

**MINUTES OF THE ANNUAL PARENT BUDGET MEETING HELD AT
GLENSTANTIA PRIMARY SCHOOL ON MONDAY 27 FEBRUARY 2012 AT 19:00**

1. OPENING AND WELCOME

Mr Scheün welcomed everyone and the Rev. Bentley opened the meeting with a prayer.

On behalf of the Head of Department of the Gauteng Department of Education, Mr Scheün read out a short notice asking any members of the press who might be present to please leave the meeting as this was a meeting for parents, not the press.

Mr Scheün asked the Director, Mrs Kekana, to address the parents regarding the forensic audit. Mrs Kekana stated that this report had now been emailed to the parents – those who had not received it could obtain a copy from the office. She urged parents to read the report and to ensure that they understand the contents as they have a right to know what is going with the finances at the school. She stated that some of the recommendations contained in the report had already been implemented by the previous SGB and one of the first tasks of the new SGB would be to ensure that all the recommendations are fully implemented – this will be closely monitored by the District Office.

Mr Scheün thanked Mrs Kekana for her input.

2. ATTENDANCE REGISTER AND APOLOGIES

The attendance register was completed by parents before entering the hall. Some parents, however, had refused to register and to receive a sticker as they maintained that this was an illegal process.

3. PRESENTATION, APPROVAL AND ACCEPTANCE OF THE MINUTES OF THE MEETING HELD ON 4 OCTOBER 2010

Mr Scheün stated that the minutes had been presented to the parents at the aborted meeting held on 19 January 2012 and had been approved and accepted at that meeting.

4. PRESENTATION OF THE 2012 SCHOOL BUDGET IN TERMS OF SECTION 38 OF THE SOUTH AFRICAN SCHOOLS ACT, 84, OF 1996 AS AMENDED.

Mr Scheün read out the following notice “In terms of Section 38 of the South African Schools’ Act, 84, of 1996, notice is hereby given of the combined Parents’ Budget Meeting and the Annual General meeting to be held on 27 February 2012 at 19:00 in the school hall of Glenstantia Primary School.”

Mr Fick questioned the fact that a combined Budget /AGM Meeting was being held. In terms of regulations, in preparation for the AGM, the latest audited financial statements should have been available to parents. He asked if the external audit report was available and, if so, why parents had not received this report.

Mr Scheün stated that the report had been received this afternoon and was available for inspection.

Mr Fick asked how he could approve the report when he had not had a chance to peruse it and stated that if the report had not been made available, Government regulations were being transgressed.

Mrs Kekana stated that she had been advised that the financial report – an unqualified report - had only been received by the school this afternoon. She stated that the school currently did not have an SGB – there is a Departmental Administrator and he had called the meeting. She reminded parents that it is already February and the school still did not have an approved budget. She stated that it is in the interests of the education of our children that this meeting went well.

Mrs Levendal asked how she could approve the budget and vote on certain items if the matters raised in the forensic audit had not been dealt with.

Mr Scheün stated that this was not the time to deal with the forensic audit and asked parents if the meeting could now go through the budget. He stated that if parents were not happy with certain items, these could be amended according to what this meeting decides. This was approved by the majority of parents.

Mr Mokupo stated that the important thing was to ensure that the budget is approved so that the school can operate effectively.

In conjunction with a slide presentation, Mr Scheün presented an overview of the budget and highlighted the following:

- Glenstantia is a fee paying school - it was not known how much the Government would give the school in 2012. This could be in the region of R643,000.00 which would not even cover the basic costs of the school.
- The major concern is the non-payment of school fees by an alarming number of parents – no business can function with 17.8% bad debts. The total outstanding debt at the school is over R5,000,000.00. Mr Scheün stated that the Department was trying to put a system in place to recover those bad debts.
- One of the main cost drivers at the school is salaries. Currently Glenstantia has a staff of 101 - the salaries of 44 of these staff members are paid by the GDE and the remaining 57 salaries are paid by the SGB. These extra staff members are employed in terms of Glenstantia's aim to see that each child at the school receives the best possible education.
- Other major cost drivers are educational requirements and this year the Foundation Phase will be implementing CAPS – a new curriculum - so new learning material will have to be purchased.
- Mr Scheün outlined the procedure that is followed when the budget is prepared. Each department submits their requirements and this is closely considered by the SGB as to what can be allowed and what cannot.
- Parents of learners in Grades 1 – 7 must be aware that if they cannot pay the school fees they have a right to apply to the school for an exemption.
- There are no exemptions for Grade R or the After School Centre.
- The fees for Grades 4 – 7 are slightly less than for Grades 1 – 3 as the intersen classes are not issued with stationery.

