

Head 126 - Ministry of Education

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Ministry of Education for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance, and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. The Summary Report containing my comments and observations on the financial statements of the Ministry of Education was issued to the Chief Accounting Officer on 29 May 2020 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report of the Ministry was issued to the Chief Accounting Officer on 11 August 2020 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared in accordance with the provisions of State Accounts Circular No. 271/2019 dated 03 December 2019 give a true and fair view of the Ministry of Education as at 31 December 2019 and its financial performance and cash flow for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Chief Accounting Officer on Financial Statements

Preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of

Section 38 of the National Audit Act, No. 19 of 2018 is the responsibility of the Chief Accounting Officer.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

The Chief Accounting Officer shall ensure that an effective internal control system is maintained for the financial control of the Ministry in terms of Sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.4 Auditor's Responsibility on Audit of Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also furthermore;

- Appropriate audit procedures were designed and implemented to identify and assess the risk of possibility of quantitative misrepresentations occurred in financial statements due to fraud or errors in providing a basis for the expressed audit opinion. More than the impact of quantitative misrepresentations due to misrepresentation, the effect of fraud is strong because of malpractice, forgery, intentional evasion, misrepresentation, or evasion of internal controls can lead to fraud.
- Although it is not intended to express an opinion on the effectiveness of internal control of the Ministry, obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- Evaluated the appropriateness of the accounting policies followed, fairness of accounting estimates and related disclosures made by Management.
- Evaluated whether the transactions and events underlying the structure and content of the financial statements are appropriately and fairly consisted in and presentation of financial statements including disclosures as a whole.

The Chief Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal Requirements

I declare the following matters in terms of Section 6 (1) (d) and Section 38 of the National Audit Act No. 19 of 2018 .

- (a) The financial statements are in consistent with those of the preceding year,
- (b) The recommendations made by me regarding the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Advance Account Balances

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
-----	-----	-----
The value of unsettled advances was Rs.2,310,757, in 4 National Education Faculties by the end of the year under review and of these, there was a balance of Rs. 2,006,394 remained in only one faculty.	Actions should be taken to get settled the advances as soon as the specific task is completed.	- Instructions have been given to take further actions.

1.6.2 Non-compliance with Laws, Rules, Regulations

The instances of non-compliance with the provisions in laws, rules and regulations observed during the sample audit test checks are analyzed below.

Reference to Laws, Rules and Regulations	Non-compliance	Recommendation Comments of the Chief Accounting Officer
(a) Article 2 relating to education in Appendix III of the 13th Amendment to the Constitution of the Democratic Socialist Republic of Sri Lanka .	Although the right to supervise and manage the pre-schools which were identified as a major function of the Ministry of Education had been entrusted to the Ministry, actions had not been taken to formulate a national policy for pre-schools accordingly.	Activities are being carried out.
(b) Public Administration Circulars		
i. Circular No. 05/2008 dated 06 February 2008	Prescribing service standards considering the capacity of the institution to provide the right and public service solutions to fulfill the requirements, ensuring that the public is provided with the right facts and information and openly and treating everyone with courtesy, friendliness and fairness, as well as correcting mistakes had not been carried out adequately as per the Citizen/Client Charter Principles.	Actions will be taken in future.
		Actions will be

ii. Circular No. A suitable Human Resource Development Plan on how the staff of the Ministry will be deployed to achieve expected results as per the Annual Action Plan and appropriate Capacity Development Programmes in order to achieve the identified competency targets at each officer level had not been formulated. Actions should be taken to identify the human resources required to implement the Action Plan to achieve the goals of the organization effectively and to develop their capabilities. taken in future accordingly .

A proper transfer system should be implemented within the prescribed period of service. Arrangements will be made in future as per the proper transfer system.

(c) Procedural Rules No. 1589/30 dated 20 February 2009 of the Public Service Commission It was revealed that, 242 permanent officers in various posts in the Ministry are occupying in service for a period of 6 to 20 years without being transferred as per the information provided.

The principal should be appointed as the Chairman of the Past It has been instructed to act accordingly.

