

Head 126 - Ministry of Education, Higher Education and Vocational Education - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 126 - The audit of the financial statements of the Ministry of Education, Higher Education and Vocational Education for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance, and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. The Summary Report containing my comments and observations on the financial statements of the Ministry of Education, Higher Education and Vocational Education was issued to the Chief Accounting Officer on 31 May 2025 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report pertaining to the Ministry of Education, Higher Education and Vocational Education was issued to the Chief Accounting Officer on 29 August 2025 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a fair view in all the material aspects of the financial position of the Ministry of Education, Higher Education and Vocational Education as at 31 December 2024 and its financial performance and cash flow in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters appear in Paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Emphasis of Matter - Basis of Preparation of Financial Statements

I draw attention to Note 1 of the financial statements, which describes the basis of preparation of these financial statements. The financial statements had been prepared for the requirement of the Ministry of Education, Higher Education and Vocational Education, the Treasury and the Parliament in accordance with Financial Regulations 150 and 151 of the Government and State Accounts Guideline No. 06/2024 dated 16 December 2024, as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Ministry of Education, Higher Education and Vocational

Education, the Treasury and the Parliament of Sri Lanka. My opinion in this regard is not modified.

1.4 Responsibilities of the Chief Accounting Officer on Financial Statements

The Chief Accounting Officer is responsible to prepare financial statements that give a true and fair view in all material aspects and to determine such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error in accordance with Government Finance Regulations 150 and 151 and State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025 .

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

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

1.5 Auditor's Responsibility on Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

- Evaluate that the underlying transactions and events are appropriately and fairly included in the financial statements for the structure and content of the financial statements that include disclosures.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.6 Comments on Financial Statements

1.6.1 Submission of Account

Actions had not been taken by the Ministry of Education, Higher Education and Vocational Education to submit the following annual financial statements to audit.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Annual Financial Statements		
(i) Financial Statements of UNESCO Scholarship Fund		
Although it is stated that the financial statements of the fund, along with the performance report, should be submitted to the Auditor General within two months of the end of the accounting year, in accordance with Sections 9.2 and 9.3 of the UNESCO Scholarship Fund Act No. 44 of 1999 and Section 4.4 (a) and Section 4.3 of the state Accounts Circular No. PF/423 dated 22 December 2006, the financial statements of 10 years for the period 2015-2024 had not been submitted to the Auditor General.	The Secretary-General shall act as the Accounting Officer of the Sri Lanka Commission for UNESCO and the position has been vacant since January 2025. Actions will be taken to sign the accounts and submit to audit after the appointment of the Secretary General.	Annual financial statements should be submitted for audit in accordance with the Public Accounts Guide and the UNESCO Scholarship Fund Act.

(ii) Financial statements related to the Technical Education Development Program (TEDP)

Although the financial statements related to the Technical Education Development Program (TEDP), which is a foreign loan project, should be submitted to the Auditor General annually, according to Paragraph 10 of the Memorandum of Understanding, those financial statements had not been submitted to the Auditor General since the year 2022 .

Steps were taken to prepare the final accounts for the years 2019, 2020 and 2021 and submit to the audit within the years 2023 and 2024. The preparation of final accounts for the remaining years has also commenced.

Annual financial statements should be submitted for audit in accordance with the State Accounts Guidelines and Memorandum of Understanding.

1.6.2 Accounting Deficiencies

(A) Failure to make Disclosures

Although it had been stated under the amendments made to Circular 06/2024 issued by the Director General of the Department of State Accounts by the letter SA/MAA/02/01/01 dated 18 February 2025 that in cases where there are specific transactions for a reporting entity, the necessary disclosures for those specific transactions should be made under the "Reporting Basis", the cases where the Ministry of Education had not disclosed such information in the financial statements of the year under review were as follows.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(i) Non-disclosure of the number of contract projects accounted for under construction in progress and the value of their completed works amounted to Rs. 13,970.39 million out of the construction activities under the Ministry of Education according to each project in financial statements even by 31 December 2024 .	Reports should be obtained from each relevant office and it would be difficult to implement in practice in the year 2024 by the letter of the Director General of the Department, of State Accounts dated 18 February 2025 .	Actions should be taken to disclose, along with the financial statements, all significant transactions and events that may affect the decisions of the Ministry of Education, the Treasury and Parliament as per the circular provisions

mentioned under
basis of preparation
of financial
statements in
Paragraph 1.3 of
this report.

