

Report of the Auditor General on Head 12 - National Education Commission - Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records, of the Head 12 – National Education Commission for the year ended 31 December 2015, was carried out in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review had been issued to the Chairman of the Commission on 07 September 2016. The audit observations, comments and findings on accounts and reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

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

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

2. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Commission amounted to Rs.44.06 million and out of that, Rs.32.39 million had been utilized by the end of the year under review. Accordingly, savings out of the net provisions of the Commission amounted to Rs.11.67 million or 26.49 per cent. Particulars are given below.

Expenditure	As at 31 December 2015			Savings, as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs.Millions	Rs.Millions	
Recurrent	37.86	30.76	7.10	18.75
Capital	6.20	1.63	4.57	73.71
Total	44.06	32.39	11.67	26.49

2.2. Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account Item No. 01201 relating to the Commission and the actual values are shown below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
1.67	0.92	0.90	1.24	6.00	2.22

2.3 Imprest Account

The balance of the Imprest Account No.7002/0000/00/0256/0015/000 of the Commission as at 31 December 2015 totalled Rs.173,824.

2.4 Deposit Account

The balance of the Deposits Account No.6000/0000/00/0001/0100/000 of the Commission as at 31 December 2015 amounted to Rs.37,500.

2.5 Audit Observation

The Appropriation Account and Reconciliation Statements of the Commission for the year ended 31 December 2015 have been prepared satisfactorily, subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and significant observations out of the audit observations included in that Management Audit Report appear in paragraph 3.

3. Material and Significant Audit Observations

3.1 Budgetary Variance

The following observations are made.

- (i) The entire net provisions of Rs.275,000 made for 2 Objects had been saved.
- (ii) Excess provisions had been made for 11 Objects and as such the Savings, after the utilization of provisions, ranged from 25 per cent to 95 per cent of the net provisions relating to the respective Objects

3.2 Good Governance and Accountability

3.2.1 Annual Action Plan

In terms of Public Finance Circular No. 01/2014 of 17 February 2014, the Action Plan prepared for the year 2015 had not been approved by the National Education Commission. The performance had not been presented in accordance with the Action Plan prepared.

3.2.2 Internal Audit

An Internal Audit Unit had not been established in the Commission.

3.2.3 Audit and Management Committee

In terms of Management Audit Circular No. D.M.A/2009 (1) of 9 June 2009, at least 4 Audit and Management Committee meetings should be held once per quarter. Nevertheless, only one Committee meeting had been held in the year under review.

3.2.4 Meetings of the Commission and Standing Committees

According to the Action Plan, 24 meetings should be held at 12 meetings each of the Commission and the Standing Committee. However, only one meeting of the Commission had been held.

3.2.5 Annual Performance Report

In terms of Public Finance Circular No.402 of 12 September 2002, the Performance Report should be tabled in Parliament by the Commission within 150 days after the closure of the financial year, but that report had not been tabled in Parliament even by 30 September 2016.

3.3 Assets Management

Conduct of Annual Boards of Survey

According to the Public Finance Circular No. 02/2014 of 17 October 2014, the Board of Survey for the year 2015 should be conducted and the reports thereon should be furnished to the Auditor General before 17 March 2016. Nevertheless, the office of the Commission had not furnished those reports to audit even by 27 June 2016. The last Annual Board of Survey conducted, had been for the year 2014.

3.4 Performance

The observations on the progress of the Commission according to the Annual Budget Estimates and Action Plan for the year 2015 are given below.

(a) Planning

According to the Action Plan prepared in terms of Public Finance Circular No. 01/2014 of 17 February 2014, a total sum of Rs.5,000,000 had been estimated for the following activities and its financial and physical performance were as follows.

Activity	Provision made	Expenditure	Savings	Targeted position not reached
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	Rs.	Rs.	Rs.	
(i) Compilation of proposals on General Educational Policies	1,000,000	182,504	817,495	Presentation of 10 research reports and the Policy Statement on General Education trilingually.
(ii) Compilation of proposals on University Educational Policies	750,000	-	750,000	Presentation of 8 technical proposals and launching of the Policy Statement on University Education trilingually.
(iii) Compilation of proposals on Tertiary and Vocational Education Policy	750,000	-	750,000	Launching of 7 research reports or presentation of Policy Statement on Tertiary and Vocational Education trilingually.
(iv) Survey on schools of the 3 rd category and establishment of the data system (3 rd Phase)	800,000	-	800,000	Presentation of 9 reports.
(v) Identifying the gap between policies on Recruitment and Placement of Teachers and Implementation	300,000	-	300,000	Preparation and Presentation of the Final Report for recommendations.

(vi)	Study on gender influence for enrolment to the Technical and Vocational Training Courses	150,000	-	150,000	Preparation and Presentation of the Final Report for recommendations.
(vii)	Study on Vocational and Practical Development of new graduates.	110,000	-	110,000	Preparation and presentation of the final report.
(viii)	Establishment of a mechanism of feedback and operations for policy planning.	140,000	-	140,000	Establishment of 9 committees for preparation of reports.
(ix)	Capacity Building of the staff of the National Education Commission	1,000,000	488,357	511,643	Recruitment of staff for new approved posts, conduct of Efficiency Bar Examinations on due dates and conduct of workshops on training for the staff.
Total		5,000,000	670,861	4,329,139	

3.4.1 Human Resources Management

----- Approved Cadre and Actual Cadre -----

The Cadre Position as at 31 December 2015 was as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	04	03	01
(ii)	Tertiary Level	05	05	-
(iii)	Secondary Level	16	12	04
(iv)	Primary Level	12	11	01
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	Total	37	31	06
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