(d) Circulars of the Secretary to the Ministry of Education

Pupils' Associations as per the circular instructions to conduct the activities of the Associations established

- i.** Circular of the Secretary to the Ministry of Education No. 1964/27 dated 20 November 1964 and Past Pupils' Association Letter dated 21 June 1996
- It was observed that there are 10 National Schools where the Principals had not been appointed as The transfer system should be implemented properly. Instructions have been given to the relevant officers.
- 31 December 2019.
- ii.** Circular No. 2007/20 dated 13 December 2007 and Decision of Cabinet of Ministers No. 10/2377/436/052 dated 28 October 2008
- Although the teachers who have completed more than 8 years of service in a government school were required to be transferred, 33 teachers with more than 08 years of service made arrangements should be made to maintain equal number of parallel classes as per the circular instructions.
- Anula Vidyalaya, Nugegoda had not been transferred.
- The officers have been made aware to take necessary actions.
- iii.** Paragraph 2.2 (c) of Circular 2008/37 dated 19 September 2008
- Although the equal number of parallel classes had to be maintained from Grade 6 to Grade 11, an excess parallel class was being conducted at Mahamaya Balika Vidyalaya, Kandy from Grade 7 and Thakshila College, Horana from Grade 9 without a proper approval.
- It has been made aware to take steps to act in accordance with the circular in future.
- iv.** Sections 4.1 and 4.6 of Circular No. 2008/17 dated 30 April 2008 and Section 03 (e) of Circular 2013/4
- Apart from the circular provisions, activities should be taken in accordance with the circular instructions. calling applications, conducting interviews selecting of students and

rejecting applications had not been carried out when admitting students for G.C.E. (Advanced Level) in Anula Vidyalaya, Nugegoda in the year 2019 .

Instructions have been given in this regard.

- v. Decisions of the Supreme Court No. 235/2011 and 232/2011 dated 31 May 2010, Cabinet Memorandum No. 15/1490/742/003 dated 14 October 2015, Ministry of Education Circular No. 34/2015 dated 29 December 2015

Although the number of students who could be admitted to one class Grade 1 in 2019 was 37 in accordance with the circular, 38 students were enrolled to three of five parallel classes in Mahamaya Balika Vidyalaya, Kandy. Grade 1.

Principals of the National School have been made aware of the study periods for Deputy and Assistant Principals.

Study periods should be assigned as per the circular instructions.

- vi. Circular No. 01/2016 dated 07 January 2016

Any teaching assignment had not been assigned to 148 Deputy Principals of 71 National Schools, 52 Assistant Principals of 26 National Schools and 389 Teachers of 125 National Schools as per the circular provisions during the year under review

Action are being taken to do the relevant appointments.

- (e) Extraordinary Gazette Notification No. 1928/28 dated 21 August 2015

Grade 1 officers of the Sri Lanka Education Administrative Service had not been appointed as principals for 64 listed national schools in terms of the Sri Lanka Education Administrative

actions should be taken to appoint relevant officers

2. Financial Review

2.1 Imprest Management

Audit Observation

Recommendation

Comments of the Chief Accounting Officer

The unsettled balance of the Imprest Account as at 31 December 2019 was Rs. 7,181,553.

The Imprest Account balance as at the end of the year should be settled.

There were savings since all the election expenses had not been settled, as at 31 December 2019 .

2.2 Expenditure Management

The following observations are made.

Audit Observation

Recommendation

Comments of the Chief Accounting Officer

(a) Out of the total net provisions made for 04 recurrent expenditure objects for the year 2019, a sum of Rs. 638,466,966 had been saved and it had ranged from 51 per cent to 80 per cent. The total provision amounted to Rs. 243,500,000 in one recurrent expenditure object had not been totally utilized.

The provisions which have been made to achieve the objectives in plan for the year should be utilized frugally.

The relevant officers have been made aware to pay special attention on these matters.

(b) The total net provision of 27 capital expenditure objects for the year 2019 amounted to Rs. 11,495,177,410 had been

-do-

-do-

totally saved and out of the provisions made for 45 expenditure objects there was a total savings of Rs.10,630,937,570 ranging from 50 to 99 per cent.

