



# **ANNUAL REPORT**

## **2017**

**NATIONAL INSTITUTE OF EDUCATION**  
**MAHARAGAMA**

# **National Institute of Education**

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**Deputy Director General**  
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**Administration, Finance & Support Services**

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# National Institute of Education

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# CONTENTS

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## **Part 1 : Progress Report**

### **1.0 Introduction 01**

- 1.1 Objectives of the Institute
- 1.2 Financing
- 1.3 Staffing

### **2.0 Organizational Structure of the NIE**

- 2.1 The Council 2017
- 2.2 Faculties and Divisions
  - 2.2.1 Faculty of Languages, Humanities and Social Sciences
  - 2.2.2 Faculty of Science and Technology
  - 2.2.3 Faculty of Research and Planning
  - 2.2.4 Faculty of Education Leadership Development and Management
  - 2.2.5 Faculty of Teacher Education and Alternative Education
  - 2.2.6 Division of Administration, Finance and Support Services

### **3.0 Curriculum Development**

- 3.1 Task completed related to Primary Education
- 3.2 Task Completed related to Secondary Education
- 3.3 Implementation of Thirteen Years of Guaranteed Education Programme

### **4.0 Education Leadership Development and Management**

### **5.0 Professional Development of Teachers**

- 5.1 Institutional Development

### **6.0 Alternative Education**

- 6.1 Inclusive Education
- 6.2 Electronic Dissemination
- 6.3 Guidance and Counseling
- 6.4 Open Learning

### **7.0 Research and Planning**

- 7.1 Research and Development
- 7.2 Planning and Evaluation

## **8.0 Administration, Financial & Support Services**

- 8.1 Department of Administration
- 8.2 Department of Finance
- 8.3 Department of Engineering Services and Maintenance
- 8.4 Library
- 8.5 Printing and Publications

### **Part 2 : Report of the Auditor General**

### **Part 3 : Explanatory Report on the Financial Statement**

### **Part 4 : Notes to the Financial Statements**

# PROGRESS REPORT - 2017

## 1.0 Introduction

### 1.1 Objectives of the Institute

According to Act of Parliament No.28 of 1985, legal power has been given to the National Institute of Education for the achievement of the following objectives.

- (a) Advise the Minister regarding plans, programmes and activities for the development of education in Sri Lanka;
- (b) Provide and promote post-graduate education in the several specialties of education;
- (c) Conduct and promote studies on the education system including its performance, goals, structures, content and methodology and on the social, economic and other aspects of education;
- (d) Initiate and promote innovative practices in the education system including adaptation of technology for educational purposes;
- (e) Provide for the development of professional and general competence of personnel in the education system;
- (f) Make specialist services in education available to the Government and other approved organizations, carry out education development programmes approved by the Minister; and
- (g) Co-ordinate with other institutions having similar objectives.

Therefore, NIE is responsible for assuring quality education through a curriculum appropriate for the socio-economic context and designed for the development of productive citizens to meet the local and global demands, provide leadership in preparing competent professionals for the school system and ensure a scientific information base by undertaking research to guide and facilitate policy making for the development of education. Accordingly the tasks assigned to NIE are implemented under the supervision of five Faculties and one Division.

According to the current plan of implementing the curriculum, every eight years a complete change, development or revision in the curriculum is effected. After the implementing of modernized curricula in 2012, it was decided to rationalize the curricula in the next cycle starting from 2015 based on the following criterias.

- Information disclosed through the studies conducted by curricula developers of NIE regarding the implementation of the curriculum in the school system.
- Views and suggestions regarding the curriculum given by various social groups.
- Successful experiences of various countries of the world regarding the development and implementation of the curriculum.
- Integrate new knowledge and teaching methodologies added on to each subject area.

The main focus on school curricula in the year 2017 was the implementation of a rationalized curriculum in Grades 2,8,12 monitoring their implementation at school level and the preparation of Teacher Guides and training of provincial trainers in order to implement the fifth step of the curriculum cycle in grades 3,9, & 13 for 2018 as well as to prepare syllabi for grades 5 & trying out of grade 4 TG in 2018 and 2019 respectively.

## 1.2 Financing

After the introduction of the Education Sector Development Programme, financial allocations for curriculum related activities were initially covered by the funds provided by Transforming the School Education System as the Foundation of a Knowledge Hub Project (TSEP/ DFAT) and United Nations Children's Fund (UNICEF) and Education Sector Development Programme (ESDP).

Due to the limitation of funds from the treasury, Rs. 169 million had to be borne for the main expenses like water, electricity, sanitation and also to purchase some capital items to the Institute from the income derived from various courses conducted by the Institute in the year 2017.

The table below provides information on the expenditure of the Institute for 2017.

Source of Funding	Recurrent Expenditure		Capital Expenditure	
	Revised allocation	Actual Expenditure	Revised allocation	Actual Expenditure
CF	430,000,000	330,000,000	200,000,000	80,686,695
TSEP /DFAT	112,000,000	112,000,000	48,000,000	23,523,533
Income (NIE)	138,825,500	119,023,848	53,800,000	14,736,618
ESDP	72,000,000	72,000,000	-	-
Unicef	8,164,800	8,164,800	-	-
Korean National Commissionfor UNESCO	3,705,000	3,705,000	-	-

### 1.3 Staffing

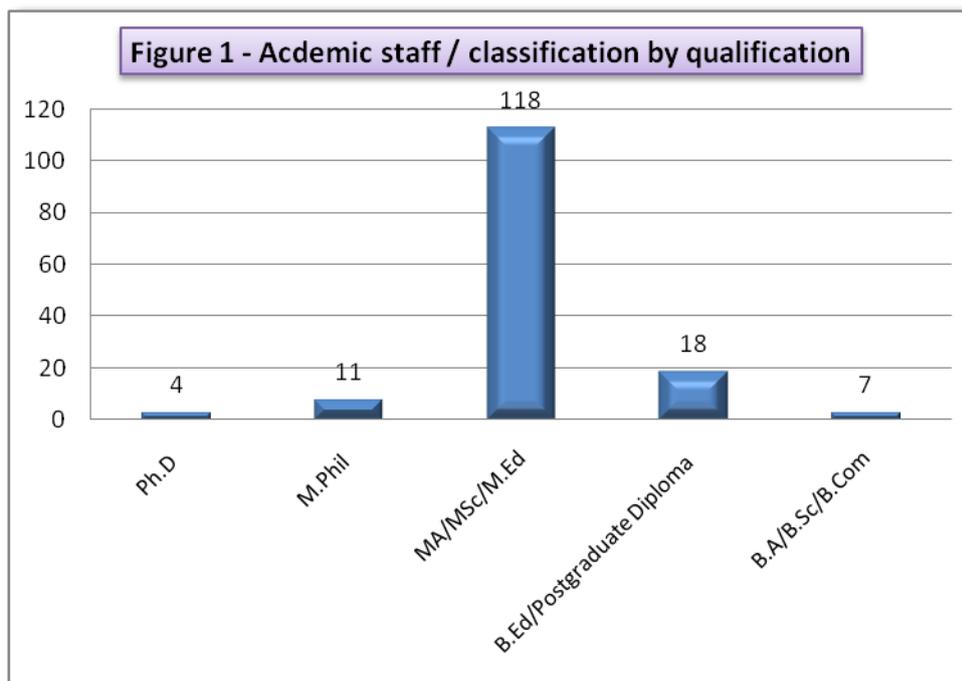
Further to the implementation of functions assigned to the Institute by Act of Parliament NIE has to play vital role in the development and implementation of new priority programmes of the Government on education such as; 13 years of Guaranteed Education Programme, School Based Assessment Programme by the existing staff of the Institute with immense commitment amidst numerous difficulties.

The table below provides a clear picture of the staff position of the Institute by the end 2017.

Designation	Approved staff (as 01.01.2017)	Current staff (as 31.12.2017)			No. of vacancies (as 31.12.2017 )
		Male	Female	Total	
Director General	01	00	01	01	00
Additional Director General	01	00	00	00	01
Deputy Director General	06	02	00	02	04
Director	27	07	07	14	13
Board Secretary (Education)	01	01	00	01	00
Senior Lecturer / Senior Educationist	72	47	18	65	07
Lecturer / Educationist	75	07	17	24	51
Assistant Lecturer / Assistant Educationist	90	29	26	55	35
Non Academic Staff	379	147	149	296	83
<b>Total</b>	<b>652</b>	<b>240</b>	<b>218</b>	<b>458</b>	<b>194</b>

Several efforts were taken with the Ministry of Education and with the Department of Management Services to overcome the above shortage existed and obtained approval to fill all the staff positions. Necessary arrangement was taken by the management to recruit suitable persons for some posts and the rest scheduled to be completed in 2018.

The following figure represents the current situation of the academic staff by qualification.



## 2.0 Organizational Structure of the NIE

### 2.1 The Council 2017

Subject to the provisions of the NIE Act the Council shall have the following powers:

- Appoint the staff of the Institute in accordance with scheme of the recruitment and procedures for appointment prescribed by regulations ;
- Determine the terms and conditions of the services of the staff of the Institute including wages, salary or other remunerations;
- Enact rules with regard to matters of discipline;
- Establish and regulate provident funds and schemes for the benefit of the staff of the Institute and contribute to any such fund or scheme.

As per the National Institute of Education Act the Council of the Institute is vested with the financial and administrative powers. The following members served in the Council in 2017.

## The Council 2017

Mr.Sunil Hettiarachchi , (Secretary, MoE)	Chairman
Dr.(Mrs.) T.A.R.J.Gunasekara (Director General, NIE)	Member
Mr. Tissa Hewavithana (State Secretary, MoE)	Member
Mr. S.H. Kumarasinghe (Retired Principal, Royal College, Colombo 07)	Member
Prof. P.S.M.Gunaratne (Vice-chairman, University Grants Commission)	Member
Dr. Hemamala Ratwatte (Senior Lecturer, Dept. of Language Studies, Open University of Sri Lanka)	Member
Mr. M.K.Pradeep Kumara (Senior Assistant Secretary, Procurement Monitoring Division, Ministry of Finance)	Member
Mr. A.M.R.B. Amarakoon (Former Commissioner General of Examinations, Dept. of Examinations)	Member
Mr.N.K.G.K.Nemmawatta (Additional Secretary, Higher Education (Non-state) Ministry of Higher Education and Highways)	Member From 17.01.2017 to 29.11.2017
Dr.Harsha Subasinghe	Member
Prof.P.Ravindra Fernando (Chairman, Board of Dangerous Drug Control)	Member
Ms. V.D.C.P. Perera (Director, External Resource Management Unit, NIE)	Secretary (Till 16.03.2017)
Mr.M.A.P.Munasinghe	Secretary (From 20.03.2017)

Apart from the Council, the Academic Affairs Board which consists of experts in education management, administration and other relevant fields is responsible for all academic affairs and providing educational and institutional leadership, supervision and advice in the following functions / affairs.

- Advise the Council on all academic matters;
- Consider and report on any matter referred to it by the Council;

- Make recommendations and report to the Council on matters connected with courses of study, training programme or programmes and examinations, conducted or held by the Institute;
- Recommend to the Council the requirements to be imposed for the admission of students to courses of study, training programme or programmes and examinations conducted or held by the Institute;
- Drafting rules relating to courses of study, teaching programme or, programmes and examinations conducted by the Institute and submit such drafts to the Council;
- Recommend to the Council, names of persons suitable for appointment as examiners at examinations held by the Institute;
- Recommend to the Council the award of exhibitions and other prizes to such persons who have fulfilled the conditions approved by the Council for the award of such scholarships, medals and prizes; and
- Appoint, with the permission of the Council, committees which may include individual other than the members of the Board.

The Academic Affairs Board 2017 comprised the following educational experts.

Dr.M.A.Upali Mampitiya ( <i>Senior Lecturer, Dept. of Mathematics, University of Kelaniya</i> )	Chairman
Dr. (Mrs) T.A.R.J. Gunasekera ( <i>Director General, NIE</i> )	Member
Prof.R.Arangala ( <i>Professor, Department of Sinhala, University of Sri Jayawardhanapura</i> )	Member
Mr. K.M.H. Bandara ( <i>Chief Commissioner, Teacher Education, Ministry of Education</i> )	Member
Mr. E.K.Ganihigama ( <i>Department of Sociology, University of Sri Jayawardhanapura</i> )	Member
Prof.R.U.Halwatura ( <i>Department of Civil Engineering, University of Moratuwa</i> )	Member
Dr. Priyantha Premakumara ( <i>Secretary, University Grants Commission</i> )	Member
Dr.M.T.M Mahees ( <i>Senior Lecturer, Department of Sociology University of Colombo</i> )	Member
Dr.Mahim Mendis ( <i>Senior Lecturer, Department of Social Sciences, Open University of Sri Lanka</i> )	Member
Mr. V. Mutukumaraswamy ( <i>former Principal, Hindu College, Colombo 04</i> )	Member
Mr.W.M.N.J. Pushpakumara ( <i>Commissioner General of Examinations, National Evaluation &amp; Testing Service</i> )	Member(Till 10.2017)
Mr.B.Sanath Pujitha ( <i>Commissioner General of Examinations, National Evaluation &amp; Testing Service</i> )	Member(From 16.11.2017)

Mr. I.M.K.B. Illangasinghe ( <i>Commissioner General, Dept. of Education Publications, Ministry of Education</i> )	Member
Ven. Dr. Mambulgodu Sumanarathana Thero ( <i>DDG, Faculty of Languages, Humanities and Social Sciences</i> )	Member
Mr. M. F. S. P. Jayawardene ( <i>DDG, Faculty of Science &amp; Technology, NIE</i> )	Member( <i>Till 17.07.2017</i> )
Mr.N.V.A.S.Samarasinghe ( <i>Acting DDG Faculty of Teacher Education and Alternative Education</i> )	Member
Ms. V.D.C.P. Perera ( <i>Director, External Resource Management Unit, NIE</i> )	Secretary to the AAB ( <i>Till 16.03.2017</i> )
Mr.M.A.P.Munasinghe	Secretary to the AAB ( <i>From 20.03.2017</i> )

Under the guidance and supervision of the Council and Academic Affairs Board of NIE activities assigned to NIE carried out under the following organization structure.

## 2.1 Director General's Office

The Secretariat Unit is responsible for the preparation and circulation of documents for the NIE Council and the Academic Affairs Board, maintenance of records and informing the decisions of the Council and the Academic Affairs Board to the relevant Faculties and Divisions. During last year, 12 Council meetings, 13 AAB meetings and 01 joint meeting have been coordinated.

The Department of Examinations is responsible for providing an efficient and effective examination system by maintaining the standards. Since the NIE is involved in conducting a number of professional development courses and efficient and effective examination system is maintained for certification purposes. Conducting evaluation and certification of following exams have been affected by the Department within the year - 2017.

- Advanced Certificate Course in Teaching Science-2016-Final Examination 2016
- Advanced Certificate Course in Teaching Math-Final Examination 2017
- Certificate Course on Braille Education (Written examination) -2017
- Diploma in Teaching English as a Second Language -2017
- Diploma in Sign Language – 2016/2017 (Final)
- Diploma in Special Education- 2016/2017 (Final)
- Diploma in Early Childhood Development 2016/2017
- Diploma in School Management 2016/2017 (Final)

- Diploma in School Management 2017 (Entrance examination)
- Diploma in Teaching Japanese as a foreign language 2016 (Final)
- Bachelor of Education - 2013/2015- (Part III) -2017
- Bachelor of Education - 2013/2015- (Part I) Repeat-2017
- Bachelor of Education - 2013/2015- (Part II) Repeat-2017
- Bachelor of Education - 2011/2013- (Part III) Repeat-2017
- Master of Education - 2015/2016 –Final Exam-2017
- Master of Education - Entrance Exam-2017
- Post graduate Diploma in Education -2015/2016 (Final)-2017
- Post graduate Diploma in Education Management (Part-time ) 2017
- Post graduate Diploma in Education Management (Full-time ) 2017

### **Extra Examinations**

- Orientation programme for Sri Lanka Principal Service Officers Examination-2017( second stage)
- First efficiency bar examination (NIE staff) for management assistant III (Non Technology/Technology).
- Post graduate Diploma in Education Administration (Final Exam) -2017.
- Post graduate Diploma in Education Management (Full-time & Part-time) (Entrance Exam) -2017.

