



ANNUAL REPORT

2018

NATIONAL INSTITUTE OF EDUCATION
MAHARAGAMA

National Institute of Education

Board of Management

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

Prof. Gunapala Nanayakkara
Additional Director General

Dr. Rev. Mabulgoda Sumanarathana Thero
Deputy Director General
Faculty of Languages, Humanities & Social Sciences

Mr. K.W.B.M.P. Wijesundara
Deputy Director General
Administration, Finance & Support Services

Mr. N.V.A.S. Samarasinghe
Act. Deputy Director General
Faculty of Teacher Education & Alternative Education

National Institute of Education

Board of Directors

Mr. D.A. Jayalal

Director

Department of Information Technology

Mr. R.M.P.C. Ranasinghe

Director

Department of Electronic Dissemination

Mr. J.D. Premachandra

Director

Department of Planning & Evaluation

Mr. K.R. Pathmasiri

Director

Department of Mathematics

Dr. Mr. S.A.D. Samarawera

Director

Department of English Language

Mrs. V.D.C.P. Perera

Director

External Resource Management Unit

Mr. N.T.K. Lokuliyana

Director

Department of Technical Education

Mrs. M.P.R. Dhanawardena

Director

Department of Social Sciences

Mrs. A.K.A.R. Alahakoon

Director

Department of Engineering Service

Mrs. T. Malani

Director

Department of Finance

Mr. M.R.W. Madduma

Director

Department of Sinhala Language

Mrs. G.H. Ashoka

Director

Department of Classical, Foreign & Bilingual Education

CONTENTS

Part 1 : Progress Report

1.0 Introduction

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

2.0 Organizational Structure of the NIE

- 2.1 The Council 2018
- 2.2 The Academic Affairs Board 2018
- 2.3 Director General's Office
- 2.4 Faculties and Divisions
 - 2.4.1 Faculty of Languages, Humanities and Social Sciences
 - 2.4.2 Faculty of Science and Technology
 - 2.4.3 Faculty of Research, Planning and Development
 - 2.4.4 Faculty of Education Leadership Development and Management
 - 2.4.5 Faculty of Teacher Education and Alternative Education
 - 2.4.6 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 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 - 2018

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 2018 was the implementation of rationalized curriculum in Grades 3,9 &13, monitoring their implementation at school level and the preparation of Gr.4 Teacher Guide and training of provincial trainers in order to implement Gr. 4 TG in 2019.

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) and United Nation’s Fund (UNICEF) and Education Sector Development Programme (ESDP) as well as Institute’s Income.

The table below provides information on the expenditure of the Institute for 2018.

Source of Funding	Recurrent Expenditure		Capital Expenditure	
	Revised allocation	Actual Expenditure	Revised allocation	Actual Expenditure
CF	430,000,000	411,000,000	200,000,000	103,960,960
TSEP /DFAT	13,285,000	13,285,000	11,715,000	11,715,000
Income (NIE)	273,896,000	273,896,000	142,600,000	79,744,2015
ESDP	92,000,000	86,865,468	-	-
Unicef	17,684,000	11,268,529	-	-
MoE	159,000,000	159,000,000	85,000,000	74,657,111
Korean National Commissionfor UNESCO	3,814,000	3,907,084	-	-

1.3 Staffing

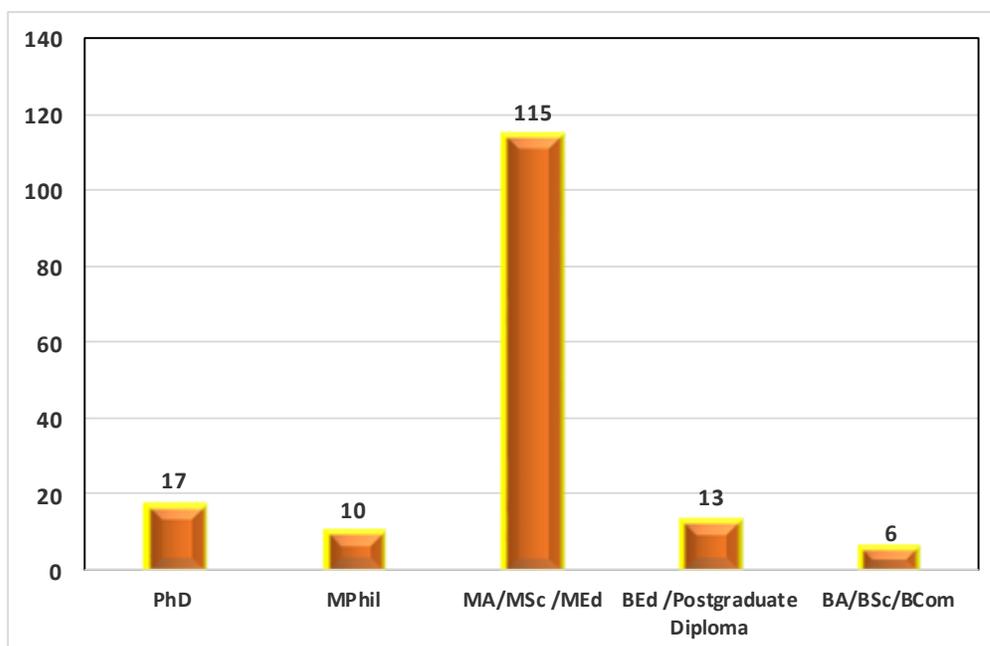
Further to the implementation of functions assigned to the Institute by Act of Parliament NIE has to play vital role in the development and implementation of new priority programmes of the Government on education such as; 13 years of Guaranteed Education Programme, School Based Assessment Programme by 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 2018.

Designation	Approved staff (as 01.01.2018)	Current staff (as 31.12.2018)			No. of vacancies (as 31.12.2018)
		Male	Female	Total	
Director General	01	00	01	01	00
Additional Director General	01	01	00	00	-
Deputy Director General	06	02	00	02	04
Director	27	08	05	13	14
Board Secretary (Education)	01	00	00	00	01
Senior Lecturer / Senior Educationist	72	33	29	62	10
Lecturer / Educationist	75	07	16	23	52
Assistant Lecturer / Assistant Educationist	90	28	30	58	32
Non Academic Staff	379	135	138	273	106
Total	652	214	219	433	219

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 2019.

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



2.0 Organizational Structure of the NIE

2.1 The Council 2018

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 2018

Mr.Sunil Hettiarachchi <i>(Secretary, MoE)</i>	Chairman <i>(Till 30.10.2018)</i>
Mr.Padmasiri Jayamanna <i>(Secretary, MoE)</i>	Chairman <i>(From 31.10.2018)</i>
Dr. (Mrs.) T.A.R.J. Gunasekara <i>(Director General, NIE)</i>	Member
Mr. Tissa Hewavithana <i>(State Secretary, MoE)</i>	Member
Mr. S.H. Kumarasinghe <i>(Retired Principal, Royal College, Colombo 07)</i>	Member
Prof. P.S.M.Gunaratne <i>(Vice-chairman, University Grants Commission)</i>	Member
Dr. Hemamala Ratwatte <i>(Senior Lecturer, Dept. of Language Studies, Open University of Sri Lanka)</i>	Member
Mr. M.K.Pradeep Kumara <i>(Director/Dept. of Trade and Investment Policy, Ministry of Finance)</i>	Member
Mr. A.M.R.B. Amarakoon <i>(Former Commissioner General of Examinations)</i>	Member

Dr. Harsha Subasinghe	Member
Prof. P. Ravindra Fernando (<i>Chairman, Board of Dangerous Drug Control</i>)	Member
Ms. M. M. Krishanthi (<i>Director, Non-state Higher Education Unit</i>)	Member
Mr. M. A. P. Munasinghe (Retired, Chief Project Officer)	Secretary (<i>Till 31.10.2018</i>)
Dr.(Mrs.) V.D.C.P. Perera	Secretary (<i>From 31.12.2018</i>)

2.2 The Academic Affairs Board

Apart from the Council, the Academic Affairs Board (AAB) 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 2018 comprised the following educational experts.

Dr.M.A.Upali Mampitiya (Senior Lecturer, Dept. of Mathematics, University of Kelaniya)	Chairman (Till June 2018)
Prof. Jayadeva Uyangoda (Retired Professor, Department of Political Science, University of Colombo)	Chairman (From 17.09.2018)
Dr. (Mrs) T.A.R.J. Gunasekera (Director General, NIE)	Member
Prof.R.Arangala (Professor, Department of Sinhala, University of Sri Jayawardhanapura)	Member
Mr. K.M.H. Bandara (Chief Commissioner, Teacher Education, Ministry of Education)	Member
Mr. E.K.Ganihigama (Department of Sociology, University of Sri Jayawardhanapura)	Member
Prof.R.U.Halwatura (Department of Civil Engineering, University of Moratuwa)	Member
Ms. W.D.P. Nalika (Commissioner General, Dept. of Education Publications, Ministry of Education)	Member
Dr.M.T.M Mahees (Senior Lecturer, Department of Sociology University of Colombo)	Member
Dr.Mahim Mendis (Senior Lecturer, Department of Social Sciences, Open University of Sri Lanka)	Member
Mr. V. Mutukumaraswamy (Former Principal, Hindu College, Colombo 04)	Member
Mr. B. Sanath Pujitha (Commissioner General of Examinations)	Member
Dr. Prasad Wimalaratne (Senior Lecturer ,School of computing, University of Colombo)	Member
Dr. Priyantha Premakumara (Secretary, University Grants Commission)	Member
Ven. Dr. Mambulgoda Sumanarathana Thero (DDG, Faculty of Languages, Humanities and Social Sciences)	Member
Mr.N.V.A.S.Samarasighe (Acting DDG Faculty of Teacher Education and Alternative Education)	Member
Mr. M. A. P. Munasinghe (Retired, Chief Project Officer)	Secretary (Till 31.10.2018)
Dr.(Mrs.) V.D.C.P. Perera	Secretary (From 31.12.2018)

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.

2.3 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 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 - 2018.

- Advanced Certificate Course in Teaching Mathematics (Repeat)
- Advanced Certificate Course in Teaching Mathematics-Entrance Examination - 2018
- Certificate Course on Braille Education -2018 (Final)
- Diploma in Early Childhood Development -2017/2017 (Final)
- Diploma in Additional Language Improvement Programme -2017/2018
- Diploma in Special Education- 2016/2018 (Final)
- Diploma in Sign Language – 2017/2018 (Final)
- Diploma in Counseling – 2017/2018 (Final)
- Diploma in School Management- semester 1 Examination
- Diploma in Teaching English as a Second Language (2018)
- Bachelor of Education - 2011/2013- Part III (Repeat)
- Bachelor of Education - 2013/2015- Part II (Repeat)
- Master of Education - Entrance Exam (2019/2020)
- MSc in Education Leadership and Management-2018 (Overseas)
- Post Graduate Diploma in Education -2013/2014 (Repeat)
- Post Graduate Diploma in Education Management-2018(F & P)-Semester 1
- Post Graduate Diploma in Education -2015/2016 (Repeat)
- Efficiency Bar exam (NIE Non-academic staff)
- Efficiency Bar exam (NIE academic staff-AR1 and AR 2)

Extra Examinations

- Exam conducted end of the orientation programme of newly recruited SLIES-III principals.

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 22 audit reports, checked 361 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 2018:

- Sent 18 officers who involve in 13 Years Guaranteed Education Programme for 7 days training programme in Malaysia.
- Sent 04 officers for competency development programme related testing and evaluation in Malaysia.
- Nine officers were completed PhD programme at MSU in Malaysia and Sri Lanka.
- Sent 31 officers for seminars/conferences and short-term training programmes through External Resource Department.

2.4 Faculties and Divisions

Given below is how the different Departments and units of the Institute are orchestrated under its organizational structure in 2018.

2.4.1 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

2.4.2 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

2.4.3 Faculty of Research ,Planning and Development

Department of Planning and Evaluation

Department of Research and Development

School Based Assessment Unit

2.4.4 Faculty of Education Leadership Development and Management

Department of Professional Development & Management

Department of Education Administration & Development

Foreign Courses Unit

2.4.5 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

2.4.6 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 2018

Further to the implementation of functions included in the Annual Implementation Plan (AIP) - 2018 related to curriculum development, professional development and education research, several additional activities related to the activities of AIP - 2018 have been implemented by the National Institute of Education in 2018.