- (c) The total provision obtained from supplementary estimates for 03 expenditure objects amounting to Rs.104,863,653 had been entirely saved. Actions should be taken to utilize the supplementary provisions obtained for the requirements accordingly. -do-
- (d) Out of the total net allocation of Rs. 755,000,000 relating to the General Education Modernization Project, a sum of Rs. 601,200,002 had been saved and it was 79.6 per cent of the total net provision. Foreign investments should be utilized at maximum effectiveness. Actions will be taken in future calling progress reviews introducing a format that can state progress over the internet to regulate the Action Plan .

2.3 Reconciliation Statement of Advances to Public Officers' Account

The following observations are made.

Audit Observation**Recommendation****Comments of the Chief Accounting Officer**

- | Audit Observation | Recommendation | Comments of the Chief Accounting Officer |
|--|--|---|
| ----- | ----- | ----- |
| <p>(a) The balance receivable from the officers who had transferred out , retired, suspended, left from the service and other officers as at the end of the year under review as per the reconciliation statement was Rs.159,311,292. Out of which the balance for more than 5 years was Rs. 68,529,282 and actions had not been taken to recover the those balances receivable.</p> | <p>Steps should be taken to recover the outstanding balances and to identify the discrepancies and rectify them.</p> | <p>Action will be taken to recover in accordance with Public Finance Circular 05/2019 .</p> |
| <p>(b) The total of Individual Balance Classification Summary and the final balance of the Control Account had been remained unreconciled for many years and had not been matched by Rs. 9,552,600 at the end of the year under review. Actions had not been taken to identify and rectify that balance.</p> | <p>-do-</p> | <p>Since the Provincial Education Departments of and the National Faculties of Education had presented reconciliation accounts with a difference, these changes have occurred .</p> |
| <p>(c) A sum of Rs. 18,899,815 had been shown in the Advance B Account of the Ministry as the debt balances receivable from the officers who had deceased and retired at the end of the year under review, in compliance with Paragraph 4 of the State Accounts Department Circular No. 262/2017 dated 29 December 2017 .</p> | <p>-do-</p> | <p>As a result of the shortcomings remained in the files, it has been impossible to recover these loan balances within a year .</p> |

2.4 Deposit balances**Audit Observation****Recommendation****Comments of the Chief Accounting Officer**

Officer

Although more than 2 years had elapsed, the value of security deposits which were not credited to government revenue, tender deposits, funds (boards), repayments to third parties and retentions in contracts was Rs.216,504,056 in terms of Financial Regulation 571 . Within that balance, there was a balance of Rs. 1,387,539 as well included in, for more than 5 years.

Arrangements should be made in accordance with Financial Regulations on the balances of deposits older than two years

--
Letters will be issued to the Provincial Education Departments and National Educational Faculties providing the necessary instructions to settle the balances older than two years in the deposit accounts.

2.5 Commitments and Liabilities & Entered into

The following observations are made.

Audit Observation

Recommendation

Comments of the Chief Accounting Officer

(a) Liabilities amounted to Rs.4,787,728,771 and the Commitments amounted to Rs. 5,350,556,597 had been entered into in financial statements of the Ministry for the year 2019 in Contrary to the provisions of 2 (a) and (d) of the State Accounts Circular No. 255/2017 dated 27April 2017. Similarly, it had been entered into liabilities amounted to Rs. 765,255,768 exceeding the savings in 14 expenditure objects.

Arrangements should be made not to enter into commitments and liabilities beyond the provisions and savings.

Officers have been made aware to draw special attention to the recommended matters as indicated.

(b) It had been failed to settle the liabilities amounted to Rs. 464,879,038 relating to the previous year even in the year under review.

-do-

-do-

2.6 Operating Bank Accounts

Audit Observation

Recommendation

Comments of the Chief Accounting Officer

Twenty-Five cheques remained over a period of 06 months valued at Rs. 3,250,821 and issued by the Ministry of Education, Provincial Education Departments and National Educational Faculties had not been submitted to the bank until 31 December 2019.

Arrangements will be made in terms of Financial Regulation 396 (d) in respect of expired cheques.

Actions will be taken accordingly.