The Internal Audit Unit is reporting direct to the Head of the Institution. The unit supervises the implementation of the internal control system of the Institute. In relation to the above Internal Audit Unit prepared 29 audit reports, checked 551 files for payments over Rs.75,000 and submitted by various departments.

The External Resources Management Unit is responsible for all matters related to foreign funded projects and will coordinate with relevant local and foreign agencies to get maximum benefits to the Institute. In addition, the unit will coordinate all foreign scholarships and fellowships. During the last five years, a number of opportunities were given to the academic staff of the NIE to enhance their professional competencies through long-term and short-term programmes overseas and grants.

**Following are the achievements for 2017:**

- Made arrangements for 19 officers to follow short term foreign study programmes such as seminars, training programmes and workshops.
- Facilitated 09 academic officers to follow PhD programmes at Management and Science University in Malaysia with the sponsorship of ADB & World Bank.
- Conducted 01 short-term training programme on implementation of vocational curriculum for 15 officers at the University of Malaya, Malaysia who are engaged in the development of 13 of Guaranteed Education Programme.

**2.2 Faculties and Divisions**

Given below is how the different Departments and units of the Institute are orchestrated under its organizational structure in 2017.

**2.2.1 Faculty of Languages, Humanities and Social Sciences**

Department of Early Childhood and Primary Education

Department of Sinhala

Department of Tamil

Department of English

Department of Aesthetics

Department of Religions and Value Education

Department of Social Sciences

**2.2.2 Faculty of Science and Technology**

Department of Science

Department of Mathematics

Department of Technology Education

Department of Commerce

Department of Information Technology & EMIS

Health and Physical Education Unit

Department of Printing & Publication

**2.2.3 Faculty of Research and Planning**

Department of Planning and Evaluation

Department of Research and Development

#### **2.2.4 Faculty of Education Leadership Development and Management**

Department of Professional Development & Management

Department of Education Administration & Development

Foreign Courses Unit

#### **2.2.5 Faculty of Teacher Education and Alternative Education**

Department of Teacher Education

Department of Institutional Development

Department of Inclusive Education

Department of Classical / Foreign Languages and Bilingual Education

Department of Electronic Dissemination

Guidance and Counseling Unit

Open School Unit

#### **2.2.6 Division of Administration, Finance and Support Services**

Department of Administration and HR

Department of Finance

Department of Engineering Services and Maintenance

Department of Library and Museum

Transport Unit

#### **Special Functions / Achievements of NIE in the year 2017**

Further to the implementation of functions included in the Annual Implementation Plan (AIP) – 2017 related to curriculum development, professional development and education, research several additional activities related to the activities of AIP – 2017 have been implemented by the National Institute of Education in 2017.

- Held convocation on 31<sup>st</sup> January at the Bandararanaike International Memorial Conference Hall for the graduates who successfully completed the degree /post-graduate courses conducted by the NIE. At the convocation the Prime Minister Hon. Ranil Wickramasinghe awarded degree certificates to 02 MPhil graduates, 196 MEd graduates, 1355 BEd graduates, 03 MSc graduates (resident) and 23 MSc graduates (Foreign).
- Inaugural meeting of the Board of Management of South Asian Teacher Development Centre composed of UNESCO representatives and the members of the regional countries was held at the Meepe premises on 30<sup>th</sup> March 2017.

- Conducted Special Seminar on 19<sup>th</sup> February 2017 with the participation of relevant officers from the Private and Public institutions in order to get ideas for the Thirteen Years of Guaranteed Education Programme scheduled to implement as government priority programme on Education.
- Organized two following special lectures related to education
  - ✓ “Finnish education and latest trends in a nutshell” by ADB consultant Mr. Anderson Longman.
  - ✓ “TVET curriculum in Malaysia” conducted by Associate Professor Dr. Norlidah Alias and Dr. Dorathy Dewitt of the University of Malaya.
- Necessary actions taken to obtain benefits of the "Agrahara Insurance Coverage" for the NIE staff providing half of the monthly amount agreed per participant from the NIE income.

### **3.0 Curriculum Development**

The curriculum development activities of the National Institute of Education are performed by the Faculty of Languages, Humanities and Social Sciences and the Faculty of Science and Technology.

Under the powers vested in the Institute regarding curriculum development, the NIE implemented 64 curriculum development – related activities in 2017 with the support of 7 Departments belonging to the Faculty of Languages, Humanities and Social Sciences, 6 Departments belonging to the Faculty of Science and Technology and the Department of Classical and Foreign Languages and Bilingual Education belonging to the Faculty of Teacher Education and Alternative Education. Through the curriculum development activities, it was expected to achieve the following objectives and all the exercises undertaken in this regard are targeted for them.

**Main objectives of the above Faculties are as follows:**

- Planning, developing and updating the curriculum to suit the social, cultural, economic and technical needs.
- Introducing new techniques to the school system for a meaningful practical learning / teaching process with the innovation of the curriculum.

- Improving the professional competencies in those who are involved in the development and implementation activities of the curriculum.
- Implementing studies that contribute to the qualitative progress of education in order to elicit information on curriculum development and implementation.
- Introducing new methodologies for the success of learning / teaching and evaluation activities.
- Developing competencies in communication, information technology and national and international languages in students.
- Developing competencies in students to protect and safeguard the culture and national heritage.
- Developing competencies in students to value religious, cultural and language diversities of various ethnic groups in society and live in cohabitation as Sri Lankans.

According to the following plan of curriculum implementation, the rationalized curriculum will operate on every grade in the system from 2015 and in 2017 priority was given to introduce its next step to grades 3, 9 and 13 in 2018. The tasks scheduled by the NIE in this connection are tabulated below.

#### **Implementation plan for the curriculum cycle 2012 - 2020**

<b>Task</b>	2012	2013	2014	2015	2016	2017	2018	2019	2020
Preparation of grid	Gr.1-5 6-11								
Preparation of syllabi	Gr. 6,10	Gr.1,7,1 1	Gr.2,8	Gr.3,9, 12 & 13	Gr. 4	Gr. 5			
Preparation of TGs		Gr.6,10	Gr.1,7,1 1	Gr.2,8, 12	Gr.3,9,1 3	Gr.4	Gr. 5		
Awareness programmes on curriculum			Gr.6,10	Gr.1,7, 11	Gr.2,8,12	Gr.3,9,1 3	Gr.4	Gr.5	
Implementation of curricula				Gr.6,10	Gr.1,7,11	Gr.2,8,12	Gr.3,9,13	Gr.4	Gr.5

Following tasks were implemented related to the Curriculum Development in 2017.

### **3.1 Task completed related to Primary Education**

- Reviewing prepared 12 Teachers Guides in Gr.3 for strengthening guided play and activities.
- Drafted activities for Gr.4 Teachers Guides for strengthening guided play and activities.
- Prepared diagnosis instruments of Essential Learning Competencies for KS 2.
- Finalized booklet for the introduction of formative assessment and updated 130 primary team members.
- Prepared 10 supplementary materials to strengthen Activity Based Oral English (ABOE) in Primary grades.
- Developed activities to strengthen Mathematics and Environmental Related Activities (ERA), DRR, Climate Change and School Safety in primary curriculum incorporating creative problem solving and social cohesion.
- Developed supplementary materials to strengthen social cohesion concepts in Gr.3 curriculum.
- Completed report on Early Childhood Development standards (age 10 years).
- Developed syllabus for Degree course for Early Childhood Development.
- Updated 360 ISAA to strengthen capacities of primary provincial teams on teaching Second National Language.
- Updated 619 provincial resource persons on Gr.3 Teachers Guide.

### **3.2 Task Completed related to Secondary Education**

#### **Teachers Guides Prepared**

- 02 final drafts of Teachers Guides for Grade 12
- 24 final drafts of Teachers Guides for Grade 13
- 04 final drafts of Teachers Guides for Grade 9

#### **Resource Books / Materials Prepared**

- Additional Reading materials –Sinhala for Gr.12/13.
- Workbook for Sinhala Gr.6.
- Student Test Item-Sinhala Gr.12/13.
- Student Test Item First language-Tamil for Gr.13.

- 02 workbooks for 2NL –Gr.7 and 11.
- Supplementary material for English-Gr.9 with CD.
- 06 resource books for Art, Bharathanatyam, Oriental Music -Gr.9 & 13.
- 02 Resource books for Western Music-Gr.8 and 12.
- 02 resource books for Hinduism and Hindu Civilization for Gr.12.
- Student Test Item for Geography – Gr.12/13.
- Atlas for A/L History.
- Manual on career education.
- 02 resource books for Political Sciences and Logic & Scientific Method.
- 01 Resource book and Student Test Item on Combined Maths.
- E-catalogue(S/T) for Mathematics-Gr.10/11.
- 02 practical guides for Engineering Technology and Bio-system Technology.
- ICT glossary (T)

#### **Magazines/Newsletters Published**

- Ayadhanam Nawarthri magazine.
- Business Studies magazine (S/T).

#### **Audio/video materials Prepared**

- CD (Audio) for Sinhala – Gr.6-11.
- 02 DVDs for Bio-system Technology.
- 30 educational software

#### **Conferences/Competitions Conducted**

- 4<sup>th</sup> National conference on language assessment.
- 02 Business idea competitions (S/T).

#### **Reports Prepared**

- 05 reports on monitoring the implementation of Agro and Food Technology, Design and Technology, Home Economics, Art and Craft, Science for Technology and Accounting curriculum-Gr.10/11.
- 01 report on monitoring the implementation rationalized materials in Gr.7 and 11.

### **Training programs Conducted**

<b>Grade</b>	<b>Targets for 2017</b>	<b>No. trained from January to December 2017</b>
Gr.9	7425	6620
Gr.11	1040	1012
Gr.12/13	26950	24786

### **Awareness Programmes Conducted**

- 10 awareness programmes on global citizenship for 154 ISAA and SDs
- Conducted awareness programmes for 821 ISAA, Principals, Subject Directors on Business & Accounting Education.
- Conducted awareness programmes for 500 teachers on Entrepreneurial Studies.

### **3.3 Implementation of Thirteen Years of Guaranteed Education Programme**

Various development strategies were adopted in the total curriculum development process in the system from Gr. 1 to 13, it seems remarkable number of students dropping out the system without obtaining proper knowledge, competency or skills necessary for living as a successful citizen due to the issues in the existing high structure curriculum, teaching learning process and examination system. Accordingly the gaps were identified in the system and considering the gaps identified and also the existing education trends and global / local demands a new education policy proposal has been developed by the Government to provide 13 years of Guaranteed Education Programme to remedy the above issues and to ensure learning opportunities and free education in the country. Task related to curriculum development and training assigned to NIE end of 2016 and developed 08 syllabi and modules for Generic Component under 8 themes and 26 syllabi and modules for new vocational subjects under 7 subject domains by the National Institute of Education within the year 2017.

In addition to the above training of 418 teachers have been trained in 2017 nominated from the 42 schools selected for the implementation of first phase of the above programme.

#### **4.0 Education Leadership Development and Management**

Enhancing the management and leadership capacities of personnel involved in the field of education is the main task assigned to the Faculty of Leadership Development and Management established at Meepe, which, according to the Act, is: “to provide for the development of professional and managerial competence of personnel in the education system”.

In order to achieve the above task, various courses related to education management and school administration, ranging from Master Level to Diploma level are conducted by the Faculty.

In addition to the above, the Faculty conducts short- term courses for officers in the Sri Lanka Education Administration Service (SLEAS) and long-term induction courses specially designed for new recruits to the SLEAS. The thematic courses conducted by the Faculty were specially designed to provide an in-depth knowledge of selected themes in Education Management and ICT for education management.

The following table indicates the progress of courses implemented by the Faculty of Education Leadership Development & Management in 2017.

<b>Name of the Course</b>	<b>Department Responsible</b>	<b>Location</b>	<b>No. of Participants</b>
<b>Postgraduate Courses</b> M.Sc. in Education Management	Professional deve.& Edu.	Meepe Centre	32
<b>Postgraduate Diploma Courses</b> Postgraduate Dip. in Ed. Management (Full time/ Part time)	Professional dev. & Edu. Mgt.	Meepe Centre	303
<b>Diploma Courses</b> Diploma in School Management	Professional Dev. & Edu. Mgt. English	Meepe Centre	324
<b>Courses for Foreign Students</b> Master of Science in Education Leadership Management	Professional Dev. & Edu. Mgt.	Meepe Centre	15

## 5.0 Professional Development of Teachers

The National Institute of Education has a long and distinguished history of catering to the professional development needs of large and diverse groups of teachers by using innovative teacher education modes. Achieving the expected objectives of any curriculum or other development initiative introduced to the system depends on the teacher factor; this is needed in the provision of high quality degree courses which aim at providing the teachers with the confidence, competence and the understanding they need to become effective practitioners. For this purpose, various teacher education courses ranging from Master of Philosophy level to Certificate level are conducted by the respective teacher education departments and some curriculum development Departments.

In view of this, NIE works in close collaboration with its regional centres dispersed throughout the county.

All the post-graduate/degree/ Non-Degree courses implemented by the NIE focus mainly on the professional development needs of educational personnel and are expected to support the respective client group to:

- get acquainted with new trends in education,
- broaden subject knowledge and learn how to apply it in the classroom,
- develop high levels of teaching and classroom management skills,
- work productively with students by catering to individual differences,
- work productively with parents with knowledge of their strengths and capabilities,
- develop a set of general competencies that provide the basis for good teaching,
- engage in small scale research that help improve work-related practices,
- get acquainted with practices of competency-based performance assessments,  
and
- Develop a self-critical approach to teaching.

The following chart indicates the progress of courses implemented by the various departments in the Faculty of Languages, Humanities & Social Sciences and Faculty of Alternative Education & Teacher Education:

Name of the Course	Department Responsible	Location	No. of Participants
<b>Postgraduate Courses</b> Master of Philosophy Master of Education	Teacher Education Teacher Education	NIE NIE/Jaffna Centre	26 306
<b>Postgraduate Diploma Courses</b> Postgraduate Dip. in Education	Teacher Education	NIE +42 regional Centres	3950
<b>Graduate Courses</b> Bachelor of Education Bachelor of Education (Engineering)	Teacher Education Teacher Education	NIE + 46 regional Centres NIE + for University	4905 260
<b>Diploma Courses</b> Dip. in Teaching English as a Second Language Dip. in Early Childhood and Primary Education Dip. in Special Education Dip. in Sign Language Dip. in Guidance and Counseling Dip. in Additional Language Improvement	English Primary Education Inclusive Education Inclusive Education Guidance & Counseling Teacher Education	NIE NIE NIE NIE NIE NIE + 10 regional centers	28 47 65 24 69 380
<b>Short-Term Thematic Courses</b> Thematic course on Braille	Inclusive Education	NIE	15

### 5.1 Institutional Development

The NIE is responsible for curriculum development for pre-service teacher education programmes conducted through the National College of Educations (NCoEs) as well as for in-service teacher education programmes conduct through the Teacher Training Colleges (TTCs). During the year 2017 following interventions have taken place:

- Commenced work related to 16 syllabi for Teacher Training Colleges.
- Prepared 12 question papers for Teacher Training College's internal exams.
- Conducted 09 forums for National College of Educations and Teacher Training College's vice-presidents.
- Made 09 visits of NCoEs and TTCs to supervise teacher education courses.

- Relevant course sessions conducted for 294 Dharmacharya teachers to provide basic qualifications to enter Sri Lanka Teaching Service.

Extra works:

- Completed a study on "Gender issues emergent in the teacher education in Asia" under the egis of UNESCO with a view to understanding the levels of inclusion of gender related concepts in the education courses text books in SL, Nepal, Myammar, Cambadia & Uzbekistan.
- Developed an instructional manual for NCoEs and TTCs on teaching practice and personality assessment.
- Conducted training programme on “Activity based Oral English” for TTCs and NCoEs.
- Conducted training programme on “Principals of Education” and “Educational Society” for 13 NCoEs lecturers.

## 6.0 Alternative Education

Further to the implementation of the above tasks, Faculty of Teacher Education and Alternative Education focused widening the education opportunities especially for those who missed the mainstream of formal education due to various reasons. In this regard the Faculty upholds the concept of “Education for all” and Lifelong Education while maximizing its efforts to expand and utilize the facilities offered by modern technology and other auxiliary services that supplement the delivery of education. In pursuing the above, following are the activities implemented by the Departments / Units in the year 2017.

