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Exploring financial risk management practices in selected Tshwane schools

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With this study we explored financial risk management practices in public schools in selected quintile (1, 2 & 3) township schools in the Tshwane South district in Gauteng. The schools involved were previously disadvantaged schools and learners were from the same area as the schools. We adopted a qualitative research approach and thematic analysis was used to analyse the data collected via one-on-one interviews. Stratified random sampling was used to select 12 principals who formed the sample of the study. The challenges experienced by principals identified from the themes concerned a lack of clarity of principals' roles regarding finances; balancing roles as accounting officers and ex-officio members; effective use of systems provided to use for school administration, including financial record keeping; accountability of reporting; and poor monitoring and support by the Department of Education. Schools across the country face challenges regarding financial management due to a lack of knowledge of financial risk management practices in schools. Within the South African public schools system the overall responsibility and accountability for school financial management and asset control lies with the school governing body.

Keywords: finance; principals; quintile; risk management; school accountability; school governing bodies

Introduction

Public schools across the country face financial mismanagement challenges arising from a lack of knowledge of financial risk management practices in schools. According to the South African School Act ([SASA] Republic of South Africa [RSA], 1996a), the overall responsibility and accountability for financial management and assets in South African schools lies with the school governing body (SGB).

Mestry (2004) highlights important challenges faced by SGBs, namely, a lack of financial management knowledge and skills; and the inability to find solutions to problems regarding school finances.

He further states that SGBs hold principals accountable for the running of schools and managing school activities from a financial point of view (RSA, 1996a). Management of the school's finances is primarily the function of the SGB of which the principals are ex officio members who are not elected members but are regarded employees of the provincial Department of Education. School principals are responsible for managing personnel and school finances on a day-to-day basis, and for making decisions regarding educational materials and the purchasing of equipment. Principals' roles in the school governing body are to be accountable for the accuracy of the school's financial books.

Bad financial administration in schools is caused by financial practices like poor reporting, transparency, limited knowledge, and little capacity. Onderi and Makori (2013) state that most schools in the country face problems of mismanagement, managerial incompetency, and limited capacity.

In this article we explore the financial risk management practises, and the extent to which principals are accountable for management of school finances.

Literature Review

Financial risk management in the South African context

The Constitution of the Republic of South Africa, 1996 (RSA, 1996b), and the South African Schools Act 84 of 1996 (RSA, 1996a) (hereafter referred to as the SASA) mandate the Minister of Education to determine the norms and standards for funding public schools from public revenue.

According to Wisker (2011:78) "it is essential that the principal of a school makes sure that he or she has knowledge and sound understanding of the basic process involving managing the school's account, the budgeting process and the systems and controls that are necessary to ensure that the school's monies are not misappropriated."

According to the SASA (RSA, 1996a), the roles of the SGB include:

- opening and maintaining one bank account for the school;
- drawing up and submitting the examined financial statement to the provincial Department of Education (DoE) by 30 June of each year;
- gaining support and assistance from principals.

Section 20 of the SASA (RSA, 1996a) requires of schools to manage state funds as public schools are accorded section 20 status, meaning that they perform the functions listed in section 20 of the SASA (RSA, 1996a). According to the national DoE, these schools do not have approval to procure certain services and such schools are only given paper budgets to understand the cost of running their schools. Some schools have both section 20 and section 21 status. Section 21 status schools are schools that have allocated functions of the governing body

listed in section 21 of the SASA (RSA, 1996a). Such schools receive monies in the school account to perform, to procure, and to deliver own services and goods. Schools are funded by public money, hence, the schools' principals as government employees are bound to account for the financial management of the school as stipulated in section 19(1) and 19(2) of the SASA. The DoE must ascertain that the SGB operates within the juristic of section 20.