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| (ii) | Failure to disclose in respect of the existence of an unpaid claim of Rs. 67.8 million as at 31 December 2024 for the period 2021/2022 under Suraksha Sisu Insurance in the financial statements. | It has not been determined whether this claim amount will be reimbursed definitively or not. This amount has not been included in the financial statements as at 31 December 2024, as uncertain information is not included in the financial statements. | -do- |
| (iii) | Failure to disclose in respect of 328 laptops valued at Rs. 78.4 million procured to achieve the 53 sub-appropriation-linked indicators of the SESIP programme for the implementation of the NEMIS data system regarding the storage in the central warehouse for a period of one and a half years from the date of acceptance in the year 2023, in the financial statements due to a lawsuit. | NEMIS related files and reports have been provided to relevant parties for audit queries and financial studies whenever requested and there is a possibility to report on the current status of the system at any time. | -do- |

(B) Capital Expenditure

The following deficiencies were observed in the accounting of capital expenditures related to the financial statements.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(i) Despite the allocation of Rs. 1,000 million as a sum of Rs. 600 million under two expenditure items during the year for the project to create a conducive environment for employment in the Tertiary and Vocational Education and Training (TVET) sector and Rs. 400 million for the project to establish the Colombo Vocational Training Center and the Gampaha Technical College and incurred the expenditure, actions had not been taken to accounting for those expenses due to inability to obtain reports.	Written and verbal requests have been made to KOICA on numerous occasions to report progress regarding the TVET Career Platform Project and since KOICA has not responded to this it has been reported that all reports prepared by the division have failed to report the financial progress related to this project.	Expenditures related to projects for which provisions have been allocated should be properly accounted for in the financial statements establishing a system to record all expenses applicable to an accounting period.
(ii) Although the total value of the last payments was Rs. 218.5 million, it should be recorded under work-in-progress (WIP) and capitalized upon completion of the improvement, as per the Interim Payment Certificate (IPC) II submitted by the contractor on 31 December 2020 for Phase II of the Isurupaya Ministry of Education Building Construction Project, it had been accounted for as a repair expense under expenditure item 126-1-2-0-2001 .	Since this is an upgrade of 6,7 floors of this building the payments were made under the Expenditure Head 123-01-02-00-2001(11).	Actions should be taken in the future to obtain the renovation works carried out on the 6,7 floors by the relevant divisions by accurately identifying expenditure objects that need to be capitalized and account for capital expenditures to the accurate expenditure objects.

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| <p>(iii) Actions had not been taken to make provisions under a new expenditure object for goods and equipment valued at Rs. 384.5 million received in 2024 for the National Technical College of Education to be built in Narangolla under the KOICA aid project and to be accounted for in the year under review. Actions had not been taken to disclose regarding goods and equipment valued at Rs. 184.35 million expected to be received next year in addition to the equipment received during the year under review, in the financial statements.</p> | <p>Although provisions were requested to account for assets in the year 2024, these goods and equipment assets could not be accounted for since the provisions were not received until the end of the year. However, the expenditure object and values required to account for the assets under the aforementioned goods and equipment in the year 2025 have been requested and the assets will be accounted for immediately just after the expenditure object and provisions are allocated.</p> | <p>Expenditures related to allocated provisions should be properly accounted for in the financial statements by establishing a system to record all expenses related to an accounting period. Taking steps to request funds from the Treasury within the stipulated time frame as agreed upon and to be recorded in the relevant accounting period and procedures should be established so that the value of the donated goods to be received as contracted are accounted for and disclosed in the financial statements.</p> |
| <p>(iv) The expenditure of Rs. 10 million incurred by the Government of India for the year 2022 and Rs. 11.9 million incurred for the year 2024 for the first phase of the project to construct a new national school with multi-ethnic and trilingual education had not been accounted for and included in the financial statements in the years 2022 and 2024 respectively. Due to this, the balance of the work-in-progress account in the financial statements had been understated by Rs. 21.9</p> | <p>The Indian Government entered into an agreement with the contractor and the Indian High Commission makes payments directly to the contractor. The payments made in 2022 are advance payments. Construction has not taken place in 2022. The amount paid at the end of 2022 and 2024 was also reported to the Ministry in 2025. Actions will be taken to</p> | <p>Expenditures related to the allocated provisions should be accounted for in the financial statements of the respective periods as prescribed by establishing a system to record all expenses related to an accounting period and the</p> |

million.	account for the relevant expenditure in this year.	Treasury's advice should be sought on the accounting of capital expenditure of Rs. 21.9 million and acted upon accordingly.
(v) Each computer software, computer programs, and computer data systems used in the activities of each division of the Ministry had not been assessed and accounted for under intangible assets in the financial statements by the year under review.	Actions will be taken to assess each computer software, computer programmes, computer data systems used in connection with the activities and to account for as intangible assets in the financial statements of the year 2025 .	Actions should be taken to obtain information from all divisions before preparing the financial statements for each year as recording expenses, income, as well as assets and liabilities arising from all transactions and events related to the accounting period and to maintain better control over the accounting of assets for the period under review.
(vi) The Niyagama Vocational Training Center expansion project, which began in May 2023 at an estimated cost of 2.15 million Korean Won, is scheduled to be completed in May 2025. The Skills Development and Vocational Education Division had accounted for only Rs. 17.5 million of the annual expenditure due to the inability to identify the expenses incurred in relation to the period for this project, which is in its final stage and for which provisions of Rs. 478 million were allocated in the year under review.	Due to the delay in providing progress reports by the Korean Human Resources Institute, which provided the relevant grant, the expenditure for that year was reported as Rs. 17.48 million. After submitting the relevant reports including physical and financial progress to the Ministry, the cost of the project should be Rs. 421.74 million.	Ministry supervision of the project should be maintained at a quantitative level and actions should be taken to establish good control over the accounting of assets for the period under review by obtaining information from all divisions before preparing financial statements being updated financial,

operational and performance information as recording all transactions and events related to the accounting period, as well as assets and liabilities, as well as expenses and income.