Income

- Mr Scheün stated that there is no income shown for fund-raising because when he arrived at the school no fund-raising projects had been registered. A very successful Valentine's Day Dance had been held which had raised a net amount of approximately R10,000.00. Thanks

were expressed to Mrs Theron for all her hard work in this regard.

- In 2011 fundraising events had brought in an amount of approximately R120,000.00.
- A large amount had also been received from Makro and Myschool, representing a rebate on purchases made by the parents of the school.
- Grade R – grant from the GDE. The school has two classes registered with the GDE and it is hoped that the grant could be in the vicinity of R100,000.00, but the amount will only be final when it is received by the school.
- The majority of income is from school fees.

Expenditure

- 44% of all expenditure goes on staff salaries.
- Doubtful debts.
- Discount given for early payment of school fees.
- Staff discount for school fees – the Section 38A applications had been approved by the Department so must be paid this year – because of new regulations the new SGB will have to look at this for next year.
- Internal and external auditors.
- SGB affiliation fees to Governors Alliance.
- Cell phone charges – Mr Scheün advised that these costs might disappear as Mr Pretorius will take over the contract on the existing phone and the contract for the Financial Manager's phone will be cancelled.
- Group Life Insurance for staff members – this will be looked at by the new SGB for the future.
- Staff members will no longer receive lunch from the tuck shop – they still receive tea and coffee.

Aims for the future

Mr Scheün stated that the aim is to provide good governance, adhere diligently to the financial policies and to adhere to the budget targets.

5. DISCUSSION OF THE BUDGET

The following comments and questions were voiced by parents:

- There is an increase in the cost of adverts and a drop in interest received from investments. Mr Scheün stated that the interest had dropped because the investments had been used to pay the salaries of SGB staff – this was due to the fact that the budget had not been approved, resulting in a reduction in the payment of school fees. The policy of the SGB was to advertise vacant posts in a Sunday newspaper and a local newspaper.
- Mrs Levendal queried the following:
 - Would a complete breakdown of incentives received by staff members be made available as she did not believe that parents had been adequately informed?
 - Why is the Community Fund not on the Agenda?
 - When would feedback be received regarding the Placement Assessments and the appointment of consultants?
 - Inadequate report back on alleged financial irregularities – parents could not vote on the budget if answers had not been received to questions.

Mr Scheün stated that the purpose of this meeting was to approve the budget – issues raised by Mrs Levendal would be addressed at a later stage. The Community Fund would be dealt with at the Annual General Meeting.

- The following queries were raised:
 - What was the increase of 9.9% in the budget based on?
 - The allowances received by certain staff members - are these GDE staff members or SGB staff members. It was felt that GDE staff members received a fat package and did not deserve additional allowances.
 - 100% exemption on school fees for staff members with children at the school – is this according to legislation?
 - Staff members receiving a full salary need to provide their own tea, coffee and other commodities.
- The following concerns were raised:
 - Concern was raised that a child had had three or four Foundation Phase class educators the previous year and had almost failed math as a result – no intervention had been taken by the educators.
 - Why do staff members get 100% exemption when parents do not get a rebate when they have two or more children at the school.
 - The incentives given to staff members are impacting on the personal budgets of the parents.
 - Why there is no fund raising register at the school – the school has always undertaken fundraising.
 - Extramural activities should be provided free of charge. There is no extramural soccer provided – if her child wants to play soccer she does not want to pay for an academy. Her child is also excluded from swimming because she did not belong to the team – why should she then pay for the cleaning of the pool?
 - Mrs Levendal felt that the school staff members should fund their own group life insurance.

Mr Scheün responded as follows:

- this was a budget meeting and he was not going to entertain any irregularities or reports – this will take place at another meeting.
- The 9% increase in school fees – this was to balance the budget – so that we can pay our expenses.
- Allowances for staff – these applications had been approved by the previous SGB and the Department – in Section 38a of SASA these benefits may be applied for.
- Exemptions – parents may apply to the school for exemption from school fees - this is contained in SASA and must be done by the school.
- Supply of tea and coffee to the staff – this has been approved by the SGB – this could be cut in the future.
- Four Foundation Phase educators in one year – this should be discussed with the school management.
- Exemption from school fees and After School Centre fees for educators – this had been approved by the SGB so he could not oppose it. New regulations have been issued and this issue will have to be looked at by the new SGB.
- Rebate of school fees if parents have more than one child at the school – this matter will be discussed.
- Academies are not part of the school – these are additional to the normal extramural activities which are available to all learners free of charge.

