

**AN EXPLORATION OF HOW SECONDARY SCHOOLS IN THE QACHA'S NEK DISTRICT OF
LESOTHO MANAGE THEIR FINANCES: A CASE STUDY OF THREE SCHOOLS**

BY

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**This dissertation has been submitted in partial fulfilment of the requirement of the Degree of Masters of
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ABSTRACT

This research explored the phenomenon of school financial management in three secondary schools located in the Qacha's Nek district of Lesotho. In particular, the study focused on ways in which secondary schools obtain their finances. In addition, this study also discussed ways in which the said schools budget their finances. It explored measures that the schools put in place to monitor and control their budgets.

Through the use of purposive sampling, three schools were selected as cases in order to ensure that there was a representation of the type of schools that are found in the Qacha's Nek district of Lesotho. The principals of the three schools were selected as participants since they are chief accounting officers and as such they have knowledge relevant to this study. Document reviews were used to supplement information obtained from interviews with the principals.

This study concluded that the three case study secondary schools obtain financial resources from a number of sources which include, inter alia, sponsors, school fees and fund raising activities. The government also allocate subvention to its schools.

Furthermore, the three case study schools prepare their main budgets and department budgets. However, principals play a major role in decisions regarding school budgets. In two schools, for example, the principals provide teachers with guidelines to follow in preparing departmental budgets.

With regard to budget monitoring and control this study revealed that there are no clear measures in place regarding schools' main budgets in the three case study schools

though departmental budgets seemed to be well monitored and controlled by the principals.

It was also found that there seems to be a lack of policies that guide schools on the management of finances. Schools were also found to use secretaries as bursars though secretaries have limited knowledge of financial matters. In addition, the study revealed that principals, school secretaries and heads of departments need capacity building on financial matters.

This study recommends an in-depth investigation of experiences of principals on the use of subvention. The study also recommends, inter alia, formulation of financial policies by schools and changes to the law on school funding by the Ministry of Education and Training.

DECLARATION

I, **SEKITLA DANIEL MAKHASANE** declare that

- (i) The research reported in this dissertation, except where otherwise indicated, is my original work.
- (ii) This dissertation has not been submitted for any degree or examination at any other university.
- (iii) This dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
- (iv) This dissertation does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
 - (a) their words have been re-written but general information attributed to them has been referenced;
 - (b) Where their exact words have been used, their writing has been placed inside quotation marks, and referenced.
- (V) This dissertation does not contain text, graphics or tables copied and pasted from the internet, unless specifically acknowledged, and unless the source is detailed in the dissertation and in the References sections.

Signed..... December 2010

Statement by the Supervisor

This dissertation is submitted with/ without my approval.

Signed.....

Dr. V. S. Mncube

DEDICATION

I dedicate this dissertation to my wife and our children whose tolerance, support and patience were instrumental in completing this study.

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I thank God for giving me power and wisdom of engaging in a study of this nature.

I wish to express my sincere gratitude to my supervisor, **Dr VS Mncube** for his patience, encouragement, guidance and expert supervision that helped me to undertake and complete this study.

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ABBREVIATIONS

| | |
|----------|---|
| BOG | Board of Governors |
| COSC | Cambridge Overseas School Certificate |
| EFA | Education For All |
| HIV/AIDS | Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome |
| JC | Junior Certificate |
| LEA | Local Education authority |
| LMS | Local Management of Schools |
| MDGS | Millennium Development Goals |
| MOET | Ministry of Education and Training |
| NMDS | National Manpower Development Secretariat |
| PFMA | Public Finance Management Act |
| PSLC | Primary School Leaving Certificate |
| PTA | Parent Teachers Association |
| SASA | South African Schools Act |
| SBM | School Based Management |
| SDC | School Development Committee |
| SGB | School Governing Body |
| UK | United Kingdom |
| USA | United States of America |

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CHAPTER ONE

1.1 Introduction

This study explores how Lesotho secondary schools in the district of Qacha's Nek manage their finances, with particular focus on three case study schools. This chapter discusses the background to education in Lesotho, which is pertinent to the understanding of the present study. In addition, the chapter describes the theoretical framework underpinning this study. Research aims and questions are also highlighted in this chapter. Finally the chapter defines terms and outlines the structure of the study.

1.2. Background

Lesotho is a small and landlocked country which is completely surrounded by South Africa. It is a democratic kingdom in which the head of state is the King while the head of Government is the Prime Minister (Lesotho Government, 1993). Lesotho is categorised as a developing country.

Formal education in Lesotho was introduced by missionaries in 1830s (Education Sector Survey Task Force, 1982). However, access to post primary education still remains a challenge due to the socio-economic status of the country among other factors. The prevailing socio-economic factors that impact on secondary education include the high rate of unemployment, poverty and HIV/AIDS. The government of Lesotho through the Ministry of Education acknowledges that:

The effect of retrenchments of Basotho miners in South Africa resulted in the decline of their remittances from 62 percent of GNP in 1989/90 to 18 percent in 1998/99 and the economy has not yet fully recovered from the above difficulties. Poverty is highly concentrated in largely rural and remote Mountain and Senqu River areas. In these areas, more than 80 percent of the population is classified as being poor or destitute. Urban poverty is also on the increase. The high rate of unemployment seems to explain, to a large degree, phenomenal level of poverty prevalence (Ministry of Education and Training, 2005).

The high rate of unemployment and poverty is likely to have a negative impact on the sources of income for secondary schools since parents are expected to pay school fees for their children. Although the Government pay salaries for most of the teachers, parents still have to pay school fees, but school fees are very high in secondary schools and as such they are the main barrier for some children to enrol in secondary education (Ministry of Education and Training, 2004). In addition, Lesotho is the country in Southern Africa that is third most affected by HIV/AIDS (Makoa, 2004). HIV/AIDS affects the economy of households in that sick people are not productive like healthy people. This implies that parents who are infected by HIV/AIDS may not be able to find income to finance their children's education.

Despite the challenges highlighted above, Lesotho is committed to education of its citizens. This finds expression in the country's participation in international commitments to education such as Education for All (EFA) and the Millenium Development Goals (MDGS). In line with national and international commitments to education, primary education is free and the Government intends extending it to cover the first three years of secondary education as these years form part of 10 years of basic education (Ministry of Education and Training, 2005). According to the Ministry of Education and Training (2005):

The overall goal of the Government's policy for basic education is to contribute to the reduction of poverty in Lesotho through the provision of sustainable, improved, quality assured, universal free and compulsory primary education. This provision will gradually be extended to junior secondary education.

It is also worth mentioning that the Government provides financial assistance in secondary schools. This is discussed in more details in the following section of this chapter.

1.3 Lesotho education system

Lesotho education system is structured in different levels in accordance with the number of years that learners spent in each level before they qualify to proceed to the next level. The first level consists of seven years of primary schooling, at the end of which learners

are awarded the Primary School Leaving Certificate (PSLC). The following level is junior secondary, which learners complete after three years, at which point they are awarded the Junior Certificate (JC). The last level is senior secondary or high school and learners spent two years after which they are awarded Cambridge Overseas School Certificate (COSC). It is also worth noting that a school that combines both junior and senior secondary levels is commonly called a high school. In fact, all the high schools combine both junior and secondary levels.

The classification of schools in Lesotho is based on their proprietorship. In this way it is imperative to highlight this classification as this has bearing on how the government finances different schools. Schools are classified into four categories since the proprietors fall into four groups. In the first category there are government schools, which are those schools that are owned by the government. The second category consists of church schools, schools owned by the churches, while community schools, schools owned by the community, fall in the third category. The last category is made up of private schools which are schools owned by individuals, group of individuals or organizations (Lesotho Government, 1995). In the Qacha's Nek district of Lesotho there are only churches and government schools hence the focus in this study is on church and government schools.

In terms of the financial assistance, the government assists schools in the first three categories. Private schools are funded by their proprietors. It is worth noting that government schools get a lion's share of government funding compared to what is given to churches and community schools. Government schools may as well be divided into two categories for the purposes of understanding school financial issues that are central to this study. The first category is made up of schools that the government established prior to 2007. The second group of schools is those that the government established in or after 2007 to create space for the influx of learners who had completed free primary education. In 2007, for example, the government established 64 combined schools in order to create additional space for these learners. Combined schools, as their names suggest, are schools that combine both primary and secondary schools. The government established combined schools in existing primary schools on the basis of the availability of at least two unused classrooms in such primary schools and a shortage of secondary schools in the given area (Ministry of Education and Training, 2008). All government

schools that were established in and after 2007 are required to charge school fees of R500 per annum while those that were established prior to 2007 are still allowed to determine the amount of school fees to be paid by their learners' parents or sponsors. This R500 includes a R220 book rental fee. In this way the government adopts different approaches to the issue of school fees in its old and new schools. It is on the basis of these different approaches that government schools are divided into two categories in this study. The government also provides a subvention fee to all its schools, pays teachers' salaries, develops the infrastructures of schools, and pays school fees for orphaned and vulnerable children.

Furthermore, the government also provides financial assistance to church schools. This assistance can be traced as far back as 1830s when missionaries introduced formal education in Lesotho (Education sector survey, 1982). The main contribution of government in the church schools is payment of teachers' salaries. In addition the government pays school fees for orphaned and vulnerable children. Occasionally the government offers assistance to church schools with regard to infrastructure, but church schools are not allocated a subvention.

1.4 Rationale and motivation for the study

The effective and efficient management of finances is crucial for schools to achieve their goals (Anderson, Briggs & Burton, 2001). In accordance with the financial management cycle, Lesotho secondary schools have to obtain, budget, utilize finances and evaluate their uses (Levacic, 2002). Within this cycle all the four stages are important since they are interdependent. Utilisation of finances, for instance, should be based on a budget. Bisschoff and Mestry (2005) contend that schools have several competing wants which makes it necessary for them (schools) to prioritise such wants. These wants include, inter alia, curriculum and infrastructure requirements. If schools do not obtain enough money to cover their expenditure they may find it difficult to function.

Indeed, I have on a number of occasions observed secondary schools at Qacha's Nek district of Lesotho being closed for vacations prior to the officially stipulated time because they have run out of funds. A shortage of funds implies that schools are unable to pay for the resources necessary for teaching and learning. These resources include,

among other things, teaching and learning materials, and the salaries of teaching and non teaching staff paid by the school. As a teacher I also realized that in secondary schools some learners drop out of school due to the fact that their parents or guardians cannot afford to pay school fees which are required by secondary schools. Other learners miss lessons while they stay at home waiting for their parents to find the money to pay school fees. Moreover, in the school in which I was a teacher, the principal sometimes accused teachers of not budgeting properly and of demanding things that they did not include in the budget. Some teachers also complain that the principal does not give them money to buy materials necessary for teaching and learning. These are some of the problems that worried me as a teacher in the said district. Having been exposed to literature of education management in general and school financial management in particular I became aware that the functionality of a school largely depends on the way in which it is managed. Thus I found it worth exploring how secondary schools in the district manage their finances.

Furthermore, I am a business education teacher and a deputy principal. As a business education teacher I understand the financial issues that are central to this research. In addition, in the absence of my principal I had to attend principals' meetings in the district where I met with principals from other schools. I am, therefore, known to all the principals in the district. To this end, I easily got access to the schools that were identified as research sites.

The findings of my study will have great potential to contributing to the national and international debates on management of finances in Lesotho schools and internationally. From literature I discovered that studies pertaining to school financial management have been conducted by a number of scholars, from novice researchers (Hansraj, 2007; Khuzwayo, 2007) to renowned researchers (Anderson, Briggs, & Burton, 2001; Bisschoff & Mestry, 2005; Levacic, 2002). My study, therefore, will contribute to the existing body of knowledge pertaining to the management of school finances.

1.5 Conceptual and theoretical locations

1.5.1 Accountability

There is no single definition of accountability. Deventer and Kruger (2008) views accountability as an obligation of a person to provide feedback after performing a task

delegated to him or her by another person who is in authority. He further states that educators are accountable to heads of departments and the principal while the principal is accountable to School Governing Body and department of education officials. Naidu, Joubert, Mestry, Mosoge and Ngcobo (2008) define accountability as reporting, explaining, or justifying one's action to other people. According to Bisschoff and Mestry (2005) accountability involves the responsibility to carry out certain duties and to provide an account of those duties. They further state that the principal is accountable to:

- The provincial head of department. In Lesotho, there are no provinces and as such the principals are accountable to senior education officers at district level.
- The governing body of the school; and
- Parents of learners in the school for ensuring that school fees are used for the purpose that they are meant to be used.

Bush (2005) contends that accountability implies that one has to provide account of events or behaviour to those who may have a legitimate right to know. In the present study principals are under a legal obligation to provide an account of school financial management issues to the school board. It also logically follows that teachers may also have to give account of the school's finances that they use to school principals.

In a nutshell, accountability in school financial management context implies that the principal is accountable to a number of stakeholders including school board and parents for the use of school finances. Teachers are also accountable to the principal for using school finances. In Lesotho, the *Education (amendment) Act 1996* mandates the principal to be a chief accounting officer of the school reporting to the school board for the control and use of school funds.

1.5.2 Education management

Education management is explained in different ways by different scholars. In this study the explanations of few scholars are considered. According to Deventer (2008) education management is concerned with the management of teaching and learning in which tasks known as planning, problem solving, decision making, policy making,

organizing, coordinating, delegating, leading and control of school are carried out by a person or body with knowledge or experience.

Everard and Morris (1996, p. 4) view management as consisting of:

- Setting direction, aims and objectives
- Planning how progress will be made or goal achieved
- Organizing available resources (people, time, materials) so that the goal can be economical achieved in the planned way
- Controlling the process (i.e. measuring achievement against plan and taking corrective action where appropriate) and
- Setting and improving organizational standards.

The above explanation of education management emphasises managerial tasks that are essential in striving to achieve organizational (educational) goals. In the case of school financial management, the said tasks should be carried out to ensure that school financial resources are made available and used to achieve educational goals.

Sapre in Bush (2003) contends that management involves activities aimed at efficient and effective utilization of organizational resources so as to realize organizational goals. The present writer agrees with Sapre that schools are likely to achieve their goals if managers ensure that resources are used efficiently and effectively.

1.5.3 Theories of education management

There are different theories of educational management and none of them is all embracing (Bush, 2003). House cited in Bush (2003, p.25) draws a line of demarcation between education theories and scientific theories by arguing that 'The latter comprise a set of beliefs, values, and techniques that are shared within a particular field while the former... relate to a changing situation and comprise different ways of seeing a problem rather than a scientific consensus of what is true.' Educational management theories have been labelled differently by different scholars. These labels ranges from theories, perspectives, approaches and models (Bush, 2003). In this study the said labels are used interchangeably. This study is underpinned by educational management models that

have been cited by scholars exploring school financial management issues. They are rational models, collegial models and political models. A brief discussion of each model follows below.

1.5.3.1 Rational models

Rational models focus on the decision making process. They are underpinned by the belief that decentralization of resource management to school level is appropriate since site managers are in a position to work towards achievement of economy, efficiency and effectiveness more than those who are far away from the schools (Bush, 2002; Simkins, 1989). In Lesotho secondary schools, the principal is the chief accounting officer charged with the responsibility of making most decisions pertaining to management of school finances (Lesotho Government, 1996). Thus principals are the main site managers as far as financial decisions making are concerned.

Simkins (1989) argues that the rational approach in the management of finances is essential because schools are faced by multiple demands on scarce resources. Bush (2002) identifies the five core principles of rational management as aims and priorities, long-term planning, evaluating alternatives, zero-budgeting and selecting the most appropriate options. In relation to schools' aims and priorities Simkins (1989) contends that there is a need for schools to have a strategic plan which provides a framework for financial management. According to Glover (1997), rational models focus on a sequential financial decision making process in which organizational aims and priorities inform financial resources allocation. In this sense, Bush (2002) and Glover (1997) suggest a rational process in which a problem is perceived, analysed, alternatives formulated, a choice made, solution implemented and evaluation of its effectiveness undertaken. This implies that in the management of school finances, school principals will have to adopt a rational approach in deciding about items on which money should be spent. In deciding to buy office equipment, for instance, there must be reasons which indicate that there is a need for this as opposed to spending money on something else. It appears that rational models are applicable in situation where school goals and objectives are clear and enough information is available for choosing alternatives. In practice, however, school goals and objectives may be ambiguous, thus making it difficult to link school financial management to unclear goals and objectives (Anderson et al., 2001).

It seems that rational models require a systematic approach to school financial management based on the assumption that schools have clear goals from which the best alternatives regarding financial management may be based. However, there are schools that operate without clear goals, yet principals still manage school finances. In this regard rational models may not provide an adequate explanation of how schools manage their finances.

1.5.3.2 Collegial models

The proponents of collegial theories believe that teachers share common values and vision. On the basis of this belief, it is assumed that decisions are made through discussions that lead to consensus (Bush, 2002). Collegial theories stress the importance of staff participation on decision making and as such allocation of resources is likely to be dominated by the desire to motivate staff (Sutton, 1997). In larger schools participation of staff is ensured through their formal representation in decision making bodies such as financial committees. Thus collegial models allow participation of all staff or their representatives in financial decision making, such as the budgetary process. This in turn leads to wide acceptance of financial decision making by many stakeholders in education (Bush, 2003).