(C) Reconciliation Statement on the Advances to Public Officers Account

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(i) Although the balance of the Advances to Public Officers B Account was Rs. 3,049.18 million as at 31 December 2024, thus the balance was Rs. 3,043.66 million according to the individual balance classification summary, there was a difference of Rs. 5.5 million.	On several occasions, the Chief Accountants, Accountants and Subject Officers of Provincial Education Offices and Zonal Offices were called to this Ministry to conduct awareness programmes and provide advices to settle the balance and it was stated that these balances were identified and corrected as instructed in the relevant workshops.	Actions should be taken to identify the differences between the balance of the Advance B Account and the balance in the individual balance classification summary and correct.
(ii) According to the Treasury books, although the balance of the Advance B Account was Rs. 3,104.62 million, thus the adjusted balance of Advance Control Account B was Rs. 3,049.18 million, there was a difference of Rs. 55.44 million between these two balances.	Since the Ministry is preparing a consolidated account for all sectors including 9 provinces, 100 zones, 20 colleges, higher education, skills and Pirivena, actions are currently being done to investigate which sector has caused the above difference and steps will be taken to resolve this difference in the future.	Differences in balances should be identified and corrected in a timely manner establishing a system to conduct reconciliations for each division or unit at a specific time period.

(iii) The revised balance of the Advance B Control Account was Rs. 3,104.62 million and thus the total of the revised individual balance classification summary was Rs. 3,079 million, there was a difference of Rs. 25.53 million between these two balances and the difference in the year under review had increased by Rs. 595,886 as compared to the previous year.	The reason for the difference in the audit query of the Advances to Public Officers B Account is also due to the destruction of books in 1983 and 1990. I also accept that the balances in the advance accounts for the last 4 years are at different values. All divisions related to the Ministry of Education have been informed to investigate the reasons for this difference and arrangements are being made to review and revise the formats for calling for information and introduce a new set of instructions and new formats.	All efforts are made to resolve differences in loan balances that existed in previous periods and the relevant officials should ensure that such changes do not occur in the current accounting periods and that all changes should be identified and corrected.
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(D) Property, Plant and Equipment

The following deficiencies were observed in the accounting of property, plant and equipment.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(i) According to the Treasury Books (ACA 6 / SA 82), the balance of non-financial assets as at 31 December 2023 was Rs. 180,717.73 million. Thus that balance was Rs. 182,425.25 million as at 01 January, 2024, there was a difference of Rs. 1,707.5 million.	The reason for the difference between the balances of the non-financial assets account as at 31 December 2003 and 01 January 2024 was the non-inclusion of balances from the sub-offices to the non-financial assets account of 2023 due to the non-financial asset files of all the sub-offices not being received properly by the Head Office.	Accounts should be prepared accurately so that the closing and opening balances are equal and authorities should ensure that when correcting the conditions identified as the cause of the difference, entries should be made in the CIGAS computer system as additions and deductions, making notes in a way that the corrections can

be verified according to the certifications of the responsible officers with the required evidence and the differences should be identified and corrected.

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| <p>(ii) According to the Treasury SA 82 Accumulated Non-Current Assets Model, the value of capital asset acquisitions in the year 2024 was Rs. 11,382.87 million and the expenditure incurred for the acquisition of capital assets under expenditure objects 2102, 2103, 2104, 2106 included in the financial statements amounted to Rs. 28,242.88 million, a difference of 16,860 million was observed and the value of non-capitalized assets was Rs. 16,860 million accordingly. Similarly, the actual amount of assets owned by the Ministry of Education had not been indicated by the year-end net asset balance included in the Treasury SA 82 report and by the net asset balance included in the statement of financial position.</p> | <p>The non-financial assets are being accounted for through CIGAS software from the year 2025 to avoid this problem.</p> | <p>Actions should be taken to accurately present the asset balance in the statement of financial position taking steps to capitalize capital assets in a timely manner.</p> |
| <p>(iii) The value of the lands of 39 schools belonging to 13 Districts out of the 396 national schools belonging to the Ministry of Education had not been assessed and accounted for as assets even by 31 December 2024.</p> | <p>Only in national schools where land acquisition issues remain unresolved and to be assessed furthermore. Land assessments are carried out periodically in schools where land acquisitions are finalized.</p> | <p>Actions should be taken to value the lands and account for it as an asset.</p> |

