

MANAGING SCHOOL FINANCES: PERCEPTIONS AND EXPERIENCES OF GOVERNING BODY MEMBERS IN SCHOOLS IN AN INFORMAL SETTLEMENT

Patrick Mafora

University of South Africa, South Africa

E-mail: pmafora@unisa.ac.za

—Abstract—

The South African Schools Act (84 of 1996) decentralises school governance and assigns the management of school finances to their respective governing bodies. In line with the specific classification of each school, school governing bodies are assigned the same functions irrespective of the location of the school, its size and complexity, or the profile of their members. Given their different operational contexts, the extent to which school governing bodies discharge their assigned duties and responsibilities with desired effectiveness differs.

This paper is drawn from a qualitative multi case study on shared decision-making in five Soweto secondary schools. The paper is, restricted to findings with regard to two secondary schools based in the informal settlement area of the township and the research question: how do parent members of the school governing body perceive and experience their role in managing school finances? The analysis of data followed Tesch's steps for open coding. It emerged from the analysis of data that parent-members of SGBs had limited understanding of what constitutes their role and responsibilities regarding the management of school finances. They also lack the capacity to discharge their assigned duties and responsibilities. The effective management of school finances in the SGB is further hampered by the poor internal support structures, and undemocratic practices among SGB members.

Key Words: *informal settlement, school governance, financial management*

JEL Classification: 121; 128

1. INTRODUCTION

Educational reform which came with the broader democratic changes in South Africa introduced decentralised school governance and the establishment of self-managing schools. The South African Schools Act, no 84 of 1996 (Republic of South Africa, 1996) required all public schools in the land to have democratically elected governing bodies in which learners, educators, non-teaching staff and school principals are represented. School governance was made more representative and democratic. It was hoped that broadening participation in school decision-making would benefit the school, its learners and the community (Mafora, 2013). A common view is that decisions tend to be acceptable and effective when they are made by people closer to the action (Leithwood et al, 2004). The reality, however, is that broadened participation in school governance has not always translated to benefits for the schools or their immediate communities. Members of the School Governing Body (SGB) bring different capacities, personal preferences and power bases to the discussion table. The extent to which these differences can be reconciled successfully in pursuit of the common good warrants investigation. This paper is restricted to the management of school finances as the focus of shared decision-making in the SGB. Specifically, the paper reports on findings of a narrowed-down study on experiences and perceptions of parent-members of the SGB regarding their role of managing school finances.

1.1. Context of the study

The two secondary schools that are the subject of this paper are located in the informal settlement section of the township. Schools in these areas are generally held to be dysfunctional (Mangena, 2012, Mokonyane, 2011 & Pandor, 2006) and as characterised by, among other ills, violence, corporal punishment of learners, poor quality of teaching, low learner achievement, poor discipline of learners and teachers alike and, substance abuse (Mokonyane 2011, Gallie, Sayed & Williams, 1997). In addition to these internal challenges, school governors also have to formulate policies that may be undermined by the socio-economic milieu of the community. The majority of families in the informal settlement have working class low socio-economic backgrounds and low levels of adult education that may limit them from participating in various school initiatives. The communities grapple with problems of crime, unemployment, substance abuse, poor

infrastructure, health risks and fire hazards, (Wekesa, Steyn & Otieno, 2011, Richards, O’Leary & Mutsonziwa, 2007). In South Africa the conditions in informal settlements have been acknowledged by politicians and government ministers as unacceptable and warranting improvement (Mokonyane, 2011, Sisulu, 2004)

In terms of the Amended National Norms and Standards for School funding (2004) schools serving the poorest communities are declared “no fee paying schools”. These schools do not charge learners school fees but receive their allocated funds directly from the Department of Basic Education. The two schools from which the data discussed in this paper were drawn are no-fee schools. These schools are also classified as Section 21 schools in terms of the Schools Act 84 of 1996 (hereafter SASA). These schools receive their allocation of funds from the Department of Basic Education and then administer the funds themselves as prescribed by the Head of Education of the Provincial Government (Bischoff & Thurlow, 2005). Section 21 schools are authorised to carry out the functions of maintaining the school property, purchasing learning support materials and equipment, paying for services and determining extramural activities. This requires that that the SGB, to whom the functions are entrusted, should clearly understand what each function entails and to be held accountable. The decisions which the SGB makes regarding school finances are not meant to be ends-in-themselves. Rather, they should culminate in school improvement as it is expected from decentralised school decisions (Marishane & Botha, 2004).