Further questions from parents:

- The Group Life benefit for staff should be looked at – parents should not be funding allowances for staff.

- Issues of governance – the school has internal and external auditors who are employed to make sure that whatever the school does is above board.
- Parents were asked to put their differences aside and vote for what they are supposed to vote for and elect an SGB that will ensure that the school is run well.
- A former parent and staff member of a private school stated that she had received a large discount in school fees, free lunch and tea and sugar. She also praised the educators at Glenstantia who had picked up the previously unnoticed fact that her child is dyslexic.
- Mr Fick pointed out that this was the first parent meeting at which staff allowances were being discussed – due to him being vociferous about this at SGB meetings.
- He asked Mr Armatas to confirm that there was a surplus at the school.
- Mr Fick stated that there was not a problem with incentivizing educators, but there was a need to be transparent about this. The SGB had worked out that an amount of approximately R600.00 per learner was being paid for staff incentives.
- Concern was raised that parents were being asked to pay increased school fees because the school is in dire straits, but at the same time this money is being used to pay for tea and coffee for the staff.

Mr Scheün stated that the staff benefits had been approved by the previous SGB and he had not wanted to remove these items. The new SGB will have to deal with the new regulations.

He thanked Mr Fick – whose name is mentioned in the forensic report – for changes that have been implemented to make Glenstantia a better school.

Mr Scheün confirmed that there had been a resolutions, but because no fees had been charged this had been use to pay the staff salaries.

Points 6 & 7 were not discussed individually.

8. RESOLUTION 1: RESOLUTION TO CHARGE SCHOOL FEES

- Mr Scheün pointed that the exemptions from school fees do not apply to Grade R or the After School Centre – this only applied to Grades 1 – Grade 7.
- Fees for Grade 1 – 3 learners = R11,782.00
- Fees for Grade 4 – 7 learners = R11,332.00
- After School Centre fees = R5,540.00
- The slide showing the formula to discuss exemptions granted was presented to parents.

9. VOTE ON RESOLUTION 1

Mrs Levendal objected to the vote as not all the questions raised had been answered.

ABSTENTIONS	AGAINST
4	14

Mr Scheün stated that it can be clearly seen that the majority of present and voting parents are in favour of this resolution.

10. RESOLUTION 2: DISCOUNTED SCHOOL FEES FOR ALL STAFF CHILDREN ATTENDING GPS AS A CONDITION OF EMPLOYMENT

- This was subject to approval of GDE section 38A for GDE staff and taxable in terms of SARS tax on deemed benefits, paragraph 10 of the 7th schedule.
- A slide showing the staff members who had benefited from this in 2011 was presented.

11. VOTE ON RESOLUTION 2

Mr Scheün clarified this, stating that if this resolution was approved staff members with children (in Grades 1 – 7) at the school would be totally exempt from paying school fees.

Mr Binkie Kapp stated that there is no regulation which provides for parents to determine who is exempted or discounted from school fees and he cannot, in his position as Director of Governance in the province, allow this resolution to be put to the vote.

This resolution was therefore not voted on.

12. RESOLUTION 3: DISCOUNTED AFTER SCHOOL CENTRE FEES – ALL STAFF CHILDREN ATTENDING GPS AS A CONDITION OF EMPLOYMENT

- This was subject to approval of GDE Section 38A for GDE staff and taxable in terms of SARS tax on deemed benefits, paragraph 10 of the 7th schedule.

13. VOTE ON RESOLUTION 3

This resolution was not voted on.

14. RESOLUTION 4: 50% DISCOUNT FOR ALL STAFF CHILDREN ATTENDING GPS PARTICIPATING IN GRADE TRIPS AS A CONDITION OF EMPLOYMENT

- This was subject to approval of GDE, Section 38A for GDE staff and taxable in terms of SARS tax on deemed benefits, paragraph 10 of the 7th schedule.
- A parent stated that exemptions are not available for the After School Centre fees and school trips – she asked what about the people who are earning just a few thousand rand and cannot afford these – will they be limited or will the Community Fund be able to assist in such cases.
- Mr Binkie Kapp stated that SASA Section 395 states that the only fee a school may charge is a school fee – you may not charge registration fee – administration fee – or any other fee and therefore the school's budget should be a total and inclusive budget.