"Corruption Watch" on The South African NGO Network (SANGONeT), reports that between January 2012 and July 2015 over 1,000 reports regarding corruption in schools across South Africa had been received from the public. Of these reports, 54% implicated principals as the primary cause of corrupt financial activities. The report reveals a high level of mismanagement of funds and pervasive corruption in schools in which the school principals were the perpetrators. The report indicates that schools are vulnerable to financial mismanagement.

According to Mestry (2006), the SASA advises how schools should manage their funds. Guidelines for the principals on their roles and responsibilities in managing finances are also provided by the SASA (RSA, 1996a). Mestry (2009) further states that the national DoE has no mechanism in place to support schools on financial problems.

Funding of schools in South Africa

The SASA (RSA, 1996a) imposes the responsibility of public school funding on the state. Section 34(1) stipulates that the state must equitably fund schools from public revenue to properly exercise learners' rights to education and redress past inequalities in provision of education. South African schools are ranked in quintiles as a way of government to bridge the gap using categorisation of public schools and funding. Quintiles range from one to five with quintile one schools receiving the highest government allocation and quintile five schools receiving the lowest government allocation based on the socio-economic status of the community in which the schools are located.

The legal framework for financial management and accountability (Public Service Commission [PSC], 2011) registered several cases involving mismanagement of funds at ordinary schools, which included:

- lack of internal audit;
- no transparency in procedures and financial decision management;
- poor budget and poor bookkeeping; and
- unaudited financial statements and qualified audited financial statements.

Section 37 of the SASA (RSA, 1996a) obligates the SGB to administer and manage all school finances effectively and efficiently.

The international context

According to Garms, Guthrie and Pierce (1978), schools that offer free education are run by individuals who do not know enough about running schools. Schools which opened with public funds, were run like family businesses.

In countries like Australia, New Zealand, and Great Britain, the trend favours self-reliant schools. In South Africa, schools that acquire section 21 status are moving in that direction. Schools that formed part of this study were classified as having section 21 status, with the responsibility of managing their own funds.

According to Motsamai, Jacobs and De Wet (2011), school principals in Lesotho have the responsibility of administering and managing schools' finances. Furthermore, principals are allegedly chief accounting officers of schools and are responsible for the control and reporting of the use of funds on behalf of the management committee or school board. The school principals in Lesotho have the same responsibilities as school principals in South Africa.

Research Approach, Design and Methods

The study was motivated by the financial management challenges faced by selected schools in Tshwane. The responsibilities and duties of primary role-players are not understood and should be clarified. The primary role players in this case were the school principals, the school governing bodies and the financial administrators of the selected schools. Several instances of school principals being charged with mismanagement of school funds have been reported in the media. The SASA (RSA, 1996a) gives meaningful roles to governing bodies and school principals with regard to governing body functions, determining the policy and rules by which the school is to be organised, managed, and entirely controlled. Consistency should be ensured by every SGB to govern schools according to a legal framework, namely, the SASA (RSA, 1996a). Against the above-mentioned background, the research problem was confined to the following questions:

- Who is accountable for the management of the schools' finances?
- How does the principal and the SGB manage financial risks at selected schools in Tshwane?
- What are the risk management factors concerning Financial Management from the point of view of the principal?
- How can principals improve the financial management and accountability in selected schools?

The general aim of the research was to explore which financial risk management principles were incorporated by principals and the school governing bodies at selected schools in Tshwane.

To determine the practices of school principals and other stakeholders concerning the financial risk management in schools, a qualitative

research approach was adopted, falling within the interpretivist paradigm. Creswell (2013:243) explains “qualitative research as an effort to understand situations in their uniqueness as part of a particular context and their interactions.” We followed a thematic approach method to analyse qualitative data. Corbin and Strauss (2015) state that thematic analysis is a method of analysing qualitative data and has the following six-step process:

- 1) Familiarisation of the data and understanding it.
- 2) Coding of the data.
- 3) Creating general themes from the data and coding.
- 4) Reviewing themes created and checking for reasonableness.
- 5) Defining and naming themes so that each theme has a label.
- 6) Writing up the research.

