procedures as laid down by the government. The SGB was not given the money to use on a daily basis on these projects but through tender procedures.

4.3.8 EXPENDITURE SIDE

The school expenditure statement of 2002 was as follows:

SCHOOL EXPENDITURE STATEMENT	
ITEM	**AMOUNT**
Fence	R5 300.21
Stationery	R2 900.00
Transport	R1 789.00
Electricity	R 540.00
Auditors	R 430.00
Postage rental	R 200.00
Repairs	R2 400.00
Copier	R4 750.00
Sports	R2 600.00
Cleaning material	R 250.00
Ringing bell	R 350.00
Bank charges	R 803.00
TOTAL	**R22312.00**

The budget expenditures are broken down according to the prioritised items. The respondents said that the SGB agreed that the expenditure should be in line with the budget. However, if the need arose for an expenditure change, the principal could call an emergency SGB meeting to approve such expenditure. It was found that the expenditure exceeded the total amount budgeted for. The reason is that the school had an extra income of R4250.00, namely outstanding school fees in 2001 which were paid in November and December 2001 and early January 2002. It was also indicated that on 18.02.02, the SGB mandated the finance committee to adjust the school budget. It added another item (copier) because the school had a surplus from 2001. The fence allocation was not changed because the school was not given cash, but had to get three quotations from different dealers and submit them to the department. The department would pay the dealer on behalf of the school. Transport, stationery and a copier were given first preference because they are regarded as the key for the provision of quality education. A copier makes teaching and learning easier because teachers can prepare diagrams, cartoons, etc. for use by learners.

The interviewees agreed that the pattern of school expenditure had made progress over the past three years and had improved the school because the SGB managed to use school funds to achieve the following:

- electrifying the school;

- fencing the school yard;
- installing a road direction board to the school; and
- buying a copier and ringing bell.

The researcher witnessed all these achievements.

The SGB sub-committee for finance drew up a school financial policy to manage the school funds more effectively. It states that the finance officer is responsible for collecting school fees from parents, and all other money from outside sources. Before the end of the day, the money should be handed to the treasurer for banking. For every movement of money, a receipt should be issued. The principal must check the financial records of the school on a monthly basis and the treasurer must compile the financial statements, which should be presented at the SGB meeting. The respondents said that in every first quarter of the year, the finance books are audited by independent auditors. After the return of the books, the finance committee presents the report to the entire SGB and thereafter to the parents at a general meeting. In this way, the school adopts effective school financial management practices in accordance with the directives of the Head of Department.

The researcher was given an opportunity to attend an SGB meeting and observed the finance committee presenting the financial statement of the second quarter to the SGB. The treasurer and finance officer played a vital role in the presentation of the statement. During the discussions, all SGB members participated actively. The researcher had an opportunity to witness what was taking place in a live situation and understand the context of the programmes. Observation allows the researcher to see things that might be unconsciously missed, to discover things that the participants might not freely talk about and to move beyond perception-based data.

4.3.9 CONCLUSION

The researcher found that the SGB of school B does not have a well-defined SDP, and that the school budget does not cover all the identified school priorities. There is a strong

SGB sub-finance committee which assists the principal in managing and monitoring school finances and budgeting to assist the improvement of the school. This school appears to have an effective SGB with the capacity to develop and practice good financial management.

The SGB needs to be assisted in terms of how to draw up a realistic SDP, which is linked to the school budget. The SGB has never received any training on drawing an SDP. What the SGB has done, has been done from the members' own knowledge, expertise and experience.

This school was chosen on the basis of the infrastructural developments which made the researcher want to understand how the school handled its finances in relation to its goals and objectives. It was found that the SGB pressurised the Department of Education by delineating the state of affairs at their school, to provide classrooms and undertake renovations. It was also found that the SGB assumed its financial powers well, even though it did not draw up a viable SDP which is linked to the school budget.

The researcher identified the conditions that assisted the school in assuming its decentralised financial powers as:

(i) the induction workshop that was attended by the chairperson, secretary and treasurer. The workshop capacitated the SGB to execute its duties and responsibilities well, especially how to handle school finances. The SGB then formed a finance committee, and co-opted one educator with financial expertise to serve on the committee;

(ii) the transparency of the principal's approach. He involved all stakeholders in school activities to plan together;

(iii) Co-operation, unity and commitment among SGB members and the school community who share a common vision in order to develop the school.

One would conclude by agreeing with Mathonsi (2001) when he argues that though the majority of South African parents did not receive any formal education, this does not

mean that they cannot think logically, conceptually and contextually. He further indicates that if the SGBs are well informed and capacitated to understand their roles and responsibilities, they will be able to govern schools well and improve the quality of education.

4.4 SCHOOL C

4.4.1 SCHOOL PROFILE

This primary school has five blocks with seventeen classrooms which have been built by the community under the leadership of the induna. Two classes attend under the trees. There is one small room which is used as an administration office. There are old toilets for both educators and learners. The schoolyard is surrounded by a fence.

The community has cultural and economic characteristics similar to that of school A. The learners who attend in this school are from one community, which is about 7 km long and 4 km wide. The deputy chairperson indicated that the village deserves to have two primary schools so that younger children can arrive at school on time. He also indicated that there is a move by the community to establish another primary school that should be strategically placed so that all children should at least travel an equal distance to school.