15. VOTE ON RESOLUTION 4

This resolution was not voted on.

16. RESOLUTION 5: WRITE OFF DEPRECIATION AT YEAR END OF FIXED ASSETS IN TERMS OF THE INCOME TAX ACT

17. VOTE ON RESOLUTION 5

ABSTENTIONS	AGAINST
0	0

All parents present were therefore in favour of the resolution

18. RESOLUTION 6: WRITE OFF DOUBTFUL DEBTS AT YEAR END IN TERMS OF THE ACCOUNTING POLICY.

- A parent queried this practice.
- Mr Scheün stated that, at the next meeting, the parents will vote for how much must be written off.

19. VOTE ON RESOLUTION 6

ABSTENTIONS	AGAINST
0	0

All parents present were therefore in favour of this resolution.

20. RESOLUTION 7: PROCESS SURPLUSES AND LOSSES ON GRADE TOURS AT YEAR END TO EACH GRADE

- Mr Scheün explained that if these are self-funding tours and there is usually just a very slight profit or loss.

21. VOTE ON RESOLUTION 7

ABSTENTIONS	AGAINST
0	0

All parents present voted in favour of the resolution

22. RESOLUTION 8: ALLOWANCES TO STAFF

- This was subject to approval of GDE, Section 38A for GDE staff and taxable in terms of SARS tax on deemed benefits, paragraph 10 of the 7th schedule.
- Cell phone:
 - Principal R300 maximum R6,000 per annum
 - Financial Manager – R500 maximum R6,000 per annum
 - Estate Manager R180 per month max
 - Deputy Estate Supervisor R50 per month maximum
 - 2 x gate monitors R50 per month maximum
- Travelling – reimbursement at R2,50 per km for school business as recommended by the Salaries Committee and the SGB.

Mr Armatas stated that the first two items should be deleted as these contracts were being taken over by the people concerned (principal and finance manager) and would no longer be paid by the school.

23. VOTE ON RESOLUTION 8

ABSTENTION	AGAINST
3	

All other parents voted in favour of the resolution.

24. RESOLUTION 9: ALLOWANCES TO STAFF

- This was subject to approval of GDE, Section 38A for GDE staff and taxable in terms of SARS tax on deemed benefits, paragraph 10 of the 7th schedule.
- Principal, Deputy Principals, SGB appointed HOD's Learning Area Leaders, Grade Leader, Key many – monthly allowances as recommended by Salaries Committee and the SGB
- Mr Scheün stated that the applications had been submitted to the GDE and approved.

25. VOTE ON RESOLUTION 9

ABSTENTION	AGAINST
2	2

All other parents present voted in favour of the resolution

26. RESOLUTION 10: S & T ALLOWANCES TO STAFF

- This was subject to approval of GDE, Section 38A for GDE staff and taxable in terms of SARS tax on deemed benefits, paragraph 10 of the 7th schedule.
- Staff to accompany the self-funding tours R65 per day as recommended by the Salaries Committee and the SGB.

27. VOTE ON RESOLUTION 10

ABSTENTIONS	AGAINST
2	1

All other parents present voted in favour of the resolution.

28. RESOLUTION 11: BENEFIT TO STAFF

- Accommodation, food and transport included in self-funding tour package for educators accompany learners on overnight trips.

29. VOTE ON RESOLUTION 11

ABSTENTIONS	AGAINST
3	0

All other parents present voted in favour of the resolution.

30. RESOLUTION 12: AUTHORIZING THE SCHOOL GOVERNING BODY TO INVEST SURPLUS FUNDS OF THE SCHOOL IN MORE THAN ONE BANK ACCOUNT {SASA SECTION 37 (3)}

- Subject to the submission of the GDE application for approval as per circular 45/2003.

31. VOTE ON RESOLUTION 12.

ABSTENTIONS	AGAINST
0	1

All other parents present voted in favour of the resolution

On the Agenda, item 7 was the introduction of discounted school fees for families with more than one child in the School. The issue was only raised as people were leaving and Mr Scheün requested that the issue be referred to the new SGB for investigation and that a report back be given at the next budget meeting. This was unanimously approved.

Mr Scheün stated that that brought the Budget meeting to a conclusion – they would now move on to the Annual General Meeting.