

The Financial Policy as a Monitoring Tool for Managing Finances in Public Schools

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ABSTRACT This study set out to examine how a financial policy can be used as a monitoring tool in self-managing public schools. By virtue of the South African School's Act of 1996, decentralising decision-making powers and the functions of financial management to school governing bodies has become an important strategy aimed at school improvement and school effectiveness. A structured questionnaire was used to elicit the perceptions of various stakeholders on their understanding of how a financial policy can be applied as a monitoring tool to achieve the school's goals. Three factors emerged from the analysis of data: Financial accountability; role functions of school governing bodies; and the implementation of the finance policy. Findings revealed that a well-developed and effective implementation of a financial policy is an imperative link between the school's financial needs and curriculum delivery, and is central to all financial activities that the school engages in.

INTRODUCTION

The South African Schools Act (Republic of South Africa 1996) (henceforth, referred to as Schools Act) ushered in a new era for school governance by placing more authority in individual schools through the adoption of a democratic decision-making process. Site-based or self-management encourages a high-involvement management approach, which holds that stakeholders perform best in an environment where they are deeply involved in ongoing improvements of the organisation and committed to its success (Drury 1999; Parker and Leithwood 2000). Caldwell and Spinks (1992: 4-5) define a self-managing school as a school in a system of education in which a significant amount of authority and responsibility to make decisions about the allocation of resources within a centrally determined framework of goals, policies and standards has been decentralised. Resources can be broadly described as knowledge, technology, power, material, people, time, assessment, information and finance. For these resources to be managed effectively, proper control

mechanisms must be put in place. However, it is accentuated that increased autonomy is complemented by a greater emphasis on responsibility and accountability (Brauckmann and Schwarz 2014).

The Schools Act (sections 36 and 43) prescribes that school governing bodies (SGBs) manage the schools' funds and take responsibility to implement all essential financial processes. This necessitates the state to relinquish some financial control and permit schools to operate independently, with less external interference and fewer restrictions. The Schools Act gives powers to SGBs to draft and implement school policies such as the financial policy, managing the school's funds, adopting a code of conduct for learners and recommending the appointment of teachers. Decentralising the functions of financial management and affording a potentially large range of financial decision-making powers to SGBs has become an important strategy aimed at school improvement and school effectiveness (Marishane and Botha 2004). Van Deventer and Kruger (2003) concur that the approach of decentralising the functions of financial management to public schools provides educational stakeholders (teachers, parents, learners and the broader community) the opportunity and power to improve and develop their schools. However,

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it should be emphasised that SGBs remain accountable for schools' finances.

According to Van Wyk (2007), Mestry (2004) and Van Rooyen (2012), the move to decentralised school governance requires SGB members to develop a wide range of knowledge, skills and capacity to deal with complex financial issues and tasks they are expected to accomplish. Inevitably, issues of finance and budgeting take up a large proportion of SGB governors' time, in particular because SGBs have the authority to develop and implement the school's financial policy, draw up budgets, and set and collect school fees (Bush and Heystek 2003). Unquestionably, site-based management results in increased accountability for SGBs who are entrusted with managing the financial and physical resources of public schools (Mestry 2004; Xaba and Ngubane 2010). Botha (2012) argues that accountability in self-managed schools reduces the risk of funds being mismanaged or misappropriated through corruption and other related fraudulent practices. This implies a profound change in the culture and practice of schools and it therefore becomes imperative for SGBs, school management teams (SMTs) and principals (who evidently serve on both SGBs and SMTs) to have sound financial knowledge and skills to enable them to manage their schools' financial and physical resources effectively, efficiently and economically. This ensures that SGBs take appropriate steps to prevent any unauthorized, irregular, fruitless and wasteful expenditure (Republic of South Africa 1999).