- Held convocation on 28th March 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 Minister of Education Hon. Akila Viraj Kariyawasam and State Minister of Education Hon. Radha Krishnan awarded degree certificates to 01 MPhil graduate, 334 MEd graduates, 03 MSc graduates and 1669 BEd graduates.
- Construction of five storied building complex at the NIE premises included lecture rooms, Technology/Science/ Mathematics laboratories and auditorium for the institute.
- Renovation of NIE canteen with new furniture and kitchen equipments and other facilities.
- Introduction of “Agrahara Insurance Scheme” to the institute and made necessary arrangements to bear half of the monthly installment from NIE income in order to get the maximum benefit for the staff.
- Renovation of NIE Main entrance, roads and all subways paving of carpets and interlocking.
- Wining of Wenhui Award for Educational Innovation in Asia and Pacific by the Open School Unit of NIE for their programme conducted sofar.

3 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 75 curriculum development - related activities in 2018 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 2018 priority was given to introduce its next step to grade 4 in 2019. The tasks scheduled by the NIE in this connection are tabulated below.

Implementation plan for the curriculum cycle 2012 - 2020

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

3.1 Task completed related to Primary Education

- Completed the preparation of 12 Teacher Guides (TG) for Gr. 4 and approved them by the AAB and Council.
- Developed activities for Gr.5 TGs for strengthening guided play and activities and reviewed the Gr. 5 syllabi.
- Prepared special TG to develop Essential Learning Competencies for Key Stage (KS) 2.
- Prepared supplementary materials to strengthen Activity Based Oral English (ABOE) in primary classes in KS 2.
- Completed data collection and commenced data analysis for the study report on Early Childhood Development Standards (age 10 years).
- Conducted 02 awareness programmes for provincial authorities and prepared report on feedback mechanism for Gr. 2.
- Development of activities for supplementary guide to strengthen social and emotional concepts in KS1 curriculum is in progress.
- Completed trying out of activities developed to strengthen Mathematics and Environment Related activities (ERA) of primary curriculum incorporating Disaster Risk Reduction, Climate Change, School Safety, Creative Problem Solving and Social Cohesion.
- Completed trying out of training guide prepared for strengthening primary provincial teams on teaching Second National Language.
- Drafted scripts for story book on Second National Language and DVDs to strengthen social cohesion concepts.
- Completed capacity building programmes for 1050 primary provincial teams on primary curricula.

3.2 Task Completed related to Secondary Education

- Prepared reports and presentation on in-depth studies conducted for developing curriculum grids for next curriculum cycle.
- Completed Training for 2333 ISAA, SDs in Gr. 6-11, and 18,595 teachers in Gr.12/13 on the rationalized curriculum.

- Preparation of final drafts of practical guides on Chemistry, Physics, Biology, Engineering Technology are being continued.
- Prepared 03 resource books for Mathematics and IT and editing of 03 final drafts of resource books for Chemistry, Physics, and Biology for A/L are being developed.
- Translation of Atlas into Tamil prepared for A/L history.
- Prepared Student Test Items (STI) for Business Statistics and preparation of STI for A/L Business Studies, and Accounting.
- Completed the preparation of concept map for working mathematically for selected lessons in Gr. 6 and trained 35 teachers based on concept map.
- Prepared a work book on Second National Language-Sinhala for Gr. 6
- Completed the development of manual on career education (world of work).
- Prepared 25 educational software on different subjects from Gr. 6-13 to strengthen the teaching learning process.
- Conducted 5th National Conference on Language Assessment by the Department of English.
- Produced 01 DVD with 5000 copies and updated 270 teachers to promote social cohesion through Music Education.

Training programs Conducted

Grade	Targets for 2018	No. trained from January to December 2018
Gr.6-11	2,010	1,991
Gr.12-13	18,140	18,174

Special Awareness Programmes Conducted

- Conducted awareness programmes on global citizenship for 204 ISAA and SDs.
- Conducted awareness programmes on Combined Mathematics for 580 teachers.
- Conducted awareness programmes for 500 teachers on Entrepreneurial Studies.

School Based Assessment Programme

- Prepared 26 SBA tools part I for first term and tools for second and third terms are being developed.
- Drafted an instructional manual on SBA and presented it to MoE and Dep. of Examination for suggestions/ comments.
- Prepared a work plan for ToT programmes at provincial level in 2019.

3.3 13 Years 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 2018 expanded the implementation of this programme another 154 schools as 2nd phase and following tasks completed within the year 2018 by the Institute.

- Training of 278 principals and school coordinators of 154 selected schools for the implementation of 2nd phase of the programme.
- Training of 1378 teachers nominated from 154 schools selected for 2nd phase to teach vocational subjects.
- Conducted of Pre-service teacher training programme for newly recruited 898 graduate teachers at the 7 National Colleges of Education from 2018.08.06 to 2018.08.24 and subject oriented practical training programme from 2018.08.27 to 2018.09.05 at the relevant institutions.
- Development of 2nd module (intermediate module) under 26 vocational subject component.

- Training of 738 teachers (newly recruited and existing teachers) to implement 2nd phase of vocational subject component at school.

4.0 Education Leadership Development and Management

Enhancing the management and leadership capacities of the personnel involved in the field of education is the main task of the Faculty of Leadership Development and Management. In order to achieve the above tasks various courses related to education management and school administration, ranging from Master Level to Diploma level are conducted by the Faculty.

Following are the special task conducted within the given period.

- Preparation of newsletter and Adyapana Kalamana magazine are in progress.
- Trained 105 ToTs and 29 zonal officers and prepared 40 learning materials based on modules to implement National Competency Framework for school Leadership and management at provincial level.
- Conducted awareness programmes for 1500 provincial key authorities in order to implement National Competency Framework and select suitable candidates for the advanced and basic principal courses.

The following table indicates the progress of courses implemented by the Faculty of Education Leadership Development & Management in 2018.

Name of the Course	Department Responsible	Location	No. of Participants
Postgraduate Courses M.Sc. in Education Management	Professional deve.& Edu.	Meepe Centre	34
Postgraduate Diploma Courses Postgraduate Dip. in Ed. Management (Full time/ Part time)	Professional dev. & Edu. Mgt.	Meepe Centre	293
Diploma Courses Diploma in School Management	Professional Dev. & Edu. Mgt. English	Meepe Centre	261
Courses for Foreign Students 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 country.

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
Postgraduate Courses Master of Philosophy Master of Education	Teacher Education Teacher Education	NIE NIE/Jaffna Centre	26 311
Postgraduate Diploma Courses Postgraduate Dip. in Education	Teacher Education	NIE ,42 regional Centres	3600
Graduate Courses Bachelor of Education (Honours) Bachelor of Education (General) Bachelor of Education (Engineering)	Teacher Education Teacher Education Teacher Education	NIE + 1 regional Centre NIE + 37 regional Centres NIE + 04 centres	1015 3860 200
Diploma Courses 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	22 35 63 27 72 352
Short-Term Thematic Courses Thematic course on Braille Certificate course for Teaching Mathematics	Inclusive Education Mathematics	NIE NIE	15 70

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 2018 following interventions have taken place:

- Conducted Action Research Dissemination seminar and evaluated 40 research reports.
- Prepared 30 question papers for 02 internal exams in the Teacher Training Colleges.
- Conducted 05 forums for presidents and vice-presidents of National College of Educations and Principals of Teacher Training College's.
- Made 05 visits of NCoEs and TTCs to supervise teacher education courses.
- Developed draft curricula for BEd degree programme scheduled for NCoEs.
- Developed 61 final drafts and 07 first drafts of course contents for teacher education programmes.
- Conducted teacher training programme for 1000 untrained teachers to provide basic qualification to enter Sri Lankan Teacher service.

- Translated and localized the training manual of gender mainstreaming in teacher education prepared under the financial and technical support of UNESCO for the teacher educators in Sri Lanka.

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 2018.

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.

- Prepared policy framework on Inclusive Education and introduced for stakeholders.
- Prepared guide book for music on Braille Education and trained 35 teachers based on the guide book.
- Prepared final draft of supplementary book for children with multiple disabilities.
- Prepared magazine on inclusive education.
- Trained 172 of ISAA / Teachers to strengthen Special Education
- Identified 35 children with special educational needs and provided parent counseling.

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 in the year 2018:

- Production of 07 supplementary audio materials for primary and secondary levels of education curricula (S/T) to enrich teaching learning process.
- Produced 50 supplementary video materials to enhance teaching learning process.
- Produced 10 video to promote Guaranteed 13 Years Education Programme.

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 school student population. The following activities were completed in 2018:

- Conducted in-house counselling sessions for 39 school children and their parents.
- Updated 166 school counsellors and career guidance counselors.
- Preparation of final draft of job inventory document-2017 (16 job fields)

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 2018 with regard to the programme on open learning:

- Prepared 02 supplementary books for tutors (Mathematics and Science).
- Updated 30 tutors of Literacy, Foundation and Open Secondary courses.
- Conducted 42 study sessions at 25 centres for providing learner support.

- Completed Open Foundation course by 660 learners and Open Secondary Course by 1467 learners.
- Enroll 1600 new learners for Foundation course and 1600 new learners for secondary course in 2018.

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 2018:

- Completion of draft report of a study “A study on the vocational curriculum in selected countries”.
- Completion of report of a study “Entire system analysis for the next curriculum reforms beyond 2020”.
- Continuation of a study conducted on the nature of implementation of co-curricular activities in the Sri Lankan school system.
- Conducting the 29th C.W.W.Kannangara Memorial Lecture on “Equality versus Equity” by Dr.Sunethra Karunaratne Retired professor, Faculty of Science University of Peradeniya.
- Published SAARC journal and Sri Lankan journal of Educational Research was handed over to press for printing.
- Awarded 03 research grants and reviewing chapters are being continued.
- Conducted two thematic courses on educational research methodology for 61 participants.

- Published newsletter volume-I and distributed to provinces/ zonal educational office, National College of Educations and Teacher Training Centres and Volume-II is in progress.

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 2018:

- Preparation of Annual Progress Report 2017.
- Preparation of budget estimates, annual budget and annual implementation plan for the year 2019 and 2019 -2023 Strategic Management Plan.
- Preparation of 04 quarterly progress reports of activities implemented under local and foreign funded projects in 2018.
- Preparation of following progress reports requested by other institutes:
 - 02 progress reports for Central Bank
 - 04 progress reports for Treasury
 - Quarterly progress reports for foreign funded agencies: ADB.TSEP, UNICEF.
- Coordination of Guaranteed 13 Years Education Programme.

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 2018.

Recruitments

Additional Director General (contract)	-	01
Deputy Director General	-	01
Assistant Lecturer	-	02
Civil Engineer	-	01
Audit Assistant	-	02

Promotions

Director	-	01
Management Assistant II	-	12
Technical Assistant II	-	12
Driver	-	01

- Financial assistance as well as study leave was provided for 54 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 2018:

- Construction of the Five Storied Building Complex at NIE.
- Three storied hostel building at Meepe is in progress.
- Completed 75% of work of supplying and fixing solar power system at Maharagama (stage 2).
- Installed 600KVA diesel generator at NIE Maharagama.
- Supplied and fixed new pump at NIE Maharagama.

- Supplied and fixed new digital conference system for main auditorium at NIE Maharagama.
- Completion of 24 rehabilitation work at NIE & Meepe.
- Completion of 05 repair and maintenance jobs at NIE and Meepe.
- Completion of 03 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 2018.

Books	2051
Books (donations)	15
Curriculum materials	646
Educational reports	127
Local Magazines (donations)	10
Local Magazines	08
Foreign Magazines (donations)	12
Foreign Magazines	06
N.I.E collection	270
Newsletters	10
DVD/CD	14

8.5 Printing and Publications

The following publications of the Institute have been printed by the Department of Printing and Publications in 2018.

