

## **Report of Auditor General on Head 126 – Ministry of Education - Year 2016**

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The audit of the Appropriation Account and Reconciliation Statements, including the financial records, books, registers and other records of the Head 126 - Ministry of Education for the year ended 31 December 2016 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary of the Ministry on 30 June 2017. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the Accounts and Reconciliation Statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

### **1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements**

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The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

## **2. Accounts**

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### **2.1 Appropriation Account**

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#### **(a) Total Provision and Expenditure**

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The total net provision made for the Ministry amounted to Rs. 198,586 million and out of that Rs. 60,511 million had been utilized by the end of the year review. Accordingly, savings out of the total net provision made for the Ministry amounted to Rs. 138,075 million or 69.53 per cent. Details are given below.

Expenditure -----	As at 31 December 2016 -----			Savings as a Percentage of Net Provisions -----
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	167,250	45,396	121,854	72.86
Capital	31,336	15,115	16,221	51.77
<b>Total</b>	<b>198,586</b>	<b>60,511</b>	<b>138,075</b>	<b>69.53</b>
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## 2.2 Advance Account -----

### 2.2.1 Advances to Public Officers Account -----

#### Limits Authorized by Parliament -----

The limits authorized by Parliament for the Advances to Public Officers Account of the Ministry and the actual amounts under Item No.12601 are given below.

Expenditure -----		Receipts -----		Debit Balance -----	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
1,600	1,115	950	969	3,000	1,950

## 2.3 General Deposit Accounts -----

The total of the balances of Deposit Accounts under the Ministry as at 31 December 2016 was Rs. 939.5 million . Details appear below.

<b>Deposit Account No.</b>	<b>Balance as at 31 December 2016</b>
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	<b>Rs. Millions</b>
6000/0000/00/0006/0064/000	0.1
6000/0000/00/0001/0128/000	24.4
6000/0000/00/0002/0180/000	13.6
6000/0000/00/0013/0139/000	109.5
6000/0000/00/0016/0012/000	791.9
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<b>Total</b>	<b>939.5</b>
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## 2.4 Audit Observation

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The Appropriation Account and the Reconciliation Statement for the year ended 31 December 2016 of the Ministry of Education had been prepared satisfactorily subject to the audit observations appearing in the Management Audit Report referred to in paragraph 1.1 above. Out of the audit observations included in that Management Audit Report, the material and significant Audit Observations appear in paragraph 3 herein.

## 3. Material and Significant Audit Observations

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### 3.1 Non-maintenance of Registers and Books

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It was observed during audit test checks that the Ministry had not updated the Register of Fixed Assets shown below while certain other registers had not been maintained .

<b>Type of Register</b>	<b>Relevant Regulation</b>	<b>Observations</b>
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Register of Fixed Assets	Treasury Circular No.842 dated 18 December 1978	Register of Fixed Assets had not been updated

Register of Fixed Assets for Computers, Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002	Not maintained
Register of Security Deposits	Financial Regulation 891(1)	Not maintained

### **3.2 Lack of Evidence for Audit**

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The written evidence had not been made available for the establishment of the ownership of the land 85 acres in extent situated at Veyangoda Siyane Education Faculty.

### **3.3 Replies to Audit Queries**

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Replies to 25 Audit Queries issued to the Ministry during the year under review had not been furnished even by 30 August 2017 and the value of the quantifiable transactions relating to those audit queries amounted to Rs. 7,413,041,192.

### **3.4 Appropriation Account**

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#### **3.4.1 Budgetary Variance**

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The following observations are made.

- (a) In accordance with the Treasury Operations Circular No.08/2015 of 14 December 2015 the limits based on the Annual Budget Estimates for the year 2016 and forwarded by the Ministry to the Department of Treasury Operations by referring required imprest limit had been approved by the Department of Treasury Operations. As a result of non-issuance of imprest by the Department of Treasury Operations to the Ministry according to the approved limits as expected in each months and the provisions made available without identifying the requirement, the following budget variances were observed .

- (i) The entire net provision amounting to Rs. 543,507,652 made available for 15 Capital Objects had been saved.
  - (ii) As a result of making overprovision for 54 Capital Objects, savings after the utilization of the provisions was Rs. 14,385,510,890 and that had ranged between 40 per cent to 99 per cent of the net provision relevant to those objectives.
  - (iii) The entire estimated provision which was provided for the 09 Recurrent Objects amounting Rs. 121,354,335,000 had been saved.
- (b) A sum of Rs.121,352,000,000 had been made available as the cost of the maintenance of government investments - Land and Buildings under the Object 126-2-4-1-1407 of the Budget Estimate 2016 for the Ministry where as it had not been included in the Estimate while preparation of Annual Estimates . National Budget Department had informed to the Ministry there was not a requirement to take that in to accounts as an expenditure because it was shown as a nominal value as well as not releasing the provision.

### **3.5 General Deposit Account**

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Action in terms of Financial Regulation 570 and 571 had not been taken with regard to the deposits totalling Rs. 13.7 million.

### **3.6 Reconciliation Statement on Advances to Public Officers' Account**

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The following deficiencies were observed at the examination carried out in respect of the Reconciliation Statement as at 31 December 2016 on the Advances to Public Officers' Account No.12601.

- (a) According to the Reconciliation Statement presented to audit, the balances that remained outstanding as at that date totalled Rs. 215,969,889 and the Ministry had failed to recover the loan balances totalled Rs. 113,308,141 remained over five years including that outstanding balances .
- (b) Unsettled errors totalling Rs. 777,811 had been shown as at 30 August 2017 according to the Reconciliation Statement, Department Books and Treasury Books presented to audit.
- (c) Even though a sum of Rs. 160,620,071 had been shown as the balance which should be received from the officers who had transferred from the Ministry as per the Register of Individual Account Balances, according to the age analysis of loans receivable it was Rs. 162,084,164. Accordingly, a difference of Rs. 1,464,093 was observed.
- (d) According to the Reconciliation Statement presented to audit, the difference unidentified between the total of the Register of Individual Account Balances and the Control Account as at 31 December 2016 was Rs. 5,301,749.

### **3.7 Good Governance and Accountability**

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#### **3.7.1 Internal Audit**

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Even though the Internal Audit Plan had been prepared for the year 2016, the audit activities had not been carried out accordingly and majority number of investigation reports so done or copies of the queries had not been furnished to audit.

#### **3.7.2 Annual Performance Report**

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In terms of Public Finance Circular No. 402 dated 12 September 2002, the Performance Report should be tabled in Parliament within 150 days after the closure of financial year by the Ministry and it had been informed that the report in due to be tabled in Parliament on 04 September 2017 . The Performance Report for the year 2015 had been tabled in the Parliament on 16 November 2016.

### **3.8 Assets Management**

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The following deficiencies were observed during the course of audit test checks in respect of the assets of the Ministry.

#### **(a) Conduct of Board of Survey**

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In terms of first or second time frame of the Public Finance Circular No. 05/2016 dated 31 March 2016 the Board of Survey Reports of 2016 should be furnished to Auditor General before 17 March 2017 or 15 June 2017, the Board of Survey Reports had not been furnished to audit relating to 178 National Schools, 40 Teachers' Centres, 35 Computer Centres and the Stores of Orugodawatta and Paththalagedara even as at 30 August 2017. The activities of Board of Survey 2015 had been conducted besides the stores in Orugodawatta and Paththalagedara.

#### **(b) Using of Assets by the External Parties**

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Eighty plots of lands situated at urban areas with an extent of lands ranged from 04 perches to 224 perches belonging to the National Schools of the Ministry, Teachers' Training Schools and National Education Faculties are being used by the external parties without an approval or a permission and the information of area of lands and the present value of certain lands of which with high assessed values had not been available in the Ministry.

#### **(c) Irregular use of Assets not vested**

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Even though the buildings required to the Defense Service College had been constructed by spending Rs.1,098,236,071 from the year 2008 in the land of 1.9329 Hectares in extent belonging to the Urban Development Authority the judicial ownership of the land of the college could not be able to arrogate to Ministry of Education.

**(d) Unsettled Liabilities**

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 The unsettled liabilities of the Ministry as at 31 December 2016 amounted to Rs. 85,901,912 .

**3.9 Non- compliances**

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**Non - compliances with Laws, Rules and regulations**  
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Instances of non - compliances with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

<b>Reference to Laws, Rules and Regulations</b>	<b>Value Rs.</b>	<b>Non- compliance</b>
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**(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka**  
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Section 13.3 of  
 Chapter II of Establishments  
 Code

Although according to the Establishments Code, even an officer for acting in a post could be able to appoint as only a temporary remedial action until a permanent appointment is done, out of the 352 National Schools scattered in island wide; officers had been deployed to cover up the duties for the vacancies of principals in 228 schools even by 30 August 2017.