To avoid mismanagement and misappropriation of funds, the school's financial policy becomes an effective tool to manage the schools' finances effectively and efficiently. Schools without a financial policy or where this policy is poorly designed or ineffectively implemented, the possibility of fraud and misuse of public funds could be increased (Theodorou and Pashiardis 2015; Mestry 2017). Media reports reflect how principals and SGBs have been entangled in financial mismanagement through misappropriation, fraud, pilfering of cash, theft, poor record keeping and improper financial controls (Corruption Watch 2014; Mtshali 2012; Mestry 2004; Phaladi 2015). For example, the lack of accountability on the part of school managers and governors is clearly demonstrated in a fraud case concerning a school in Mamelodi (Maluleke 2003) where almost R60 000 was stolen from its

coffers by corrupt teachers. The forensic audit undertaken by the Auditor-General found that large cash withdrawals were made from the school's bank account without any formal procedure. According to the deputy chairperson of the SGB, school (user) fees collected by teachers were not deposited into the school's bank account. Another irregular practice was the use of counterfeit receipts in the collection of school fees. This particular matter was subsequently referred to the National Prosecuting Authority who took serious steps punishing the perpetrators. This case confirmed that the SGB had a poorly designed financial policy. It can thus be argued that decentralisation of school governance brings with it the possibility of extreme inequality due to principals, SGBs and SMTs not having the expertise and adequate resources to exercise effective and efficient financial management (Van Langen and Dekker 2001 in Tsotetsi et al. 2008).

The research problem is thus encapsulated as: How can a financial policy be used as a monitoring tool to manage the school's finances effectively and efficiently?

Aims of the Research

The general aim of this research was to establish how a financial policy can be used as a tool to manage the school's finances effectively and efficiently.

Objectives of the Research

In order to achieve the general aim of this research the following serve as objectives:

- ♦ To determine what constitutes an effective school financial policy;
- ♦ To ascertain how a financial policy can be used as a tool to monitor the schools' finances;
- ♦ To probe the perceptions of the SMT members, SGB members and teachers of how a financial policy can be used as a tool to manage the school's finances effectively and efficiently.

The School's Finance Policy

The Importance of a Financial Policy

According to Mestry and Bisschoff (2009: 3), schools financial management refers to the

management actions (regulatory tasks) connected with direct and indirect financial aspects of schools carried out by individuals or groups in positions of authority, with the main aim of achieving schools' goals, namely the provision of quality education. Nickels et al. (in Van Rooyen 2012) define financial management as the process and functions associated with the management of the school's resources to achieve the institution's goals. Resources are the means by which the processes of education may be put into operation (Foskett and Lumby 2003). Some of the key activities of financial management include budget preparation, cash flow analysis, expenditure control, reporting to stakeholders and the safeguarding of assets. Financial management is a process with several activities, such as the identification of needs, accumulation of funds, analysis of spending, preparation of budgets, and interpretation and communication of financial results. For these activities to be undertaken successfully, it requires thorough planning, organising, leading and controlling of the school's finances (Mestry and Bisschoff 2009). Effective financial management ensures that expenditure is directed at achieving good value for money through the appropriate acquisition and allocation of resources (Bush and Heystek 2003).

Since the devolvement of power and authority is accorded to SGBs (Republic of South Africa 1996a), it is essential that proper control of finances is put in place. Hence, SGBs are required to design a financial policy, which prescribes clear parameters of structures and processes of the schools' finances. Caldwell and Spinks (1992) define policy as a set of guidelines which provide a framework for action in achieving some purpose on a substantive issue. The guidelines specify in general terms the action to be taken to address finance related issues. Policy statements invariably reflect the beliefs and values held by the school and this provides a framework for achieving the goals and objectives. Duke and Canady (1991: 7) define a good financial policy as one that significantly contributes to the achievement of the school's goals without adversely affecting the education of learners. They further state that policies may not always please or benefit everyone, but at least they should not harm learners and teachers served by the school. Both, Mahomed (in Motala and Pampallis 2001) and Duke

and Canady (1991) emphasise that policy is neither static nor does it exist in a vacuum. Policies are not a one-time process but must be compatible, well-coordinated, constantly followed and updated according to the various influences. Policy must clearly define the structure, approach and philosophy to address specific financial processes undertaken by schools.

The financial policy is an important management tool and is intended as a mechanism for setting goals and objectives, for measuring progress towards objectives, for identifying weaknesses or inadequacies, and for controlling and integrating diverse financial activities carried out in schools (Du Preez et al. 2003: 83). Ryan (1994: 25) and Mestry (2005: 131) emphasise the need for SGBs of all schools to draw up and implement a financial policy that is watertight. The following factors constitute an effective financial policy:

Legislation compliance, external compliance or third party requirements, for example Service Level Agreements (SLAs) or procurement contracts with service providers are examples of common drivers for policy implementation. The finance policy should thus be drawn up in accordance with the legislative framework of the state. This implies that the financial policy cannot override any state legislation. The following legal documents provide direction to SGBs when designing the financial policy: The South African Schools Act (Republic of South Africa 1996a) The Constitution of South Africa (Republic of South Africa 1996b); National Norms and Standards for Public School Funding (Republic of South Africa 1998a); The Educator's Employment Act (Republic of South Africa 1998b); The Public Finance Management Act (Republic of South Africa 1999); Provincial Department of Education Schools Act; and any amendments to legislation, regulations, guidelines and memoranda dealing with school finances.