### 6.1 Inclusive Education

The Department of Inclusive Education occupies a special position in making the concept of **Education for All** a reality. This Department is responsible for developing school curriculum suitable for children with special needs, providing necessary training to ISAs and teachers involved in special education and preparation of supplementary curricula materials. Furthermore, they have been provided professional development opportunities through courses on Inclusive Education, Sign Language and Braille Education. The under mentioned activities have been completed during the period considered.

- Completion of 02 final drafts of supplementary books: children with Autistic, children with speech disorder
- Prepared magazine on inclusive education.
- Prepared 01 instructional DVD on Sign Language

- Trained 821 of ISAA / Teachers to strengthen Special Education
- Identified 40 children with special educational needs and provided parent counseling.
- Drafted report on a study to find out reasons of special education specialized diplomats of NCoEs not remaining within their specialized field.

## **6.2 Electronic Dissemination**

NIE renders a signal service by ushering the school community as well as the external community towards a learning society through the use of electronic learning material such as Television, Radio and CDs that are attractive and effective learning teaching tools in the non-formal education fields. Various programmes are being produced using aesthetic methods such as songs, music and drama to explain higher order concepts in the curriculum and to make the school community aware of the timely changes in the curriculum.

The following are the activities completed by the end of 2017:

- Production of 20 supplementary audio materials for primary and secondary levels of education curricula (S/T) to enrich teaching learning process.
- Production of 21 (S) educational video materials for NIE degree courses.

## **6.3 Guidance and Counseling**

In order to meet the psychological needs of the educational community, the Guidance and Counselling Unit was established in June 2006. The unit takes the responsibility of providing career guidance and counselling services to the student population. The following activities were completed in 2017:

- Conducted in-house counselling sessions for 36 school children and parents.
- Updated 133 school counsellors on counselling service in Sabaragamuwa, Central and Uva provinces.
- Prepared draft job inventory-2017 under six fields (auto mobile, building and construction, textiles and garments, hotel and tourism, banking and management and ICT).
- Completed 02 job fields (Medical & Health Science, Electrical, Electronic and Telecommunication) in the updated job inventory -2017.

## **6.4 Open Learning**

The unit of Open School was established with the aim of conducting distance education courses for the group that misses formal education due to various reasons. This process is taking education closer to the learner by using distance and open methods. Irrespective of educational qualifications, employment or social satisfaction, this process expects to broaden the provision of educational opportunities for all. Open school facilitates the learner to decide when to start learning, which mode to adopt and also helps to start from any appropriate stage.

The following activities were completed in 2017 with regard to the programme on open learning.

- Updated 83 tutors of Literacy, Foundation and Open Secondary courses.
- Conducted 69 face to face sessions for providing learner support.
- Enrolled 110 participants for Literacy course, 400 participants for Foundation course in 2017.
- Completed 210 participants of Literacy course, 190 completed Foundation course and 1400 continuing the Open Secondary course in 2017.

## **7.0 Research and Planning**

As an institution functioning towards quality education the NIE implements curriculum development, professional development and policy making through a variety of research and planning activities. These activities are conducted by the Department of Research and Development and Planning and Evaluation.

### **7.1 Research and Development**

Initiate, develop and extend educational research, set a platform to address educational issues that need dialogue and debate, provide opportunities for the people in the field of education to develop their research skills by conducting courses and providing grants and disseminating research information, are the main functions of the Department of Research and Development.

The following are the outstanding achievements of the Department during the year 2017:

- Completion of report of a study “A study on factors influence in students' absenteeism in Grade 13”.
- Completion of report of a study “Quality of Pre-service teachers in Sri Lanka”.
- Completion of draft report of “Entire system analysis for the next curriculum reforms beyond 2020” is in progress.
- Conducting the 28<sup>th</sup> C.W.W.Kannangara Memorial Lecture on “Medical Education and Kannangara Philosophy” by Dr.Sujeewa Amarasena, Senior Professor, Faculty of Medicine, University of Ruhuna.
- Conducted research dissemination seminar for 81 participants.

## **7.2 Planning and Evaluation**

With a view to achieving the aims and objectives of NIE in agreement with the national aims and to utilize the available human and physical resources in an efficient and effective manner, the following activities have been completed under Planning and Evaluation by the end of 2017:

- Preparation of Annual Progress Report 2016.
- Preparation of budget estimates, annual budget and annual implementation plan for the year 2018 and 2018 -2022 Five Year Plan.
- Preparation of 04 quarterly progress reports of activities implemented under local and foreign funded projects in 2017.
- Preparation of following progress reports requested by other institutes:
  - 02 progress reports for Central Bank
  - 04 progress reports for Organizational Results Framework (ORF).
  - 04 progress reports for Treasury
  - Progress report for COPE meeting (S/T/E)
  - Quarterly progress reports for foreign funded agencies: ADB.TSEP, DFAT, unicef.

## 8.0 Administration, Financial & Support Services

The function of the Division of Administration, Finance and Supporting Services is to procure financial, physical and managerial services and support services with respect to the functions of the five academics faculties of the Institute.

### 8.1 Department of Administration

The Department of Administration, which is under Division of Administration, Finance and Supporting Services, takes responsibility for all functions related to day to day administration, identifying training needs of the staff and providing necessary training at local level. The following recruitments and promotions were completed by the Department of Administration during the period of January to December 2017.

#### Recruitments

Deputy Director General	-	01
Assistant Lecturer	-	25
Assistant Director (Finance)	-	01
Office Secretary	-	01
Book keeper	-	01
Civil Engineer	-	01

#### Promotions

Director	-	02
Senior Lecturer	-	25
Lecturer	-	10
Human Resource Management	-	01
Finance Officer	-	01
Technical Officer	-	01
Management Assistant I (Non Technical)	-	13
Management Assistant II (Non Technical)	-	04
Management Assistant I (Technical)	-	06
Office Aid – I	-	07
Office Aid- II	-	06
Labour	-	01

- Financial assistance as well as study leave was provided for 40 academic and non-academic officers of the Institute to follow the study programmes requested by them.

## 8.2 Department of Finance

The Department of Finance provides the financial resources for all tasks of the Institute and maintains income and expenditure reports in terms of financial rules and regulations

- Prepared and completed the fixed assets register and the evaluation procedures.
- Completed the Board of survey for 2017
- Prepared final financial statement 2017

## 8.3 Department of Engineering Services and Maintenance

The Department of Engineering Services carries out the responsibility for the maintenance of the physical environment appropriate for educational activities by handling the construction and maintenance of the buildings of the Institution, maintenance of electrical and telephone services, provision of infrastructural facilities and coordination of cleaning and security service. The following activities related to Engineering Services were completed in the year of 2017:

- Initiation of construction of the Five Storied Building Complex at NIE
- Completion of 17 refurbishment work at NIE & Meepe.
- Completion of 05 repair and maintenance jobs at NIE and Meepe.
- Completion of 02 rehabilitation of plant and machinery jobs

## 8.4 Library

In addition to the internal members of staff, the library of the NIE is often used by the University Staff, Staff of NCoEs and Teacher Training Colleges, teachers and students as well as other educationists for academic purposes. The following books and CDs were added to the library collection in 2017.

Books	1664
Books (donations)	82
Curriculum materials	868
Educational reports	126
Local Magazines (donations)	15
Local Magazines	08

Foreign Magazines (donations)	12
N.I.E collection	21
Newsletters	05
DVD/CD	18

### **8.5 Printing and Publications**

The following publications of the Institute have been printed by the Department of Printing and Publications in 2017.

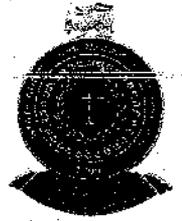
• Teacher's Guides	24
• Syllabi	103
• Teacher training hand books	22
• Other materials	84
• Certificates	19
• Additional publications	79
• Invitations	06

In addition to the above, participated in 05 book exhibitions and got an opportunity to promote NIE publications and documents related to curriculum development.



# ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்  
NATIONAL AUDIT OFFICE



මගේ අංකය  
எனது இல.  
My No.

EDU/C/NIE/FA/1/17

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

15 October 2018

The Director General  
National Institute of Education

## Report of the Auditor General on the Financial Statements of the National Institute of Education for the year ended 31 December 2017 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the National Institute of Education for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017, the statement of financial performance, the statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, 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 Section 13(1) of the Finance Act, No. 38 of 1971 and Section 19 of the National Institute of Education Act, No. 28 of 1985. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act appear in this report.

### 1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error,



### 1.3 Auditor's Responsibility

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My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### 1.4 Basis for Qualified Opinion

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My opinion is qualified based on the matters described in paragraph 2.2 of this report.

## **2. Financial Statements**

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### **2.1 Qualified Opinion**

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In my opinion, except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the National Institute of Education as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

### **2.2 Comments on Financial Statements**

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#### **2.2.1 Sri Lanka Public Sector Accounting Standards**

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The following observations are made.

##### **(a) Sri Lanka Public Sector Accounting Standard 1**

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The Employees' Provident Fund and Employees' Trust Fund totalling Rs.72,188,213 and Rs.8,889,405 respectively relating to 09 preceding years had been brought to account as an expenditure of the year under review instead of being adjusted to the Accumulated Fund. As such, the surplus of the year under review had been understated by Rs.81,077,618 and it was observed that the consistency and comparability was not apparent in the financial statements of the years 2016 and 2017 due to failure in identifying expenses in due period.

##### **(b) Sri Lanka Public Sector Accounting Standard 2**

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The following deficiencies were observed in respect of the cash flow statement.

- (i) According to the financial statements of the year under review, the acquisition of property, plant and equipment had been Rs.46,089,932. Nevertheless, according to the cash flow statement, that value had been Rs.24,421,416, thus understating the cash outflow by Rs.21,668,516.

- (ii) Even though a sum of Rs.114,177 had been shown as increases in other current assets in the working capital changes of the cash flow statement, such an asset had not been shown in the statement of financial position.
- (iii) The changes of short term deposits had been understated by Rs.54,227,194 in the cash flow statement during the year.
- (iv) The increases in accrued expenditure in the changes of working capital of the cash flow statement had been understated by Rs.37,467,998.
- (v) Losses from sale of property, plant and equipment had been overstated by Rs.1,299,765 in operating activities of the cash flow statement.

**(c) Sri Lanka Public Sector Accounting Standard 7**

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In terms of paragraph 47 of the Standard, when the fair value of an asset materially differs from its carrying amount, those assets should be revalued. Nevertheless, action had not been taken after the year 2008 to revalue the assets of the Institute, valued at Rs.1,175,975,418 and to account its fair value.

**(d) Sri Lanka Public Sector Accounting Standard 9**

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In terms of paragraph 15 of the Standard, inventories shall be measured at the lower of cost and net realizable value. Nevertheless, the inventory balance had been shown as Rs.24,498,345 under sales price in the financial statements.

**2.2.2 Accounting Deficiencies**

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The following observations are made.

- (a) A sum of Rs.50,000,000 invested in fixed deposits had been brought to account as an expenditure and as such, the balance of fixed deposits and the surplus had

been understated by the similar amount as at 31 December of the year under review.

- (b) Office equipment valued at Rs.169,000 received as a grant in the year under review had not been brought to account.
- (c) Gratuity expenditure of Rs.5,547,436 paid during the year under review had been debited to the Gratuity Expenditure Account instead of being debited to the Provision for Gratuity Account. As such, the surplus of the year under review had been understated and the balance of the Provision for Gratuity Account had been overstated by the similar amount.
- (d) The interest on Treasury bills of Rs.6,418,346 brought to account during the year under review had been brought to account again as a Treasury interest receivable as at 31 December of the year 2017. As such, the surplus of the year under review and the interest income receivable had been overstated by the similar amount.
- (e) The expenditure amounting to Rs.2,344,710 that should be capitalized under buildings and a sum of Rs.26,656,147 spent for the purchase of machinery had been shown as expenditure on maintenance.
- (f) Even though the expenditure on construction of South Asian Teacher Training Centre in Meepe had been capitalized under buildings in the year 2016, the consultancy fees amounting to Rs.603,235 payable for that building had been shown under work- in- progress even by the end of the year under review instead of being capitalized.

### **2.2.3 Unreconciled Control Accounts**

Unreconciliations totalling Rs.37,957,303 were observed between the balances shown in the financial statements and the balances in ledger accounts relating to 02 Items of Accounts.

## 2.2.4 Unexplained Differences

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An unexplained difference totalling Rs.58,341,508 was observed between the balances indicated in financial statements and the balances of schedules made available to Audit relating to 04 accounts as at 31 December of the year under review.

## 2.2.5 Lack of Evidence for Audit

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The following observations are made.

- (a) Even though an amount of Rs.73,609,665 forecasted as course fees paid in advance as at 31 December 2017 had been shown in accounts, adequate evidence for the confirmation of that balance had not been made available to Audit.
- (b) The dates of purchase of assets such as buildings, computers and accessories, photocopy machines, library books and furniture valued at Rs.514,112,042, had not been mentioned. As such, the amount of depreciation of those assets and the accuracy of computation of accumulated depreciation could not be ascertained.
- (c) Cash books for receipts and payments relating to 05 current accounts had been maintained separately. Even though the monthly total receipts of receipt cash books and daily cash balances of payment cash books can be obtained, it was observed that balances at the end of the month cannot be obtained. Moreover, the monthly closing balance cannot be obtained by adding monthly receipts to the initial cash balance and deducting monthly payments through the computer system of the Institute. Even though a cash balance of Rs.468,696,829 was available in each account as at 31 December 2017, these balances could not be confirmed with the balances of cash book.



**2.2.6 Accounts Receivable and Payable**

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The following observations are made.

- (a) A sum of Rs.3,237,800 receivable from the Ministry of Education in respect of printing of school based evaluation question papers of the year 2008 was recoverable since the year 2008.
- (b) Deposits payable totalling Rs.1,574,603 older than 05 years had not been settled or taken into income.
- (c) Action had not been taken even in the current year to recover the balance of Rs.393,500 recoverable over a period of many years, included in the sundry debtors balance.
- (d) Action had not been taken even by the end of the year under review to settle a sum of Rs.5,027,588 out of advances given for workshops conducted in the years 2016 and 2017 and transport and other advances amounting to Rs.4,072,955 and general advances of Rs.60,431 older than 05 years.

**2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions**

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The following non-compliances with Laws, Rules, Regulations and Management Decisions were observed.

<b>Reference to Laws, Rules and Regulations</b>	<b>Non-compliances</b>
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<p>(a) Circular No.2004/Li/1(2016 revised) of 22 December 2016 of the National Library and Documentation Services Board</p> <p>Section 3.1</p>	<p>A survey on library books had not been carried out and according to the survey on library books, carried out by the Library from 7</p>

November 2015 to 12 May 2016, a number of 11,642 disposable books had been identified. Nevertheless, action had not been taken to dispose of those books.

(b) Public Finance Circular  
No. 03/2015 of 14 July 2015

In granting Sub-imprest (Advances) exceeding the value of Rs.1,000,000, the prior approval of the Treasury should be obtained in terms of the Circular. However, a sum of Rs.2,661,303 had been granted as sub-imprest without obtaining such approval and instances of re-granting of sub-imprest were observed before settling the previous sub-imprest.

(c) Financial Regulations of the  
Democratic Socialist  
Republic of Sri Lanka

(i) Financial Regulation  
716(2)

In the purchase of Goods, matters such as reliability of supply and speed of delivery should be taken into consideration. Nevertheless, 21 Goods valued at Rs.3,888,687 ordered from May to December 2017 had not been received to the Institute even by the date of audit.

(ii) Financial Regulation  
705(5)

A blacklist of suppliers including names of defaulting contractors had not been maintained by the Institute.

(d) Public Enterprises Circular  
No.PED 1/2015 of 25 May  
2015

Section 3.5

The officers to whom official vehicles are allocated and the officers who avail the monthly transport allowance are not entitled to use pool or other official vehicles. However, an officer of

the Institute, who avail the monthly transport allowance, had used a pool vehicle in 11 instances and the Institute had incurred a cost on fuel amounting to Rs.135,345 therefor.

### **3. Financial Review**

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#### **3.1 Financial Results**

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According to the financial statements presented, the financial result of the Institute for the year ended 31 December 2017 had been a surplus of Rs.82,516,985 as compared with the corresponding surplus of Rs.37,792,759 for the preceding year, thus indicating an improvement of Rs.44,724,226 in the financial result of the year under review as compared with the preceding year. Even though the expenses of the year under review had increased by Rs.279,066,913 as compared with the preceding year, the increase in the income from deposits by Rs.115,131,191 and the examination fees by Rs.182,522,154 had mainly attributed to the above improvement.