<p>(iv) The Ministry had commenced procurement activities from 03 July 2024 to purchase 1,000 smart boards for installation in schools under the financial assistance of the Telecommunications Regulatory Commission of Sri Lanka, on the Decision of Cabinet of Ministers No. CMP/24/1473/630/009-1 dated 06 August 2024 and 1,000 smart boards had received at the Pattalagedara warehouse on 07 October 2024. The Ministry awarded the bid for Rs. 1,493.31 million and provisions were made available from the Treasury for the year 2024 for the expenditure object to be accounted for under Head 126 for the transaction regarding 1,000 signboards received on 07 October 2024 and arrangements had not been made to account for this in the year under review.</p>	<p>The relevant payments are made by the Telecommunications Regulatory Commission, and only the relevant procurement activities have been carried out by this Ministry. The CIF cost, which is the cost required to import smart boards, has been paid by the Telecommunications Regulatory Commission to the State Trading General Corporation. However, these devices have not been installed in the relevant schools so far. After the installation of the relevant devices, it is possible to transfer the relevant value (goods) to the Ministry of Education through the Telecommunications Regulatory Commission and then carry out the relevant accounting.</p>	<p>Actions should be taken to settle accounts within the prescribed period by taking steps to allocate provisions from the Treasury under the relevant expenditure items to account for cash, goods or technical assistance received locally or from abroad in accordance with Financial Regulation 610 .</p>
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(E) Statement on Writing off from Books

The following deficiencies were observed.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>The losses and damages of Rs. 742,500 presented in Financial Regulation 104(4) records had not been included in the statement of losses and waivers and the statement of write-offs in the financial statements.</p>	<p>It was noted that those not included in the financial statements 2024 will be included in the financial statements 2025 and corrected.</p>	<p>Damages and losses should be accurately included in the financial statements in accordance with Financial Regulation 104(4) .</p>

(F) Failure to Maintain Books and Records up-to-date

It was observed during the audit test check that the Ministry had not maintained certain documents in a proper and up-to-date manner.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(i) Register of Fixed Assets		
The Register of Assets had not been updated in the Cigas programme or through the fixed asset module in accordance with Paragraph 8.1 of the State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025 .	The facilities were not made available to retrieve assets from the file integrated under the Cigas software. The Register of Fixed Assets (BOS report) is maintained separately from the sub-accounting units under the Ministry. The Register of Fixed Assets of Ministry was maintained through the online CIGAS programme until 2024, and with the switch to the offline system in 2025, it is maintained in the CIGAS computer software of the Payments Division of the Ministry.	Arrangements should be made to act in accordance with the Treasury circular and to update and maintain the Register of Fixed Assets at least through the fixed asset module within the Cigas programme.
(ii) Register of Losses		
The Register of Losses had not been updated in accordance with Financial Regulation 110.	Several incidents were missed to be updated by a mistake. Actions have been taken to update by now.	The Register of Losses should be updated and maintained in accordance with the provisions of Financial Regulation 110 and the format thereunder.

(iii) Vehicle Log Books

Vehicle Log Books had not been updated in accordance with Financial Regulation 1645(a) .

Vehicle Log Books are currently being updated.

Vehicle Log Books should be updated and maintained for each vehicle in accordance with the General format 267 in accordance with the provisions of Financial Regulation 1645(a) .

(iv) Register of Contracts

Although the contract document, whether in soft copy or in writing, should be kept up to date with all terms and conditions as a control mechanism to maintain good internal control over contracts in terms of the provisions of Financial Regulations 127, 128, 133, 137 actions had not been so taken.

A record regarding the works awarded and paid for by the Engineering Division of the Ministry is maintained by that Division.

A contract record should be maintained for all contracts entered into under the provisions of the Ministry of Education, including all information from the assignment of contract work to the release of retention money.

(G) Lack of Evidence for Audit

Audit evidences had not been submitted regarding the following transactions.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(i) Actions had not been taken by the Chief Accounting Officer to provide answers to 82 audit queries as 15 audit queries issued to the Chief Accounting Officer during the period 2021-2023 with a minimum response delay of 16 months and a maximum response delay of 42	Audit queries and responses should be submitted through other branches within this Ministry, other divisions and institutions affiliated to the Ministry, and national schools under the Ministry. This process takes a long time and the	The Chief Accounting Officer shall examine the audit query register mentioned in Financial Regulation 452(1) within a specified period and take steps to rectify the deficiencies

months, 66 audit queries issued in the year under review with a response delay of 16 months, and also for the “Special Audit Draft Report on Increasing National Schools to One Thousand” issued in 2023, which had a delay of 18 months.

insufficient current staff has been the reason for the delay. Accordingly, I have forwarded the letter ED/12/01/14/2024-12 dated 28 March 2025 to the Director General, Department of Management Services, indicating the need for staff and seeking approval for the posts to prevent this problem in the future.

indicated in the audit queries received in accordance with Financial Regulation 155, and those queries should be answered immediately. If there are any queries that may be delayed in providing answers, an interim report should be sent for this purpose and steps should be taken to introduce internal control systems.