In addition to the above legislation, circulars and directives issued by the Head of Education (HoE) and Member of the Executive Committee (MEC) for education should also be integrated into the financial policy, for example, policy and standards must be actionable. Policy should set the general direction while standards define specific actions and responsibilities. The two must be aligned to provide relevant parties with the appropriate information to impact their efficiency. The policy, standards and procedures

must be specified as applicable to parents, teaching and non-teaching staff, department of education, service providers, etc. for clear communication. The parents, teachers, non-teaching staff should have knowledge of the policy and should willingly take ownership of the policy. The policy should be implemented in language relevant to the role-players. Procedures, via control content, must be developed to build consistency across the school as an organisation. Compliance activities and policy development must be appropriately aligned. Policy without a corresponding compliance measurement and monitoring strategy will be looked at as unrealistic. Compliance activities without a supporting policy infrastructure will result in high failure rates, given that requirements have not been properly defined and communicated. Policy should cover people, process and technology. Roles and responsibilities must be clearly defined; processes must be appropriately addressed and standards should be driven down to control.

The following *four* components are identifiable within any good policy document according to Ryan (1994) who asserts that the presence of a *statement of need* when the purpose or need for the financial policy is clearly articulated enhances the credibility of the policy as well as the policy making process. In addition, when stakeholders take ownership of the policy, successful implementation of the policy is more likely. Secondly, there has to be a *statement of expected outcomes* to be achieved by the policy. The implementers of the policy should be conversant with the outcomes to be achieved. The review process and evaluation of the policy must be identified. These processes must be clearly outlined so that it ensures continuity. Thirdly, a *statement of the values and principles*, based on the purpose to drive the policy. Democracy, transparency, accountability and honesty should form the basis of the policy and lastly, there has to be a *guide for discretionary powers* for all decision makers in the implementation of the policy. Thus, powers vested in the SGB or Finance Committee need to be used in a discretionary manner.

According to the Schools Act, a financial policy must be drawn up by the SGB or finance committee in collaboration with parents, teachers, non-teaching staff and even the broader community in a transparent manner. If at all pos-

sible, financially skilled persons from the community could be invited to give inputs in the formulation of the policy. A finance policy designed by the finance committee should be ratified by the SGB. The school financial policy should be reviewed and revised at regular intervals (Campher 2003).

Some pertinent aspects related to school finances should be incorporated in the finance policy: For example, the Schools Act stipulates that SGBs should establish a school fund (Section 37(1)) prepare a budget each year (Section 38(1)), and keep financial records of income and expenditure (Section 42). This means that a school must have a good financial management systems in place. Furthermore, the Schools Act, (Section 42(a)) clearly states that: “*The governing body of a public school must keep records of funds received and spent by the public school and its assets, liabilities and financial transactions.*” The execution of financial management control is dependent on the quality of the financial manager’s skills and expertise to act on available information, as well as the financial system used by the school. Section 43(1) states that the SGB of public schools must appoint a person or company registered as an accountant or auditor to audit the records and financial statements of the school. These audited financial statements must reach the Head of Education within six months after the last day of the financial year.

The Finance Policy as a Monitoring Tool

An accounting system comprising the following accounting tasks will ensure a smooth, transparent and reliable management of finances in schools (Mestry and Bisschoff 2009):

- ♦ Identifying, allocating, analysing and interpreting financial information;
- ♦ Communicating the school’s financial information to all stakeholders;
- ♦ Implementing and executing the school’s financial policy; and
- ♦ Monitoring and control of the school’s finances.