• Teacher's Guides	05
• Syllabi	18
• Teaching materials	14
• Other materials	84
• Certificates	22
• Additional publications	97
• Invitations	05
• File covers	08
• Others	80

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

Audit Generals' Report as per the National Audit Act 2018 No. 19 - clause 12, on the financial statement and other legal and monitoring requirements of the National Institute of Education for the year ending on 31st December 2018.

1. Financial Statements

2.1.1. Status qualified opinion

The financial statement of the Institute for the year ending on 31st December 2018, comprising the statement on the financial achievements of the year ending on that day, statement on change of ownership, notes on important accounting principles summarized, related to the financial statements and statements on cash flow pertaining to the year ending on the day, which should be read along with the 154 (1) constituents of the Constitution of the Democratic Socialist Republic of Sri Lanka - have been audited under my instructions according to the provisions of the National Audit Act No. 19 of 2018 and the finance Act No. 38 of 1971. My report will be tabled at the Parliament in due course as per conditions laid down in the Constitution 154 (6).

Apart from the impact of the facts described in the section on the foundation for my opinion - under the Status Qualified opinion, it is my opinion that the financial status of the Institute ending on 31 December 2018, the financial activities and cash flow of the Institute reflect a true and fair status according to the Sri Lanka Public Sector accounting standards.

**1.1.1. Basis for the status qualified opinion
Sri Lanka Public Accounting Standards**

1.2.1. The following observations will be made.

- (a) As per Sri Lanka Public Sector accounting Standard 01 clause 80 paragraph (c), all accounts that have to be settled within 12 months should be classified as current liabilities, and all other liabilities as non-current; however the estimated provident fund, and surcharges, valued at the sum of Rs. 72,168,213 payable for a period of 09 years as between 2006 - 2015, have been shown as current liabilities for over two years.
- (b) In the cash flow statement which should be prepared on standard No. 2, the value of the gratuity payments has been shown over and above by Rs. 5,547,436/=; the accrued expenses within the capital agencies have been shown over and above by Rs. 3,026,822/=. Similarly even though the net cash flow was Rs. 64,483,552/=, it has been shown as Rs. 61,456,730/=, less Rs. 3,026,822/=.
- (c) As per clause 47 b of standard number 03, the errors that have occurred quantitatively in the past, once discovered, should have been rectified by restating the initial balances of assets and liabilities with retrospective effect; it has not been done with reference to the mistakes of the past years.
- (d) As per clause 47 of standard 07, when the reasonable value of an asset varies quantitatively from its actual value, a reassessment should be done, however after the year 2008, the revenue of the institute has not be reassessed.

1.2.2. Shortcomings in accounting.

The following observations will be made.

- (a) The sum of Rs. 10,000,000/= received from the Ministry of Education for the year 2017, has been accounted for as revenue in the year under review; the sum of Rs.

58,000,000/= received for the year 2018 has not been accounted for as revenue in the year under review.

- (b) On the 31st of December 2018, a sum of Rs. 6,000,000/= had been transferred from current account No. 607624 to current account No. 607628. Here even the account note has been made related to the credit note on the monies going into account; 607628, however the relevant debit note regarding the monies coming out of account 607624 has not been made.
- (c) The years' income and current assets have been shown over and above the actual, as a result of the interest on Treasury bills amounting to the sum of Rs. 7,245,228/= received in the year under the review for the following year being entered as income in the year under review.
- (d) Even though the Department of Labour has calculated the Provident Fund and surcharge for the years 2006 to 2015, at a sum of Rs. 68,995,393/=, and provided that information on 15.12.2018 that value has not been taken into consideration, and the value of the Provident Fund payable for the period has been entered as Rs. 72,168,213/=, with a surplus of Rs. 3,172,180/= in the accounts.
- (e) As a result of the sum of Rs. 5,000,000/= received as a recurrent cash donation, by the Institute in the year of review, being entered on the ledger as capital received, the year's surplus and capital received have been shown less by the amount.
- (f) The sum of Rs. 407,909,988/=, from various projects (ESEP, TSEP, UNICEF, KOREA) provided by the Ministry of Education in the year 2018, has been shown as capital provision worth Rs. 359,084,500/= in the Financial Progress Statements of the year under review.

1.2.3. Unreconciled Administrative accounts.

The following observations will be made.

- (a) Discrepancies were observed in the recording of the final balances in the financial statements of the previous years as the opening balance in the ledger of the year under review; accordingly there were discrepancies in three accounts totaling up to Rs. 73,452,842/=.
- (b) A Rs. 152,372,606/= non reconciliation of the total of the balances shown in the final financial statements of 04 accounts on the ledger of the relevant year, and the balance shown in the year under consideration was observed.
- (c) A non reconciliation of a sum of Rs. 735,644/= was observed in the balances in the schedules presented for auditing and the balances in the financial statements.
- (d) A non reconciliation of Rs. 3,187,465/= was observed on scrutinizing the balances and the balances stated in the financial statements related to bond violation.

1.2.5. Lack of evidence for auditing.

No physical check has been made regarding the library books which had an opening balance worth Rs. 45,034,612/= prior to the year 2008 nor was a schedule presented for the audit.

I have conducted the audit according to the Sri Lanka Audit Standards. My responsibility coming under the standards of this auditing is further detailed in the report in the section, the auditor's responsibility, coming under the financial audit statement. It is my belief that the auditing evidence I have obtained for the basis for my status qualified opinion is adequate and appropriate.

1.3. The responsibility of the management and the administrative parties regarding the financial statement.

It is the responsibility of the management to determine the internal administration required to facilitate the production of the financial statement according to the Sri Lanka Public Sector Accounting Standards, and a fair production of the same, without quantitative erroneous expressions that may arise out of deceit or error.

The responsibility regarding the reporting process of the finances of the Institute will be borne by the administrative parties of the Institute.

The Institute must maintain books and records of the income, expenditure, assets and credits in a proper way, that it will enable the preparation of the annual and timely financial statements of the Institute as per the Public Audit Act 2018, number 19, clause (16) 1.

1.4. The auditors' responsibility regarding the auditing of the financial statement.

My objective is to put out an auditor's report, taking the financial statement as a whole and give a fair assurance that it is devoid quantitatively of erroneous statements arising out of deceit and error, inclusive of my own opinion. Fair assurance, though is an assurance at a high level, in doing the auditing according to the Sri Lanka Auditing Standards it is not an assurance that it always exposes the quantitative negative statements. While with the influence of deceptions and mistakes, singly or in groups, there could be quantitative negative expressions, and it is expected that the economic decision taken, based on this financial statements by the users could be affected.

I have done the auditing making use of professional judgment and professional doubt, in accordance with the Sri Lanka Accounting Standards.

My opinion is based on getting adequate and appropriate audit evidence, to avoid the risks resulting in deceit or errors, by planning opportune and appropriate auditing procedures for assessment and identifying risks in the quantitative erroneous statements that could occur in financial statements due to error or deceit. While the impact of deceit is stronger than the impact of quantitative erroneous statements, malassociation, preparation of false documents, neglect by intent, or ignoring the internal administration can lead to the occurrence of deceit.

Even though an understanding was gained regarding the internal administration of the Institute, in order to prepare opportune, appropriate auditing procedures, there is no intention of expressing an opinion on the effectiveness of the internal administration.

While the presentation of financial statements that carried revelations, the structure and the content were subject to an evaluation, it was appreciated that the transactions and the incidents that formed the basis for those were included in the financial statements in an appropriate and fair way.

The parties doing the administration were made aware of important auditing findings, the main internal administrative weaknesses, that were identified in the auditing process.

2. Report on other Legal and Directing requirements.

Special provisions are included regarding the requirements mentioned in the National Audit Law, 2018, No. 19.

I have obtained all information and clarifications required for the audit, except for the influence of the facts described under the basis for my qualified opinion, as per the requirements mentioned in the National Audit Law 2018, No. 19 clause 12 (a). According to what is seen in my observation is that the Institute has maintained the appropriate financial records.

The financial statements presented by the Institute are in accordance with the requirements stated in the National Audit Law, 2018, No. 19, clause 6 (c) and (d) (III).

The recommendations made by me in the past year, are included in the financial statements, presented as per the requirement stated in the National Audit Act of 2018, clause 6 (I) C (IV).

On the procedures followed, the evidence obtained, and within the limitations of the quantitative facts, there was nothing to draw my attention to make the following statements.

- 2.1. That a member of the administrative Board, has affiliated himself / herself with the Institute, and has a relationship outside the general business position, directly or in any other way regarding a contract according to the requirement stated in the National Audit Act of 2018, No 19, clause 12 (d).
- 2.2. That apart from the observations given below there have been actions taken, not in accordance with the general or special, or any other instructions issued by the Council of the Institute or, some relevant written law, according to the requirement stated in the National Audit Law 2018, No. 19, clause 12 (f).

<u>Referred to Rules/ Regulations/ Directions</u>	<u>Description</u>
(a) Chapter VIII, clause 1.2, clause 6.1 of the Establishment Code.	Even though the overtime rates should be calculated based on the monthly consolidated salary (without allowances), overtime had been calculated from 2016 based on a letter of instructions issued by an Assistant Commissioner of Labour, dated 1995, March 22 bearing number D/S/811/617/94, on the basis of the gross salary, and without the approval of the Treasury. Overtime arrears of Rs. 27,301,283/=, had been paid in the year under review, for the years 2016 and 2017, and relevant overtime payments of Rs. 59,593,538/=, for the year 2018, making a total of Rs. 86,894,821/=.
(b) The 21/2018 Assets Management Circular dated 2018 March 19 issued by the Ministry of Finance and Mass Media.	As per circular, although the sales value of government vehicles sold by the government institutions should be credited to the Government Consolidated Fund, this had not been done with regards to the sum of Rs. 2,524,000/=, obtained by the sales of these vehicles.
(c) Circular number 257 approved by the Management Services Department of the Treasury, in the year 2013.	Even though the earned income of the officers of the Institute should not exceed 50% of their basic annual salary, going against it, Rs. 4,501,586/=, had been paid to 48 officers from the years 2014 to 2017, and in the year 2018 to 37 officers had been paid a sum of Rs. 3,185,113/=, as allowances.

- 2.3 That as on the requirements stated in the National Audit Act 2018 No 19, Clause 12 (g), action has been taken not in accordance with the Authority, role and function of the Institute.
- 2.4 That on the requirements stated in the National Audit Act 2018, No 19, clause 12 (h), apart from the observations stated below, the resources of the Institute have not been made use of, procured according to rules and regulations relevant to the duration, in a frugal, efficient and effective manner.
- a. A sum of Rs. 74,370/= had been spent on a newspaper advertisement published on 2017 March 20 to purchase an offset machine, even though there was the need for a printing press of the digital type and 12 more items, as among the machinery of the press which was 30 years old, even that machine had not been purchased, and despite a sum of Rs. 5,445,741/= been paid as overtime to the employees of the Press, printing activities had been fulfilled by an outside press, and a sum of Rs. 9,129,735/= paid.
 - b. 243, jobs had been provided for, by different sections for printing in the year 2018, of these 25 had not been completed even by the end of the year 2018. Further of the 272 jobs completed by the press in the year 2018, 54 of those pertained to the years 2014, 2016, 2017. No action had been taken to plan the printing and take steps to complete them within the due time.
 - c. The Institute had handed over the soft copies of the Teachers' Hand book relevant to Grade 12 and 13, Biology, Physics, Chemistry and Combined Maths late to the Education Publications Department; consequently the Teachers' Hand book had not reached the hands of the teacher in a reasonable time.
 - d. Even though it is a requirement as per clause 5.3.11 of the Procurement Guide that a bid surety must be obtained from all bidders, such bid surety had not been obtained in respect of the air conditioners for the Computer hall at the cost of Rs. 765,072/= and the bid surety in respect of the Department of Inclusive Education at the cost of Rs. 1277,460/= had not been obtained in the procurement.
 - e. Even though a sum of Rs. 1,200,945/= as consultant fee, being 5% of the contract fee had been paid for preparing plans and estimates for building a sanitary system for the 3 floor hostel of the Institute at an estimated cost of Rs. 27,848/=,100 in the year 2008, and 10 years had elapsed since, the building work had not even begun by 31st December, 2018.

