

National Institute of Language Education and Training - 2019

The audit of operating activities of the National Institute of Language Education and Training for the year ended 31 December 2019 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 and the Finance Act No.38 of 1971.

1.2 Responsibilities of Management and Those Charged with Governance for the Submission of Financial Statements

As per Section 16 (1) of the National Audit Act No. 19 of 2018, each audited entity is required to maintain proper books and records on its own income, expenditure, assets and liabilities so as to be able to prepare annual and periodic financial statements on that entity. In terms of Section 16 (2) of the said Act, the Annual Financial Statements in respect of each other auditee entity shall be submitted by the Chief Accounting Officer to the Auditor General along with the annual performance reports, within such period as may be provided by rules. Section 38 (1) (d) of the said Act shall ensure the timely preparation and submission of annual reports and other financial statements and in addition the Chief Accounting Officer shall be required to submit annual reports to Parliament pertaining to the auditee entity. However, in accordance with Section 6.5.1 of the Public Enterprise Circular No. PED / 12 dated 02 June 2003 and Circular No. 01/2004 dated 24 February 2004, this financial statements of the year 2019 should be submitted to the Auditor General within 60 days from the end of the financial year, has not been submitted for audit as of the date of this report.

2. Audit Observations

(a) Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

	Reference to Laws, Rules and Regulations etc.	Non-compliance	Comments of the Management	Recommendation
(i)	National Institute of Language Education and Training Act No.26 of 2007.	Action had not been taken to invest the balance of Rs. 51,262,544 existed in the Savings Account as at 31 December 2019 in short term and long term securities obtaining approval of the Board of Management.	Action will be taken to make investments after receiving the approval.	Action should be taken to make investments after obtaining approval of the Board of Management.

- (ii) Financial Regulations of the Democratic Socialist Republic of Sri Lanka F.R. 753(1) and (2)
- Although No. of Relevant text books 22,500 Basawadamu Hada Dinamu hand books were printed at a cost of Rs. 6,615,000 for 2018 and 2019 GCE (O/L) students but not entered in the Inventory Register according to the Financial Regulations.
- No. of Relevant text books have been printed through our institute at the request of the Line Ministry and are stored under the direct supervision of the security guards in the ground floor due to insufficient space for storage in the institute and issuing of books being problematic in the time of absence an office assistant. Further, issuance to external officers of the institution is always done only on prior written request.
- Action should be taken in terms of Financial Regulations.
- (iii) Management Services Circular No. 03/2018 dated 18 July 2018
- A sum of Rs.1,253,700 had been paid Rs. 1500 each for 12 graduates as coordinating assistants and Rs. 221,975 paid Rs.1,000 each for 3 trainee trainees during the year under review contrary to the circular.
- The services of coordinating assistants and trainee trainees were obtained and paid on a temporary basis with the approval of the Board of Management as the institute does not have sufficient staff to carry out the tasks required for the training program of 1300 language trainers as per a national budget proposal.
- Action should be taken as per the circular.

(b) Procurement Management

Audit Observation	Comments of the Management	Recommendation
A sum of Rs. 15,323,972 had been spent for broadcasting and coordinating the Teach – if you know, Learn – if you don’t know programme and Rs.	Agree. Necessary actions will be taken in the future.	Action should be taken according to the Procurement guidelines.

4,278,635 had been spent for Rupavahini programme and had acted outside the guideline contrary to the Guidelines 3.4.2, 6.3.3, 8.9.1 and 8.9.1 (b) of the Procurement Guidelines for obtaining these services.

(c) **Management inefficiencies**

Audit Observation	Comments of the Management	Recommendation
<p>(i) A sum of Rs. 29,952,931 had been paid for advertising expenditure to the Sri Lanka Broadcasting Corporation and Rs. 7,439,125 had been paid for coordinating activities to a private advertising agency for the 'Teach -if you know - Learn -if you don't know' program from 2016 to 31 December 2019. Although the program was broadcasted island-wide through seven radio services, no follow-up action had been taken on the extent to which the program was popular among school children as expected and to what extent the intended objectives had been achieved.</p>	<p>Although there was no formal research due to lack of allocating funds for research and follow-up on the program at that time, but a high response has been received for this in the annual GCE (O / L) programmes.</p>	<p>Follow-up actions should be taken after implemented the programmes.</p>
<p>(ii) A sum of Rs. 3,079,807 had been spent for training 1800 language trainers according to the budget proposals, and Rs. 1,746,126 had been spent prior to obtaining the Cabinet approval. A sum of Rs. 3,079,807 expenditure incurred so far have been useless due to the suspension of this program halfway. Further a sum of Rs. 28,705,303 had to be paid as per agreed agreement of the programme.</p>	<p>The institute has acted on the instructions of the then Minister in charge of the subject with the approval of the Board of Management. We have also discussed the matter with the Secretary to the Ministry and the officials of the Treasury and we have not received any specific advice on the amount to be settled.</p>	<p>Expenses should be spent after obtaining the proper approval.</p>

- (iii) The three wheeler valued at Rs. 350,000 which owns to the Institute had not been used for 3 years and a motor car valued at Rs. 3,150,000 had not been used during the year under review. Actions will be taken to keeping or disposing of the vehicle in the Institute in future. Action will be taken to attach a driver to the relevant car after recruiting for the two vacant driver posts. Assets owned by the institution should be utilized.
- (iii) Two washing machines valued at Rs. 295,924 purchased for the Agalawatta Training Center in 2015 without identifying the proper requirement and were not in use until the end of their lifetime in the year 2020. Purchased with the purpose of utilizing 02 hostels at the Agalawatta Training Center in the year 2015. An appropriate decision will be taken in this regard in the future. Purchases should be made after identifying the proper requirements.

(d) Cadre Management

----- Audit Observation -----	----- Comments of the Management -----	----- Recommendation -----
The approved cadre of the institute was 41 and the actual carder was 35. Accordingly, 6 vacancies were observed in the cadre.	Although applications were called for senior level vacancies, they could not be permanently recruited due to the absence of a suitable candidate and the election activities for the secondary and primary level posts.	Actions should be taken to fill the vacancies.