The above tasks can be effectively executed through the formulation, implementation and monitoring of a water-tight financial policy (Ryan 1994: 25). Monitoring the school’s finances is a continuous process throughout the school’s academic (financial) year. The monitoring process demands an informed check on the progress

between the projected/planned budget and the actual execution of the budget. This is where the importance of the SGB's or finance committee's role is vital. If there is an overspending of the budget, immediate steps should be taken to evaluate the possible reasons for such overspending and how this should be managed. For example, if the reasons for the overspending is reasonable, perhaps, the SGB could, with the permission of parents, request an adjustment in the budget. This would require the SGB to determine cost centres where underspending is reflected, and transfer the funds from one of these cost centres to the cost centre where overspending of funds occurred (virement). They are thus responsible for evaluating and re-organising the budget to accommodate surpluses and deficits with the hope of identifying any possibility of reserves. The basic function of a budget is to serve as an instrument for planning so that educational programme will not be disturbed or constrained as a result of insufficient funds.

School managers and the SGB also play a critical role in the reporting of financial matters to all stakeholders. In order to present a clear and concise picture of the school's financial status, the school manager and SGB should ensure that monthly and quarterly statements are retained (Van Deventer and Kruger 2003: 243). Mestry and Bisschoff (2009) encourages the presence of a financial report on the income and expenditure for each financial year, which includes a balance sheet to be presented for ratification at a SGB meeting. Parents should be invited to give comments and acknowledge the annual report. Thereafter, the financial statements be submitted to an independent, qualified auditor for auditing purposes before submission to the education department as an annual audited financial report. The audited financial should be made available (upon request) to all stakeholders, that is, parents, learners, staff, SGB members and others who possess a vested interest by virtue of donations, sponsors etc. to the school. Since both researchers are ex-principals and their collective experience in managing finances extends over four decades, they point out that financial management is a sensitive issue, and if the values of transparency, openness, responsibility and accountability are not observed, mistrust and misunderstanding creeps

in and destroys working relationships resulting in disjointed SGBs and SMTs.

Systems Theory

The researchers used the systems theory (Banathy 1991) as a conceptual framework to underpin this study, since this theory gives primacy to the interconnectedness and interdependence of the elements in a system, as well as the evolutionary nature of a system. The system of interest in this investigation was the SGBs, SMTs, teachers and principals. The central focus of systems theory is self-regulating systems, that is, systems that are self-managing and self-correcting through feedback. Self-regulating systems are found in local and global ecosystems, and in human learning processes. Duffy and Reigeluth (2008) explain that in order to improve the financial policy, the circle goes around what we traditionally call a school system and everything outside the circle is known as the external environment. The SGBs, SMTs and principals, having a shared vision, influence the external environment (corporates and the broader community) to fund their organisations.

METHODOLOGY

The positivist approach employed in this study led to a survey research design being chosen. Questionnaires were used as the instrument for collecting the data required to determine the perceptions of SMTs, SGBs and teachers of the importance of the finance policy as a monitoring tool for effectively and efficiently managing school finances. The questionnaire was divided into two sections namely; Section A and Section B. Section A of the questionnaire contained twelve items relating to the biographical information of the respondents which included their gender, age, educational qualifications, teaching experience, and particulars of the school such as type, category and location. In section B, thirty-two items were designed to determine the perceptions of SMTs, SGBs and teachers of the importance of a finance policy as a monitoring tool to effectively and efficiently manage their schools' finances. The closed-ended items constructed were based on key factors that were identified during the literature review as having an influence on the management of school finances. Based on a six-point Likert scale, re-

spondents were required to indicate the extent to which they agreed or disagreed with statements concerning the importance of the finance policy as a monitoring tool for managing school finances.

In order to test the suitability of the items (Construct Validity), the questionnaire was subjected to scrutiny by experts in the Faculty of Education and the statistical services of the university. Consequently, changes were made to some items of the questionnaire.

The random sample constituted fifty-eight percent primary schools, twenty-eight percent secondary schools and fourteen percent combined and special schools in the Gauteng District of D11. In each of the sampled school, SMT members, SGB members and teachers involved in school finances were selected to complete the questionnaire. The researchers personally visited the schools to administer the questionnaires. Three hundred questionnaires were handed out and two hundred and fifty-four (84.6%) were returned usable.

The data was analysed by the statistical services unit of the university. The responses of participants were captured on Statistics Package for the Social Sciences (SPSS) version 11 (Norusis 2009). A statistical technique called factor analysis was used to estimate the construct validity of the questions that make up the scales. This technique conveys the extent to which the questions seem to be measuring the same concepts or variables (Glen 2010: 151). The thirty two non-biographical items were subjected to exploratory factor analysis with acceptable results indicating that the items included in the scales represent the constructs well (Construct Validity).