The pupil:teacher ratio is 1:35 with twenty-six teachers. The relationship between teachers and parents is not sound. This started when the acting principal was evicted by some community members, who alleged that the principal does not obey the induna's orders. Since then, the community and the school have been divided. Though the department intervened by solving the problem and deploying him to another school, the school remained divided. However, the present acting principal has tried to unite educators and the community and has managed to improve the relationship between stakeholders through meetings with the community and the Department of Education in addressing some problems encountered, such as transparency in all school activities.

4.4.2 THE SAMPLE OF THE PEOPLE INTERVIEWED

The researcher interviewed two SGB members (an educator and a parent), two non-SGB members (an educator and a parent) and the acting principal. These interviewees were selected because the researcher thought that they were best placed to provide the information which was being investigated.

The acting principal started after the community had had problems with the previous principal. The educator in the SGB is the treasurer, while the other one who is not a member of the SGB is an assistant teacher. The deputy chairperson of the SGB is a parent and a teacher by profession, but unemployed. The other parent (non-SGB member) is unemployed. She has volunteered her services to cook food for the feeding scheme.

These were people whom the researcher thought would provide sufficient data on SGB activities and how the SGB understands its roles concerning school finances and budgeting as well as how it practises them in the school.

4.4.3 SGB OVERVIEW

The SGB is comprised of six parents, two educators and the acting principal. Most of the parents are illiterate. The chairperson said that they struggled in the beginning to assume SGB duties and responsibilities. One educator is the treasurer and the other one is the secretary. The principal indicated that the SGB chairperson and educators make positive contributions in SGB meetings. Their participation started after the secretary, chairperson and treasurer had attended the induction workshops organised by the Department. They further indicated that the workshop assisted them in understanding their duties and responsibilities. Mathonsi (2001) agrees that SGBs should be trained and capacitated so that they understand their duties and responsibilities in order to govern schools well and improve the quality of education in South African schools.

The SGB managed to co-opt one community member to strengthen the parent component and form the finance committee. This information was provided by interviewees and

confirmed in school records and physical observation by going through the renovated classes.

4.4.4 DECENTRALISATION OF MANAGERIAL AND FINANCIAL POWERS: PERCEPTIONS AND PRACTICES.

The stakeholders interviewed believed that it is a good move for SGBs to assume responsibility for school finances and budgeting. The respondents said that both parents and educators are now involved and participate in the activities of the school. The principal argued that the involvement of parents in the SGB is very important because they (parents) are often in the best position to contribute to the values and culture of their children's school as well as to assist in resolving some of the problems which the school experiences.

The treasurer and deputy chairperson indicated that, before the chairperson and the treasurer attended the workshop on the duties and responsibilities of the SGB, the acting principal managed and monitored the school finances and misappropriated some school funds. After this, the SGB co-opted a parent to serve on the SGB finance sub-committee. The co-opted member had to assist the SGB and the principal to regain credibility in the community, which they were losing. The embezzled money was recovered and the SGB began to manage funds according to SASA section 37 that indicates that: "The overall responsibility for the control of school money lies with the SGB". The respondents (except the principal) said that the SGB regained the confidence of the community through introducing a finance sub-committee comprised of the SGB chairperson, treasurer, secretary, the principal and the co-opted person, who is chairing the committee. The finance sub-committee assists the principal and the SGB in monitoring and managing school finances.

The stakeholders interviewed recommended that whenever SGBs are elected, they should receive training before they start executing their responsibilities so that they assume them well.

4.4.5 SCHOOL PRIORITIES

The SGB decided on the following priorities:

- to fence the vegetable garden;
- to buy enough school furniture;
- to build school toilets;
- to build classrooms so that no learner attends under a tree;
- to plaster the old block which was built from mud bricks; and
- to change the roofing of one block of five classrooms.

These priorities were adopted at a parents' meeting. They are high on the agenda of both the SMT and SMT as evidenced by the SGB and SMT records, which inform and shape the practice at school. However, the school does not have a well-defined school development plan, but the stakeholders have agreed to these priorities.

4.4.6 SCHOOL BUDGET

The school budget is firstly prepared by the SMT and the educators from their respective school committees. Thereafter the finance committee consolidates the budget proposals and forwards them to the SGB. The SGB presents them to the parents for approval. The interviewees indicated that the principal and finance officer play an important role in guiding the stakeholders during the budget decision-making process.

The 2002 budget, which was approved at a parents' meeting held on 02.11.2001 is presented below:

SCHOOL BUDGET	
ITEM	**AMOUNT**
Audit	R 1 500.00
Bank charges	R 1 600.00
Electricity	R 400.00
Toner and service	R 960.00
Postal service	R 200.00
Sanitary ware	R 1 326.00
Transport	R21 000.00
Stationery and equipment	R 7 356.00
Read Affiliation	R 250.00
Catering: visitors	R 750.00
Security	R 1 800.00
Sports equipment	R 1 450.00
Sports affiliation	R 1 922.00
Sports meetings	R 1 433.00
Library equipment	R 5 766.00
Computer	R 6 000.00
TV and overhead projector	R 8 000.00
Security doors	R 2 337.00
Incidental expenditure	R 4 205.00
TOTAL	**R68 255.00**

The principal said that some of the priorities are not covered by the budget, for example, classrooms and toilets, because they need more money, which the school cannot afford. But there is a decision by stakeholders as reflected in the SGB minute book that an application for the erection of toilets and classrooms should be sent to the department.

