Financial Management experiences of township early childhood development centre principals in Gauteng Province of South Africa

Adebunmi Yetunde Aina (adebunmiaina@gmail.com)  
University of Pretoria - Groenkloof Campus  
https://orcid.org/0000-0001-9417-1510

Research Article

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Abstract

The delivery of high-quality education is considerably aided by effective school management, which includes managing finances. Understanding financial management in early childhood education (ECE) is crucial and essential given that high-quality ECE is now recognised as a foundation for successful higher education and productive adulthood. This study aimed at exploring township early childhood development centre principals’ experiences with their financial management responsibilities. Four early childhood development centres were purposively selected from the township areas in Gauteng Province, South Africa, using a qualitative research approach and case study design. Data was collected through in-depth semi-structured interviews with the principals of the selected centres. The findings demonstrate that the ECD principals have limited knowledge of financial management responsibilities and that there is no formal legal framework for financial management at ECD centres. Township ECD financial management practices include planning (identifying needs), organising (fees paid into the bank account and procurement made through bank card) and reporting (giving accounts to the board of directors and parents). In this study, it can be concluded that township ECD principals are making an effort to ensure effective financial management of their centres. However, several obstacles, including the principals’ lack of accounting expertise, their heavy workload, the non-payment of school fees, and the absence of a financial management legislative framework, prevent ECD centres’ effective and efficient financial management.

Introduction

Financial management in education refers to identifying the sources of school funding, fundraising, methods of money collection, and efficient application of revenues to the school system to fulfil the specified goals and objectives (Asemah, 2010). Effective financial management requires school principals to possess and apply basic financial management skills (Odide, 2021). Numerous studies on the duties of secondary and primary school principals and the difficulties they encounter concerning school financial management have been conducted in the South African context. Lack of financial management skills, illiteracy in procurement practices, a lack of understanding of the policies governing the management of school money, and insufficient monitoring, control, and accountability for school finances are among the major issues raised by authors (Beyers & Mohloana, 2015; Mestry, 2013; Ndou & Menlah, 2015; Rangongo et al., 2016). Understanding early childhood development experiences (ECD) centre principals in their financial management duties will be instructive given that early childhood education is increasingly recognised as the basis for all high-quality future learning. As of the time this study was being conducted, there was no scientific data on the financial management responsibilities of ECD principals. This study sought to advance knowledge by exploring township ECD centre principals’ views and experiences on their financial management responsibilities. Knowing more about the financial management of the ECD centre would aid the South African government comprehend what is required in terms of policies and support to enhance the quality of service in this sector.

A growing recognition of the significance of ECD worldwide has prompted early childhood education (ECE) policy reforms. Examples include the Sure Start Project in the UK (Kane, 2008), the Head Start Programme in the United States (US Department of Health and Human Services, 2010), the Harambee Preschools
community-based ECD model in Kenya (Prochner & Kabiru, 2008), and the Chile Crece Contigo (Chile grows with you) campaign (Bachelet, 2017). Adoption of these policies has as a common objective ensuring that young children receive high-quality education through the provision and appropriate use of relevant resources like finances. The success of all educational activities in any school depends on effective financial management (Xaba & Ngubane, 2010). As such, it is important to understand the policies and practices of school financial management, especially early childhood education, which has been identified as being fundamental to improving health, academic levels, opportunities for future employment, as well as the eradication of poverty and inequalities (Richter & Samuels, 2018).

The South African government is following international trends and working to raise the quality of its early childhood education. Many policies and interventions aimed at improving early childhood education have been implemented, for example, the National Curriculum Framework for Children Birth to Four Years [NCS] ([Department of Basic Education [DBE], 2015]; the National Early Learning and Development Standards for Children Birth to Four Years [NELDS] (Department of Basic Education [DBE], 2009); and the eligibility of government funding to early childhood development centres registered with the Department of Social Development (DSD) (DSD, 2015). Despite the implementation of many ECD policies and frameworks, it seems that the financial management element of the centres receives little to no attention. According to Atmore et al. (2012), the financial management of many of the registered community-based ECD centres is poor; more than 50% of these sites do not have many of the necessary administrative documents and structures in place, including such items as a petty cash book. Kotzé (2015) added that an ECD centre needs significant financial support to improve the quality of ECE. A key component of providing basic education is funding early childhood education, which is especially important for developing nations like South Africa because of its limited financial resources (Leshoele, 2016). Hence, the availability and effective financial management at ECD centres are critical to achieving the benefits of quality ECCE.