Hargreaves (1992) identifies two aspects of collegiality as collaborative culture and contrived collegiality. On the one hand, collaborative cultures have the following features: spontaneous, voluntary, development orientation, pervasive across time and space and unpredictable. On the other hand, contrived collegiality is characterised by being administrative regulated, compulsory, implementation-oriented, fixed in time and space and predictable. In a nutshell, in collaborative cultures secondary teachers initiate teamwork on their own in various school activities ranging from academic work, extra curricular tasks and social activities. In contrast, contrived collegiality is initiated and monitored by school managers (Hargreaves, 1992). In relation to school financial management, contrived collegiality is likely to be dominant since the principals play a major role in financial decision making. In this way, staff participation on school financial matters is regulated and monitored by principals. Collegial models stress the importance of teachers' professional knowledge and skills as opposed to positional authority such as those of the principal, deputy principal and heads of departments

(Bush, 2003). However, collegial models do not make provision for participation of parents and learners in decision making yet they are also important stakeholders in education. In Lesotho secondary schools parents may access school financial information through their representatives on school boards since it is mandatory for school principals to be accountable to their school boards. However, learners do not have representatives on school boards. It is also worth noting that political activities are likely to surface and thus undermine the notion of consensus (Anderson et al., 2001). However, Bush (2002) is quick to mention that despite the popularity of collegial models in education management literature, they have been rarely used in financial management spheres.

In Lesotho secondary schools collegiality is likely to occur at departmental level where teachers may share the same interests. At school level the principals may not like to share their authority as chief accounting officers with the teachers. In this way, they may not feel comfortable to discuss and make decisions about school finances on equal footing with the teachers. Indeed, Campbell and Southworth (1992) point out that principals perceive collegiality as reducing their power. It also appears that collegiality may be more practical when the teachers and principals understand democratic principles. The notion of consensus, for example, requires people to openly discuss their views and compromise where necessary.

1.5.3.3 Political models

Political models emphasis the influence of interest groups on decision making regarding management of school finances (Bush, 2002). 'Organisations are political entities and, as such, powerful internal interest groups influence the inputs into decision making (Bailey & Johnson, 1997).' In this regard, schools like any other organization are not exceptions. The core elements of political models are: individuals pursue personal and professional interests in an organization, conflict may arise between interest groups, bargaining and negotiation influence decisions and decisions are likely to favour powerful individuals and interest groups (Bush, 2002).

In secondary schools interests groups may be made up of teachers from certain departments or teachers who like sports. These interests groups may bargain and

negotiate to influence the principals to allocate more funds for their departments or sports. In Lesotho secondary schools science teachers and practical subjects teachers (e.g. agriculture, woodwork), for instance, are likely to negotiate allocation of more money for their departments. During the negotiation and bargaining processes a conflict is likely to occur between different groups. Simkins (1989) argues that the existence of conflict finds expression through competition for resources but it is not regarded as a problem. Thus it is likely that financial resource allocation will be done to satisfy the requirements of more powerful groups which may also be on the expenses of less powerful groups.

Political models may be employed by either teachers or the principal. In this regard Hoyle (1986, p.126) contends that 'Micropolitics can be said to consist of the strategies by which individuals and groups in organizational contexts seek to use their resources of authority and influence to further their interests.' Hoyle (1986) further identifies micropolitical strategies as dividing and ruling, cooptation, displacement, controlling information and controlling meetings. According to Hoyle (1986), a dividing and ruling strategy, for example, involves the principal making separate deals with individual teachers or departments. This implies that the principal may negotiate financial resources allocation with different departments or teachers on separate occasions. In this way, the unequal distribution of funds between departments is not immediately realized and decisions are quickly made. The principal may also opt to use a cooptation strategy in which he/she consults those whose he/she seeks support or whose potential opposition has to be diverted. This strategy is likely to be effective when the principal consults prior to staff meeting so that in the meeting those who had been consulted would support the principal. Cooptation may as well be used by individual or groups of teachers (Hoyle, 1986). It is evident that any of these strategies may be used by principals or teachers to bargain or negotiate financial resources allocation.

Simkins (1989) views political models as involving, *inter alia*, the power that individuals and groups may use in decision-making. This power may emanate from individuals' formal position or their expertise (Simkins, 1989; 2003). In addition to these two forms of power, Bush (2003) discusses personal power, control of rewards, coercive power and control of resources. Hoyle (1986) distinguishes two types of power, namely authority and influence. He claims: 'Authority is that form of power

which stems from the legal right to make decisions governing others [while] influence is that form of power which stems from capacity to shape decisions by informal or non-authoritative means' (Hoyle, 1986, p.74). According to Deem, Brehony and Heath (1995) to understand the practices and processes of school governance power relations should be taken into consideration. It may be argued that power relations are also central in understanding how schools manage their finances. Giddens in Deem, Brehony and Heath (1995) contend that power relations involve relations of autonomy and dependency. Power relations, therefore, may exist in the practices and processes of school financial management.

From discussion of these three models it is evident that none of them may be applied in all the situations. In practice schools may adopt some aspects of more than one model in the management of their finances (Bush, 2002).

1.6 Aims of the study

- To explore ways in which secondary schools in the Qacha's Nek district of Lesotho obtain financial resources.
- To explore ways in which secondary schools in the Qacha's Nek district of Lesotho carry out the budgeting.
- To explore measures in place to monitor and control budgets in secondary schools in the Qacha's Nek district of Lesotho.

1.7 Research questions

- How do secondary schools in the Qacha's Nek district of Lesotho obtain financial resources?
- How do secondary schools in the Qacha's Nek district of Lesotho budget?
- What measures are in place to monitor and control finances in secondary schools in the Qacha's Nek district of Lesotho?

1.8 Definition of terms

This section focuses on the definition of terms used in the study.

Government means the Government of Lesotho

Church means any religious body which carries out educational work

Ministry of Education and Training means the Lesotho Government ministry that is responsible for education and training.

School Board means a group of people who are responsible for the governance of secondary school.

Principal means the head of a school

An orphan is any person who is below the age of 18, who has lost one or both parents due to death.

A vulnerable child is any person who is below the age of 18, who has one or both parents who have deserted or neglected him/ her to the extent that he/she has no means of survival and as such is exposed to dangers of abuse, exploitation and/ or criminalization and is, therefore, in need of care and protection.

Subvention fee means an amount of money that the government allocates to its schools to spend on durable items such as Equipment, furniture, buildings etc.

Capital expenditure means expenses that schools incur as a result of spending money on durable items.

Recurrent expenditure routine running expenses such as stationery, etc.

1.9 Commentary

This study of how secondary schools in the Qacha's Nek district of Lesotho manage their finances is divided into six chapters. In this section the structure of each chapter is briefly outlined.

Chapter 1 is an introductory chapter which provides the background, the Lesotho education system, and motivation of the study, conceptual and theoretical location of the study, research questions, definition of terms and the structure of the study.

Chapter 2 reviews relevant literature to management of school finances. Literature reviewed in this chapter is both international and specific to Lesotho.

Chapter 3 provides an account of how the study was designed and conducted.

Chapter 4 presents and discusses findings of the study obtained from interviews and document reviews.

Chapter 5 discusses the main themes that emerged from the findings of the study.

Chapter 6 provides conclusion for the study. The chapter also outlines recommendations pertaining to secondary schools' management of funds.

1.10 Conclusion

This chapter attempted to provide the background information on Lesotho education in order to contextualize the study. It also discussed the theoretical framework which consists of relevant concepts and theories. These concepts are accountability and education management. The theories that were discussed in this chapter are collegiality, rational and political theories. Research aims, research questions, definition of terms and the outline of the structure of the study were highlighted in this chapter.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter focuses on reviewing related literature to the objectives of this study from international and local perspectives. The international literature reviewed here is drawn from United Kingdom (UK), United States of America (USA), and Australia. These are developed countries from which Lesotho secondary schools may draw lessons pertaining to financial management. I also found it necessary to include literature from South Africa, Zimbabwe and Kenya. This is because it is likely that Lesotho secondary schools may in some aspects manage their finances in the same way as secondary schools in other African countries. It is necessary to acknowledge on the onset that my search of literature on how Lesotho secondary schools manage their finances yielded limited results. Thus literature reviewed in this chapter is largely drawn from South Africa since South Africa is the closed country to Lesotho. In fact, the latter is completely surrounded by the former. The chapter commences with an explanation of school financial management and the remaining part of the chapter explores the said literature.

Financial management in general and school financial management in particular are explained from different perspectives by different scholars. For this study school financial management is defined by Bisschoff and Mestry (2005, p.3) as ‘ ... a process of ensuring that the school governing body and school management team plan, organise, delegate and control the funds of the school in such a way that it achieves its objectives.’ In the case of Lesotho secondary schools, school financial management is the responsibility of the principal who is accountable to the school board (Lesotho Government, 1996). Levacic (2002) identifies the four main factors underpinning financial management as obtaining resources, allocating resources (Planning and budgeting), using resources (the implementation phase) and evaluating the past use of resources. In relation to the aims of this study, the literature review will focus on how schools obtain, allocate (budget) and monitor and control their budgets.

2.2 International literature

2.2.1 United Kingdom (UK)

The *Education Reform Act 1988* introduced local management of Schools (LMS) which gave secondary schools in UK some autonomy pertaining to financial management (Anderson et al., 2001). Under the provisions of this Act, secondary schools receive a delegated budget from the Local Education Authority (LEA) which school governors are mandated to manage, though the Act also makes provision for governors to delegate budget management to the principal and to set up a finance subcommittee (Levacic, 1994). In this way, school financial management at school level is the responsibility of school governors and the principal. Apart from the delegated budget, schools may also obtain additional income from grants, donations, and fund raising activities (Anderson et al., 2001; McAleese, 2002). It appears that the role of school governors or principal may be to ensure that additional funds are obtained to supplement funds obtained from the LEA. If donations have to be secured, letters that request such donations must be written. Similarly, fund raising activities must be planned, organized, monitored and controlled.

Having obtained financial resources schools have to allocate or budget them (Levacic, 1994). 'The budget is the tool for ensuring the resources required for the educational activities that lead to the achievement of educational objectives are made available (Anderson et al., 2001, p.27).' Given the fact that school governors are mandated to manage school funds, or delegate such responsibility to the principal, it is evident that budgeting may either be done by the principal or school governors. In relation to budgeting a survey of 49 middle schools in England and Wales (Sutton, 1997) reveals that a significant number of schools plan their finances at school level and at department level. At the latter level some of the resources are delegated to curriculum leaders (heads of departments). Sutton (1997) contends that the delegation of financial decision making to middle managers afford them an opportunity of training for promotion and this is also informed by the collegial model though it may also provide a platform for micro-political activities. Writing on collegial theories, Bush (2003) contends that members of the organisation share common values and vision. On the basis of this belief, it may be assumed that discussions pertaining to school financial management at departmental level are likely to lead to consensus. In support of this Brundrett (as cited in Bush, 2003) realises the importance of shared vision as the central pillar for collegial

decision-making. However, the possibility of micro-political activities cannot be ignored because it is not always that teachers belonging to the same department will share the same values and vision. It might be possible that a certain group of teachers in one department pursue its own goals and as such micro-political activities may occur.

In another study that explored budgeting in schools, Glover (1997) found that two schools engage in different approaches to budgeting. In one school the budgeting process follows the rational model principles of a top down approach. The principal neither discusses the budget with the teachers nor head of departments but rather provides budgetary guidelines to head of departments for departmental budgeting. In another school, while there is extensive consultation during the process of budgeting, it is the principal and senior management team that makes financial decisions (Glover, 1997).

The management of school finances in UK is carried out in different ways in different schools. It appears that principals use their discretion whether or not to involve teachers in decisions regarding school financial management.

2.2.2 United States of America (USA)

School based management (SBM) is common in many school districts in USA. Thus school boards and the principal are required to manage the school budget within the limits of allocated funds (Thompson & Wood, 2005). With regard to income for public schools in USA there are two basic sources namely district and individual school site. District sources refer to money allocated to schools by the districts while site revenues refer to money generated at school level (Thompson & Wood, 2005). Site revenues include, inter alia, donations in the form of money from local businesses which schools apply for, internal foundations, booster clubs and parent organizations (Thompson & Wood, 2005).

SBM has also increased the school principals' role in the decision making regarding school financial management in that they (principals) have discretionary power over approximately 3% of the allocated budget (Clover, Jones, Bailey, & Griffin, 2004). In relation to this power, a survey (Clover et al., 2004) of budget priorities of principals in Colorado, Florida, Kentucky, North Carolina and Texas States revealed that High

School principals prefer to gain control of allocated funds in order to enhance teaching and learning. The management of finances at school level has advantages and disadvantages. These advantages are captured by Thompson and Wood (2005). On the one hand, Thompson & Wood (2005) contend that managing finances at school level is advantageous in that it affords stakeholders such as teachers and parents an opportunity to have a say about financial resource allocation pertaining to the education of children. On the other hand, these scholars argue that school financial management requires training for administrators, teachers, and parents on financial issues. The necessity of training for principals is also stressed by Johnson (1994) who argues that decentralization of power to school level has increased the responsibilities of the principal hence they have to be trained. These responsibilities include, inter alia, school budgeting and financial management (Johnson, 1994). It is apparent that for schools to be effective, the financial management capacity of principals forms the bedrock. Equipping principals with financial management skills is likely to make them more effective while lack of training may lead to ineffectiveness.

2.2.3 Australia

Public education in Australia is the responsibility of state/ territory governments rather than national government (Caldwell, 2002). Although states differ in the extent to which self-managing schools have been established, over 90% of state budget on education is delegated to the public schools (Caldwell, 2002). According to Anderson et al. (2001), School Councils are empowered to control the school budgets. In this way, public schools manage their finances within the guidelines provided by Department of Education (Anderson et al., 2001). Newcombe and McCormick (2001) undertook a study pertaining to trust and teacher participation in school based financial decision making in New Wales, Australia. They sent 403 questionnaires to primary and secondary schools. The sample of their population included classroom teachers, assistant principals and department heads. The aim of the study was to investigate the relationship between teachers' involvement in financial decision making and trust. The study revealed that there is a relationship between teachers' desire to participate in financial decision making and their trust to those in authority. The writers, therefore, believe that school administrators should build a relationship of trust premised on integrity and professionalism in financial decision making (Newcombe & McCormick, 2001). It appears that the relationship between principals, other school authorities and

the teachers is of paramount importance in ensuring participation of teachers in financial decision making. The main reason for decentralization of decision making in schools is to allow all stakeholders close to the schools to participate in decision making.

2.2.4 Kenya

Secondary schools in Kenya obtain income from school fees paid by learners' parents, fund raising activities and money allocated by the state. The state allocates about US\$160 per annum for each learner enrolled in a public secondary school (Koross, Ngunjiri, & Sang, 2009). With regard to determination of school fees, the study of Koross et al. (2009) reveals that in most secondary schools the Board of Governors (BOG) and Parents Teachers Association (PTA) determine the amount of school fees to be paid by learners' parents. However, Ngunjiri in Koross et al (2009) contends that school fees in Kenya secondary schools are high and this is the reason for low enrolment of learners in these schools. As a result of high level of school fees, there are high levels of fee default in most schools (Koross et al., 2009).

Furthermore, the findings of Korosso et al. (2009) show that the majority of secondary schools do not involve learners' parents in budgeting, while others involve them through the PTA.

2.2.5 Zimbabwe

In Zimbabwe secondary schools parents pay school fees to fund the education of their children (Kanyongo, 2005). Chikoko (2008) argues that parents are the main source of funding for schools after government. In addition, the findings of Chikoko's (2008) study reveals that the School Development Committees (SDC) in collaboration with school management meet and propose an amount of school fees to be charged by the school. This proposal is then presented to the parents where the majority takes decisions through voting. The findings further indicate lack of training on the part of the parent governors in financial issues and also the need for training of principals in some aspects of school financial management.

2.2.6 South Africa

South African public schools are guided by the *South African Schools Act 84, 1996* (SASA) (Republic of South Africa, 1996b) and the *National Norms and Standards for*

Schools, 2006 in the management of finances. The *Public Finance Management Act* (PFMA) also mandates public officers, including those who handle school finances, to use the funds properly (Republic of South Africa, 1999). SASA stipulate the functions of School Governing Bodies (SGBs) and principals in managing school finances (Republic of South Africa, 1996; Mestry, 2006). Furthermore, Section 34 of SASA mandates the state to fund public schools on an equitable basis so as to enable learners to access their right to education and to redress past injustices in the provision of education. The notion of funding on an equitable basis is elaborated in Chapter 109 of the amended *National Norms and Standards for Schools* which categories public schools into five different quintiles with the poorest schools in the first quintile and the least poor schools at the fifth quintile (Department of Education, 2006). The table below illustrates how funds are allocated to public schools.