4.4.7 INCOME SIDE

The school had a total income of R70 324.76. It was contributed as follows:

1. Parents = R46 600.00 (R50 x 932 learners; 29 learners did not pay, causing a shortfall of R1450.00).
2. Norms and standards funding = R8246.86
3. Fundraising = R5714.90

3.1 Photocopies = R1545.60

3.2 Renting of school property = R1650.00

3.3 Sales (vegetables) = R679.00

3.4 Entrance fees (casual day, films and drama) = R1840.30

Total for fundraising = R5714.90

4. Balance retained from 2001 = R9763.00

Besides the state contribution, the school was also able to generate income from outside sources as indicated above.

The principal indicated that there is a fundraising committee, which is responsible for raising school funds. One may agree with the rationalists that decentralising educational powers to schools has been motivated on the grounds that schools will be able to mobilise and generate additional resources that are not available to the central government.

The interviewees also raised a concern about parents who do not pay their dues by the agreed date. This non-compliance is a serious challenge for the SGB because the SGB will not be able to follow its budget programmes as planned. Outstanding fees are followed up until they have all paid. “I thought of advising the SGB to organise a school cultural function, to which all parents and departmental officials would be invited. The officials will be requested to make a presentation on the necessity of education, the purpose of supporting the SGB activities and the background of SASA. These attempts will be geared to convincing parents and encouraging them to promote and develop the education of their children”, said the principal.

4.4.8 EXPENDITURE SIDE

The budget expenditures are broken down according to their prioritisation. The respondents said that the SMT plays an important role in advising the finance committee on allocating the items because the SMT is responsible for the day-to-day running of the school. The SMT advises on allocations for administration, while other stakeholders look into the general development of the school. The expenditure statement of 2002 is as follows:

STATEMENT OF EXPENDITURE	
ITEM	**AMOUNT**
1. Computer	R 5 999.00
2. Library equipment	R 2 300.80
3. Audit fees	R 800.67
4. Sports	R 2 144.00
5. Bank charges	R 1 025.95
6. Catering	R 1 536.50
7. Development and improvement	R20 488.33
8. Post rental	R 200.00
9. Printing and stationery	R13 494.21
10. Transport	R20 480.00
11. USSA cards	R 357.00
12. Electricity	R 650.00
TOTAL	**R69 476.46**

The school budget was R68 255.00, and it had an income of R70 324.76 and the total amount spent is R69 476.46. The expenditure is R848.30 less than the income, and there is a shortfall of R1450.00 (R50 x 29 learners who did not pay school funds).The school budget has been boosted by R9763.00, which is the balance brought forward from 2001.

Transport and development are highly prioritised. Some items such as security, sports equipment, etc., were not provided due to unavailability of funds. In assessment, it can be concluded that the SGB seems to have executed its role regarding school finances and budgeting very well, but it needs to improve in certain aspects such as engaging all parents to pay school funds at the beginning of the year so that the SGB need not divert funds or restructure the budget. The interviewees indicated that the expenditure pattern resulted in improvements at the school, which the researcher managed to see.

Before the finance committee was constituted, funds were not properly managed (as stated earlier). However, after it was constituted, the SGB started to manage school finances well. The finance officer is central in terms of managing and monitoring the school expenditure. The deputy chairperson and the treasurer said that school expenditure is properly accounted for to the SGB and parents. They further indicated that funds are managed through the directives of the head of department (HOD) and the SGB financial policy. It states that the finance officer is responsible for collecting money from parents or any other source. After collection, the money should be given to the SGB treasurer on a daily basis for banking. Records to support the transaction should be issued and stored. The principal remains the chief accounting officer and must check all finance books on a monthly basis, while the treasurer must prepare financial reports on a quarterly basis for the SGB meeting. This arrangement shows that the SGB has an effective financial management system.

The respondents said that the finance books are audited by private auditors. After auditing, the financial sub-committee tables a financial report at an SGB meeting and at a general meeting for parents.

4.4.9 CONCLUSION

Since the research was aimed at understanding how the SGB is able to interpret and implement its policy powers, the researcher probed the SGB's understanding of its roles

pertaining to SDP and school priorities, finance and budgeting, as well as how it is practised in the school.

When the school was sampled, the researcher thought that the SGB seemed to be overwhelmed by its duties and responsibilities concerning school finances and budgeting, but during the course of the study, there were considerable changes and developments, as mentioned earlier.

It was also found that the move of co-opting one parent into the SGB assisted a lot because the SGB had not assumed its financial and budgetary powers well, which led to the misappropriation of funds by the principal, which were later recovered. On this basis it is therefore concluded that this school has an effective SGB with the capacity to practice good financial management, although some conditions should be met. They are:

- the induction workshop (which was attended by the chairperson and the treasurer). It capacitated them to perform the SGB duties and roles on how to handle school finances, budgeting, etc.;
- commitment; after realising that the parent component was not clear about SGB activities, the SGB co-opted one parent to serve on the SGB. He demonstrated his abilities and commitment and that led to the formation of the finance committee, which managed to draw up the school financial policy.

In conclusion, one can agree that if the SGBs are well informed and capacitated in understanding their roles and responsibilities, they will be able to govern schools well and improve the quality of education. They can further make genuine and informed decisions (Mathonsi, 2001).

4.5 SCHOOL D

4.4.1 SCHOOL PROFILE

In 1989 one block of three classes was built with community contributions. Now there are another two blocks with seven classrooms. One block has four complete classrooms, and the other one has three incomplete ones. The school has nine educators and 286 learners. The principal indicated that when the school started, there was a campaign against the school. The community was misinformed by some individuals who had their own agenda. Their aim was to ensure that the school did not receive support from the community. The school property was vandalised, e.g. windowpanes were broken; stones were thrown on the roof; and some chairs were stolen. Finally, it was found that the problem had to do with the 'son of the soil'. Some people thought that when the school started, the Department should have appointed a local person to act as principal, but instead the Department appointed someone from a neighbouring school and seconded other educators to that school.