Corbin and Strauss (2015) further state that thematic analysis allows for flexibility in interpreting data. The approach allows large data sets to be more easily analysed by sorting them into broad themes.

Stratified random sampling was used for selecting the participants in the study. Semi-structured, one-on-one interviews using open-ended questions were used to collect data from participants to develop meaning and understanding of principals’ management of school finances. The questions were divided into six themes and the interviews were directed at principals of 12 schools. We created an interview guide to probe and create areas of more clarity during the interview process.

A digital data recorder was used to record interviews in which participants were given the same open-ended questions. Recorded interviews were transcribed. The interviews were conducted in English and participants’ home language where necessary.

Creswell (2013) states that qualitative research should be assessed in terms of credibility, transferability, dependability, and conformity of the data. They claim that credibility of a study refers to confidence of the data; transferability refers to generalisability of the inquiry process; dependability refers to the consistency of the inquiry process over a period of time; and conformity assures that research results are free from researcher bias as findings are based on actual participant narratives (Bogdan & Biklen, 2013). To ensure that the study was credible, we followed the same process of data collection and data analysis as those that have been effectively applied in previous similar studies. All data provided were corroborated by the interviewees and any data obtained that departed from the general views were questioned to confirm integrity of the information. Furthermore, comprehensive transcripts of the discussions were made to ensure that only the

opinions of the respondents were taken without the interpreter’s views being part of the results.

Research Participants

Walliman (2011) defines a sample as a selected number of cases in a population. Qualitative studies often use purpose or criterion-based sampling. Leedy and Ormrod (2013) explain that random sampling is used when a sample is chosen by simple random selection where any member of the population has an equal opportunity of being selected.

The research population in this study comprised the selected schools in the Tshwane South district. The sample consisted of 33 schools in circuit two of the Tshwane South district – Atteridgeville. These schools fall under the auspices of the Gauteng Department of Education (GDE). Twelve principals selected from special, primary, and secondary schools formed the sample of the study. They were all principals from the same district in township schools from the non-fee-paying category, with the status of section 21 schools from previously disadvantaged communities with high learner enrolment. The participants were chosen from a specific target group of principals whose opinions and ideas were of particular interest in this study.

Data Collected

A qualitative design using thematic analysis was used to explore financial risk management practices in selected schools in Tshwane South District Two. Bogdan and Biklen (2013) state that qualitative research enables us to make sense of reality, to describe and explain the social world and to develop explanatory models. In this study, we intended to explore the financial risk management practices of the selected principal within a district.

We listed questions (and did not necessarily ask them in a particular order) based on the SASA (RSA, 1996a). According to sections 36 and 43 of the SASA (RSA, 1996a), it is mandatory for all schools to manage school funds and take responsibility for implementing financial accountability processes.

All participants gave their informed consent to participate in the interviews, with the assurance of privacy of their participation and their non-identification as well as the non-identification of their respective schools of employment.

Data Analysis

According to Rangongo, Mohlakwana and Beckmann (2016), data analysis is conducted to bring order, structure, and meaning to the mass of data collected. Rangongo et al. (2016) further state that the researcher becomes the instrument of analysis, making judgements about coding,

theming, and decontextualising and recontextualising the data.

According to McMillan and Schumacher (2014:201), qualitative data analysis is an inductive process of organising data into categories and identifying patterns among themes.

Clarke and Braun (2013:120) describe thematic analysis as a translator for qualitative and quantitative analysis. It enables researchers using different methods to communicate with each other.

According to the SASA (RSA, 1996a), the state must fund all public schools. The National Norms and Standards for School Funding Policy ([NNSF] DoE, 2006) provides a quintile ranking which is a mechanism to address equity in schools. Quintiles 1, 2 and 3 are declared as no fee-paying schools and, therefore, receive a higher state allocation.

The composition of the research sites is shown in Table 1 below.