Sections 1.2, 13.2 and 17.12  
of Chapter XL VIII of  
Volume II

- i.** As a result of irregularities and various indiscipline activities during the time period from the year 2008 to 30 August 2017 the number of unresolved disciplinary enquiries were 343. Including that there were inquiries relating to 69 principals, 274 teachers and non- academic staff.
  
- ii.** Even though the actions should be taken to finalize the disciplinary enquiries during a due period without delay, a Disciplinary Order issued on 20 September 2016 to an officer of Sri Lanka Education Administrative Service Grade III had not been implemented even by 16 May 2017.
  
- iii.** Non - completion of disciplinary inquiries without delay had caused to be disentitled or delays in right of receiving the retirement gratuity, salaries and allowances to the officers who expect to be retired, salary increments and other privileges. There was a possibility to the officers who made frauds exactly to occupy in the same duty by enjoying all the privileges long time.

- iv.** Taking required policy measures for proper maintenance of quality of the education, students discipline and ethics was one of the major activities of the Ministry. Even though the disciplinary enquiries carrying out against the officers who had been charged with child abuse should be expedited and punished, due to no quick action had been taken and they had been released to another schools or retained in the same school without taking disciplinary action so; the educational activities of the students as well as the psychological condition, deterioration of the discipline of the school had been occurred.

Section 1.1 of  
Chapter XII

Although in terms of Establishments Code a proper approval should be taken for the leave, 198 members of academic and non - academic staff in 35 National Schools had taken 5,072 days leave without approval during the year 2016.

Section 2 of  
Chapter XII

Even though 712 academic and non-academic members in the National Schools had taken 15,973 days on no pay leave during the year 2016, action had not been taken to recover from the salary.

**(b) Circulars of the  
Ministry of Education**

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Circular No. 2007/20 of 13  
December 2007

Even though as per the Cabinet Decision No.10/2377/436/052 and the provisions of relevant Circulars, the teachers who had served more than 08 years period in an any Government school the change of station transfers should be given, the following instances were observed whereas the change of station transfers had not been given during the course of audit test checks.

**i.** Five thousand nine hundred and five teachers in 193 National Schools, were being served in the same school without change of station transfers for the period ranging from 08 to 27 years.

**ii.** Eight hundred seventy three teachers in 152 National Schools had been attached for teaching the subjects other than the subjects to which they were recruited. Specially, in 36 National Schools 137 teachers who had not obtained primary teacher training had been attached to primary grades.

Circular No. 01/2016 of  
01 January 2016

**i.** Action had not been taken to minimize the identified shortages of 2,361 teachers remained in 183 National Schools and excesses of 1,527 teachers remained in 163 National Schools as at 31 December 2016 in terms of the provisions shown in the Circular.

**ii.** Although teaching activities should be assigned to the Deputy Principals of a National Schools at least 10 periods per week, in terms of the provisions shown in the Circular, at least one period for teaching activities had not been assigned to the 225 Deputy Principals in 101 National Schools and the number of periods assigned to the 06 Deputy Principals in 05 National Schools were ranged between 02 and 06.

**iii.** Although teaching activities should be assigned to the Assistant Principals of a National Schools at least 12 periods per week, in terms of the provisions shown in the Circular, at least one period teaching activities had not been assigned to the 69 Assistant Principals in 33 National Schools and the number of periods assigned to the 06 Assistant Principals in 06 National Schools were ranged between 02 and 06.

**iv.** Even though the teachers who are engaged in teaching the subjects should be deployed in teaching activities in 35 periods with minimum 40 minutes per week respectively in terms of the provisions shown in the Circular, at least one teaching period had not been assigned to the 769 teachers in 136 National Schools and the number of teaching periods less than 16 had been given to the 1,075 teachers in 144 National Schools .

Circular No. 01/2016 of 07  
January 2016

**i.** Beyond the appropriate number of Deputy Principals for a National School, 99 Deputy Principals had been appointed to 55 National Schools.

**ii.** Beyond the appropriate number of Assistant Principals for a National School, 61 Assistant Principals had been appointed to 28 National Schools.

**iii.** Although minimum 16 teaching periods with 40 minutes per week should be assigned to the teachers who are deployed in supervision duties in a National School, at least one period of teaching duty had not been assigned to the 59 teachers in 14 National Schools and the number of teaching periods less than 16 had been assigned to the 66 teachers in 12 National Schools.

Circular No. 37/2008 of 19 September 2008 and Paragraph 3.1 of Circular No 17/2016 of 16 May 2016

Even though it had been shown as the maximum number of students in a parallel class of primary grades should be 40 and maximum number of students in a parallel class of secondary grades should be 45 , at the instance of admission of the students to the Grade One the entire number of students who should be selected for a class are 40 in a National School , the total number of students enrolled beyond that limit by 116 National Schools were 9,639. Among that , the total number of students enrolled beyond the relevant limit by 32 National Schools which are considered as popular schools were 5,373.

Circular No. 42/2012 of 23 November 2012

The number of vacancies of the special education teachers in the 09 Provinces of the Island were 411 and 355 teachers who had obtained training as special education teachers had been deployed in another schools or class rooms.

### **3.10 Foreign Aids Projects and Programmes**

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#### **(a) Transformation of the School Education System as the Foundation of a Knowledge Hub Project**

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In terms of the Agreement of 18 May 2012, the Project commenced on 01 October 2012 had been in due to complete by 30 June 2017. The following observations are made in respect of the Performance of the Project as at the year under review.

- i. Even though the provision amounted to Rs. 1,786 million had been made for the awareness of the Provincial and Zonal Coordinating and the Zonal Resource Persons it had failed to conduct those programmes.
- ii. Even though the provision amounting Rs. 0.5 million had been made available for providing the facilities for the students with special needs, those programmes had not been implemented.
- iii. Even though it was planned to print 40,000 books as per the Annual Plans , action had not been taken accordingly.
- iv. A sum of Rs. 356.58 million had been provided for the construction of buildings and the building constructions which should have been completed as at the end of the year under review related to Guruthalawa Central College, Aadha Ulpatha Central College, Mahiyanganaya Central College and Vishakha Vidyalaya in Uva Province had not been completed accordingly .
- v. It had been planned to construct 1,005 Mahindodaya Technological Laboratories within the National and Provincial Schools according to the Project Work Plans. Constructions of 996 out of that had been completed by the end of the year under review and since the electricity facilities were not provided for 15, it had been impossible to make use for the students. Even though a Laboratory had been constructed and the electricity also supplied due to non - supplying of computers, network system and other equipment it had been impossible to make use for the students.
- vi. The constructions of the Mahindodaya Technological Laboratory in Thangalla Balika Maha Vidyalaya had not been completed and besides the 66 computers all the other goods had been provided to those Laboratories. Since improper storing of the computer chairs and tables as a result of lack of enough space , those are being get in unusable level without any utilizing.

- vii. The computer chairs supplied to the Laboratory and the chairs supplied to the Nenesa Division of Ranabima National School were at a lower level in quality and the standard. The hand rests of nearly 30 chairs in the Nenesa Division were broken. Due to the fixing of equipment by interchanging in the Mathematics Room and the Laboratory, those had been impossible to utilize properly for the requirements.
- viii. The Mathematical Equipment had been received more than the required number for the Mathematics Room of the Kiribathkumbura Swarnajothi National School and the number of students studying Physical Science for the Advance Level were only 08. As a result of the distribution without considering the number of required equipment properly which could have been able to render the students of an another school, those had been piled up at several places carelessly. The majority of the equipment supplied were at a lower quality level.

**(b) Education Sector Development Project**

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According to the Agreement of 19 August 2013 this Project had been in due to commence on 23 August 2013 and complete by 31 August 2018 . The following observations are made in respect of the Performance of the Project as at the end of the year under review.

- i. The total amount made available for the Programme was US Dollars 200 million ( Rs. 26,000 million ) and the total amount utilized during the period of 03 years was US Dollars 141 million ( Rs. 18,330 million ). As a percentage it was about 70.5.
- ii. A sum of Rs. 700 million had been provided for the building maintenance and repairs in the year 2016 . Even though it had been entered into commitment amounting Rs. 687.4 million, due to the limitation of imprest , the bills amounted to Rs. 5 billion including this Programme had not been able to pay.