An analysis of the financial results for the year under review and 04 preceding years revealed that the surplus which was Rs.36,496,150 in the year 2013, had increased up to Rs.157,631,150 in the year 2015. However, it had decreased up to Rs.37,792,759 in the year 2016 and again increased up to Rs.82,516,985 in the year under review. However, after readjustment of the employees' remuneration and the depreciation on property, plant and equipment to the financial result, the contribution of the Institute which was Rs.257,724,220 in the year 2013 had increased to Rs.464,705,488 as at the end of the year 2015. Further, it had decreased to Rs.371,685,653 in the year 2016 and again increased to Rs.404,042,670 in the year under review.

#### **3.2 Analytical Financial Review**

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In considering the working capital management of the Institute, the current ratio which was 4.7:1 in the preceding year, had been 3.7:1 in the year under review, whilst the quick assets ratio of 4.3:1 in the preceding year had been 3.5:1 in the year under



review. The Treasury Bonds and the balances of the Bank Current Accounts represented 88 per cent of the Current Assets and as such, a large amount of assets of the Institute had been retained in liquid assets. Out of 5 Bank Accounts of the Institute, the balance of one account as at 31 December 2017 amounted to Rs.298 million and the current and quick ratios had taken a high value due to maintenance of such balances exceeding the requirements, making short term investments and the existence of a stock balance valued at Rs.36 million.

### **3.3 Legal Action Instituted against or by the Institute**

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The following observations are made.

- (a) The Institute had filed 03 cases in the District Court claiming compensation totalling Rs.4,481,538, in respect of breaching agreements by 03 officers who had proceeded abroad for academic purposes.
- (b) One case in respect of obtaining a Teacher Training Certificate and 11 cases had been filed by 10 employees in courts claiming compensation of Rs.927,091 in respect of non-payment of gratuity including the cost of living allowance. However, necessary disclosures regarding the cases on payment of gratuity had not been made in the financial statements.

## **4. Operating Review**

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### **4.1 Performance**

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#### **4.1.1 Function and Review**

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According to the National Institute of Education Act, No. 28 of 1985, the formulation of planned programmes for the development of education in Sri Lanka, conduct and promotion of studies on the education system including its performance, goals, structures, content and methodology and in social, economic and other intended purposes, provide for the development of professional and managerial competence of

personnel in the education system and providing postgraduate studies are its major objectives.

Even though an Action Plan had been prepared relating to the achievement of above objectives for the year under review, those plans had not been properly implemented and it was further observed that it may directly affect the learning process of the overall school children of Sri Lanka. Details appear below.

- (i) Even though a number of 22,725 professionals of the education field had been planned to be trained through 49 knowledge and skills development programmes, only 15,743 persons had been trained.
- (ii) Even though 10 Departments had planned to prepare Teachers' Guides for 48 subjects, those hand books had not been prepared for 29 subjects.
- (iii) Even though it had been planned to prepare and complete the resource books relating to 30 subjects, those books relating to 25 subjects had not been prepared and completed as planned.

#### 4.2 Management Activities

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In terms of Circular No.257 of 09 October 2013 of the Department of Management Services, earnings made in addition to the salary of the officers, should not exceed 50 per cent of their annual basic salary. However, contrary to that circular, a sum of Rs.4,501,586 had been overpaid as extra earnings, to 48 officers exceeding 50 per cent of their salary from the year 2014 to the end of the year under review and action had not been taken up to April 2018 to recover those overpayments.

#### 4.3 Operating Activities

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(a) The following observations are made on the preparation of syllabuses.

- (i) Science Subject – Grades 6, 11
- 

New syllabuses for the Science subject had been introduced in the year 2015 for Grades 6, 10, in the year 2016 for Grades 7, 11, in the year 2017

for Grades 8, 12 and in the year 2018 for Grades 9, 13. However, evidence that functions which should be performed before the revision of those syllabuses, had been performed and they had been based for the revision of syllabuses.

(ii) Syllabuses of Chemistry, Physics and Biology for Advanced Level Grades 12, 13

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According to the Plan of Implementation of Syllabuses 2012-2020, new syllabuses relating to those subjects should have been implemented in the years 2017 and 2018 respectively. Accordingly, the Council and the Board of Academic Affairs had approved those syllabuses on 15 December 2016 and 08 November 2016. However, neglecting those approvals, the said syllabuses had been reconsidered by the Letter No. ED/01/14/05/02 of 21 February 2017 of the Secretary to the Ministry and again those syllabuses had been approved on 14 November 2017. However, teaching activities of Grade 12 had been commenced in May 2017 and a number of 3,457 Teachers had been trained in May and August of the year 2017 by spending Rs.3,655,207 prior to making relevant revisions therein and as such, it was questionable whether they were aware of those revisions. Further, the content had not changed due to those revisions and as a result, it was questionable whether the time spent therefor and the expenditure of Rs.354,450 incurred therefor had been effective. Moreover, providing opportunity for making Teachers aware of syllabuses by preparing syllabuses without delay and opportunity for studying the accurate syllabuses, were observed in audit as essential matters that should be carried out.

(iii) Information and Communication Technology Subject and General Information Technology Subject

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- According to the Letter No ED/01/26/19/01/02 of 14 February 2012 of the Secretary to the Ministry of Education, a proposal had been made for the inclusion of a new subject of Information and Communication Technology from Grade 6 to Grade 9. Moreover,

the Internet of Things (IOT) had been included as a subject unit of the new syllabus for this subject. However, the Board of Academic Affairs had informed in January 2017 that the teaching of this unit for the students who follow this subject at the first time, is not appropriate and that the syllabus should be changed as the standard of this unit is higher than the level of students. Revision and approval of this syllabus had been delayed up to the end of the year 2017 and as such, preparation of relevant text books or conducting trainings for Teachers for teaching the subject had not been carried out even by January 2018.

- Conducting workshops for preparation of syllabuses for Information and Communication Technology for Grade 12 and for General Information Technology for Advanced Level, had been commenced in the year 2015 and completed by March 2016. Further, workshops for preparation of final draft syllabuses, had been conducted from December 2016 to 16 February 2017. According to the Decision No.366 dated 07 March 2017 of the Board of Academic Affairs, it had been decided that the IOT subject unit is not appropriate to school syllabuses. However, contrary to that Decision, that subject unit had been included and approval had been given for syllabuses by the Decision No.413 dated 20 April 2017 of the Council.
- A Three Persons Committee consisting of three professors and lecturers of universities had been appointed by the Decision No.376 dated 05 December 2017 of the Board of Academic Affairs for obtaining recommendations on the computer project and computer language included newly to the syllabus of Grade 13. Even though the teaching of this syllabus had been commenced for G.C.E.(A/L) students in the school system, further revisions had been made for this approved syllabus and as such, it was observed in audit that the students who are due to sit for the

G.C.E(Advanced Level) Examination in the year 2019, may have to face problems thereon.

**(iv) Preparation of Syllabuses relating to Religions**

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All activities such as preparation of syllabuses of Buddhism, Buddhist Civilization, Christianity, Catholic Civilization for each religion, conducting workshops, translating them, preparation of reports and Teachers' Guides, are carried out by the same officer and as such, it was observed in audit that the accuracy of those syllabuses prepared, was questionable.

**(v) New Syllabus for Communication and Media Studies**

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According to the Decision No.417 dated 17 August 2017 of the Council, the syllabus and the Teachers' Guide for the subject of Communication and Media Studies for Grade 12 had been prepared and approved. Even though the said syllabus had been scheduled to be implemented in the years 2017/2018, the Director General of the Institute had informed the Secretary to the Ministry of Education to issue a circular for the implementation of the old syllabus itself which was introduced in the year 2008 according to the proposals of the Board of Academic Affairs on the Level of Bench Marking, at the Advanced Level Examination as well in the year 2019. However, a circular had not been issued therefor and evidence as well was not observed whether the schools were aware of the syllabus which is based for teaching activities of students who sit for the Advanced Level Examination in the year 2019, and as such, it was further observed in audit that it seems unfair on students who sit for the Advanced Level Examination in the year 2019.

(b) Delay in commencing and improper organization of Teacher Training Programmes

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The syllabus of Information and Communication Technology and the General Information Technology approved in April 2017 was scheduled to be commenced within the school system in May 2017. However, Teacher trainings had not been commenced even by then and out of 2,223 Teachers to be trained, only 1,023 teachers had been trained after 3 months of commencement of that subject in the school system. Further, teachers had been selected by calling for applications by internet without calling for teachers required for trainings by the province or the zone. As such, it was observed in audit that the unawareness of teachers on the said training due to lack of internet and computer facilities and inability to obtain trainings relating to these subjects, by teachers who are in schools with limited facilities in Sri Lanka, is unfair on these students and teachers.

(c) **Conducting and Administration of Examinations**

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- (i) Implementation of recommendations of the Preliminary Investigation Report pertaining to the fraud committed at the final examination of the Master of Education 2010/2011, had been approved by the Establishment Council Decision No.4050 dated 28 June 2013. Accordingly, it had been mentioned that the Course Coordinators and Lecturers should be released from duties such as preparation of question papers and examination of answer scripts and those functions should be performed by qualified persons in the Institute and in another parallel institution. However, preparation of question papers and examination of answer scripts had been carried out by the Course Lecturers up to 31 May 2018 and as such, it was observed in audit that the confidentiality and transparency of examinations are questionable.
- (ii) The Establishment Council had approved the recommendations given by the said investigation report for the preparation of a more accurate and strict Instruction Manual of Examination, as there are shortcomings in the

draft Instruction Manual of Examination dated 31 December 2000 issued by the Institute pertaining to conducting of examinations. Even though 18 workshops had been held from the year 2013 up to now for the preparation of a proper Instruction Manual of Examination, steps had not been taken up to 31 May 2018, the date of audit, to prepare it. Accordingly, organization of examinations, preparation of question papers and evaluation of answer scripts and administration of examinations are not carried out in accordance with a formal legal frame so as to protect the confidentiality and reliability. As such, irregularities of examinations and violation of rules of examinations may occur and it was further observed that there is an impossibility of taking legal action in that connection.

(iii) Four examinations planned in the year under review had not been conducted and out of 19 examinations conducted during the year 2017, results of 08 examinations had not been issued even by April 2018. Further, over a period of one year had elapsed to issue results relating to 08 examinations conducted in the years 2015/2016.

**(d) Maintaining a Database System relating to the Education Leadership Development and Management**

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A centralized database system had not been operated so as to find out information that the Degrees and Diploma Courses conducted by the Institute, were completed. Moreover, information that the pupil teachers who had registered for various Degrees and Courses, had completed those courses and courses completed by repeating examinations, were not available in the Institute.

**(e) Researches and Development Activities**

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- (i) Even though policy research on education should be conducted for future development activities connected with curricula development and professional development implemented with a view to providing a qualitative education for children in the country, such researches had not been conducted and evaluations had not been carried out in 06 out of 07 researches conducted from the year 2014 to the year 2017.
- (ii) According to the Plan of implementation of curricula, attention had not been paid on studies carried out in respect of implementation of existing curricular in the school system before making changes and developments once in 8 years, providing comments given by various social groups and new knowledge added to each subject areas and useful researches on teaching methods, to each Department of the Institute and conducting researches by selecting timely research topics on education and make aware of those researches on due periods.

**(f) Delay in Printing of Teachers' Guide**

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According to the plan of implementation of curricula from the year 2012 to the year 2020, the new curriculum should be implemented for Grades 11 and 12 in the years 2016 and 2017 respectively and Teachers' Guide containing syllabuses prepared relating thereto, should be provided to teachers before commencing teaching activities of those subjects. However, only preparation and approval of syllabuses and Teachers' Guides relating to certain subjects had been carried out by the Institute in the year 2017 and action had not been taken even by 31 January 2018 to print softcopies for 14 subjects. Even though the teaching should be commenced according to the new syllabus of G.C.E.(Advanced Level) in the year 2017, it was observed in audit that non-receipt of Teachers' Guides to teachers is a hindrance to proper education.

**(g) Examination on the Cafeteria**

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The Institute had maintained a cafeteria with 09 cooks and the income and the total expenditure thereof in the year 2017 had been Rs.8,375,309 and Rs.14,365,423 respectively. An expenditure of Rs.5,990,114 had been incurred exceeding the income received by supplying food and it was observed that the maintaining of a cafeteria incurring over expenditure is not effective. Further, a number of 17,897 meals for breakfast, 33,774 for lunch and 14,095 for dinner ordered from the cafeteria had been rejected and it was observed that the cafeteria had failed to supply orders placed for food by the Institute.

**4.4 Underutilization of Funds**

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The following observations are made.

- (a) A sum of Rs.3,787,500 had been spent as the printing cost in the year 2016 for printing of 10,000 copies of the Collection of Practicing Question Papers of Grade 10 in Sinhala and Tamil Medium and 3,000 copies of the collection of Revision Question Papers of Grade 11 in English Medium prepared by the Department of Mathematics. Even though, over a period of one year had elapsed therefor by 31 December 2017, no books whatsoever had been printed and distributed to schools.
- (b) Even though a sum of Rs.8,750,000 had remained in the Research and Development Fund since the year 2011, these funds had not been utilized up to 31 December 2017.
- (c) Provision of Rs.15,400,000 had been made for a Fund under the Department of Foreign Affairs and Trade (DFAT/AUSAID) of the Government of Australia in the year 2014 for the compilation and printing of 6 books on Sources for Resources of selected subjects of the General Certificate of Education (Advanced Level). Even though a period of 4 years had elapsed after making such provision,

the funds had remained underutilized up to the year under review due to failure in printing those books.

- (d) It was observed that cash balances ranging from Rs.36,934,387 to Rs.313,682,200 had been retained in a current account from January to December of the year under review without being utilized for the intended purposes of the Institute.

#### 4.5 Uneconomic Transactions

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In terms of Agreements, the total electricity bill of the milk bar maintained by the Institute and 50 per cent of the electricity bill of the canteen of the Centre for Education Leadership Development at Meepe should be paid by the contractor. However, electricity charges amounting to Rs.136,312 and Rs.108,550 relating to the canteen and the milk bar respectively for the year 2017 had not been recovered from the contractor.

#### 4.6 Staff Administration

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The approved cadre and the actual cadre as at 31 December of the year 2017 stood at 652 and 452 respectively, thus indicating 200 vacancies and 24 excess cadre and the following observations are made in that connection.

- (a) The approval for the staff had been obtained for the last time in the year 2011 after the year 2007 and it had been 646 and 652 respectively. Even though the role of the Institute had been greatly expanded from the year 2007 to the year 2018, the staff had not been revised. As such, it was observed that functions of many divisions could not be performed in an optimum manner.
- (b) The number of officers/employees who were in service in the same branch of the Institute for a period between 05 and 26 years had been 69 and it was observed in audit that non-preparation of a proper procedure for internal transfers between branches within the Institute adversely affects the internal control of the Institute.



- (c) Even though newspaper advertisements had been published for the recruitment of 28 posts during the year 2017, no recruitments had been made for 12 posts.
- (d) Even though 11 officers had been approved for the library, it was observed that only 05 officers are in service by April 2018. Moreover, posts such as Director of Library, Assistant Librarian, Library Assistant and Management Assistant had been vacant from many years and as such, it was observed that maintaining daily activities of the Library which comprised of 05 divisions, was questionable.
- (e) In the recruitment of officers for the post of Library Assistant III according to the Scheme of Recruitment of the Institute, the 03 year Diploma Course on Library Information Science should be completed. However, it was further observed that the completion of first examination of the Diploma Course on Library Information Science is considered as an adequate qualification for the said post in other similar libraries (Eg: Libraries belonging to Universities which are under purview of the University Grants Commission and the Colombo Public Library). Moreover, it was observed that this weakness in the Scheme of Recruitment had been the reason for the post of Library Assistant being vacant since the year 2013.

#### **4.7 Utilization of Motor Vehicles**

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In terms of Guideline 9.3.1 of the Procurement Guidelines, in carrying out repairs to motor vehicles through a local accredited agent, the Procurement Entity should be satisfied that the quotation is reasonable, having taken into account the economy of the repair cost, the age and condition of the motor vehicles. However, it was observed that the Procurement Committee had repaired motor vehicles only through the local accredited agents by incurring a cost of Rs.3,838,823 in 37 instances in the year 2017 without considering the economy of the repair cost.