1.2. Conceptual framework and related literature

Deliberative discourse is the analytical framework selected for the purpose of examining how parent-members perceive and experience their role of managing finances in SGBs. The devolution of school decision-making to SGBs was meant to advance democracy, transform schools and make them more accountable. The shift from unilateral decision-making by school principals or government officials was intended to foster tolerance, rational discussion and collective decision-making inclusive of parents of learners receiving tuition in a particular school. The envisaged end is still heightened school effectiveness (Flynn, 2008) and the proliferation of democracy in schools, communities and the broader country (Mncube & Mafora, 2014).

I consider deliberative discourse relevant to the research question covered in this paper in that it resonates with the democratic ethos of SASA. The Act seeks to address past injustices in the education system and to promote the democratic transformation of society. This requires that the envisaged product of school governance structures, as well as the policies and processes employed as means to that end, should be democratic. Similarly, deliberative democracy requires that in spite of SGB members being drawn from different backgrounds, what should be emphasised is working towards a common goal, rather than the different views which members initially hold and bring to the proverbial discussion table. Mafora (2012) provides a detailed discussion of key attributes of deliberative discourse. My contention is that the following main elements of deliberative discourse should characterise the shared decision-making environment of the SGB:

- Decisions should be made on the basis of reasons that are acceptable to all members with all members being afforded equal opportunity to advance their arguments;
- Members should be willing to listen to, and be accountable to others who hold different views without making them feel their convictions are violated; and
- Decisions should be deemed legitimate if they emanate from, and are shaped by, the deliberations of people affected by those decisions.

If these elements are observed the decision-making environment in SGBs would come closer to reflecting what Adams and Waghid (2005) term the constitutive principles of deliberative democracy in South Africa: participation, community engagement, rationality, consensus, equality and freedom. Conversely, if any of these principles are flouted, then the SGB processes cannot be deemed to be truly democratic. Such practices would also be falling short of the Department of Education (1996) requirements that democratic governance structures should encourage tolerance, rational discussion and collective decision making. It would clearly, not be adequate in itself that members of the SGB are involved in making decisions about school finances. Rather, key questions which should always be answered should be: to what extent does the decision-making process constitute a deliberative discourse experience? And, to what extent does the decision-making exercise achieve desired results?

The functions of the SGB which are prescribed by the SASA evolve around policy formulation and overseeing its implementation. With regard to school

finances, the SGB is responsible for establishing school fees, preparing an annual budget, administering school fees, keeping financial records, appointing an accountant and augmenting the resources of the school (Mestry, 2006). Because of their specialist nature, these functions require that those executing them should have some basic training if they are to be effective in discharging their responsibilities. However, the reality is that no basic training or specialized experience in any field is required for election to the SGB. It is assumed that once a person is elected to the SGB and they share the governance space with others, they somehow get to embrace the values of democratic co-existence and perform the tasks at hand unhindered. However, research suggests that SGB work is not necessarily a walk in the park. Rather, SGBs are often characterized by discrimination, marginalization, manipulation and a myriad of systemic barriers (Mafora, 2013, Mabovula, 2009, Mncube, 2009) that prevent them from serving their intended purpose, or performing to expected levels of efficiency and effectiveness.

2. RESEARCH METHODS

This paper reports findings from a qualitative multi-site case study of Soweto secondary schools. The overarching aim of the study was to establish the manifestation of democracy and shared decision-making in the SGB as perceived and experienced by SGB members (Creswell, 2009). To this end, five secondary schools were selected purposefully from Soweto Township, which forms part of Johannesburg West-D12 Education district. From each school's current SGB the following members were purposively selected: the chairperson, the principal, two teachers, three learners and one professional support staff member. Three parent members of the current SGB, two teachers and two learners from previous SGBs were selected conveniently on the basis of their availability (Mafora, 2013). Separate school-based focus group interviews and follow-up individual interviews were held with each category of SGB members.

To align this paper to the Informal settlement sub-theme of the 2018 International Conference on Local Government, held on 13 – 14 April in Izmir, Turkey, it is restricted to data collected from parent members of school governing bodies in the two informal settlement schools. Interview transcripts were reanalysed and follow up individual interviews were conducted in order to answer the question: *How do*

parent-members of school governing body in informal settlements perceive and experience their role of managing school finances?

