

Financial Management Capacity of Principals and School Governing Bodies in Lebowakgomo, Limpopo Province

Lourens Johannes Erasmus Beyers and Tekedi Mohloana

Turfloop Graduate School of Leadership, University of Limpopo, South Africa

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ABSTRACT The South African Schools Act (SASA) 84 of 1996 devolves management of state-allocated funds to school governance and management structures. However, school principals and school governing bodies (SGB's) are often not aware of their responsibilities and liabilities when it comes to finances and accountability. This study investigated the extent of SGB's and principals' financial responsibilities and whether or not they are aware of and properly equipped to undertake financial management in their schools. This study found that the challenges include a lack of effective training of principals and SGB members, especially treasurers, by district-based personnel who themselves often lack financial literacy and basic knowledge of bookkeeping. Since financial management and skills play a significant role in improving education and enhancing effective decision-making at all levels of school governance, the study recommends regular and thorough training of school principals and other SGB members. It also suggests the permanent placement of auditors at District offices to audit schools' books each quarter. Other recommendations include that Department of Education's audit processes should demand verifiable evidence to justify any expenditure.