Table 1: National table of targets for allocating funds to schools

| A | 2007 | | 2008 | | 2009 | | |
|------------------|-------|-------|------|-------|------|------|------|
| | B | C | B | C | A | C | |
| NQ1 | 30.0 | R738 | 100% | R775 | 100% | R807 | 100% |
| NQ2 | 27.5 | R677 | 100% | R711 | 100% | R740 | 100% |
| NQ3 | 22.5 | R554 | 100% | R581 | 100% | R605 | 100% |
| NQ4 | 15.0 | R369 | 67% | R388 | 67% | R404 | 67% |
| NQ5 | 5.0 | R123 | 22% | R 129 | 22% | R134 | 22% |
| Overall | 100.0 | R492 | 89% | R517 | 89% | R538 | 89% |
| No fee threshold | | R 554 | | R 581 | | R605 | |

Adapted from *South African Schools Act, 1996 (Act no 84 of 1996)* and the *Amended National Norms and Standards for School Funding, 2006*

In terms of the national table of targets for the school allocation, the poorest schools receive more funding per learner than the richest schools (Bush & Heystek, 2005). Poor schools in quintile one, for instance, were supposed to receive R807 in 2009 per learner while their counterparts in quintile five were supposed to receive R134. Schools in the first three quintiles were not expected to charge school fees. In this way poor parents were exempted from paying school fees. However, evidence from empirical studies reveals that in some rural schools traditional leaders demand money from parents who are exempted from paying school fees and this is viewed as corruption (Bush & Heystek, 2003; Mncube, 2005). SASA also empowers SGBs to formulate policies which include, inter alia, school finance policy. According to Mestry (2004, p. 131) a good school finance policy has four components. First, a policy should have a statement

of need for policy. Second, it should have a statement of values and principles that should be brought to bear on the need. Third, it should have a statement of ‘the guide for discretionary action’. Last, it should have a statement of expected outcomes. In addition, Mestry (2006) contends that a school financial policy should be developed and adopted by all stakeholders so that a school could manage its finances effectively and efficiently.

It is also important to note that section 20 of SASA stipulates compulsory functions of all public schools while section 21 of the same Act empowers schools that have the capacity to apply for additional or allocated functions. The school governing bodies of section 21 schools may apply for the following functions: the maintenance and improvement of school property, maintenance of buildings and grounds; the purchase of text books, educational materials or equipment for the school and the payment of services provided to the school (SASA, section 21; Bisschoff & Thurlow, 2005). In terms of state funding, non-section 21 schools get their financial allocation by means of a paper budget (Bisschoff & Thurlow, 2005). This means that ‘The department sends a paper budget to the school for consideration (Bisschoff & Mestry, 2005).’ In this way the department does not provide funds to these schools in the form of cash but rather it (the department) pays for goods and services supplied to the schools. The advantage of non section 21 schools is that if these schools have been provided with services that exceed their budget, the state pays the balance. However, if they fail to spend the state’s allocated budget within the financial year, they lose such allocation (Bisschoff & Mestry, 2005; Bisschoff & Thurlow, 2005).

On the other hand, the state’s budget allocation is paid directly into the bank accounts of section 21 schools. This gives section 21 schools advantages of being in ‘... [a] position to negotiate best prices, discounts and delivery dates for essential goods and services, and that unspent allocations may be carried over to into the subsequent financial year’ (Bisschoff & Thurlow, 2005, p. 11).

Given the fact that the state may not provide enough funds for the various needs of all public schools, the SGBs are mandated to take all reasonable measures to supplement resources supplied by the state (SASA, section 36). These measures may include donations, sponsorships and school fees (Mestry & Naidoo, 2009). Apart from that

schools may opt to be engaged in fund raising activities (Bisschoff & Thurlow, 2005). Middlewood and Bisschoff (2005) list such examples of common fund-raising projects in South African schools as: dance evenings, fireworks displays, sports days, fetes, spelling competitions, Mr and Miss (school's name) evenings with guest artists, staff concerts and learner concerts. This illustrates that there are various fund raising activities that different schools engage in to raise additional funds. In addition to generating funds for schools, fund-raising activities may also benefit schools. Such benefits include, inter alia, marketing of the schools to increase their students roll, developing staff skills, and increasing knowledge and understanding of the communities around schools (Middlewood & Bisschoff, 2005).

With regard to school fees, SASA clearly stipulates that school fees may be charged at a public school only if a resolution to do so has been adopted by parents present at the meeting (Republic of South Africa, 1996). Heystek (2004) attributes involvement of parents in decision making to democratic principles. He further views this involvement as advantageous in that decisions made are likely to be accepted by the majority though the actual process of making decision may take a long time. Bush and Heystek (2003) argue that parents have a very powerful position of making a decision about school fees and this may leave the SGBs with limited income. It may be argued that it is justifiable for parents to be the main decision making body on matters pertaining to school fees since they pay the said fees. In advocating involvement of various stakeholders (such as parents) in decision making that affect them, Marishane and Botha (2004, p. 96) argue 'Once these people are empowered, they may rightfully be expected to account for their decisions and the nature of performance that results from these decisions.' In relation to the determination of the amount of school fees to be paid by parents' learners, they (parents) should not only decide on how much should be paid, but they should also account for their decisions by paying school fees as expected. However, not all parents pay school fees on time, hence the need for monitoring and controlling collection of school fees. In this regard, a study by Bush and Heystek (2003) showed that township schools are able to collect only half of school fees due from parents. The principals of the concerned schools attribute this failure to pay to poverty. In response to slow school fees payment and failure to pay school fees by parents, one school located in Pretoria that serves poor community secured the services of a debt collection company. Another

alternative for schools to recover school fees outstanding may be to take parents who owe school fees to court (Bush and Heystek, 2003).

Furthermore, in terms of section 38 of SASA, SGBs of public schools must prepare a budget each year in accordance with guidelines provided by a member of the executive council, which shows the estimated income and expenditure of the school for the following financial year (Republic of South Africa, 1996). However, the final decisions regarding the school budget is made by the parents, not the SGB, since a majority of parents may approve the budget (Bush & Heystek, 2003). SGBs can also delegate their duties to financial committees since SASA empowers the schools to establish such committees (Mestry & Naidoo, 2009). Khuzwayo (2007) reports that in schools that he researched finance committees were established as structures responsible for the control of school finances. These committees were made up of members of SGBs.

Another important aspect of school financial management is budget monitoring and control. Schools, therefore, have to ensure that there are measures in place to monitor and control their budgets. Mestry (2005, p. 70) draws a line of demarcation between monitoring and control by stating that 'Monitoring compares actual expenditure and income against estimated income and expenditure, whereas control safeguards funds and ensures they are spent as authorized.' In his view budget control also involves taking corrective measures if monthly comparisons of income and expenditure reveal variation such as overspending. In this regard, Mestry and Naidoo (2009) researched budget monitoring and control in South African township schools. Through the employment of survey questionnaires technique these scholars gathered data from 10 governing body members of each of 45 primary and secondary schools in the province of Gauteng. Out of 450 questionnaires distributed to 45 schools, 341 were returned. This study reveals that budget monitoring and control consists of four factors namely financial control measures, stakeholders' participation in school finances, monitoring school repairs and maintenance, school funding and fund raising. On the basis of these factors, the study discovered that primary schools governing bodies exercised budget monitoring and control more effective than their counterparts in secondary schools. The common trend in secondary schools is that SGB members tend to leave school financial management in the hands of educators especially those who teach commercial subjects. However, the findings also show that in general most school governors lacked the

necessary financial knowledge, skills and competencies essential for management of school finances. The study, therefore, recommends employment of an adequately qualified administrative assistant for every school on a permanent basis. It also recommends capacity building of SGB members on financial matters so that they can ensure accountability in the use of school finances (Mestry and Naidoo, 2009). The need for capacity building of those responsible for school financial management is also emphasized by Marishane and Botha (2004) who argue that school based structures established to manage school finances require training in financial issues. Capacity building in school financial management is essential because there are many principals and school governors who lack the necessary knowledge and skills in financial matters (Mestry, 2004, 2006).

Budget control and monitoring is also one of the areas which cause role confusion between principals and other members of SGBs. In a study that focused on the relationship between principals and school governing bodies in South Africa, Heystek (2004) revealed that the relationship between the principals and other members of SGBs is crucial in the functioning of SGBs. In some schools parent governors have business management skills and they may want to control school finances like in business. In this situation, the principal and professional staff may feel that they are sidelined. This may lead to role confusion because the principal may want school funds to be spent on things that he/she believes contribute to school goals while the parent governors also think they know what is best for the school (Heystek, 2004).

The reviewed literature in this section highlighted the fact that the management of school finances in South Africa is vested in SGBs in terms of the SASA mandate. The SGBs also have to ensure that they supplement funds provided by the state through various means including charging learners' parents school fees. SGBs are also empowered to establish committees such as the finance committee, which is a structure that is charged with financial responsibility. In a nutshell the management of school finances is not one person's responsibility; rather a team such as SGB or finance committee is trusted to manage school finances. In contrast, in Lesotho schools the principal is mandated to manage school finances and report to school board. Another issue that emerges from the studies is that most SGBs lack knowledge and skills that are needed in the management of school finances especially the parent governors in rural

areas. In this regard, SGBs are less successful in the management of school finances. In some secondary schools, for example, SGB members dodge their financial management function by delegating this function to educators. Although educators may have required financial management knowledge and skills, they have teaching as their main business in the school. Thus, they are unlikely to spend necessary time on school financial issues.

2.3 National Literature

2.3.1 Lesotho

In Lesotho secondary schools, the *Education (Amendment) Act 1996* provides a legal framework pertaining to management of school finances. This Act places the major responsibility for managing school finances on the principal (Lesotho Government, 1996). Section 14A of *Education (Amendment) Act 1996* mandates the principal to be the chief accounting officer of the school who is responsible to the School Board for the control and use of school funds. In addition, the Act empowers the principal to maintain or cause to be maintained records of income and expenditure for the school. It also requires the principal to prepare an annual budget for the school and submit it to the school Board for its approval. Lastly, the section makes it mandatory for the principal to submit at the end of each school year a financial statement of the school to the school board for its approval. From a legal perspective, it is apparent that the principal is required to play a major responsibility in the management of school finances. He/ she is referred to as the chief accounting officer. In addition to being answerable to the school board, it may be necessary for the principal to financially account to other stakeholders such as parents, teachers and donors. The parents will probably want to be informed about how much school fees they are expected to pay and how such school fees will be used. The donors will also want a report about how their money was spent.

Literature on how Lesotho schools manage their finances is scarce. To this end I am struggling to find sufficient literature on finance management in Lesotho; as such, my study is still under-researched in this aspect. However, Lerotholi's (2001) study of tuition fees in Lesotho primary and secondary education provides some useful insights pertaining to the sources of financial resources in Lesotho secondary schools. Her research sample consisted of five primary schools and five secondary schools. She

collected data through questionnaires completed by the sampled schools' principals and interview from unstated number of parents. All these schools are located in the lowlands part of the country while Qacha's Nek district is found in the highlands. The socio-economic status of many parents in the lowlands is better as compared to their counterparts in the highlands. In this way, schools in the lowlands may not struggle to collect school fees from parents like schools in the highlands. In addition, she used statistics data from different departments of Ministry of Education and Training as well as the inspectors' reports.

In relation to how secondary schools in Lesotho obtain their financial resources, the findings of the study show that education in primary and secondary education in Lesotho is financed by the government, donor agencies and the community. The government's main contribution is on the payment of teachers' salaries, schools' infrastructure and payment of school fees for orphaned and vulnerable children. The main source of income for schools has traditionally been and still is school fees (Education Sector Survey Task Force, 1982). The findings of Lerotholi's (2001) study further show that school fees are levied for specific items. These specific items include, inter alia, registration, fee, school fee, book fee, feeding or lunch fee, building or development fee, examination fees, maintenance fee, sports fee, library fee, science or laboratory fee and practical subjects fee. However, different schools categorise school fees in different ways (Lerotholi, 2001). Thus categories of school fees charged by one school do not necessarily match those of other schools, though there might be similarities. The amount of school fees charged by schools differs from one school to another. In this regard, a study conducted by Miser Consultants (1995) reveals that schools adopt different methods of determining amount of school fees to be paid by learners' parents. In essence, schools were found to fall under three categories. The first category of schools uses the previous year's budget as the basis for setting school fees. The second category of schools set school fees to be more or less equal to the amount of fees charged by the neighbouring schools. The last group of schools takes into consideration the economic capacity of the community that these schools serve (the majority of schools in the last group were found in rural areas). With regard to other sources of income for schools, common income generating activities include sale of agricultural produce, tuck shops, renting classrooms, donations, concerts, raffles, drama shows and sponsored walks (Lerotholi, 2001).

Furthermore, schools are required to prepare their budgets which show their projected income and expenditure. In this regard, the Ministry of Education and Training provides school principals with a manual that guides them on school management in general and school financial management in particular. In essence, the aspect of school financial management explained in this manual is budgeting.

This manual proposes that in preparation of school budget the first step is to find relevant information from different sources such as the most recent audited statements of accounts, estimates of income and expenditure, department estimates obtained from heads of departments and the library list prepared by each subject area. In addition, normal running expenses should be reviewed and an estimate of students roll should be made on the basis of past records. On the basis of this information, schools should be able to draft a budget and present it to school board for approval (Ministry of Education and Training, 2006). As indicated above, empirical studies on how Lesotho schools budget their finances are scarce. However, in a study that investigated factors promoting high teacher turnover at one high school located in urban area of Lesotho, Motjoli (2004) highlights how financial resources are allocated in this school. The findings of this study reveal that the principal with the help of the school bursar prepares budgets and uses school finances. Teachers are asked to submit budgets of materials that they may need, though sometimes such materials are not bought and the principal does not provide any explanation.

2.4 Conclusion

This chapter reviewed international and national literature pertaining to how secondary schools manage their finances. Consistent with the aim of this study, the chapter focused on the sources of income for schools and the ways in which they budget, as well as measures in place to monitor and control their budgets. Both international and national literature shows that schools receive funding from the state. In addition, schools are expected to raise money to supplement the state allocation through means such as school fees. Payment of school fees is reflected as the major problem in many schools. However, public schools in the developed countries seemed to secure funds through other means other than school fees. With regard to budgeting, literature reveals that schools prepare departmental budgets and the main school budget. Literature also

highlights the fact that those who are entrusted with school financial management need capacity building. These include school governors and staff members responsible for handling school funds.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter discusses the research design which includes the interpretivist paradigm, qualitative methodology and the case study approach. It also deals with population, sample and its description, data collection methods, reliability, validity, ethical issues and limitations of the study.

3.2 Research design

3.2.1 Paradigm

According to Neuman (2006), the notion of paradigm was made famous by Thomas Kuhn (1970). Nieuwenhuis (2007a, p.47) contends that 'A paradigm is a set of assumptions or beliefs about fundamental aspects of reality which gives rise to a particular world-view.' In essence, a paradigm is concerned with assumptions pertaining to ontology, epistemology and methodology (Nieuwenhuis, 2007a). Ontology focuses on the nature of reality (Lichtman, 2006). Epistemology is concerned with the nature of the relationship between the researcher and what can be known (Terre Blanche & Durrheim, 2008) while methodology addresses the questions relating to the means of acquiring knowledge (Guba & Lincoln, 2005). It has to be noted that these assumptions are explained in different ways by researchers operating in different paradigms.

Several writers (Henning, Van Rensburg, & Smit, 2004; Guba & Lincoln, 2005; Gray, 2004; Morrison, 2007; Neuman, 2006; Nieuwenhuis, 2007a; Terre Blanche & Durrheim, 2008) discuss these three paradigms: positivist, interpretivist and critical paradigms. This study of how Lesotho secondary schools manage their finances was located within the interpretivist paradigm. This paradigm allows a researcher to study people's beliefs, values, meaning making, experiences, attitudes and self-understanding (Cohen, Manion, & Morrison, 2007; Henning, Van Rensburg, & Smit, 2004). Ontologically, researchers that work within interpretivist paradigm believe that any phenomenon is underpinned by multiple realities and as such researchers should strive to understand people's behaviour within their context. From the epistemological perspective, interpretivists assume that knowledge is socially constructed and as such researchers attempt to understand people's perceptions, attitudes, beliefs, values, practices and experiences from the participants' point of view (Nieuwenhuis, 2007a). In

this regard, I attempted to understand how schools manage their finances from the point view of the principals of the case study schools. Three principals were interviewed in order to gauge their understanding of how secondary schools manage their finances. Interpretive researchers use qualitative methodology (Henning et al., 2004) and commonly use methods such as interviews, observations and documents reviews (Denscombe, 2005; Henning et al., 2004). To this effect, qualitative methodology was chosen for this study. Interviews and documents were used as data collection methods.