Table 1 Sites per school type and quintile ranking

School name	Type	Quintile	Gender of the principal	Experience as principal
1) School A	Primary	Three	Female	4
2) School B	Primary	Three	Male	13
3) School C	Primary	Three	Male	7
4) School D	Primary	Three	Male	15
5) School E	Primary	One	Male	21
6) School F	Primary	One	Female	8
7) School G	Special	One	Female	7
8) School H	Technical secondary	Three	Male	3
9) School I	Secondary	Three	Male	7
10) School J	Secondary	Three	Male	1
11) School K	Secondary	Three	Female	3
12) School L	Comprehensive	Three	Male	5

Themes and Findings

In exploring the financial risk management principles incorporated by principals and the school governing bodies at selected schools in Tshwane, several themes emanated from the data.

Based on the one-on-one interviews conducted, the themes identified from the data analysed were the following:

- 1) Financial role and responsibility of the principal.
- 2) Systems to manage financial risk.
- 3) The role of the employer on financial management.
- 4) Accountability and reporting.
- 5) Monitoring and control of financial records.
- 6) Training and support by the stakeholders.

Theme 1: Financial Roles and Responsibilities of School Principals

Eight principals (1, 2, 3, 5, 6, 7, 9 & 12) were of the opinion that principals were responsible for the financial management of the school. They based their opinion on the fact that principals were regarded as accounting officers employed by the state. The other principals (4, 8, 10 & 11) were of the opinion that principals were responsible but had to work hand-in-hand with the SGB. They mentioned that, as accounting officers, principals were more accountable to the employer and the parents through the SGB.

Principal 4 mentioned that the parent bodies were in the majority in the SGB and as such elected parents held key positions in the governing body and should be held responsible for financial management. According to section 29 of the SASA (RSA, 1996a), governing body members must elect office bearers who must include a chairperson, a treasurer, and a secretary. It further states that only

a parent who is not employed by the school may serve as the chairperson of the governing body. Principal 4 emphasised that they should be held accountable as they were bank signatories and office bearers.

Principals 1, 3, 4, 5, 8, 9, 11 and 12 mentioned that principals were responsible for financial management and accounting since principals were not elected officials but employees representing the provincial DoE concerning the daily administration of the school. However, these participating principals still believed that the finance committee and the SGB should also be responsible as they formed part of fundraising committee and procurement.

Mestry and Naidoo (2009) explain that the core duties and responsibilities of school principals are managing school finances and being accountable for all spending. They further indicate that principals play a dual role, being responsible for the professional management of the school and as ex officio members of the SGB.

Theme 2: Systems to Manage Financial Risk

All participating principals used South African School and Administration Management Systems (SA-SAMS) software to manage the school administration. The software package includes financial administration, academic performance, learner details and curriculum support administration. The principals, however, indicated that they did not use the tool for financial support.

The software was used to capture administrative duties and financial activities, however, most principals acknowledged that they

were not familiar with the tool and that it was occasionally used by administrators. Most administrators collected funds and recorded them manually in tailor-made receipt books. Some principals used duplicate receipts, but Principals 6, 7, 9 and 11 used triplicate receipt books.

The tool did not assist them with reconciling financial records or assisting with budgets. Participating principals relied on financial administrators' inputs. All principals indicated that their schools did not have qualified financial personnel but they relied on school administrators to act as financial administrators. The finance administrators fulfilled different roles to their original work of typing, data capturing and reception work.

Principals 3, 5, 9, 10 and 12 mentioned that their financial administrators relied on them for support. They did not have financial qualifications nor prior training. The principals preferred to use the manual system rather than SA-SAMS. The participating principals also were of the opinion that financial policies were ineffective and not implemented as they were supposed to be.

Principal 7 mentioned that for some schools the finance policy was just a tick box for the monitoring of the department but not used.

Principal 6 mentioned that they found a policy at the school that had never been reviewed and was irrelevant and outdated.

