

# Webinar Title

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***SGB: financial management challenges***

# Presenter

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Advocacy consultant in the social justice sector. Experience in advocating for effective school governance through several NGO's over 10 years. Currently a consultant with the Bertha centre in Cape Town, working on a programme to empower SGBs on their roles and responsibilities and a fulltime wellness social worker at the Trauma Centre for Victims of Violence and Torture.

# Financial management in schools

- The role of SGBs
- Importance of financial management in schools
- South African schools Act (SASA)
- Challenges
- Recommendations

# COURSE OUTLINE

# **Table of Contents**

<b>Module 1:</b>	<b>Introduction/Legislative framework for public schools</b>
<b>Module 2:</b>	<b>Financial role and responsibilities of SGBs</b>
<b>Module 3:</b>	<b>SASA – Gaps and challenges</b>
<b>Module 4:</b>	<b>Financial accountability - Challenges</b>
<b>Module 5:</b>	<b>Recommendations</b>

# Quote

*Financial accountability is the cornerstone of ensuring that schools disburse funds allocated to them for the sole purpose of advancing the best interests of the learners*

- Mgadla Xaba & Dumisane Ngubane

# MODULE 1

## INTRODUCTION

# Module 1: Introduction

## Topics

The following sections are dealt with here:

1. Legislative framework

## Learning Outcomes

Apply the legislation in financial management of schools funds and assets



# LEGISLATIVE FRAMEWORK

The basic principles of state funding of public schools derive from the constitutional guarantee of equality and recognition of the right of redress

According to SASA, the State must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of past inequalities in educational provision (section 34(1)).

The principal objective of the SASA is “to provide for a uniform system for the organisation, governance and funding of schools”. To ensure consistency, every SGB is expected to govern their school according to the provisions of the act as amended.

# **Important Benefits**

**Parents and learners have an opportunity to participate in governance of schools**

**Redress past injustice**

**Consistency**

## **MODULE 2**

# **FINANCIAL ROLES AND RESPONSIBILITIES OF SGBs**

# Module 2: Title

## Topics

**Financial roles and responsibilities of SGBs**

## Learning Outcomes

Demonstrate knowledge of roles and responsibilities in managing schools funds and assets

Demonstrate execution of duties in managing schools funds and assets according to assigned responsibilities

# SGBs

SASA allocates meaningful functions to governing bodies.

School governance, as regards the governing body's functions, means determining the policy and rules by which the school is to be organised, managed and controlled.

There is a perception amongst many parents, educators and principals that the principal is the accounting officer of the school and that he/she is thus accountable for the school's finances.

# **SGBs**

**Others think that the FINCOM is accountable.**

**However, it is actually the responsibility of the SGB to manage the finances of a school.**

**The principal of the school is the ‘accounting officer’ and is ultimately accountable for the school’s money and property.**

- In terms of section 30 of SASA, the SGB may establish committees such as executive committee, FINCOM, a committee for fundraising etc. The FINCOM should be composed of the following members:**
  - Treasurer**
  - Principal**
  - Secretary**

# MODULE 3

## **SASA – Gaps and challenges**

# **Module 3: Title**

## **Topics**

**SASA – Gaps and challenges**

## **Learning Outcomes**

**Identify challenges to influence policy and legislation**



# **SASA**

**Functions allocated to SGBs require specialized knowledge and skills**

**Support & development for SGBs (Training) is not continuous.**

**Role of the department of education in supporting SGBs**

**Provincial regulations**

**Role of SGB associations fragmented**

**The Act does not practice what it preach:**

- **Funding model does not enhance equality**
- **Provincial regulations are not consistent**
- **Does not enhance consistency**

# MODULE 4

## Financial accountability - Challenges

# **Module 4: Title**

## **Topics**

**Financial accountability - Challenges**

## **Learning Outcomes**

**Learn how financial mismanagement manifest itself on schools**

# Challenges

- Public schools in South Africa are increasingly exposed to forensic audits by the Department of Basic Education (DBE) or provincial departments of education due to the mismanagement of funds through misappropriation, fraud, pilfering of cash, theft and improper control of financial records
- -Mestry

# Challenges

**Most common forms of corruption reported in schools are financial mismanagement, abuse of school funds and assets and procurement irregularities.**

**Lack of understanding of financial management processes by SGBs**

**Where SGBs are skilful, Principals exclude them from financial planning processes**

**Political interference at a local level**

**Understanding of Auditing processes**

**Schools do not engage on budgeting and expenditure process/ Compliance exercise**

**Expenditure is not in line with the budget**

**Implementation of financial policies not adhered to**

# **MODULE 5**

# **RECOMMENDATIONS**

# **Recommendations**

**Review/amend SASA**

**Election of SGBs to be reviewed**

**Support and development of SGBs to be strengthened**

# QUESTIONS



**Thank you  
for your participation**