The objectives of this study are to describe the financial management roles of ECD centre principals from their view; to identify the practice and policies that guide ECD centre principals regarding their financial management duties and the financial management challenges experienced by the ECD centres. The research questions to achieve these aims are as follows:

Main research question – How do ECD centre principals experience their financial management roles?

Sub-research questions are

1. How do the ECD centre principals understand their financial management roles?
2. What policies guide ECD centre principals regarding their financial management duties?
3. What strategies are used by the ECD centre principals to manage their finances?
4. What financial management challenges are experienced by the ECD centre principals?

Literature Review

Early Childhood Education Centre Financial Management
ECD centres in South Africa are mostly registered as non-profit organisations and are usually private schools handling their own finances (Meier & Marais, 2018). Financial management in early childhood education is mainly concerned with school advice on raising money, school advice on managing money, financial management related to the school's yearly programme, how to administer school finances, and how to carry out monitoring, control, and inspection according to Khairma and Suryana (2018). Financial management must be correctly done if the aim of high quality, ranging from childhood to higher education, is to be attained (Aina & Bipath, 2022). Due to the value of money in early childhood education, school principals must properly manage sources of educational financing (Khairma & Suryana, 2018). Fitriana (2018) also echoes that the implementation of educational programmes depends heavily on sound financial management. Ensuring that ECD centres are well managed financially is crucial because they have been recognised as foundational to great higher education. However, Atmore (2013) states that more than 50% of ECD centres lack efficient organisational structures, which results in poor financial management for many of these centres. The Department of Social Development and EPRI (2014) also reveal that many ECD centres' financial management is sub-standard because of their flimsy administrative frameworks. According to the authors' findings, more was needed to improve how ECD centres handle their finances.

**Early Childhood Education Centre Financial Management Policies and Funding**

After 1994, the new democracy in South Africa implemented several new ECD-related policy reforms to remedy historical injustices in the educational system. Recently the ECE enacted policies included the National Integrated ECD Policy in 2015, the Early Childhood Quality Framework for babies from birth to four years in 2015, and the South African National Curriculum Framework for children from birth to four years (NCF) in 2017. None of the enacted ECE policies spells out how financial management should take place, unlike what we have in the South African School Act (Republic of South Africa, 1996), which clearly prescribes financial management in primary and secondary schools. The absence of government guidelines on financial management in ECE centres could be one of the reasons why authors like Atmore (2019) said that there is still much work to be done in South Africa to raise the bar for early childhood care and education. Butcher and Pletcher (2016) also emphasise the advantages of the government's financial management policies by stating that these policies, derived from national and state legislation, should adhere to accepted accounting principles and ECE administrators must take responsibility to follow such policies.

Despite the lack of clearly defined government regulations for financial management in ECD, South Africa has a funding system for ECE. Early childhood education funding is one of the key elements in implementing the educational process, and affecting the quality level (Fitriana, 2018). In South Africa, two primary methods are available for funding ECE through the Department of Social Development. Firstly, through a grant given to registered early childhood development centres, the grant is calculated per child per day for children ages 0 to 4 whose caregivers pass an income means test. Secondly, non-profit organisations (NPOs) are provided money for ECD programmes, the majority of which are not centre-based (Giese et al., 2011). However, accessing government funding can be difficult, according to Richter et al. (2012), who also claim that the existing ECD subsidy is wildly inadequate.
School Principals' Financial Management Roles

The role of the financial manager, such as the school principal, includes the following duties: accepting accountability for the efficient use of school funds; being responsible; avoiding wasteful or unauthorised spending; establishing a financial system or structure, and doing so before a final decision is made on the school project (Odide, 2021). School principals must manage education funds effectively and efficiently due to the significance of financing in early childhood education (Fitriana, 2018). It is essential to ensure that school principals are skilled in handling school finances if schools are to succeed and survive in this challenging environment (Matshika, 2014). Since many principals lack training or experience in this area, managing the school's finances can be one of the most challenging duties they must undertake (Clarke, 2008). Many school principals lack the requisite financial expertise and knowledge (Mestry, 2013).

