



NAPTOSA Mpumalanga



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NEWS FLASH

TO THE NAPTOSA MPUMALANGA UNION REPRESENTATIVE
Please make this communication available to ALL NAPTOSA members at your school/college/office.

PUBLIC SCHOOLS AND THE PFMA

The Public Finance Management Act (PFMA) **does NOT** apply to public schools!! This is the legal opinion of the Department of Justice and Constitutional Development.

The legal opinion was sought by the Department of Basic Education, because of uncertainty in this regard within education circles.

The Department of Justice considered the Constitution, the PFMA and the South African Schools Act (SASA) and came to the conclusion that –

- public schools are not listed in section 3 of the PFMA as institutions to which the Act applies;
- school fees are specifically exempted as being part of provincial revenue funds that are regulated by the PFMA; and
- the management of school funds are catered for in the SASA and not the PFMA

The fact that the PFMA is not applicable to schools, however, does not mean that schools and SGBs have free reign when dealing with school finances. **Schools cannot escape accountability.** In terms of the SASA, SGBs must annually draw up financial statements to be audited by a registered auditor. If impractical, the SGB may request a person qualified to perform the duties of an accounting officer, or otherwise a person approved by the relevant MEC, to examine and report on the records and financial statements of a school. A copy of such annual financial statements, audited or examined, whichever is applicable, must be submitted to the relevant Head of the Education Department.

Does this mean that the Auditor-general is excluded from performing an audit of a public school? Definitely not. The SASA makes provision for a MEC, if he/she deems it necessary, to request the Auditor-General to conduct such an audit.

Members involved in school finances are encouraged to ensure that you know exactly what the law and policy requirements are in this regard.

SM KUNENE
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