According to Nieuwenhuis (2007a) the interpretivist paradigm is premised on five assumptions. The first assumption is that human life can only be understood from within. Second, it is assumed that social life is a distinctively human product. Again, the proponents of interpretivist paradigm believe that the human mind is the purposive source or origin of meaning. The advocates of this paradigm also assume that human behaviour is affected by knowledge of the social world. Lastly, they believe that the world does not exist independently of human knowledge (Nieuwenhuis, 2007a). Against this background, it is apparent that researchers working within interpretivist paradigm are informed by certain beliefs and assumptions that help them to produce knowledge.

Based on the above discussed paradigm, a qualitative methodology is appropriate for this study since qualitative researchers draw on the interpretivist or critical paradigms (Neuman, 2006). This study was framed by interpretivist paradigm. According to Nieuwenhuis (2007a) qualitative research methodology is used to collect rich and thick data of a particular phenomenon with the aim of understanding what is being studied. Fraenkel and Wallen (2007) draw from Bogdan and Biklen to explain five features that characterize qualitative research. First, qualitative researchers consider the natural setting as the source of data in which they (researchers) collect data using techniques such as observations and interviews. In this study sampled schools served as natural settings from which data was collected by interviewing the participants. Secondly, qualitative researchers collect data in the form of words or pictures as opposed to numbers. These data include, inter alia, interview transcripts, field notes and official records. Thirdly, attention is given to both process and product. This means that qualitative researchers are concerned about how things occur. To this effect, the concern in this study was how Lesotho secondary schools manage their finances. Fourthly,

qualitative data is likely to be analysed inductively. Last but not least, qualitative researchers are interested in how people make sense of their lives (Fraenkel & Wallen, 2007).

3.2.2 Case study approach

This study was conducted in three secondary schools in which the phenomenon of school financial management was explored. ‘Qualitative research uses a case study, meaning that data analysis focuses on one phenomenon, which the researcher selects to understand in depth regardless of the number of sites or participants for the study’ (McMillan & Schumacher, 2001, p. 398). Consistent with this quotation, this study adopted a multi-case study approach of three schools (cases) that focuses on the phenomenon of management of finances in secondary schools. A case study is explained in different ways by different scholars. According to Creswell (2008) a case study is an examination of a bounded example (bounded by time and place) based on in-depth data collection from various sources of information in a certain context. In this regard, this study is bounded by place in that it was conducted at the Qacha’s Nek district of Lesotho in specific schools. In relation to the aims of this study a case study is appropriate since I was interested in answering the how and why questions (Gray, 2004).

Henning et al. (2004) argue that a case study focuses on a phenomenon with identifiable boundaries. Thus this study focused on the phenomenon of school financial management in particular secondary schools in Lesotho. Denscombe (2005) contends that when the researcher focuses on a particular phenomenon there is a likelihood of in-depth study. Since the study was conducted in only three case study schools, it enabled the phenomenon of school financial management to be studied in greater depth and greater detail. Cohen et al. (2007) note that a case study has a number of advantages which include, inter alia, the potential to capture unique features of a phenomenon and the fact that it can be undertaken by a single researcher without the help of a team of researchers. One of the major weakness of a case study is that results may not be generalized except where other readers or researchers see its applicability (Cohen et al., 2007). However, Denscombe (2005) argues that a case study is an example of a broader class of things and as such the findings from each case may be generalized to the class that it represents. In the case of this study, schools from which the study was conducted

were carefully chosen so that they represent the type of schools available in the Qacha's Nek district of Lesotho. In this way, results obtained from one case study may be applicable to other similar cases.

3.3 Site selection

It is essential for the researcher to select a site and identify cases to focus on (McMillan & Schumacher, 2001). In this sense, the Qacha's Nek district of Lesotho was chosen as a site for this study and three secondary schools within the district were identified as cases. The rationale for choosing this district is because it was easily accessible to me. According to Cohen et al. (2007) researchers must ensure that the selected site is accessible. In this way, the selected sites were easily accessible to me because I live in the same district. In other words, the choice of Qacha's Nek was a convenience sampling (Maree & Pietersen, 2007). Collecting data in only three schools was also affordable to me in terms of the time needed to complete the study and the money available for travelling expenses. In addition, the three schools were selected from different geographical areas of the district namely urban, semi-urban and rural areas. This decision was motivated by the desire to find out if the geographical area in which schools are located has impact on how such schools manage their finances. School principals were contacted and permission to undertake the study sought.

3.4 Population

Gay, Mills and Airasian (2009, p. 604) defines population as the 'general term for the larger group from which a sample is selected or the group....' In this study stakeholders from the three schools constitute the population. These stakeholders are learners, teachers, principal, parents and members of school board. The principals of the case study schools were chosen as participants from the population because they are legal mandate to manage school finances. Thus they had knowledge relevant to this study.

3.4.1 Sample and its description

A sample is a group or groups of individuals selected as participants from a population (Gray, 2004; Opie, 2004). In qualitative research samples of people or cases tend to be small and purposive (Gray, 2004). Thus this study has a small sample of three schools and three participants which were selected purposively. McMillan and Schumacher

(2001) argue that sample size depends on the purpose of the study, research problem, data collection methods and the availability of the information-rich cases. They further provide guidelines that may be used in qualitative research to determine the sample size. These include, inter alia

- With regard to primary data collection method some studies may have small samples, but the researcher may return to the participants to confirm data. In this study, the interviews were used as the primary data collection method and a small sample of three participants were interviewed.
- Most qualitative researchers propose a minimum sample size and then continue to add to the sample as the study progresses. There were only three participants selected in this study.

This study used purposive sampling. To this effect school principals of three selected schools were chosen as participants and they were interviewed with regard to how secondary schools manage their finances. The rationale for choosing the principal was that they are chief accounting officers; as such they have the knowledge that is appropriate to answer research questions in this study. More often than not purposive sampling is used in choosing knowledgeable people (Cohen, et al, 2007).

Description of case study schools

In the following section each school is described and acronyms or pseudonyms are used for issues of confidentiality. Best and Kahn (2003) contend that qualitative researchers are context sensitive in that they place findings of their studies in social, historical, and temporal contents. With reference to a case study, Leedy and Ormrod (2005, p. 135) assert 'The researcher also records details about the context surrounding the case, including information about the physical environment and any historical, economic, and social factors that have bearing on the situation.' In describing the case study schools, factors that have bearing on the phenomenon of school financial management were taken into consideration.

Leseli High School

Leseli High School is a co-educational school offering academic subjects. It is in the urban area of the Qacha's Nek district and is attended by black learners from the town. This school is owned by the government. The government pays the teachers' salaries and finances capital expenditure. The school is allowed to determine school fees to be paid by parents of learners attending this school. The school also receives an annual subvention fee, which is an amount of money that the government allocates to the school to spend on durable items. In addition, the government pays the fees of orphaned and vulnerable children while the fees for other learners are paid by their parents or guardians. The school enrolls about 600 learners and almost 40% of these learners are either vulnerable or orphaned and as such their fees are paid by the government. Although this school has about 40% vulnerable or orphaned learners, it was created for all learners regardless of their status.

Khanya High School

Khanya High School is a co-educational rural high school offering academic subjects. It serves a rural community which mainly makes its living from subsistence farming. It is owned by the church. The school determines the amount of fees to be paid by parents of learners attending this school. The government pays teachers' salaries and sometimes helps the school with capital expenditure (expenses on durable items such as buildings, furniture etc.). However, the government does not provide a subvention fee to this school though it pays fees for orphaned and vulnerable children. The total number of learners in this school is about 400 and all of them are black. Vulnerable and orphaned children make about 40% of the total number of learners. This school is attended by all learners regardless of their status.

Tsoelopele High School

Tsoelopele High School is a combined school that offers academic subjects. It is a school that combines both primary and secondary schools, though each school has its own teachers and principal. The school is owned by the government and the

government determines school fees to be paid by parents of learners attending this school. In addition the government pays the salaries of teachers, pays the fees of vulnerable and orphaned children and gives the school an annual subvention fee. For those children who are not orphaned, it is the duty of their parents or guardians to pay school fees. Fees paid by parents in this school are relatively low compared to other two schools. The government also finances capital expenditure (expenses for durable items such as buildings, furniture, etc.). This school serves a semi-urban community. The school is located in a semi-urban area and it is attended by black learners. The total population of learners is approximately 300 of which about 30% are orphans or vulnerable.

Table 2: A summary of background information to the three case study schools

| School | Leseli | Khanya | Tsoelopele |
|---------------------------|------------------------|-------------------------------|------------------------|
| Rural/ Urban | Urban | Rural | Semi-urban |
| School proprietorship | Government | Church | Government |
| Enrolment | 600 | 400 | 300 |
| No. of teachers | 25 | 20 | 15 |
| School fees | 900000@ R1000/child | 800000@ R2000/child | 150000 @ R500/child |
| Subvention fee | R 300 000 | None | R120 000 |
| Total income | R 1 200 000 | R 800 000 | R270000 |
| Total expenditure | R 1 200 000 | R 800 000 | R270000 |
| State of buildings | Good | Reasonable | Good |
| School ownership document | yes | yes | yes |
| Size of buildings | Very large | reasonable | minimal |
| Boarding facilities | no | Available for about 100 girls | no |

3. 5 Data collection techniques/method

In a case study approach, multiple methods help the researcher to capture the case in depth (Henning et al., 2004). This is the main strength of a case study (Nieuwenhuis, 2007b). This study uses two methods of data collection, namely interviews and documents, with interviews being foregrounded.

3.5.1 Interviews

Nieuwenhuis (2007b, p. 87) defines interview as ‘... a two way conversation in which the interviewer asks the participant questions to collect data and to learn about ideas, beliefs, views, opinions and behaviours of the participants.’ Ribbins (2007) contends

that researchers interview participants to explore their views in ways that cannot be achieved through utilization of other techniques. Interview is also seen as a data collection technique that enables the researcher to gain an insight of the participants' experiences, concerns, interests, beliefs, values, knowledge and ways of seeing, thinking and acting (Schostak, 2006). In this study interviews were used to gain an insight of how Lesotho secondary schools in the district of Qacha's Nek manage their finances from the principals' experiences and knowledge. In order to address the research questions principals of the three schools were interviewed on an individual basis. Each principal was interviewed once for about one hour. All the principals were interviewed in their offices. I made an appointment with the principals through telephone since I had already obtained their permission to interview them. At Leseli high school, the first appointment did not materialise because the principal had to attend an emergency meeting. The interview was conducted the following day in the morning. The principals of Khanya and Tsoelopele high schools were also interviewed during morning hours.

Gray (2004) argues that the aims and objectives of the study should inform the researcher about the type of interview to choose since there are different types of interview. These are structured, semi-structured, non-directive, focused and informal conversational interviews (Gray, 2004). Consistent with the aims of this study, semi-structured interviews were the main instrument used.

Individual interviews were conducted. Interviews allow the participants to express their thoughts, values, prejudices, perceptions, views, feelings and perspectives (Wellington, 2004). Semi-structured interview were used to collect data because it provides an opportunity for the researcher to clarify questions and probe the participants (Opie, 2004). Denscombe (2005) contends that semi-structured interviews allow flexibility in that the researcher may ask questions in any order and the participants have a chance to develop ideas and speak more widely when answering questions. In order to make room for flexibility the participants were asked to answer questions in either Sesotho or English. Alternatively, they could use both languages. In this way, they had an opportunity to answer questions in the language in which they can express themselves better. However, all of them answered the interview questions in English. The

interviews were tape recorded and transcribed. Sarantakos (2005) identifies the following advantages of interviews:

- Interviews are likely to have a high response rate. In this way interviews, as opposed to other methods such as questionnaires, enabled me to obtain thick and detailed data that was necessary to answer research questions. This is because the participants responded to all the interview questions while they might not have answered some or all questions if they were given questionnaire.
- Interviews do not require the participants to have the ability to handle complex documents or long questionnaires. The principals are very busy with managerial issues and they may not have time to answer long questionnaires hence interview was an appropriate method to use.
- As Sarantakos (2005) suggests, the presence of an interviewer can assist participants to answer complex questions. This implies that questions that were not clear to the participants were rephrased and probing questions were used to assist participants in answering questions.

Sarantakos (2005) lists these disadvantages of interviews

- Interviews are more costly and time consuming than other methods such as questionnaires. The small number of the participants enabled me to have enough time of interviewing them. Thus I was able to obtain rich information pertaining to how secondary schools manage their finances in the Qacha's Nek district.
- Interviews offer less anonymity since the interviewer knows the identity of the participants. In this regard, the participants were assured of anonymity and confidentiality so that they could feel free to be interviewed. This is in line with what Sarantakos (2005) suggests.

3.5.3 Documentary review

Documents provide valuable information especially when they are related to the research question (Henning et al., 2004). They include public and private records such as newspapers, minutes of meetings, personal journals and letters (Creswell, 2008). Documents that were used for this study are Education (amendment) Act 1996, school

prospectus, principals' manual and school budgets. I asked permission from the school principals to allow me to copy and use these documents. Yin (2003) claims that 'for case studies, the most important use of documents is to corroborate and augment evidence from other sources.' In this study, documents were used to corroborate and augment interviews. They were thus used to compare and contrast the findings elicited from interviews; as such they were not necessarily analysed. Education (amendment) Act, 1996 in particular was used as a legal basis that informs principals about school financial management though it provides limited information. The content of the documents relevant to school financial management was reviewed. In essence, the reviewed documents revealed information pertaining to sources of income for schools and budgeting.

Advantages of documents

- Documents provide a good source for text data for qualitative study. They are in the language and words of the participants hence they are ready for analysis without necessary transcription (Creswell, 2008).
- Documents can provide access to information that may not be easily accessible through interview (Denscombe, 2005). In this way documents were appropriate to be used to supplement interviews.
- Documents can be reviewed at anytime and for several times by the researcher (Yin, 2003). Once documents have been received they can be used at any time convenient to the researcher. In this regard, after obtaining the documents from case study schools, I reviewed them at the place and time that I found appropriate to me.
- Documents are unobstructive since they were not created as a result of the case study (Yin, 2003).

Disadvantages of documents

- It is sometimes difficult to locate and obtain documents. In this study the principals were assured that the documents would be treated with confidentiality and that the names of the school appearing on such documents would be erased.

Indeed, all the principal of case study schools allowed me to use documents that were available in the schools.

- The documents may be incomplete, inauthentic, or inaccurate. These limitations were overcome by the use of interview as another data collection method. This corroborates what Creswell, (2008) suggests.

3.5.4 Piloting study

It was necessary to pilot interview instruments so as to check the clarity of questions and to eliminate ambiguity in the wording of questions (Opie, 2004). According to Cohen et al., (2007) careful piloting of interview schedules can increase their validity and reliability. I piloted the interview schedule from Lesotho principals who are currently studying together with me at the University of KwaZulu-Natal. I chose to pilot this study with fellow students because it was convenient and less costly to do so. However, these principals also have experience pertaining to how financial issues are dealt with in Lesotho secondary schools. Thus it was appropriate to pilot this study with them. During piloting, the participants suggested some changes in the wording of some questions that were not clear.

3.6 Data analysis

According to McMillan and Schumacher (2001, p.461) ‘Qualitative data analysis is primarily an inductive process of organizing the data into categories and identifying patterns (relationships) among the categories.’ However, there is no one single or correct way of analyzing qualitative data (Cohen et al., 2007). This implies that qualitative researchers can choose how they analyse their data depending on the purpose of their studies. To this effect, transcribed interviews were analysed according to Giorgi, Fisher and Murray’s (1975) phenomenological steps as cited in Mncube and Harber (2010). In the first step interview transcripts were read so as make sense of overall meaning of the data. Second, the transcripts were reread to identify transactions of the views of the participants about school financial management, with each transaction signifying a separate unit. Third, the repetitions in the units of meaning were eliminated and the remaining units were related. Fourth, the participants’ language was transformed into that of science. Lastly, the insights into the entire process of school financial management were synthesized (Mncube & Harber, 2010).

3.7 Reliability

Reliability is of paramount importance because it indicates quality in research (Opie, 2004). According to Wellington (2004) reliability means the extent to which a data gathering instrument produces similar results across a range of settings. Cohen et al. (2007) define reliability as understood in quantitative research and qualitative research. According to these scholars, in quantitative research reliability means that data gathering instruments should be consistent in producing the same results if they were used with similar group of respondents in similar contexts. On the other hand 'in qualitative research reliability can be regarded as a fit between what researchers record as data and what actually occurs in the natural setting that is being researched' (Cohen et al., 2007, p. 119). In this regard, interview questions were piloted and modified so that they were clear to the participants. In this way reliable data were generated. Triangulation was also used in order to strive for reliability (Gray, 2004). According to McMillan and Schumacher (2001) triangulation refers to the use of multiple methods. They further contend that triangulation increases the credibility of the study. This study addressed reliability by using two data collection methods: interviews and documents.

3.7 Validity

Validity is important for both quantitative and qualitative research. In qualitative research validity may be increased through triangulation which is the use of two or more data collection methods in a study (Cohen et al., 2007). This study addressed validity through using two methods of data gathering namely interviews and documents. Interviews were also tape recorded which, according to Bell (2005), increases the accuracy and validity of data. In reporting the findings of the study verbatim accounts of interviews were used to, *inter alia*, enhance validity (Gay & Airasian, 2000).