The Cronbach's alpha coefficient was used as an indicator to check the internal consistency of whether the items that make up the scale belong together. According to Pallant (2005: 90), the Cronbach's alpha coefficient of a scale should be above 0.7 for the scale to be considered reliable for the sample. In this study, the Cronbach's alpha coefficient varied between 0.635 (acceptable for this study) and 0.936 for the various scales, which indicates that the inter-item reliability was generally acceptable and that the scales considered reliable for the sample.

Permission was granted to the researchers from the Department of Education to carry out the research at selected schools. The Ethics

Committee of the university also approved the study. The study was organised in such a way that the research process did not interrupt normal school activities and confidentiality of all concerned were respected. The researchers also endeavoured to protect participants from the risk of harm or from a situation where information gleaned could be used to their detriment.

RESULTS AND DISCUSSION

Based on the statistical analysis undertaken by the statistical services of the university, the researchers discuss Section A and Section B respectively.

Section A

In this section the following three biographical details are discussed:

Gender

Eighty-nine (89) males and one hundred and fifty-nine (159) females participated in the study. The sample depicts a good representation of teachers and SMTs in the Gauteng Province. Most respondents surveyed were females which is representative of the teacher population in the province, namely, the ratio of female to male teachers is approximately 3:1.

Highest Qualifications

Most respondents surveyed have a post graduate degree or higher and forty-seven percent (47%) of respondents acquired the Further Diploma in Education. There is qualification upgrading among the respondents surveyed. The respondents also saw the need to pursue post graduate studies since this category polled in at twenty percent (20%).

Post/Level

More than half of the respondents surveyed were teachers (57.2%). They were representative of the population of Gauteng teachers which included SMT members at 29.9 percent since every school has a principal, deputy principal and at least one head of department. Thus the ratio between the SMT and teacher was correctly represented.

Section B

The construct validity of the structured questionnaire was investigated by means of successive first and second order factor analytic procedures performed on the 32 items. Using SPSS 11.0 (Norusis 2009), three factors emerged:

Section B1: Items that were classified as school related responses – 18 items

Section B2: Items recoded and categorised as ‘yes’ and ‘no’ responses – 11 items

Section B3: Items that were classified as individual responses - 3 items

Section B1: Items Analysed Using Factor Analysis

In this category the 18 items (Table 1) were subjected to a factor analysis. Three factors emerged from the test:

Factor one consisted of 8 items was named “**Financial transparency**” (Table 1) with a Cronbach alpha reliability coefficient of 0.9. Factor two consisted of 5 items was named “**SGB role functions**” (Table 2) with a Cronbach alpha reliability coefficient of 0.888. Factor three consisted of 5 items was named “**Policy implementation**” (Table 3) with a Cronbach alpha reliability

coefficient of 0.635. Although the Cronbach-alpha reliability was less than 0.07 it was essential to explore this factor since it dealt with policy implementation.

The three factors, when combined, was reduced to one factor, namely “**The design and implementation of the financial school policy**”. It had a Cronbach alpha coefficient of 0.935 and was considered to be reliable.

Having completed a representation of the factors involved in the design and implementation of a financial school policy, the researchers state the hypotheses and discuss the statistical analysis.

Hypotheses

Due to length restrictions of the paper, only one example of two independent groups are discussed.

Comparison of Two Independent Groups

At the multivariate level two independent groups can be compared for possible statistical difference in the mean scores using Hotelling T². This implies that the vector means of the two independent groups are compared in respect of

Table 1: Items associated with the factor: Financial transparency

Item No.	Description of item	Mean score	Rank order
12	At my school, the principal displays a strong sense of financial accountability	4.71	1
19	At my school, the finance committee keeps accurate records of meetings held	4.70	2
7	At my school, the financial policy gives direction on the collection of school fees	4.52	3
16	At my school, the financial school policy is easy to understand	4.26	4
5	At my school, there is transparency when dealing with school funds	4.16	5
30	At my school, every member of the SGB has a copy of the financial school policy	3.96	6
25	At my school, the SMT explains relevant sections of the financial school policy to the support staff	3.91	7
2	At my school, the educators are consulted when drawing up the financial school policy	3.85	8