#### **4.8 Idle or Underutilized Assets**

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It was observed that the Goods valued at Rs.1,023,115 purchased at the request of relevant divisions during the years 2016 and 2017 had remained idle in the main.



stores of the Institute without being distributed to relevant divisions even by 30 May 2018, the date of audit.

## **5. Sustainable Development**

### **5.1 Achievement of Sustainable Development Goals**

Every Government Institution should act in terms of the 2030 “Agenda” of the United Nations for Sustainable Development and all Government institutions had been made aware thereon by passing the Sustainable Development Act, No.19 dated 03 October 2017 and through circulars. However, the National Institute of Education had not been aware of the manner in implementing the functions that come under its scope, relating to the year under review. However, action had not been taken to identify the sustainable development goals, targets relating to those functions and focal points to reach those targets and indices for measuring the achievement of targets.

## **6. Accountability and Good Governance**

### **6.1 Procurements**

The following observations are made.

- (a) In terms of Guideline 5.4.10 of the Government Procurement Guidelines, the performance securities had not been obtained for procurements such as furniture and office equipment valued at Rs.4,492,613 and lecture hall chairs and tables valued at Rs.2,113,200 purchased in the year under review.
- (b) The bidding documents relating to the procurement of purchase of air conditioners valued at Rs.789,400 carried out in the year under review, had not been made available to Audit. Further, in terms of Guideline 6.2 of the Procurement Guidelines, at least a period of 07 days should be given in adopting the shopping method. Nevertheless, all procurement activities such as calling for quotations, submission of bids by suppliers, opening bids and awarding bids relating to the said procurement, had been carried out on 28 December 2017. Even though it had been informed in writing that quotations should be submitted by registered post,



contrary to Guideline 6.3 of the Procurement Guidelines, a bid sent by a fax on 29 December 2017, had been evaluated and accepted as the winning bid.

**6.2 Budgetary Control**

Even though the budgeted capital provision for the year under review had been Rs.301,800,000, the actual capital expenditure had been Rs.118,948,846, thus indicating a variance of Rs,182,851,154. Moreover, variances ranging from 14 per cent to 1,131 per cent were observed between the budgeted recurrent income and expenditure and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

**7. Systems and Controls**

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Director General of the Institute from time to time. Special attention is needed in respect of the following areas of control.

<b>Areas of Systems and Controls</b>	<b>Observations</b>
(a) Accounting	Failure in preparing accounts in compliance with the Sri Lanka Public Sector Accounting Standards.
(b) Operating Control	(i) Delays in preparation of syllabuses and failure in taking action to prepare them in a proper manner. (ii) Failure in carrying out researches which help to make decisions regarding the development of curricula. (iii) Failure in maintaining a database system so as to obtain information of registrations and completion of Degrees and Diploma Courses



- (c) Administration of Examinations Informal conducting of examinations and unavailability of a formal legal frame relating to activities of examinations.
- (d) Staff Management Failure to fill vacancies and appointment of officers on acting basis for a long period.
- (e) Procurement Process (i) Failure to take action in accordance with the Procurement Guidelines.  
(ii) Failure in signing the agreements on behalf of the Institute.

**Sgd./ H.M. GAMINI WIJESINGHE**  
**Auditor General**

H.M.Gamini Wijesinghe  
Auditor General

**Explanatory Report on the Financial Statement of the National Institute of Education, for the year ending 31<sup>st</sup> December 2017, as per Audit Report according to statement 14 (2) C Financial Act 1971 - No. 38.**

**2.2. Comments on Financial Statements**

**2.2.1. Sri Lanka Public Accounting Standards :**

**(a) Sri Lanka Public Accounting Standard 01**

Action will be taken to insert the journal notes in the comparability column in preparing the accounts for the year 2018.

**(b) Sri Lanka Public Accounting Standard 02**

- (i) Action will be taken to rectify the comparability column in preparing the final accounts for the year 2018.
- (ii) The total of the values with reference to Nos 06 and 07 noted in the statement of accounts for the year 2017 has been considered as current assets and the calculations are done accordingly.
- (iii) In doing the financial statements for the year 2018, Journal notes will be made, corrections entered and presented in the comparability column. (2017 column)
- (iv) In preparing the final accounts for the year 2018, action will be taken to correct the comparability column.
- (v) In preparing the statement of accounts for 2018, action will be taken to present the income flow statement accurately in the comparability column. (year 2017)

**(c) Sri Lanka Public Accounting Standard 07**

An assessor Mr. L. Dasanayake has been selected for the task of revaluation of assets. He has started his work in November 2018, and is scheduled to complete it in July 2019.

**(d) Sri Lanka Public Accounting Standard 09**

In the future the value of stock will be shown according to accounting standards in the statement of accounts.

**2.2.2. Shortcomings in accounting**

- (a) As a result of a computer error the short term fixed deposit account carries a journal entry of the fixed deposit expenditure account and so the balance of the fixed deposit is shown as Rs. 50,000,000 short. It will be rectified through a journal entry.
- (b) A project worth Rs. 169,000/= received as a gift has not been accounted for. This will be rectified in the 2018 accounts.

(c)	Rs.	Rs.
Provision for Gratuity	5,547,436.00	
Accumulated fund		5,547,436.00

The 2018 accounts will be rectified through the above journal entry.

- (d) The Treasury Bills that should have been received have been over identified as interest and an erroneous note made to that effect; this will be rectified by a journal entry.
- (e) The following will be corrected in the Financial Statements of 2018.

	Rs.	Rs.
(f) Fixed assets - Land building	603,235.00	
Work in Progress		603,235.00

The errors in the accounts of the year 2018 will be rectified by the above journal entry.

### **2.2.3.Unadjusted administration accounts**

This oversight has occurred in the transfer of final accounts. Action will be taken to rectify the matter.

### **2.2.4.Unclarified changes**

This change has occurred in the entering of information on the Excel Sheet, as the preparation of schedules is not done through the computer system. Action will be taken to rectify the matter.

### **2.2.5.Absence of evidence of auditing**

- (a) Action will be taken to obtain the required documents as evidence from the Teacher Education Department, calculate the course fees paid in advance, and present them in the financial statements.
- (b) As these assets can be identified separately, the depreciation for the year has been calculated by taking the initial net value of each asset, and the relevant depreciation percentage for each asset. Where the net value is zero the calculation will come to a close. Therefore this calculation is correct. When the revaluation that has been started in the year 2018 is completed, this problem will be solved.
- (c) This has been rectified by now.

### **2.2.5.Accounts to be received and paid.**

- (a) The sum of Rs. 3,237,799.66 due from year 2008 from the Ministry of Education for the printing of evaluation question papers has been issued by the Ministry of Education on 31.12.2018. (Attachment 01)
- (b) The contractors have been informed in writing to apply for the return of all deposits that have exceeded five (5) years. All deposit monies not established so, will be credited to the income of the year 2018, of the Institute.
- (c) The written notice made in year 2017, for making the charges for these monies, has not had a favorable response (attachment 02) Since the National Paper Company Limited has not made any response regarding the payment of this money, the relevant institute has been informed that it will be necessary to take legal action. (Attachment 03)
- (d) Apart from the general advance of Rs. 60,431/= all other advances that have exceeded (05) five years have been settled by now. A case is pending regarding the unsettled advance of Rs. 60,431/=.

In getting an advance, the relevant officer will sign on the voucher certifying that the advance taken earlier has been settled, then only will the advance be made. Therefore in the future such instances will not occur.

### **2.3. Not abiding by the Management decisions and rules and regulations.**

- (a) **National Libraries and Documentation Service Board. Circular 2004/LS/1 (Revised 2016) of 2016 December 22, Clause 3.1**

The survey report related to the 2015 - 2016 book is complete. According to that, the recommendation of the library advisory committee has been obtained.

The library working staff is limited to six (06), and as there is not enough staff to attend to elimination while attending to the daily work of the library, it has not been possible to attend to it. An elimination committee has been appointed. The report on elimination has been completed. Action will be taken accordingly.

**(b) Public Finance Circular No. 03/2015, 14<sup>th</sup> July 2015.**

Instructions have been given to get prior permission from the Treasury as per Finance Regulations 03/2015 in situation when the sub adhoc imprest exceeds Rs. 100,000/=.

**(c) The Financial Regulations of the Democratic Socialist Republic of Sri Lanka.**

**(i) Financial Regulations 716 (2).**

It is stated in the Audit Report that goods worth Rs. 3,888,687/= ordered from May to December had not been received by the Institute even by the day of the audit. I wish to state in this connection that the value of the goods according to what was stated in attachment 03 of the Audit Query, referred to the Institute was Rs. 2,403,009.75.

Goods mentioned there in under order no. 6994, 6996, 6941, 6959, 6981 have already been received at the stores.

Goods related to year 2017 under order numbers 6850, 6851, 6852, 6854, 6890, 6891, 6892, 6893, 6966, 6983 have not been received at stores. These orders have been cancelled.

Goods under order number 6985, have been bought on an advance. Under order number 6957, what has been ordered is not a 1000 toners but a 1000 A3 photocopy paper packets. On not supplying the goods this order has been cancelled.

The value of order no 6948 of the audit query is Rs. 4318/=. Number of items is 300. The GRN has been issued only in respect of the quantity of goods provided by the supplier on the orders.

**(ii) Financial Regulations 705 (5)**

As per financial regulation 705 (5) the names of the suppliers who have defaulted the contracts have been backlisted.

**(a) Public Business Circular No. PED 1/2015 - 2015 May 25. Clause 3.5.**

This is the only Director working with regard to Classical Languages, Foreign Languages and the Bilingual Programme of the Ministry of Education. Therefore on call of service, training is conducted in the rural areas making use of the services of external resource persons. This is an especial situation therefore to conduct training workshops at provincial level this single officer has had to make use of the vehicle in the reserve pool.

**3. Financial Review**

**3.1. Financial outcome**

I agree with the observation of the audit.

**3.2. Analytical Financial Review**

I agree with the observations of the audit.

**3.3. Legal procedure initiated by the Institute, and against the Institute.**

(a) Information about this case has been presented in the final accounts for the year 2017.

No 4801/05/Finance Mrs. Seneviratna Rs. 2,947,775/=.

The respondents 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> of this case are abroad. The fiscal has informed the judiciary his inability to serve them summons. Therefore the case is on hold.

No 2320/16/M. Mrs. K.W.P.A. Weerawardane Rs. 198,497/=  
District Courts - Nugegoda

When the case was called on 20.06.2018, a settlement was proposed by the respondent. The case was called again on 02.08.2018; it was told then that it was not possible to agree to some of the demands of the settlement proposed; then it was told that the courts would be informed after further discussion with the Institute. Accordingly this case was called on 07.11.2018, but with no arrival at a settlement, the case is scheduled for 29.04.2019.

**No 2706/17/M. Miss. B.K. Wijegunewardane Rs. 1335,286/=**  
**District Courts - Nugegoda**

When this case was called on 06.07.2018, the fiscal has informed that it has not been possible to hand over the summons to the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> respondents as they were not there. When the case was called on 04.12.2018, it was informed that summons should be issued on the 2<sup>nd</sup> and 3<sup>rd</sup> respondents. The case is called for 21.05.2019.

**(b) WP/ACCA/MT/12/12/RA Mrs. K.P. Rani**  
**(Civil Appellate Courts)**

The decision regarding this case which was about obtaining a teacher training certificate was declared on 17.07.2018. According to that decision, the petition has been declared null and void.

Due to a shortcoming in the information provided for the final statement of accounts for the year 2017, this was not revealed in the final statement of accounts. The information is provided through attachment 04.

#### **4. Review of Service/ Activities**

##### **4.1. Activities fulfilled.**

###### **4.1.1. Activities and review**

- (i) As according to the reforms implemented in the year 2017 in curriculum revision awareness programmes for the A.L. teachers in the system are organized, only after all the Provincial subject directors for each subject have provided the NIE with the data related to the number of teachers in each subject in one's province. Thereafter at the beginning of the year the number of teachers to be trained in each subject is entered on to the annual plan. It is the Provincial subject Directors who call the teachers for the workshops held at provincial level. For some subjects the numbers of teachers participating are lesser than the numbers on the plan. It is not something within the control of the National Institute of Education. Yet for some awareness programmes, a number exceeding that stated in the plan could be seen.
- (ii) Even though the drafts of the Teacher's Guides were ready in 2017 as planned, there was a delay in obtaining the approval of the Academic Board and the Council.

The current position of the Teacher's Guide is given in attachment 05.

- (iii) It has not been possible to complete 25 Resource Books pertaining to the delayed subject syllabus. The current position regarding the Resource Book is presented in attachment 06.

## **4.2. Management Activities.**

When the officers of the Institute take their allowances according to the Institute Circular 257, the officers have been notified that such allowances should not exceed 50% of their annual pay. Accordingly every year the amounts of these surplus earnings are calculated by the 31<sup>st</sup> of December and the relevant charges made.

In the reports on earnings above 50% for the years 2014, 2015, 2016, 2017 the following were noticed.

- (i) The 50% of the salary had been calculated before the salary adjustments were made.
- (ii) Even though as per circular payments for examination work had been excluded from the 'surplus' payments, in the calculation these had been included.

After the rectification, action will be taken to charge the 'over earnings'.

## **4.3. Conduct of activities**

- (a)
  - (i) Science subject Grade 6, 11

On the current curriculum policy a curriculum cycle is limited to 08 years: between 2005-2012 what was in operation was the curriculum cycle that prevailed prior to the current curriculum cycle. Under that cycle all curriculum recommendations were modernized in respect of the curriculum of Grade G-13. These were introduced to the schools and put into action in 05 stages from 2007. With the implementation of the curriculum (2005-2012) prior to the introduction of the new curriculum introduced in 2015 and 2016, the Department of Research launched a research in four stages in 2007. In addition, to a research handed over the SLAAD Institute further research to examine the extent to which the curriculum meets with the objectives of education whether there is integration between the horizontal and the vertical in the syllabus, the extent so which the syllabus is cohesive, were launched. These reports are with the Department of Research. The recommendations of these researches were communicated to the relevant departments and curriculum compilers, and were made use of at the curriculum revisions that came later.

In the annual plan (2007-2012) there was provision for officers in all departments to do further studies in their own subjects through field observations; the Department of Science has taken steps to do accordingly.

Prior to starting editing the syllabus introduced in 2015 all subject committees took steps to study the global trends in the syllabuses of other countries. Field investigations were conducted in every subject, the information gathered was matched against the current demands manifested locally, these were matched against social economic and political changes; and these analysis were done, and the curriculum was planned separately under curriculum grids as primary (grade 1-5), secondary (grade 6-11) senior secondary (grade 12-13). The curriculum for every subject for every grade has been completed.

While the curriculum cycle is in force currently (2015-2022), the curriculum planning activities were initiated in 2012; information for planning the science syllabus had been collected. In addition from 2015 January to March an opinion poll was conducted between January 2015 to March on continuing the syllabus that was there in the school system. The relevant research reports are available at the Documents and Research Department and Science Department.

## **(ii) Subject syllabuses for Chemistry, Physics and Biology grade 12 -13 Advanced Level**

Teacher training was done on the subject syllabuses with a few changes in order to prevent delays in proceeding with teaching this subject, and the syllabus material was approved even at the Academic Board of Studies. By 01.01.2017, the subject syllabus, the Teacher's Guides soft copies (in all three media) had been released to the internet.

It is the responsibility of the National Institute of Education, to prepare teachers to initiate teaching the subjects in schools, therefore the training of the teachers was done directly by the National Institute of Education giving copies of sections of the Teachers' Guide (first term) along with the Biology and Physics syllabus making them available to all teachers. In most schools the Advanced Level classes were begun in July 2017.

The Science Department of the Ministry of Education has suggested writing the learning outcomes in detail, as the learning outcomes had not been written in detail, problems may arise when teachers decide on limits to teaching. There was no suggestion to make changes in the content. There was agreement on this matter of subject content among all external Specialists, Boards, officers of the National Institute of Education, and the officers of the Science branch of the Ministry of Education.

Measures will be taken to prevent a repetition of this kind in the future.