2.5 Other Observations.

- (a) All government Institutes had been made aware, as per the 2030 agenda, the UN year of Sustainable Development, and all government Institutes should work accordingly, and they were being made aware by circulars, having seconded the Sustainable Development Bill dated 2017, October 03, bearing number 19. Accordingly all State institutes were required to make themselves aware of how one is expected to act in relation to all actions that come within the parameters of ones' subject area, and all Institutions were informed of this requirement to be aware of what action can be taken regarding all the subjects that come within his purview and how. Even though all State Institutes should have known, the Institute had not made itself aware, nor had it identified the indices on objectives, targets and calculating the approaches to these objectives and targets.
- (b) Even though there was an action plan, for the year under review, there were occasions when these were not put into action in a proper way. Accordingly although 3 departments had made arrangements to prepare Teacher Guidance Handbooks for 4 subjects, the Teacher Guidance Handbooks were not ready for three subjects. Though there were

plansto bring out relevant Resource Books for seven subjects, Resource Books were not ready for three subjects. Six (6)Resource Books related to six subjects were not planned for, by the end of the year. Of these the related resource books for four (4) subjects were those planned to be completed by the end of 2017.

- (c) The Institute had administered 20 examinations in the year 2018. The results of 09 examinations, had not been released by 2019 - March 31, the date of the Audit. It had taken nearly an year to release the results of 03 examinations.
- (d) Examination activities had been conducted on a draft Instructions Manual which had not received the approval of the Council. Although the approval of the Council had been given on 2018 - October 18, for a new revised Instructions Manual for examinations, it had not been put into practice even by the end of the year under review.
- (e) No action had been taken in the year under review to collect the balance of the sum of Rs. 346,040/= that had been due over years, within a balance of various creditors, or to clear the deposit amounting to Rs. 8,417,315/=, that had been brought forward over 5 years of a deposit payable of Rs. 28,187,054/=.
- (f) Since in the reconciliation of recurrent expenditure with real expenditure a difference of between 5.7%and 3,303% was noticed, it was observed that the income expenditure document had not been managed effectively, and as an agent of Management.

W.P.C. Wickramarathna
Auditor General

Clarification Report related to the Auditor General's report as per the National Audit Law 2018 No. 19 clause 12 on the financial statement and other legal and monitoring requirements of the National Institute of Education for the year ending on 31st December 2018.

1.2.1. Sri Lanka Public Sector Accounting Standards :

- (a) Of the sum of Rs. 76,591,619.06 payable as the Employees Provident Fund (EPF) and the Employees Trust Fund (ETF) shown as current liabilities in the financial statements relevant to the year 2017, the sum of Rs. 4,423,405.29 relevant to the Trust Fund of the employees have been paid off within the year 2018. The sum of Rs. 72,168,213/= the Employees Provident Fund, as was expected to be paid within the year 2016, was shown as current liabilities, however till the Department of Labour had confirmed the sum to be credited to each employee, there was no possibility of making the payment, and hence it has not been possible to pay this sum. Therefore with the expectation of making these payments in the year 2019, in the financial statements of 2018 too this sum has been indicated under current liabilities.
- (b) In calculating the gratuity fund monies paid in the year 2018, this lapse has occurred due to not paying attention to the journal entry No. 48, related to crediting to the Gratuity allocation fund; action will be taken to rectify the matter.

Till the year 2017 the monies due from the officers who have violated the bond had been accounted for under Deferred Income, and shown as non-current liabilities. In reality since this money is a balance that the Institute should get, action has been taken to present these under 'rights' under a new account head as 'Bond Violation Fund', in the financial statements of the year 2018. The difference of Rs. 3,026,822/= between the initial and final balances of this account has occurred as a result of this sum being added to the difference of the expenses payable.
Action will be taken to rectify the matter.

In adding the balances shown under financial activities in the Fund Flow Statement, the sum of Rs. 3,026,822/= shown under the Bond Violation Fund has been overlooked; this lapse has happened due to that oversight.
Action will be taken to rectify the matter.

- (c) Action will be taken to rectify the lapses as indicated in the audit inquiry, before entering the initial balances for the year 2019.
- (d) Action has been taken to initiate the recalculation of the fixed assets. The relevant institute has agreed to submit the report before 31 August 2019.

1.2.2. Accounting Shortcomings

- (a) The sum of Rs. 10,000,000/= received from the Ministry of Education on 31 December 2017, is recorded in the bank account of January 2018. Therefore that money has been accounted as income for the year 2018 by a mistake.
Action will be taken to rectify the matter in the accounts of the year 2019.

The amount of Rs. 58,000,000/= received from the Ministry of Education on 31st December 2018 is recorded in January 2019. Thereby it has dropped out of the accounts of the year 2018.
Action will be taken to rectify this error in the accounts of the year 2019.

- (b) On 2018.12.31 6 million rupees were transferred from the current account 607628 to current account 607624. In the transfer of funds only the debit note has been included, and not the credit note, consequently, because the credit note was not included the balance account shows 6 million over and above; The relevant note was made to rectify this lapse.
- (c) The journal note shown below rectifies the relevant errors in the financial statements of 2018.
349 - Interest from Treasury Bill (dr)
309 - Course fee and other received in advance (cr)

- (d) The arrears of the Employees Provident Fund payable, for not having credited the Employee Provident Fund money in respect of the special living allowance during the period 2006 - 2016 to the staff employed at the National Institute of Education for the period is Rs. 46,154,508.30. When the surcharge of 50% is added to this, the full amount of the entire Employees Provident Fund contribution is Rs. 69,231,762.48.

But the Department of Labour has shown the arrears of the Employee Provident Fund payable in respect of the above period as Rs. 68,995,393.01. As this calculation is faulty, the National Institute of Education has taken measures to make the Department of Labour aware of this, and it was confirmed that the calculation of the Department has been erroneous.

Further, a sum of Rs. 473,895/= has been paid on 2017.09.28 at the Judiciary in respect of 10 members of staff who had retired because of a case filed at the Magistrate's Court - Nugegoda, related to this same above period.

Therefore the sum of Rs. 473,895/= paid at the Magistrate's Court - Nugegoda, should be subtracted from the above calculated Rs. 69,231,762.45. Accordingly the correct arrears of the Employee Provident Fund contribution that should be paid comes to Rs. 68,757,867.45.

The Assistant Labour Commissioner has been informed in writing that this sum of money needs to be corrected. Accordingly, the Assistant Commissioner of Labour, Maharagama has informed on 2019.07.21 that the arrears of the Provident Fund payable along with the surcharge comes to Rs. 68,757,867.25.

- (e) The recurrent expenses and the capital expenses received in 2018 June have been credited to the bank as one received. Therefore the entire sum has been accounted for as capital received. This lapse will be attended to under (correction of errors) related to 2019 financial statements.
- (f) All allocations provided by the Ministry of Education have been classified as capital expenses, however in preparing the Income and Expenditure of the Institute according to the type of expense, the classification has been, Capital and Recurrent. Likewise even though this sum of money has been provided from the capital expenses Head it is a recurrent expenditure. Therefore our Institute has spent that sum of money, according to the annual plan for the year 2018, as a recurrent expenditure, it has been accounted for as recurrent expenditure.

1.2.3. Incompatible Administrative Accounts

- (a) Consolidated Fund

The discrepancy in the initial balance of the consolidated fund has occurred on entering the initial balance due to a problem that has arisen with the computer software. The difference is Rs. 376,603.36. It has been already rectified.

Excess

In the financial statements in note 13 under the account Excess of Expenditure over income, the sum of Rs. 82,516,984.63 is shown as excess by 2017.12.31. The sum of Rs. 76,571,691.06 credited to the Consolidated Fund under note no. 66, excess, has been credited to the account. Accordingly the initial balance of the account was Rs. 155,052,076.69, according to note No. 13 the final balance of the consolidated fund account by 2017.12.31 is Rs. 38,277,635.79. In planning the financial statements of the year 2018, with respect to rectifying errors, through the relevant journal entry numbers, 3A, 48, 51, 55, 62, 69, 71 and 50, the consolidated fund has been reconciled with the account, and the total of those reconciliations come to Rs. 67,202,479.63.

Stock Accounts

According to the ledger the initial balance is correct. This discrepancy has occurred due to an error in computerizing the information in the schedule, when planning the financial statements for the year 2017.

The Director (Finance) has been instructed to make the officials aware that they should work so that such shortcomings will not occur in the future.

- (b) According to the draft audit report this difference has occurred through the 03 accounts given below.

Consolidated fund account	11,294,35/=
Excess	137,890,816/=
Bond violation fund	<u>3,187,465/=</u>
Total	<u>152,372,606/=</u>

Consolidated fund account

The initial balance shown of the Consolidated Fund Account by 2018.12.31, in the note 13 is the corrected initial balance of the previous year. Within this, the excess in respect of the year 2017, and the balance of the account are included. The balance of Rs. 40,182,821.84 which is the balance of the consolidated fund of the previous year, comes to Rs. 116,774,440.60 credit, after the balancing as per journal entry no. 66 related to the correction of the errors committed in this year. In addition when the total of Rs. 67,202,479.63 is subject to the rectification of errors of the year 2018, and the journal notes are reconciled, the final balance is Rs. 49,571,961.27.

Excess

On the scrutiny of balance, the balance shown up to date 2018.01.01 is the corrected initial balance. It is Rs. 155,052,076.69. This is shown under journal entry no. 13, in the preparation of the financial statement; the sum of Rs. 21,197,787.65 is the excess in respect of the accounts of income and expense related to the year 2018.

Bond violation fund

In the quoted account the discrepancy indicated with reference to bond violation of the Institute is the sum of Rs. 3,187,465/= due from Mr. Rasika Balasooriya, an officer of the Institute. Since this sum of money is a receivable, what should be received have been credited to the Receivable account in the ledger, instead of debiting it to the Bond Violation Fund in the ledger, it has been debited to the deferred income.

- (c) According to the ledger related to buying stock accounts, the balance is correct. An error that has occurred in computerizing the relevant information in the planning schedule, has resulted in this error in the schedule.

The Director (Finance) has been instructed to make the officials aware that such shortcomings will not occur again.

- (d) This discrepancy is due to the sum of Rs. 3,187,465/= due from Mr. Rasika Balasooriya, an officer of the Institute in respect of bond violation of the Institute. This money, since it is money that should be received has been credited to the receivable account, but in the ledger, instead of debiting it to the bond violation, it has been debited to the deferred income account. Action will be taken to rectify this error.

Bond violation fund

In the quoted account the discrepancy indicated with reference to bond violation of the Institute is the sum of Rs. 3,187,465/= due from Mr. Rasika Balasooriya, an officer of the Institute. Since this

sum of money is a receivable, what should be received have been credited to the receivable account, in the ledger, instead of debiting it to the Bond Violation Fund; in the ledger it has been debited to the deferred income.

1.2.5. Lack of guidance for the audit.

The central library of the National Institute of Education is of three floors with books exceeding 300,000. The library currently has a staff of 4 officers, to provide services for lending books and for the staff of the Institute who have obtained membership for review, those following courses, and external Educational Researchers. Our institute should keep the library open for the weekend courses.

A survey of the books was done in the years 2015 - 2016 but the price of books had not been recorded. A schedule containing details such as title of book, author, class number, ISBN number, access number computerized number (and other) has been prepared.

It was expected to get this done under the current reaccounting of fixed assets; however since the institutes which had submitted tenders in respect of this activity, had expressed the opinion that a reaccounting for library books under fixed assets cannot be practical, it could not be done.

This stock of books represent the monies paid at different occasions for buying books. It is expected to sort out a methodology by which the contents of this stock of books could be examined, and get a schedule done accordingly. Instructions have been given to Deputy Director General (Administration, Finance and Allied Services) to take necessary action to do this survey of library books.