3. Operating Review

3.1 Planning

Audit Observation

Recommendation

Comments of the Accounting Officer

The following observations were made in respect of the implementation of the Action Plan prepared by the Ministry of Education for the year 2019 in terms of Public Finance Circular No. 01/2014 dated 17 February 2014.

(a) Out of the 55 tasks valued at Rs.12,251,865,000 scheduled to be completed in the year 2019, none of the performance was achieved during the year under review.

Supervision of the implementation of plans practically and actions should be taken to evaluate their performance.

Actions will be taken in future calling progress reviews introducing a format that can state progress over the internet to regulate the Action Plan.

(b) The performance of 12 branches of the Ministry had ranged from 0.97 per cent to 45 per cent and out of the 19 planned tasks of the Information and Communication Technology Branch, 05 tasks valued at Rs. 5,881,000,000 had not been completed.

Regulating, supervising and following-up carried out on achieving the functions mentioned in the plans precisely.

-do-

3.2 Not Performing Tasks

 The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
-----	-----	----- ---
<p>(a) A National Education System had to be created in a way that enables to enter world competition with self-confidence and confidence in success as per the role of the Ministry . However, although the National Education Commission, which was established by the National Education Commission Act No. 19 of 1991 dated 19 April 1991 had made recommendations for this purpose in the years 2003 and 2016, a definite and consistent National Education Policy had not been formulated even by the end of the year 2019.</p>	<p>An unchanging National Education Policy for Sri Lankan education should be formulated in line with the present.</p>	<p>The National Education Policy is being formulated and an expert committee is working on it.</p>
<p>(b) Private schools should not be commenced to provide education to children in between the ages of 5 and 14 as per the Section 25 of Assisted Schools and Training Colleges (Supplementary Provision) Act No. 08 of 1961. Even so, one of the main objectives of the Ministry of Education was to supervise international and private schools which were established in contrary to the Act, the Ministry had not carried out such supervision in this regard.</p>	<p>A proper supervision and regulation should be carried out in respect of private and international schools, which are rapidly expanding at present.</p>	<p>International and private schools can be regularized after revising the relevant legal provisions and formulating the necessary regulations.</p>
<p>(c) Any of the plans to apply remedies to detain the Year 13 G.C.E. A/L students continuing in school education had not included in the annual plans of the Ministry.</p>	<p>Plans should be made to detain students in schools during school hours by making school attendance compulsory</p>	<p>Implementing programmes to bring students to school.</p>

until the end of the GCE
Advanced Level
Examination.

- (d) The provision totaled to Rs. 700 million had been received from the year 2017 to 2019 for a project which was planned to be implemented in the next 5 years from 2016 to improve the physical fitness of school children. Although 4 years had elapsed out of the 5 years planned for the programme and only Rs. 237.74 million had been spent on it, it had not been implemented as scheduled even by 31 December 2019 .
- Arrangements should be made to effectively implement a sports programme aimed at improving the physical fitness of all students within a physically and mentally balanced education system.
- Actions will be taken by preparing a plan for the sports development programme from 2019-2025.
- (e) Although 305 teachers were required to be attached to the existing special education units in 107 National Schools with 1,220 students, there were 81 vacancies of teachers at the end of the year under review.
- Actions should be taken to deploy specially trained teachers to teach for students with special needs and to fill the vacancies of teachers.
- The provincial authorities have been given instructions to place teachers who are not engaged in the service after obtaining special education training in the relevant field and actions will be taken to recruit new teachers for the vacancies of teachers.
- (f) Twenty-two sports schools which were established in 1989 aiming of producing athletes nationally and internationally with sports talents had not been in operational condition for the past 5 years. As a result, the hostels, sports equipment and body building equipment remained in those schools were underutilized. However, 293 sports scholars had dropped out of these schools in the last 05 years, due to poor management, lack of proper training and inactivity of sports
- Actions should be taken to maintain sports schools in an effective manner and in functional condition.
- It has been made aware of keeping stipulated vacancies for the sports students.

schools. As a result of the use of space reserved for students with sporting talents in the admission of students to the intermediate grades of these schools, there were no spaces to enroll Sports Scholars.

