Corruption or incapabilities: Why do schools fail to adhere to good financial management?.

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Abstract:

This empirical qualitative study examined whether failures in financial management in public schools were primarily the result of corruption, incapabilities or broader systemic weaknesses. The study aimed to promote effective governance by exploring the financial administration of public schools in the City of Tshwane, South Africa. Specifically, it explored existing fiscal management practices, assessed the financial skills of officials responsible for managing school funds, identified gaps in budgeting and procurement processes and developed mechanisms to address these shortcomings. An interpretive paradigm and a case study design were employed, and data were generated through semi-structured interviews and document analysis. The findings show that many schools struggle with proper financial management owing to limited financial skills, weak internal controls, heavy administrative demands, complex policy requirements and occasional unethical conduct. Oversight bodies, including the Auditor-General of South Africa, continue to report governance shortcomings that hinder the functioning of schools. To address these challenges, the study recommends replacing once-off workshops with continuous, hands-on training supported by coaching and mentorship. It also proposes using the Framework for Sustainable School Financial Governance (FSSFG) to strengthen financial practices. Overall, the research deepens understanding of financial governance in South African public schools and offers practical strategies to improve financial management systems..

Keywords: Financial management; effective governance; budgeting; procurement processes; oversight bodies

INTRODUCTION

Financial management remains a foundational element of effective school governance, ensuring that public funds are utilised responsibly, transparently and in ways that support teaching and learning. However, despite extensive regulatory prescripts, persistent audit concerns and governance failures continue to raise critical questions about why many schools struggle to adhere to good financial management practices. This study reported on this paper investigated whether financial mismanagement is driven primarily by deliberate misconduct, limited capability or a combination of both. The study was conducted in the City of Tshwane, a metropolitan area characterised by diverse socio-economic conditions and varied governance capacities, making it a suitable context for examining systemic and school-level financial governance challenges.

School financial management in South Africa is embedded within a vertically integrated governance structure that involves school-level actors, district officials, provincial authorities and national oversight bodies. At the school level, the School Governing Body (SGB) and the principal are statutorily responsible for budgeting, procurement, expenditure control and financial reporting under the South African Schools Act (SASA). Prior scholarship emphasises that the effectiveness of this governance partnership rests heavily on the financial literacy, ethical conduct and administrative competence of those involved (Basson & Mestry, 2019; Mestry, 2020; Caldwell, 2021). Further, where capability is limited, whether owing to inadequate training, role ambiguity, administrative overload, or weak leadership, errors, non-compliance and procedural lapses frequently arise. These challenges raise questions about whether financial mismanagement reflects systemic incapabilities rather than intentional wrongdoing....

Bringing the matter of district finance departments constitute the second layer of support and oversight, responsible for capacity-building, compliance monitoring, financial reviews, and consolidating school budgets (Zwane & Mestry, 2025). Research indicates that many SGB members lack formal financial training and therefore, rely heavily on district support structures to execute their fiduciary duties effectively (Mafuwane, 2020). Yet, district-level audits consistently reveal recurring irregularities, suggesting that capability gaps are accompanied by weaknesses in the systems intended to provide guidance and oversight. In some cases, delayed audits, inconsistent monitoring and insufficient professional development programs limit schools' ability to meet required financial standards.

Provincial education departments further shape financial governance through policy development, funding mechanisms and regulatory enforcement. They are mandated to promote financial discipline and ensure alignment between school budgets and broader educational priorities (Naidoo & Petersen, 2021). National oversight institutions, notably the National Treasury and the Auditor-General of South Africa (AGSA), reinforce this system by identifying irregular expenditure, assessing compliance risks and promoting accountability across the education sector (Moolman & Van der Waldt, 2022). Despite these multilayered governance structures, financial irregularities and audit findings persist, indicating that institutional safeguards alone are insufficient to prevent mismanagement.

Against this backdrop, the study introduces the Framework for Sustainable School Financial Governance (FSSFG), an evidence-informed model developed to strengthen accountability, transparency and capability within school financial systems. The FSSFG emphasises the interdependence of financial literacy, ethical leadership, procedural compliance, oversight mechanisms and contextual responsiveness. By situating capacity-building, ethical decision-making and systemic coordination at the centre of school financial governance, the framework seeks to address both capability deficits and the structural conditions that enable misconduct.