Principals 2, 3 and 4 mentioned the existence of a financial policy but that there was no commitment to using the policy.

Principals 1, 3 and 8 mentioned the financial committee (FINCOM) as another part of a system to support financial management.

Clarke and Braun (2013) write that the SGB must appoint a finance committee to manage school funds. According to section 30 (1a) of the SASA (RSA, 1996a), a governing body may establish committees, including an executive committee.

Principal 1 mentioned the confusion of different role players involved in finance which resulted in non-implementation. The principal mentioned that, as the accounting officer, the SGB executive was also mandated to control finances. They indicated that the finance committee interfered in money matters and with the finance administrator, whom according to Principal 1, was just supposed to capture data.

Principals 2, 7 and 9 mentioned that the policy excluded the management of cash at schools. They mentioned that cash at school was handled by various parties, payments were made in class, no control measures were in place, and some activities such as "civvies day (where learners can come to school in civilian clothes and pay a nominal amount of money to charity)", fundraising sales, and school trips were not receipted.

Theme 3: The Role of the Employer on Financial Management

Participants acknowledged that the employer, in this case the GDE, played an important role. The principals mentioned that funding of schools, supporting the school and monitoring effective use of financial management was expected from the GDE, i.e., principals need to report to the GDE on such matters. The principals did acknowledge that funding, and, therefore, their satisfaction in this regard, had improved. They displayed dissatisfaction with the expectation that the SGB and FINCOM were to raise funds. They believed that this was a burden on principals and teachers since parents believed that in non-fee-paying schools everything was free and that there was no expectation to pay for anything.

Principals 7 and 8 stated that there was less support and poor monitoring by the GDE.

Principal 7 stated that monitoring of a departmental official had a victimising element. All principals spoke about the role of the employer in training and development, however, they voiced their dissatisfaction.

Principals 5, 9 and 2 mentioned that the department had a role in inducting principals on all administrative duties, however, the financial management was rarely part of the induction programme, unless there were problems at the school in this regard.

Theme 4: Accountability and Reporting

All principals interviewed mentioned and acknowledged that they were accounting officers and that they were accountable to the Department, the SGB, and the parents at scheduled annual general meetings.

Principal 2 mentioned that accountability was a system of reporting and it was important for all principals to account to all stakeholders.

Principals 1, 2, 3, 6, 7 and 8 purported that accountability started with preparing the budget, policy development and presenting an annual audited statement. Principals 9 and 11 indicated accounting and reporting to stakeholders on monthly, and quarterly basis, and finally during the annual general meeting (AGM).

Principals 11 and 12 mentioned that they always reported to the various stakeholders about funds in a variety of ways, including parents' meetings, the submissions of audited financial statements, and monthly and quarterly financial statements.

All principals mentioned that together with their SGBs, they reported to the parents. All principals indicated that they reported the management of SGB activities to the Department through the district, but that nobody attended or monitored such activities. All principals rated the AGM as a very important meeting.

Theme 5: Monitoring and Control of Financial Record

Section 43(1) of the SASA (RSA, 1996a) clearly indicates that all schools are compelled to appoint an independent registered auditor to monitor and control the financial activities in schools. All principals confirmed that they had independent auditors who annually monitored their books.

Principals 11 and 12 again mentioned that they continually consulted with numerous stakeholders about the use of funds in various ways, including parents' meetings, the submission of audited financial statements and monthly and quarterly financial statements.

These principals mentioned that monthly and quarterly reporting was an internal control measure stipulated by their financial policy. The internal control measure was the responsibility of the executive committee constituted by the treasurer of the SGB, the chairperson of the SGB, and the principal.

Principal 4 indicated that their school performed internal control via quarterly monitoring. This involved three bank signatories serving as office bearers in the SGB, the finance administrator, and the principal. The purpose of using three bank signatories was for financial risk management and control. Additionally, the finance administrator and the treasurer performed monthly reconciliations to verify transactions. Few principals mentioned consistence in banking money on specific day of the week, however, the safe keeping of money and control was not clearly mentioned. A system of banking cash was not mentioned.