2. Report on other legal and monitoring requirements

2.2 (a) Establishment Code : Chapter VIII clause 1.2 clause 6.1

In paying overtime for the staff entitled to overtime employed at the National Institute of Education overtime has been paid providing for 1¹/₂ hours for every hour, calculated on the monthly wage, including the living allowance as per order of Assistant Commissioner of Labour, 1995.05.22.

However this method of calculation of overtime has been nullified by the Management Services Circular 02/2016 clause 13 (2) of 2016.04.25. Overtime has been paid in accordance with the instructions of the (said) circular.

However the instructions regarding overtime given by clause 13 of the circular, have been revised on obtaining the decision of the cabinet of Ministers No. 2, 18/0254/719/013 dated 2018.03.20. Accordingly 13.2, 13.3, 13.4 clauses have been removed by clause 2 of the Management Service Circular No. 2/2016 (II) of 2018.04.11. In place of it clauses 02 (1) (b) have been included. According to that clause institutions that are provided with allocation on a constitutional law can take action accordingly on paying overtime. Similarly those institution who make use of the Establishment Code for their administration work, can pay overtime as according to the instructions and regulations in the Establishment code.

Accordingly the National Institute of Education established under law 1985 No. 28, does not work on the establishment code in its administrative work, but the manual of Administration and Finance prepared for the National Institute of Education. In addition, Workers Provident Fund Law and Employees' Trust Fund, in case of workers provident fund and Employee Trust Fund; the gratuity law in case of gratuity payments, the shops and offices act in case of employer - employee responsibilities, and payment of overtime, have been made use of. Based on that overtime payments have been made on the instructions of the Commissioner of Labour dated 1995.03.22 and 2018.08.01.

On circular 2/2016 (II), according to the instructions of the Commissioner of Labour, a letter dated 2019.06.18 has been directed to the Management Services Department seeking further instruction on paying overtime.

(b) Ministry of Finance and Mass Media : Management circular 01/2018 dated 2018 March 19.

As per management of assets circular of the Ministry of Finance and Mass Media, dated 2018 March 19, the sum Rs. 2,524,000/= obtained by selling vehicles, has been sent by cheque to the Secretary, Ministry of Education to be forwarded to the Ministry of Finance.

(c) Circular no. 257 approved by the Department of the Treasury Management Services year 2018.

The National Institute of Education according to the circular had obtained approval for delimitation, final for the first 25%, secondly for the 50%. At the time an adequate number of officers were employed in service, however currently there is only 55% of the approved academic staff in service. That staff attends to about 120 of the jobs as per the annual plan of the Institute. Consequently, the stipulated academic activities cannot be completed within the working time, and the services of external resource persons have to be obtained constantly.

It was stipulated that for 147 subjects in respect of the new curriculum cycle, the syllabus, the teacher's guide and resource books in all three media - Sinhala, Tamil and English - be made available to the system in the years 2014, 2015, 2016, 2017 and 2018.

In addition under the 13 years guaranteed education programme (which was not there in the 2017 - 2021 five year plan and the annual plan for year 2017) 26 new syllabuses and modules had to be prepared afresh in all three media for the grades 12 and 13. Consequently, the limited academic staff of the Institute had to be engaged in that activity.

Further, those officers who coordinate the weekend courses conducted by the National Institute of Education, and those officers of the Institute who deliver lectures have to invariably come on the weekends for these courses.

Eg. Courses conducted by the Department of Teacher Education Leadership Development Centre, Meepe.

Furthermore, since the salaries of the staff due to them on the 2006 circular have not been converted, in calculating 50%, since the salary conversion had not taken place, the disadvantage has affected the academic staff.

The role and function of the National Institute of Education is comparable with that of a university; there are problems of staff enrolment too. Therefore salaries suitable to the Institute have been presented for approval, however a salary scheme appropriate to the national income expenditure proposals of restructuring institutes has been proposed. Up to date it has not been put into action. Consequently the Institute will face a grave problem as the academic staff shows its unwillingness to come for work on Saturdays, Sundays and holidays for academic activities in the future; and without their service, it is not possible to obtain the service of external resource persons.

As a result of these, problems have arisen in calculating 50% maximum limit.

Even so, the Finance Department has calculated the sum of money to be charged from each officer, and necessary action is being taken to keep every officer informed. Action will be taken to make these charges in instalments based on the officers agreeing to have it so.

- 2.4. As according to the requirements of the National Audit Law 2018 No. 4, apart from the observations made here in, (that) the resources of the Institute have not been made use of economically, efficiently and effectively, according to the rules and regulations of the relevant periods of time,

As according to the requirements stated in the National Audit Law 19 2018, clause 12 (h), apart from the observations stated below, (that) the resources of the institute have not been made use of

economically, efficiently and effectively and that during the period of time has not been procured for according to the relevant rules and regulations,

- (a) The printing machines at the press are over 30 years old. By that very reason the machines have to be repaired every now and again. Therefore in order to purchase a new printing machine, the necessary specifications were prepared, evaluation done, and handed over to the procurement department. However since one institute only has sent in price details, the procurement committee has rejected it.

The number of books prepared and given for printing has increased very much. Action had been taken to make due of the machinists available after hours and complete a part of the work, as there aren't enough machinists, the machine is very old and need constant repair. The balance of the printing work has been handed over to an external institute through the Procurement Committee.

- (b) In the year 2018, 243 orders for printing from varied sections had been made. Out of that 218 printing orders were completed amidst varied obstructions. If there had been printing presses with modern technology and trained machinists the other 25 orders too could have been completed.

The time spent differs, depending on the time spent on repairing the printing machines, the lack of trained workers, and the nature of the printing job. Therefore the work cannot be done as according to the time planned for.

- (c) Action has been taken to provide the teachers with the necessary curriculum materials at the teacher training sessions conducted in respect of the subjects of the Mathematics. Therefore no problematic situation will arise in the teaching learning situation. By now all relevant Teachers' Guides have been printed by the Education Publication Department.

Biology, Physics and Chemistry

The academic board recommended the Biology Syllabus on 2016.12.10, the Chemistry Syllabus on 2016.12.15, and the Physics Syllabus on 2017.01.04. But on the request of the Science unit of the Ministry of Education, these syllabuses which were planned, and completed had to be reconsidered on instructions of the Academic Board of the National Institute of Education. On the instructions of the Hon. Minister of Education (2017 December 12) the Biology Syllabus was subject to reconsideration, and the recommendation of the Academic Board for this reconsidered Biology Syllabuses was obtained on 2018.02.06.

As a result of this the preparations of the Teachers' Guide for Biology, Physics and Chemistry were delayed. These delayed Teachers' Guides having obtained the approval, have been handed over to the Educational Publications Department for printing by May 2018. By now the Teachers' Guides provided by the Education Publications Department have been distributed.

- (d) Through oversight while no action had been taken to obtain bid security, by now all these have been successfully completed. The Director (Engineering Services) has been instructed to obtain bid security in the future when calling for tenders.
- (e) The letter handing over the contract for building the sanitary system for the third floor of the hostel of the institute was signed on 2018.11.14; the letter of award of contract was given on 2018.12.21. The sum of Rs. 11.251,932/05 being the 20% advance, was given to the contractor in the year 2018. At present the work is being done, and there is a 60% physical progress. It is planned to complete the work by the end of this year.

2.5 Other observations

- (a) Although there was a certain delay in making the staff of the Institute aware of the programme due to the National Institute of Education not receiving the circulars of 2017.07.25 and 2017.07.31 of the Ministry of Finance and Mass Media on achieving the goals of Sustainable Development, once the Auditor

Generals' letter of inquiry was received, all those circulars were downloaded, and on the occasion of making the academic staff aware of planning the 2018 annual plan, action was taken to make all of them aware of the goals of sustainable Development. It is observed that the main role and duty the National Institute is made responsible for in fulfilling the goals of Sustainable Development come close only to 'Quality Education' as mentioned in the 4th Sustainable Development goal.

The index measuring the role and activity of the National Institute of Education, and the identified targets has been stated in the letter to the Auditor General of 2018.07.18.

Department	Subject	The current situation
Sinhala Language Department	Second Language – Sinhala Work Book Grade 6	This book has been printed by the printing press of the National Institute of Education, and directed to the Book Shop of the Institute.
	Sinhala grade 13 Teachers' Guide	This book has been printed, the printed copies have been given to the National Institute of Education, on 2019.03.13 by the Education Publication Department
Department of Technical Education	Agriculture : Foreign Lexis	It is set to be presented to the Academic Council meeting of September 2019 (Sinhala and Tamil Medium)
Department of English	Grade 05 Syllabus	According to the 2018 Annual Plan, what should have been done was the grade 5 syllabus. It has been as stipulated, received the approval of the Academic Board, the Council and sent to the Education Publications Department for preparing the text
Department of Information Technology	Information and Communication Technology Grade 13	The work on the three media English, Sinhala and Tamil is complete. They have been submitted for language editing at the moment, as won as they are received, if there is any editing to be done after doing so, it will be submitted to the Academic Affairs Board
Department of Commerce	Business Education Guide Multiple choice Questions Grade 12 & 13	Has been handed over to the Press of the National Institute of Education, it is being printed.
Department of Mathematics	Combined Mathematics Statistics (Sinhala, Tamil, English)	The Statistics, Tamil and English both are printed. The printing is complete. The binding of the book has to be done.
Department of Mathematics	11 Question Paper Bank (Sinhala, Tamil, English)	During the Education reforms was revised. As priority was given to the revision of the syllabus then in use, and the shortage of staff, translations and computerizing got delayed. By now the books have been printed and distributed
Department of Science	Biology, Chemistry, Physics, Research Grade 12,13	

2.4 Consequent to the delay mentioned in c/d the delay regarding the syllabus and the Teacher's Guide relating to Biology, Physics and Chemistry it was not possible to complete the preparation of the Resource Books within the year 2018. The section relevant to the first term of Grade 13, were handed over directly to the teachers in 2017, and 2018 respectively, at the workshops conducted. The current status quo of the Resource Books is given below.

Biology

Resource Book : Grade 12

Completed in all three media – Sinhala, Tamil and English. The English medium copies are already printed. Council approval has been given for the Sinhala and Tamil medium copies, ready for printing. They have been included in the National Institute of Education web.

Resource Book : Grade 13

All units in all three media, Sinhala, Tamil and English have been finalized. The Council approval has been obtained for all units from one to nine, and the English medium copy of unit 10, ready for printing has been included on the National Institute of Education web. The approval of the Academic Affairs Board has been obtained for the Sinhala, Tamil medium copies of unit 10.

Chemistry

Resource Book : Grade 12

Completed in all three media Sinhala, Tamil and English. Has been handed over for printing. Has been included on the National Institute of Education web.

Resource Book : Grade 13

The English medium copy (Except for unit 14) has been handed over for printing.

The 14th unit is scheduled to be presented to the Academic Affairs Board. The approval of the Council for the Sinhala medium copies, the recommendation of the Academic Affairs Board have been received. The Sinhala medium copy is scheduled to be printed.

Physics

Resource Book : Grade 12

Finalized in all three media – Sinhala, Tamil and English. The English and Sinhala media copies are ready to be handed over to the printers. The Tamil Medium copy is scheduled to be presented to the Academic Affairs Board.

Resource Book : Grade 13

The Sinhala medium copy of unit 11 has been presented to the Academic Affairs Board for recommendation. The Sinhala medium copies of units 5,6,7,8 and 10 are ready for presentation to the Academic Affairs Board seeking recommendation. The English medium copy (Except for Unit 9) has been handed over for computerization. The Tamil medium copies are being translated.

(C). of the 9 examinations mentioned, 8 of the examinations are those held after June 2018. In eight of these examinations, in addition to the written examination, marks of assignments, projects as teacher training marks have to be added and results finalized. The relevant Course Coordinators have to hand over the marks for practicals to the Department of Examination. After that the final results will be released. The current situation regarding these 9 examination are given in the chart below.