As time passed, however, people started to realise that their actions and behaviour were derailing the progress of the community. They had to accept the changes that were taking place within the country and the moves of the Department of Education. The principal and educators interviewed indicated that their relationship was very good. They further indicated that they had continuous interaction with community members, trying to show them the need to be part of the education system, to bring stability to the school, and to foster a healthy relationship between the community and the school.

At present the relationship between the school and community is very good. They are able to hold meetings and plan the education of their children together through open discussions. In terms of cultural and economic characteristics, it does not differ much from those of schools A, B, and C.

4.5.2 SAMPLE OF PEOPLE INTERVIEWED

The researcher interviewed two learners, two educators, two parents (one SGB member and one non-SGB member in each category) and the school principal. The researcher chose these interviewees because it was thought that they were best placed to provide the relevant information and responses about this school.

The school has been managed by the same principal since 1989, and was permanently appointed in 1993. He has had nineteen years' experience in teaching. The educator (on the SGB) is the treasurer and started working in 1990. She teaches Mathematics and Physical Science in grades nine and ten respectively. The other educator (non-SGB member) started teaching in 1992 and teaches English from grade eight to ten and Economics and Management Sciences in grades eight and nine. The chairperson of the SGB attended school up to standard six (grade eight). He is also the chairperson of the civic association and deputy chairperson of the African National Congress in that ward. He once served as a shop steward of the company where he worked. The parent (non-SGB member) never attended school, but she can count numbers. The researcher found her at the school, busy building the new block with other volunteers. The learner (SGB member) is in grade ten and is chairperson of the Learners' Representative Council, while the other one (non-SGB member) is in grade nine and the daughter of the SGB deputy secretary.

4.5.3 SGB OVERVIEW

The SGB is composed of six parents, two educators, two learners and the principal. Among the parents, only two (the chairperson and the deputy secretary) are literate. One educator is the SGB treasurer while the other one is the secretary.

"When we were elected, some of us did not know exactly what the duties and responsibilities of the SGB are. From us (parents), it was only the deputy secretary and I who could at least raise some issues regarding school governance," said the chairperson.

He further said that after they (chairperson and treasurer) had attended a workshop about SASA (04-06 February 2002), which was arranged by the Department of Education, they had to impart their knowledge to other members. The principal added that after the workshop, the SGB began to be organised, and was then able to make genuine decisions. "Previously SGB members argued and competed about who should be responsible for 'this and that', especially not knowing the difference between governance and management issues." He further said that the SGB was quick to cope because the deputy secretary is also serving as a treasurer of the SGB of the neighbouring primary school. He attended the same workshop.

Other respondents said that more workshops should be conducted for all SGB members, rather than targeting only two members. The workshop seems to have been fruitful for this school because the SGB managed to execute some of the duties and responsibilities outlined in SASA. It was able to identify the school's priority needs, draw up a school budget, which was approved by the parents, and managed to deliver some of its priority needs.

One may submit that the democratisation of education, or the involvement of the school community, and more specifically the parents, is believed to be important because the latter are in the best position to contribute to the improvement of their children's education.

4.5.4 SCHOOL DECENTRALISATON OF MANAGERIAL AND FINANCIAL POWERS: PERCEPTIONS AND PRACTICES

All the interviewees are positive about SASA and in particular about the SGB being responsible for school finances and budgeting. This is because the SGB has managed to develop the school through meeting its priority needs to a greater extent than before SASA was enacted. They further said that everybody is motivated, that they trust and co-operate with each other because all members of the community are now involved and participate in the activities of the school.

The principal and a parent (non-SGB member) mentioned the improvement of the school infrastructure, the present climate and trust, compared to what they were before, when there was no co-operation between community and school. The principal said that the school could have been developed more than it is now had it not been for those problems. For example, the money, which was used to repair windows, could have been used to upgrade something else.

On the day of the visit, the researcher observed that the stakeholders showed unity, commitment and co-operation because some community and SGB members had volunteered to build one block. This indicates that if people are given the chance to contribute, and participate in the process of planning, i.e. the more they become aware of these plans and aims, the more committed they are to these plans. Chau (1985) argues that decentralisation is based on the claim that, being closer to the services and their clientele, the particular unit of administration becomes better positioned to assess the needs, recruit personnel, monitor the services, and take the initiative when necessary.

4.5.5 SCHOOL PRIORITIES

The respondents indicated that the school priorities are:

- to renovate the old block;
- to build classrooms;
- to fence the school yard;
- to buy chairs and tables;
- to mount chalkboards;
- to buy a photocopier and typewriter; and
- to introduce grades 11 and 12.

These priorities were identified by the SGB and approved by parents at a general meeting held on 15 October 2001. This was also verified as high on the agendas of the SGB and SMT judging by their minute books. Some of these priorities were found to be already executed, such as the erection of two blocks with seven classrooms through donations

from the private sector, renovation of the dilapidated old block, fencing of the schoolyard, chalkboards and the buying of some chairs and tables. The researcher verified this in the SGB minute book and from his own observation. This showed that the SGB had executed its duties and responsibilities correctly as mandated by parents.