- iii. Six hundred ninety two school Principals and 780 Deputy Principals had been trained by the Programme and as a result of existing Principal vacancies in 228 National Schools, it had failed to make use as a successful remedy at the instance of filling the vacancies of Principals.
- iv. According to the Action Plans of the Programme, the constructions of 250 Mahindodaya Technological Faculties had been planned . Out of that 238 construction activities had been completed and 227 had been made use for the students. It had been impossible to supply three phase electricity facilities for the 45 Technological Faculties even by the end of the August 2017.
- v. Even though the Technological Faculties had been built for the Mahanaga Maha Vidyalaya in Matara District the classes for the Bio Science System Technology Stream had not been commenced.
- vi. Large number of teachers vacancies had been available in Technology Stream island wide and since those were 327 by the end of the year under review, reaching to the expected targets had been uneasy.
- vii. A number of 47,473 students for the Technology Stream and 117,382 students for the Science and Mathematics Streams had appeared for the G.C.E. Advance Level during the year under review, and it had been 42,514 and 118,901 in the preceding year respectively. 111,883 students had appeared for the Commerce Stream during the year under review and 117,238 students had appeared in the preceding year.
- viii. Out of the 211,865 school candidates who had appeared for the 2016 G.C.E. ( Advance Level) in the year under review 17,702 or 8.36 per cent had failed all the subjects. The number of students who had “A” passes for all the subjects were 6,468 or 3.05 per cent . 69.64 per cent from the Commerce Stream, 53.26 per cent from the

Physical Science Stream and 53.35 per cent from the Biology Stream had qualified for the Universities. 60.16 per cent from the Bio Science System Technology Stream and 55.58 per cent from the Engineering Technology Stream had been qualified for the Universities in the year under review thereof the second year of appearing for the Advance Level from the Technology Stream.

- ix. Even though uplifting the Advance Level results up to 64 per cent was the Objective in accordance with the Programme targets in the year under review, since it had been only 62.17 per cent, obtaining of US Dollars 2.5 million and Special Drawing Rights amounting US Dollars 1.66 million made available for that had been impossible.
- x. Improving of the participation of the students for the Science and Commerce Streams was an expected target of the Programme since it had not been achieved, obtaining of US Dollars 5 million and Special Drawing Rights amounted to US Dollars 3.33 million made available for that had been impossible.
- xi. A sum of Rs. 800 million had been provided for the staff training from the Programme. Out of that a sum of Rs. 10 million provided for the short term scholarship programmes, the amount of Rs. 10 million which had been provided for the training on the pattern of activities done in respect of Bio Science System Technology Stream which was introduced as a new subject, had not been made use for those activities.
- xii. A sum of Rs. 685.66 million or 52 per cent only had been utilized during the year out of the Rs. 1,320 million provided for the purchasing of equipment for Technology Faculties.
- xiii. A sum of Rs. 80 million which had been provided for the purchasing of machineries for the year under review had not been utilized for that.

- xiv. Although a sum of Rs. 70 million, Rs. 70 million, and Rs. 125 million had been provided respectively for the purchasing of Civil Engineering Equipment, Electronic Engineering Equipment and Technological Engineering Equipment since only a sum of Rs. 39.3 million had been spent for the purchasing of those three types of equipment, Rs. 82.6 million had remained without utilizing. However, due to the unavailability of the equipment certain Faculties could not be able to use effectively.
- xv. Although the provisions had been made for preparing estimates to the Thangalla Balika Maha Vidyalaya for the construction of Technology Faculties , the constructions had not been commenced even by the end of the month of July 2016. However, the required equipment for the Faculty had been supplied to the School and circumstances had not been available to retain them in a proper manner and to use according to the requirements.
- xvi. The Technology Stream of Advance Level had been commenced in 353 schools as at the end of the year under review and 48,426 students had selected those streams.
- xvii. Two teachers had been attached to 17 schools where the students existing from 4 to 19 and to 03 schools where the 26 students existing in Sinhala Medium and three teachers to a school where the 36 Tamil Medium students existing. Accordingly, teachers had not been properly attached for the teaching of the Biological System Technology.

**(c) Implementation of UNESCO Bi - Annual Project 2014-2015**

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A sum of US Dollars 61,945 (Rs. 8,269,557) had been credited to the Bank of Ceylon Upgrade Branch Borella as a grant on 20 July 2015 for the implementation of 03 Projects approved to implement by the UNESCO Head Quarters for the period of 2014 - 2015.

- i. A sum of Rs. 3,468,463 had been made available on 14 June 2016 for the Project of accomplishment of a Manual by studying the Role of the Principals in Sri Lanka and the balance and the expenditure particulars should have been sent back to the

- UNESCO Headquarters by completing the related Project activities before the 31 July 2016. The relevant Project had been abandoned since the UNESCO Organization had not agreed to extend the time period after the 31 July 2016.
- ii. A sum of Rs. 3,468,463 had been made available for the Project of Minimization of the Occurring Damage while Emission of Carbon Waste (Carbon dioxide and Greenhouse Air) determined to implement by the Central Environmental Authority and 40 per cent or 1,387,385 out of that had been granted to the Central Environmental Authority on 08 January 2016. This Project should have been completed as at 31 July 2016 and although Rs. 531,688 incurred as at the date, action had not been taken to implement the Project.
  - iii. The approval of the Secretary to the Ministry had been received on 20 December 2016 to send the money to the UNESCO Headquarters with the bank charges related to these Projects which had not been completed as at 31 July 2016 under the Bi - Annual Project 2014 -2015 . Accordingly, from the total amount of Rs. 8,269,557 a percentage of 87.45 had been returned. Due to the failure in achieving effectively and efficiently two Projects which should be implemented along with two timely and important topics had been impossible to achieve and the benefit which could have been able to receive had been impossible.

### **3.11 Performance**

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 The observations on the Progress of the Ministry according to the Annual Budget Estimates and Action Plan are given below.

#### **(a) Private Schools**

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 In terms of Section 25 of Assisted Schools and Training Colleges (Supplementary Provisions) Act No. 08 of 1961 Private schools could not be able to commence by any person for providing education to the children in between 05-14 age limit , nearly 214 international and private schools had been commenced non-compliance with that. At the instance of assessing the quality of the human and physical resources in those

schools and implementation of curriculum it was not observed existing of a Formal Policy and a Standard for the supervision and regulation whether those are being implemented within the National Education Policy . Details appear below.

- i. The details of international and private schools in addition to above mentioned schools had not available in the Ministry and supervision of international schools in compliance with the National Education Policy was one of the main objectives of the Ministry.
- ii. It was problematic in audit that functioning without considering the terms of the Act in respect of establishing of schools despite the opportunity to establish them, non - revision of terms on requirements of establishing of schools.
- iii. Eighty private schools which are being maintained in compliance with the Public Policies had been mentioned as the registered schools of the Ministry. Out of that, there were 36 schools receiving grants and 44 schools not receiving grants and 114,070 students and 4,713 teachers were in those schools.
- iv. It was problematic in audit that whether the right of receiving of quality education is being protected to every student with respect to the history of their mother country , culture, language, and in respect of the values and the standard and the quantity of Physical and Human Resources deciding and implementing within the common policy.

**(b) Sisu Aruna Educational Fund**

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 The Sisu Aruna Educational Fund had been established in the year 2001 by the Education Ministry during the period from 2001 to 2014 with the objective of granting an economically concessionary sum for the students who are clever in studying but in difficulties, economically less income receiving and does not receive the Grade 5 Bursary . Although a balance of Rs. 3,584,479 was shown in the Fund as at the end of

the year 2016 after 5 years lapsed establishment of the Fund, offering the Scholarship had not been carried out even by 30 August 2017 as per the objectives.

### **3.12 Performance of the National Schools**

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The matters observed in respect of the Performance of the National Schools during the course of audit test checks in the year under review are appear below.

#### **01. Nalanda College , Colombo**

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- (a) As a result of enrolling only 183 students for the 05 classes of Year One by 40 per a parallel class for the year 2016, the opportunity of admission to the school through the proper method had been enclosed to the 17 students and 17 opportunities had been created to enter to the school from irregular ways.
  
- (b) A sum of Rs, 869,000 relating to 138 advertisements obtained for the advertise in the souvenir published for the Rangeerava Concert in the year 2013 and it had failed to recover even though 4 years lapsed after the related Concert.
  
- (c) The amount outstanding for the years 2014 and 2015 for the Cricket Academy of the school was Rs. 997,500 and Rs. 345,000 for the Badminton.
  