Table 2: Items associated with the factor: School governing body role functions

Item No.	Description of item	Mean score	Rank order
22	At my school, the SGB has regular meetings to ratify the expenditure as per budget	4.35	1
8	At my school, the SGB is accountable to the parents for the funds of the school	4.28	2
4	At my school, the members of the SGB are committed to managing the school funds	4.11	3
27	At my school, the financial school policy is implemented rigidly by the SGB	4.04	4
3	The parent component of the SGB of my school is actively involved in drafting the financial school policy	4.00	5

Table 3: Items associated with the factor: Policy implementation

<i>Item No.</i>	<i>Description of item</i>	<i>Mean score</i>	<i>Rank order</i>
15	The financial school policy serves as an important link between the school's needs and curriculum delivery	5.06	1
10	The financial school policy is an important management tool that assists governors in managing funds effectively	5.01	2
11	In my opinion, the financial school policy directs my school towards financial stability	4.87	3
13	In my opinion, the surplus of our school funds should be invested with recognized financial institutions	4.49	4
20	In my opinion, the facilities should be hired out for additional revenue	4.37	5

the three factors considered together. Should a statistical significant difference be found at this multivariate level, then the Student t- test is used in respect of each of the variables taken separately. The particular group chosen by the researchers is "type of schools". The researchers report on possible differences between primary and secondary respondents relative to the three factors.

The data in Table 4 indicates that there is statistically no significant difference in the mean scores between the respondents in the primary and secondary schools. For example, in Factor 1: 'Financial transparency' the respondents clearly see the need for schools to be transparent when it comes to financial matters. It can be argued that a well-designed financial policy will include the values that underpin the policy. Transparency, trust, integrity, responsibility, accountability and collaboration are essential values to be upheld for policies to be successfully implemented in schools. This was evident in the mean scores of 4.531 and 4.049 for primary and secondary schools respectively. The data in Table 4 also indicates that the p-value is not smaller than 0.05 (factor 1= 0.202, factor 2= 0.556, and factor 3= 0.171). This therefore shows insufficient evidence to support that there is a

statistically significant difference in the 3 factors discussed above. This insufficient evidence further supported the finding that the type of school has no influence on the responses for the three factors. This implies that respondents from both, primary and secondary schools agreed that transparency as one of the values is essential in managing school finances. It should be emphasised that if there is no authentic collaboration among all stakeholders then SGBs are likely to be accused of lack of transparency.

Items Analysed Using Contingency Tables

The purpose of analysing data using cross tabulations or contingency tables is to identify relationships between the cross-tabulated variables. The cross-tabulation in Table 5 is a combination of two (or more) frequency tables arranged such that each cell in the resulting table represents a unique combination of specific values of cross-tabulated variables. Thus cross-tabulation allowed us to examine frequencies of observations that belong to specific categories on more than one variable. By examining these frequencies, the researchers' identified relations between cross-tabulated variables.

Table 4: Significance of the differences between the types of schools regarding the following three factors

<i>Factor</i>	<i>School type</i>	<i>N</i>	<i>Mean</i>	<i>Std. deviation</i>	<i>Sig (2-tailed) p-value</i>
<i>Factor 1</i>	Primary school	12	4.531	0.3485	0.202
	Secondary school	9	4.049	1.2079	
<i>Factor 2</i>	Primary school	12	4.301	0.5602	0.556
	Secondary school	8	4.54	1.2057	
<i>Factor 3</i>	Primary school	12	4.833	0.2742	0.171
	Secondary school	9	4.62	0.4122	

Table 5: Cross tabulations of significance of the 11 Items with respect to gender