Out of 22 sports schools, there were 10 schools that had not available suitable places to play, 08 schools with power outages, 04 school hostels with risky environment and 12 schools with poor sanitation facilities at the end of the year under review.

- (g) The function of the Sports Council, which was established for the purpose of developing, regulating and registering school sports associations at the school level, had been inactive by now. As a result, the matters such as financial control and supervision of school sports associations, adequate interference in the participation of athletes in foreign competitions, supervision, regulation of games in all sports associations and sports association programmes, fair intervention to sponsor for approved local and foreign competitions conducted by school sports associations had not occurred.
- It should develop and maintain a sports council and sports associations that can provide strong support for the development of school sports.
- Since information is being gathered, comments will be given in future.
- (h) The Department of Educational Publications which is primarily act to ensuring an access to education through the provision of learning materials in accordance with educational standards, had not printed books for the main subjects of the G.C.E. Advanced Level streams except for General English. However, a number of 393,500 additional books related to (Advanced Level) subjects were printed from the year 2016 to 2019, those books had been sold only through Marketing
- A system to distribute additional educational publications to all school children should be established.
- In addition to Departmental Marketing Centers this book sells in registered book stores.

Centers owned by the Department of Educational Publications without distributing directly to schools.

3.3 Other Observations

The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>(a) Even though a total of Rs. 3,166,067 deposited in the name of the Prefect Board of Maliyadeva Boys' College from 2016 to 2018 was withdrawn by September 2019, had not been given to the School Development Fund.</p>	<p>The associations establish affiliated to the school should act subject to the existing legal conditions .</p>	<p>The officers have been instructed to take further steps to prevent such incidents in future.</p>
<p>(b) A number of 206 items in 4 types of assets and a number of 141 items in 07 types of assets which are being used for the learning process in the school system had remained underutilized and unused respectively.</p>	<p>Steps should be taken to identify underutilized items and release them to another school in need or to identify the cause of the underutilization and take remedial action, and take steps without delay to restore the computers to acquire new technological knowledge.</p>	<p>Instructions have been given to carry out future works.</p>
<p>(c) Although the National Commission of Sri Lanka (UNESCO) had been established as per the Decision of Cabinet of Ministers No. අම/08/17/1742/316/086 of the Cabinet Meeting held on 24 September 2008, even though the relevant Draft Bill had been submitted to the Department of Legal Draftsman on 29 October 2008, the bill had not been finalized by the end of the year under review. Even so, a sum of Rs. 42,184,462 which was given had been spent from the Consolidated Fund</p>	<p>Actions should be taken to finalize the work of the bill drafted in relation to the UNESCO National Commission of Sri Lanka.</p>	<p>A written request has been made to the Department of Legal Draftsman March 2020 to expedite this work.</p>

to the National Commission on UNESCO, the information on the performance of the Commission was not submitted for audit in the year 2019.

- | | | |
|--|--|--|
| <p>(d) Although appointment of the staff and payment of the UNESCO Commission of Sri Lanka should be made in accordance with this Act, despite the Act was not approved a staff was appointed to the Commission and payments were made with the approval of the Cabinet of Ministers No. අම/08/1742/316/086 dated 24 September 2008. Further, a Coordinating Officer had been appointed to the UNESCO Permanent Mission in Paris, France and a total of Rs. 45.85 million provision had been released to the Ministry of Foreign Affairs by the Ministry of Education as per remuneration at the end of the year under review.</p> | <p>The Act should be passed and actions should be taken upon as contained therein.</p> | <p>This has been so done in accordance with the Decisions of the Cabinet of Ministers and powers of the Constitution of the UNESCO National Commission of Sri Lanka.</p> |
| <p>(e) Even though an officer who worked on a contract basis in the Ministry was made to participate in a conference held in China in May 2019 and incurred a sum of Rs.563,443 for that, the officer had left the post from December 2019.</p> | <p>The knowledge gained through foreign and local training programmes or seminars should be used effectively to enhance the performance of the organization.</p> | <p>This has been done with the objective of carrying out projects in the field of education in this country on this subject.</p> |

3.4 Procurement

The following observations are made.