School Financial Management Strategies

The strategy of financial management that can be applied in formal educational institutions are budgeting, accounting and auditing (Fitriana, 2018). The budget is designed to facilitate planning (Fitriana, 2018). Planning is identifying potential funding sources for supporting educational initiatives and accomplishing educational objectives in educational institutions (Riinawati et al., 2022). Garrison et al. (2011) argue that effective planning without compelling control is a futile and laborious effort. Mestry and Bischoff (2009) clarify that to ensure effective and efficient school financial management, the relevant stakeholders must implement the following control structures: budgetary control, asset control, stock management, and cash management. Meier and Marais (2018) added that decentralising financial control to school-based management has become a crucial school improvement strategy. Decentralising school financial control would also be referred to as a division of labour in accomplishing an activity, as described in activity theory that guided this study (Engestrom, 1987).

Accounting is another financial management strategy that can be adopted in a school setting. Aina (2017) describes it as documenting, analysing, evaluating, and communicating an institution's financial information. The purpose of financial accounting in the education sector is to offer financial data that may be used to inform school budgeting decisions (Fitriana, 2018). According to Van Rooyen (2012), school financial accounting is crucial because it serves as a foundation for holding school principals, and more specifically, policymakers, accountable for their actions and performance. Hence, principals or relevant stakeholders with financial management responsibilities need to know financial accounting concepts like financial transactions, accounting equations, double entry principles, debit, credit, assets and liabilities.

Financial reporting is a crucial component of financial accountability, which involves giving regular financial updates to those who have a right to know (Xaba & Ngubane, 2010). Conversely, Fitriana (2018) states that the results of an audit can be utilised to make the school principal feel more accountable and to help identify any financial issues at the institution. Furthermore, Aina (2017) states that on request from any interested party—whether parents or other pertinent stakeholders—for inspection reasons, the schools' audited or reviewed records and financial statements must be made available. The question is if ECD
centres, especially those in the township areas, have audited accounts that can be made available for stakeholders upon request.

**Theoretical framework**

Activity theory is used as a lens to describe the financial management experiences of the selected ECD principals in this study. Although Activity theory is not commonly used in financial management, it has been widely used in interdisciplinarity ranging from education, psychology, organisational studies and technology integration. Engestrom's (1987) modified activity theory components include tools, subject, rule, community, division of labour and outcome can be used to understand and describe the financial management experiences of the participants as these concepts can be related to this study's focus. The activity theory is important and relevant for this study because the components help to identify components like policies, tools, accountability partners and strategies used by the principal regarding their school's financial management. Relating activity theory components to this study, the activity is referred to the financial management duties of the ECD principals, and the subject relates to the ECD principals. Subjects develop themselves through their activities instead of only expressing themselves through them in a real sense (Rubinshtein, 1986). This study sought to identify how ECD principals understand their financial management roles and develop themselves through their financial duties. Leontiev (1980) posits that rules should guide the interaction of subjects with the community in an activity process. In this study, the rules are referred to policies that guide the ECD principals regarding their financial management roles. The community component of the activity theory could be referred to the relevant ECD community/stakeholders for which the ECD principals are accountable. The division of labour component is one of the strategies used by the ECD principals in performing their financial management roles. This study aims to identify the strategies and policies that assist ECD principals in carrying out their financial management responsibilities.