4.5.6 SCHOOL BUDGET

The school budget is prepared by the SMT, and then taken to the staff and thereafter to the SGB for approval. The principal said that the SGB plan their budget according to SASA, which states that: "One of the important functions for the SGB is to prepare a budget every year during the third term of each year, and then present to parents at a general meeting early in the fourth term" (SASA, section 38(1) and (2)). The educators said that the principal is very vocal in the budget discussion especially on advising the stakeholders on the current needs of the school. The school budget for 2002 is as follows:

SCHOOL BUDGET	
ITEM	**AMOUNT**
1. Stationery	R 4 000.00
2. Transport	R 3 600.00
3. Renovations	R10 000.00
4. Sports	R 2 500.00
5. Bank charges	R 500.00
6. Postage	R 140.00
7. Security	R 3 000.00
TOTAL	**R23 740.00**

The estimated learner enrolment for 2002 is 260 @ R100.00 = R26 000.00

The researcher found that the above budget did not cover all the priorities. The interviewees indicated that some priorities such as a fence, chairs, the building of classrooms, etc., are not covered in the budget because the school is not sure of the date

by which they will secure all the funds and they need lot of money. They further said that some of their needs will be attended to at a later stage when these expected funds are available.

4.5.7 INCOME SIDE

Besides the state contribution on school norms and standards for school funding, the school supplements its income through school fees, which is R100.00 per learner. However, the school does not receive all the money from parents. The stakeholders indicated that some of the reasons are poverty, unemployment, etc. The major challenge to the SGB is to recover this money. The strategy applied by the SGB is to withhold learners' progress reports and summon the parent concerned. The principal said that some parents come the following year to pay outstanding fees. Such late payment leads to the postponement of some of the SGB programmes to the following year.

The respondents mentioned that the school also manages to generate income from outside sources. They further said that they are not sure in terms of the percentage generated because the donors do not give the school direct cash. The interviewees (except learners) indicated that donors are encouraged to deposit their donations to the school development account or directly to the dealer from whom they buy material. The SGB asks for donations from private companies, which include bricks, money to buy building materials, e.g. door and window frames, cement, and corrugated iron. However, the SGB does not have a fundraising committee. According to the principal, the SGB plans, and delegates the task of requesting donations to the principal, chairperson, secretary and treasurer. Due to the major developments and progress occurring at the school, interviewees feel that the decentralisation of financial powers to schools has been useful. The researcher noticed the high level of commitment at the school.

The income is well managed with class teachers collecting money from parents/learners and submitting it to the SGB treasurer for banking. Funds are managed in accordance with the directives of the Head of Department.

4.5.8 EXPENDITURE SIDE

The budget expenditure is broken down according to the prioritised items. The respondents said that the principal makes a draft and presents it to teachers for additions before it is taken to the SGB for approval. This is because the principal is the one who is responsible for the day-to-day running of the school and knows exactly what is needed. Due to lack of resources and late payment by parents, the items are prioritised as follows:

Stationery, which includes chalk, duplicating paper, etc., so that teaching and learning can take place without any hindrance.

Transport comes second because educators are expected to attend workshops on curriculum changes, especially on outcomes-based education and other related changes to the education system in the country.

The respondents also mentioned that the SGB agreed that other items on the budget statement will be considered when funds are available.

When the researcher visited the school, it was found that some of the school priorities such as renovation of classrooms, buying of chairs and tables, fencing of schoolyard and mounting of chalkboards were already implemented, while others (building of classrooms) were in progress.

Development for special projects such as repairing windows, windowpanes, plastering of cracked floor and mounting of chalkboards were given a larger allocation because learners were affected by the ‘flu because of the wind and dust, and educators were not able to write properly on the chalkboard placed on the table. The respondents were also happy about the infrastructural developments such as the renovation of the old block, and the erection of two blocks with seven classrooms through donations and free labour by community members that are taking place at this school.

The interviewees indicated that the expenditure is well managed by the principal and the treasurer, and well monitored by the executive committee of the SGB. Every year the

finance books are audited by a private auditor, and the financial report is presented to a parents' general meeting by the SGB. The presentation of the financial report to stakeholders indicates that there is sound financial management which assists in reinforcing the trust, unity and commitment of those working to improve the school. The researcher was provided with the 2002 financial report and the minutes of the meeting where the financial statement was approved. It was found that the planned (projected) budget did not differ much from the expenditure statement. The expenditure statement for year 2002 from an income of R28 720.00 is as follows:

EXPENDITURE STATEMENT	
ITEM	**AMOUNT**
1. Security payment	R 3 109.89
2. Development (renovations and repairs)	R 9 066.80
3. Stationery	R 2 456.71
4. Transport	R 4 210.60
5. Sports	R 1 151.00
6. Bank Charges	R 723.32
7. Transaction Duties	R 1 021.52
TOTAL	**R21 739.84**
BALANCE	**R 6 980.16**

When comparing the budget and expenditure statements, it was found that the 2002 school budget was R23 740.00 from an expected income of R26 000.00, of which it also managed to collect an extra R2 720.00 (outstanding school fees for 2001) taking the total income to R28 720.00. The school had an expenditure of R21 739.84 and a balance of R6980.16.

4.5.9 CONCLUSION

In this case study, the researcher wanted to understand how the SGB interprets and implements its policy powers and its roles and practices regarding the school

development plan, finance and budgeting. The findings were that the school does not have a well-defined school development plan, but the SGB was able to identify the school priorities, which were approved by the parents. It was also found that the budget covers only the short-term priorities while the long-term ones are delayed because of lack of funds.