All principals indicated that they created the internal control system and we found that the controls differed from school to school.

All the principals mentioned that their schools submitted audited financial statements once a year and indicated that they worked alongside the governing body.

According to section 42(a) of the SASA (RSA, 1996a), the governing body of a public school must keep record of its funds received and spent. Section 43(1) of the SASA (RSA, 1996a) indicates that the SGB must appoint a person registered as an auditor in terms of the Auditing Profession Act, 26 of 2005 (cited by Odendaal and De Jager, 2008) to audit records and financial statements. All principals emphasised that principals must support the SGB on financial activities. Section 16(1) of SASA (RSA, 1996a) states that the principal must assist the governing body in performing its functions and responsibilities.

Theme 6: Training and Support by the Relevant Stakeholders

Principal 7 mentioned that in their case, training was implemented by the provincial risk unit on

request by the treasurer of the two provincial risk units. The training was only on the role of the SGB and not on financial matters. This confirms that the Department has neglected the legislative mandate to fulfil its responsibilities in terms of section 19 of the SASA.

Principal 5 indicated that the training they had received was one-size-fits-all and was in some instances conducted by facilitators who were not knowledgeable.

Principals 5, 6, 7 and 11 indicated that they attended an advanced-level workshop on financial management but that some of the subjects presented were more relevant to other public works departments. Public Finance Management Act (PFMA) matters were outlined in the workshop but not relevant to the non-fee-paying schools. Principals 4, 3 and 10 claimed to only have received a file with policies and financial documents which was not the same as those on the SA-SAMS, which caused confusion.

It was also communicated that schools submitted audited financial statements but that they had not received any acknowledgement or feedback from the Department in this regard. Principal 6 mentioned that they thought that the documents were simply sent for compliance and not to be read. All principals mentioned a third-party institution which offered training on behalf of the employer. This institution mentioned was Mathew Goniwe School of Leaders and Governance (MGSLG).

Principals 7, 9 and 11 indicated that the institution utilises facilitators who sometimes did not understand governance matters, especially financial matters.

Discussion

Management Implications

The analysis of the data collected revealed numerous important factors and challenges regarding the financial risk practices in selected schools. Firstly, all principals understood that they were regarded as accounting officers of the school. They appreciated the fact that there was a support structure to the SGB. They revealed gaps resulting from ignoring policy and from failure to perform as expected. According to section 16a(3) of the SASA, the principal must assist the governing body to perform its functions and responsibilities including the financial issues.

Systems to Manage Financial Risk

The principals did not appreciate other documents used by the government to outline laws on financial management, for example the PFMA document. The principals indicated that they all had software to manage administration in their schools, which include finances. It was, however, outlined that the system was user friendly regarding issues like the

curriculum and staff attendance, but not on finances. Three principals were positive about the use of SA-SAMS and all other principals indicated that it was used by their school administrators, while some administrators were not even confident in using the system. The data confirmed gaps between policy and practice. It further confirmed the ineffective use of resources.

The analysis of data on finance policy showed that policy was not effective in some schools and that, where it existed, finance policy was ineffectively implemented. The school finance policy developed at school level was silent on the management of cash with fundraising events, banking of received monies, and safe keeping. No guidelines were provided regarding the management of cash since cash was handled by different people or committees. In some schools teachers controlled the finances. In other schools the finances were controlled by the fundraising committee or finance committee.

In some instances no receipts were issued for fundraising activities like food sales, excursions and civvies day, which happened regularly at schools. The data showed gaps in financial management in most of the participating schools. According to Clarke and Braun (2013), the governing body delegates some of its duties to the principal or finance officers. This does not mean that accountability has been delegated. The monitoring and control of funds are an everyday task which must entail regular checks of the income and expenditure against the school budget.