**Methods**

This study employed a qualitative research approach to address the research questions within the context of an interpretive model (Merriam & Tisdell, 2015). A qualitative research approach has been chosen because the study's purpose has been to provide in-depth knowledge and rich explanations of ECD principals' experiences with their centre's financial management. A case study research design is thought to be most appropriate for this study because the study seeks to understand the occurrence of similar events in the township context. Therefore, this study examines four township ECD centres situated at the north-eastern outskirt of Pretoria as cases to provide answers to the research questions. Four centres were chosen using purposeful sample approaches, and the ECD principals of each centre were interviewed. These centres are within Pretoria's township area and have been operational for at least five years. The ECD centre principals are expected to have a minimum of five years of working experience as head of the ECD centre so that their acquired knowledge and information related to the study's focus will be useful in answering the research questions. The level of their experiences and knowledge is expected to provide answers to the research questions. Table 1 displays the biographical details of the chosen participants.
<table>
<thead>
<tr>
<th>ECD centre</th>
<th>Participants’ pseudonyms</th>
<th>Age</th>
<th>Qualification</th>
<th>Experience</th>
<th>Number of registered learners in school</th>
<th>Fees/charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Janet</td>
<td>52</td>
<td>Diploma in ECE</td>
<td>16 years as ECD principal</td>
<td>78</td>
<td>R700</td>
</tr>
<tr>
<td>2</td>
<td>Ola</td>
<td>32</td>
<td>Certificate in ECE</td>
<td>5 years as ECD principals</td>
<td>34</td>
<td>R450</td>
</tr>
<tr>
<td>3</td>
<td>Cool</td>
<td>34</td>
<td>Certificate in ECE</td>
<td>6 years as ECD principals</td>
<td>66</td>
<td>R500</td>
</tr>
<tr>
<td>4</td>
<td>Kind</td>
<td>40</td>
<td>Diploma in ECE</td>
<td>8 years as ECD principal</td>
<td>71</td>
<td>R550</td>
</tr>
</tbody>
</table>

### Data Gathering Techniques

Data collecting methods such as individual semi-structured interviews were used to elicit pertinent information on the participants’ centre financial management. The interview sessions were audio recorded to retain verbatim versions of what transpired during the interviews and provide original material for reliability checks. Interviews were held in the ECD facility for about one hour per participant. The participants provided in-depth explanations of their opinions along with verbatim audio recordings for later transcription and reliability tests. The semi-structured interviews were conducted in a way that allowed for the meaningful collection of information, which produced a good knowledge of the participants’ financial management experience. Before collecting any data, I ensured that all of my participants were informed of the study’s purpose and goals to preserve their rights. I explained to each participant that they could withdraw from the study at any time, that the use of a pseudonym would secure any information they submitted, and that their anonymity and confidentiality would be ensured. Ethical clearance was sought and approved by the affiliated institution (Ethics Protocol No: EDU150/22) before data collection. Before conducting interviews, the participants also acknowledged having signed the consent form.

### Data Analysis

Data analysis in this study was done thematically by methodically classifying and categorising the generated data into themes that arose from the data. Thematic analysis was appropriate because it aided in analysing and comprehending the participants’ experiences with financial management. The primary themes are determined from all the opinions reflected in the data, and all the data gathered are evaluated to identify common, recurrent events (Babbie & Mouton, 2011). Analysis of the data, which included grouping it into categories based on themes, was also directed by the study questions and theoretical framework. I
gave each participant a transcript of the data once it had been transcribed so they could check its accuracy and veracity (Nieuwenhuis, 2016). External verification of the study method was done as part of a peer review or debriefing process to eliminate bias (Roller & Lavrakas, 2015).

**Findings**

An analysis of the data revealed themes related to the information on school financial management. The emerging themes were interpreted by relating the participant's experiences to the relevant literature, the study research questions and the theoretical framework. The emerging themes are limited by a lack of knowledge of financial management responsibilities by ECD centre principals, policies that guide ECD centre financial management, financial management practices in township ECD centres, and barriers to effective financial management in township ECD centres.