- (ii) The evidences of how the total of the individual balance classification summary included in the consolidated accounts reconciliation statement, the two items shown in the reconciliation statement with the year-end balance of the control account are the settlement of Provincial Council debt balances of Rs. 22.42 million and the settlement of Provincial Council debt balances of the 1990s in the Eastern Province and the settlement of Provincial Council debt balances through Treasury Account 7004 of Rs. 48.9 million was made, had not been submitted to audit.

Evidence has already been requested in this regard and since they have stated that they do not have documents, they have been asked to further investigate and report information through old accounts.

Management should ensure to submit balance confirmations required for audit.

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| <p>(iii) According to the notes in the Treasury books, the balance of newly assessed and capitalized lands and buildings in the year 2024 to the accumulated fixed assets report (Format SA 82) was Rs. 7,564.72 million and, thus the balance was Rs. 4,717.3 million according to the valuation reports submitted to the audit a difference of Rs. 2,847.45 million was observed and evidence for that difference was not presented to the audit. Similarly, although it was observed from the reply that the balance of newly valued and capitalized lands and buildings in the year 2024 in the accumulated fixed assets report (Format SA 82) also includes a fixed asset balance of Rs. 2,975.38 million purchased during the year accounted for by other institutions, the relevant evidences were not presented.</p> | <p>The Ministry's SA 82 reflects the values of non-financial assets of the Ministry, the National Colleges of Education, the 09 Provincial Head Offices and Regional Offices, as well as other institutions under the Ministry of Education and all projects implemented by it. Accordingly, the consolidated asset account is reflected in SA 82 by 135 such accounting units. However, I would like to point out that the values of the assessed lands and buildings are included only in the Ministry Accounting Unit (Bank Number 001) and that these assessed values are reflected only in the OPENING BALANCE ADDITION of CIGAS. Since the purchases of the year in these OPENING BALANCE ADDITION of other institutions are also included, the value shown in SA 82 is not the value of the lands and buildings on the valuation reports and only the value of the Ministry (Bank Number 001) is relevant.</p> | <p>The relevant authorities should be responsible to prepare all the supporting documents certified by a responsible officer with specific evidence for each accounting entry applied to the accumulated fixed assets record (SA 82) and submit to audit and, to maintain the accuracy and transparency of the entries by maintaining evidence in the order in which each entry is entered so that the accuracy of the adjustments made to the system can be verified.</p> |
| <p>(iv) When accounting for fixed assets in cases where they are not accounted for in accordance with the accounting method for fixed assets in normal daily operations, that is, when correcting errors related to fixed assets, all the</p> | <p>The non-financial assets of the sub-offices that were omitted due to not being included in the major account by the Head Office at the time of preparing the final accounts in the year 2023 are the account</p> | <p>-do-</p> |

confirmation notes certified by a responsible officer with specific evidence for each accounting entry applied to the consolidated fixed assets report (Format SA 82) according to the Treasury books in the CIGAS system, as well as during the balance reconciliation, were not prepared and submitted for audit. Accordingly, the consolidated fixed assets statement (SA 82 Format) could not be adjusted to Rs. 4,751.9 million and the reduction of Rs. 14 million could not be verified.

balances have been shown as above additions and since the final account was prepared by consolidating the accounts of all the sub-offices in the year 2024, these are the balances included therein.

2. Report on Other Legal Requirements

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

- (A) The financial statements are consistent with those of the preceding year.
- (B) The following recommendations made by me on the financial statements of the preceding year had not been implemented.

Reference to the Paragraph of the Previous Year	Recommendation not Implemented	Paragraph Reference in this Report
1.6.1 (b) (i)	Accurate accounts should be prepared so that the closing and opening balances are equal.	1.6.2(d) (i)
1.6.1 b (ii)	Acquired capital assets should be capitalized during the year.	1.6.2.(d) (ii)
1.6.1 a (i),(iii)	Actions should be taken to correct the differences between the control account balance in the consolidated reconciliation statement and the balance in the individual balance classification summary. Actions should be taken to settle the differences in credit balances.	1.6.2.(c) (i) , (iii)

1.6.1 c (iii) Written evidences should be submitted to verify the balance. 1.6.2 (g) (ii)

3. Financial Review

3.1 Imprest Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Despite of unavailability of a certified final bill and a written request for settlement regarding the 17- storied project being constructed for the Faculty of Medicine at the University of Colombo, the Higher Education Division had received the funds under the Expenditure Head 126-2-10-28-2104 (ii) and had disbursed Rs. 703.4 million to the University of Colombo on 30 April 2024. Out of that amount, a total of Rs. 544 million had been sent by the University without being used during the year and the Higher Education Division had spent the money without taking steps to send it to the Treasury or obtain proper approval to offset it against the imprest. The officers responsible for public finances in the Higher Education Division had not taken steps to investigate the undisbursed amount of Rs. 159.4 million. Accordingly, it had been acted inefficiently in respect of financial management.	Answers have not been submitted.	It should be responsible and careful in handling public finances as per the provisions of Financial Regulations 135-139,156 and the Public Finance Management Act should be complied with.