Consistent with the code of research ethics (Creswell, 2009) permission for the study was granted by the Gauteng Department of Education and principals of sampled schools. All participants gave informed consent to participate in the study and express permission to have the interviews audio-recorded. Participation in the study was kept open with the option for participants to withdraw at any point or not to answer questions they may find objectionable. The participants were guaranteed anonymity and confidentiality.

The audio-recorded interviews were transcribed verbatim and analysed following Tesch's steps for open coding (Creswell, 2007, 2008). Emergent themes and categories were given names related to the actual responses of the participants.

3. DISCUSSION OF FINDINGS

3.1. Limited understanding of the SGB role of managing school finances

Data analysis revealed that the majority of the participants did not fully comprehend what constitute the SGB function of managing school finances. This is consistent with findings from other studies (Ngobeni, 2015, Lekonyane & Maja, 2014). In the main, their responses suggest that they consider drawing an annual budget and raising funds as the main responsibilities of the SGB.

Consistent with the observation of Lekonyane and Maja (2014) the majority of interviewed parent-members of the SGB share the view that the principal and the SGB chairperson tend to make unilateral decisions about school funds and spend monies without involving other SGB members. Some of the comments made in this regard were:

They just spend the money as they wish without telling us...

*The problem is: sometimes the principal and the chairperson [of the SGB].
They just do their own thing because they want to eat the money*

When probed to establish what constitutes such unauthorised expenses it turned out that these participants referred to legitimate purchases of day-to-day consumables which are inevitable in the management of a school. This suggests that parents do not fully understand the difference between their governance function and the day-to-day management of the school which is the competence of the school principal. Similarly, they do not seem to appreciate that parents who are members of the school's Finance Committee, do not necessarily serve their own interests or that of the principal, but serve the broader SGB, whose sub-committee they serve.

All participants had strong views about the role of the SGB in controlling and administering the school's building and grounds as per section 20 1(g) of SASA. The participants argued that the buildings had to be maintained in usable form "*so that it would be easy to rent them out to raise funds*". Parents also appreciated that buildings tend to cost the SGB more in maintenance if they are left to deteriorate. They could, however, not indicate specific steps which their SGBs were taking to keep the buildings properly maintained with a view of reducing maintenance costs. The sampled parents also failed to relate the proper maintenance of buildings to the learning and teaching project. They just referred to rentals.

The sampled parents did not consider monitoring of the school finances as captured in financial records to be an important function of the SGB. Their responses suggested that this function should be left to the principals who would then provide the SGB with a report. Even the appointment of auditors to examine SGB finances was viewed as the competence of the school principal. This suggested a very narrow view of the SGB's role in managing school finances.

3.2. Lack of appropriate capacity

The analysis of data revealed that the majority of parents do not only have a limited understanding of their role of managing school finances. They also lacked the capacity to execute these functions. Consistent with other findings this study indicates that while parents perceive themselves as being passionate about running school finances they do not to have the requisite financial management skills to do so effectively (Ngobeni, 2015, Lekonyane & Maja, 2014, Mpolokeng, 2011,

Clarke, 2008). Interestingly, whereas all the sampled participants indicated that they regularly participated in formulating the school budget and raising funds, none could describe the standard procedures they followed to do so. The participants conceded to having difficulty in following the discussions around school finances because they do not understand the language used in financial documents.

All the sampled parents indicated that it was necessary for the principal to keep petty cash for minor transactions with local merchants and suppliers. However, only the two SGB chairpersons could explain why it was necessary to set the maximum threshold and how much it was. Similarly, it was only the two chairpersons who stated that they could check and tell if petty cash was used for intended purposes. The rest of the sampled parents merely expressed satisfaction that the chairpersons were checking the books and explaining the expenses with the principals in meetings. Except for the chairpersons, all participants indicated that they would not be in the position to check the books for compliance with standing policies and procedures, if they could be asked to do so. In fact, they all conceded that they did not know what to look for and which policies were applicable guidelines. They were uncertain if their schools had such policies.

Whereas all the sampled parents mentioned subjecting school finance books to auditors as evidence of the SGB's clean governance, some still expressed misgivings about whether the handling of finances was above board. In fact, some insinuated that the principals and SGB chairpersons had a way of misappropriating school funds and covering their tracks were made. Some comments made in this regard were:

...I don't understand those books myself. I just believe what they tell us. But one can suspect if you see all the things the principal can afford it?

The chairperson used to struggle a lot. It all changed when he was elected. Now he spends more time at the school with the principal and he lives well...