**Limited Knowledge Of Financial Management Responsibilities By Ecd Centre Principals**

The data revealed that the participants did not have any school financial management qualification or knowledge before their position as the principal of their centres. But they learn and grow their financial management skills as they perform their duties in the centre. They developed their financial management skills by attending several workshops. Below are some direct quotes from the participants' viewpoints:

I do not have financial management experience before my role as a principal. Ten years ago, there was this accounting firm that offered to give us a free accounting/bookkeeping workshop. This firm come every month to capacitate me on how to manage the school finances. They give us monthly workshops on how to manage our finances because we are an NPO. They started on how to set up financial books, how to manage your income and expenditure. (Janet)

"I can't say that I have financial management skills or qualifications; it was after taking up my role as principal that I started attending workshops on how to manage the school fund" (Cool).

"I cannot say I have school financial management experience because I do not have qualifications in that aspect before my role as the principal" (Kind).

Data shows that the participating ECD principals had limited knowledge of school financial management when some challenges narrated in theme four below affected their financial management roles. The participants imprecisely explained their understanding of their financial management process, which was interpreted into budgeting, accountability, and the procurement of goods. It was also revealed that the principals are their centres' accounting officers, which puts pressure on them as they struggle with other administrative responsibilities and their accounting duties. Other managerial and teaching roles performed by the participating principals negatively affected the performance of their financial management roles.
We started by opening a school bank account. I was trained on how to do our income and expenditure. I and the board members will sit down and discuss the vision of the school, the activities that will be done in the school, we agree on school fees, salaries and what to do with the income. I am in charge of buying food items, stationeries and items that we agreed on with the board members. And we explain to the parents on how we use the money in during our annual general meeting. (Janet)

The financial management is not easy but the first thing I do is to record all the money coming in, which are school fees, because we don’t have any sponsor right now. I record the fees and also capture the expenditure for the month manually.

The bookkeeping duties is not easy because of other work that I have to do. But, I really try to record the income. The expenditure is not easy to record because sometimes you are on the road, you see what the school need, and you buy. At the end of the day, you might not be able to capture all the expenses. (Ola)

We introduced our school back account for the parents to pay into the bank account. Since then, financial management has been easy because everything goes to the bank. When we go to the shops, we only use the bank card to buy, even when we do our financials. Everything is easy because we see all expenses in the bank statement, you can’t say that I misplaced some fund[s] or I overspent. The bank account is working for us because parents paid into the bank, and we also spend directly from the bank. We can track records of income and expenses. I am controlling school fees, but parents paid at the bank and myself, and committee members agree on salaries; they are aware of when we pay salaries. (Kind).

Policies That Guide Ecd Centre Financial Management

Data analysis reveal that the participating ECD centres do not have government stipulated policies that guide their centres’ financial management. However, they were able to develop policies that guides their financial management through the knowledge and skills they acquired from the workshops, personal research and using their intuitions. In addition, the principals also tried to describe what their internally developed financial policy looks like. Below are the excerpts from the participants.

There is no government policy on how we should manage our finance, but the Social Development gave a workshop on how to come up with our financial policies. So here, we have a procurement policy, financial policy and petty cash policy. So, to come up with these policies, we have to search google on how to do it. We also looked into how we use money, and we formulate policies around it. (Janet)

The policy from the government on financial management is not there, but we try to come up with what we should do about managing the school money. For example, it is written in our admission booklet when school fees should be paid, and parents are advise[d] to pay into our bank account. (Cool)

For now, we do not have any policy from the government to help us with our financial management. So internally, I can say the policy is that all parents must pay into the school account, and all spending must be done from the school back account. (Kind)
No policy from the government to guide us on how to prepare our account. From what I could describe as our financial policy, we have a contract application which we make parents sign. Everything about the school fees is there. It shows the closing date of school, payment which is the third of each month. We record all the income and, after, then we make a list of expenditures and we buy from a different store, looking for goods on promo to save money. (Ola)

**Financial Management Practices In Township Ecd Centres**

It was evident that the participating principals played active roles in their school financial management from their shared experiences, although there are no specific guidelines for their centres’ financial management. This study strives further to understand the strategies used by the participants regarding their centres’ financial management to understand the financial management strategies used by the participant,. The data analysis reveals the practices of the participants, which are interpreted as planning, organising, and reporting the financial activities. The planning aspects of the financial management were deduced from the descriptions of the budgeting as explained by the participants. Financial planning, which could be referred to as budgeting, entails a list of income and expenditures for a particular period to achieve a particular goal. Below are some quotes from the participants.