Examination	When the examination held	Current situation
BEd (2011/2013) Part III Repeat Examination	23 rd , 24 th , 30 th June 1 st July 2018	Results are scheduled to be released on receiving the marks for the projects.
Diploma in ALIC (2017/2018) Examination	1 st , 7 th , and 8 th July 2018	Results released on 2019.05.23
PGDE (2013/2014) Repeat Examination	3 rd , 4 th , 10 th , 11 th , 17 th November 2018	Results released on 2019.06.26
Diploma in Counseling (2017/2018) Final Examination	8 th , 9 th , 15 th , 16 th September 2018	Results released on 2019.06.26
DSM (2017/2018) Semester I Examination	2 nd August 2018	Assignment marks have been provided. Scheduled to seek the recommendation that of the Academic Affairs Board and the approval of the Council
PGDE (2015/2016) Repeat Examination	14 th , 15 th , 16 th , 28 th , 29 th December 2018	The marks have been finalized. Has been presented for a final decision on a review of the evaluation procedures
Dip TESL (2018) Final Examination	8 th , 9 th , 10 th , December 2018	The approval of the Academic Affairs Board has been received. Once the approval of the Council is obtained, the results will be released
MSc in Education Leadership and Management 2018 overseas	2 nd , 3 rd , April 2018	The relevant Course aspirants the Maldivian students have informed of their inability to participate at the final session due to a problem that has arisen in their country. Even though the students were willing to participate in the June research sessions, the session was (also) postponed due to the security situation in Sri Lanka, consequently again. For the present (time being) the final session is scheduled to be from September 16-26 at the Edu. Leadership Development and Management faculty, Meepe. Then their research reports are scheduled to be evaluated. Results will be released accordingly.
SLTES III Orientation Programme 2018	20 th July 2018	Results have been released on 2019.07.10

(d). The conduct of examination has been initiated systematically from the year 2019 according to the Manual of Instruction: Examinations, which has been approved by the Council. General matters regarding examination have been methodically conducted from earlier times. However according to the Manual of Instruction, the structure the Department of Examination too needs to be revised ; accordingly action will be taken to establish new sections/ units in the future.

(e). As shown in the Audit Report, it is established that a payment of Rs. 1,713,497/- of the monies going beyond 5 years has to be paid. The balances over 05 years coming under various debtors will be scrutinized and action taken to take them over to the income of the year 2019.

Of the Rs. 346,040/- coming down as a balance due to various debtors mentioned in the audit report only a sum of Rs. 302,449. 70 /- needs to be charged.

B.R.M. Dayananda	- Rs. 16,889.70
National Paper Company Limited	- <u>Rs. 285,560.00</u>
Total	- <u>Rs. 302,449.70</u>

The monies due from Mr. B.R.M. Dayananda will be charged monthly at the rate of Rs.2,000/-

The National Paper Company Limited has not responded regarding the payment of arrears up to date; action has been taken to inform the relevant Institution to legal action regarding this matter. (Attachment 02) . Accordingly cheque for Rs. 22,380/- has been received on 2019.04.11 from the National Paper Company Limited. Action will be taken to get the balance of the 285,560/- too.

Even though it was mentioned in the report referred to that there was a difference of 5.7% to 3,303% between the recorded income-expense and the actual expense, it was stated in our clarifications that there was no discrepancy of such a difference. Instructions have been given at the Financial Management Committee that the Planning Section and the Financial section must get-together and take appropriate steps to minimize even the current differences in the future.

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

L. Dharmin De Silva,
Legal Officer,
National Institute of Education,
Maharagama.
2018.12.26

The Chairman,
The National Paper Company Limited,
No. 61, Stafford Avenue,
Colombo 05

Default of payment for books eliminated

I write this to inform you on the instruction of my client - the National Institute of Education, Maharagama.

Your company has taken delivery of the books eliminated by my client, the National Institute of Education, and your company has agreed to pay the sum of Rs. 318,500.00 for that stock of books you have obtained.

Of that agreed sum a cheque for Rs. 10,560.00/- has been paid to the Institute of my client by cheque no. 657970 dated 2017.05.23 issued by the Bank of Ceylon, Union Place Branch.

I have been informed that my client Institute has made known several times that the balance Rs. 309,940.00/- due to my client Institute be paid, and that your Company has informed that action will be taken to pay the balance arrears, and that up to date no action has been taken to pay the balance arrears. According I am informing you by this letter that the balance of Rs. 307,940.00/- due to my client Institute from your Company be paid. Further I am informing you that I have received instruction from my client Institute, that in the event of your company failing to act according to the information in this letter, or your company defaults, That legal action will be taken to file a case against you in the Civil Courts, and take legal steps to charge your company to pay that sum, along with the legal interest and the legal costs.

Seeking instructions to pay overtime according to Management Services Circular No. 02/2016(II) dated 2018.04.11

The National Institute of Education established by the Act No. 18 1985, is a constituted Institute, belonging to the class of co-operations.

In paying overtime to the staff of the National Institute of Education entitled to overtime, action is taken to abide by the regulations issued by the Commissioner of Labour. Accordingly it is informed that on the instructions given to the National Institute of Education by letter of 1995.03.28, and provisions of the Shops and Office workers Act No. 19,1954, calculations be made by dividing the monthly wage inclusive of the living allowance by 240 and paying 1¹/₂ hours for each hour. (attachment 1)

These instructions of the Commissioner of Labour had been accepted by the Administration Circular of the Institution dated July 27.1995, and made viable in execution.

Overtime payments had been restricted by the Management Services Circular No 02/2016, clause 13, dated 2016.04.28, and these limitation has been removed by clause 13 of 02/2016, of the Management Circular 02/2016(II) dated 2018.04.11.

Accordingly on clause 02(1)-(a) of the Management Circular bearing 02/2016(II), it has been informed that those Institutes who make overtime payments on the provisions supplied by a constituted law could act accordingly.

The National Institute of Education in its administrative work goes by the Manual of administration and finance prepared for the institute.

In making overtime payments according to this Circular, the Institute has sought-further instructions from the Commissions of Labour, Maharagama, and the Commissioner too by his letter dated 2018.08.11 has given instructions to act on the instructions given in the Shops and Office workers Act (attachment -02)

Accordingly informing you that the National Institute of Education abides by the instructions of the Commissioner of Labour as indicated in orders and instructions in the Management Circular 02/2016(II) of the orders and instructions in the Shop and Office employees act No19.1954, has taken action to add the living allowance to the salary in paying overtime, I seek such further instruction in this matter.

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 31st 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%
Electricity Supply (Solar System)	5%



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. Mrs. S.J.M.S.N Senewerathne	Rs. 2,947,755
2. Mrs. K.W.P.A. Weerawardhana	Rs. 198,497
3. Miss. B.K. Wijegunawardhene	Rs. 1,335,286

2.2 Rs. 65,736,752.01 worth of orders including Library Books for the value of Rs.66,548.00 have been issued and no goods were received as at the balance sheet date.

2.3 The Institute has signed agreements with contractors for construction and rehabilitation works for the value of Rs.177,283,916.17 during the year (2018) and to be completed and paid in the year 2019.

Arrears of Employee Trust Fund

2.4 Arrears of EPF relevant to financial years 2006 to 2015 amounting Rs.72,188,213.07 has been recognized in financial statements as Accrued Expenses.



NATIONAL INSTITUTE OF EDUCATION
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018

	Notes	2018 Rs. Cts	(Restated) 2017 Rs.
Assets			
Current Assets			
Cash and Cash equivalents	1	75,799,977.83	468,699,829
Short term Investments	2	749,969,041.51	417,655,029
Trade, other receivables and advances	3,4	98,740,800.99	88,025,771
Inventories / Stock	5	48,964,735.83	35,722,653
Prepayments	6	162,632.00	78,655
		973,637,188.16	1,010,181,937
Non-Current Assets			
Work in progress	7	222,845,645.05	62,330,990
Infrastructure, Plant, Equipment, Land and Buildings	8	809,056,566.37	751,198,130
		1,031,902,211.42	813,529,121
Total Assets		2,005,539,399.58	1,823,711,058
Liabilities			
Current Liabilities			
Trade, Other Payable & Accrued Expenses	9	160,809,148.40	186,790,861
Course fees & others received in Advance	10	115,817,665.80	89,009,666
		276,626,814.20	275,800,527
Non-Current Liabilities			
Provision for Gratuity	11	162,758,547.17	134,640,312
Total Liabilities		162,758,547.17	134,640,312
Net Assets		1,566,154,038.21	1,413,270,219
Net Assets / Equity			
Capital Reserves & Grant	12	1,131,183,923.78	1,072,204,863
Accumulated Fund	13	126,677,903.07	38,277,636
Loan Fund	14	73,814,054.16	70,336,385
Bond Violation Fund	15	7,243,992.00	4,217,171
Reserve Fund	16	227,234,165.20	228,234,165
Total Net Assets / Equity		1,566,154,038.21	1,413,270,219

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
11th February 2019

.....
Padmasiri Jayamanna
Chairman of the Council
Secretary to the Ministry of Education

NATIONAL INSTITUTE OF EDUCATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	2018		(Restated)		Budgeted 2018	
		Rs.	Cts	Rs.		Rs.	Cts
Operating Revenue							
Income	17(19-24)	300,251,675.88		786,055,852		356,700,000.00	
Government & Foreign Grant Recurrent	18	770,084,500.00		330,000,000		685,621,000.00	
Total Income		1,070,336,175.88		1,116,055,852		1,042,321,000.00	
Operating Expenses							
Personnel Emolument	25	389,670,485.79		334,569,148		390,539,000.00	
Travelling Expenses	27	11,689,041.67		16,704,598		27,251,000.00	
Supplies and Consumable used	28	32,061,934.64		30,264,602		109,603,000.00	
Depreciation and Amortization Expenses	29	59,201,079.03		56,765,604		0.00	
Maintenance	30	35,969,757.35		63,249,364		16,600,000.00	
Contractual Services	31	399,263,685.71		305,910,077		461,072,000.00	
Deposit Expenses	32	24,062,500.86		96,205,035		0.00	
Operating Expenses	33	96,751,898.97		56,694,055		37,256,000.00	
Finance Cost	34	468,004.21		641,293		0.00	
Total Operating Expenses		1,049,138,388.23		961,003,776		1,042,321,000.00	
Surplus / (Deficit) for the year		21,197,787.65		155,052,077		0.00	

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

Certified Correct

Approved

.....

.....

T. Malani

Dr. T.A.R.J. Gunasekara

Director Finance

Director General

11th February 2018

National Institute of Education

Maharagama

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018 Rs.	(Restated) 2017 Rs.
Cash Flow from Operating Activities		
Surplus/ (Deficit) from ordinary activities	21,197,788	155,052,077
Adjustment for Non Cash movements		
Depreciation	59,201,079	56,765,604
Provision for Gratuity	40,614,820	32,338,539
Other Adjustments	67,202,479	(72,950,776)
(Profit)/Loss on Disposal of PPE	(1,720,342)	6,432,735
Operating Activities Before Working Capital Changes	186,495,824	177,638,179
(Increase) / Decrease in Stock	(13,242,083)	42,526,572
(Increase) / Decrease in Receivables	(10,715,030)	(10,322,299)
(Increase) / Decrease in other Current Assets	(83,977)	144,712
Increase / (Decrease) in Payable	3,853,109	95,413,542
Net Cash Flow from Working Capital	(20,187,981)	127,762,527
Cash Generated from Operations	166,307,843	305,400,706
Retirement Benefit Cost Paid	(12,496,585)	(16,118,224)
Net Cash Generated from Operating Activities	153,811,258	289,282,482
Cash Flows from Investing Activities		
Work-in Progress	(160,514,655)	(57,554,056)
Additions Property Plant and Equipment	(118,421,773)	(46,089,932)
Disposal of PPE	3,082,600	778,800
Investment in Treasury Bills and Fixed Deposits	(332,314,012)	(33,647,959)
Net Cash used in Investing Activities	(608,167,840)	(136,513,147)
Cash Flow from Financing Activities		
Capital Grant & Donation	58,979,061	(7,939,958)
Reserve Fund	(1,000,000)	(3,640,844)
Bond Violation Fund	3,026,822	4,056,527
Loan Fund	3,477,669	2,602,103
Net Cash used in Financing Activities	61,456,730	(4,922,172)
Net Increase / (decrease) In Cash and Cash Equivalents	(392,899,851)	147,847,162
Cash & Cash Equivalents at the beginning of year	468,699,828	320,852,666
Cash & Cash Equivalents at End of the Year	75,799,977	468,699,828