- (d) An un-reconciled difference amounted to Rs. 719,900 had been shown between the balance appear as the income received from the Swimming Pool in the financial statements 2014 and the Books of the Pool . This pool is being used by 09 Coach to train external parties and it could not be ruled out by any doubt in audit whether the correct income taken in to accounts.

- (e) According to the 4.2.5.1 (d) of the Circular No.07/2013 of 28 November 2013 a Performance Report based on the School Development Plan including financial and physical progress of aggregate programmes of the school, students' performance and the victories received by the school should be prepared and furnished to the Director of the National Schools before 31 March, action had not been taken accordingly for the year 2016. In addition , action had not been taken according to the 4.1.2.6, and according to 4.2.5.1 (iii) also in the years 2014, 2015 and 2016.
- (f) The number of teachers who had completed over 08 years service period and not received the station transfers were 95 and that was out of the aggregate teaching staff 51 per cent. In addition to that there had been 12 shortages and 26 excesses of teachers. In addition to this nearly 29 number of teachers had obtained leave daily.
- (g) Time tables had not been given to certain teachers and less number of periods had been given certain instances. Even one period had not been given to the Assistant Principals who should be deployed in teaching activities for 40 minutes 12 periods per week.

## **02. Wennappuwa Josheph Vaas College**

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- (a) An acting Principal was covering the duties in the Principal post of the school from 19 October 2010 to the end of the year 2016 and it had been informed that an appointment of 2.II Supra Grade in Principal Service was given to the Acting Principal to be entitled from 08 August 2012 .
- (b) Although 200 number of students should be in five classes of Grade One for the year 2016, 188 students had been enrolled and despite 149 were in the waiting list action had not been taken to enroll for the remained 12 vacancies.

- (c) Sixty three teachers in the school had not received station transfers in between 8 years and 34 years period and 35 shortages and 30 excess teachers was shown.
- (d) Facilities and Service Charges amounting Rs. 2,248,897 had been outstanding from the year 2014.
- (e) A priority had been received to Roman Catholic students at the instance of admission of them to the school for the Grade One. Although out of the received applications nearly 20 per cent from the Buddhists and the children of other religions, at about 5 per cent had been enrolled. Accordingly, the number of Buddhist students are being regularly increased from 02 to 11 Year and that had been from 6 to 30 per cent. Accordingly, it was observed in audit that there was a trend in enrolling children for the intermediate Grades and executing as such is unfair for students who applied for the Year One.

### **03. Sripali Vidyalaya, Horana**

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- (a) Fifty four teachers who had more than 08 years service period had not been received station transfers and that was 31 per cent out of aggregate staff of teachers. In addition to that shortages of 20 teachers and an excess of a teacher was shown.
- (b) Nearly a sum of Rs. 5.3 million had been retained in a bank current account of School Development Fund and action had not been taken to invest in a short term investment according to the Section 10.2 of the Circular 07/2013.
- (c) In terms of Paragraph 8.2 of the Circular No. 2006/27 of 20 June 2006 activities of the scholarship vouchers of Scholars' had not been carried out.

#### 04. Hali Ela Maha Vidyalaya

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- (a) Although the Educational Progress of the students should be confirmed by the examination results, the results of the every government examination had dropped regularly. Accordingly, it was observed in audit that the achievement of the fulfilling of the education of the students thereof the main objective of the school was not successfully carried out.

Grade 5 Scholarship

The passed percentage was 29.3 in the year 2014 and it had dropped to 8 per cent in 2016.

G.C.E (O/L)

The passed percentage of mathematics was 55 in the year 2013 and it had been 47 per cent in 2015.

G.C.E (Advance Level)

Only one student had qualified for the University entrance in the year 2015 and a “C” pass for the Physical Science in the year 2014, a “C” pass for the Agriculture Science in the year 2015 had only received.

- (b) The number of teachers who are being deployed ranging between 8 years to 24 years in the school without receiving station transfers were 15. It had been identified that the number of teacher’ shortages were 20 and the number of excess had been 07.
- (c) Action had not been taken according to the procurement instructions at the instances of procurement activities carried out in the school and related receipts were not furnished to audit.

**05. Bandarawela Central College**  
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- (a) Thirty two per cent or 60 teachers out of the aggregate teacher staff were being deployed in this school for more than 8 years period without receiving station transfers. Shortages of 18 teachers and excesses in 27 teachers were shown in the school.
  
- (b) Four parallel classes from Grade One to Five and 8 parallel classes from Grade 6 to Grade 11 had been available. Even though the maximum number of students should be available in all the classes were 2,960 , it was observed that 121 students were available beyond that limit non - compliance with the Circular No. 2008/37 of 19 September 2008.
  
- (c) Even though a request had been made from the Office of Director of Provincial Education on 04 July 2013 to remove the 3,615 library books from the Accession Register which were misplaced from the school library ,the approval for that had not been obtained .
  
- (d) A number of 4,056 Text Books from Grade Six to Grade 11 which had been ordered in excess relating to the year 2016 had remained in the stores. Preparation or updating of a Register of Stock of Text Books had not been maintained.
  
- (e) It had failed to recover the membership fees of School Development Society totalling Rs. 6,097,500 and facilitating fees in outstanding amounted to Rs. 152,100, from the year 2013 to year 2016.
  
- (f) The canteen of the school had not been maintained in accordance with the instructions given by the Circular No.35/2015 of 31 December 2015.

**06. Rajasinghe Central College, Ruwanwella**  
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- (a) A sum of Rs. 255,000 had been collected from 51 students of the Year 6 by Rs. 5,000 per each student enrolled in the year 2014 non-compliance with the terms in the Circular No. 05/2015 of 29 January 2015 without issuing receipts by the Principal of Rajasinghe Central College Ruwanwella and that amount had not been deposited in the School Development Fund Account.
- (b) Eight students had been enrolled in the year 2016 to the intermediate classes non-compliance with the Circular No.2008/37 of 19 September 2008.
- (c) Twenty seven teachers who had not received station transfers for the period from 08 to 32 years were available in the school and that was 24 per cent out of the aggregate total number of staff.
- (d) In terms of Section 12 of the Circular No. 01/2016 of 07 January 2016, Thirty five periods per week for the teachers who teach general subjects, 33 periods per week for the teachers who are in-charge in the classes, 30 periods per week for the teachers who teach main subjects for the Advance Level should be offered, non-compliance with that very less number of periods had been offered to the 38 teachers while handing over the time tables.

**07. Tissa Central College, Kalutara**  
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- (a) An abandoned old building had been allowed to be destroyed without repairing due to the deterioration of the roof.
- (b) Even though a fully completed indoor stadium belonging to the school, that was remained underutilized due to properly non-maintenance and abandoned.

- (c) It was observed that the Extra curricular , subject concurrence, and sports activities had been disturbed and it was observed that the games such as badminton, table tennis, are being abandoned regularly, the Cadet Core had been bereaved, Media Unit was inactive and any association had not been at an active position.
- (d) The teachers who had more than 8 years service period and not received station transfers were 60 and that was 57 per cent out of the aggregate staff of teachers.
- (e) The two Deputy Principals sent to the school under the placement of the officers who had absorbed to the Sri Lanka Principals' Service and a female Deputy Principal who had a station transfer to the school had not reported to the duty accordingly even by the end of the year under review.
- (f) Laboratory facilities were not at a sufficient condition and the following deficiencies were shown.
- Infiltration of rain water inside in case of deterioration of the roof , non - availability of sufficient laboratory space for the agriculture and home science equipment and inside parts of the science and physical laboratories subjected to be cracked and subsidence.
  - Not arranged a proper measure to remove expired chemicals nearly 6 years time period and non- receiving of required equipment and chemicals adequately.

#### **08. Wijayaba National College, Hungama**

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The Assistant Principal of the Primary Section of Wijayaba National College, Hungama had taken action non-compliance with terms of the Circulars at the instance of distributing the Uniform Vouchers in the year 2016. Representations and number of complains are being referred to the audit in respect of the Primary Section and it

was observed in audit that retaining at the same place without having station transfers had caused to appear such problematic situations.

**09. Kingswood College, Kandy**  
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- (a) The number of teachers who had and not received station transfers and remained more than 8 years period were 31 and that was 18 per cent out of the aggregate staff of teachers. In addition to that shortages of five teachers and excess in 24 teachers were shown.
  
