

# STREAMLINING FINANCIAL OVERSIGHT OR STIFLING GROWTH OF GOVERNMENT-AIDED INSTITUTIONS? A LEGAL DISCOURSE ON UGANDA'S MINISTRY OF EDUCATION AND SPORTS' MOVE ON THE PROPOSED MANDATORY COLLECTION OF SCHOOL FEES THROUGH URA.

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## INTRODUCTION

The Ugandan Ministry of Education and Sports in its new draft policy on universal Primary Education (UPE) and Universal Secondary Education (USE) under the National Planning Authority (NPA)<sup>197</sup> which issues papers on Uganda's education reforms, has proposed to transfer the responsibility of collecting school fees in public and government-aided schools to the Uganda Revenue Authority (URA), the body responsible for collecting revenues, generating a wave of concerns from parents, school administrators and education experts. This policy once effected is expected to affect over 12,595 government-owned primary schools and 1,444 secondary schools countrywide<sup>198</sup>. For context, it should be noted that USE and UPE schools are free of charge, except for additional minimal charges and fees such as development funds that are paid by parents which the Ministry of Education and Sports now seeks to control through the URA and remit the same to the consolidated fund and once approved, school fees will be considered non-tax revenues paid using a Payment Reference Number (PRN). This move is a multifaceted issue and, if not treated with the utmost care, may harm public schools, which are already struggling due to insufficient government funding amidst the declining quality of education in such schools. This not only appears confusing but contradictory too, as the government claims education in such schools is free, and one is left to wonder what fees the government intends to actually collect.

## THE LEGAL FRAMEWORK

Uganda's Education (Pre-Primary, Primary and Post-Primary) Act<sup>199</sup> defines a government-aided school as a school not founded by the government but receives statutory grants in the form of aid from the Government and is jointly managed by the foundation body and government.

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<sup>197</sup> The 2023 Education policy Review Commission

<sup>198</sup> Uganda Educational Statistical Abstract 2024

<sup>199</sup> Cap 247

This simply means that the schools that fall under this category are established by organizations or individuals other than the government and only receive financial support in the form of statutory grants, which include annual recurrent and capital grants, and their management is shared between the foundation body and the government. The concept of centralized fee collection is, however, not new in Uganda's education system, as the same was introduced in 2019 to public universities following fee misuse and underreporting. This move, though well intended, violates a few aspects of the education spectrum, with proponents arguing that this will streamline financial oversight and enhance transparency, thereby aligning with the country's vision of 2040 of improving access to affordable quality education.

The principle of academic independence that these schools have long enjoyed maybe violated and such a move may be considered ultra vires, especially in circumstances where there is no clear statutory backing yet. This move may also cripple public schools, especially in emergency situations requiring urgent financial assistance, since schools will be at the mercy of a government system that may not understand their unique needs. There are also concerns about delays and bureaucratic hurdles, especially in disbursing funds for teachers' salaries and other school projects, which may negatively impact operations in such schools.

Thus, in a situation where a school raises more finances than initially budgeted for, the surplus funds might not be returned to the school. However, if managed well, the URA centralized system may improve financial oversight thereby reducing potential misuse of funds as seen in Uganda's public universities and institutions where the URA had previously collected tuition.

The Revenue body's system can also help curb corruption and ensure that the funds reach the intended beneficiaries, as seen in the higher institution experiences where there has been an increase in fee collection and a reduction in under-the-table negotiations. Centralized collection can lead to greater improved transparency and accountability in how school fees are collected and spent if properly handled.

Historically, Milton Obote 1 as part of his move to the West and the introduction of his Common Man's Charter, had many key sectors nationalized like banking and industries<sup>200</sup> including some religious-founded schools that had enjoyed immense autonomy over their operations. However, when President Idi Amin Dada took over in 1971, as part of his populist-leaning tendencies, the

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<sup>200</sup> A. Milton Obote, *The Common Man's Charter Entebbe 1970*, sec. 21, p.6.

once-nationalized schools were returned to their foundation bodies under a Memorandum of Understanding (MOU)<sup>201</sup> which clearly stipulated the rights and obligations of both parties therein including but not limited to providing grants on the part of the government, appointing and posting teachers to such schools and remunerating them. All these constitute only 50 per cent of the staffing requirements, and the rest are recruited and remunerated locally by the Board of Governors of these schools, with such appointments being in consultation with the foundation bodies that nominate competent candidates for appointment by the permanent secretary to the Ministry of Education and Sports.

One notable obligation under the said Memorandum of Understanding that the government has fallen short of is providing grants which parents continue to shoulder in the form of educational and infrastructural requirements of such schools. How, then, can the revenue of such schools be remitted to the consolidated fund? It is worthy to note that these schools operate in a timely manner as opposed to the government's quarterly basis fund releases that may not coincide with the school terms and their associated termly expenses and activities.

## **RECOMMENDATION AND CONCLUSION**

The role of schools in instilling values and shaping young minds is indeed very crucial. Academic institutions, including government-aided academic institutions, play a vital role in fostering the next generation of citizens, and if these institutions are crippled, the consequences could be far-reaching, ultimately affecting the social fabric and future of the country. It is thus essential for the government to prioritize the well-being and effectiveness of these institutions to ensure a bright future for its citizens. The success of this initiative will therefore depend on effective implementation, clear communication and ongoing evaluation to ensure that the benefits outweigh the challenges and by striking a balance between financial oversight and institutional autonomy, the Ministry of Education can promote a more efficient and sustainable education system.

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<sup>201</sup> MOU between the Ugandan Government and the Nationalized schools