In themselves these utterances do not point to any funds being misappropriated. But, they are symptomatic of ignorance breeding mistrust. The speakers are merely suspicious because of their inability to comprehend financial statements. Such unfounded suspicions cannot be left unchecked as they may strain

relationships when they turn into slanderous statements as suggested by the comments quoted above.

3.3. Poor internal support structures

None of the sampled parents indicated that they were elected to the SGB because of their known competence in managing school finances. They were, reportedly, elected because they were known to be hard-workers who were willing to serve their communities. Except for the chairpersons who confirmed that they could read financial statements and check them for compliance, all the sampled parents indicated that they were in need of continuous capacity building on school governance and the management of school finances. This need for capacity building was consistent with findings from other studies (Ngobeni, 2015, Lekonyane & Maja, 2014).

The sampled parents indicated that they only attended orientation workshops after being elected to the SGB. Such once-off workshops were provided by Education District officials. Reportedly, these workshops were short in duration and did not cover any single topic exhaustively. As such, they were deemed to be inadequate to enable those who participated to function as fully competent SGB members. Some comments in this regard were:

Yes, we attended the workshops. Here and there we could understand. Somewhere we were getting lost...

The problem is that the workshops were short and they do not repeat them for those who understand slowly

Although the sampled participants were quick to highlight the shortcomings of workshops provided by the Education District officials, none seemed to expect their own SGB to organise their development workshops for them. This suggests that SGB members have disturbing levels of helplessness regarding their capacity development needs. A noteworthy comment in this regard is:

As the SGB we know ourselves. We know what we can do and what we cannot do well. But the chairman and the principal will never say: here is money let us get someone to teach us one, two, three which we do not know, so that we can improve.

3.4. Undemocratic practices among SGB members

Interview data suggests that not all parents experience the decision-making process as entirely welcoming, harmonious or conducive to fruitful discussions. Some parents, albeit in the majority, expressed the view that the environment was completely hostile. Their contention is that not all members of the SGB enjoy equal protection in the meetings. While some parents are allowed to speak uninterrupted, some parents are consistently discouraged from speaking through giggles in-between their speech, interjections, or being openly howled at. This reportedly happens when a person's contribution was previously found to be out of whack with what was being discussed. Effectively, a point of disagreement results in a member losing the right to speak in future meetings. An informative comment in this regard was:

I better keep quiet than allow them to laugh at me. If you speak and they do not agree with you. Or, let's say you make a mistake, they will always laugh when you say something again, as if they say the stupid one is speaking now. And, nobody stops them.

Consistent with other findings (Adams & Waghid, 2005), the majority of the parents reported that it was common for the principal and the SGB chairperson to come to the meetings having made their decisions then seeking to manipulate the rest of the meeting to endorse their decision. Whenever that occurs, the SGB chairperson allows the principals an extended platform but gives other members limited or no time to speak. One of the principals reportedly justifies not listening to parent members by prefixing his remarks with expressions like:

"it will not help to discussing this further..." or
"since you will not understand if I explain let's not waste time..."

The majority of parents reported that discussions around finances were dominated by the principals and only a few parents. Ironically, the dominant group was reported not to have any known background in school finances. It was people who were reportedly close to the principal because of one reason or the other. Not only do such members dominate discussions, they reportedly also influenced decisions around logistics of meetings. They could, for instance, pressure the rest of the parents to hold meetings on dates and times that suit them or influence changes to agreed schedules of meetings.

Although all the sampled parents indicated that they have a working knowledge of English, they indicated that at times it was necessary that explanations should be given in African languages. Such explanations are not offered in alternative languages that are understood by all parents but the dominant group. This defeats the attempts to enhance comprehension through explanation. In such cases language becomes a barrier to participation in shared decision-making.

4. CONCLUSION

This paper has contributed to the view that parent-members of SGBs in South Africa do not always experience the SGB decision-making environment as completely open and transparent. Findings point to parents feeling marginalised, manipulated and being left out of some key decisions. The majority of parents feel uncomfortable in executing their assigned roles of managing school finances. This is because they do not have any background in this specialised field of managing finances. Parents are also of the view that they do not get adequate development support from the SGB itself and from Education officials. SGB capacity building interventions provided by Education District officials are viewed as inadequate and not serving the intended purpose.

All SGB members should be provided with continuous capacity building on democratic school governance and the principles and values associated with deliberative discourse. In addition, SGB members should be trained on the legislated roles and responsibilities of the SGB which they are expected to execute. The training should be scheduled for immediately after SGB elections and at regular intervals during their tenure. The SGB operations should be subjected to regular monitoring and evaluation with a view of implementing corrective actions where deviations are noted. School principals should be discouraged from taking advantage of the capacity challenges of SGB members and usurping their decision-making powers. It needs to be emphasised that without SGB members who can make decisions, the letter and spirit of the South African Schools Act will remain elusive.