3.8 Ethical issues

Any research project should take into account ethical concerns (Wellington, 2004). 'The ethics of the research concern the appropriateness of the researcher's behaviour in relation to the subjects of the research or those who are affected by it' (Gray, 2004, p. 58). Ethical issues that were considered in this study are discussed below.

Informed consent: I informed the participants about the purpose of my study and asked them to participate. The participants were also informed that their participation was voluntary and that they were free to withdraw their participation at any time.

Confidentiality and anonymity: In order to ensure confidentiality and anonymity, I kept the identity of the schools and participants anonymous. To this effect schools were given fictitious names. It was also necessary to delete the names of schools on documents that were attached to the research report. This is also corroborated by Bell (2005).

Permission: I asked the school principals to allow me to use documentary materials related to school financial management.

Approval: I sought permission from the Department of Education in Qacha's Nek before I conduct research in the schools. I was granted permission by the senior education officer in the district.

3.9 Limitations of the study

Scope of the study

This study was conducted in only three secondary schools of the Qacha's Nek district of Lesotho. Thus the findings in this study may not be generalized to all Lesotho secondary schools. However, some of the findings may be applicable to other schools, as illustrated by literature. In this way other schools may draw lessons from this study.

Fears

My fear was that participants may not feel comfortable to discuss schools financial issues with the researcher. They probably might consider financial matters as confidential issues that have to be discussed with school boards and parents. Apart from that, I feared that participants would withhold some of the information fearing that I might judge their management styles, since I am a Masters of Education student who majors in Educational Leadership, Management and Policy. However, in the two case study schools, the participants gave me a warm welcome and seemed to be relaxed in discussing financial issues. In the other school I was welcomed, but the principal was

initially reluctant to allow me to tape record the interview. She later agreed to be tape recorded after I re-emphasised confidentiality and anonymity.

Time constraints

Initially, I wanted to include observation as one of the data collection methods to be used in this study. However, due to the fact that school financial budgets are prepared towards the end of the year while data was collected during the first semester of the year, I had to leave out observation as a data collection method.

3.10 Conclusion

This chapter discussed research design, taking into consideration the interpretivist paradigm and the applicable methods of data collection which are in line with qualitative research. These methods are interviews and document reviews. In addition, a case study approach was discussed. The population of this study consisted of stakeholders in the case study schools. The principal of each school was selected as participants because principals are knowledgeable about school financial management. Issues of validity, reliability and ethics were also taken into account.

4. CHAPTER FOUR: DATA PRESENTATION AND DISCUSSION

4.1 Introduction

Interviews and documents

The purpose of this study was to explore how secondary schools in the Qacha's Nek district of Lesotho manage their finances, with a particular focus on three case study schools. This chapter presents and discusses the findings. These findings emanated from data gathered through interviews with principals of three case study schools which were supplemented by information obtained from reviewing documents relevant to school financial management.

The findings in this chapter are presented in three sections for the purposes of clarity. These sections are based on the research questions. To this effect the first section presents and discusses ways in which secondary schools in the Qacha's Nek district of Lesotho obtain their finances. The section also delineates how the said secondary schools monitor and control collection of school fees. The second section focuses on how these secondary schools budget their finances. The last section discusses measures in place to monitor and control school budgets.

4.2. The ways in which schools obtain their financial resources.

Payment of school fees

In question 1 the principals from the three case study schools were asked: 'Who pays school fees in your school?' The findings from both interviews and document reviews reveal that in the three schools fees are mainly paid by the parents of learners attending the school, in collaboration with the Ministry of Education and Training (MOET). However, in some schools there are more funders than in other schools. For example in Leseli High School there are additional sponsors like the SOLON Foundation, National Manpower Development Secretariat (NMDS) and the Red Cross. In Khanya High School, the only additional sponsor that is there is the SOLON Foundation, while in Tsoelopele High School fees are only gathered from the parents and the MOET.

School fees have been the main source of income in schools since the introduction of formal education in Lesotho (Education Sector Survey Task Force, 1982) and as such

school fees is paid for all learners. However school fee is not affordable to all parents or guardians of learners. In this regard, MOET pays school fees for orphans and vulnerable children so that they can access their right to education (Ministry of Education and Training, 2008). Other learners' school fees are paid by their parents. However, schools also secure sponsorship for some learners whom their parents do not afford to pay school fees. In essence the principal's ability to search for funds plays a major role in finding sponsorship for needy students since the selection of students who should receive sponsorship is done by schools. This finds most lucid expression in this statement:

We select them by looking at brilliant [but] needy students. Needy in the sense that they might not be able to pay the school fees or their parents might not be able to pay the school fees while the student himself or herself can perform very well in class. So most of the times we choose students like that. The ministry of education in particular pays for orphans and vulnerable children. Other organizations pay for the needy and destitute children. (Leseli High School principal)

It can be inferred from this quote that sponsorship is not available for all needy students hence the school has to choose those who should be granted sponsorship. Thus at Leseli High School for students to qualify for sponsorship, they do not only have to be needy but they must also have outstanding academic performance. On the one hand, the selection criteria in this school may encourage students to work hard in their academic work so that they can be selected for sponsorship. On the other hand, the criteria leave out needy students who do not perform well academically. In this regard the principal said:

All the organizations that I have named pay for specific number of students. So it is not all needy students who are lucky to get sponsorship. This is why we have to select those who will be sponsored. (Leseli High School principal)

This implies that these students may not continue with their education because of school fees. Thus school fees are a barrier to education of some students. Indeed, the report of MOET highlights the fact that school fees in Lesotho secondary schools are high (Ministry of Education and Training, 2008). In ensuring that school fees do not become

a barrier to the education of children, public schools in South Africa are divided into five different quintiles with the poorest school in the first quintile and the least poor school placed at the fifth quintile (Department of Education, 2006). The table below illustrates the said

Table 1: National table of targets for allocating funds to schools

| A | 2007 | | 2008 | | 2009 | | |
|------------------|-------|-------|------|-------|------|------|------|
| | B | C | B | C | A | C | |
| NQ1 | 30.0 | R738 | 100% | R775 | 100% | R807 | 100% |
| NQ2 | 27.5 | R677 | 100% | R711 | 100% | R740 | 100% |
| NQ3 | 22.5 | R554 | 100% | R581 | 100% | R605 | 100% |
| NQ4 | 15.0 | R369 | 67% | R388 | 67% | R404 | 67% |
| NQ5 | 5.0 | R123 | 22% | R 129 | 22% | R134 | 22% |
| Overall | 100.0 | R492 | 89% | R517 | 89% | R538 | 89% |
| No fee threshold | | R 554 | | R 581 | | R605 | |

Adapted from *South African Schools Act, 1996 (Act no 84 of 1996)* and the *Amended National Norms and Standards for School Funding, 2006*

This table, for instance, indicates that the no fee threshold for schools in 2009 was set at R605. This makes provision for poor communities to have access to schools where parents do not have to pay school fees. In schools that collect school fees, School Governing Bodies (SGBs) are mandated by law to consult parents in deciding the level of school fees (Bush & Heystek, 2003).

At Khanya High School, the principal acknowledges that orphaned and vulnerable children's school fees are paid by MOET, but she was reluctant to explain the criteria that the school uses in selecting students to be sponsored by the SOLON foundation. She said:

Normally Ministry of Education sponsors only orphans and vulnerable children. Orphans can be single orphans or double orphans. SOLON takes only students who are given to it (SOLON) by schools; this means that they (students) are selected by the Principal. So whatever the criteria I cannot explain. (Khanya High School principal)

It appears that the criteria used to select beneficiaries of the SOLON foundation are not clear or perhaps the principal did not want to share that information with the researcher. Another implication may be that the principal conceals how she selects students because

the selection is done for her own benefit which signals issues such as nepotism, favouritism and corruption. Studies conducted in South Africa reveal the existence of corruption in which traditional leaders misuse their power to demand money from parents who are exempted from paying school fees (Mncube, 2005; Bush & Heystek, 2003). Although, the principal is not a traditional leader, she has the power to select students for sponsorship and is in position where she may usurp this power.

In Tsoelopele High School the only sponsor available is MOET which sponsored orphaned and vulnerable children. The school principal indicated that:

There are no other sources except that the Ministry of Education and training pays school fees for orphaned and vulnerable children. (Tsoelopele High School principal)

It, therefore, follows that this school does not select students to be sponsored.

The findings from the interviews were corroborated by the documents (the review of school's budget) which reveal that in addition to school fees there are other specific items or services that learners' parents, guardians or sponsors are expected to pay. In general the budgets of the three case study schools show the following as income: registration fees, school fees, feeding scheme, maintenance, library, laboratory, sports, practical subjects, examination and textbook rental fees. In relation to these specific items the principal of Leseli High School, for example, claims:

We collect sports fees, but I take it to be school fees because sports are part of our curriculum. We also collect maintenance fee, laboratory fee and practical fee, but all those are school fees because they are used in the school curriculum (Leseli High School principal)

From a rational perspective, aims and priorities of the school should be linked to financial management. In elaborating this notion further Glover (1997) contends that schools that base their financial management decision on the rational model link educational objectives and the resourcing patterns to achieve those objectives. Other fees such as maintenance, laboratory and library are linked to school objectives of maintaining school buildings, buying science material and library books respectively. For quality teaching and learning of science, for instance, science equipment and

chemicals must be available for teachers and students to perform experiments. Thus this school requires students to pay laboratory fees for their study of science subjects. The decision to charge fees such as laboratory fees is therefore based on rational principles. The above findings are corroborated by a similar study conducted by Lerotholi (2001), who found that in addition to school fees, in Lesotho secondary schools there are other categories or itemized fees that students' parents, guardians or sponsors have to pay. In this way school fees forms the main source of income in Lesotho secondary schools, an income provided by the community and sponsors. School fees as a source of income for schools are also common in other African countries. In Kenyan secondary schools the government allocates about US\$160 per each enrolled learner, but parents still have to pay school fees (Koross et al., 2009). In Zimbabwe parents pay school fees for secondary education (Kanyongo, 2005). In essence, Chikoko (2008) reports that parents are the main source of school funding after the government. South Africa adopts a slightly different approach to the funding of secondary schools. While the government allocates money to schools, some schools are allowed to charge fees, while others are categorised as no fee schools (Department of Education, 2006). Schools in developed countries do not heavily rely on school fees by parents as the major source of income. In the UK, for instance, the main source of income is Local Education Authority funding, grants, donations and fund raising activities (Anderson, et al., 2001; McAleese, 2002). Schools in Australia are also funded by states (Caldwell, 2002).

Determination of the amount of school fees to be paid by learners' parents.

In question 2, the principals of case study schools were asked: 'How does your school determine the amount of school fees to be paid by learners' parents?' The principal of Leseli High School indicated that the fees are determined by the school board in collaboration with teachers and parents. The school board comprises of representatives of teachers, parents, the proprietor, the principal and the chief of the area. The representatives of teachers are democratically elected while representatives of the proprietor are appointed by the proprietor. The principal and the chief are members of school board by virtue of their positions. In Khanya High School the fees are determined by the school board and the principal. The composition of the school board at Khanya High School is similar to that of Leseli High School. At Tsoelopele the MOET determines fees. However, minutes of meetings for those that take decisions

regarding determination of school fees were not available in all the schools. The findings of this study also demonstrate that the three schools charge different amounts of school fees. At Leseli High School, for example, the principal said:

The amount of school fees is M 1580 [R 1580] per annum and it is payable in the beginning of each quarter. In the first quarter parents are expected to pay M470.00 and pay M370 in each of the last three quarters (Leseli High School principal)

At Khanya High School the principal indicated that:

The amount of school fees that we charge is M1430 [1430] per year. It should be paid in the beginning of each quarter. In the beginning of the first quarter parents are required to pay M480 [480] plus M10 [R10] bank charges because school fees is directly deposited into school bank account. In the beginning of the second and third quarters they pay M300 [R300] plus M10 [R10] and for the last quarter they pay M300 [R300] plus M10 [R10]. (Khanya High School principal)

On the same issue of school fees, the principal of Tsoelopele High School claims:

Parents are supposed to pay M280 [R280] per year, which means that they have to pay M70 [R70] per quarter. (Tsoelopele High School principal)

The prospectus of each school confirms the amount of school fees that each principal mentioned in the interview. The review of the budgets reveals that Tsoelopele High School does not provide lunch to learners while the other two schools offer lunch to learners. This partly explains why Tsoelopele charges far less than the other schools. Another reason was reported by the principal to be that the government stipulates the amount of money that this school charges. Surprisingly, Khanya High School charges less than Leseli High School though Leseli High School receives a subvention from the government while Khanya High School does not receive subvention. The principal of Khanya High School was empathetic that:

Most people in this community are poor, so we find it difficult to charge school fee that match the needs of the school. The representative of the parents and the chief would suggest that we must consider that many people are not working so

school fees must be affordable to all the people. That's a problem because inflation does not say a school is located in a poor community. But I think we charge low amount of school fees compared to other church schools. A big challenge that we are facing now is that we are now competing for students with government combined schools that charge very little amount of school fees. So our student roll has decreased because we charge high fees than what government combined schools charge. If the government does not give all schools subvention in future most schools that are not owned by the government will be closed. (Khanya High School principal)

It is evident that the socio-economic status of parents affects their ability to pay school fees (Bush & Heystek, 2005). The findings in this study also suggest that the socio-economic status of parents influences the decision regarding the amount of school fees that schools charge. Chikoko (2008) views the majority decision of stipulating school fees at lower levels than price indices as demonstrating lack of financial management skills by parent governors. This seems to be true of Khanya High School since the parent component of school board suggests that determination of school fees should be based on the socio-economic status of parents.

The three case study schools also use different ways of determining the amount of school fees that each charges. For example, the principal of Leseli High School indicated that the process of determining the amount of school fees to be charged by the school is inclusive in that all stakeholders participate in decision making. These stakeholders include members of school board, teachers and parents. The principal pointed out that the decision is taken at a parents' meeting attended by parents, teachers and members of the school board. In emphasizing the importance of involving parents in decision making regarding payment of school fees, the principal asserted:

The amount of school fees to be paid is determined by using the parents' meetings where we usually discuss the needs of the school with the parents and agree upon the amount of school fees that has to be charged by the school because this is the government school and we have been directed by the ministry of education to consult with the parents about school fees to be charged by the school. When we want to increase or decrease the school fees we call parents'

meeting to decide on how much school fees should be paid. (Leseli High School principal)

Although other stakeholders such as teachers and members of school board are involved in decision making regarding school fees, the findings of this study suggest that the main forum is the parents' meeting. This is in line with what should happen in South African schools. The *South African Schools Act* stipulates that school fees should only be charged at a public school if a resolution to do so has been adopted by a majority of parents in their meeting (Republic of South Africa, 1996b). Thus parents have a legal right to make decision as to how much school fees they have to pay.

In contrast, in Leseli High School there is no legal requirement for the involvement of parents with regard to making school fees decisions; rather, MOET officials verbally directed school management to involve parents. In this regard the principal claims:

There is no policy that guides us when deciding on the level of school fees, but MOET officials advised us during their school visit that as a government school we should involve parents. As I have already said this is a direction from the ministry. (Leseli High School principal)

Similar results were found in a study that was conducted in Zimbabwe by Chikoko (2008). His research, like the present research, reveals that in determining school fees, school development committees meet with school management to come up with suggestions regarding school fees. These suggestions would then be presented to parents who will make the decision.

Bush (2005) regards the involvement of parents in school budgets and learners' fee as extended collegiality. The advantage of involving various stakeholders in decision making is that the decision taken is likely to be accepted by most of the participants. This is evident in this statement:

Since there are different groups involved at least decisions taken are accepted by majority. We also get different opinions from different people and decisions that we take are better than decisions that could be taken by the principal alone or few people. (Leseli High School principal)

Empowerment of parents to make decisions may make them to account for such decisions by implementing them (Marishane & Botha, 2004). In this way the involvement of parents in deciding how much school fees they should pay is likely to make them to honour their obligation of paying school fees. However, parental involvement in decision making is not without problems. As one principal puts it:

Some parents delay to understand and we take a long time explaining one thing. For example, when we want to increase school fees we explain reasons for that. However, some parents instead of debating about how much should school fees be increased with, they will be arguing that school fees is too much and must be decreased. But I like it because members of school board and some parents normally support our proposal and help us to convince the majority of parents. You will find that the meeting starts at 9: 00 in the morning and continues up to 2:00 in the afternoon. That affects teaching and learning because some teachers may be in the meeting and not teaching students. (Leseli High School principal)

Heystek (2004) views the involvement of parents in decision making as underpinned by democratic principles which may lead to acceptance of decisions by the majority though the process of decision making may be slow. The findings in the present study are in line with this view.