- (b) In terms of Section 12 of the Circular No. 01/2016 of 07 January 2016 , thirty five periods per week for the teachers who teach general subjects , 33 periods per week for the teachers who are in-charge in the classes, 30 periods per week for the teachers who teach main subjects for the Advance Level should be offered, the number of periods less than that had been given in the year under review and the preceding year as well. In addition to that any time table had not been given to 05 teachers and it was impossible to confirm whether they achieve the duties commensurable to the salary taken by them .
  
- (c) In accordance with the Section 13 of the above Circular even minimum 40 minutes 12 periods should be assigned to an Assistant Principal ,at least one period had not been offered to them for teaching .
  
- (d) Station transfers had not been given to 08 non - academic staff members who are being worked in the school from 10 to 23 years.
  
- (e) The number of books borrowed from the main library but not returned were 54 from 02 November 2013 to 30 September 2016 by 22 teachers and 04 of non - academic staff. Forty four Retired, transferred and migrated officers had not returned 146 books and out of that 25 books were borrowed by one retired officer. It had failed to get back or recover the financial value even by the year under

review. Although 1,130 books of the main library and 53 books of primary library were at a disposable condition , action had not been taken to be disposed.

#### **10. Pannipitiya Dharmapala Vidyalaya**

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Eighteen periods per week to a science teacher of the school in the year 2016 , only 14 in the 2017 had been offered and even though 30 periods per week in the year 2016 had been offered to a teacher who teaches Economics for the Advance Level , at least one period had not been offered in the year 2017.

#### **11. Ambalangoda Dharmashoka Vidyalaya**

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The following observations are made in respect of the staging of the stage dramas for the students of Ambalangoda Dharmashoka Vidyalaya.

- (a) The Revenue had been earned by staging of 06 stage dramas as 03 stage dramas in the year 2016 and 03 stage dramas as at the date of audit in the year 2017. Tickets had been sold at the values from a minimum of Rs.200 to Rs. 500 and Rs. 1000 from a student to watch one drama therein. Since it was projected to make opportunities to watch these dramas to the students to uplift the appreciation of the students, it could not be satisfied in audit that the determining of high prices for the tickets.
- (b) The approval of the Secretary of the Ministry of Education had been taken to only one drama out of the 03 dramas staged in the year 2016 and it was observed in audit that any approval had not been taken to remained 02 dramas in accordance with the Circular No. 05/2015 of 29 January 2015.
- (c) Even though it was mentioned that in accordance with Section 7.2 of Circular No. 07/2013 of 28 November 2013 of Secretary of Ministry of Education a receipt should be issued at the instance of raising funds in the name of School Development Society with formal serial numbers, the official seal of the Zonal

Education Director should be included in every receipt , tickets had not been printed in the name of School Development Society accordingly and instead of the official seal of the Zonal Education Director action had been taken to use the Principal's official seal on the printed tickets.

- (d) Even though it had been mentioned in the Circular No. 07/2013 the income and the expenditure incurred should be carried out through the Account of the School Development Society in every project conducted by the school, the collection of revenue and incurring expenditure of these drama shows had not been carried out through the Account of the School Development Society and only the remained amount had been credited to the School Development Society Account at the 02 instances. It was revealed in audit that the money received at the other 04 instances of drama shows further belonging to other associations affiliated to the school.
- (e) Out of these 06 drama shows only 02 by the school and the remained 04 dramas by the associations affiliated to the school and by the old students had been organized. In accordance with the Section 08 of the Circular No. 05/2015 of 29 January 2015 the approval of the Secretary of Ministry of Education should be obtained, evidences were not furnished to audit as such an approval had obtained.
- (f) Action had not been taken as per the matters of No. 04, 06, 07 and 08 of the letter No. ED/1/6/1/Projects/2017 dated 22 March 2017 issued as one for a month an especial stage drama called "Damsowedee Rangadekma" by the Director of National Schools on behalf of the Secretary of Education.
- (g) Terms had been instituted by the Secretary of Ministry of Education to seize the improper collection of money in the schools by the Circulars 07/2013 and 05/2015. Since the Principals are not following the Financial Regulations and instructions of the Circulars correctly in certain instances due to permission given to collect money through the letters as per the above, it was observed in audit that the

occasions and opportunities would be occurred in the schools to perform improperly and without transparency.

## **12. Sujatha Balika Vidyalaya Matara**

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The following observations are made at audit test checks.

- (a) The names of the two students which were in the Temporary List had been entered in to the Waiting List non- compliance with the 11.1(a) of the Circular 2017/2016 without giving any notice while enrolling the students for the Year one in the year 2017.
- (b) Opportunities had been made to the students who were not qualified due to the Appeal Board had not taken action to follow a uniform policy at the instances of determination of the distance to the school and reducing the marks to the near schools and it had been allowed to occur an inequity or injustice to other students similarly to that.
- (c) Due to the action taken to offer the marks non-compliance to the policy of giving marks at the basic interviews, had been given at the appeals , it had been allowed to occur an inequity or injustice to the children who had faced the basic interviews.
- (d) Accordingly, it had failed to perform equity to the children who had fallen in to inequity or injustice even by 30 August 2017.

## **13. Vacancies of Principals**

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Out of the 352 National schools ,vacancies of Principals were in 228 schools even by the end of the May 2017 and appointments thereof acting or covering up duties had been done for that.

#### 14. Sri Lanka Principals' Service

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The following observations are made at audit test checks.

- (a) In accordance with the Sri Lanka Principals' Service Minute published by the Extraordinary Gazette Notification No. 1885/31 of 22 October 2014 the number of officers absorbed were 12,160 by 31 December 2016. Approved number of officers were 16,512 and since the actual number was 13,517 further 1,357 should have been absorbed.
  
- (b) Three hundred Fifty Two principals had retired in the year under review and the following matters were observed according to the audit test checks carried out in respect of 42 files out of that.
  - (i) The letters of retirement of 22 officers had been sent in delay ranging from 18 days to 9 months. Accordingly, the proportion of non -occurring retirements of the officers who are entitled to be retired were nearly 52 per cent.
  
  - (ii) Even though the letter furnished by the officer who was expected to be retired recommended by the Zonal or Provincial Education Office two months before furnishing to the Principals Branch , the retirement letters had been issued in delay to a great extent. Availability of any special reason affected to the delay were not observed at the instance of checking the files.
  
  - (iii) A principal who had done acting duties on the post in a Primary School in Kegalle had been dismissed from the post from 18 August 1999 had made a complaint to the Committee on Public Petitions . Information had been called in respect of that from the Ministry in the years 2012 and 2014. Availability of any evidence was not observed at the instance of checking the files to confirm whether those information had sent.

(iv) Evidences were not available whether the information requested on 06 January 2016 by the Committee on Public Petitions in respect of a petitioner had been sent by the Principals' Branch even by the end of the February 2017.

(v) Even though more than 1 1/2 years lapsed after the file received in respect of the retirement of a Grade 2-1 officer of Sri Lanka Principals' Service it was questionable in audit that the non-receiving of information from Zonal Director of Education.

15. The income outstanding amounting Rs. 5,269,609 from the canteen had not been recovered in terms of the agreements in 53 National Schools by 31 December 2016.
16. Despite the adequate Auditorium or hall facilities available in their schools or the schools surrounded , the total expenditure incurred during the year 2016 was Rs. 7,279,029 for the obtaining of hall facilities or Auditorium belonging to private organizations for the various functions in 20 National schools.
17. Although there were 521 instances of delays in returning of books which were lend to the 346 teachers in 25 National Schools were shown , fines for the delays had not been charged.
18. The number of books which had not been returned were 605 at the instances such as transfers, migrations, retirements and resigning from the posts by 243 teachers in 35 National Schools and the value of those were Rs. 522,181. Those teachers had been released from the service without getting back the books or recovering the value of the books .
19. The number of the members of the non-academic staff who were recruited by paying salaries from School Development Society or Hostel Fund or Facilitating and Service Charges Account or Sports Fund were 307 by 31 December 2016 in 52 National Schools. The total salary and allowances paid only during the year 2016 to them were Rs. 5,781,742 and that was an expenditure totally depend on the students.

20. An excess of 360 members of the non- academic staff in 65 National Schools and 1440 shortages in 147 National Schools had been shown as at 31 December 2016 .
21. Out of a sum of Rs. 20,808,668 granted to 105 National Schools for the purchasing of quality inputs during the year 2016 a sum of Rs. 10,556,724 had remained by 31 December 2016 and that money had remained in the current accounts of the School Development Societies.
22. The Ad-hoc imprest issued in the various instances by 36 National Schools amounting Rs. 7,402,694 had not been settled even by the 31 December 2016 .
23. The replies had not been sent even by 20 June 2017 from 125 National Schools to the letter sent on 06 February 2017 calling information required for the annual audit 2016 and also replies had not been sent by 71 National Schools to the letter sent on 15 February 2016 calling information required for the annual audit 2015. Meanwhile the schools which had not sent the answers for the both two years had been 47.