When aligned with the central research question, whether corruption or incapacity is the primary cause of financial failure, the background indicates that financial mismanagement in Tshwane schools cannot be attributed to a single factor. Instead, it results from the interplay of human behaviour, institutional systems and contextual pressures. The study argues that capability gaps may lead to unintentional errors, while weak oversight and opaque processes create opportunities for deliberate misconduct. The challenge, therefore, lies in distinguishing actions rooted in incapacity from those driven by corruption, and in strengthening the governance environment to minimise both. By examining these dynamics, the study contributes to a deeper understanding of the root causes of persistent non-compliance and provides a basis for strengthening financial accountability through the proposed FSSFG framework.

Literature review

Effective financial management is widely recognised as a critical determinant of public school functionality, influencing resource allocation, teaching quality and overall institutional performance (Umeh & Azike, 2026; Kountchou, 2025). In South Africa, school financial governance operates within a multilayered regulatory framework comprising national legislation, provincial oversight and school-level governance structures. Despite this extensive policy architecture, persistent weaknesses in financial accountability raise a fundamental question: Do schools fail to comply owing to corruption, incapability, or a combination of both? (Neupane, 2025; Dwangu & Mahlangu, 2021).

Evidence from the AGSA (2024) indicates that financial mismanagement reflects systemic governance failures rather than isolated incidents. High levels of irregular, unauthorised and wasteful expenditure—such as the Department of Basic Education's reported R188.4 million in irregular expenditure—point to recurring breakdowns in procurement controls and compliance systems. Similar patterns are evident across provinces. The Eastern Cape reported irregular expenditure of R2.7 billion and fruitless and wasteful expenditure of R148 million (Maqina, 2025). Limpopo recorded approximately R1.7 billion, Gauteng over R1.3 billion, and the Free State more than R800 million, all linked to weak internal controls, poor contract management and limited accountability (AGSA, 2023). These figures demonstrate that financial mismanagement is not merely a resource constraint issue but a manifestation of systemic governance weaknesses with significant implications for educational equity and service delivery.

Analytically, the recurrence of adverse audit outcomes across provinces reveals a cycle of persistent non-compliance, where findings are repeatedly identified but inadequately addressed. This raises concerns about the effectiveness of existing accountability mechanisms and highlights the need for stronger enforcement, sustained capacity-building and a shift from reactive to proactive financial governance. The Tshwane context reflects a microcosm of these national challenges, illustrating how systemic weaknesses manifest at the school level.

Although South Africa's legislative framework clearly defines financial roles and procedures, the persistence of adverse audit outcomes points to a gap between policy design and implementation. This disconnect underscores the difficulty of translating formal regulatory frameworks into effective local practice. Financial mismanagement, therefore, emerges not simply as a procedural failure but as a governance challenge shaped by institutional capacity constraints and systemic limitations.

Scholarly literature identifies limited financial capacity among School Governing Bodies (SGBs) and school leaders as a key constraint (Mafuwane, 2020; Mestry, 2020). However, attributing failures solely to incapability is reductive. Capacity deficits are often reinforced by inadequate district support, weak monitoring systems and instability in governance structures. At the same time, evidence of deliberate misconduct, including irregular procurement and misappropriation of funds, demonstrates that corruption also plays a significant role (Moolman & Van der Waldt, 2022). Such practices tend to thrive in contexts characterised by weak accountability and limited consequence management.

Taken together, audit evidence and scholarly research suggest that financial mismanagement in public schools is best understood as the product of interacting factors. Incapability and corruption exist along a continuum: limited capacity creates conditions for noncompliance, while weak oversight enables unethical practices to persist. Within the City of Tshwane, patterns of irregular expenditure, declining audit outcomes and ongoing SGB capacity challenges reflect this interplay, exposing the limitations of compliance-driven approaches that neglect underlying systemic issues.

In response, the study proposes the FSSFG, which reconceptualises financial management through an integrated and context-sensitive approach. By addressing both capacity constraints and accountability gaps, the framework offers a practical pathway to strengthen financial governance and improve the effectiveness of public school management systems.

