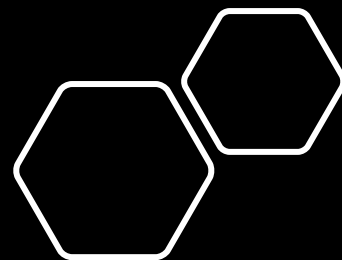


Verification of annual budget – School Principal perspective

PRESENTED BY: Francois le Roux
DATE: 7 July 2021



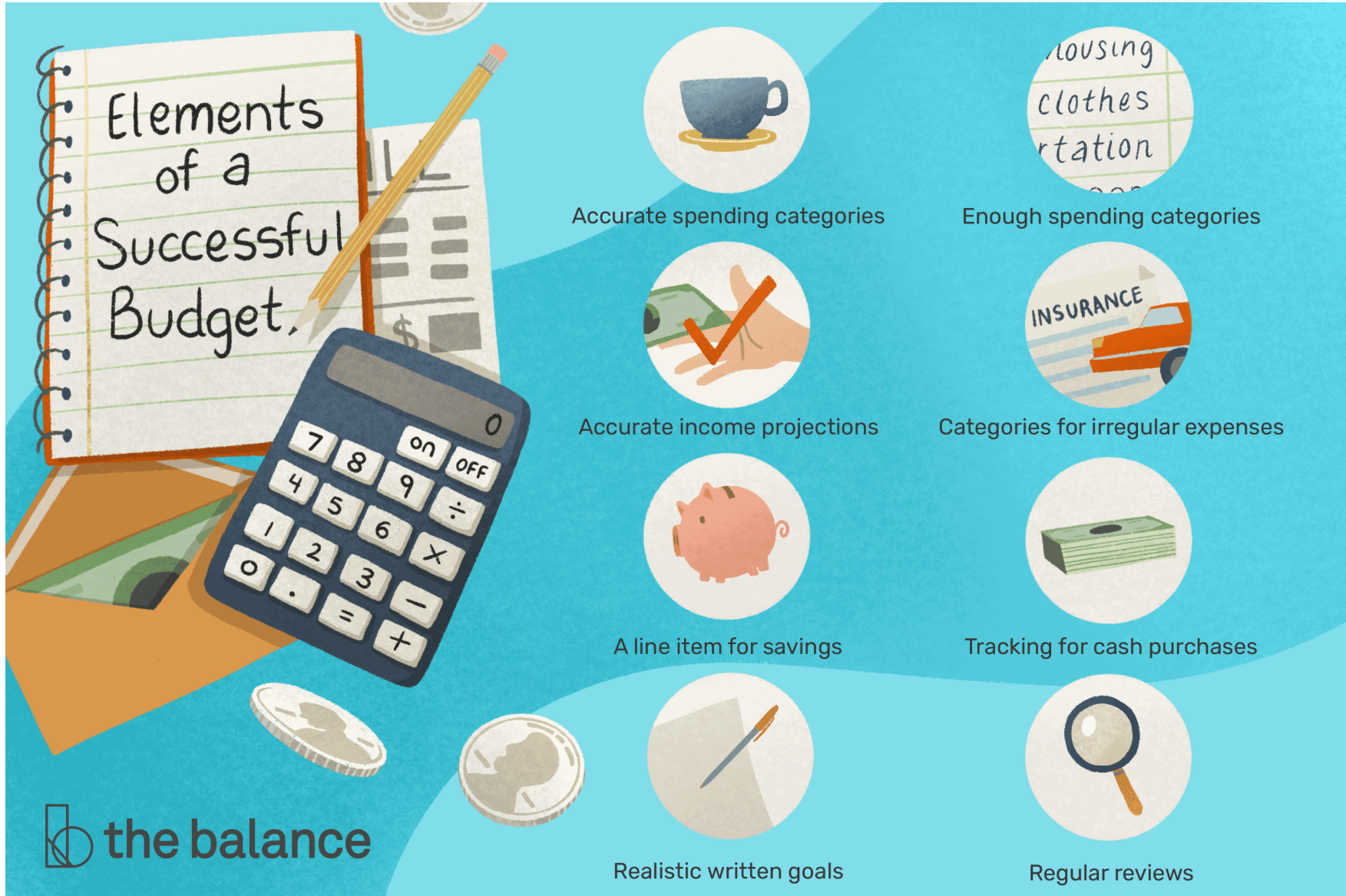
DIE VERANDERING IN ONDERWYS
THE CHANGE IN EDUCATION



WHAT IS A BUDGET:

- ✓ Plan outlining strategic and operational activities, in a realistic manner for the following academic year
- ✓ Fundamentally based on historic information and future assumptions
- ✓ Influenced by expectations, forecasts and new developments
- ✓ Key objective: To navigate the new academic year – provide a “road map”

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WHO PARTICIPATES IN THE PREPARATION OF THE BUDGET:

- ❑ All stakeholders (ensure an all-inclusive approach)

Who are the stakeholders?