The principal of Khanya High School stated that the school board and the principal decide on the amount of school fees to be paid by learners' parents. She said:

Basically the school board and the principal do that work [decides on amount of school fee to be charged by the school], we take it that in the school board parents are represented and that is the reason for only the school board and the principal to determine the amount of school fees to be paid by learners' parents. We do not trouble parents by asking them to come to school only to do what their representatives can do. (Khanya High School principal)

The members of the school board are the principal, the chief of the area in which a school is located, and representatives of parents as well as those of the proprietor. Similar results are noted by Koross, Ngware and Sang (2009) in a research conducted in Kenya. This study reveals that with regard to determination of school fees some

secondary schools in Kenya involve parents through the Board of Governors and the Parents Teachers Association representatives. It may be argued that representatives of different stakeholders have a vested interest in education and on the basis of this they may represent the best interest of those that they represent in determining school fees. This view is captured by the principal when she claims:

This is because in the school board different groups of people are represented. Parents and teachers are represented. The church as the proprietor is also represented and the chief represents the community at large. So the school board makes decisions on behalf of people that they represent. It would not be practical to call parents, teachers, church members and members of the community around the school to make a decision regarding school fees. In the past we used to call parents' meeting and discuss school fees. The meetings took a long time and they were fruitless. Parents would suggest different amounts for school fees as if school fee was auctioned. (Khanya High School principal)

In addition, the fact that representatives are few in number compared to the total number of people represented means that it may be quicker to make decision. Indeed, decisions in parents' meetings take a long time and engaging representatives in determining school fees may be a better choice. This is captured in the following quote:

Members of board are few [in number as opposed to the population that they represent] and decision making does not take a long-time. But we also consider views of different groups since we represent those groups. (Khanya High School principal)

In relation to the determination of school fees, a study conducted by Miser Consultants (1995) found different results to the results of the present study. Miser Consultants' (1995) study demonstrates that in determining the school fees to charge, some schools consider the economic level of the community in which they are located while other schools charge a school fee that is at the same level with neighbouring school in order to keep their student roll. Other schools use last year's budget to project expenditure and determine school fee on that basis. This illustrates that there are different ways in which Lesotho secondary schools determine school fees. In engaging in the actual process of setting school fees the principal indicates:

Normally we look at all the needs of the school such as the fuel, sports, and the food that students eat. After identifying these needs we estimate their costs and then decide how much each student should pay. However, we also consider the amount of school fees that students have been paying so that if the school fee is increased, it is not increased with a big margin. (Khanya High School principal)

Determining school fees on the basis of school needs suggests a rational process where aims inform decisions. It is, therefore, evident that the process of setting the amount of school fees at Khanya High School is informed by rational models since the needs of schools are the basis for making decisions (Simkins, 1989).

Tsoelopele High School is a government funded school. The school has no control of the fees paid; it is the Lesotho government that decides how much fees are to be paid by parents of learners attending the school. The principal of this school reported that:

The government through the Ministry of Education and Training stipulates the amount of school fees to be paid by learners' parents. It is not the school that decides on how much school fees is to be paid by students' parents. So the government tells us how much we should charge. We don't increase school fees until they tell us to do so. (Tsoelopele High School principal)

It is worth noting that MOET only determines the level of school fees in public schools that were established in 2007 and after. These schools were established to create enough space that was required to accommodate a large number of primary graduates that had completed free primary education. Unfortunately the existing education legislations do not provide guidance with regard to their finance (Lesotho Government, 2004). Thus the manner in which MOET determines school fees in new public schools is not regulated by law.

Other sources of income for schools.

In question 3 principals of the three case study schools were asked: 'What are other sources of income for your school?' The findings from interviews and document reviews reveal that Leseli High School and Tsoelopele High School receive a

subvention from the Lesotho government earmarked for school development. In contrast, Khanya High School does not receive this money because it is owned by a church while the first two schools indicated above are public schools. As a result Khanya High School has resorted to fund raising activities to supplement income generated through collection of school fees.

In relation to other sources of income for her school, the principal of Leseli High School stated that the government provides the school with M140000.00 (R140000.00) per year as a subvention. The school is directed to use this money for school development only. The principal's view is that this subvention is essential for the development of government schools. She said:

Honestly, subvention is very important to government schools because parents do not have to pay building fee. With this money we at least can undertake development projects every year. Last year we bought a school van and this year we are building girls' dormitory. We do not have to worry about finding donors for school development. This does not mean that we totally do not require the assistance of donors, but what we receive from the government makes a big difference. Even if we can look for donors for big projects, we at least have something that we can ask them to add on it. (Leseli High School principal)

It is evident that the subvention enables government schools to continually develop without demanding learners' parents or donors to pay development fee. In this regard, school development is guaranteed in government schools. It also seems that the subvention provided to schools can be used to carry out any school development project of their choice. Once the money has been deposited into school's account, the school can plan and use it in the way in which such school will benefit. The principal claimed:

We are not expected to buy from specific suppliers. Money is deposited into school's account and the school is free to buy materials from any supplier. For example, the building blocks that we are currently using for building girls' dormitory were bought from a local supplier that was chosen by school board. The important thing that the ministry requires from us is to keep receipts and records of how we have used the subvention. (Leseli High School principal)

The school has a choice of buying materials for development from any supplier. This is in line with the functioning of section 21 schools in South Africa. To this effect studies conducted in South African public schools reveal that section 21 schools are given money by the state to spend as mandated by law (Bisschoff & Mestry, 2005; Bisschoff & Thurlow, 2005). This money is directly deposited into the bank accounts of section 21 schools and this affords these schools an opportunity to choose their suppliers and negotiate discounts. In addition, section 21 schools may carry over unspent balances to the following year (Bisschoff & Thurlow, 2005). Since subvention is intended for school development, it relieves parents and other sponsors of the burden of paying building fees. Thus school fees can be used for expenses other than school development.

The principal of Tsoelopele High School also indicated that in addition to school fees the government allocates a subvention to this school. The principal pointed out that the school fees paid by learners' parents are standardized in that the Government has directed the school to charge only M280.00 [R280.00] as school fees per annum. The principal states that:

The government gives up some money in the form of subvention to help the school to run because the money paid by the parents is standardized and therefore it cannot cater for all school needs. (Tsoelopele High School principal)

It appears that the main income for this school is the subvention. This is confirmed by the school budget which shows the total projected income of school fees as M 38000.00 (R 38000.00) while the subvention is M140000.00 (R 140000.00). Several writers state that public schools in UK receive delegated budgets from their LEA (Anderson et al., 2001; Levacic, 1994; McAleese, 2002; Sutton, 1997). The schools are mandated to manage this budget. In USA schools receive money from districts (Thompson & Wood, 2005) and principals have discretionary power over approximately 3% of the allocated budget (Clover et al., 2004). Thus allocation of money to schools by the government is also common in developed countries. In South Africa also the state allocates money to schools in terms of standards and norms which dictate that the least poor schools should be allocated less money than more poor schools (Department of Education, 2006).

In the case of Tsoelopele, the government provides a subvention to its schools so that these schools can utilise it for school development. In this way school development is guaranteed because schools must account to MOET on to how they have spent subvention fees. In addition, the developments are initiated and managed at school level since the subvention is directly deposited into school account. However, the fact that schools can only use the subvention for school development is viewed as problematic in other aspects. This is captured by the principal when he says:

You see we are restricted to use subvention only for school development. If there are certain urgent things to be done, maybe a teacher has to attend a workshop but there is no money other than subvention we cannot use subvention for such things. It would be better if say a big percentage of subvention is used for school development and a smaller percentage is used for other school needs. (Tsoelopele High School principal)

This implies that the intended use of the subvention does not make room for flexibility. It also suggests that there is a need to use the subvention for both capital expenditure and recurrent expenditure. With regard to the state allocation, section 21 schools in South Africa can use it for both capital and recurrent expenditure. To illustrate this, section 21 (1) (C) of SASA empowers SGBs of section 21 schools to purchase textbooks, educational materials or equipment (Republic of South Africa, 1996).

The present study also found that the principals of Tsoelopele High School and Leseli High School do not have a common understanding of what constitutes school development. This can be attributed to the fact that the government has provided schools with neither policy nor guidelines regarding the use of subvention. One principal, for instance, said:

We cannot use the subvention for activities like building school classrooms because that one is catered by the government since we are a government school. But the subvention can help us in the development of the school because it is meant for the development of the school. (Tsoelopele High School principal)

On the same notion of school development another principal indicated:

It [school development] involves increasing the number of buildings maybe by building teachers' houses or staff houses or some other buildings that may be needed by the school like the hall that we are just planning to built because we do not have it (Leseli High School).

The first principal understands school development as excluding the erection of classrooms while the second principal considers school development to be inclusive of building a school hall. This implies that the absence of a policy or guidelines means that school development is subject to different interpretations by principals and perhaps by MOET officials. This may lead to misdirection or mismanagement of the subvention. In relation to the use of funds allocated by the state in South African schools, the Public Finance Management Act (PFMA) mandates SGBs and principals to be responsible for the effective, efficient, economical and transparent use of financial and other resources within their area of responsibility (Republic of South Africa, 1999).

With regard to other sources of income for her school, the principal of Khanya High School indicated that the school depends on agricultural products as a means of additional income. The school grows vegetables and beans. It also rears poultry and pigs. The vegetables, beans and eggs are used to supplement students' food. Their surplus is sold to students, teachers and the local community. The review of the budget show as school income the following items: sale of eggs, sale of crops and sale of piglets. All these items are agricultural products. The principal is convinced that these fund raising activities are important to the school since:

The school has various needs that require money, but the school fee is not enough to finance such needs. So we still need other sources of income to run the school. Engaging on agriculture activities is also helpful for students in their projects. (Khanya High School principal)

Given the fact that this school is located in a rural area where the community is financially embarrassed, the school charges school fees that may not suffice for all school needs. Thus the fund raising activities are used to supplement the parents' financial contribution. The findings of Lerotholi's (2001) study also show that the majority of schools are involved in different methods of fund raising activities with the sale of agricultural products as the dominant method. In the present research only one

of the three case study schools was involved in fund raising activities. Fund raising activities as alternative ways of generating school income are common in other countries. In USA schools raise funds by applying for donations from local businesses, internal foundations, booster clubs and parent organisations (Thompson & Wood, 2005). Examples of common fund-raising projects in South African schools are as follows: dance evenings, fire-works displays, sports days, fetes, spelling competitions, Mr. and Miss (school's name) evenings with guest artists, staff concerts and learner concerts (Middlewood & Bisschoff, 2005).

The benefits of fund raising activities in this school go beyond income generation. This is captured by the school principal when she said:

Students who are doing agriculture have to carry out practicals or projects that contribute to the marks that they get in the final examination. So since we have land, poultry and pigs students have different options from which to choose their projects. Again, business education students sometimes choose their projects from agric area. Last year business education carried out a project of producing vegetables and sold them to other students and teachers. They use school land and garden tools which reduced costs for their project. (Khanya High School principal)

It is evident that students' skills and knowledge of agriculture and business are enhanced through engagement in fund raising activities for their school. Lerotholi (2001) argues that fund raising activities develop the social skills of students that are involved in such activities. Middlewood and Bisschoff (2005) report that mini-enterprise projects are organised in South African schools and contend that learners who are involved in these mini-enterprise projects develop social skills, business skills and other skills while generating income for their schools.

The findings of this study also suggest that fund raising activities enhance good relationships between the school and its surrounding community. In this regard, the principal reported:

The surplus is bought by students, teachers and the community around the school. I think selling eggs and vegetables to the community has also helped to

create good working relationships between our school and the community. This is because the community now realise the benefits of having a school other than teaching their children. At least we help them because they do not have to go to town to buy eggs. (Khanya High School principal)

Writing from a South African context, Middlewood and Bisschoff (2005) concur with the findings of the present study. These writers argue that the benefits of fund raising activities include, inter alia, marketing of the school and increasing knowledge and understanding of the local community (Middlewood and Bisschoff, 2005).

Challenges that schools encounter with regard to payment of school fees

In question 4 the participants were asked: Are there any challenges that your school encounter with regard to collection of school fees? If yes, what are they?

The findings from interviews and document reviews reveal that the three schools are faced with a challenge of some parents delaying or defaulting to pay school fees. The non-payment of school fees by some parents, guardians and sponsors was reported as a major problem in the three case study schools. One principal, for instance, indicated:

We have a very big problem with the parents who do not pay on time because we are a school that is located in a disadvantaged society. The community is poor; therefore, they cannot afford to pay that money M280 [R280] so they do not pay on time. In short they do not pay on time. (Tsoelopele High School principal)

Another principal reiterated:

This school serves the poor community and that is a big challenge when it comes to payment of school fees. Sometimes a parent comes to school and tells you about her financial problems and you feel for him or her as a principal, but at the end of the day she still has to pay. In this regard we allow them to pay by sheep or beans. This may sometimes become as harassment to students because others may pass remarks such as 'You have paid school fees with beans or sheep.' Those are the challenges that we face. (Khanya High School principal)

The principals quoted above view the parents' socio-economic status as affecting their ability to pay. The high level of school fees that secondary schools require are not affordable to some parents due to poverty and the high rate of unemployment (Ministry of Education and Training, 2004). At Khanya High School, flexible methods of payment are adopted to afford parents a chance to pay school fees with food items that the school requires. Lerotholi (2001) also found that a small number of Lesotho secondary schools allow parents to pay school fees with food items.

The situation of non- payment of school fees by some parents is further aggravated by the fact that the government which is a major sponsor also delays to pay school fees for the students sponsored by the government. In this regard, the principal of Khanya High School reported:

The government has a big problem. Normally the government pays the school fee around October or November. This means that from the beginning of the year until the government pays school fee we depend on school fees paid by parents to run the school. This is one of the reasons for our school to run out of the funds in the middle of the year and end up closing the school for vacation some days before the date that is stipulated by ministry of education in the school calendar. (Khanya High School principal)

Corroborating the above quotation, the principal of Leseli High School claims:

The delay by the government to pay school fees affects our school negatively. This worsens the financial situation of the school which is caused by some parents who delay to pay their children's school fees. Lack of enough money causes our school to operate under financial crisis. This is because teaching materials still have to be bought; private teachers and non teaching staff (secretary, security guard and cooks) must be paid. We still have to pay for expenses that we incur to keep our school going still need to be paid. (Leseli High School principal)

The payment of school fees is not only a problem in Lesotho secondary school, but literature also reveals that Kenyan secondary schools are facing the same challenge (Koross, Ngware and Sang, 2008). In a study that sampled 64 schools, Koross, Ngware and Sang (2008) report a high fee default in the majority of the schools. Similar results

were found in studies conducted in South Africa (Mncube, 2005) and (Bush & Heystek, 2003). Like the present study, the findings of Mncube's (2005) study reveal that non-payment of school fees was a major problem in the case study schools where he conducted research. In addition, the study of Bush and Heystek (2003) found that township schools could only collect half the school fees due from the parents and the principals of the concerned schools believe that poverty causes parents to default in their payment of school fees.

Measures in place to monitor and control collection of school fees.

In question 5 the participants were asked: 'What measures are in place to monitor and control school fees in your school?' The findings from interviews and document reviews reveal that there are some measures in place to monitor and control collection of school fees. These measures include keeping students records, stipulating dates on which school fees should be paid, sending students home to collect school fees and calling parents who owe fees to school so as to persuade them to pay.

Since payment of school fees is a problem in all the three schools, these schools monitor its collection. In relation to fee collection monitoring, the principal of Leseli High School claimed:

We issue receipts to every student who pays school fees. Each student has a record that shows that he/ she has paid school fees. If they do not pay on time I usually take the records from the secretary who is also the bursar and talk to those who still owe school fees may be for the first quarter. Sometimes I send them home to collect the school fees because we need the money to administer the school. (Leseli High School principal)

The review of the prospectus of the three schools reveals that parents, guardians and sponsors are expected to pay school fees in the beginning of each quarter. This information is corroborated in the interviews with the principals.

Leseli High School and Khanya High School use the same measures for fee collection control. The principal of Khanya High School indicated:

It is very difficult because at the end of the day we have to send students home to collect school fees. Some of them do not come back, meaning they drop out of

school. Other students go home and bring with them parents' letters promising to pay sometimes in future. Some parents also come to school and promise to pay the following month, but in practice they do not pay until the end of the year. That is the reason for the school to incur losses. Last year, for example, about 20 Form C (grade 10) students did not pay their school fee for the last quarter. (Khanya High School principal)

This means that students act as a link for school collection between the school and their parents. In a way, the school monitors and controls collection of school fees by excluding students whose their parents owe school fees. The expectation is that parents will pay school fees so that their children can still access education. However, this is not always the case. Indeed, the school principal points out that:

In most cases the students whose parents cannot afford to pay school fees become drop outs. They drop out during the first quarter or other quarters. Some of the students do not come back to school because their parents are no longer working due to retrenchment or loss of jobs. (Leseli High School principal)

The decision to send students home to collect school fees might be done in good faith, to ensure that parents honour their obligation of paying school fees. However, it appears that the students suffer in the process. They miss lessons and some of them end up being drop outs. In this regard, they are deprived of their right to education. With regard to collection of school fees the findings of Bush and Heystek's (2003) study conducted in Pretoria, South Africa, were that the schools studied adopt two methods of enforcing payment of school fees outstanding. The said schools either approach debt collection companies to collect school fees accrued on their behalf or take parents who owe school fees to court.