BIBLIOGRAPHY

Adams, F & Waghid, Y (2005), “In defence of deliberative democracy: Challenging less democratic school governing body practices”, *South African Journal of Education*, Vol. 25, No. 1, pp. 25 – 33.

Bischoff, T & Thurlow M, (205), “Resources for schooling”, (in Anderson, L, Lumby J (eds). *Managing finance and external relations in South African schools*), Wakefield: Common Wealth Secretariat.

Clarke, A (2008), “*The handbook for school governors*”, Cape Town: Juta.

Cohen, L, Manion, L, & Morrison, K (2011), *Research Methods in Education*, (7th Ed), New York: Routledge.

Creswell, J.W. (2007). *Qualitative inquiry and research design: choosing among five approaches* (2nd Ed), Thousand Oaks, CA: SAGE.

Creswell, J.W. (2008), “*Educational Research: Planning, conducting and evaluating qualitative and quantitative research*”, New Jersey: Pearson Merrill-Prentice Hall.

Creswell, J.W. (2009), “*Research design: Qualitative, quantitative and mixed-method approaches*”, London: Sage.

Flynn, 2008, “*Public sector management*” London: Sage.

Gallie, M, Sayed, Y, Williams, H 1997, Transforming educational management in South Africa, *Journal of Negro Education*, Vol. 66, No. 4, pp. 460 – 467.

Lekonyane, B.C. & Maja, F.M. (2014) “Financial management of schools in the Ekurhuleni North District in Gauteng Province”, *Proceedings of the API4 Singapore Conference*, 1-3 August 2014, Paper ID: S486

Mabovula, N (2009), “Giving voice to the voiceless through deliberative democratic school governance” , *South African Journal of Education*, Vol. 29, No. 1, pp. 219 – 233.

Mafora, P (2012), “Shared decision-making in school governance: A case study of two Soweto secondary schools”, *The International Journal of Learning*, Vol. 18, No. 6, pp. 97 – 107.

Mafora, P (2013), “Learners’ and teachers’ perceptions of principals’ leadership in Soweto secondary schools: a social justice analysis”, *South African Journal of Education*, Vol. 33, No. 3, <http://www.sajournalofeducation.co.za> [Accessed 3.4.2018]

Marishane, R.N & Botha, R.J. (2004), “Empowering school-based management through decentralised financial control”, *Africa Education Review*, Vol. 1 No. 1, pp. 95 – 112.

Mestry, R (2006), “The functions of school governing bodies in managing school finances”, *South African Journal of Education*, Vol. 24 No. 1, pp.27 – 38.

Mncube V.S. (2009), “The perceptions of parents of their role in democratic governance of schools in South Africa: Are they on board?” *South African Journal of Education*, Vol. 29, No. 1, pp. 83 – 103.

Mncube, V & Mafora, P (2014), “Devolution of power in South African education: Is democracy being served?”, *International Journal of Education Sciences*, Vol. 7 No.1, pp. 109 – 117.

Mokonyane, N (2011), Address by the Premier at the Soweto Education summit, Johannesburg, 09 April 2011, <Http://www.polity.org.za/article/gp-mokonyane> [Accessed 7.2.2014]

Mpolokeng, T.E. (2011), “The effectiveness of financial management in schools in Lejweleputswa Education District”, Unpublished MEd Dissertation, Bloemfontein: Central University of Technology.

Ngobeni, S.N. (2015), “Challenges of financial management in Mopani District schools, Limpopo Province”, Unpublished MPA dissertation, Polokwane: University of Limpopo.

Republic of South Africa (1996), “South African Schools Act No. 84 of 1996”, Pretoria: Government Printers.

Richards, R, O’Leary B, & Mutsonziwa, K (2007), “Measuring Quality of life in informal settlements in South Africa”, *Social Indicators Research*, Vol. 81, pp. 375 – 388.

Sisulu, L.N. (2004), Speech by LN Sisulu minister of Housing at the Public Policy Forum Meeting of Cities Alliance, Durban.

Wekesa, B.W., Steyn, G.S. & Otieno, F.A.O. (2011), “A review of physical and socio-economic characteristics and intervention approaches of informal settlements”, Habitat International, Vol. 35, pp. 238 – 245.