### 3.13 Performance of the National of Education Faculties

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The matters observed at audit test checks carried out are appear below.

#### (a) Nilwala National Education Faculty

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- i. Forty five vacancies in 13 posts belonging to the Sri Lanka Teachers Educationist Service in the Nilwala National Education Faculty , 30 vacancies in 16 posts in non- academic staff and excess staff relating to 05 posts in non- academic staff was 06. Nine Lecturers are being deployed in this Faculty itself ranged from 14 years to 22 years time period.
- ii. Three external persons had encroached in 04 proportion of lands 0.06310 Hectares in extent belonging to the Nilwala National Education Faculty.

**(b) Uva National Education Faculty - Bandarawela**  
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- i. The fully completed Language Centre which was received to the Faculty under the Indian Aids with the 31 computers on 24 June 2014 had been closed nearly two years up to the year under review without using effectively .
- ii. The tractor received to the faculty on 05 January 2015 had not been registered or used up to the date of the audit and although nearly 27 acres in extent belonging to the Faculty, evidences had not been available to confirm whether nearly 2/3 out of the land is being used effectively. Two quarters had remained very old.
- iii. Action had not been taken in accordance with the Government Procurement Guidelines at the instance of carrying out procurements amounting Rs. 2,291,651 for the year 2016.

**(c) National Education Faculty - Peradeniya**  
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- i. The number of approved cadre for the Faculty was 151 and since the actual cadre was 61 that was only 40 per cent out of the total staff. Due to the unavailability of any Tamil Medium permanent Lecturer it was observed that the two external lecturers are covering that subject .
- ii. It was observed that as a result of the matters such as the officers had become an inconvenient condition due to non-implementation of the Promotion Scheme of the Teachers Educationist Service properly and promptly , non-offering adequate training for Professional Capacity Building , non-availability of computer and internet facilities and failing of granting telephone allowances even by the year under review by the Ministry of Education .
- iii. Although the encroached people are resided in a land more than 03 acres in extent belonging to the Faculty even from May 2001 had been impossible to remove them even by the end of the year under review.

- iv. The construction activities of auditorium and adjoining classrooms commenced on 24 November 2011 by the Central Engineering Consultancy Bureau had not been completed even by the end of the year under review.
- v. It was observed that the repairs and the activities of building up of road network and many projects which were handed over to a contract price amounting to Rs. 3,897,350 had not been carried out with the required standard.
- vi. Out of the 9 quarters existing in the Faculty 8 were at a repairable condition. It was observed at the physical test check the H-01 quarters near to be ruined and also observed that an external person had encroached the H-10 quarters from the year 2011.
- vii. An upgraded library belonging to the Faculty was existed and it was observed that nearly 200 number of students are being used that. A Development Officer who holds a Geography Special Degree was deploying as the Librarian and vacancies of library staff had not been filled.
- viii. Although in front of the names of the books mentioned in the old Accession Registers in the library had been cut off by the red pen and it had not mentioned for what reasons that was so done. About three officers who were in-charge prior to this had not taken action to hand over and under take the library assets properly and as a result of misplacement of books cash reduction had been done from a female officer. Since the related evidences were not furnished to audit to confirm due to whose fault the books were misplaced it was impossible to confirm the correctness of that reduction process.

### 3.14 Performance of Pirivens

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The following observations are made at audit test checks.

(a) When examining the Code of Regulations issued for the Pirivens by the Extraordinary Gazette Notification of Sri Lanka Democratic Socialist Republic of Sri Lanka No. 108/6 of 01 October 1980 it was observed that the many Pirivens are executing non-compliance with the Directives in Code of Regulations.

#### (b) Management Activities of Pirivens

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i. Seven hundred fifty four Pirivens were registered as at 31 December 2016 and the information had been given as the number of aggregate laity and clergy students were 66,003 there. The number of approved laity and clergy teachers are 6,503 and the number of unapproved teachers were 306. It was observed that excess of teachers were the approximately about 1,700 in terms of Section 16.3 of No. 108/6 of Code of Regulations 01 October 1980 while adjusting the average value of annual attendance as at the date. As such an excess of teachers existing, appointments given to 199 teachers (as 122 clergy teachers and 77 laity teachers) on 14 February 2017 was questionable in audit.

ii. Even though the appointments are given after the approval of the Piriven Education Board in respect of the candidates who are sent to the Piriven Branch recommending by the Thero while recruiting teachers for the Pirivens, it was observed that the correctness of the education certificates are not being examined by the Education Ministry or Piriven Branch.

iii. According to the Section 16 (03) of Code of Regulations No. 108/6 of 01 October 1980 prepared with the agreement of which under the Sections 26, 27 and 33 of the Piriven Education Act No. 64 of 1979 by the Minister of Education and the Piriven Education Board, retaining of teachers of the Pirivena should be carried out

based on the average number of the students. Accordingly , with the dropping of the number of students in the Pirivens, it was observed that action should be taken to retain the teachers to protect the quality of the education and to prepare a method of recruitment of teachers according to the parallel subjects as the nature of the Piriven institutions .

- (c) Several observed matters were furnished through the Draft Report as the reasons affected to the current weaknesses of the Piriven Education Method and to the deterioration of Piriven Education .
- (d) The number of Pirivens which were approved to pay Annual Aids relating to the year 2015 according to the information of the Accounts Branch even by the instance of the audit, but the Annual Aids had paid were 60 and the Annual Aids payable for the year 2015 was Rs. 18,243,465.
- (e) Because only Eighteen Assistant Director Theros, 12 Coordinator Theros and only one Programme Coordinating Officer are available in the Piriven Branch , an adequate staff was unavailable to check the 757 Pirivens established island wide in a proper way.

Evidences in respect of assigning duties properly in writing to the officers such as Heads of Branches, Public Management Assistants, Development Assistants, Document Assistants and Office Assistants were not furnished.

Even though 14 Piriven Teachers who are performing duties as the subject instructors and teacher instructors at other Pirivens are executing the duties during various periods ranging from 01 January 2012 to the instance of the conducting of audit and it was observed that the payments are being made by the relevant Pirivens. As a result of executing the assigning duties for a long period since the uncertainty of the service and non-adherence regarding the performing of duties, obtaining an effective and quality service from them was impossible and also it was observed that the officers do not bear with a satisfied attitude on their occupation.

(f) Even though in terms of paragraph 4.13 of Piriven Education Act No. 64 of 1979 the Piriven Education Boards should meet at least once in an every 03 months , had not met accordingly in the years 2015 and 2016.

(g) It was observed that the local and foreign teacher training programmes which are offered to the school teachers are not offered to the Piriven teachers by the several branches of the Ministry.

**(h) Budget Estimates and Planning**

The formation of granting provisions by the Ministry for the Piriven Education for the year 2017 are as follows.

<b>Subject</b>	<b>Amount Requested</b> <b>(Rs. Million)</b>	<b>Amount Received</b> <b>(Rs. Million)</b>
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Capital Expenditure	758.0	80
Recurrent Expenditure	341.5	260
By the Budget Proposals		
2017	-	50
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	<b>1099.5</b>	<b>390</b>
	=====	=====

The following observations are made.

- i. Only 35 per cent had been received out of the money requested and as a result of only about 10 per cent less provision received out of the expected amount for the capital expenditure, that had not sufficient for the uplifting of the Piriven Education.

- ii. Although a sum of Rs. 50 million had been received for the capacity building of the Piriven teachers from the Provision of Budget 2017, a proper plan had not been prepared for those training programmes and a proper Action Plan had not been prepared even 30 August 2017 for spending of Capital and Recurrent Provisions.
- (i) The following observations are made in respect of the purchasing of various books and distribution for the Pirivens .
- i. A large number of books relating to 166 different authors valued at nearly Rs. 4,090,624 were observed remaining without distributing while checking of the Store Room of the Piriven Branch on 13 January 2017.
  - ii. Even though the approval of the Books Publication Consultancy Board should be obtained besides the books exclusive for the Piriven education approval had not been obtained for the numerous number of books.
- (j) Besides an elementary Piriven in Mulativu District of Eastern Province and a Piriven Academy in Vaunia District in Northern Province, Pirivens had not been commenced.

### **3.15 Deficiencies in the Operation of Bank Accounts**

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The following observations are made.