The stakeholders were satisfied that the SGB had succeeded in meeting important school these funds as required by legislation. Lastly, it was found that the finance books are audited by an independent/private auditor and financial reports were presented to parents at a general parents' meeting held on 02 December 2002.

Although the SGB did not assume its powers and responsibilities fully because of lack of information, it was found that there were some factors, which made this SGB adapt quickly in understanding and assuming its roles. They include:

a. Leadership style

The school principal seems to have demonstrated a sound management style by being transparent, tolerant and patient in building unity between the school and the community, and engaging stakeholders in making decisions about school activities, which led stakeholders to develop trust, unity and commitment. Conway (1984) makes the point that participation is thought to enhance communication among teachers and administrators and improve the quality of educational decision-making. This was demonstrated by stakeholders through their joint effort of building classrooms voluntarily.

b. Participation in other structures

As indicated earlier, the SGB chairperson and deputy secretary serve in other community structures as well and they seem to be influential in the community in making it co-operate well, and support the school. This was evidenced by the people who volunteered their labour freely to build classrooms.

c. Workshop

The respondents indicated that the workshop that was attended by the principal, chairperson, treasurer and the deputy secretary (being the delegate of another SGB) on SGB functions and particularly on finance matters assisted this SGB because there were misunderstandings about the respective responsibilities of the SGB and the principal. The principal further said that after the workshop, the SGB improved gradually in carrying out its responsibilities. As Mathonsi (2001) pointed out, if SGBs are well informed and capacitated in understanding their roles and responsibilities, they will be able to govern schools well and improve the quality of education in South Africa.

From this study, which adopted a post-structuralist perspective, it is true that for the SGB to implement its finance and budgetary powers well, certain conditions must first be met. Indeed, the researcher identified the above-mentioned three factors, which have enabled this SGB to execute its roles and powers well in order to improve the quality of education in South Africa.

CHAPTER 5

COMPARISON OF SCHOOLS

5.0 RATIONALE

The rationale behind comparing the schools was to identify the factors that assisted or undermined the capacity of schools to assume their financial powers effectively. Ideally, the SGB with good school financial management practice is able to draw up viable development practices which are in turn negotiated and adopted by the majority of parents. The SGB must open a bank account, manage funds according to directives established by the Head of Department, have a strong finance committee to assist the principal in budgeting, managing and monitoring school finances. To assist with the improvement of school performance, funds should be used for educational purposes as per school budget, audited by professional auditors, and reported on to parents through financial statements.

The researcher managed to identity the following factors:

School-community relationships;

SGB capacity;

Internal social capital; and

Leadership strategies.

5.1 SCHOOL-COMMUNITY RELATIONSHIPS

The schools had common concerns about the lack of parental participation. They felt that parents tended to leave their children at school and pass the responsibility on to educators and the SGB. Some teachers indicated that it was a consequence of some parents not residing at home. This made it difficult for schools to communicate directly with parents. There also seemed to be a general problem of lack of parental interest in educational issues because of the current changes in the education system. When meetings are

organised at schools, only a few parents attend while the majority does not attend. The SGB and principal encounter problems when implementing decisions which have been taken, especially regarding school fees. For example, some parents pay school fees at the end of the year or do not pay at all, which forces the SGBs to restructure their expenditure patterns. These problems impact negatively on the SGBs in executing their financial and budgetary powers. The parents and the educators at schools B, C and D were involved in planning and making budget decisions. Their engagement ultimately resulted in community members' understanding the current changes in education. Conway (1984) argues that participation is thought to enhance communication among teachers and administration and improve the quality of educational decision-making. The stakeholders worked together to develop their schools so that their children received better quality education. For example, in school C, a parent was co-opted to assist on the SGB finance sub-committee, which managed to improve utilisation and conform to the budget. In school B, the principal was transparent and involved the SGB in the activities of the school and shared information with all stakeholders so that they all agreed on the funding of the development priorities of the school.

In fact, what made schools B, C, and D succeed, was encouraging parents and the community to participate in the activities of the schools. Hence, parents paid school fees. They were involved during the planning of school finances and were also given continuous feedback about the development of the school. This active participation impacted positively on the SGB and they made the best of their new powers under the decentralisation of school financial management.

In school A, however, parents were less involved in school activities. It was only when the community identified school development priorities, which were later adopted by the SGB, that some funds were secured which were used to improve infrastructure. Some parents later realised that the principal appeared to be dominating the SGB because he realised that parents did not understand governance issues due to illiteracy, and they decided not to support the SGB in school activities, for example, they were no longer

attending parents' meetings or paying school fees. This impacted negatively on the SGB and its role regarding school finances and budgeting.

5.2 SGB CAPACITY

The four schools have SGBs, which are dominated by parents who are illiterate and not able to assume their financial and budgetary powers. When the SGBs were elected, it was only the educators and principals who could read the SASA document and understand some of the SGB meetings. The principals and educators often dominated the discussions while parents and learners remained silent, even though the language used was understood by all SGB members. This lack of genuine participation may be the result of members of the SGB never having been informed and educated about SGB responsibilities and duties. Parents and learners did not know how to govern and what exactly governance functions were all about.

While the SGBs of schools A, C and D did not assume their powers well, the SGB of school B assumed its powers well because it was serving for its second term, having been re-elected. However, after the Department of Education had conducted workshops about the duties and responsibilities of SGBs, such as how to draw up a school budget and how to manage and monitor expenses, the SGBs of schools C and D improved and started to participate constructively in SGB meetings, while in school B, they increased their financial management knowledge. Schools C and D started to execute their duties, especially the drawing up of school policy, finance and budgeting. Though they did not have well-written school development plans, they were able to identify the schools' priority needs.

