

Appropriation Head 126

Ministry of Education

1. Mission and Key Functions

(a) Mission

The mission of the Ministry of Education is to develop competent citizens in keeping with the global trends through innovation and modern approaches to education leading to efficiency, equity and high quality in performance ensuring stakeholder satisfaction.

(b) Key Functions

- (i) Formulation of policies of the Education Sector.
- (ii) Determination and maintenance of quality standards for general education.
- (iii) Development and evaluation of curriculums.
- (iv) Carrying out researches and studies on the Education Sector.
- (v) Planning, implementation, Supervision and evaluation of programmes and projects.
- (vi) Human resources development.
- (vii) Maintenance of bilateral and multilateral foreign relations for the development of general education.
- (viii) The evaluation of examination activities.

2. Presentation of Accounts

The accounts prepared by the Ministry and the position of presentation of accounts for audit are given below.

Name of Account	Account Number	Presentation of Accounts for Audit as at 30 April 2010
Appropriation Account	126	Presented
Advances to Public Officers Account	12601	Not Presented

3. Accounts

3.1 Appropriation Account

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(a) Total Provision and Expenditure

Nature of Expenditure	Total Estimate Provisions	Annual	Net Provision after all Adjustments*	Actual Expenditure (as at 31 December 2009)	Savings (as at 31 December 2009)
	Rs.		Rs.	Rs.	Rs.
Recurrent	21,166,132,000		21,818,845,000	21,511,613,873	307,231,127
Capital	4,503,550,000		4,397,017,000	3,753,262,672	643,754,328
Total	25,669,682,000		26,215,862,000	25,264,876,545	950,985,455

* Net Provision after making adjustments for freezing of provisions in terms of the National Budget Circular No. 142, supplementary provisions and allocations from Supplementary Estimates and transfers in terms of Financial Regulations 66 and 69.

(b) Utilization of Provisions

Utilizations of provisions relating to the year under review were reported as follows.

	Percentage
- The total utilization as a percentage of the total net provision	96.37
- The expenditure incurred as a percentage of total net capital provision	85.35

* The entire recurrent and capital provisions totalling Rs.160,471,716 made under 58 objects had been saved.

* Out of the provisions relating to 90 objects, more than 50 per cent or Rs.1,591,659,074 had been saved.

3.2 Advance Accounts

3.2.1 Advances to Public Officers Account

(a) Non-presentation of Accounts

The Advances to Public Officers Account No.12601 that should be prepared for the year under review had not been presented to audit even as at 31 May 2010. The Advance Account for the preceding year had been presented to audit on 18 September 2009 and the observations thereon are given below.

(b) Outstanding Loan Balances (as at 31 December 2008)

(i) The outstanding loan balances as at 31 December 2008 amounted to Rs.237,623,839 as shown below and an age analysis thereon had not been presented.

Particulars	Outstanding Amount
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	Rs.
(i) Change of Station Transfers	206,603,038
(ii) Retirements and Deaths	20,731,241
(iii) Vacation of Posts / Interdictions	8,914,538
(iv) Released from Service and Proceeded abroad	1,375,022
Total	----- 237,623,839 =====

- (ii) Action had not been taken even as at 31 December 2008 to rectify the accounting deficiencies amounting to Rs.60,576,495 remaining for over several years.
- (iii) The difference between the total of the summary of classification of Individual Balances and the balance of Control Account amounted to Rs.113,297.
- (iv) According to the Reconciliation Statement of Southern Provincial Department of Education, the unreconciled balance amounted to Rs.269,017.
- (v) The loan balances that should be transferred to Provincial Councils but not transferred totalled to Rs.6,227,533.
- (vi) Out of the provision granted for a Provincial Department of Education and nine Colleges of Education by the Ministry, 40 per cent of provision had been saved.

3.3 Imprest and General Deposit Account

(a) Imprest Account

The Imprest credit balance of the Ministry as at 31 December 2009 amounted to Rs.21,132,765 and that balance had not been settled even as at 30 April 2010.

(b) General Deposit Account

The balances relating to 10 General Deposit Accounts as at 31 December 2009 amounted to Rs.537,983,055.

The following observations are made.

- (i) An age analysis relating to those balances had not been presented.
- (ii) As revealed in audit the balance of deposits that remained for over 02 years included in the above balance, on which action that could have been taken in terms of Financial Regulation 571 had not been taken totalled Rs.14,646,421.
- (iii) The balances of the General Deposit Account had not been reconciled with the Treasury Books in terms of provisions in Financial Regulation 427.

- (iv) A difference between the Ministry books and the Treasury books relating to three General Deposit Accounts amounted to Rs.146,749,017. The balance according to the Treasury books had been brought forward in the books of Ministry without being reconciled.

4. Assets Management

(a) Idle and Underutilized Assets

- (i) A situation had been arisen where the subjects such as hardware Technology, Electronic Science (Mechanical and civil), Handloom Industry, Metal work and Construction Technology has to be removed from school syllabuses due to the reasons such as introduction of syllabuses without long term planning, amendments and limitations made to them from time to time. Consequently, it was observed in audit test checks that valuable physical resources granted for the practical work of those subjects were being decaying without any utilization.
- (ii) Seven Cassette Recorders, two sewing machines, a stock of English Short Story books and a stock of agricultural equipment had been lying idle in the stores of Zonal Education Office, Colombo.
- (iii) Thirteen and 03 computers received in January and October 2009 respectively had not been utilized even as at 09 July 2010.