<i>Category</i>	χ^2 (<i>p-value</i>) <i>Fisher's exact test</i>	<i>Elucidation</i>
At my school, original invoices must be produced before payments can be made	0.712	Both male and female respondents concur that original invoices must be produced before payments can be made. This is confirmed by the high percentage (96.7%).
At my school, a registered audit or audits our financial records every year	1	There is no significant difference in the male and female responses, since both leaned towards a yes response with a high percentage (95.6%).
At my school, any purchase over R1000 made by the principal/SMT must be sanctioned by the finance committee	-	There is no value in this item since hundred percent of both male and female respondents responded with a yes.
At my school, there is a policy on granting exemptions to parents who cannot afford to pay school fees	0.75	Although the overall female count was higher (N=131) than the male count (N=75), the overall percentage (95.1%) of respondents being in agreement of the policy being present at their schools.
At my school, we have an asset control register	0.448	There is no difference between the male and female responses to this item. A possible explanation is that males as well as females are in charge of asset control registers at their schools.
In my school, the SGB must approve any amendments to the financial policy	0.351	Both male and female respondents leaned towards a yes response with only one male indicating a no response. Both males and females see the need for the SGB to approve any amendments to the financial school policy.
At my school, we do not append signatures to a blank cheque	0.236	Respondents (89%) were in agreement with the non-appending of signatures to blank cheques. A possible explanation for the remaining eleven percent of respondents, who disagreed is that they may have limited access to financial control due to them being non-SGB and non-SMT member.
At my school, all monies collected must be counted by two persons	0.427	Respondents (91%) indicated that two persons count monies that are in their schools, the remaining (9%) (difference) is insignificant since it can be assumed that both genders see the need for monies collected to be counted by two persons.
At my school, the management of petty cash is built into the financial school policy response.	1	Both male and female respondents leaned towards a yes response. The researchers' view is that the management of petty cash is an important function, which must be built into the financial school policy. The small percentage (7.1%) of respondents who responded with a no, probably require training in finances to inform them of the management of petty cash.
At my school, the budget is presented for approval at a parents meeting in the third term	0.705	There is no significant difference between the male and female respondents to this item. Seventy-nine percent of the male and female indicated a yes response. Nine percent of the male respondents and twelve percent of the females leaned towards the no response. Budgets are an integral part of school finances and as such both genders should be aware of these control measures.
At my school, the financial school policy is displayed on the notice board	1	A very small percentage (12.5%) indicated that the financial school policy is displayed on the notice board. Both male and female respondents leaned towards the no response, which indicates that schools are displaying limited transparency with regards to finances. An assumption can be made that schools should be informed of policy and its implementation.

In section B2 we determined whether there was a relationship present between the responses to the 11 items and the respondent's gender. Each item listed below indicated the p-values and the column 'Elucidation' provided possible explanations for responses.

Having discussed the items that created an awareness of the financial school policy, the focus now shifts to the three individual items reflected in Section B3.

In this section of the paper, the researchers determined whether there is a relationship present between the responses to the three items (B9 and B23) and the respondent's gender. It was convenient to discuss the data in Tables 5, 6 and 7 as items appear in the questionnaire and categories were merged, strongly disagree, disagree and partially disagree were merged into one scale to get more representation of responses.

Item B9: In the Researchers' Opinion, the South African Schools Act No. 84 of 1996 Places More Responsibility on Parent Involvement in Managing School Funds

The data in Table 6 indicates that twenty-one percent (21%) of the respondents indicated that the Schools Act does not place more responsibility on the parents in managing school

funds. In terms of both male and female respondents, seventy-nine percent (79%) partially agreed to strongly agreed that Schools Act placed more responsibility on parents in the management of school funds. This corroborates the research finding that parents play an important role in school finances, especially in fee paying schools or where frequent fundraising projects are undertaken. The parents are included as important stakeholders and serve on the SGBs. In view of the important role they play, parents may require more training in the management of school funds. A possible explanation for the difference in responses is that some managers and governors have very little or no exposure at all to new legislation passed by Government.

Item B23: In the Researchers' Opinion, There Must Be a Policy That Educators Must Not Collect School Fees from Learners

The data in Table 7 indicates that both male and female respondents agreed to strongly agreed (74.9%) that there must be a policy that educators must not collect school fees from learners.

It is important to note at this point that more female respondents (26.8%) disagreed to this

Table 6: Cross-tabulations of the significance of item B9 with respect to gender

Gender		In my opinion, the South African Schools Act places more responsibility on parent involvement in managing school funds.				
		3-Jan	4	5	Strongly agree	Total
Male	Count	13	20	28	25	86
	%	15.1	23.3	32.6	29.1	100
Female	Count	38	34	52	33	157
	%	24.2	21.7	33.1	21	100
Total	Count	51	54	80	58	243
	%	21	22.2	32.9	23.9	100