## **(iii) Information and Communication Technology and General Information Technology**

The Technology and Information syllabus from grade 6 to 9 which had been composed by studying the subject syllabus of various countries was presented to the Academic Board for recommendation in January 2017. At the Academic Board it was pointed out that IOT and **Scratch Programming** could be at university and was therefore not necessary to be done in schools: a three member committee inclusive of Dr. Gamini Wijewardane was appointed to present a report on the syllabus content. The report was produced in May 2017. The report does not say that it is inappropriate to teach IOT or **Scratch Programming** in schools. (Attachment 07)

The subject syllabus was revised according to the report and submitted to the Academic Board. Then it was pointed out that the subject syllabuses had not been done according to the UNESCO standards when it was re-revised as per UNESCO standards and presented, it was pointed out that the syllabus content should be done according to the BBC standards. After that along with Dr. Prasad Wimalaratne member of the Academic Board, the syllabus was revised taking both the reports, UNESCO and BBC. When it was resubmitted in November 2017 to the Academic Board it was recommended for approval to the Council. The units **IOT** and **Scratch Programming** are included in this approved syllabus.

- In the year 2016 the Advanced Level Information and Technology syllabus formulation was started with the participation of the Ministry of Education. At the time the IOT unit was included in the syllabus. According to the suggestion of the Academic Board to remove IOT from the syllabuses of the Grades 06 to 09, IOT it was removed from the syllabus of the Advanced Level as well, and the recommendation of the Academic Board obtained. But when it was presented to the Council, on the instructions of the Council, the IOT unit was re-introduced to the syllabus and approval obtained. According to the recommendations, teacher training was conducted in 2017 August.
- The 13 year subject syllabus presented to the Committee of Three was revised according to the reports of the Committee of Three, presented to the Academic Board on 05.06.2018, and recommendations received from the Academic Board and approval from the Council obtained on 02.08.2018. It was submitted to the Education Publications Department for publication on 19.06.2018. As the Teacher's Guide and subject syllabus in all three media had been released

to the Institute web in June 2018, it was possible for teachers and students to obtain the Teachers' Guides and subject syllabuses.

In the year 2017, when teacher training was done, teacher training had been done with regards to the two final competencies (8.9) of the year 13 syllabuses; there is no impediment for those teachers to begin the 13 year syllabus in either July or September, and continue teaching till the middle of the second term (February 2019). Training for year 13 has been begun from July 2018, and up to now 1300 teachers have been trained.

**(iv) Preparation of the syllabuses in relation to religions.**

As mentioned, even though there is only an officer each to handle all activities related to one subject the participation of External Resource Persons from a list of External Resource Persons approved by the Director General has been obtained for preparing Teachers' Guides (Language) Translations and Teacher Training.

Accordingly while the syllabuses are formulated by specialist Committees comprising lecturers from universities and Colleges of Education and Senior teachers, the syllabuses will be submitted to 10 member committees and opinions obtained with regard to the accuracy of the syllabuses.

The authenticity of the syllabus is not determined by the number of permanent officers involved, but on the quality of the Resource Persons participating in the process of syllabus formulation and their sense of responsibility and commitment.

The syllabus thus prepared will be recommended and approved by the Academic Board and the Council: the responsibility of providing an error -free syllabus is borne by those two Boards as well.

**(v) The new syllabus - Communication and Media Studies.**

Even after teacher training activities had started, due to an objection that was raised, the Chairman of the Academic Board gave it over to a Committee for observation. Consequently the Academic Board decided to revise some of the sections of the syllabus. As it was taking time to put the new syllabus in to force in the schools, instead of this subject that should have been in force in 2017/2018 on the syllabus cycle begun in 2015, it was decreed that the syllabus that had already been introduced to the Grades 12 - 13 in 2008, be continued in respect of those students who would be sitting the A/L examination for the first time in 2019. A request by letter that instructions be issued to the relevant schools to take necessary action through a circular has been made by the Director General on 04.12.2017 to the Secretary, Education on the advice of the Academic Board. The relevant circular has been issued.

The new syllabus Communication and Media Studies (Sinhala Medium) for Grade 12, has been released to the internet following the recommendation of the Academic Board (08.05.2018) and the approval of the Council (17.05.2018). Following that, the Grade 12 Tamil Medium syllabus has been released to the internet following the recommendation of the Academic Board, (05.06.2018) and the approval of the Council (21.06.2018). The teacher training in respect of all provinces, in this subject - Communication and Media Studies A/L for teachers of grade 12 in the Sinhala and Tamil media has been completed. Of the 513 teachers trained according to the response sheets, about 95% are of the opinion that the new syllabus can be successfully done in 2018.

A letter has been sent by the Director General (13.07.2018) to the Secretary Education that the new syllabus of the subject - Communication and Media Studies be in force in Grade 12 from 2018 onwards, and that a circular to that effect be issued. Thereby the Secretary Education has issued circular 39/2018 on 23.10.2018.

**(b) The delay in starting teacher training and the lack of formality in the organization.**

The Teacher training workshop was held in August, as there was a delay in receiving the financial provision of the sum of rupees five (5) million from the Ministry of Education; and as the A/L teachers could not be got down in May, June and July because they were involved in getting the children ready to sit the examination in August. By August, the financial provision had reached the NIE.

For organizing the training workshops, the Directors who were working/ performing as coordinating officers of the subject - Communication and Technology were called and they were made aware of the training. Those provincial coordinating officers had made the teachers aware through the zonal officers, and the workshops were conducted immediately calling the teachers on the information they had submitted to the web. Therefore it was a well organized workshop. Making due use of information technology, getting the support of the relevant Provincial and Zonal officers, holding the training workshops without delay, it had been possible to train 1023 teachers.

The schools where the A/L classes are taught have computers and internet facilities. If it is not so they are not able to teach the subject - Communication and Technology. The teachers teaching Communication and Technology have the ability to fill in a form on line. This can be done through a smart phone with internet facilities. Therefore by having to obtain an online application form, the teachers are not deprived of an opportunity to follow the training. At the awareness workshops held at the National Institute of Education for the Provincial Directors of Communication and Technology on 17.05.2017, they were informed to make the teachers who require training aware of the workshops. Teachers were called for the workshop through Provincial Directors in charge of the subject, Communication and Technology, on information received online.

**(c) Administration and holding of Examinations**

- (i) As there are only a few similar courses it has been difficult to get the participation of examiners on the requirements of this institute. It has also been difficult to get the numbers required. (For some examinations held by this Institute applicants sitting the examinations are between 3000-4000). B.Ed in Education is available only in three universities, and it has been difficult to get the service of those lecturers too.

Consequently, the officers of the Confidential Section, select lecturers at random from a list provided by the relevant department or a lecturer expert in that subject from another university, and call them/him/her for the initial setting of the question paper. In moderating the paper the services of a university lecturer or an external expert are obtained.

In certain instances controlling Examiners are appointed from among experts who were not directly involved with the course.

- (ii) In 2013 the work on a Manual of Instructions and a Draft of Regulations Gazette was begun. The first draft was presented to the Council on 28.05.2015. It had been given over to Council member Prof. W.D.W. Jayathilake for observation and a revised draft was completed with his instructions. Then when the revised draft was presented to the newly appointed Council of November 2017, the draft was directed to the scrutiny of the former Commissioner General of Examinations, A.M.R.B. Amarakoon. The final copy was presented to the Council on 18.10.2018, and has been approved.
- (iii) Four examinations not included in the calendar of Examinations 2017 have been conducted, thereby bringing the number of examinations held, up to 20.

The reason for not holding examinations are given in supplementary document 01.

**The reasons for the delay in issuing examination results are given below.**

- The methodology of evaluation adopted by the National Institute of Education for professional courses includes, Final written examination Assignments, teacher training, thesis and action based research.
- The final written examination is conducted by the Department of Examinations, while the other evaluations are conducted by the relevant departments. The results are calculated taking the marks of the two sets together. The delay in receiving the marks for the separate sections is the cause for the delay in issuing results.
- The results thus calculated finally are presented to the Examination Committee and the Academic Board, and with their recommendations are presented to the Council for approval. The recommendation of the Academic Board is only confirmed at the following Council sitting, therefore it is not possible to submit the results to the next Council meeting but the one after, in the following month. This also contributes to the delay.
- The issue of results of all courses on the Grade Point average system (**GPV/GPA**) was started this year. In case of discrepancy in certain evaluation procedures in the issue of results or the calculation of results after the examination was held, the relevant department has to present them to the Academic Board and Council again, revise according to the instructions given and then resubmit to the Academic Board and the Council. This also contributes to the delay in producing results of examinations.

Delays due to these or other reasons have been presented through supplementary document 02.

The supplementary document 03 gives the clarification in respect of the statement which asserts that over one year has been taken to issue the results of the examinations held in the year 2015/2016.

**(d) Maintaining a data system related to Education Leadership Development and Management.**

The Department of Teacher Education has been maintaining an Information Data System with regard to the MEd course, and a copy is presented along with. (Attachment 08)

The relevant officers have been given instructions to maintain such documents relevant to the other courses too.

**(e) Research and Development Activities**

Obtaining recommendations from an evaluation committee on the research reports completed by the Departments, had not been included as a feature of the Pre Annual Plans. Therefore the need to present the completed research reports from 2014, 2017 to an Evaluation Committee had not arisen.

- (i) Entering the research findings of the Departments on the Institute web:

- (ii) Opportunities are provided for the new knowledge generated by the Department through seminars to be published through making it available at the reading cell and libraries.

**(f) The delay in printing the Teachers' Handbook**

The reasons for the delay in preparing the Grade 12 A/L Teachers' Guide getting it approved are given below.

Even though the work was well begun and well planned with a clear knowledge of the time it takes from the moment of preparing the syllabus of any subject, getting the syllabus approved and then planning the Teachers' Guides, when the planning was actually taking place, because of certain decisions that were not there at the time, extra time had to be expended as detailed below.

On a decision made on 16.02.2016 at the 351<sup>st</sup> meeting by the Academic Board, all A/L subject syllabus and Teachers' Guides had to be presented to a 10 member committee named by the Academic Board, recommendation obtained, and revisions made if any, and then only submitted to the Academic Board. Even though it contributed to the quality upliftment of the syllabuses, since it was a procedure that was not there at the time of the planning, a considerable amount of time had to be expended on this matter.

Because of certain circumstances, the Council meetings were not held after January 2016. On the decision of the Minister of Education to appoint a new Council, till the new Council held its first meeting in August 2016, since for nearly 06 months the Council had not met, it was not possible for the syllabus materials to be recommended.

Consequently, as there was a large number of syllabuses which had been recommended by the Academic Board, as a temporary measure to prevent the delay in obtaining recommendation, it was decided to direct those syllabuses that had been recommended by the Academic Board to the Department of Education Publications.

After even the production stage was completed, having obtained the approval of the Academic Board and the Council, syllabuses of some subjects had to be revised from the initial stage itself. As a result the production of Teachers' Guide was held up.

Emergency steps were taken to remove the obstacles that had arisen in the non-provision of the Teachers' Guides to the schools and the consequent delay in putting the new syllabus into action in the schools; Teachers' Guides were resographed, training manuals were done, in every subject and distributed to all A/L teachers. Thus the National Institute of Education was actively engaged in providing a training and introducing the new syllabus to the A/L teachers. This training was completed in all subjects except a few before the A/L 2017 was started.

As mentioned regards Biology referred to in 4.3 (A) ii above, the situation was, outside the normal procedure. As it would take a longer time to print at an outside printers and do the distribution as soon as it was approved, action was taken to print it at the Institute Printing Press, in all three media, English, Sinhala, Tamil, within three days and a copy each was provided to every school that teaches the subject.

Thus action was taken to minimize the delay in putting the Grade 12 syllabus into action in schools, because of the delayed syllabuses and Teachers' Guides. The National Institute was directly involved in providing the awareness and teacher training programmes, and also providing the printed copies of the syllabus during the training itself. The shortage of both the academic staff and the non-academic was felt very strongly in doing these, the translation of the Teachers' Guide into several languages took long periods of time that was out of control.

- i. Before the Teachers' Guide could reach the schools, teachers were given resographed copies during the training. In introducing the new syllabus, every A/L teacher was given a training directly by the National Institute of Education.
- ii. Schedule No 4 gives the current status of the Teachers' Guides that were not sent to the Educational Publications by 2018 January 31 - related to the subject syllabuses that should have been started in the Advanced Level classes in 2017.

#### **(g) Investigation into the situation of the Dining Hall**

Even though there are 09 cooks serving in the dining hall, one chief cook handles the documents regarding the requests for food, as well as those related to the food items ordered.

When the space and goods in the dining hall are taken into consideration it can be seen that it has facilities for accommodation to over 200 at one go. The workers at the dining hall are employed on a system of turns-roster-whereby four cooks are employed in a day for one turn. When those cooks apply for leave in emergencies, there is a problem of providing the food ordered.

It is accepted that the expenditure outstrips the income from the supply of meals due to the increased expenditure for the rising prices of the raw materials in the market. Action has been taken to revise the prices of food in accordance with the new prices, consequently the income will be improved in the future.

#### **Current situation**

The charges and rates have been revised according to the Administration Circular No. 471/2018 of 11.10.2018.

#### **4.4 The under utilization of income.**

- (a) The following books have been produced by the Department of Mathematics and handed over to the printing section for printing.

#### **Grade 10 a compendium of Revision Questions - Sinhala medium copies 7000**

The books have been handed over for printing on 21.10.2016.

- That a sum of Rs. 1,845,000/= has been paid to the Institute account on 23.11.2016 by the Asian Development Bank for providing of these books is accepted. Because of the pressure of work at the Printing Press, the printing of these books has got delayed.

As those books needed to be printed very quickly, on a policy decision taken by the Council, action was taken to get those books printed at an outside Institute. Accordingly along with 2000 books for sale, an order was placed for the printing of 9000 books by order number 7002, at an external printing institute on 18.01.2018; at present it is in the stage of being proof read.

The relevant officers have been told to take action to distribute these books to the schools as soon as the printing is over.

### **The current situation**

The final proof copy of the compendium of revision question papers has been done by the Department and the compact disc was handed over to the relevant printers on 24.12.2018.

- **The compendium of Maths Revision Papers Grade 10 (Tamil Medium) copies 3000**

These books have been handed over to the printing section on 21.10.2016 for printing.

I accept that a sum of Rs. 1,042,500/= has been credited to the Institute account by the Asian Development Bank for the printing of these books. Even though the printing of these books was delayed due to the busy schedule of the Institute Printing Press, by now a total of 1015 books has been completed and handed over to the Publications stores.

The relevant officers have been instructed to take necessary action to distribute these books to the schools.

- **The compendium of Maths Revision Paper Grade 11 (English Medium) 3000 copies.**

These books have been handed over to the printing section on 21.10.2016 for printing.

It is accepted that a sum of Rs. 900,000/= have been credited to the Institute account by the Asian Development Bank for the printing of these books. Because of the pressure of the work at the Printing Papers, the printing of these books has got delayed.

As these books needed to be printed very quickly, on a policy taken by the Council, action was taken to get these books printed at an outside institute. Accordingly an order (7003) was placed at a printing press outside on 18.01.2018, and currently the proofs are being read.

The relevant officers have been instructed to take action to distribute these books to the schools as soon as the printing is over.

### **The current situation**

The second proof of the compendium of Revision Question papers has been done by the Department of Maths, and handed over to the relevant press on 24.12.2018.

(b) The amount spent on Research awards

2016 for workshops	Rs. 29,200.00
2017 for workshops	Rs. 72,000.00
Newspaper advertisements	Rs. 80,500.00
Initial payment for 3 Research awards	Rs. 375,000.00
2 Research Award workshops + 1 workshop on Culture Research	Rs. 87,000.00
Expenditure up to 2018 May 31	Rs. 643,700.00
Expenditure from 2018 May 31 - 2018.12.31	<u>Rs. 1,344,738.00</u>
<b>Accordingly the Total expenditure on Research award workshops</b>	<b><u>Rs. 1,988,438.00</u></b>

With the balance the second installments for three research awards have been paid. A sum of Rs. 1,500,000/= is scheduled to be paid as the 3<sup>rd</sup> and 4<sup>th</sup> installments by December 2019.

- (c) The compilation of curriculum material for several selected A/L subjects on the financial provisions made by Australia under AUSAID was begun. The books listed below were scheduled to be done in the year 2014. The current situation is shown in schedule 5.

