KZN CIRCULAR NO: 80 of 2015

SUBMISSION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The Governing Bodies must keep proper and accurate records of the funds received and spent by the public school and of the school's assets, liabilities and financial transactions, and as soon as practicable, not later than three months after the end of each financial year, draw up annual financial statements in line with section 42 of the South African Schools Act, 2006, as amended.

The annual financial statements are based on information provided by the Financial Officer's regular monthly records. The SGB of a public school must ensure that the annual financial statements of the school consist of the following:

(i) Balance Sheet

(ii) An income statement and expenditure statement;

(iii) An income and expenditure variance report; and

(iv) Notes to the financial statements

Every school is required to appoint a person registered as an accountant and auditor to examine and report on the Annual Financial Statements in compliance with the following:

- The section 43(1) of the SASA;

- The School Funding Norms Policy Implementation Manual, 2014, issued by the Head of Department, and
KZN CIRCULAR 80: of 2015

SUBMISSION OF AUDITED ANNUAL FINANCIAL STATEMENTS

- The conditions attached to the allocation of the section 21 functions (S21 schools only)

Legislation requires that the auditor be impartial and perform his/her duties without any fear or prejudice when conducting audit, and will include full completion of the Audit Report Form (See appendix).

Furthermore paragraph 43(5) of the South African Schools Act, 2006 (SASA) directs that the governing body of a public school must submit to the Head of Department, within six months after the end of each school financial year, a copy of the annual financial statement, audited or examined in terms of the Act.

This circular replaces all previous applicable prescripts regarding the submission of AAFS emanating from the School Fund Departmental Instructions, 1998, "Red Book". Each school must submit three copies of the Audited Annual Financial statements; one copy for the District Finance, one copy to Resource Planning Directorate, and one copy to Internal Control & Risk Management Directorate.

All public ordinary schools must comply fully with the above stated provisions.

Nkosinathi S P Sishi, PhD
Head of Department: Education

Date: 24/12/14