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
<p>(a) Although it had been targeted to carry out procurements amounting to Rs.10,031 million as per the Procurement Plan, only the procurements valued at Rs.25.5 million had been completed at the end of the year</p>	<p>Necessary actions should be taken by completing the tasks expected to be completed during the</p>	<p>It is stated that it has happened for various reasons and the officers have been instructed to take</p>

under review and preparation of bidding documents related to procurement activities valued at Rs. 272.82 million had been at the early stages of the bidding process. Similarly, the activity of purchase of equipment for G.C.E Advanced Level Bio-systems Technology subject which should be completed by February 2019 had been at the bid evaluation stage by the end of the year under review and 12 procurements valued at Rs. 173.74 million had been cancelled.

year within the specified time periods as planned and to achieve the desired physical progress and productivity.

steps to prevent such situations in future.

(b) Even though 19 procurement activities valued at Rs. 144.12 million had been planned for the General Education Modernization Project (GEM Project) During the year under review, only 2 procurements valued at Rs.0.71 million had been made by the end of the year.

-do-

Relevant officers have been made aware.

(c) Actions had not been taken in accordance with the provisions of the Circular of the Secretary to the Ministry of Education No. 01/2013 dated 19 April 2013 and Circular No. 05/2105 dated 29 January 2015 in the construction of the security fence of Anula Vidyalaya, Nugegoda valued at Rs. 1,016,000 which was considered as an essential event due to Easter attack, and the relevant procurement process had not been carried out in a transparent manner.

Actions should be taken carry out the procurement process transparently and follow the circular instructions.

Since it was needed to perform promptly on the dangerous situation arisen, it had acted accordingly.

(d) The elevator which was installed in October 2017 at a cost of Rs. 4,479,000 with a one-year warranty period and functions up to the fourth floor of the Ministry, was in a condition of frequent inactivity after the warranty period and it had been inactive for 40 continuous days in the year 2019 and a sum of Rs. 292,602 had been spent on repairs

Necessary steps should be taken to make this elevator operational without any hindrance for the use of the officers.

The elevator had to be repaired after paying the relevant amount as the warranty period is only one year, and 8 breakdowns were reported around the door after the warranty period.

- (e) The Constructions of 45 buildings in 25 National Schools which had elapsed the time to complete construction had not been completed even at the end of the year under review and there were 27 buildings in 17 National Schools that had not shown any progress in these delayed constructions remaining since 2013.
- Steps should be taken to minimize delays in the construction of buildings and to make arrangements to provide such facilities for the use of students promptly.
- This has been referred to take further steps.

3.5 Management Weaknesses

The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
-----	-----	-----
(a) Only 153 permanent principals had been appointed in February 2020 for permanent principal vacancies in 278 out of 373 National Schools.	A definite and fair programme should be implemented to fill the vacancies that have existed for many years.	Actions will be taken in future.
(b) A number of 6,337 students to 109 National Schools in the year 2017, a number of 3,339 students to 73 schools in the year 2018 and a number of 6,366 students to 81 schools in the year 2019 had been enrolled in Contrary to Paragraph 3.1 of the Secretary to the Ministry Circular No. 17/2016 dated 16 May 2016 .	Measures should be taken to minimize the admission of students to intermediate grades beyond the circular limits without drawing attention to the existing facilities.	The admission of the students have to be made on special approval of the Minister of Education.
(c) According to the statistics of the Department of Examinations, nearly 30 per cent of students who studied subjects such as Physics, Chemistry, Biology, Composite Mathematics, Logic and Scientific Methodology, Science for Technology, Agriculture, Economics,	Necessary remedies should be applied by identifying the shortcomings in the education structure by evaluating the overall results after carrying out	The relevant officers have taken notes looking for relevant matters and to apply remedies.

Geography, Political Science, Information and Communication Technology, English and General English had failed in the Advanced Level Examination 2019. Accordingly, the number of students who failed all three subjects in all streams in the year 2019 was 23,404 and sufficient actions had not been taken to identify the factors that have contributed to the reduction in these results that have been descended from the preceding years.