At Tsoelopele High School the measures adopted to control collection of school fees are different from those that are used by the other two schools. The principal of this school said:

We normally call parents who owe school fees and begin to tell them about the importance of paying students' school fees and we also ask them to pay school

fees on time during parents' meetings. We do not send pupils home to collect school fees owed by their parents as other schools do but we ask parents to pay.
(Tsoelopele High School principal)

This strategy of persuading parents to pay school fees seems to work partly because the principal reported that:

Most of them do pay, but there are some parents who do not pay school fees until the end of the year. (Leseli High School principal)

The present study also found that the three case study schools neither had a fee collection policy nor a finance policy. The principal of Tsoelopele High School, for example, claimed:

We do not have school fees collection policy. (Leseli High School principal)

Another principal shared the same sentiments:

No we do not have those policies [fee collection and finance policies]. (Leseli High School principal)

This implies these schools do not have a written legal document that guides them on decisions regarding collection of school fees. As a result, it is likely that school principals or school boards use their discretion to decide on measures necessary for collection of outstanding school fees.

4.3 The ways in which schools budget

Budgeting in schools

In question 6 the principals of three case study schools were asked 'How does your school prepare its budgets?' The findings from interviews as well as documents review reveal that budgeting in the three schools forms part of the schools' financial management. Thus the three schools prepare budgets every year.

In relation to the process of budgeting, Leseli High School and Tsoelopele High School seem to use similar methods. In these schools budgeting is done at both departmental level and school level. In the former level teachers are tasked to prepare their departmental budgets which are incorporated into the school's main budget at the latter

stage. The principal with the help of school secretary prepares the main budget and present it to school board for approval. With regard to policy, *Education (amendment) Act 1996* mandates school principals to prepare an annual budget for the school and submit it to the school Board for its approval (Lesotho Government, 1996). However, this policy falls short of guiding the principal as to how to go about preparing the budget and which stakeholders to include for the purposes of transparency. Thus the principal may choose to include or exclude other members of staff. This implies that the ways in which schools prepare their budgets is likely to be informed by the management style of the principal of that school. In explaining the ways in which school prepares their budget one principal claims:

First of all I as the principal have to consult or sit down with the academic staff and then ask them to prepare their own departmental budgets. After preparing their own departmental budgets I take them and then include them in the main budget of the school because I prepare the main budget of the school. (Leseli High School principal)

In concurrence with the account quoted above regarding the budgeting process another principal indicates:

We have departmental budgets, in fact teachers meet and prepare departmental budgets and submit them to the office. They do their budgets basing them on the information obtained from the principals' office about how much money will be allocated to each department. This is why I said the principal and the secretary or bursar sit down first and decide what is necessary for the school and in relation to departments, teachers are given relevant information. Each department prepares its own budget and submits it to the office. (Tsoelopele High School principal)

It is apparent that the principal plays a dominant role in preparation of school budgets in the two schools. The participation of teachers is only limited to departmental budgets. The process of budgeting from these schools may be viewed from two different perspectives. From one perspective, this process is informed by the rational principle of a top down approach in which the principals delegate teachers to prepare departmental budgets and submit such budgets to the principals (Bush, 2003). In this regard, both international literature and national literature concur with the findings of the current

study with regard to budgeting. The findings of a study that was conducted by Glover (1997) and Sutton (1997) in different UK schools, for instance, found that in some schools budgets are prepared both at departmental and school levels where the principals provide guidelines to teachers on how to go about budgeting but the major decision regarding school budgets is taken by the principal. In addition, the study that was conducted by Motjoli (2004) in one Lesotho high school reveals that in that school budgets are prepared by the principal with the help of the bursar, and teachers are just required to submit a list of materials that they would need, but such materials are sometimes not bought.

Considering another perspective, the budgetary process in these schools is informed by some aspect of collegiality, particularly contrived collegiality. The fact that principals allow teachers to prepare departmental budgets indicates that these principals recognise the professional knowledge of teachers with regard to departmental needs. In essence, contrived collegiality has these characteristics: it is administrative regulated, compulsory, implementation-oriented, fixed in time and space and predictable (Hargreaves, 1992). Indeed, Leseli and Tsoelopele High School principals adopt contrived collegiality for departmental budgets in that they control and monitor departmental budgeting. However, it is also worth noting that the teachers' contribution to departmental budgets is valued. In explaining reasons for only involving teachers in departmental budgets, the principal of Leseli High School, for instance, asserts:

It is because teachers are responsible for teaching and learning. They therefore know what is needed by their departments to assist them in teaching. The general management of school is the responsible of the principal. As a principal I have to budget properly so that I can explain to school board how I have budgeted and used school money. (Leseli High School principal)

This indicates that the principal realises the importance of teachers' professional authority with regard to school financial management that affect them directly. Collegial theories stressed the importance of staff participation in decision making (Sutton, 1997; Bush, 2003) hence the present study found that teachers participate in the budgeting process at departmental level.

Furthermore, Khanya High School adopts a different approach to budgeting as opposed to the other two schools discussed above. In this school the processes of budgeting involves members of school board and teachers. The principal asserted that:

We prepare the financial reports of the previous year and give these reports to the teachers and the school board. After that each department in the school prepares its budget. The principal and the school board also prepare budget and then we discuss the budgets together to reach agreement. (Khanya High School principal)

In the light of the principal's assertion, while teachers are afforded the chance to prepare departmental budgets, such budgets are also subjected to further consideration by both teachers and members of school board. It is interesting to note that the budget which is prepared by the principal and other members of school board is also discussed at a meeting that includes members of school board and teachers. It may be argued that the inclusion of various stakeholders in budgeting increases transparency. It is also likely that better decisions regarding school budgets are made since there are more people involved. However, literature (Mestry & Naidoo, 2009) raises concern that some members of school board especially the parent component lack skills and knowledge to take an active part in decision making. This implies that the parent component may not actively take part in decision making regarding the school's financial management. In the case of Khanya High School, the principal was convinced that all members of school board actively participated in the process of budgeting since the more technical aspects of school financial management are carried out by the school secretary. The principal also revealed that business education teachers assisted teachers and members of school board to understand the basics of budgeting. In relation to the ways in which decisions are taken in the budget meeting the principal said:

Normally we vote, but sometimes you will find that teachers feel as if they are one group while the school board and the principal is another group so they normally support each others' views against those of the board and the principal. This is where the board has to take a decision. (Khanya High School principal)

It is evident that during the budget meeting political activities surface in that the principal and other members of school board seem to be one interest group while the

teachers form another group. Hoyle (1986) contends that political models may be utilised by either the principal or the teachers by adopting strategies such as dividing and ruling, cooption, displacement, controlling information and controlling meetings. In the case of Khanya High School it seems that the principal uses the strategy of divide and rule in that members of school board and the teachers prepare budgets separately before they meet to discuss them. During the discussion members of school board support the principal where teachers disagree with her and this illustrates that by preparing the budget with members of school board the principal manages to build a strong interest group which will support her when teachers opposes her. Bush (2003) claims that during micro political activities, individuals pursue personal and professional interests in an organization. Consistency with this claim the principal reported that:

You will find that sports teachers complain that money allocated for sports is not enough. This is because students pay a specified amount for sports, but sports teachers want more money than what the school has collected for sports. Science teachers also want more than what we collect. So as the principal you cannot allow that to happen and members of school board understand. (Khanya High School principal)

It seems that sports and science teachers pursue their own interests by securing more financial resources without taking into consideration the amount of money paid for sports and science. It is in situations like this where other teachers support them.

4.4 Budgetary monitoring and control

In question 7 the principals were asked: ‘What measures are in place to monitor and control the budget in your school?’ The findings from interviews with the principal reveals that budgetary control and monitoring at the three case study schools is more effective with regard to departmental budgets than with regard to schools’ main budgets.

According to Mestry (2005, p. 70) ‘Monitoring compares actual expenditure and income against estimated income and expenditure, whereas control safeguards funds and ensures they are spent as authorized.’ In his view budget control also involves

taking corrective measures if monthly comparisons of income and expenditure reveal variation such as overspending. The findings of this study reveal that the principals of the three schools seemed to be ensuring that departmental budgets are spent as planned while schools' main budgets are not strictly monitored and controlled. With regard to monitoring and controlling department budgets one principal, for instance, indicated:

When teachers want to buy something for their departments they come to the office and request the principal to give them money, if they want something that we budgeted for I give them money, they in turn will give receipts so that the secretary can keep records. (Tsoelopele High School principal)

Similarly, another principal claimed:

They [teachers] normally come to the principal and present their needs [departmental needs] and if what they present is necessary, they are given money. After using the money they have to report to the principal and submit the receipts. (Khanya High School principal)

The principal of Leseli High School also emphasised:

We have different books for different departmental budgets because I do allocate money to different departments. The secretary keeps records of the amount of money that different departments have used. So each department can only use money allocated to it not more than its allocation. When they want to buy something they make a request from the principal and they are expected to submit receipts to the office for money they have used (Leseli High School principal)

It is evident that the principals of the three schools are careful to ensure that departmental budgets at their schools are spent as planned. The teachers in all the three schools are not only required to request money from the principal but they also have to provide proof that they have used money as budgeted in the form of receipts. The principals seemed to be acting in accordance with Section 14 A (b) of the *Education (amendment) Act of 1996* which stipulates that the principal shall be the accounting officer of the school and shall be responsible to the school board for control and use of school funds (Lesotho Government, 1996). By ensuring that those who are delegated to

use financial resources use them as expected and account for utilisation of the said resources, principals are likely to be in a position to account to school boards.

In contrast, the measures for monitoring and controlling the main schools' budgets seem to be lax in the three case study schools. The following quotes from interviews with the principals of the three schools epitomise this:

We try by all means to use money for what it is budgeted for, but there are things that have to be done which are not budgeted for. For example, if teachers attend a funeral of a student the school pays their transport although this does not appear in the budget (Khanya High School principal)

The principal of Leseli High School said:

Most of the time I look for the money budgeted for certain items but under spent in such items. For computer courses, for instance, we collect money for computer repairs and payment of computer teachers' salaries, but we often have surplus. This is the money that we use for such things. I might decrease money that we use for other things in the school like telephone or electricity and use that money for the unbudgeted items. (Leseli High School principal)

The principal of Khanya High School added:

If we overspend on one item we take money from where we used less money in order to cater for overspending. However, I must mention that when we budget for the next year we take the current year's budget and increase each item by a certain percentage. (Tsoelopele High School principal)

Section 14 A (c) of the *Education (amendment) Act of 1996* mandates the principal to maintain or cause to be maintained records of income and expenditure for the school. It is monthly records of income and expenditure that would assist the principals to compare projected expenditure against actual expenditure and take necessary corrective measures where necessary. However, in the absence of such accounts the schools may not be able to control their funds properly. In a similar study conducted in South Africa Mestry and Naidoo (2009) draw from literature to assert that there is a lack of budget monitoring and control in township schools. They report that many governors who are entrusted to manage school finances fail to do so due to lack of financial management

skills (Mestry and Naidoo, 2009). The findings in the present study also suggest that principals of the three schools lack skills with regard to budget monitoring and control because the review of documents revealed that schools did not keep monthly income and expenditure accounts for comparing actual expenditure against projected expenditure.

It is also worth noting that other measures of budget monitoring and control appeared to be in place in the three schools. The payments made by schools were reported to have been authorised by relevant school authorities. The principal of Tsoelopele High School, for instance, indicated that:

The principal authorizes payments, but if the payments are made by cheque two people have to sign the cheque. School cheques are signed by me as the principal and two other members of the school board. (Tsoelopele High School principal)

At Leseli High School, the principal also said:

The cheques are signed by me as a principal and other two members of school board. Any of the two members can sign a cheque. (Leseli High School principal)

Khanya High School principal added:

School cheques are signed by the principal and two members of school board, but any of the two people who are authorized to sign cheques can do so. I normally sign the cheques with one of the two members (Khanya High School principal)

The fact that cheques are signed by more than one person suggests that there is the likelihood of transparency with regard to payment made out of school funds. In this regard, the manual for principals states that the principal must be one of the signatories to all the school's bank accounts to ensure that he/ she has full knowledge of all cheques issued by the school (Ministry of Education and Training, 2006).

4.5 Conclusion

This chapter presented and discussed findings derived from interviews and document reviews. The findings reveal that secondary schools obtain their finances from school

fees paid by learners' parents, guardians and sponsors. In addition, the government allocates a subvention to its schools. In the school that is owned by the church, agriculture served as source of fund raising activity. With regard to budgeting, different schools adopts different ways of budgeting. However, in all the three schools, there are both departmental budgets and the school's main budget. The findings further indicate that schools monitor and control departmental budgets more effectively than the main budgets.

CHAPTER FIVE: DISCUSSION OF KEY THEMES EMERGING FROM THE FINDINGS

5.1 Introduction

The purpose of this chapter is to discuss some of the major themes that emerged from the findings of this research.

Lack of policy

Mestry (2006) contends that a school financial policy should be developed and adopted by all stakeholders so that the schools could manage their finances effectively and efficiently. It may also be argued that school policies that the state or department of education develop with regard to school financial management are essential as a source of reference for schools to manage their finances. In fact, financial school policies should be based on policies developed by the state and department of education. The absence of policies means that schools do not have policies that guide them in the management of finances. In this regard, the present study found that there is no policy that provides detailed description of how schools should manage their finances. The *Education (amendment) Act 1996* briefly outlines the duties of the principals pertaining to management of school funds (Lesotho Government, 1996). The manual for the principals only focuses on budgeting and ignores other aspects of school financial management (Ministry of Education and Training, 2006). These education policies seem to provide limited guidance to schools on how they should manage their finances. In contrast, in South Africa the *South African Schools Act* and *National Norms and Standards for School Funding 2006* describe how public schools should be funded by the state (Department of Education, 2006; Republic of South Africa, 1996b). Similarly the *Education Reform Act 1988* provides guidelines on how schools are funded in UK (Anderson et al., 2001).

The findings of this study also reveal that school principals of government schools do not have a common understanding about the use of the subvention fee though they agree that they are expected to use it solely for school development. The confusing part is what constitutes school development. The MOET does not provide guidelines to schools on how schools should use the subvention, though schools have to account to the supervisor of government schools about the type of school development on which

the subvention is spent. Lack or absence of guidelines from MOET means that schools can spend the subvention on anything that they consider to be development. This implies that what is seen as development in one school may not be regarded as school development in another school. At Leseli High School, for example, it was found that the school was planning to use the subvention to build a hall whereas at Tsoelopele High School the principal had indicated that the subvention may not be used for construction of classrooms since that is catered by government. This illustrates that the two schools received different verbal information from MOET officials. In contrast, in South Africa SASA provides guidelines on how South African schools should utilise funds that they receive from the state. Section 21 of SASA, for instance, stipulates that schools may apply to perform the following functions: the maintenance and improvement of school property, maintenance of buildings and grounds, the purchase of text books, educational materials or equipment for the school and the payment of services provided to the school (Republic of South Africa, 1996; Bisschoff & Thurlow, 2005).

At school level, it was found that all the three schools did not have policies concerning school financial management. The principals of the three case study schools indicated that their schools did not have fee collection policies and or finance policies. This may be attributed to two factors. The first factor is that Education laws do not mandate schools to formulate financial management policies, while the other factor may be that those who are entrusted to manage school finances seem to lack skills regarding management of finances. In a study that focused on determining who is accountable for management of school finances, Mestry (2004) argues that the absence of school finance policy may lead to mismanagement of school funds. The absence of a school finance policy, therefore, is likely to make principals vulnerable to mismanagement, misdirection or misuse of school funds. Indeed, in Khanya High School it was found that school funds are sometimes spent on paying transport expenses for teachers when they attend funerals though such trips are not budgeted for. In addition, it was found that all the three case study schools did not have policies with regard to the selection of learners for sponsorship.

Power relations and decision making

According to Deem, Brehony and Heath (1995) in understanding the practices and processes of school governance, power relations are central. In the present study the said power relations seemed to be apparent between school principals and teachers with regard to financial management at departmental levels. Giddens in Deem, Brehony and Heath (1995) argue that power relations involve relations of autonomy and dependency. Hoyle (1986) draws a line of demarcation between two types of power namely authority and influence. He claims ‘Authority is that form of power which stems from the legal right to make decisions governing others [while] influence is that form of power which stems from the capacity to shape decisions by informal or non-authoritative means (Hoyle, 1986, P. 74).’ Bush (2003) contends that school principals are regarded as legitimate leaders because they have positional power accruing from their official position. With regard to power relations, in the two case study schools (Khanya and Tsoelopele High Schools) it was found that the principals use their positional power to control financial decisions taken by the teachers. In essence, the principals of the said schools provide financial information that guides teachers on budgeting. This illustrates the power relation by which the principals as the senior managers at the schools use their seniority to influence departmental budgeting. Decision making is unilateral in that the principal provides guidelines to teachers about budgeting. In a study that Glover (1997) conducted in the UK the principal of one of the case studies schools also provided budgetary guidelines to the heads of departments for departmental budgets.