Theoretical framework

Understanding why public schools fail to implement sound financial management requires a multi-theoretical perspective that captures both systemic weaknesses and human behaviour. This study integrates General Systems Theory (GST), Budget Theory, the Theory of Change (ToC), and the Principal–Agent Theory to provide a comprehensive explanation of whether non-compliance arises from incapabilities, corruption or their interaction.

General Systems Theory, originally developed by Ludwig von Bertalanffy, conceptualises schools as interconnected systems in which multiple components, such as leadership, SGBs, financial processes and oversight structures—interact dynamically. Recent studies emphasise that weak coordination, poor communication and fragmented accountability systems contribute significantly to financial mismanagement in public institutions (Stein & Valters, 2022; World Bank, 2023). Within the South African context, findings from the AGSA (2024) highlight that recurring audit findings in schools are often linked to systemic issues such as weak internal controls, inadequate record-keeping and poor monitoring. These challenges point primarily to institutional incapacity, where failures arise from limitations in skills, systems and coordination rather than deliberate intent.

Budget Theory complements this perspective by focusing on how financial decisions are shaped by organisational culture, power dynamics and stakeholder participation. Contemporary literature suggests that participatory and transparent budgeting processes improve accountability and resource allocation, while weak or symbolic participation undermines governance (Rubin, 2019; Andrews et al., 2023). In many schools, decision-making is often centralised, with limited effective involvement from SGBs and communities. Such conditions may initially reflect capacity constraints, including limited financial literacy among stakeholders. However, they also create environments where financial processes can be manipulated, thereby blurring the line between incapability and corruption.

The Theory of Change (ToC) provides a causal framework for understanding how these weaknesses evolve into broader governance failures. Recent applications of ToC in public sector reform highlight the importance of linking inputs (e.g., training, resources, monitoring) to outputs (e.g., accurate financial reporting, compliance) and long-term outcomes (e.g., accountability and transparency) (Valters, Cummings, & Nixon, 2023). In the context of school financial management, inadequate inputs, such as insufficient training and weak district support, lead to immediate compliance failures. Over time, persistent incapacity can create systemic vulnerabilities that increase the risk of corruption, particularly in environments where oversight remains weak.

The Principal–Agent Theory provides the critical analytical lens that distinguishes intentional misconduct from systemic failure. The theory posits that when principals (e.g., education departments, SGBs) delegate authority to agents (e.g., school managers), problems arise owing to information asymmetry, misaligned incentives and weak monitoring mechanisms (Miller, 2005; Klitgaard, 1988; updated applications in OECD, 2024). Recent governance studies confirm that in contexts with weak oversight, agents may engage in moral hazard, acting in their own interests with limited risk of detection (OECD, 2024; World Bank, 2023).

Importantly, this framework clarifies that:

Systemic failures are driven by incapacity (e.g., lack of skills, poor systems, inadequate training); and

Intentional misconduct occurs when individuals exploit these weaknesses for personal gain.

Thus, corruption does not occur in isolation but is often enabled by systemic weaknesses. In schools where controls are weak and accountability is limited, the boundary between error and misconduct becomes increasingly blurred.

In integrating these four theories, the study demonstrates that non-compliance with financial management is best understood as a dynamic interaction between structural conditions and human agency. General Systems Theory explains how weaknesses emerge within interconnected systems; Budget Theory highlights how governance processes and power relations shape financial decisions; the Theory of Change traces how these weaknesses evolve over time; and Principal–Agent Theory explains when and why such weaknesses are exploited.

This integrated framework, therefore, provides a nuanced answer to the central question: Schools fail to comply not solely because of corruption or incapability, but because systemic deficiencies create conditions within which both unintentional errors and deliberate misconduct can occur.

Research methodology

This study was conducted within an interpretivist paradigm to understand how and why financial governance practices unfold in real school contexts. Recognising that financial management is shaped by human behaviour, institutional culture and contextual factors, a qualitative approach enabled the researcher to explore capability limitations, relational dynamics and context-specific challenges influencing budgeting, procurement, resource allocation and compliance (Creswell & Poth, 2018).