Necessary action regarding the books mentioned in the schedule will be taken.

- (d) Action has been taken to invest monies in fixed deposits depending on the way monies get saved. Accordingly a sum of Rs. 250,000,000.00 has been invested in fixed deposits. Action will be taken to invest the balance money as appropriate on the repo investing system.

#### **4.5. Non-economic Transactions.**

Action has been taken as according to agreement to charge 50% of all electricity bills for 2017 of the canteen maintained at the Faculty of Education Leadership Development and Management, Meepe.

Even though it has been stated in the agreement that the entire electricity bill for the Milk Bar should be paid by the contractor, as the Milk Bar is maintained as a welfare measure, action was taken to charge 50% of that electricity bill too, same as that of the canteen.

Accordingly 50% of the charge of the electricity bill of the Milk Bar for the year 2017 has been made. Action will be taken to make the necessary revisions in the agreement.

#### **4.6. Staff Administration**

- (a) Action is being taken to revise the recruitment procedure in 2018; action will also be taken to determine the employee-recruitments.

As the 2018 budget proposals have suggested an overall restructuring of the National Institute of Education, and as relevant proposals regarding the proposed restructuring are being made by a special committee, I make mention of the fact that in order to broaden the scope of the Institute in the future, a revision of the staff structure should inevitably take place.

Three newspaper advertisements were published in 2017, and action is being taken to fill 28 of the posts mentioned there in.

A lady officer has been recruited for the post of civil engineer; the two assistants posts have been filled.

- (b) While a regular system for internal transfer had not been put in place till now, a regular system has been now formally drafted.
- (c) Three newspaper advertisements were published for making appointments for 28 posts of these; for 05 posts, 6 have been appointed for the relevant posts in the year 2017 and 2018; an adequate number of applications as per recruiting procedure has not been received for the balance 23 posts, among which are 8 Director posts, and 02 Deputy Director posts.

Out of the 28 posts, 13 posts are still left over; interviews have been held for 4 posts. Arrangements are made to hold interviews for the balance posts.

(d) The vacancies for the Library Staff are as follows.

Post	Recommended Staff	Staff Engaged	Vacancies	Date of Vacancy
Director (Library)	01	-	01	from 2013
Asst. Librarian	01	-	01	from inception
Library Asst.	04	01	03	from 2013
Management Asst.	01	-	01	from 2017

The details are as follows :

Even though applications were called for the post of Director, as there had been a delay in obtaining the approval from the Management Services Department, and as an adequate number of applications had not been received, it had not been possible to fill that post during that period.

The post of Assistant Librarian is for the Library at the Faculty of Education Leadership Development and Management at Meepe. As there is a delay in receiving the approval from the Department of Management Services it has not been possible to make the appointment.

Two (2) Library Assistants had been recruited in December 2014. One has left the service, the other is currently in service. As approval has been received from the Department of Management Services to recruit two library assistants, action will be taken to make these appointments.

As the Management Assistant who had been in employment in the library has resigned from August 2017, and there is an insufficiency of library assistants, so far it has not been possible to fill that vacancy. When appointments are made for the posts of Management Assistants, action will be taken to second one of those to the library.

(e) Once the new procedure of appointment is approved, these vacancies can be filled.

#### **4.7. Vehicles**

According to the Expenditure Ledger of the transport section on 21 occasions a sum of Rs. 2,629,236.50 has been paid to local agents for repairs of vehicles. The vehicles of a good standard that belong to the Institute have been directed for such repairs in consideration of their long-lasting maintenance.

It was noticed that the amount paid to local agents for vehicle servicing has been considered as repairs in the calculation of expenditure incurred. These vehicles were directed for repairs, in order to maintain them so that they will be serviceable for another 5-10 years.

#### **4.8. Inert and Underutilized Assets**

Already some of the goods bought in 2016/2017 have been delivered to the departments that had made the requests. The balance too has been distributed by now.

## **5. Sustainable Development**

### **5.1. Reaching the goals of Sustainable Development**

Even though the circular 2017 No. 9 issued by the Ministry of Finance and Media under the Sustainable Development Bill was not received by the Institute and therefore the Institute was not aware of it, on receiving the Auditor General's letter DER/2017/SDG/15, the relevant circular was downloaded and action taken to be aware of it.

Although these were some difficulties in formulating goals and some indistinctness arising out of the nebulous nature of the role and responsibility of the Institute, on 18.07.2018, the Director Planning had taken the information on the identified goals and objectives to the lady auditor of the Department of Auditing personally himself.

## **6. Accounting and Good Government**

### **6.1. Procurement**

#### **(c) Supply of furniture for the office of the Director General**

I accept that household effects and office furniture bought at Rs. 4,492,613/= mentioned in the report of the year under review, had not been purchased on obtaining the guarantee required by the relevant proviso of the procurement procedure.

I accept that in purchasing lecture hall tables and chairs which were Rs. 2,113,200/= the required guarantees as per procurement procedure had not been obtained. The officers of the Finance section have been made aware that necessary action must be taken to obtain the guarantees in making purchases according to the guidelines of procurement.

The buying of these AC machines was scheduled to be fulfilled in 2017 on the plan of procurement; and therefore it was necessary to bring the transaction to a completion in the year 2017 itself; approval was obtained on 20.17.2017 to call for tenders on the comparative system from the Institutes mentioned on the Rainbow Pages under covering approval from the minor procurement committee.

While it is accepted that there has been a delay in the procurement procedure, the officers have been instructed to complete the activity during the period planned.

As it is necessary to complete this procurement within 2017 itself action has been taken to obtain the prices as soon as possible, once the specifications for the machines have been received from the technical committee.

Officers have been instructed to take the necessary action in the future to prevent an occurrence of such shortcomings, and to follow the instructions of the Instructions Manual properly.

Following the methodology mentioned above, this purchase was made without delay to prevent any loss in the 2017 annual allocation.

### **6.2. Control of Income and Expenditure**

Even though of the monies allocated for buildings in 2017, 161 million rupees were set aside for the 5 storeyed building, there was a delay in starting the building project as more time than expected was taken in selecting a suitable contractor. Therefore as the building could not be completed in 2017, a portion of the provisions was left remaining. That is the cause for this fluctuation.

Because of the many difficulties in making the appointment to the technical post in the Engineering section that had fallen vacant, the designing of specification forms, evaluation,

providing estimates and such like could not be done in time, consequently the monies remained unspent.

The shortage in working staff and the consequent delays in purchasing goods also contributed to this fluctuation.

## **Income**

### **The income of the Institution**

Although in the audit query under this head, the sum of income -expenditure was stated as Rs. 138,825,000/=, according to the revised income-expenditure statement it is Rs. 192,625,000/= (Recurrent 138,825,000/= - Capital 53,800,000/=)

The expected income earned by the Institute through the courses conducted and other means is included in the Income-Expenditure Report. There are times when the actual income is different from the expected income.

The increase of the numbers of the applicants admitted to the B.Ed Degree which brings a high income to the Institute from the usual number of 2500 to 4900 (starting two courses as General and Special) and the increase of applicants admitted to the Post-Graduate Diploma in Education from 3000 to 3600 con-currently have increased the expected income.

## **Personal Salaries and Allowances**

### **Salaries and stipends**

In preparing the statement of income and expenditure of the Institute for the year 2017, in addition to the provision required for the salaries and stipends of those employed on the staff of the Institute at the time, the provision was required for, the salaries and stipends of nearly 200 academic and non academics required for filling the vacancies in the Institute were also included.

A large number of new appointments as well as staff promotions were made in the latter half of the year 2017, and the delay in providing appointments for many due to different reasons also contributed to this fluctuation.

As the contributions to the EPF fund for the years 2006-2015 had been made without taking the cost of living allowance into consideration; a request was made to the Treasury to make use of the balance of the above provision to pay nearly 72 million rupees as required to be paid to the EPF on behalf of the institute staff, with the approval of the Council and the Secretary, Education, and the approval of the Treasury obtained. However since the Treasury did not release the money, it could not be done.

## **Gratuity**

What is indicated as gratuity expenses in the final accounts is the money allocated for gratuities to all employees for the year 2017.

But when the statement of income expenditure is prepared what is estimated for is only the monies required as gratuity scheduled to be paid to those officers who are expected to go on retirement. Therefore this also can be considered as a reason of the fluctuation.

### **Travelling Expenses - foreign**

This situation has occurred as a result of the course fees paid for foreign courses being included along with the travelling expenses for foreign travel in the final statement of accounts. In the preparation of the statement of income and expenditure, the allowances for those course fees are entered under the item of staff development expenses. Therefore the situation should be as follows.

<b>Expenditure</b>	<b>Income-expenditure value</b>	<b>Real Value</b>	<b>Fluctuation</b>
Foreign Travel (1102) Office Staff Development (1905.1)	14950,000 (4,550,000 + 10,400,000)	14,036,083	6%

I state that I shall take steps to rectify this situation in the future.

### **Supplies and Consumables**

#### **Stationery and Printing**

This fluctuation has occurred as a result of not purchasing the stationery and printing material as expected. This fluctuation is admitted.

#### **Repairs and Maintenance Expenses.**

##### **Vehicle repairs and maintenance expenses.**

Allocations are made out of recurrent expenditure. In addition to this a certain portion of the capital expenditure is also allocated.

Consequently the inclusion of the expenditure on vehicle repairs (as according to the classification of the expenditure in the final accounts) within the capital expenditure has brought about this situation.

##### **Buildings : repairs and maintenance**

The expenses for the repair and maintenance of buildings were borne under real expenses under conservation and improvement of buildings, but to which was added the repair expenses and maintenance expenses that could not be attributed under capital, which has given rise to this situation.

##### **Other**

The sum of Rs. 24,548,103.81 which has been accounted for as accrued expenses in the journal statement under 32B in the account under 'other' has been informed as debit to the Finance section, under the head, machinery maintenance. As no allocations have been made under that expenditure head, this has been accounted for as accrued and stated in the account other expenditure. That is why the above fluctuation has occurred.

## **Services agreed upon**

### **Stamp fare and advertisements**

As it had been planned to train all the AL teachers in the system in the year 2017, a higher sum of money was estimated for stamp fare. But since the teacher training programmes that pertained to a higher number of subjects were planned and executed by the relevant provincial departments, the amount of money that had to be spent on stamps was lesser than the amount accounted for.

### **Cleaning Services**

It is observed that in entering the expenses incurred for cleaning services in the Audit Query, the estimated cost and the actual cost has been interchanged due to an oversight. It should be rectified as follows.

Real value	-	15,085,331
Accounted for value	-	<u>13,000,000</u>
		2,085,331

Accordingly the fluctuation is +16%. Even though the rates of the cleaning services selected at the latter half of 2017, had increased, as the correct information regarding the accrued expenditure had not been received on the occasion when the revised income expenditure statement was being processed, an expenditure higher than accounted for, had to be incurred. Accordingly the fluctuation mentioned herein is accepted

## **7. Systems and Administration**

### **(a) Accounting**

While the shortcomings that have occurred in the processing of the Financial Statement for the year 2017 have been identified, action will be taken to rectify them in processing the financial statement for the year 2018.

### **(b) Administering operations**

#### **(i) Not taking steps to prevent delays in designing curriculum, and not taking steps to design the curriculum properly.**

On the process where modernization/revision of the curricula takes place in an eight year cycle, the new curriculum was put into operation in the school system in 2015, and the final phase was entered into in 2017, this was begun according to the five year plan, 2012-2016, 2013-2017. The relevant curriculum revision was put in place for primary 1-5 grades and secondary 6-11 without any delay, and was operable in schools too from 2015. There are 50 subjects pertaining to the GCE AL, the syllabuses, the Teachers' Guides in these three media, Sinhala, Tamil and English for these subjects are being done. Accordingly 92 Teachers' Guides must be designed for the GCE A/L.

The subject syllabuses and the Teachers' Guides are drafted on the recommendation obtained from the Academic Board for the draft, then presented to the Council for approval; on receiving the approved drafts they are sent to the Education Publications Department for printing and distribution to schools.

According to the plan, although the compilation of the A/L syllabus and Teachers' Guides should have started in 2015, and completed by the end of 2016, it was delayed due to the reasons given below.

- The meetings of the Council not taking place from January 2016 to August 2016. (because members were not appointed)
- The decision of the Academic Board, that the A/L syllabus materials should be directed to a 10 member committee, and submitted to the Academic Board with the recommendation of the 10 member committee (As this condition was not there at the time of planning, it took about 6 months extra time)
- Taking a long period for the language revision and the translation of the A/L syllabus material.

However, despite these hindrances about 90% of the Grade 12 subject syllabuses/ Teachers' Guides were completed, and distributed to the schools by the Education Publications Department. The NIE had published them on the Institute web. The National Institute of Education has directly conducted the teacher training for all A/L teachers in those subjects.

Even though there was a problematic situation regarding these subject syllabuses/ Teachers' Guides, the National Institute of Education by providing solutions to these problems and providing a training directly to the A/L teachers, has given the opportunity to the schools to start the work.

The year 13 syllabus/ The Teachers' Guides for 2018 have all been completed on schedule, and given over to the Department of Education publications. The teacher training relevant therein has been completed.

In addition to the work of all curriculum development mentioned above, in the year 2017 the National Institute of Education has designed syllabuses for 26 new subjects, completed 26 modules, and trained teachers for them to be implemented as a pilot project in 42 schools, to introduce an A/L vocational subject stream to schools - as a novel development in the Sri Lankan Education.

**(ii) The non-conduct of research per taking decisions regarding curriculum development.**

When a cycle of the curriculum is in operation action is taken to gather research information on that. The curriculum cycle that started in the year 2015, followed the curriculum cycle that was in operation from 2007-2014. The Institute had done a research on the horizontal and vertical integration of the syllabus through the SLAAD Institute; the Department of Research has done a research on the execution of the syllabus, and the relevant parties have been made aware of the findings of these researches.

While a mechanism for getting information on the feedback on the Primary curriculum is continuously in place, the relevant departments have done a deep study of, and obtained the ideas of the stake holders of how the syllabus of Grade 6-11 are executed.

The Department of Research has completed seven (7) research studies directly related to taking policy decisions on curriculum department and professional development. While information on curriculum in different countries is studied, these have been used in the compilation of the syllabus of the new subjects.

The Department of Research has completed 07 research studies directly related to taking decisions on Curriculum Development and Professional Development.

The report has been on an analysis of the system, related to the new education revision that should take place in 2017, going beyond 2020; making use of that report, information has been gathered at provincial level to inquire further into the ideas of the stake holders. The final report is being done, and will be made use of to make policy decisions on the modernization of the syllabus due after 2020.

Opportunity for the curriculum formation level, the policy formulating level, the policy operational level, to get this necessary research information has been created, by making this research conducted by the Research Department available on the Institute website, the Department Reading Cell and the library. Further avenues necessary for giving publicity to these research findings as well as the research findings of other stake holders representing the system of education have been opened by holding seminars to release the research findings of the department. Further by now the Department has taken steps to make the system aware by the publication of a bi-annual journal carrying the research of the Department of Research and Development.

**(iii) The non availability of a data system from which information on the Registration and completion of Degree courses, and Diploma courses, can be obtained.**

The document prepared by the Teacher Education Department on the Master of Education is attached herewith. (Annex 08)

The officers have been notified on preparing relevant documents on other courses as well.

**(c) Administration of Examinations**

The Department of Examination of the National Institute of Education conducts about 22 examinations in an year. The dates of the holding of the examinations are determined in correspondence to the dates of the beginning of the courses, the dates and duration of the courses. Accordingly a formal Calendar of Examinations is planned, and it is approved within the Annual Plan. However the dates of holding some of the examinations get changed depending on unavoidable reasons related to the delay in beginning the course, the change in the duration of the courses which are due to situations beyond control that have arisen during the examinations. These Examinations are held, taking these reasons into consideration.

It is the officers in field of Education, Teacher Education, Teacher Advisors. Principals and teachers in the system, and lecturers in the university system whose services are utilised in the conduct of examinations. As these external resource persons get called for Department of Examinations, the university and other national level examinations, sometimes it is not possible to obtain their services; so it becomes difficult to conduct the examinations of the Institute as planned. As the payments at universities, Department of Examinations and other institutes are higher these external resource persons give priority to the service in those institutions.