In contrast, decision making regarding departments budgets at Leseli High School was less regulated than at the other two case study schools. Marishane and Botha (2004) argue that people who are empowered to take a collaborative decision may be expected to account for their decisions. Indeed, the teachers are expected to account to the principal for their use of school finances in their respective departments in this school. From the interview with the principal of this school, it was found that the principal considers teachers’ contribution to department budgets valuable. The principal was empathetic that:

If I do not consult with academic staff making the budget I might sometimes budget for small amount of money for a particular department when in actual fact they will need more than what they have been allocated. For example, we have to budget for their teaching aids, refresher courses and workshops, but

mostly the teaching aids and workshops take a lot of money. Most of the times they know in advance the number of workshops they might be attending. Sometimes the teaching aids cost a lot of money. So we have to budget properly.
(Leseli High School principal)

Existing literature supports collaborative decision making. For example, Newcombe and McCormick (2001) argue that decentralization is aimed at enabling stakeholders close to the school the opportunity to make decisions collaboratively. Bush (2003) advocates participation of staff in decision making through collegial theories. In the case of the present study this would be in place when the principal and the teachers collaboratively take a decision regarding financial management.

Lack of Capacity building in school financial management

Existing literature suggests that lack of training inhibits effective school financial management and this makes capacity building necessary for those who manage school finances (Johnson, 1994; Chikoko, 2008; Mestry, 2004, 2006). Thompson and Wood (2005) contend that school financial management requires training for administrators and teachers. Mestry (2004, 2006) argues that there are many principals and SGBs who lack necessary financial knowledge and skills and this makes it necessary for school managers to be trained in financial management. The present study found that principals, heads of departments and school secretaries lack training on financial issues. Principals as chief accounting officers and school managers have multiple functions that they have to perform with regard to financial management. These functions are stated briefly in the *Education (amendment) Act 1996*. This Act requires the principal to maintain or cause to be maintained records of income and expenditure for the school. It also requires the principal to prepare an annual budget for the school and submit it to the school board for its approval. Lastly, the Act makes it mandatory for the principal to submit at the end of each school year a financial statement of the school to the school board for its approval (Lesotho Government, 1996). All these functions require the principal to have understanding of financial issues. However, in the present study principals were found to have limited knowledge and application of budgetary control and monitoring.

It was also clear that teachers require training to be able to prepare departmental budgets properly. At Khanya High School, for example, the teachers were reported as not budgeting properly in their departments. A research that was conducted by Chikoko (2008) also shows that principals lack training in some aspects of school management. Highlighting the importance of training for principals in financial management, Johnson (1994) argues that decentralization has increased the principals' responsibilities which include, inter alia, school financial management, hence they need training in financial issues.

When reviewing the documents, it was also found that there were no minutes kept in relation to financial decisions. These decisions include, inter alia, determination of the school fees to be paid by learners' parents or guardians. The absence of minutes pertaining to financial decisions in the three schools also illustrates that there is a need for capacity building of those who make financial decisions. Consistent with the findings of the present research, Mestry and Naidoo's (2009) study in South African schools also shows that in general most school governors lacked the necessary financial knowledge, skills and competencies essential for the management of school finances. School governors include the principal and teachers' representatives.

Socio-economic status of parents

The present research found that the socio-economic status of parents has a direct bearing on the income of schools. In essence, ability to pay school fees depends on the socio-economic status of parents (Bush & Heystek, 2003). At Tsoelopele High School and Khanya High School poverty was reported by the principals as the major problem that causes parents to delay or default to pay school fees. Similar results were found in a study that was conducted by Koross et al. (2009) in Kenya. Their study show that school fees in secondary schools of Kenya are high and this leads to many parents defaulting or delaying payment of school fees. This implies that some parents cannot afford to pay school fees due to their socio-economic status.

Khanya High School adopts a flexible method enabling parents to pay school fees through payment of such items as beans or livestock. This practice of paying school fees in kind was found as common in other schools by Lerotholi (Lerotholi, 2001). On the one hand, paying school fees in kind may seem to be providing parents with an

alternative and perhaps affordable method of school fees payment. However, this method deprives these poor parents of their means of survival since they are subsistence farmers. Poverty is more severe in rural areas (Ministry of Education and Training, 2005) including the area in which Khanya High School is located.

The government's bursary scheme is aimed at assisting vulnerable and orphaned children (Ministry of Education and Training, 2008) and this scheme excludes children from poor families where the parents are still alive. One commentator said the bursary scheme may encourage those children who are passionate about education to kill their parents in order to access education since the government would only pay their fees when they are orphans.

The study also found that the socio-economic status of parents contributes to school drop out of learners. This is so because Leseli and Khanya High Schools do not allow learners to attend school when their parents owe school fees. This implies that learners whose parents cannot afford to pay school fees become dropouts. Lerotholi's (2001) study also revealed that learners drop out of schools if their parents owe school fees since many schools do not release their performance results at the end of the year and thus they cannot be promoted to the next class. The findings show that non-payment of school fees on time affects the operating of schools negatively. At Khanya High School, for instance, it was found that the school sometimes closes for vacation before the officially stipulated time because of the shortage of money owed by parents.

Relevant curriculum as a source of income

The present study found that Khanya High School uses agriculture as part of the curriculum and as a source of additional income. In this way the curriculum of the school seemed to be relevant to the needs of learners and school. It was found that the school uses agricultural products (eggs, vegetables and beans) to supplement the food that learners eat for lunch and the surplus is sold to teachers, learners and members of the community around the school. Thus agriculture serves as a source of income for the school while it is also one of the learning areas of the school curriculum. In essence, the findings of this study reveal that agricultural projects that are available in this school are also used by learners in their agriculture projects and business education projects. Since the purpose of education is teaching and learning, fund raising activities in the form of

relevant curriculum at Khanya High School seem to be contributing towards school's realization of its aims. Everard and Morris (1996) contend that education management is concerned with, inter alia, organizing available resources (people, time, materials) so that the goal can be economically achieved in the planned way. In this regard, school resources such as land, time and people are used in pursuit of school goals.

Engaging in agricultural projects by students may also be viewed as providing them with an opportunity not only to put into practice agricultural and business education theories that they are taught, but also as enhancing their skills and knowledge. In this regard, Middlewood and Bisschoff (2005) contend that learners who are involved in mini-enterprise projects develop social skills, business skills and other skills while generating income for their schools. This is also likely to be true of Khanya High School.

Accountability

Bisschoff and Mestry (2005) define accountability as reporting on the management of resources by those accountable for their management to those to whom they are accountable. Bush (2005) views accountability as an act of giving account of events to those who have a legitimate right to know. Consistent with this view, the *Education (amendment) Act 1996* stipulates that the management of school finances is vested in the principal who is accountable to the school board (Lesotho government, 1996). In essence, school principals should give account of how schools manage their finances to school boards. In relation to this mandate it was found that the principals of the three case study schools claim that they do account to the school board for use of school funds. The interview with the Leseli High School principal revealed that parents were involved in making decision regarding the amount of money to be charged by the school. In this way, the principal was also accountable to the parents. With regard to the principals' accountability, Bisschoff and Mestry (2005) contend that the principal is accountable to the school governing body and parents among others.

It was found that in all case study schools principals ensured that teachers account for using school money in their respective departments. Teachers are required to submit receipts for using school money. The principals also ensured that teachers use money for what it is actually budgeted for. In this regard, Naidu et al. (2008) argue that

accounting means reporting, or explaining one's actions. Thus, in the case study schools teachers report to their principals on how they used school finances. In turn, the principals would be able to account to their respective school boards. However, the findings of the study also show that there were instances where accountability was undermined. At Khanya High School, for example, it was reported that sometimes school money is spent on transporting teachers to attend funerals, but this event is not budgeted for. In addition, during the interview the principal made it clear that she could not explain the criteria that the school uses to select students for sponsorship. This implies that the principal may not be able to account to relevant stakeholders on the criteria that the school uses to select students for sponsorship.

Conclusion

This chapter discussed the key themes that emerged from the findings of this study, integrating the themes with existing literature. These themes are lack of policies, power relations and decision making, lack of capacity building in school financial management, socio-economic status, relevant school curriculum as a source of income, and accountability.

6. CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter highlights the main conclusions emanating from the findings. It also provides recommendations regarding school financial management.

6.2 Conclusions

This study explored the ways in which secondary schools in the Qacha's Nek district of Lesotho manage their finances. The study mainly focused on three case study schools where principals as chief accounting officers were interviewed and documents reviewed to supplement the interviews.

The school financial management aspects that were explored in this study are sources of income for schools, budgeting as well as budgetary monitoring and control. This study concluded that lack of policies and capacity building in school financial management seemed to affect effective and efficient school financial management. For schools to manage their finances effectively, policies are required to guide school principals and teachers. At the same time principals and teachers should have the necessary knowledge and skills in financial issues. In addition, the study concluded that principals play a major role in the management of school finances. In the process of budgeting, for instance, power relations surface where principal play a dominant role in decision making regarding both departmental budgets and the school's main budget. Furthermore, it was found that schools monitor and control departmental budgets more effectively than their main budgets since principals cause teachers to account for managing departmental budgets.

6.3 Recommendations

On the basis of the findings of this study, it is suggested that the MOET should develop a policy which clearly describes how schools should manage their finances. This policy should define the roles and responsibility of school managers and school governors with regard to school finances. In order to ensure that there is consistency and transparency in the use of school funds, MOET should provide schools with guidelines or policy regarding the use of subvention fees. These guidelines should clarify what constitutes

school development. In addition continuous training and capacity building is necessary to empower school managers and teachers to manage school funds effectively and efficiently.

The present study also found that school secretaries operate as bursars in all case study schools. Since secretaries are not trained accountants, it is suggested that MOET employs one accountant for each school. Such accountants would help schools to manage their finances effectively. Alternatively, schools or MOET should organize short training courses for school secretaries so that they can increase their understanding and knowledge of school financial management.

This study found that not all parents could afford to pay school fees due to poverty and high rate of unemployment. Thus it is suggested that poor parents should be exempted from paying school fees so that all children could have access to education. MOET, therefore, should formulate a policy regarding conditions under which poor parents may be exempted from paying school fees. Alternatively, the state should provide bursaries not only to orphaned and vulnerable children but also to learners whose parents cannot afford to pay school fees. Schools should also find means of raising income in order to keep the level of school fees low so that school fees could be affordable to the majority of parents.

Furthermore, it is suggested that schools should have structures such as finance committees which would assist school principals to manage school finances. The establishment of school financial structures is likely to enable schools to tap skills and knowledge of people with a stake in education. These may include members of staff, parents or members of the school board. Transparency in the management of school finances would improve since more than one person would be responsible for school financial management.

In relation to further research the following topics are suggested: an in-depth study of the experiences of principals in the management of the subvention; a study of how school managers account for their management of school finances; an in-depth study of the role of heads of departments in the management of school finances; a study of the

school financial management training needs of school principals; and finally a study of parents' and teachers' perceptions of school financial management.

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Appendix 1

Semi-structured interview schedule

1. Who pays school fees in your school?
2. How does your school determine the amount of school fees to be paid by learners' parents?
3. What are other sources of income for your school?
4. Are there any challenges that your school encounter with regard to collection of school fees? If yes, what are they?
5. What measures are in place to monitor and control collection of school fees in your school?
6. How does your school prepare its budgets?
7. What measures are in place to monitor and control the budget in your school?

Appendix 2

Document review guide

The following documents were reviewed:

- Education (amendment) Act 1996
- schools prospectus,
- Principals' manual
- Schools budgets.

**APPENDIX 3: Letter to the Ministry of Education and Training
requesting permission to conduct research at the three schools**

Postgraduate house
Edgewood Campus
University of
KwaZulu-Natal
Private bag X03
Ashwood
22 February 2010

The Senior Education Officer
Qacha's Nek Education Office
Ministry of Education and Training
Qacha's Nek

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am humbly requesting you to grant me permission to conduct a research in Qacha's Nek secondary schools. The purpose of my research is to explore how secondary schools in the district manage their finances. The research is conducted in partial fulfillment of Masters of Education (Education leadership, Management and Policy) degree. I am carrying out this research under the supervision of Dr. Mncube V. S.

For the purpose of this research, I intend interviewing school Principal whom I will also request them to be my participants. The identity of the principals and their schools will be dealt with confidentiality by using pseudonyms.

Should you encounter any problems during this research project, please feel free to contact my supervisor Dr VS Mncube using the following details: Tel: 031 260 7590; Email: mncubev@ukzn.ac.za;

In addition, should you have any queries please feel free to contact me using the following contact details: Sekitla Makhasane: Cell: 0787093752; Email: sdsekitla@gmail.com

Research tools are attached herewith.

Thanking you in advance

Yours Faithfully

Sekitla Makhasane

Cell no: 078 7093752

Appendix 4

Postgraduate house
Edgewood Campus
University of
KwaZulu-Natal
Private bag X03
Ashwood
22 February 2010

The Principal

-----High School

Qacha's Nek

Lesotho

Dear Sir/ Madam

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

My name is Sekitla Makhasane, a Masters student at University of KwaZulu-Natal (Edgewood Campus). I am currently engaged in a research project as a requirement for partial fulfillment of Masters of education degree. The purpose of my research is to explore how secondary schools in the Qacha's Nek district of Lesotho manage their finances. My supervisor is Dr Mncube V.S.

I am humbly requesting you to grant me permission to conduct a research in your school in March and April 2010. The planned study will focus on school principals. The study will use interviews as the main data collection method and document reviews which will supplement the interviews. I am also asking you to let me use school documents that are relevant to this study. They are school finance policy, school prospectus, principals' manual and minutes of staff meetings where financial decisions were made.

Semi-structured interviews will be conducted to explore ways in which secondary schools in the Qacha's Nek district of Lesotho manage their finances. Participants will be interviewed for approximately 45 minutes and each interview will be voice-recorded. Responses will be treated with confidentiality and pseudonyms will be used instead of

the actual names. Participants will be contacted in time for interviews, and they will be purposefully selected to participate in this study. Participation will always remain voluntary which means that they may withdraw from the study for any reason, anytime if they so wish without any penalties.

Should you encounter any problems during this research project, please feel free to contact my supervisor Dr VS Mncube using the following details: Tel: (0027) 031 260 7590; Email: mncubev@ukzn.ac.za;

In addition, should you have any queries please feel free to contact me using the following contact details: Sekitla Makhasane: Cell: 078 7093 752; Email: sdsekitla@gmail.com

Research tools are attached herewith. I have also attached a copy of a letter of permission granted to me by Senior Education Officer, Qacha’s Nek Education Office

Thanking you in advance

Sekitla Makhasane

Declaration

I (Full name of participant) hereby confirm that I understand the contents of this letter and the nature of the research project. I consent to participating in the research project and I understand that I am at liberty to withdraw from the project should I so desire.

Signature of participant: -----

Date-----

Thanking you in advance

Sekitla Makhasane

APPENDIX 5: Letter of informed consent to the participants

Postgraduate house
Edgewood Campus
University of
KwaZulu-Natal
Private bag X03
Ashwood
22 February 2010

Dear Prospective participant

-----High School

Qacha's Nek

Lesotho

Dear Sir/ Madam

Letter of informed consent

My name is Sekitla Makhasane, a Masters student at University of KwaZulu-Natal (Edgewood Campus). I am currently engaged in a research project as a requirement for partial fulfillment of Masters of education degree. The purpose of my research is to explore how secondary schools in the Qacha's Nek district of Lesotho manage their finances. My supervisor is Dr Mncube V.S.

I, therefore, humbly request you to take part in the study. Should my request be acceptable; you will be interviewed for 45 minutes, where the interviews will be tape-recorded. Your responses will be treated with confidentiality and your name will not be used but instead pseudonyms will. You will be contacted in time for interviews. Your participation will always remain voluntary which means that you may withdraw from the study for any reason, anytime if you so wish without penalty.

The study commenced in July 2009 and will end in June 2010. The planned study will focus on school principals who will be selected from three case study schools in the Qacha's Nek district of Lesotho. The study will use interviews and document reviews. If you accept my request, you are asked to sign the attached form of declaration.

Should you encounter any problems during this research project, please feel free to contact my supervisor Dr VS Mncube using the following details: Tel: (0027) 031 260 7590; Email: mncubev@ukzn.ac.za;

In addition, should you have any queries please feel free to contact me using the following contact details: Sekitla Makhasane: Cell: 078 7093 752; Email: sdsekitla@gmail.com

Declaration

I (Full name of participant) hereby confirm that I understand the contents of this letter and the nature of the research project. I consent to participating in the research project and I understand that I am at liberty to withdraw from the project should I so desire.

Signature of participant: -----

Date-----

Thanking you in advance

Sekitla Makhasane