3.2 Expenditure Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) The Ministry received a total net allocation of Rs. 50,758.13 million for capital expenditure and a total net allocation of Rs. 121,153.68 million for recurrent expenditure in the year 2024 and the capital expenditure incurred during the year was Rs. 34,371.23 million and the recurrent expenditure had been Rs. 102,369.36 million. Accordingly, there were savings in provisions as Rs.16,386.9 million, which is 32 per cent of the provision for capital expenditure, and Rs. 18,784.32 million, which is 15 per cent of the provision for recurrent expenditure.	The entire provision was not utilized due to the non-approval of the bill related to the provision allocated for the establishment of colleges as universities based on budget proposals under local funds and new commitments were not made in accordance with National Budget Circular No. 01/2024 and only essential construction work was carried out, and projects carried out under price fluctuations related to the construction sector had to be stopped whilst carrying out. Also, the full allocation was not utilized due to insufficient time to resolve the problems related to construction under the Provincial Education Offices and complete the re-procurement work during the year.	It should accurately identify the necessity and prepare estimates according to the budgeted Action Plan and Procurement Plan and the relevant authorities should ensure that the provisions related to the activities for which the provisions have been made are fulfilled during the year under review and the specified performance levels are achieved and actions should be taken in accordance with the provisions of the Public Finance Management Act.
(B) Due to obtaining financial allocations by preparing estimates without proper forecasting and any rational basis, the total net allocation of Rs. 3,741.4 million for 36 expenditure objects of the Ministry remained at the end of the year under review and out of these, 32 were capital expenditure objects.	New commitments were not entered into under local funds in relation to the construction sector as per National Budget Circular No. 01/2024 and only essential constructions were carried out and the remaining allocations for expenditure objects under local funds are one hundred	-do-

per cent due to the non-receipt of final bills, non-approval of final bills, and non-approval of the bill related to the provision allocated for the establishment of colleges and universities as per the Budget Proposal.

- (C) As stated in Internal Payment Certificate (IPC) 55 dated 24 November 2023, despite an overpayment of Rs. 6.8 million was made to the State Engineering Corporation for the construction of the 6th and 7th floors of the Ministry's office building, a sum of Rs. 50 million had been provided as annual budgeted provisions without considering the necessity under expenditure item 126-01-02-000-2104 for that purpose furthermore. Out of this, Rs. 17.3 million had been transferred to other expenditure items under Financial Regulation 66, by saving a Rs. 32.7 million furthermore.

A provision of Rs. 50 million had been made for the settlement of final bills to the State Engineering Corporation in the year 2024 and final bill payment is to be paid after the contract prices are determined and awarded by the Fixed Price Committee, as stated here.

It should accurately identify the necessity and prepare estimates according to the budgeted Action Plan and Procurement Plan and the relevant authorities should ensure that the provisions related to the activities for which the provisions have been made are fulfilled during the year under review and the specified performance levels are achieved and actions should be taken in accordance with the provisions of the Public Finance Management Act and variations should be made after obtaining proper authority and approval, and accordingly, allocation of provisions should be made and further action should be taken regarding overpayments.

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| <p>(D) Despite a provision of Rs. 100 million had been made for the School Nutrition Programme under the expenditure item 126-01-02-001-1501, a supplement of Rs. 1,800 million had also been obtained on 11 December 2024. Likewise, an amount of Rs. 4,606.3 million had been transferred under the Financial Regulations for this expenditure item, and accordingly, the total net provision had been Rs. 6,506.3 million. An amount of Rs. 1,801.76 million had remained under this expenditure object at the end of the year under review and accordingly, the total supplement of Rs. 1,800 million which was got approved 20 days ago had been saved. Despite the necessary funds to implement this programme entirely through the Provincial Councils had been transferred to the Provincial Councils by the Department of National Budget, the Ministry of Education had allocated funds for the School Nutrition Programme under the expenditure object 126-1-2-1-1501. The saving of allocation for this expenditure item had been 94 per cent in the year 2023 .</p> | <p>In accordance with a policy decision taken by the government, the implementation of the School Nutrition Program for students in grades 1-5 in all government schools commenced in March 2024 and, the cost of one meal was increased from Rs. 85/- to Rs. 110/- considering market prices and at the time of the Ministry of Education has been allocated a larger amount than is normally spent for activities such as regulation and supervision under the Nutrition Programme, we have used that money only to conduct awareness programmes for parties related to the Nutrition Programme and for regulation and supervision of the Nutrition Programme.</p> | <p>It should accurately identify the necessity and prepare estimates according to the budgeted Action Plan and Procurement Plan and the relevant authorities should ensure that the provisions related to the activities for which the provisions have been made are fulfilled during the year under review and the specified performance levels are achieved and actions should be taken in accordance with the provisions of the Public Finance Management Act.</p> |
| <p>(E) Even though Rs. 6,506.3 million has been allocated for the School Health and Nutrition Programme in the year 2024, the programme had not been implemented as expected and due to poor management of the school nutrition programme in</p> | <p>It has been identified that various problems remained with suppliers are also a reason for the saving of provisions. Due to the deduction of the entire amount due for days when food is not provided</p> | <p>It should accurately identify the necessity and prepare estimates according to the budgeted Action Plan and Procurement Plan and the relevant authorities should</p> |