After the examinations are held following the completion of the duration of the course, because of the difficulties in obtaining the services for evaluation work, there are obstacles in releasing the results soon. Besides, even though two years have lapsed following the requests for a revision of the Institute payments, salaries and the number of employees, the inability to provide these has led to a decline in the attendance of external resource persons, increasing the time taken to do the evaluation.

A compendium of Examination Instruction has also been compiled.

#### **(d) Management of staff employed**

The approved vacancies of both the academic and the non academic staff of the National Institute of Education had been there for quite some time; many hardships had to be faced to get approval for those from both the Salaries and Cadre Commission, and the Management Services Department. On continuous requests approval was given in 2016 to fill 79 vacancies and 125 vacancies in 2017.

Accordingly so far 108 vacancies have been filled through new recruitments and promotions; action was taken to initiate the recruitment procedure for the balance vacancies in 2018. It must also be mentioned that since the provincial election was held in the months of January and February 2018, there had been a delay in this procedure.

#### **The Current Situation**

On the newspaper advertisement of 29.03.2018, there had been no applications with the qualifications fulfilled according to the procedure of recruitment, for 05 posts (Director - Administration and Human Resources), Director (Examinations), Board Secretary, Procurement Officer, Book Keeper, and two other posts.

Interviews have been held for one of the 03 posts (Procurement Officer). Arrangements have been made to hold interviews for the other two posts, Director (Examinations) and Book Keeper.

By now a newspaper advertisement has been published (19.10.2018) to fill 89 vacancies of 25 posts.

#### **(e) Procurement Process**

While there is a lot of work related to the annual procurement of the Institute, due to the lack of awareness of the procurement procedure among the staff; and the lack of staff, problems have arisen in working according Procurement Guidelines. I accept that as a result the shortcomings shown in the audit observations have occurred. It has also been observed that constant delays occur in the procurement process, due to the reasons given above. Action will be taken to remove these shortcomings through training in order to ensure that the relevant staff undertake the procurement matters correctly and effectively.

**Dr (Mrs.) T.A.R.J. Gunasekara**  
**Director General**  
**National Institute of Education**

# NOTES TO THE FINANCIAL STATEMENTS

## Significant Accounting Policies

### 1.1 Reporting Entity

National Institute of Education has been incorporated under the National Institute of Education Act no. 28 of 1985. The main administration office of the Institute is located at No.21, High Level Road, Maharagama. The Financial Year for the Institute is the year ending 31<sup>st</sup> December.

- 1.2 Conversion of foreign exchange - All foreign exchange transactions are converted at the rate of exchange prevailing at the time the transactions were effected.

### 1.3 Basis of preparation

#### 1.3.1 Statement of compliance

The financial statements comprise the statement of financial position, statement of financial performance, statement of changes in equity, cash flow statement and notes to the financial statements. These statements have been prepared in accordance with the Sri Lanka public sector accounting standards (SLPSAS) issued by the Institute of Chartered Accountants of Sri Lanka.

### 1.4 Assets and the Bases of their Valuation

#### 1.4.1 Debtors & Other Receivable

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of specific outstanding amounts at the year end.

#### 1.4.2 Property, Plant & Equipment and Depreciation

Assets are recorded at cost or revalued amount less accumulated depreciation (Carrying Amount) and cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is charged to the income statement on the written down values at the following rates per annum in order to write off the cost of such assets over their estimated useful lives.

Office Furniture & Equipment	10%
Computer Equipments	33 1/3 %
Library Books & Periodicals	10%
Motor Bicycles & Bicycles	20%
Plant & Machinery	10%
Motor Vehicles	20%
Buildings	5%
Photocopy Machines	10%

## NOTES TO THE FINANCIAL STATEMENTS (cont)

### 1.4.3. Inventories

Inventories have been valued at lower of cost and net realisable value.

### 1.4.4 Cash & Cash Equivalents

Cash & Cash Equivalents are defined as cash in hand, cash in transit & current account balances in banks.

### 1.4.5 Cash Flow

Cash Flow statement has been prepared using the indirect method.

## 1.5. Accounting Grants

Grants that compensate the institute for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the institute for the cost of asset is capitalized and amortised as revenue on a systematic basis over the useful life of the related assets.

## 1.6 Employee Benefits

### 1.6.1 Provision for gratuity

A Provision has been made for retiring gratuity payable under "Retiring Gratuity Act, No 12 of 1983" for all employees who have joined the Institute. The liability is not externally funded nor is it actuarially valued.

### 1.6.2 Define contribution plans

Obligations for contributions to Employees Provident Fund and Employees Trust fund are recognised as incurred expenses in the income statement.

## 1.7 Current Liabilities

Current Liabilities are those which fall due for payment on demand or within one year from the balance sheet date. Non Current Liabilities will fall due for payments one year or more after the balance sheet date.

## 1.8 Events after the Balance Sheet Date

The materiality of events occurring after the balance sheet date has been considered and appropriate adjustment, wherever necessary, have been made in the accounts.

## NOTES TO THE FINANCIAL STATEMENTS (cont)

### 1.9 Income and Expenditure

#### 1.9.1 Revenue recognition

- (i) Government Grant for Recurrent Expenditure recognized cash basis in the Income & Expenditure Statement.
- (ii) Surplus / Deficits on examinations, seminars, courses and other educational and members activities are taken to income accounts in the year of completion of such activity.

#### 1.9.2 Expenditure

- (i) All expenditure incurred in the running of the institute and maintaining the capital assets in the state of efficiency has been charged to revenue in arriving at the surplus - (deficit) for the year.
- (ii) All Expenditure incurred in the acquisition extension, or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the institute has been treated as capital expenditure.

### 2.0 Contingencies

#### Contingent Assets

2.1 Since the outcome of legal cases indicated below are subjected to the decision of the court they are disclosed as contingent assets.

1. No. 780/09/M/finance	Rs. 2,237,337
2. No. 4801/05/finance	Rs. 2,947,755
3. Mrs. K.W.P.A. Weerawardhana	Rs. 198,497
4. Miss. B.K. Wijegunawardhene	Rs. 1,335,286

2.2 Assets in the value of Rs. 202,189.60 which were identified as short during asset verification will be carried out once legal proceedings are finalized.

2.3 Rs. 27,092,558.93 worth of orders have been issued and no goods were received as at the balance sheet data.

#### Arrears an EPF & ETF

2.4 There is an arrears payment an EPF & ETF relevant to financial years from 2006 to 2015 Rs. 72,188,213.07 and Rs. 4,403,405.99 respects

**NATIONAL INSTITUTE OF EDUCATION**  
**STATEMENT OF FINANCIAL POSITION**

AS AT 31<sup>st</sup> DECEMBER 2017

	Notes	2017		2016	
		Rs.	Cts	Rs.	Cts
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash equivalents	1	468,699,828.91		241,851,663.50	
Short term Investments	2	417,655,029.35		184,103,069.93	
Trade, other receivables and advances	3,4	87,865,127.90		177,342,078.90	
Inventories / Stock	5	35,722,652.54		78,249,022.57	
Prepayments	6	78,655.00		85,120.48	
		<b>1,010,021,293.70</b>		<b>801,699,995.38</b>	
<b>Non-Current Assets</b>					
Receivables	7	160,643.39		160,643.39	
Work in progress	8	62,330,990.43		1,76,133,211.11	
Infrastructure, Plant, Equipment, Land and Buildings	9	751,198,130.32		751,198,130.32	
		<b>813,689,764.14</b>		<b>1,008,491,984.82</b>	
<b>Total Assets</b>		<b>1,823,711,057.84</b>		<b>1,610,191,980.20</b>	
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade, Other Payable & Accrued Expenses	10	186,790,860.79		170,207,264.98	
Course fees & others received in Advance	11	89,009,665.80		28,577,526.07	
		<b>275,800,526.59</b>		<b>198,784,791.05</b>	
<b>Non-Current Liabilities</b>					
Deferred Income	12	160,643.39		160,643.39	
Provision for Gratuity	13	134,640,312.27		134,419,877.69	
<b>Total Liabilities</b>		<b>134,800,955.66</b>		<b>333,775,292.13</b>	
<b>Net Assets</b>		<b>1,413,109,575.59</b>		<b>1,276,416,688.07</b>	
<b>Net Assets / Equity</b>					
Capital Reserves & Grant	14	1,072,204,862.52		1,082,763,054.83	
Accumulated Fund	15	42,334,162.79		42,334,162.79	
Loan Fund	16	70,336,385.08		67,734,200.00	
Reserve Fund	17	228,234,165.20		228,234,165.20	
<b>Total Net Assets / Equity</b>		<b>1,413,109,575.59</b>		<b>1,413,109,575.59</b>	

The Accounting Policies and Notes to the Financial statements from page 03 to 05 form an integral part of the Financial Statements.

Certified Correct



T. Malani  
Director Finance

The Council of National Institute of Education is responsible for preparation of these financial statements and signed for and on behalf of the council.



Dr. T.A.R.J. Gunasekara  
Director General

28<sup>th</sup> February 2018



S. Sunil Hetiarachchi  
Chairman of the Council

Secretary to the Ministry of Education

**NATIONAL INSTITUTE OF EDUCATION**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

	Notes	2017		2016		Budgeted 2017	
		Rs.	Cts	Rs.	Cts	Rs.	Cts
<b>Operating Revenue</b>							
Income	18(20-25)	790,112,379.38		453,095,240.35		182,162,000.00	
Government & Foreign Grant Recurrent	19	330,000,000.00		113,226,000.00		661,511,000.00	
<b>Total Income</b>		<b>1,120,112,379.38</b>		<b>796,321,240.35</b>		<b>843,673,000.00</b>	
<b>Operating Expenses</b>							
Personnel Emolument	26	411,160,767.39		386,200,000.00		379,009,000.00	
Travelling Expenses	28	16,704,598.21		15,310,000.00		22,672,000.00	
Supplies and consumable used	29	30,264,601.70		19,832,000.00		115,552,000.00	
Depreciation and Amortization Expenses	30	56,765,604.16		56,918,000.00		0.00	
Maintenance	31	63,249,363.82		30,565,000.00		12,300,000.00	
Contractual Services	32	305,910,076.76		261,105,000.00		281,905,000.00	
Deposit Expenses	33	96,205,035.20		15,314,000.00		0.00	
Operating Expenses	34	56,694,054.81		27,100,592.19		32,235,000.00	
Finance Cost	35	641,292.70		396,200.00		0.00	
<b>Total Operating Expenses</b>		<b>1,037,595,394.75</b>		<b>794,528,481.44</b>		<b>843,673,000.00</b>	
<b>Surplus / ( Deficit ) for the year</b>		<b>82,516,984.63</b>		<b>37,792,758.91</b>		<b>0.00</b>	

The Accounting Policies and Notes to the Financial statements from page 03 to 05 form an integral part of the Financial Statements.

Certified Correct



T. Malani  
 Director Finance

28<sup>th</sup> February 2018

National Institute of Education  
 Maharagama

Approved



Dr. T.A.R.J. Gunasekara  
 Director General

**NATIONAL INSTITUTE OF EDUCATION  
STATEMENT OF CHANGES IN EQUITY 2017**

	Loan Fund		Revaluation and other Reserves		Capital Reserves		Accumulated Fund		Total	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Balance at 1 <sup>st</sup> January 2016	65,347,543		231,875,009		1,069,018,531		(81,616,425)		1,284,624,658	
Fixed Assets Reserve Revenue	Nil		Nil		Nil		Nil		-	
Deposit Capital Reserve	Nil		Nil		Nil		Nil		-	
Capital Grant	Nil		Nil		21,000,000		Nil		21,000,000	
Capital Grant (Forieng Aid)	Nil		Nil		43,438,912		Nil		43,438,912	
Disposal Profit Fund	Nil		Nil		Nil		Nil		-	
Transfer to Loan Fund	Nil		Nil		Nil		Nil		-	
Prior Year Adjustment	Nil		Nil		Nil		Nil		-	
Interest from Distress Loan	2,386,739		Nil		Nil		Nil		2,386,739	
Loan Fund	Nil		Nil		Nil		Nil		-	
Surplus for the year	Nil		Nil		Nil		37,792,759		37,792,759	
Donation	Nil		Nil		(733,558)		Nil		(733,558)	
Grant for Treasury & others	Nil		Nil		2,876,305		Nil		2,876,305	
Revaluation surplus & other reserves	Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		Nil		Nil		Nil		-	
Obsolete stock	Nil		Nil		Nil		Nil		-	
Depreciation (Deferred Reserves)	Nil		Nil		(53,295,325)		Nil		(53,295,325)	
Over Accounted	Nil		Nil		Nil		Nil		-	
Provision for Capital	Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		Nil		Nil		Nil		-	
Balance as at 31 <sup>st</sup> December 2016	67,734,282		231,875,009		1,082,304,865		(43,823,666)		1,338,090,490	
Balance at 1 <sup>st</sup> January 2017	67,734,282		231,875,009		1,082,304,865		(43,823,666)		1,338,090,490	
Fixed Assets Reserve Revenue	Nil		Nil		Nil		Nil		-	
Deposit Capital Reserve	Nil		Nil		Nil		Nil		-	
Capital Grant	Nil		Nil		46,000,000		Nil		46,000,000	
Capital Grant (Forieng Aid)	Nil		Nil		Nil		Nil		-	
Disposal Profit Fund	Nil		(3,640,844)		Nil		3,640,844		-	
Transfer to Loan Fund	Nil		Nil		Nil		Nil		-	
Prior Year Adjustment	Nil		Nil		Nil		Nil		-	
Interest from Distress Loan	2,602,103		Nil		Nil		Nil		2,602,103	
Loan Fund	Nil		Nil		Nil		Nil		-	
Surplus for the year	Nil		Nil		Nil		82,516,985		82,516,985	
Donation	Nil		Nil		(498,405)		Nil		(498,405)	
Grant for Treasury & others	Nil		Nil		0		Nil		-	
Revaluation surplus & other reserves	Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		Nil		Nil		Nil		-	
Obsolete stock	Nil		Nil		Nil		Nil		-	
Depreciation (Deferred Reserves)	Nil		Nil		(55,601,597)		Nil		(55,601,597)	
Over Accounted	Nil		Nil		Nil		Nil		-	
Provision for Capital	Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		Nil		Nil		Nil		-	
	70,336,385		228,234,165		1,072,204,863		42,334,163		1,413,109,575	

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017

	2017 Rs.	2016 Rs.
<b>Cash Flow from Operating Activities</b>		
Surplus/ (deficit) from ordinary activities	82,516,985	37,792,759
<b>Adjustment for Non Cash movements</b>		
Depreciation	46,528,545	53,915,017
Provision for Gratuity	32,338,539	21,479,142
Adjustments		
Adjustments for disposal loss of PPE	6,432,735	
<b>Operating Activities Before Working Capital Changes</b>	<b>167,816,803</b>	<b>113,986,948</b>
(Increase) / Decrease in Stock	42,526,572	(48,162,638)
(Increase) / Decrease in Receivables	(10,322,299)	(10,381,693)
(Increase) / Decrease in other Current Assets	144,712	21,388
Increase / (Decrease) in Payable	57,945,544	33,021,298
<b>Net Cash Flow from Working Capital</b>	<b>90,294,529</b>	<b>(18,149,385)</b>
Cash Generated from Operations	258,111,333	30,876,13
Retirement Benefit Cost Paid	(16,118,224)	(5,622,114)
<b>Net Cash Generated from Operating Activities</b>	<b>241,993,108</b>	<b>25,148,229</b>
<b>Cash Flows from Investing Activities</b>		
Work-in Progress	(57,554,056)	(52,983,088)
Additions Plant and Equipment	(24,421,416)	(27,439,804)
Disposal of PPE	778,800	
<b>Net Cash used in Investing Activities</b>	<b>(114,844,631)</b>	<b>(80,422,892)</b>
<b>Cash Flow from Financing Activities</b>		
Capital Grant & Donation	45,501,595	21,328,334
Reserve Fund	3,640,844	
Loan Fund	2,602,103	
Short Term Investment	(33,647,959)	
<b>Net Cash used in Financing Activities</b>	<b>20,698,685</b>	<b>15,674,073</b>
<b>Net Increase / (decrease) In Cash and Cash Equivalents</b>	<b>147,847,163</b>	<b>3,874,901</b>
Cash & Cash Equivalents at the beginning of year	320,852,666	316,977,765
<b>Cash &amp; Cash Equivalents at End of the Year</b>	<b>468,699,829</b>	<b>320,852,666</b>