The SGB of school A, however, did not manage to acquire sufficient knowledge and capacity to practise good financial management. The reason was that the workshop targeted few SGB members, who had little knowledge about SGB activities, and the workshop was too short. When the feedback was given to other SGB members, parents still struggled to understand due to the high level of illiteracy. But this SGB managed to

improve in certain aspects such as understanding the financial statements. It was also able to draw up a financial policy, which should be presented in every SGB meeting. This decision was taken after the SGB had realised that the school principal did not properly account for the school expenditure to the SGB. For example, in 2002 the principal made an unauthorised overdraft because he was the one responsible for monitoring the school expenditure. The finance books were audited internally at the school and not by private auditors. Parents were also not given financial statements.

However, when he was interviewed, the principal was sceptical about some SGB members in rural areas. He gave an example about how issues are discussed at community/traditional gatherings, with nepotism and favouritism being revealed, and feared that the same may prevail at school level. He also complained about the high level of illiteracy. Yet, he was the one who failed to monitor and manage the school expenditures properly.

Based on the above, one can recommend that there should be voter education for parents on SGB activities before elections are conducted. It is commonly known that the majority of parents in rural villages are illiterate, but it is important to identify people who have the capacity to be elected or co-opted to the SGB. The workshops should be attended by people who have the ability to cascade the information to other SGB members.

Mathonsi (2001) argues that if the SGBs are well informed and capacitated in understanding their roles and responsibilities they will be able to govern schools well and improve the quality of education in South Africa. This was evidenced by the SGBs in schools B and C, after they attended the workshop. These SGBs had finance sub-committees, which assisted the principal and the SGBs to monitor the income and expenditure effectively. They ensured that their expenditure did not exceed the income. They managed and monitored school funds in accordance with the policy of the Department, though the principal of one school misappropriated school funds before the finance sub-committee could be instituted. The finance sub-committee of these two

schools played an essential role in maintaining overall control of school money, and participated in drawing up the budget and approving the final financial statements.

The SGB of school D also improved in carrying out its responsibilities because key people in the SGB, the principal, chairperson, treasurer and deputy secretary, who were representing the SGB, gradually improved. The misunderstandings of the SGB about governance and the principal's responsibilities were eradicated, and the workshop also clarified the handling of school income and expenditure, which resulted in the SGB's ability to develop the school by meeting their target i.e. school priorities agreed upon by stakeholders.

5.3 INTERNAL SOCIAL CAPITAL

Spillane and Thompson (1997) define social capital as the relations among individual's in-group or organisation. They argue that social capital is one of the dimensions of reform. They argue that developing social capital involves changing the way people relate to one another in the absence of these relations. It is further mentioned that social capital is a component that results from the prevalence of norms such as trust, trust nothingness, and collaboration as well as a sense of obligation among individuals.

Since SASA stipulates that the SGB is a body where all components of the school community (parents, teachers, non-teaching staff and learners in secondary schools) are represented, the school principals should ensure that their SGBs assist them in directing, managing and running the school financial activities in an effective manner. They need to engage these SGBs in such a way that both principals and SGB members trust and support each other.

In school A, the community appeared to be united because it was able to identify the school priorities at a community gathering, which later influenced the SGB to adopt and budget for them. However, the relationship between parents and educators did not appear to be good. The parent (non-SGB member) respondent indicated that the reason may be

that some educators who are community members have taken their children to former model C schools and parents complain about the education of their children. The relationship between the principal and educators was not good because the educators did not accept the principal's leadership and management styles. They complained that the principal used an autocratic style of leadership and most of the issues were imposed on them and were not the subject of much consultation. This ultimately impacted negatively on the SGB concerning the implementation of their roles regarding school finances and budgeting.

In school B, the relationship between parents and educators appeared good. This was as a result of the principal's being an open and transparent person. He prefers open discussion, and involves other stakeholders in the activities of the school. This appeared to be impacting positively on the school because school stakeholders were encouraged to participate in the school activities, which resulted in collective ownership of the decisions on the funding of the development priorities of the school. The SGB managed to execute its financial and budgetary powers well.

In school C, the relationship between the principal and the community was not good, until he was evicted by the community which alleged that he did not obey the induna's instructions. The acting principal tried to close the gap between the school and the community. Her endeavours resulted in the co-option of one parent who served on the SGB finance sub-committee. The committee assisted the principal and the SGB to manage and monitor the school finances.

Lastly, when school D started, it was badly vandalised by unknown community members due to local politics. As time passed, however, the principal together with educators engaged the community in understanding and accepting the current changes in education. The relationship is now good. Community members were found building classes voluntarily. This relationship resulted in creating a common vision among the school stakeholders. They became united and committed to the management of its financial

resources and networked with private companies to get funds which were used to buy building materials for the new classes.

5.4 LEADERSHIP STRATEGIES

Leadership at schools is the key factor which improves the quality of education. In this era of transformation we need to have school principals who use different leadership strategies in managing their institutions. They need to be democratic, which means a participatory, consultative, negotiating and inclusive style of management.

In school A, because the community appears to be united under the leadership of the induna, it was possible to identify the priority needs of the school at a community gathering which were later adopted by the SGB. The community education committee managed to secure funds from an NGO, which were used to improve the school infrastructure. However, the community later realised that the school principal dominated the SGB. He did not account properly for school expenditure to the SGB, which in turn could not account to the parents. They then decided not to support the activities of the SGB and the school. The principal's domination over the SGB stemmed from the fact that he realised that the parents did not understand governance issues. Instead, he should have assisted and trained them to understand the SGB duties and responsibilities. But he appeared to want to keep control and impress the community with his knowledge and power. Unfortunately the opposite occurred.