I present the list of things needed in the school, like food items and teaching materials, to the board member during our quarterly meetings, and we agree on the amounts. So money will be voted to buy the things. (Cool)

“The board members and I will sit down and discuss the vision of the school, [and] the activities that will be done in the school, we agree on school fees and what to do with the income” (Janet).

Janet further indicated that:

If the income does not meet our needs, since our income is most of the time not enough, we do quarterly fundraising with the parents, where they are asked to pay like R200 extra for the month to purchase what we need.

Kind added to the comments by describing her centre's budgeting process. “What we normally do is that I have a board member, and we sit down to see what we need for a month, we draft the list of what we want. So, when we agree on what to buy (Kind)".

However, one participant appears not to consult with the board regarding the school's financial planning. She commented:

The income is only from fees paid by the parents. For procurement, after the payment of school fees, we go out with the list from the kitchen staff of what we need. I usually go to buy; we have specific days to buy stuff, either for stationeries or food. (Ola).
Organising financial information involves collecting, storing, analysing, and interpreting data in a structured manner. The data analysis reveals that collecting and storing the school fees are made into the school bank account. However, the participants struggle with recording, analysing and interpreting their financial activities. The struggle is due to the principals' limited proficiency in financial management and administrative duties workload.

“For now, I can say I have a bit of accounting knowledge but to apply it is not easy for m’.’ (Ola).

“When I am busy with other administrative activities, I delay in preparing the receipt for the parents and updating the accounting records’ (Janet).

‘Working extra time, I go home with work during the weekend to update the financial accounts’ (Kind).

“The bookkeeping duties is [sic] not easy because of other work that I have to do. If I have money, I will employ [a] bookkeeper to help with the accounting documents” (Cool).

“The recording of the expenses is a lot of challenges, especially with the petty cash. There is not time to record” (Ola).

Financial reporting requires communicating the actual financial state to those who have a right to know. The financial reporting practices were identified when the participants indicated that the registration of their ECD centre as being an NPO requires them to have an audited financial statement.

Our centre is registered as an NPO and we are expected to sign the document that we will comply with the NPO Act, which state[s] that your school need to have a registered bookkeeper that will audit your books. So every year, before our AGM, we hand over our books to our bookkeepers to audit them, and we explain to the parents how we use the money in that year. (Janet)

"And we are paying [an] auditor to look into our account because we have to submit our report to keep registered as a centre" (Kind).

However, two of the four participants appeared not to audit their financial records. They narrated how they involved relevant stakeholders in examining their accounting records. See the narratives below.

The board members are involved in the decision-making of the school. They are also involved in the financial management; for example, they check my account presented to them. They also advise me on managing the school funds, so we don't use auditor because we cannot afford it. (Ola)

No, we don't audit. I just try to keep record of the school account myself, and I present to the board of directors. They look into the school finance, and I am accountable to them because sometimes they query me on how I spend money. (Cool)

Financial management challenges experienced by the principals in township ECD centres.
The financial management problems facing township ECD centres include the non-payment of school fees, the workload of principals, and the lack of accounting knowledge among principals. A significant problem experienced is the non-payment of school fees. The principals lamented that this affected the smooth running of the school, demotivating and increasing the teacher turnover. With the shared experiences of the principals, there is an indication that the non-payment of school fees will negatively affect the quality of the care and teaching offered at the centre. This will be a double blow for the township children who have been disadvantaged due to their location and their parents' socio-economic status. Participants voiced the following worries about it:

Some parents always pay less than the required school fees. Some parents owe for more than two months, and they eventually withdraw their kids from the school. Non-payment of school fees is demotivating and affect[s] the running of the school. (Janet)

Parents are not paying school fees because most of our parents are domestic workers like gardeners, taxi drivers; we don't have qualified parents that earn more, so they don't pay regularly. The source of fund is minimal and we also struggle to raise funds. (Cool)

I will say it is not so much easy because we are dealing with parents that depend on social grants. So, they will say we don't have much to pay this month, and we allow the kid to stay. So, for example, we have 50 children, and only 25 are paying school fees. This affect our teacher's turnover rate because this month we have this teacher, and next month the teacher wouldn't come again because the salary is small, like a stipend. (Kind)

"Non-payment of school fees is a problem in our centre; it affects important progress like we can't buy needed learning resources, we can't employ assistant teachers or even accounting clerks to help with the bookkeeping" (Ola).

The workload of the principal is another difficulty that has an impact on financial management. The participating centres could not afford to employ an accounting officer, so the principals took on the school financial accounting duties. The comments below indicate how the participants reported the issue:

Another challenge is that most of the time, I am overwhelmed with work, like today is the 21st, so I need to update the fees that parents have paid. So, when [I] am busy with other administrative activities, I delay in preparing the receipt for the parents and updating the account records. Most of the time I can't cope with doing the administrative work and financial management work, and also sometime [I have] to stand in for teachers that are absent. (Janet)

I think the major cause of the problem is the workload because for me, as the principal, I am involved in several activities, administrative work, supervising the teachers and kitchen staff members. Another problem is also time, there is no time to put the recording as expected. (Ola)

As the principal, I already have too much in my cup, plus the record-keeping and bank reconciliation work. For example, there are some records that I need to document, but they are just there because I am busy with
other pressing work. (Kind)

Another issue in the participating centre is the lack of financial expertise exhibited by the principals. Participants asked for additional training to upgrade their skills in financial management:

“The financial management is not easy, so if, from the government, we can get more workshops with the board members on financial management, it will be so good” (Janet).

Telling you the truth, we are trying, but the financial capacity is not there. When it comes to bookkeeping, sometimes you see that you have two to three months you are losing. You will gain one month again, but for the next three months you are losing. The knowledge and also time to do the account the way it should be done is not there. (Cool)

I don't want to lie; for now, I am just doing it by the grace of God, I don't have the skills, and I don't know how [I] am managing the account. I don't know if we are making [a] profit or loss. I am clueless. What I do to save money is to look for [a] store that sell good on special. I am just trying to make things work financially. (Kind)

“Preparing according to records, book of account to see if we are making [a] profit is a challenge” (Ola)

**Discussion**

This study sought to explore the financial management experiences of the township ECD centre principals by describing the financial management roles of ECD centre principal to identify the practice and policies that guide ECD centre principals regarding their financial management duties and the financial management challenges experienced by the ECD centres. The results show that the ECD principals have a limited understanding of financial management roles. Although the participants explained their financial management experiences by describing their financial management skills, how they grew and developed school financial management knowledge, and their financial management responsibility. The participants shared experiences do not portray a complete financial management process like duties that lead to the preparation of the centres’ financial statements, and knowledge of accounting concepts is also not clearly indicated. This finding agrees with Riinawati et.al. (2022) that state the lack of financial responsibility includes the issue that plagues the financial administration of education. The result also confirms Baka’s (2012) findings, which indicate that centre managers have some knowledge of financial records. However, they cannot compile a complete set of accounting records for their ECD centres.

A policy's primary purpose is to offer a method or structure for carrying out tasks; this is more vital regarding school financial management responsibilities. The result reveals that the ECD principals have no legislative guidelines for the financial management of their centre. These results contradict Makrwede's (2012) statement that all financial systems should be guided, informed, and directed by a set of legislative frameworks that serve as the cornerstone of all operations and processes. It is important to note that it is essential to have formal rules derived from state and federal legislation to keep an organisation structured, on track with its financial objectives, and ethically responsible (Butcher & Pletcher, 2016). Such national
policies are lacking in the participating centres. However, it is impressive that the township ECD principals can generate internal financial management policies to guide their finance practice. This finding contradicts the claim of Atmore (2013) that indicates many ECD centres lack the appropriate financial frameworks. The differences in the findings could be because the participants in this present study are registered as NPO's, and they must provide their accounting documents at the end of the year to keep their centres registered.