A case design provided an in-depth, contextualised examination, acknowledging that governance issues cannot be separated from operational environments (Yin, 2018; Dwangu, 2021). From a population of 526 public primary and secondary schools in Tshwane, six schools, three primary and three secondary, were purposively selected across all schools based on accessibility, relevance and the presence of established financial management systems. Key governance actors, as illustrated in Table 2, including six principals, six school financial officers, six SGB treasurers and six SGB chairpersons, participated in semi-structured interviews totalling 26 participants, supplemented by document analysis to capture compliance patterns and administrative practices (Bryman, 2016).

Table 1: Study participants

Institution	School Status	School Location	School Principal (SP)		SGB Chairperson (SCA)		SGB Treasurer		School Finance Officer		District Financial Office (DFO)	
			Gender &Age		Gender &Age		Gender &Age		Gender &Age		Gender &Age	
School A	Section 21 No-Fee Secondary	Township	SPA 1; Female	50-59	SCA=1;Male	40-49	STA=1;Female	40-49	SFOA=1	40-49	DFO1=1; Female;30-39	30-39
School B	Section 21 ;Fee-paying Secondary	Urban Area	SPB 1;Male	50-59	SCB=1;Male	60 & above	STB=1;Male	40-49	SFOB=1	30-39		
School C	Section 21 ;No-Fee Primary	Rural Area	SPC 1 ;Male	50-59	SCC=1;Male	40-49	STC=1;Male	40-49	SFOC=1	20-29		
School D	Section 21 ; No-Fee Secondary	Township	SPD 1 ;Female	50-59	SCD=1;Male	50-59	STD=1;Female	40-49	SFOD=1	30-39	DFO=1; Male	40-49
School E	Section 21; Fee-paying Primary	Urban Area	SPE 1;Female	50-59	SCE=1;Male	50-59	STE=1;Male	30-39	SFOE=1	30-39		
School F	No-Fee Primary	Township	SPF 1 ;Female	50-59	SCF=1;Male	40-49	STF=1;Female	30-39	SFOF=1	40-49		
TOTAL			6		6		6		6		2	

The interview schedule must cover all research questions effectively, enable the participant to provide detailed answers and be free of errors (Lim, 2024). The study's key informant interview was developed in accordance with the research aim and questions, based on these principles. The theoretical framework and the review of the relevant literature also helped to inform the questions and, in particular, assess the efficiency of financial management in public schools within the City of Tshwane, South Africa (Cresswell & Cresswell, 2022).

All aspects of the study adhered to the University of South Africa's Research Ethics Code, ensuring ethical data collection in a public school. Participants were informed of their right to withdraw and were provided with consent forms before participation. Confidentiality was upheld through the use of pseudonyms for participants and schools, and measures were implemented to prevent potential harm. Moreover, the researcher maintained participants' voices' integrity during data analysis and ensured that all recorded materials were securely stored. The ethical principles followed include protection against harm, voluntary participation, respect for privacy and professional honesty, as highlighted in existing literature.

In this case study, credibility and reliability were enhanced through multiple measures, including participant consent for ethical interviewing, uniform application of an interview guide to maintain consistency, and systematic document analysis to verify interview data. Triangulation was employed by incorporating various data sources and methods, such as semi-structured interviews and document reviews, to corroborate participant accounts. Member checking involved participants reviewing transcripts to ensure accurate representation of their responses, which bolstered validity and authenticity. Peer review facilitated critical evaluation of the findings and methodological rigour, while transferability was enhanced through a literature review that contextualised the findings within existing research. High dependability was achieved with a detailed audit trail documenting each research step, including raw data and analysis records. Finally, confirmability was ensured through stringent record-keeping practices, including secure data storage and encrypted transcripts.

Despite achieving its objectives, the research presents several limitations that affect generalisability. The study's contextual specificity, centred on schools in the Tshwane metropolitan area, limits the wider application of its findings to other provinces or socio-economic settings, particularly rural schools with their unique challenges and opportunities. Additionally, issues with document access and incomplete records hindered detailed analysis, underscoring a broader problem of record-keeping in the education system and suggesting the need for extended data collection in future research. Variations in participants' financial literacy also affected interview quality: those with lower literacy struggled to articulate governance challenges, while more literate individuals may have offered overly specific insights that did not reflect all stakeholder experiences. Lastly, time constraints related to focusing on the 2024/25 budget cycle limit the research design, as governance practices may evolve over time, making current findings potentially unrepresentative of long-term trends.