(b) Conduct of Annual Boards of Survey

The Ministry should conduct Annual Boards of Survey in terms of Financial Regulation 756 and presented those Reports to the Auditor General in terms of F.R. 757(4). Nevertheless, Boards of Survey Reports for the years from 2004 to 2009 had not been presented to audit up to May 2010.

6. Non-compliances

Non-compliance with Laws, Rules, Regulations, etc,

Instances of non-compliance with the provisions of laws, rules and regulations observed at audit test checks are analysed below.

Reference to Laws, Rules and Regulations

Non-compliance

(a) Establishments Code

- (i) Paragraph 12.5.2 of Chapter vii

An acting salary computed from the year 1999 in terms of Paragraph 12.5.4 amounting to Rs.3,786,711 had been paid to 08 officers appointed for acting duty of 08 vacant posts of Educational Administrative Service - Class I contrary to the stipulated provisions.

- (ii) Paragraph 1.3 of Chapter xii

It was observed in audit that the daily routine of teaching in schools had been disturbed in several instances due to the leave taken by the teachers without prior approval.

Paragraph 13

- (iii) Paragraph 1.3 of Chapter xxviii
- (b) Financial Regulations

(i) F.R.R. 66, 69
- (ii) F.R. 94(1)
- (iii) F.R. 1646
- (c) Public Administration Circulars No.6/2006 of 24 May 2006 and No. 6/2006(iv) of 24 August 2007
- (d) Treasury Circulars

(i) Circular No. IAI/2002/2 of 28 November 2002
- (ii) Circular No. MF/GA2/ circulars 2001/03 of 02 July 2001
- (e) Circulars of the Ministry

Circular No. 2008/37 of 19 September 2008
- Duty leave for 70 days during the period from 2007 to 2009 had been approved for a teacher to conduct visiting lectures in a University contrary to the provisions.
- Instances of departures without recording by the teachers had been observed in audit carried out in respect of schools.
- It was observed that, provisions had been transferred among the objects without any control and provisions amounting to Rs.2,005,526,216 had been transferred for 169 objects during the year under review. Further, out of the above provision, a sum of Rs.88,948,157 had been saved as at the end of the year.
- Liabilities amounting to Rs.388,738,359 had been committed exceeding the savings in respect of 10 objects.
- Running charts for a pool vehicle had not been maintained and fuel valued at Rs.405,316 and Rs.388,445 had been supplied to this vehicle for the years 2008 and 2009 respectively.
- Even though 331 teachers in Education Zone Colombo should have been paid arrears of converted salaries amounting to Rs.23.3 million as at 31 December of the year under review, the Ministry had not taken action to release the Imprest required for those payments.
- Registers of Fixed Assets in respect of Computers and computer accessories had not been maintained in the Ministry and National Schools.
- The Report on the Training that should be furnished within two weeks by the officers who returned to the island after completing the foreign training had not been furnished to the Senior Assistant Secretary (Employee Relations) of the Ministry of Finance and Planning.
- The following instances of action taken contrary to the circular provisions in admitting the students for Grades 2 - 11 in National Schools had been observed.

- ❖ Admission of 117 students for 03 schools.
 - ❖ Admission of 50 students to two popular schools exceeding the maximum limit for a class.
- (ii) Circular No. 2007/20 of 13 December 2007
- It was observed in a test check carried out that there were 990 teachers who had served in the same school for a period ranged between 10 to 30 years in 22 schools.
- (iii) Circular No. 2003/28 of 27 November 2003 Paragraph 21.2
- Time tables should be prepared in a manner to cover 33 - 35 periods per week by a teacher and 18 periods per week by a teacher in charge of supervising. Nevertheless, it was observed in audit carried out relating to 04 schools that time tables had been prepared in a manner to cover 6 - 30 periods by 63 teachers and 26 teachers had not been assigned any duty whatsoever.
- (iv) Circular No. 2006/27 of 20 June 2006 Paragraph 8.2.1 and 8.2.2
- Vouchers relating to the scholarships of schools referred to the Zonal Education office by schools should be submitted to each bank branch in a manner to credit to the Bank Accounts of students before 25th of the relevant month. Nevertheless, action had not been taken to credit the money relating to scholarships of Education Zone, Colombo amounting to Rs.660,500 and Rs.3,029,000 in respect of the years 2008 and 2009 respectively.
- (v) Circular No. 2005/29 of 30 September 2005
- Action had not been taken to gain the basic skills on the utilization of equipment of Information and Communication as a teaching material for primary section to Advance level.
- (vi) Circular No. 2003/08 of 07 November 2003
- An excess of 451 teachers and a shortage of 452 teachers were existed relating to 19 National Schools belonging to Zonal Education office, Colombo.
- (vii) Guidelines of the Secretary of Education of 04 December 2002
- Out of the money granted to seven schools for quality inputs during the year 2008, a sum of Rs.600,298 had been retained in the bank accounts without being utilized even by December of the year under review.