25 schools in 03 provinces according to the audit test check, it had stopped whilst functioning and the Ministry had not conducted the school nutrition programme according to an operational plan and had not reviewed the progress.

according to the prescribed meal plan, provisions may be saved. Therefore, Provincial Nutrition Coordinating Officers were made aware during online meetings to inform suppliers to provide food according to the prescribed recipe and to encourage parents to register as suppliers for schools which are in difficulty finding suppliers.

ensure that the provisions related to the activities for which the provisions have been made are fulfilled during the year under review and the specified performance levels are achieved and actions should be taken in accordance with the provisions of the Public Finance Management Act.

(F) A provision of Rs. 2,078.75 million was allocated for the Nearest School is the Best School Project in the year 2024 and thus the expenditure incurred during the year was Rs. 883.59 million, a provision of Rs. 1,190.16 million or 57 per cent had been saved. Many project contractors had stopped construction whilst carrying out due to non-payment of money to contractors and the necessary steps had not been taken for 288 projects to legally withdraw from each contract work and to accurately identify the amounts to be paid, make payments for them and complete the work. Due to the long-standing unfinished construction on the school grounds, although there was a risk that students could face accidents, due care had not been drawn on it.

Due to non-request of provisions as commitments in the year 2024, only a provision of about Rs. 72 million could be utilized under these two expenditure heads. However, actions are being taken to make provisions for the year 2025 for the work of the Provincial Councils and to correct them. Since many of the works implemented by the Project Management Unit have created problems that cannot be resolved, arrangements are being made to correct them by obtaining approval through a Memorandum of Cabinet of Ministers.

Responsible officers, including the Engineering Division, are accountable for the financial losses incurred by the government due to failure to legally complete contract agreements on time, it is necessary to introduce a suitable programme to implement projects that have been stopped whilst constructing and to obtain comprehensive information on new constructions, renovations and repairs carried out directly by the Ministry and through Provincial Councils or other institutions under the provisions of the Ministry by 30 June 2025 and to

maintain it continuously updated at the Ministry level in the future, so that the ownership of operational activities can be properly carried out and progress can be achieved in the each year.

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| <p>(G) In addition to the provisions made during the year under review for the salaries of personnel of 14 institutions under the Ministry of Education, although a supplementary of Rs. 76.44 million had been received, a 56 per cent of the supplementary amount provided to the University of Jaffna, 34 per cent of the supplementary amount given to the National Institute of Fundamental Studies and the total supplementary amount given to 12 other institutions had been saved and supplementary estimates had been prepared and approved without proper forecasting.</p> | <p>Details of the supplementary provisions and balances have been presented in Annexure 13.</p> | <p>When allocating provisions under a supplementary estimate proposal, the budget accountant should act with proper financial management in terms of Chapter 26 of the Public Finance Management Act, No. 44 of 2024 and maintaining financial discipline should be done accordingly.</p> |
| <p>(H) Provisions were not made during the year under review under the expenditure item 126-2-21-014-2001(17) for the Capacity Development Project for Construction Courses in Sri Lanka Technical Colleges and Colleges of Technology and a supplement of Rs. 3 million had been obtained. Due to the approval of supplementary</p> | <p>Although these provisions were obtained for local financing (payment of VAT and other taxes) for this project, since foreign financing was only 81 per cent and most suppliers were not VAT registered suppliers, the provisions had been saved .</p> | <p>-do-</p> |

provisions without proper forecast and without any rational basis, a sum of Rs. 2.66 million or 89 per cent of the approved supplementary provision had been saved at the end of the year under review.

3.3 Excesses in Expenditure

The following observation is made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
When examining the progress reports submitted by the Skills Division, it was found that, expenditure had been incurred in excess of the estimated allocations of Rs. 40.73 million, Rs. 16.94 million and Rs. 59 million in 03 foreign aid projects during the year under review.	It has been stated that the inability to achieve financial progress and acting independently in project spending have led to expenditure exceeding estimates.	Actions should be taken in accordance with the Public Expenditure Management Act regarding expenditure incurred in excess of estimates.