Future research should consider **longitudinal designs** to track changes over multiple financial cycles and provide a more robust understanding of the sustainability of financial management practices.

Qualitative data analysis

Data analysis in this study served as the critical bridge between raw qualitative data and meaningful insights into financial governance practices in Tshwane public schools. Guided by interpretive epistemology, the research applied Braun and Clarke's six-phase thematic analysis (2019) in combination with ATLAS. ti (Version 25) to ensure systematic, rigorous and transparent examination of interview transcripts and documentary materials.

The six-phase process included: (1) familiarization with the data through repeated reading and reflexive journaling; (2) generation of initial open and axial codes; (3) identification of potential themes using reflective analysis and ATLAS.ti visualisation tools; (4) reviewing themes for coherence, relevance and internal consistency; (5) refining and labelling themes with analytic memos and network mapping; and (6) producing a thematic report integrating illustrative quotations with literature. ATLAS.ti enhanced analytic rigour by supporting coding, retrieval, organisation and visualisation of patterns, while maintaining the researcher's interpretive judgment as central to meaning making.

This hybrid approach yielded 12 interrelated themes that are presented under research findings that capture the operational, structural and human dimensions of financial governance in Tshwane schools.

The integration of manual interpretive methods with ATLAS.ti facilitated a clear analytic trail, allowed the identification of patterns and interconnections among themes, and ensured that the findings were both credible and contextually grounded. Collectively, these themes provide a comprehensive understanding of the factors shaping school financial governance, informing subsequent discussion and recommendations for improving financial management in public schools.

Findings

This section presents research findings and critical engagements with data collected from semi-structured interviews and document analysis. The results are organised into thematic constituents derived from participant responses. The analysis identified 12 themes.

The study found that financial mismanagement in Tshwane schools stems from a combination of leadership incapacity, corruption and systemic weaknesses. Key issues include gaps in financial literacy, unclear budgeting roles, weak committee effectiveness, inadequate training and limited oversight, all of which hindered compliance with regulations. Corruption, such as embezzlement and unauthorised spending, was fostered by weak enforcement of preventive measures. Additional systemic challenges, including administrative burdens and a lack of transparency, further aggravated governance failures. This complex interplay creates a cycle in which incapacity and corruption mutually reinforce each other, leading to ongoing financial mismanagement.

Theme 1: Banking and Account Management

Managing banking operations and accounts is crucial for maintaining financial control and institutional efficiency. Participant experiences highlight weaknesses in account structures, banking systems and bank-client relationships, revealing gaps between policy intentions and practical implementation. These gaps expose governance vulnerabilities. Analysis focuses on sub-themes of banking transactions, account types and policies to explore these complexities in depth. The researcher asked respondents about the nature of any corrupt practices they knew of regarding the school's financial malpractices. "*There's no transparency about financial transactions with schools.* As DFO1 commented, *"There have been problems with cash withdrawal abuses; sometimes money is withdrawn for reasons that are not entirely clear"*, which suggests that financial transactions in schools tend to be murky.

Theme 2: Budget Management

The primary question was - **Who is responsible for the school budget, and what is your position?** The interacting schools' budget preparation demonstrated systematic, consultative processes but also significant operational difficulties, underscoring the multifaceted relationship between democracy and discipline in the governance of educational finance.

Theme 3: Capacity Challenges

Participants were asked, **What challenges do SGBs face in fulfilling their roles and functions?** Participants' honest confessions revealed literacy challenges in governance. The confession of Respondent SCA revealed the enormity of the constraints: "*Some members have serious challenges with literacy; they can't fully read or understand the financial documents*." This example highlights how the demand for technical documents can, unintentionally, leave out the very people who are supposed to take responsibility for the governance structures.

Theme 4: Committee Functionality

The researcher sought to determine whether the finance committee is operational and established in compliance with legal requirements. The operational challenge of the reporting mechanism system failures negatively impacts the efficiency of governance processes. One of the respondents from SCD states, *"There are times that the committee does not submit reports on time, and this results in delays in the processes of decision-making."*

Theme 5: Compliance and Legal Issues

The following question was posed: **What financial regulations govern public school finances? How are they implemented?** Participants SPC to SPF echoed the SPA and SPB perspectives in the interviews, demonstrating a patchy understanding of the legal and reporting obligations and their effects on compliance, financial decision-making and the ongoing need for education and support.