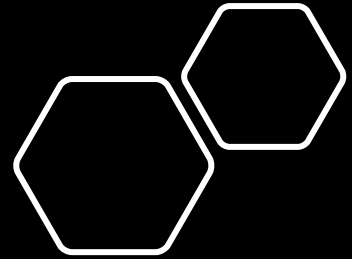
- School Principal
- School Governing Body (SGB)
- Senior management of school
- Budget committee / Finance committee
- Teachers
- Sport and Cultural departments
- School administration department
- School technical and maintenance department

WHO PARTICIPATES IN THE PREPARATION OF THE BUDGET:

This approach will undoubtedly result in:

- Empowering participants
- Joint ownership
- Accountability

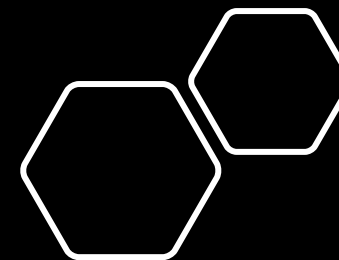
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APPROVAL OF ANNUAL BUDGET:

- The draft budget, inclusive of the input provided by the respective stakeholders, is presented by the Budget committee / Finance committee to the SGB
- The SGB approves the draft budget for presentation and consideration by the parents of the school
- Within the predetermined notice period and specific legislated process, the parents consider, discuss and potentially debate the budget and finally approve the budget for the coming academic year.
- The formal approval is recorded and communicated to the broader parent community and all stakeholders

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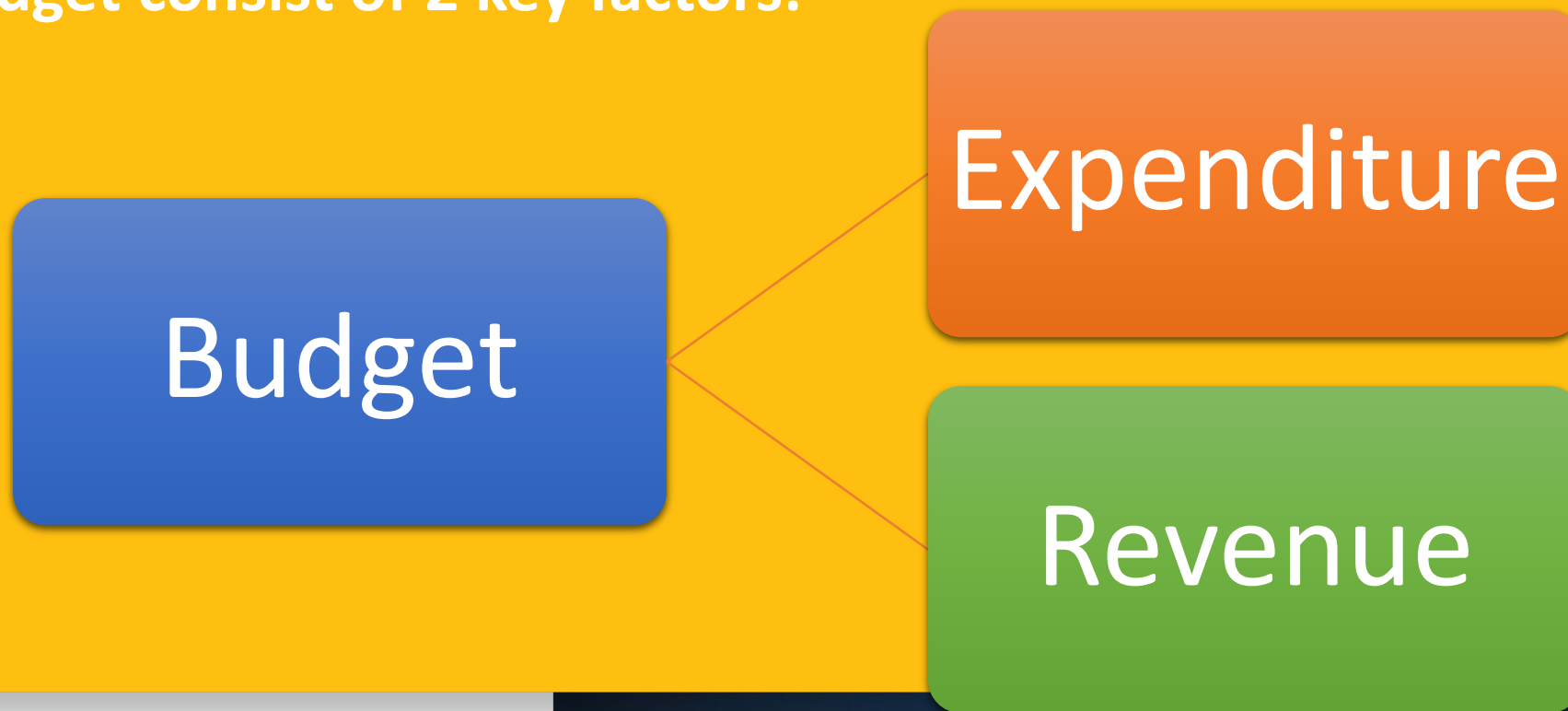
IMPLEMENTATION AND MANAGEMENT OF THE BUDGET:

Respective role players:

- ✓ School Principal
- ✓ Senior School Management
- ✓ Financial Manger (finance / administration department)
- ✓ Financial committee
- ✓ SGB

OPERATIONAL MATTERS:

Budget consist of 2 key factors:



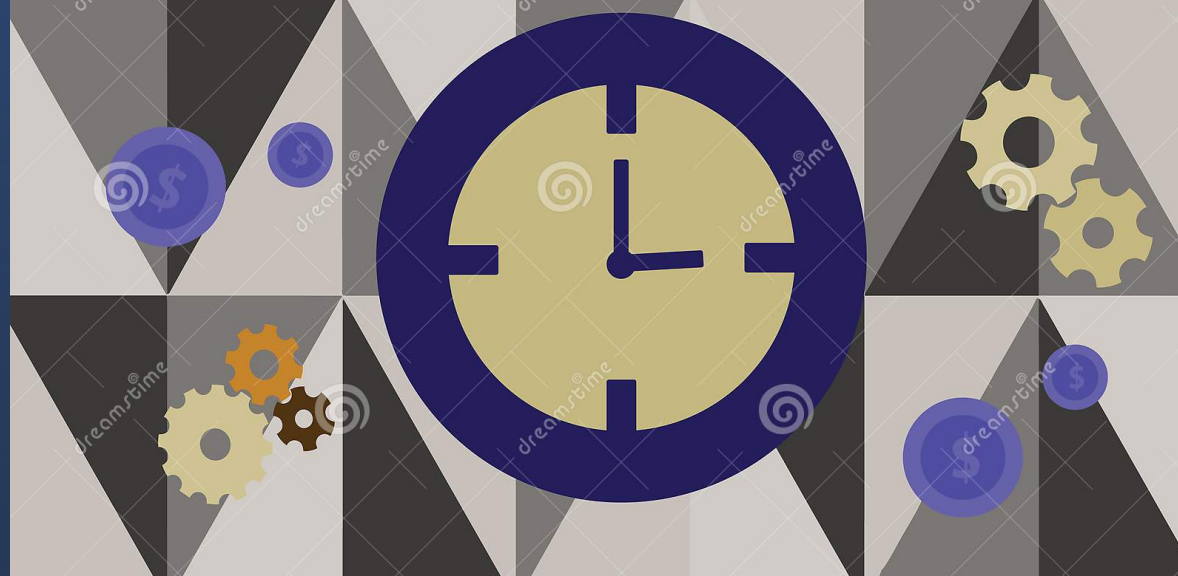
REVENUE:

- Predominately driven by the number of enrolled (paying) learners
- Other income (investment income, rent, parking, gate fees etc.)
- Government contribution
- Donations

EXPENDITURE – DRIVEN BY INDIVIDUAL CATEGORIES

- Salaries (Section 38A)
- Infrastructure related expenditure
- Operational – day to day expenditure
- Sport & Cultural activities
- Exceptions – unbudgeted / extraordinary

BUDGET MANAGEMENT!



WHO IS RESPONSIBLE FOR OPERATIONAL MATTERS?

- Predominately within the control of School Management Team
- Finance Committee plays a supporting role (interpreting, analysing actual data to forecasted data)
- SGB provides oversight and guidance especially within extraordinary circumstances



The only certainty is uncertainty

~ Pliny the Elder

- Impact of every day challenges on the management within the ambience and guidance of the approved budget
- Consider pre-agreed acceptable levels of variances and tolerance to the reality of the “unknown” (both monetary and percentage levels)
- Consistent communication between the operational team and the Finance Committee
- A working relationship based on trust and mutual respect – accepting the reality that things change and adaptability is key
- Accurate and timely reporting of actual performance compared to budgeted expectations
- Regular (quarterly) reporting to the SGB on the actual performance compared to the budget forecast, inclusive of:
 - Reporting on exceptions outside acceptable tolerance levels
 - Presenting options and corrective measures to challenges
 - Consistent planning around the reality of the “un-known”

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BUDGET for NEW YEAR



SUMMARY:

Key mindset perspectives to: School Principal verification of the annual budget

- ✓ Accept that education = challenging times
- ✓ The reality of consistent change
- ✓ The pace and tempo are ever increasing
- ✓ Accept that adaptability is key to success

- ✓ Consistent innovation
- ✓ Exemplary leadership
- ✓ Consistent communication to all stakeholders
- ✓ Parent participation – “buy in”

Q&A

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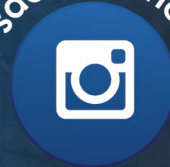
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