- | | | |
|---|--|--|
| <p>(d) Out of the students who sat for the GCE Advanced Level examination in the year 2019 in all streams in 125 National Schools, 2,519 students had failed all subjects. The failures as per the subject streams were 617 in biology, 848 in mathematics, 342 in commerce, 336 in arts and 376 in technology, respectively and appropriate programme had not been formulated to minimize students' failure.</p> | <p>Actions should be taken to minimize the failures of the students by focusing on issues such as students' ability and proficiency in the subjects they study, knowledge providing by the teachers on those subjects, examination papers.</p> | <p>In addition to the general influences in the field, the shortage of teachers, the shortage of laboratories, the resignation of trained teachers have contributed to the decline in subject results and it is expected that the strategies for this will be brought to a higher level.</p> |
| <p>(e) Newspaper advertisements had been published in the year 2019 to enroll students for the vacancies existing in the intermediate grades of national schools as at 19 May 2019 in accordance with the Ministry Circular No. 2008/37 dated 19 September 2008. Students had also been enrolled to 11 schools where there were no vacancies and although it had been stated that there were no vacancies at Thakshila College, Horana, there were 124 actual vacancies.</p> | <p>Arrangements should be made in accordance with the circular instructions and the existing legal procedures.</p> | <p>Relevant officials have been made aware to take further steps.</p> |

- | | | |
|--|--|--|
| (f) There were 479 unresolved disciplinary issues at the end of the year under review. | Actions should be taken to resolve disciplinary issues promptly. | Necessary steps are being taken to resolve the issue promptly. |
|--|--|--|

4. Human Resource Managemnt

The following observations are made.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
-----	-----	-----
(a) The obstacles had arisen as a result of 2,276 senior and secondary level vacancies existing in the Ministry by the end of the year under review when making management decisions and the duties of the Ministry as well due to the existence of 3,235 vacancies at the tertiary and primary levels.	Necessary actions should be taken to fill the essential vacancies.	Necessary arrangements are being made for this.
(b) There were 1,859 teacher shortages for 1,490 subjects and 1,202 teacher excesses for 787 subjects in 143 National Schools. A sum of Rs. 6,012,225 had been paid for 48 outsourced teachers in 36 National Schools to teach Tamil or Sinhala as a second language in the year under review.	Measures should be taken to meet the existing teacher requirements in schools through minimizing the shortages and excesses of teachers National Schools .	Action will be taken to adjust teacher shortages and excesses in National Schools subject wise from the year 2020 onwards.
(c) There was a shortage of 1,619 non-academic staff in 135 National Schools and an excess of 403 and since 134 non-academic staff had been recruited paying salaries from the School Development Societies in 30 National	Actions should be taken to maintain an adequate non-academic staff and to obtain their optimum service to the school.	It has had to do so in cases of inadequacy of number of staff.

Schools, the total amount paid to them during the year under review was Rs. 21,932,019 .

- (d) There were vacancies in 209 academic staff and 167 non-academic staff in 19 National Educational Faculties aimed at implementing pre-service teacher training as per with future and modern educational methods. Further, 190 academic staff of 14 National Educational Faculties and 240 non-academic staff of 15 National Educational Faculties have been serving for more than 8 years without transfer due to lack of a formal transfer policy.
- The human resources should be provided to produce a group of teachers who have good skills to overcome future challenges. Steps to be taken to implement a formal transfer system.
- It has been informed that further steps will be taken for that. There were no annual transfer policy for the officers of the Sri Lanka Teacher Educators' Service so far and it is expected to formulate an annual transfer policy and to be implemented from 2020 .
- (e) The number of principals and teachers who were not kept in the current salary scale from 2004 to December 2019 was 6,695 as per the information submitted for audit from 08 Zones.
- The correction of the error that has occurred due to not being kept in the current salary scale should be made..
- Information has been called and will be answered promptly.
- (f) According to the information maintained by the Ministry as at 31 December 2019, the total amount of arrears to be paid to the teachers of the National Schools and Pirivenas in the 9 Provinces was Rs. 411,382,945 and the total amount of all teachers' salaries payable to the teachers of other schools in the 9 Provinces was Rs. 828,704,012 as per the information maintained by the Provincial Offices.
- Actions should be taken to pay arrears.
- do-