Theme 6: Financial Management

Participants DFO1 described common problems: *"Sometimes documents are not properly kept; you find missing receipts and incomplete records."* This observation highlights how documentation failures can create cascading accountability problems that affect institutional credibility and regulatory compliance.

Theme 7: Organisational Challenges

Power struggles stemmed from gaps in the delineation of authority, and instead of having integrative governance, there was stakeholder competition. Engage: *"The principal wants to make financial decisions alone, sidelining the committee."* This example illustrates the absence of a governance structure so poorly that it allows for dictatorial behaviour that undermines the principles of democracy and avoids collective oversight.

Theme 8: Procurement and Purchasing

Systematic conflicts in procurement decision-making processes led to delays, potentially at the expense of procurement efficiency and stakeholder relationships. Participant SFOD reported such issues stating: *"Sometimes procurement delays occur due to conflicts over decisions on which suppliers to choose."* This pattern of conflict describes how inefficiencies arise from the heterogeneity of stakeholders in collective decision-making processes and the absence of evaluative mechanisms to resolve conflicts constructively.

Theme 9: Record Keeping and Documentation

Access restrictions demonstrated an organised approach to information availability, achieving a balance between security and operational accessibility. One of the participants, SFOB, explained his/her system of control, saying, *"Access to financial records is restricted to members of the committee and finance officers.*

Theme 10: SGB Governance

SGB process disruptions by executives have led to conflicting authorities, negatively impacting the effectiveness of governance and the relationships between management and governance. As participant SPB noted, *"Some heads of schools carry out emergency spending before the SGB is fully consulted."*

Theme 11: Training and Professional Development

While training interventions showed some improvement, there are substantial gaps in achieving full competency. This can be seen in participant STE's response: "*Training was helpful but still not enough to cover all financial aspects*." This highlights gaps in fully covering the training within the available time constraints and the depth the trainers can cover.

Theme 12 Transparency and reporting

The researcher inquired: **In what manner should financial reporting be submitted to the district, and why is such reporting necessary**? Establishing a system for communicating with parents and other interested parties is a primary means of developing and sustaining democratic legitimacy in the governance of educational systems. Participant STD recounted what is usually done in accountability practice, "During AGM meetings, we invite parents and tell them how the money was used." Systematic communication demonstrates the institution's democratic accountability by elevating constituents and stakeholders to an oversight role.

Discussion

The findings must be interpreted in relation to theory, policy frameworks and empirical literature. Evidence from this study indicates that stakeholder participation in budgeting and financial decision-making is partially implemented, reflecting the principles advocated by Van Wyk (2023), King and Mestry (2023) and Aina and Bipath (2020). Principals, finance committees and SGBs engage in multi-layered financial planning, yet participation is often tokenistic, limiting the intended democratic and accountability benefits. Financial capacity and resource constraints were observed to directly affect both service delivery and learner outcomes, supporting the literature linking robust financial governance to educational equity and quality (AGSA, 2023). Participants highlighted that procedural gaps, inadequate controls and limited funding not only compromise accountability but also hinder the effective delivery of educational services.

Capacity development emerged as a critical concern, as persistent knowledge deficits among staff indicate that formal training programmes frequently fail to translate into practical, actionable skills. This aligns with the arguments of Schlebusch and Mokhampanyane (2024), who advocate for continuous, workplace-relevant capacity-building initiatives. In terms of policy and legislative frameworks, while the Public Finance Management Act (PFMA) (1999) and the Norms and Standards for School Funding (1998) theoretically provide mechanisms for accountability, inconsistencies in enforcement, ambiguity regarding responsibilities and limited practical application were observed to impede compliance. Instances where SGB members were required to sign documents without meaningful engagement illustrate a disconnect between democratic governance ideals and actual practice (Heystek, 2004; Yu & Shay, 2022).

Synthesising these insights, it is evident that failures in school financial management result from the interaction of incapabilities, systemic weaknesses and occasional misconduct. While theoretical frameworks provide valuable guidance on stakeholder participation, capacity-building and accountability mechanisms, practical realities frequently diverge owing to limited skills, insufficient training, unclear procedures and contextual constraints. These findings underscore the importance of interventions that integrate human capacity development, strengthened oversight and contextualised support to foster transparent, accountable and effective financial governance in Tshwane schools.