**NATIONAL INSTITUTE OF EDUCATION
STATEMENT OF CHANGES IN EQUITY 2018**

	Loan Fund		Revaluation and other Reserves		Capital Reserves		Accumulated Fund- Restated		Bond Violation Fund		Total	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Balance at 1 st January 2017	67,734,282		231,875,009		1,082,304,865		(43,823,666)		335,891		1,338,090,490	
Fixed Assets Reserve Revenue	Nil		Nil		Nil		Nil		Nil		-	
Deposit Capital Reserve	Nil		Nil		Nil		Nil		Nil		-	
Capital Grant	Nil		Nil		46,000,000		Nil		Nil		46,000,000	
Capital Grant (Forieng Aid)	Nil		Nil		Nil		Nil		Nil		-	
Disposal Profit Fund	Nil		(3,640,844)		Nil		3,640,844		Nil		-	
Transfer to Loan Fund	Nil		Nil		Nil		Nil		Nil		-	
Prior Year Adjustment	Nil		Nil		Nil		(76,591,619)		Nil		(76,591,619)	
Recognized During the Year									4,056,527		4,056,527	
Interest from Distress Loan	2,602,103		Nil		Nil		Nil		Nil		2,602,103	
Loan Fund	Nil		Nil		Nil		Nil		Nil		-	
Surplus for the year	Nil		Nil		Nil		155,052,077		Nil		155,052,077	
Donation	Nil		Nil		(498,405)		Nil		Nil		(498,405)	
Grant for Treasury & others	Nil		Nil		Nil		Nil		Nil		-	
Revaluation surplus & other reserves	Nil		Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		Nil		Nil		Nil		Nil		-	
Obsolete stock	Nil		Nil		Nil		Nil		Nil		-	
Depreciation (Deferred Reserves)	Nil		Nil		(55,601,597)		Nil		(175,247)		(55,601,597)	
Over Accounted	Nil		Nil		Nil		Nil		Nil		-	
Provision for Capital	Nil		Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		Nil		Nil		Nil		Nil		-	
Balance as at 31 st December 2017	70,336,385		228,234,165		1,072,204,863		38,277,636		4,217,170		1,413,270,219	
Balance at 1 st January 2018	70,336,385		228,234,165		1,072,204,863		38,277,636		4,217,170		1,413,270,219	
Fixed Assets Reserve Revenue	Nil		Nil		Nil		Nil		Nil		-	
Deposit Capital Reserve	Nil		Nil		Nil		Nil		Nil		-	
Capital Grant	Nil		Nil		113,000,000		Nil		Nil		113,000,000	
Capital Grant (Forieng Aid)	Nil		Nil		Nil		Nil		Nil		-	
Recognized During the Year	Nil		Nil		Nil		Nil		3,314,697			
Disposal Profit Fund	Nil		Nil		Nil		Nil		Nil		-	
Transfer to Loan Fund	Nil		Nil		Nil		Nil		Nil		-	
Prior Year Adjustment	Nil		Nil		Nil		67,202,481		Nil		67,202,481	
Interest from Distress Loan	3,477,669		Nil		Nil		Nil		Nil		3,477,669	
Loan Fund	Nil		Nil		Nil		Nil		Nil		-	
Surplus for the year	Nil		Nil		Nil		21,197,788		Nil		21,197,788	
Donation	Nil		Nil		(346,405)		Nil		Nil		(346,405)	
Grant for Treasury & others	Nil		Nil		Nil		Nil		Nil		-	
Revaluation surplus & other reserves	Nil		Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		Nil		Nil		Nil		Nil		-	
Obsolete stock	Nil		Nil		Nil		Nil		Nil		-	
Depreciation (Deferred Reserves)	Nil		Nil		(53,674,533)		Nil		(287,875)		(53,674,533)	
Over Accounted	Nil		Nil		Nil		Nil		Nil		-	
Provision for Capital	Nil		Nil		Nil		Nil		Nil		-	
Provision for Research Development	Nil		(1,000,000)		Nil		Nil		Nil		(1,000,000)	
Balance as at 31 st December 2018	73,814,054		227,234,165		1,131,183,924		126,677,904		7,243,992		1,566,154,039	

NOTES TO THE FINANCIAL STATEMENTS (cont)

01 CASH & CASH EQUIVALENTS

(Restated)

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
BANK OF CEYLON A/C 607624 (A1) - 0269	539,152.75		14,553,652.35	
BANK OF CEYLON A/C 607630 (A2) - 0270	7,502,780.90		61,898,882.09	
BANK OF CEYLON A/C 607628 (A3) - 0271	14,948,936.24		298,277,013.41	
BANK OF CEYLON A/C 607626 (A4) - 0272	42,550,063.99		65,338,684.15	
BANK OF CEYLON A/C 7041168 (A7) - 0268	16,256,043.95		28,628,596.91	
SAVING ACCOUNT-SECURITY DEPOSIT-STAFF - 0273	3,000.00		3,000.00	
TRANSFER OF FUNDS - 0265	(6,000,000.00)		0.00	
Total	75,799,977.83		468,699,828.91	

02 SHORT TERM INVESTMENTS

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
SHORT TERM INVESTMENTS - 0237	749,969,041.51		417,655,029.35	
Total	749,969,041.51		417,655,029.35	

03 TRADE , OTHER RECEIVABLES & ADVANCES

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
DISTRESS LOAN - 0243	66,646,398.00		64,719,114.00	
RECEIVABLE ACCOUNT - 0244	28,628,489.63		13,854,920.25	
BOOK LOAN - 0247	6,800.00		7,600.00	
FESTIVAL ADVANCE - 0249	262,750.00		212,250.00	
GENERAL ADVANCE - 0253	60,431.50		60,431.50	
SALARY ADVANCE - 0248	81,452.46		254,833.75	
ENTERTAINMENT ADVANCE - 0255	8,000.00		3,900.00	
TRANSPORT ADVANCE - 256	10,000.00		10,000.00	
REPAIRS & MAINTENANCE ADVANCE - 0258	-		0.00	
PURCHASES ADVANCE & STORES ADVANCE - 0259	56,165.00		0.00	
MISCELLANEOUS ADVANCE - 0261	276,000.00		394,295.50	
SUNDRY DEBTORS - 0240	447,829.90		482,389.90	
IMPREST - PETTY CASH - 262	6,000.00		3,000.00	
HOSTEL ADVANCE - 0260	0.00		0.00	
IMPREST - POSTAGE - 264	3,000.00		3,000.00	
WORKSHOP ADVANCE - 0254	112,320.00		4,608,527.50	
CONTRACT CONTROL A/C - 0234	0.00		0.00	
SPECIAL LOAN - 0245	2,157,334.00		3,269,135.00	
Total	98,762,970.49		87,887,297.40	

04 PROVISION FOR BAD AND DOUBTFUL DEBTORS

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
PROVISION FOR BAD & DOUBTFUL DEBTS - 0054	(22,169.50)		(22,169.50)	
Total	(22,169.50)		(22,169.50)	

05 INVENTORIES / STOCK

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
STOCK A/C - 0239	48,964,735.83		35,722,652.54	
GOODS IN TRANSIT - 0347	0.00		0.00	
Total	48,964,735.83		35,722,652.54	

06 PRE PAYMENTS

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
PRE PAYMENT ACCOUNT - 0267	162,632.00		78,655.00	
Total	162,632.00		78,655.00	

NOTES TO THE FINANCIAL STATEMENTS (cont)

07 WORK IN PROGRESS

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
WORK-IN PROGRESS - 0236	222,845,645.05		62,330,990.43	
Total	222,845,645.05		62,330,990.43	

08 PROPERTY, PLANT & EQUIPMENT (NET)

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
FIXED ASSETS-COMPUTERS& COMPUTER EQUIVALENTS- 0235	161,466,684.93		100,815,522.50	
FIXED ASSETS-LANDS & BUILDINGS - 0220	770,691,984.83		763,470,452.70	
FIXED ASSETS-LIBRARY BOOKS & PERIODICALS - 0224	64,683,161.78		54,263,190.18	
FIXED ASSETS-MOTOR VEHICLE - 0226	85,052,369.59		86,652,369.59	
FIXED ASSETS-OFFICE FURNITURE & EQUIPMENTS - 0221	205,029,524.59		192,134,683.67	
FIXED ASSETS-ELECTRICITY SUPPLY MACHINE - 0230	7,672,446.17		0.00	
FIXED ASSETS-PLANT & MACHINERY - 0232	65,081,949.06		56,793,211.56	
FIXED ASSETS-PHOTOCOPY MACHINES - 0324	21,297,164.80		20,905,094.80	
FIXED ASSETS	1,380,975,285.75		1,275,034,525.00	
PROVISION FOR DEPRECIATION - 0233	(571,918,719.38)		(523,836,394.68)	
NET FIXED ASSETS	809,056,566.37		751,198,130.32	

09 TRADE, OTHER PAYABLE & ACCRUED EXPENSES

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
BID BOND - 0318	705,760.00		780,865.00	
CANCELLED CHEQUES - 0313	1,539,273.38		1,390,925.55	
REFUNDABLE DEPOSIT- LIBRARY - 0283	542,100.00		362,600.00	
REFUNDABLE DEPOSIT-MISCELLANEOUS/SUNDRY - 0284	3,000.00		3,000.00	
REFUNDABLE DEPOSIT-TENDER - 0282	1,571,230.00		884,860.00	
REFUNDABLE DEPOSIT - SECURITY - 0281	12,000.00		20,000.00	
RETENTION - 0312	1,877,040.48		1,639,126.03	
INSURANCE DEPOSIT- 0308	(728,672.16)		(593,562.16)	
SUNDRY CREDITORS - 0311	23,541,484.39		19,474,805.56	
ACCRUED EXPENSES - 0320	120,568,680.31		156,520,885.81	
PROVISION FOR AUDIT FEES - 0321	10,685,712.00		5,976,540.00	
REFUNDABLE DEPOSIT - 0070	491,540.00		330,815.00	
Total	160,809,148.40		186,790,860.79	

10 COURSE FEES & OTHERS RECEIVED IN ADVANCE

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
COURSE FEES & OTHERS RECEIVED IN ADVANCE - 0309	115,817,665.80		89,009,665.80	
Total	115,817,665.80		89,009,665.80	

11 PROVISION FOR GRATUITY

(Restated)

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
PROVISION FOR GRATUITY - 0322	162,758,547.17		134,640,312.27	
Total	162,758,547.17		134,640,312.27	

NOTES TO THE FINANCIAL STATEMENTS (cont)

12 CAPITAL RESERVES & GRANT

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
FOREIGN AID-JICA BUILDING COMPLEX - 0210	660,000,000.00		660,000,000.00	
GOVERNMENT GRANT FOR CAPITAL(F/ A) SIDA 0212	29,496,903.18		29,496,903.18	
GOVERNMENT GRANT FOR CAPITAL(F/ A)ADB - 0215	11,756,137.50		11,756,137.50	
GOVERNMENT GRANT FOR CAPITAL(F/ A) OTHERS - 0218	88,906,905.60		88,906,905.60	
GOVERNMENT GRANT FOR CAPITAL(C/F)0211	984,038,606.97		871,038,606.97	
DEPOSIT CAPITAL - LOCAL - 0359	69,489,082.89		69,489,082.89	
GOVERNMENT GRANT FOR CAPITAL(F/ A) WB - 0217	71,946,907.00		71,946,907.00	
CAPITAL-ACQUIRED ASSETS - 0209	79,615,563.45		79,615,563.45	
DONATION - 0219	5,328,237.98		5,674,643.41	
FIXED ASSETS RESERVE REVENUE A/C - 0351	4,916,791.32		4,916,791.32	
	2,005,495,135.89		1,892,841,541.32	
AMORTIZATION OF CAPITAL GRANT -356	(874,311,212.11)		(820,636,678.80)	
Total	1,131,183,923.78		1,072,204,862.52	