- (a) Out of a sum of Rs. 2,748,592 granted to 40 National Schools for the purchasing of quality inputs during the year 2016 , a sum of Rs. 1,475,910 had remained in the current accounts of the School Development Societies by 31 December 2015 whereas not used for the quality inputs.
- (b) The money totalled to Rs. 633,803,600 belonging to School Development Societies in 43 National Schools as at 31 December 2016 had been invested in Fixed Deposits .

### 3.16 Management Activities of the Ministry

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It was observed that the following weaknesses were occurred as a result of management decisions not made sufficiently by the Ministry.

(a) Even though the Ministry of Education had planned even from the year 2007 to establish Resources and Information Centres by National and Provincial Level for the Educational Development of students in special needs in the 9 provinces, it had been impossible to complete even by the end of the year under review.

#### (b) Providing Internet Facilities for the Schools

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The following observations are made.

- i. The number of internet facilities provided by the Dialog Company and the Lanka Telecom Company from the year 2005 in connection with the school computer network were 1,724 . The Ministry had decided to discontinuance of those internet facilities in the year 2016.
- ii. Any money had not been paid to these two companies from 01 July 2016 to February 2017 and the total outstanding amount was Rs. 91,221,972 . One hundred and twenty three Dialog connections and 910 Telecom connections had been disconnected in the year 2016 and new internet facilities were not provided to any school even by the end of the June 2017. It was mentioned in the information furnished to audit only the activities of converting to new connections had been commenced under the monthly fee amounted to Rs. 1,500 for the provided connections in the 192 schools by the Dialog Company.
- iii. In addition to those payments the amount payable from July 2016 to February 2017 to the Sri Lanka Telecom Company for obtaining Web Filtering Service after the 01 July 2016 was Rs. 1,087,481.
- iv. It had been informed that the action would be taken to provide new connections from the month of January 2017.

**(c) Bursary Payments for Grade Five Scholars**

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As mentioned in the Paragraph 8.2 of the Circular No. 2006/27 issued on 20 June 2006 by the Secretary to the Ministry of Education in respect of the Bursary Payments for Grade Five Scholars, the Bursary valued at Rs. 211,000 for the 09 National Schools for the year 2015 and the Bursary for the 28 National Schools for the year 2016 had not been paid even by the end of the year under review because of the reasons such as non-receiving of Provisions from the Ministry of Education in due time and non-receiving of vouchers from the schools . It had been informed that a system is being prepared as Bursary received to the receiver himself by a computerized method in future.

**(d) Uniforms and Vouchers**

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Cloth materials had been given to every student island wide from the year 1993 to the year 2015 continuously for the uniforms and action had been taken to shift to Voucher Method in the year 2016.

- i. The distribution of vouchers for the year 2016 instead of uniform cloth materials had been commenced at the end of the year under review and the number of beneficiaries had been identified as 4,342,381. It was observed that there was a 4 per cent decrease less than number of 4,520,878 in the preceding year .
- ii. The total expenditure including payment made by the banks for the vouchers and printing and advertising expenses was Rs. 2,298,059,382 and details in respect of that are given below.

<b>Year</b>	<b>Number of Beneficiaries</b>	<b>Expenditure</b>	<b>Student Unit Cost</b>	<b>Increase of Student Unit Cost more than 2015</b>
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		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
2016	4,342,381	2,298,059,382	529.22	74.98

Accordingly, relative to the expenditure incurred to a beneficiary for the uniform materials in the year 2015, the cost incurred to a beneficiary for the vouchers had been increased by Rs. 74.98 or 16.51 per cent.

- iii. According to the information furnished, the total expenditure incurred for the year 2014 while distributing the clothes for uniforms had been increased by 38.77 per cent as compared with the year 2013 and it had been decreased in the year 2015 by 14.46 per cent as compared with year 2014 . The expenditure incurred in the year 2016 for the distribution of the vouchers had been increased by 11.91 per cent more than the expenditure incurred for the materials for uniforms in the year 2015.
- iv. Even though the process of distribution of materials for uniforms was completed , without resolving the problems relating to that, entered in to the process of distribution of vouchers. Out of the problems so unresolved a few are appear below.
  - According to the information furnished to audit , afterwards the distribution at the floods and the earth slips 2,683,716 packets of material for uniforms and the materials for robes suitable for the distribution for the school and Pirivens valued at Rs.675,296,036 had remained in the Orugodawatta stores as at 31 December 2016. Within this stock 16,400 packets of large size robes valued at Rs. 26,670,992 received to the Orugodawatta uniform stores on 26 February 2016 for the year 2015 had been included. It had been informed that besides the robe materials, the other uniform materials were completely distributed at present.

- Distribution of vouchers to the 4,342,381 schools and Piriven students for the uniforms had been completed for the year 2016 by the February 2016 and the number of packets of materials for uniforms and robe materials remained in the stores as at 26 February 2016 had been 2,865,992 . Within these, materials for trousers and shirts for 817,757 male students and materials for frocks for 412,203 female students were included.
- v. Even though the vouchers valued at Rs. 2,616,569,960 had been printed for the year 2016 , the value of the number of issued to the schools through the Zonal Office was Rs. 2,414,076,750. Accordingly, the vouchers valued at Rs. 202,493,210 had remained in the Ministry. Since the amount paid by the banks for the vouchers issued was Rs. 2,267,609,204 the vouchers valued at Rs. 146,467,546 had been retained among the Zonal Offices, teachers or students. As a whole, vouchers valued at Rs. 348,960,756 had remained out of the entire vouchers printed during the year 2016.
- vi. Although the Ministry had informed as there was no any complaint in respect of non-receiving of vouchers to the students, according to the audit test check it was observed that there had been 199 undistributed vouchers amounting Rs. 54,750 in one school and due to such conditions distribution of vouchers by zonal level was not supervised properly.
- vii. Even though it was expected to distribute the vouchers for the aggregate students , as a result of non-submission of vouchers valued at Rs. 146,467,546 to the banks out of the issued vouchers, it was observed that the requirement of the uniforms for the relevant students was not fulfilled as expected.

**(e) Education Management Information System**  
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In view of the objectives such as preparation of a Data Base including Teachers' information and the management of teachers service affiliated to that and supplying of the services required to the office system , an Education Management Information System (EMIS) with the co-operation of the University of Moratuwa had been established and the money spent from the Education for Knowledge Society Project (EKSP ) for that during the period from the March 2011 to 31 December 2014 was Rs. 64,060,373 .

According to the Memorandum of Understanding Agreement signed on 27 February 2012 for a Rs. 900,000 (Without Tax) under the first step of this, for the creation of the Data Base for the teachers had been assigned to the University of Moratuwa.

According to the Memorandum of Understanding signed on 27 June 2013 under the second step it had been agreed to create and submit 09 Modules using the data mentioned in the first step a sum of Rs. 13,877,100 (Without Tax) had paid to the University of Moratuwa for that.

At present it had become difficult to implement this system properly which is more than four years old even by 30 June 2017 and it was observed that the nugatory and the delay of interference of the officers who hold the responsibility as the specialists in charge for technical affairs were the reasons of this.

**(f) Printing and Distribution of School Text Books**  
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The following observations are made.

- i. The expenditure incurred for the printing of Text Books by the Department of Educational Publications in the year 2017 was Rs. 3,888 million. Out of that a sum of Rs. 2,985 million had been granted to 22 private printers for the printing of 30,033,000 copies from 315 types of books and it was observed in audit, that was 77 per cent out of the entire printing expenses.

## ii. Pilot Project for Printing of Text Books from Artificial Papers

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The Cabinet approval had been requested for this Project by the Cabinet Memorandum No. 2016/ED/E/22 of 20 June 2016 and the Cabinet approval had been received subject to the conditions relevant to that. Although a feasibility test should have been carried out by paying attention in respect of the observations furnished by the Ministry of Finance for that, evidences were not observed in audit whether the attention had paid. Instances as such are mentioned below.

- Even though it had been mentioned that the unit cost for printing of a Text Book of 200 pages was Rs. 320, the actual price without tax for a book of 83 pages had been Rs.305.55.
- The evidences were not revealed from the Feasibility Test Reports whether there was a request or a requirement submitted in respect of the usage of the Text Books in such artificial paper instead of the Text Books existing at present.
- Even though it had been mentioned the complaints which had been made in respect of the Text Books existing at present should be searched, evidences were not available whether a study carried out as such and the complaints were made in respect of the quality and the durability.
- Although the Minister had shown that the discussion should be carried out with the Central Environmental Authority in respect of the environmental effect which could be happened while using the artificial papers and methodology of the removal of the used Text Books at the instance of the Feasibility Test carrying out, the evidences were not observed whether it had approached to a final conclusion at the Feasibility Study as what were the methodologies existing for the removal of these Text Books after the usage .

