

ASSIST, ADVICE, PREVENT OR REPORT

FINANCIAL MANAGEMENT PITFALLS

16 November 2020



LEGAL OBLIGATIONS OF A PRINCIPAL

A school principal **MUST** carry out duties which includes, but not limited to:

- attend and participate in all meetings of the SGB;
- the safekeeping of all records.
- be a member of financial committee or delegation of SGB to manage any matter that has financial implications for the school.



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LEGAL OBLIGATIONS OF A PRINCIPAL

- Assist the SGB in the management of the school's funds, including providing information on conditions imposed or directions issued by authorities.
- Giving of advice to the SGB on financial implications of decisions taken.
- Take reasonable steps to prevent any financial maladministration or mismanagement by staff or SGB.
- Report any financial maladministration or mismanagement by staff or SGB to HOD.



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WHAT CAUSES CHARGES OF FINANCIAL MISCONDUCT

The lack of a trust relationship between SGB/members of the SGB and principal due to

- **Ignorance –lack of knowledge or information**
- **Transparency – vague answers and limited information**
- **Inexperience – newly appointed principal or newly elected SGB or both**



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WHAT CAUSES CHARGES OF FINANCIAL MISCONDUCT

The lack of a trust relationship between staff members and principal due to

- **Disrespect;**
- **Nepotism;**
- **Favouritism;**
- **Obvious mismanagement or maladministration**



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SASA Section 38A

- **Apply at least 4 months before budget meeting;**
- **Must be approved by employer;**
- **Travel and subsistence expenses relating to official school activities;**

An SGB may appeal to MEC if :

The employer refused the payment; or

Fail to provide a decision within 3 months after lodging application

NO SGB AND EMPLOYER APPROVAL – NO PAYMENT!



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SASA Section 37

- i. One current account – invest surplus money with approval of MEC SASA 37(3)**
- ii. No personal loans – provincial directives regarding the administering of a school fund ito section 37 of SASA**
- iii. Educational purposes Section 37(6) – not defined.**



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DO

- **SASA Section 16A, 37 and 38A**
- **School Financial Policy**
- **Provincial Departmental Directives or Circulars**
- **Provide accurate information –be honest**
- **Be transparent**
- **Due diligence**
- **Declare conflict of interest**
- **Avoid nepotism**



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