Educators also complained that the principal was autocratic. Most issues were not subject to consultation and discussion, but he imposed issues on them. This impacted negatively on the SGB and prevented it from making the best of its financial management powers.

In school B, the principal engaged the school stakeholders in all school activities such as budget planning and expenditure processes. The SGB and the principal worked together as a team in planning and taking decisions. Their discussions were meant for collective and shared ownership. The SGB had a finance sub-committee, which assisted the

principal and SGB in managing and monitoring the school finances. Furthermore, the community was also kept informed about school activities. This approach impacted positively on the SGB concerning the implementation of SGB roles regarding school finances and budgeting.

In school C, the acting principal convinced the SGB to co-opt one parent to serve on the SGB finance sub-committee. They had the responsibility to assist the principal and the SGB in managing and monitoring school finances. It also drew up a programme of generating resources which included fundraising through making copies, selling vegetables, entrance fee for dramas, etc., in which it succeeded. The acting principal also tried to close the gap between the school and the community so that they worked together as a team. This resulted in making the school stakeholders have a common vision and develop trust in each other. The SGB then executed its responsibilities very well.

In School D, the principal and educators realised that there was a poor relationship between the school and the community. They engaged the community in showing them the correct state of affairs regarding the education system. Fortunately, some community leaders (chairperson of the civic association and the ANC, and secretary of ANC) understood that their support was needed at the school. They started to engage the community until they were elected to be the chairperson and deputy secretary respectively of the SGB. The community started to accept the changes in education. Their interaction seemed to have closed the gap between the school and the community which resulted in parents' supporting the school in its activities.

The deputy secretary of the SGB was also a member of another SGB at a neighbouring school in the same community. His involvement in these two SGBs and other community structures assisted the SGBs to network with each other in understanding governance issues, especially finance and budgeting powers. Spillane and Thompson (1997) argue that networks are used to gain perspectives on and knowledge about the implementation of reforms. Networks and participation in other structures are vital because people are able to transfer the knowledge and skills accumulated from different set ups. It is true that

networks enabled the SGB members of two schools to gain knowledge and experience tailored to the particular challenges they were faced with in reforming instruction. The SGB of school D also networked with private companies to secure funds to develop school infrastructure and convinced the community members to provide free labour in building the school.

5.5 CONCLUSION

The overall result of this study is that three schools (B, C and D) have SGBs with the capacity to practise good financial management. These SGBs were able to manage and monitor their finances (income and expenditure) properly, though in some cases, they had to restructure their plans due to the unavailability of funds which resulted from late payment of school fees by parents.

The SGB of school A had the potential to improve in executing its powers, but due to the principal's leadership style it couldn't happen. The community identified school development priorities which influenced the SGB to adopt and budget for them. The community education committee also secured funds from an NGO which were used to develop school infrastructure. However, the principal started to dominate the SGB. The parents realised this and became disillusioned, and stopped supporting the SGB's activities, especially the attendance of parents' meetings and payment of school fees. This SGB has room for improvement.

The principals of schools B, C and D ensured that parents were involved in all school activities. Before SASA was enacted there was a general rumour that school principals were embezzling school funds. In most of the communities, the relations between the principal and the community did not appear to be good. There was no trust or co-operation. However, after the SGBs were introduced the principals of schools B, C and D engaged parents in planning school activities. Their discussions were meant for collective action such as budget planning and expenditure process resulting in shared ownership.

Indeed the parents and community at large felt that they really had the task of developing their schools.

The SGBs were dominated by parents who were not competent in school finances and budgeting, and the principals of schools B, C and D acknowledged the fact. However, this did not mean that they could not plan and take decisions. Mathonsi (2001) argues that if the SGBs are well informed and capacitated in understanding their roles and responsibilities, they will be able to govern schools well and improve the quality of education in South Africa. These principals were patient enough to ensure that the parents gained the capacity to execute their duties and responsibilities regarding school finances and budgeting. The principal of school A was not accommodative, however. Immediately after he realised that parents do not know governance issues, he started dominating them, which impacted negatively on the SGB in implementing its duties.

After the Department of Education had conducted workshops for SGBs, the SGBs of schools B, C and D gained the capacity to practise good financial management. They formed partnerships and networks with other organisations. School B persuaded the Department of Education to build other classes and pave the surroundings. School C was able to raise funds through learners and the community, i.e. it sold vegetables planted at the school, made photocopies, presented dramas, etc. School D secured funds from the private sector. School A was only assisted by the community education committee to secure funds which were used for infrastructure.

These developments in all schools were as a result of good relationships and trust. Spillane and Thompson (1997) argue that social capital supports the implementation of instructional reform and define it as the relations among individual in an organisation. They argue that without relations it will be difficult for the organisation to achieve its goals. For example, school A had a poor relationship between the principal and community and it did not achieve its goals. The funds were secured by the community education committee before the community realised that the principal undermined the SGB.

From this study, it can be concluded that not all the SGBs in disadvantaged, rural areas are unable to execute their duties and responsibilities regarding school finances and budgeting, despite being dominated by illiterate parents who do not have the administrative and financial experience to oversee school affairs. The findings indicate that some poorly resourced SGBs were able to make genuine and informed decisions on school finances and budgeting, although there were some constraints.

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