The findings reveal that financial governance in Tshwane schools is shaped by interconnected systemic challenges and opportunities. General Systems Theory highlights how weaknesses in one area, such as record keeping or procurement, can undermine the entire school system, while strong leadership and collaboration improve alignment and accountability. In contrast, Budget Theory shows that budgeting is both technical and political; although some schools demonstrate inclusive and accountable practices, others treat budgeting as a formality with limited stakeholder involvement. Theory of Change links persistent challenges, such as financial illiteracy, weak procurement practices and poor reporting to outcomes, emphasising that effective governance requires capacity building, oversight and active stakeholder engagement. Overall, integrated interventions combining training, compliance and accountability are essential to improve financial governance and stakeholder confidence.

Recommendations

The study therefore recommends the following:

The national government should prioritise building strong institutions, not just training individuals.

Governance frameworks must be reformed to balance accountability with flexibility.

Provincial departments should adopt financial policies, strengthen capacity-building and provide practical, context-specific training.

Districts and schools should use mentoring, adaptive practices and technology to improve monitoring and reporting.

Shift from once-off workshops to continuous, practical, context-based training, with follow-up coaching and mentorship to build sustainable skills.

Use the FSSFG.

Results chain to guide planning, linking inputs (training, monitoring) to activities (budgeting, procurement), outputs (accurate records) and outcomes (accountability, transparency).

The FSSFG was validated through pilot testing, expert consultation and alignment with South African financial legislation, ensuring its relevance and applicability in public schools. It strengthens institutional capacity, accountability and transparency while addressing gaps in financial governance. The framework aligns with **Agenda 2063**, which promotes capable and ethical institutions, and **SDG 4 and SDG 16**, which emphasise quality education and strong, accountable institutions.

Focus Area	Pillar	Key Actions	Main Outcomes	Impact
Build skills & institutional strength	**1. Capacity Development**	Training, mentoring, simulations	Improved financial literacy & skills	Sustainable financial competence
Define roles & enforce responsibility	**2. Role Clarification & Accountability**	Role definitions, protocols, oversight systems	Clear responsibilities & better decision-making	Transparent & accountable governance
Strengthen participation & inclusivity	**3. Community Engagement**	Multilingual communication, alternative meetings	Increased participation & transparency	Meaningful democratic involvement
Integrate informal/local practices	**4. Grassroots Accountability**	Document & formalise community practices	Stronger local accountability systems	Hybrid governance (formal + informal)
Promote flexibility & innovation	**5. Adaptive Financial Practices**	Context-based adaptations, flexible policies	Responsive and context-relevant governance	Flexible yet accountable systems
Ensure continuous oversight	**6. Monitoring & Support**	Monitoring systems, early warnings, interventions	Early problem detection & improved compliance	Proactive and supportive governance

Implementation challenges include resource constraints, limited human capacity, weak accountability systems, policy rigidity and barriers to community engagement. Overcoming these challenges requires phased implementation, continuous capacity development, integration with existing data systems and stakeholder collaboration.

Overall, the FSSFG (see Table 2) provides a holistic, context-sensitive strategy to improve school financial governance, bridging policy and practice, enhancing accountability, and contributing to sustainable educational outcomes in line with global development priorities.

Table 2: The Framework for Sustainable School Financial Governance (FSSFG)

Conclusion

The study concludes that financial governance failures in schools arise from limited capacity, weak accountability and inconsistent implementation of legislative frameworks such as PFMA and SASA. Although some schools demonstrate adaptive practices to cope with resource constraints, systemic weaknesses persist. The study's objectives were met by identifying key governance gaps—including poor record-keeping, irregular procurement, weak oversight and role confusion within SGBs—all rooted in inadequate support, low capacity and broader contextual pressures. The study objective was also achieved through the development of a comprehensive governance framework that strengthens capacity, clarifies roles, enhances stakeholder participation, embeds adaptive practices and improves district oversight. The framework offers a coherent pathway for ethical, transparent and sustainable financial governance in schools, as illustrated in Table 2.

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