13 ACCUMULATED FUND

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
EXCESS OF EXPENDITURE OVER INCOME - 0325	21,197,787.65		155,052,076.69	
ACCUMULATED FUND - 0331	38,277,635.79		(40,182,821.84)	
ADJUSTMENT	67,202,479.63		(76,591,619.06)	
Total	126,677,903.07		38,277,635.79	

14 LOAN FUND

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
BALANCE AS AT 01 ST JANUARY 2017	70,336,385.08		67,734,281.98	
INTEREST FROM DISTRESS LOAN - 0020	3,477,669.08		2,602,103.10	
Total	73,814,054.16		70,336,385.08	

15 BOND VIOLATION FUND

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
BALANCE AS AT 01.01.2018 (160643.39+3314697)	4,217,170.39		335,890.55	
ADD: RECOGNIZED DURING THE YEAR	3,314,697.00		4,056,527.00	
AMORTIZATION FOR THE YEAR(160643.39+127232)	(287,875.39)		(175,247.16)	
BALANCE AS AT 31.12.2018	7,243,992.00		4,217,170.39	

The amount in the note number 15 represent the cash receivable to the institute as a result of violation of bonds by three employees, S.M.M Senanayake, A.P.S.S Pathirana and Rasika Balasooriya. Out of the amount, total amount receivable from S.M.M Senanayake & A.P.S.S Pathirana has been fully recovered & the balance to be recovered from Mr. Rasika Balasooriya is Rs.3187465

16 RESERVE FUND

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
PROVISION FOR RESEARCH DEVELOPMENT- 0353	7,750,000.00		8,750,000.00	
RE-VALUATION RESERVE FUND - 0330	219,484,165.20		219,484,165.20	
Total	227,234,165.20		228,234,165.20	

17 INCOME

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
DEPOSIT INCOME	29,376,415.75		313,670,037.03	
SALES	7,317,603.79		8,382,981.71	
COURSE FEES & EXAMINATION FEES	98,517,831.00		320,987,832.77	
LIBRARY FINES & OTHER PENALTIES	183,418.53		106,648.96	
HOSTEL INCOME	27,696,442.39		20,679,848.61	
OTHER INCOME	137,159,964.42		126,285,030.30	
Total	300,251,675.88		790,112,379.38	

SUMMARY FOR NOTES 20-25

NOTES TO THE FINANCIAL STATEMENTS (cont)

18 GOVERNMENT & FOREIGN GRANT RECURRENT

(Restated)

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
GOVT. GRANT FOR RECURRENT(CONSOLIDATED FUND) - 0001	411,000,000.00		330,000,000.00	
FOREIGN GRANT FOR RECURRENT - UNICEF - 0003	359,084,500.00		0.00	
Total	770,084,500.00		330,000,000.00	

19 DEPOSIT INCOME

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
DEPOSIT-FOREIGN - 0017	29,376,415.75		289,876,912.03	
DEPOSIT-LOCAL - 0018		0.00	23,793,125.00	
Total	29,376,415.75		313,670,037.03	

20 FINES & OTHER PENALTIES INCOME

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
LIBRARY FINES & OTHER PENALTIES - 0033	183,418.53		106,648.96	
Total	183,418.53		106,648.96	

21 SALES OF PUBLICATIONS INCOME

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
PRE SCHOOL INCOME - 0035	694,750.00		693,610.00	
SALES OF OLD STOCK -0023		0.00	778,800.00	
SALE OF PRODUCTION (FERTILIZER, YIELD & OTHER) -0024	250,173.54		233,618.56	
SALE OF PUBLICATIONS N.I.E INCOME - 0030	6,372,680.25		6,676,953.15	
Total	7,317,603.79		8,382,981.71	

22 COURSE & EXAMINATION INCOME

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
COURSE FEES - 0027	87,310,951.00		295,554,350.27	
EXAMINATION FEES - 0028	11,206,880.00		25,433,482.50	
Total	98,517,831.00		320,987,832.77	

23 HOSTEL FEES INCOME

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
HOSTEL FEES-MEALS - 0031	17,271,062.39		8,944,020.00	
HOSTEL FEES-ROOM - 0032	10,425,380.00		11,735,828.61	
Total	27,696,442.39		20,679,848.61	

24 OTHER INCOME

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
APPLICATION FEES - 0042	139,770.00		10,900.00	
CONVOCATION INCOME & MISCELLANEOUS RECEIPTS - 0037	6,941,204.20		3,776,500.00	
INTEREST FROM TREASURY BILLS - 0349	60,453,511.62		29,855,860.79	
BOND VIOLATION FUND - 038A		0.00		0.00
MISCELLANEOUS INCOME - 0038	4,424,068.07		2,483,757.18	
REGISTRATION FEES - 0026	5,004,990.00		20,302,080.00	
RENT FROM PROPERTIES - 0022	5,658,621.79		9,475,728.02	
TENDER DEPOSIT-NON REFUNDABLE - 0036	516,860.00		223,675.00	
DEFERRED INCOME (DEPRECIATION) - 0193	54,020,938.74		56,100,002.31	
Total	137,159,964.42		122,228,503.30	

NOTES TO THE FINANCIAL STATEMENTS (cont)

25 PERSONAL EMOLUMENT

(Restated)

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
ACADEMIC AFFAIRS BOARD FEES & OTHER ALLOWANCES -0102	739,462.50		597,000.00	
COUNCIL MEMBER FEES & OTHER ALLOWANCES - 0101	841,800.00		706,500.00	
EMPLOYERS CONTRIBUTION TO TRUST FUND(ETF3%) - 0113	7,316,038.28		10,653,831.84	
EMPLOYERS CONTRIBUTIONS TO PROVIDENT FUNDS12% -0112	29,264,153.35		25,088,905.31	
GRATUITY EXPENSES - 0120	40,614,820.36		32,338,559.09	
OVERTIME/HOLIDAY PAY/ 1/20 PAYMENTS - 0118	29,538,591.24		11,683,417.68	
PERDIUM PAYMENTS - 0119	0.00		89,694.00	
PENSION CONTRIBUTION - 0116	288,731.50		424,270.52	
SALARIES & WAGES - 0103	279,883,542.56		251,489,098.89	
SALARIES & WAGES - NON EXECUTIVE DAYS PAY - 0111	1,183,346.00		1,497,871.00	
Total	389,670,485.79		334,569,148.33	

26

Defined the contribution plans

All employees of the Institute are members of the employees' provident fund and employees' trust fund, to which the institute contributes 12% and 3% respectively of such employees' basic or consolidated wages or salary.

27 TRAVELING EXPENSES

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
TRAVELING & SUBSISTENCE-LOCAL - 0121	2,700,218.17		2,668,515.01	
TRAVELING & SUBSISTENCE-FOREIGN - 0122	8,988,823.50		14,036,083.20	
Total	11,689,041.67		16,704,598.21	

28 SUPPLIES & CONSUMABLE USED

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
FUEL & OIL - 0124	5,769,616.00		4,490,347.93	
PRINTING & STATIONARY - 0127	21,181,974.44		23,601,161.25	
NEWS PAPER NOTIFICATIONS MAGAZINES - 0128	1,135,282.50		1,282,154.50	
TEACHING MATERIALS - 0129	0.00		30,000.00	
PRINTING MATERIALS - 0132	0.00		45,864.39	
UNIFORMS & TAILORING - 0131	368,000.00		396,000.00	
CONSUMABLE ITEMS - 0189	3,607,061.70		419,073.63	
Total	32,061,934.64		30,264,601.70	

29 DEPRECIATION & AMORTISATION EXPENSES

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
DEPRECIATION - 0171	59,201,079.03		56,765,604.16	
Total	59,201,079.03		56,765,604.16	

30 MAINTENANCE

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
REPAIRS & MAINTENANCE-OFFICE EQUIPMENT & FURNITURE 0136	3,702,951.56		7,206,651.17	
REPAIRS & MAINTENANCE-BUILDINGS - 0134	20,421,481.61		14,776,768.86	
REPAIRS & MAINTENANCE-ELECTRICAL - 0138	281,583.35		1,086,345.48	
REPAIRS & MAINTENANCE-VEHICLES - 0135	5,941,772.23		9,611,683.35	
REPAIRS & MAINTENANCE-OTHERS - 0137	5,621,968.60		30,567,914.96	
Total	35,969,757.35		63,249,363.82	

NOTES TO THE FINANCIAL STATEMENTS (cont)

31 CONTRACTUAL SERVICES

(Restated)

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
ADVERTISING - 0151	4,409,023.25		2,549,377.58	
AUDIT FEES - 0150	3,150,000.00		996,240.00	
CLEANING SERVICE EXPENSES - 0154	20,273,893.79		15,085,331.33	
RENT & RATES OTHERS - 0133	65,084.00		0.00	
ELECTRICITY CHARGES - 0165	28,595,281.77		23,265,729.54	
EXAMINATION EXPENSES - 0169	6,382,524.36		16,527,888.80	
INSURANCE-FIRE,BURGLARY,MOTOR VEHICLE & CASHIN -0166	0.00		(294,260.77)	
INSURANCE-AGRAHARA - 0307	2,393,557.42		0.00	
PIECE RATE - 0139	19,844,201.50		13,443,645.00	
POSTAGE & TELEGRAMS - 0149	1,586,108.53		1,528,083.00	
SECURITY SERVICE CHARGES - 0153	8,579,950.37		9,331,797.50	
SUPERVISION&CENTRE DEVELOPMENT CHARGES FOR CENTRES-0162	87,662,739.00		32,007,845.15	
TELEPHONE,INTERNET & OTHER NETWORK CHARGES - 0163	3,689,400.49		7,684,928.85	
TRANSPORT CHARGES - 0167	1,191,934.95		60,518.00	
WATER SUPPLY CHARGES - 0164	6,031,895.70		4,729,722.40	
WORKSHOP CHARGES-ENTERTAINMENT - 0158	31,576,373.71		29,272,321.90	
WORKSHOP CHARGES-FUEL EXPENSES - 0159	115,690.00		148,290.00	
WORKSHOP CHARGES-OTHERS - 0161	9,954,860.07		3,650,750.00	
WORKSHOP CHARGES-PARTICIPANT - 0157	14,707,132.00		16,829,404.00	
WORKSHOP CHARGES-PURCHASES OF MATERIALS - 0156	1,750,406.58		480,214.50	
WORKSHOP CHARGES-RESOURCE PERSONS - 0155	144,003,628.22		128,612,249.98	
REVALUATION OF FIXED ASSETS	3,300,000.00		0.00	
Total	399,263,685.71		305,910,076.76	

32 DEPOSIT EXPENSES

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
DEPOSIT EXPENSES - 0170	24,062,500.86		96,205,035.20	
Total	24,062,500.86		96,205,035.20	

33 OPERATING EXPENSES

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
ENTERTAINMENT EXPENSES - 0176	7,070,714.00		7,879,432.17	
HOSTEL EXPENSES - 0178	16,309,293.75		14,559,525.60	
LEGAL EXPENSES - 0180	325,232.50		236,250.00	
MEDICAL CLAIMS & MEDICAL EXPENSES - 0175	11,000.00		5,770.00	
MISCELLANEOUS EXPENSES - 0183	4,152,134.78		5,537,613.90	
PRE-SCHOOL EXPENSES - 0177	221,455.00		69,992.00	
STAFF TRAINING - 0172	484,625.00		359,785.00	
WELFARE EXPENSES - 0342	507,776.00		664,300.00	
CONVOCATION EXPENSES -0363	1,603,548.70		300,000.00	
INSTITUTION COST - 0194	66,849,837.80		21,599,916.95	
DISPOSAL OF PPE - 0362	(1,720,342.31)		5,132,969.19	
STAFF WELFARE-0182	936,623.75		348,500.00	
Total	96,751,898.97		56,694,054.81	

34 FINANCE COST

Descriptions	2018		2017	
	Rs.	Cts	Rs.	Cts
BANK CHARGES - 0168	468,004.21		641,292.70	
Total	468,004.21		641,292.70	