Monitoring and Control of Financial Records

The data analysis showed that principals worked harmoniously with the SGBs, however, they found that in some instances the roles were confusing and unclear. There was no clarity in terms of the roles of administrators, the finance committee and finance administrators. These roles tended to differ again from school to school. The analysis showed that the finance committee did not meet often with the SGB, even if the committee was formed by the SGB and mandated by the SASA (RSA, 1996a).

The role of the fundraising committee was not clear to school principals as the committee was not used as expected. Some principals mentioned that the finance committee was used to collect money but was not involved in record keeping. The participating principals' opinions concerning record keeping, monitoring, and control differed. Prescribed guidelines on record keeping, monitoring, and control were mostly non-existent. Some schools had functional but limited control measures while other schools had no control measures at all. According to Clarke and Braun (2013), managing school finances requires clearly outlined roles and responsibilities for each SGB and finance committee member.

The Role of the Provincial Government Department of Education on Financial Management

The principals mentioned that the provincial department provided little support on financial issues at schools. The analysis showed that there was no role outline. The departmental officials monitored by just receiving documents for a tick-box exercise. The analysis confirmed a lack of uniformity and continuity of support from the employer. District officials had no tools to monitor the finances at schools. During school visits, the district officials did not focus on the same financial activities. The principals received documents, policies or circulars via email or field post and were expected to implement without receiving any assistance.

The results from our study show that there was no follow up from the provincial DoE through control, acknowledgement or feedback.

According to section 43(5) of the SASA (RSA, 1996a), the governing body must submit to the Head of Department, within 6 months after the end of each financial year, a copy of the annual financial statement, audited or examined in terms of this section.

Section 19 of the SASA (RSA, 1996a) stipulates that the provincial Department and school principals should provide introductory training for newly elected governing bodies to enable these governing bodies to perform their functions correctly. In most cases the district used third-party service providers or consultants to provide training, but these trainers were found not to be familiar with school finances.

Training and Support by the Relevant Stakeholders

The analysis showed little and ineffective training and support. Training conducted was one-size-fits-all and the quality of the training was poor. Allegedly, there was no continuous monitoring and feedback after training and sometimes support was only provided when problems arose. The results from the study emphasise that there was poor training and support on financial matters and that some principals had received no training in financial matters. One principal mentioned that they forgot any financial management training offered for finance officers and FINCOMs because the training was so bad.

Limitations of the Study

The limitations of the study were as follows:

- Limited discussion concerning the different techniques utilised owing to the limited scope of a mini dissertation.
- The scope being limited to financial practices only, owing to the format of the mini dissertation.
- Non-adherence to the research timelines due to the Coronavirus disease (COVID-19) pandemic.

Recommendations for Future Research

The main aim of this study was to explore the financial management practices in selected schools (Tshwane South District Two). Based on the findings and the literature the following is recommended: an extended study conducted on a broader school community which must include all quintile areas and suburban schools to include fee-paying schools as the focus in this study was limited to no-fee-paying schools.

Conclusion

The purpose of this study was to explore financial risk management practices in public schools. We identified challenges regarding the finances created due to a lack of support and training from the DoE, and principals and SGBs ignored financial policies developed at school level and lacked understanding of the systems that should be in place for monitoring and controlling school finances.

The primary areas of improvement identified was about the involvement of principals and the national DoE regarding the principals. The focus should be on implementing required school or provincial financial policy guidelines and procedures to improve internal control and school funds. The GDE should provide proper support and training to schools where staff possess limited skills, and must monitor that all policies and procedures are correctly implemented. Furthermore, regular and structured feedback will contribute greatly to improve the financial skills of school staff members and SGBs.

Authors' Contributions

JT and MB contributed equally to the article. Both authors reviewed the final manuscript.

Notes

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- ii. Published under a Creative Commons Attribution Licence.
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