6. Evidences not made available for Audit

(a) Unanswered Audit Queries

Replies to 14 audit queries issued during the year under review and 40 audit queries issued during the preceding years to the Ministry had not been furnished even as at 30 April 2010 as follows.

Year	Total Number of Queries	Number of Unanswered Queries
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2009	23	14
2008	36	23
2007 and prior years	48	17

(b) Non-presentation of Information

Under the provision of special services for students, Rs.01 million and Rs.1.5 million had been sent to the Zonal offices in the years 2008 and 2009 respectively for the purchase of spectacles and hearing aids for the students with hearing deficiencies and visually handicapped. Nevertheless, source documents to ascertain that such money had been utilized for the intended purpose were not presented for audit.

7. Financial and Operating Review

According to the Action Plan for the year 2009, the observations on the progress of the Ministry are given below.

(a) Activities contrary to the Key Functions

The Director of National Schools had given the approval during the year 2009 to deploy the non-academic staff/employees for academic activities only on a recommendation of a Principal of a National School without taking action to fill the vacancies for the teachers of Art and Music prevailing for the year 2007. It was observed that, this situation would be adversely affected the quality of teaching process.

(b) Weaknesses in the Implementation of Projects

The following matters regarding a lottery maintained with the intention of strengthening the "School Development Society Fund" of a National School, were observed.

- (i) Even though an income of Rs.2,000,000 and a profit of Rs.1,800,000 had been expected from the sale of 100,000 tickets of Rs.20 each, the received income and the profit amounted to only Rs.1,205,700 and Rs.1,085,130 respectively.

Unsold 19,555 tickets had not been returned and no action whatsoever had been taken to get them back. One hundred and eighty seven ticket books given for school children which included in the above balance had not been returned, thus it was observed that there was a tendency of misusing the money by the children.

(c) Activities not carried out adequately

 Instances of deviating from the key functions by the Ministry were observed and certain instances revealed at test checks are given below.

- (i) An expenditure amounting to Rs.02 million had been incurred for the improvement of the results of year Five scholarships Exam - 2009 of the students in estate schools, under the Project for Estate School Development. Nevertheless, according to the results of the scholarship examination furnished by seven Zonal offices and three districts 96 per cent of the students sat for the examination had failed and more than 60 per cent out of above had obtained the marks less than 100.
- (ii) According to the results of the General Certificate of Education Ordinary Level - 2008 relating to estate schools furnished by 16 Zonal Education Offices and 03 districts, it was observed that out of the students sat the examination 78 per cent in Science, 70 per cent in Mathematics and 83 per cent in English had failed.
- (iii) Out of the provision amounting to Rs.1.5 million made in the year 2009 for Computer Literacy Training and Skill Development Programmes for the teachers in New Model Primary Schools, a sum of Rs.1,329,750 had been sent to seven Provincial Education Offices. Even though 10 computer Training Workshops and 15 Skill Development Training Programmes were planned to be conducted under this programme, none of them had been conducted.
- (iv) The Administration System of school Libraries had been at a weak level due to the reasons such as deployed employees not having any experience an Library System, lack of strategies to get back the books issued without any delay, proceeding abroad by the teachers in schools, non implementation of a system to return the borrowed books properly at the change of station transfers and retirements, and lack of limits for the maximum books that could be borrowed from the Library by a member at one time. In view of the above situation, a significant number of books had been deprived of to the libraries.

(d) Uneconomic Transactions

 An expenditure amounting to Rs.1,286,997 had been incurred to train two officers of the Ministry who were not connected to the Foreign Training Programme subject of Strategies on Life Skills for Secondary Education.

8. Human Resources Management**(a) Approved Cadre and Vacancies**

 The positions of the cadre as at 31 December 2009 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Number of Excesses
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i Staff Grades	52	46	07	01
ii Non-Staff Grades	2,186	1,200	986	-
iii Junior Grades	255	240	22	07
Total	2,493	1,486	1,015	08
	=====	=====	=====	=====

Note : Information of the cadre relating to Educational Administrative Service and Teachers Service was not presented to the audit, thus it had not been included in the above information.

9. Internal Control

(a) Maintenance of Registers

The Ministry had not maintained the following registers and it was observed in test checks that certain registers had not been maintained properly and updated.

Type of Register	Relevant Regulation
- Register of Fixed Assets	Treasury Circulars No. 842 of 19 December 1978 and No. IAI/2002/02 of 28 December 2002.
- Register of Losses and Damage	Financial Regulation 110
- Votes Ledger	Financial Regulation 447
- Daily Running Charts and Monthly Summaries of Vehicles	Financial Regulation 1646
- Register of Facility and Service Charges (National Schools)	
- Leave Register (National Schools)	

(b) Implementation of Audit and Management Committees

The Audit and Management Committee meetings, had not been held during the year under review as required by the Public Finance Circular No. PF/PE/7 of 15 March 2000.