Table 7: Cross-tabulations of significance of item B23 with respect to gender

Gender		In my opinion, the South African Schools Act places more responsibility on parent involvement in managing school funds.				
		3-Jan	4	5	Strongly agree	Total
Male	Count	19	10	17	40	86
	%	22.1	11.6	19.8	46.5	100
Female	Count	42	15	29	71	157
	%	26.8	9.6	18.5	45.2	100
Total	Count	61	25	46	111	243
	%	25.1	10.3	18.9	45.7	100

policy being in place than their male counterparts (22.1%). The practice of teachers collecting school fees from children has in many instances led to serious misappropriation of funds. Teachers have been reported to the Department of Education for not declaring funds received from learners in respect of school fees. Some of the teachers would spend the money collected from learners for their personal use, instead of handing the money to the finance officer of the school. Even though the policy may include a clause detailing the procedure of teachers collecting funds from the learners. Numerous complaints have been made by concerned parents to the Department of Education regarding principals and SGBs handling of cash and physical assets. School financial management is a specialised field that requires principals and SGBs to have expert knowledge and skills in financial matters. Various studies on the role of principals in school financial management report on the many instances where principals have been responsible for the mismanagement of funds through misappropriation, fraud, pilfering of cash, theft and improper control of financial records. It is evident that both, SGBs and principals should be subjected to intensive training in school financial management.

CONCLUSION

Schools are the primary units of improvement and development in any country. The emergence of self-managing schools in the democratic South Africa has led to various changes in the management of finances in schools. The aim of self-managing schools is to move away from centralised power and control. This decentralised form of financial control compels SGBs and SMTs to structure the management of finances in an honest and transparent manner, thus displaying a high sense of responsibility and accountability for their actions.

The Department of Education has an obligation to provide ongoing management training to all SMT and SGB members to empower and capacitate them to manage the allocated functions more effectively and efficiently. We did not find literature that explicitly confirms that this training is sufficient or appropriate although this is imperative in self-managing schools. This study has placed the school financial policy as a focal point in all the financial activities at a school

and therefore be regarded as a guiding force in all the financial decisions taken in schools.

The number of schools with Section 21 status has increased and more responsibility and accountability have been placed on SMT and SGB members to manage and govern self-managing schools. The finance committee as a sub-committee of the SGB plays a crucial role ensuring that all school funds are managed efficiently and effectively.

Most respondents strongly agreed that the school financial policy, as a management tool, is the link between the school's financial needs and curriculum delivery and is therefore central to all the financial monitoring, controlling and reporting activities that the school engages in. As one of the items in the survey, it obtained the highest mean score of 5.1 of the 18 items which made up the survey document and rank 1st in the factor, policy implementation.

RECOMMENDATIONS

This study recommends the financial policy be drawn up in consultation with all stakeholders, so that there is an assurance and commitment to its design and effective implementation from all education role-players. More importantly, this study emphasises the importance of the finance policy as a monitoring tool to ensure effective and efficient financial management.

As a capacity building intervention, the researchers recommend that the Department of Education provide a financial handbook to managers and governors to use as a guideline in the control of school finances. This handbook which clearly spells out the finance policy should serve as a guide outlining simple accounting principles and practices, fundraising strategies and the control and maintenance of records. The handbook should not dictate for example, on how a receipt should be completed, but rather offer guidelines, for instance, on how budgets and financial statements are to be drawn up and adhered to in order to ensure financial stability in schools.

Literature pointed the researchers to the notion that at most times, a disjuncture exists between the compiled budgets and actual budgets. More often than not, new expenses are introduced to existing budgets, this causes mistrust and anxiety among school governors and school managers.

The researchers recommend that the Department of Education provide induction programmes and continuous training on financial skills for novice as well as experienced principals, deputy principals, heads of department, educators and SGB members to capacitate managers and governors on the management of school finances. One aspect of the on-going training can be capacity building in computerised financial software. This will indeed minimize manual tasks such as writing out and issuing receipts/invoices etcetera and the systematic software will also prevent fraudulent actions and unauthorised receipting by managers and governors.

The finance committee ought to maintain a good sense of accountability to SGB, SMT and other stakeholders in the school. This sense of accountability can only be achieved through financial transparency in the management of the state allocation as well as all other funds, ensuring that income and expenditure statements for all fundraising events be presented to the entire SGB and staff members within a time frame, which is stipulated in the financial school policy. This study has underscored the value of a financial policy as a monitoring tool to manage school finances effectively and efficiently. What's clear is that schools with proper accounting systems and practices, which are written into the financial policy and implemented effectively are able to provide quality education to all learners. An absence thereof has the opposite effect.

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