Financial management includes the school's annual schedule, how funds are handled, and the methods used for supervision, control, and inspection (Fitriana, 2018). In an attempt to discover the financial management strategies adopted in the participating ECD centres, the participants did not describe the financial management practices in their centre in clear financial terms, which is described as planning, organising, and reporting the financial activities. This finding shows that collecting and storing of the school fees are made into the school bank account, but the participants struggle with the aspect of recording, analysing and interpreting their financial activities. The struggle is due to the principals' limited proficiency in financial management and their administrative duties workload. This finding agrees with Kago Ya Bana's (2012) indications that many ECD managers do not analyse their financial statements due to their low financial literacy.

Regarding the communication of financial records of the participating centres, some centres indicated that they audited the accounting records and made them available to their board of directors. Some centres revealed that they do not audit their financial statement because they cannot afford the cost of auditing the account. School financial management requires schools to be able to properly and transparently plan, manage funds, evaluate, and account for their operations (Riinawati et al., 2022). In agreement with previous studies, this study also reveals the non-payment of fees, the principals' low to non-existent financial accounting skills and their unmanageable workload. For up to three months or longer, most parents owed the ECD centres money (Baka, 2012). Baka (2012) also found that ECD centres suffer numerous financial difficulties and that most ECD centre principals have a low level of financial management knowledge. The assertion made by Maseko and Manyani (2011) that small to medium-sized businesses (SMEs), categorised as ECD centres, do not maintain thorough accounting records due to a lack of accounting education, also struck a chord with many people.

**Limitations Of The Study**

The study's limitations are mostly due to the results' lack of generalisability since the study was restricted to township ECD centres located in Gauteng Province. Another limitation is the initial extraction of essential financial documents from the ECD centres, as the study intends to use document analysis in addition to semi-structured interviews (Yin, 2016). Some principals described their financial records as confidential, while others claimed they were out-of-date and would prefer not to share them. Due to this difficulty, the researcher decided to conduct extensive semi-structured interviews. Examining the tools the ECD centres use for financial management is another element that might be considered the study's delimitation. Even
though the theoretical framework for this study included tools as part of the concepts needed to complete an activity, the researcher decided not to look into this matter due to the study’s scope and objectives.

**Conclusions And Recommendations**

Policymakers, academics, and practitioners have all worked to enhance quality early childhood education. By examining the financial management experiences of principals, this study added knowledge because sound financial management can directly enhance educational quality. The findings show that ECD principals serve as the centres’ accounting officers. Despite the ECD leaders' lack of financial management expertise, they could develop internal financial policies to direct their financial management responsibilities. A national legislative framework for ECD schools' financial management is lacking. In addition, it is revealed that ECD financial practices involve planning (needs identification), organising (fees paid into a bank account and purchases made using a bank card), and reporting (giving accounts to the board of directors and parents). The ECD principals shared that barriers such as non-payment of school fees, workload and insufficient financial knowledge affect the schools' financial management. They, therefore, clamoured for practical and continuous financial management training.

This study recommends that policymakers stipulate ECD schools financial management guidelines that clearly describe relevant stakeholders’ financial management roles. The Department of Basic Education should also provide practical and continuous training for the principals and relevant stakeholders involved in the financial management practices of the centre. It is also recommended that ECD centres seek external funding to cater for non-payment of fees which hinders the smooth running of the school.

For further research, it is recommended that a study should be conducted in other contexts and provinces of South Africa to obtain a more comprehensive understanding of the research topic. A further study should also explore the financial management tools used at ECD centres and the effectiveness of the financial management processes of the ECD centre.

**Statements and Declarations**

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