➤ **Printing of Geography Text Book for the Grade 7**

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 The following lowest prices had been furnished as the non-taxable price for the printing of a Geography book for the Grade 7.

<b>Book</b>	<b>Prices</b>		<b>Difference</b>	
	<b>Normal Papers</b>	<b>Artificial Papers</b>		
	<b>( According to the Quotations on 16 June 2016)</b>	<b>( According to the Quotations on 06 December 2016 )</b>		<b>Percentage</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
Sinhala Medium	45.69	305.55	259.86	568.75
Tamil Medium	69.52	317.00	247.48	355.98
English Medium	43.54	290.00	246.46	566.05

- On this aspect the cost incurred for printing of a book from an artificial paper and the cost incurred for printing of book from a normal paper relatively remained at a very high cost ranged from 356 per cent to 569 per cent.
- The difference of the printing expenses after the first imprint was Rs. 128,939,700 and it was observed as an additional expenditure incurred to the Government or a loss due to the printing this book by an artificial paper . Details are appear below.

Medium	Number of Books	From an Artificial Paper		From a Normal Paper		Difference	
		Price of a Book	Total Value	Price of a Book	Total Value	Price of a Book	Total Value
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sinhala	325,000	305.55	99,303,750	45.69	14,849,250	259.86	84,454,500
Tamil	120,000	317.00	38,040,000	69.52	8,342,400	247.48	29,697,600
English	60,000	290.00	17,400,000	43.54	2,612,400	246.46	14,787,600
			<b>154,743,750</b>		<b>25,804,050</b>		<b>128,939,700</b>

### 3.17 Procurement

The following observations are made.

- A Contractor had been selected to a Rs. 97 million for the constructions of a four storied building at the Visaka Vidyalaya Colombo. The Principal had informed that there was a sum of Rs. 137 million in the Fixed Deposits and School Development Accounts of the school to settle the total expenditure of the construction of that building . Accordingly, even though such as a sum of Rs. 40 million further could have been saved to the school , a sum of Rs. 63.5 million had included in the 2017 Budget Estimates of the Ministry for that construction and it had been informed as those money was for the purchasing of equipment.
- A contract had been offered to a value of Rs. 14,008,988 ( without VAT) on 19 November 2010 to the third contractor for the construction of a building for an Auditorium of Anula Vidyalaya Nugegoda. According to the Contract Agreement the construction activities should be commenced on 17 November 2010 and completed on 01 June 2011 and the dates had been extended in several instances.

However, the works had not been completed and the value of the work done was Rs. 8,098,360 . A sum of Rs. 25,600,000 had been deposited in the Ministry by the relevant school and a sum of Rs. 17,364,881 out of that had been credited to the Government Revenue. Even though more than ten years period lapsed, the construction had not been completed and it was observed in audit as a result of the delay, the officers are responsible in respect of the losses occurring from the variances in the cost of the materials and the losses occurring from the damages to the parts constructed.

- (c) It had been entered in to a contract agreement amounting Rs. 43,400,503 with a contractor for the construction of a swimming pool in the Isipathana College Kirulapona. Even though the works should be commenced on 29 July 2014 and completed by 280 days the extension had been given even up to 11 October 2016. Action had been taken to pay the total value of work done amounting Rs. 33,035,295 and evidences were not observed whether any charge occurred for the delay period.
- (d) Even though the estimates had been prepared amounting Rs. 7,227.6 million according to the Procurement Plan for the year 2016 , as per the Revised Plan it was Rs. 4,681.36 million and since only a sum of Rs. 1,854.3 million had been spent for the procurement during the year , it had been informed that a sum of Rs. 2,315.35 million would be incurred for the liabilities for the years 2015 and 2016.

### **3.18 Implementation of the Projects by Domestic Financing**

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An instance revealed in audit test checks in respect of non-commencing of Projects appear below.

- (a) A sum of Rs. 6,000,000 which was collected by the Mahanama Boys' School for a Fund for a construction of a swimming pool had been invested in a Fixed Deposit on 19 December 2007 and the value of that investment had been Rs. 22,532,809 as at 31 December 2016. However , the relevant activities in respect of the construction of the swimming pool had not been commenced even by 21 July 2017 .

### 3.19 Vehicle Utilization

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The following observations are made.

- (a) There were every types of 147 vehicles belonging to the Ministry of Education and out of that 17 were at unusable condition . Even though the Ministry had the ownership 71 vehicles out of that had not been in the Ministry and 25 vehicles which were not belonged to the Ministry had been deployed for the use of the Ministry.
- (b) Twenty four accidents had occurred in the Ministry in the year 2016 . It had been informed that the actions would be taken according to those recommendations after the F.R. 104 (4) examination.

### 3.20 Human Resources Management

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#### (a) Approved Cadre and the Actual Cadre

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According to the information furnished to audit the position of the cadre of the Ministry as at 31 December 2016 appear below.

Category of Employee	Approved Cadre	Actual Cadre	Number of Vacancies	Number of Excess
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(i) Senior Level	2,636	1,019	1,617	-
(ii) Tertiary Level	56,371	35,743	20, 629	1
(iii) Secondary Level	647	714	38	105
(iv) Primary Level	451	238	214	1
(v) Other (casual/Temporary/ Contract Basis	03	01	02	-
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<b>Total</b>	<b>60,108</b>	<b>37,715</b>	<b>22,500</b>	<b>107</b>
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**(b) Appointments, Promotions, and Payment of Salaries**  
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- (i) Non-compliance with the Note shown in Annexure III of the Public Administration Circular 06/ 2006 dated 25 April 2006 issued for the re-structuring of the salaries of the Public Service and the Paragraph 04 of the 06/2006 (II) of 10 November 2006 the Laboratory Assistants and Library Assistants who had been recruited should be placed on Grade III in related posts and initial step in salary scale , had been placed on Grade II and granted 12<sup>th</sup> salary step and instead of the initial salary step ,12<sup>th</sup> salary step had been granted to the Watcher and the Hospital Attendant posts also after the 01 January 2006 for the National Schools, Education Faculties, and Teachers' Training Colleges in the Ministry.
- (ii) Appointments had been offered for 324 posts of casual staff during the period from 01 July 2007 to 01 November 2009 and the salary overpaid by the end of the year 2016 approximately (without salary increments ) had been nearly Rs. 46,608,520 .
- (iii) Even though the instructions of the Commission had been sent to the Ministry by the letter No. NSCC/1/84/TU-2 of 10 November 2010 of Secretary of National Salaries and Cadre Commission, letters of 04 December 2008, 06 January 2009, and 18 May 2009 it had been recommended that as it was clear the new appointments are being given without taking action as per the letter No. ED/5/67/11/20 of 30 June 2009 , that condition should be corrected quickly, setting the employees recruited after 01 January 2006 on correct salary scale and take action to recover the over paid salary which had to be paid due to the above mentioned wrong decision as surcharge from the officers who had ordered and also it was mentioned that to make aware the Commission and the Auditor General in respect of the steps taken for that. However, it was not confirmed such an awareness was made .

- (c) In terms of Paragraph xviii of Condition 193 of Procedural Rules of Public Services Commission published in the (Extraordinary) Gazette Notification No. 1589/30 dated 20 February 2009 every public officer is subjected to be transferred and taking action non-compliance with the transfers of that and the provisions in Paragraph III of Establishments Code the transfers of the academic and non-academic staff deployed in the Ministry of Education had not been implemented . Accordingly, details of the officers who were employed more than 05 years period are given below.

<b>Service</b>	<b>Number of Period (Years)</b>		<b>Period of reporting to the duty of Ministry</b>
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Sri Lanka Education Administrative Service	Information had not been furnished		
Sri Lanka Administrative Service	03	From 4 to 5	2011/2012
Sri Lanka Accountancy Service	04	From 5 to 17	2000/2012
Sri Lanka Engineering Service	02	More than 11	2006/2007
Sri Lanka Information and Communication Technology Service	08	From 5 to 23	1993/2012
Public Management Service (I)	12	From 5 to 7	2009/2012
Public Management Service (II)	16	From 4 to 8	2008/2012
Public Management Service (III)	05	From 4 to 6	2010/2012
Development Assistant Officers	96	More than 11	2005/2017
Document Assistant Officers	45	More than 16	2000/2016
Finance Assistants	12	More than 11	2005/2016