3.4 Entered into Liabilities and Commitments

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) All liabilities relating to a financial year should be paid and settled within that year, in accordance with Paragraph 2(d) of State Accounts Circular No. 255/2017 dated 27 April 2017 and although no liability should be carried forward with the intention of being settled in the following year, liabilities of Rs.13,968.8 million and commitments of Rs.1.51 million had been incurred as per the financial statements for the year 2024 .	Since the value of the contracts entered into for projects implemented under development programmes cannot be paid in the relevant year, commitments have been entered into in accordance with Section 94 (3) of the Act. Accordingly, since a construction project takes several years to	It should enter into expenditure or obligation for any work, service, or supply only if there are provisions for it in the Annual Estimates.

complete, and as it is not possible to pay all expenses and be exempted during the relevant year, the total commitment value related to the project has been shown in the financial statement.

- (B) Liabilities of Rs. 517.32 million had been incurred in 10 expenditure items in excess of the allocations in a manner that is not in accordance with Paragraph 2 (a) of State Accounts Circular No. 255/2017 dated 27 April 2017 .

The liabilities related to the year 2023 have been paid off in the year 2024. Nevertheless, due to the failure to update the CIGAS programme, they are still listed as liabilities. The relevant payment units have been instructed to remove all the liabilities that have been paid from the CIGAS programme and update the system.

Liabilities should not be incurred in excess of the balance of the provision and make the payment of the relevant amount at the same time as the vouchers are presented for payment in respect of the liabilities, notes have been used to remove liabilities from the register, after confirming that the liabilities were also removed from the register of CIGAS computer programme, it is needed to establish procedures with the coordination between payment units to make payments for liabilities and the register of liabilities needs to be updated.

- (C) Although no expenditure or obligation shall be incurred for any work, service or supply unless there is provision for it in the annual estimates in terms of Financial Regulation 94 (1), despite financial

As each payment unit enters liabilities into the CIGAS system, the relevant payment units have been instructed to immediately remove

Make the payment of the relevant amount at the same time as the vouchers are presented for payment in respect of the

provisions were not made in the annual estimates for the year under review to settle the outstanding balances, liabilities of Rs.1,265.6 million had been incurred for the years 2023, 2019 and 2018 .

the paid liabilities from the CIGAS system, including those relating to the years 2018, 2019 and 2023.

liabilities, notes have been used to remove liabilities from the register, after confirming that the liabilities were also removed from the register of CIGAS computer programme, it is needed to establish procedures with the coordination between payment units to make payments for liabilities and the register of liabilities needs to be updated.

- (D) According to the Treasury Account Statement (SA 92), liabilities of Rs. 77.28 million for the previous years, that is, 2018, 2019 and 2020, were included in the register of liabilities for the year under review. Likewise, liabilities of Rs. 1.34 million and liabilities of Rs. 4,002.42 million relating to the year 2023 were also included in the Treasury Account Statement.

Instructions have been given to the relevant payment units to remove these debts from the CIGAS system. Actions will be taken in conjunction with the Department of State Accounts of the Treasury to clear all liabilities related to previous years in the Cigas system and update the Cigas system.

-do-

- (E) Since a comparison was not made even once a month between divisions where the payment control and the register of liabilities are maintained to determine whether the liabilities of Rs. 1,265.6 million relating to previous years had been paid and released, it is observed in audit that the information between the two

Since each payment unit maintains liability records, actions will be taken in the future to update the registers of liabilities by contacting those divisions.

Make the payment of the relevant amount at the same time as the vouchers are presented for payment in respect of the liabilities, notes have been used to remove liabilities from the register, after

divisions should be checked from 2018 to the year under review, the register of liabilities should be updated with specific evidence, further actions should be taken and the evidence should be submitted to the audit.

confirming that the liabilities were also removed from the register of CIGAS computer programme, it is needed to establish procedures with the coordination between payment units to make payments for liabilities.

Arrangements should also be made to carry out timely reconciliations among payment units maintaining payment control and register of liabilities.

3.5 Certifications to be made by the Chief Accounting Officer

Even though it was required to certify the following matters by the Accounting Officer as per the provisions of Section 38 of the National Audit Act No. 19 of 2018, actions had not been taken accordingly.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) The Chief Accounting Officer should ensure that an effective internal control system is set up and maintained for the financial control of the Department and necessary changes should be made to ensure that the system runs efficiently by carrying out reviews on the effectiveness of that system and although those reviews should be made in writing and a copy submitted to the Auditor General, the statements that such reviews were carried out, had not been submitted to the audit.	Actions will be taken from the year 2025 to conduct the necessary reviews to develop and maintain an effective internal control system and financial control of the Ministry and to forward a copy thereof to the Auditor General.	Actions should be taken in accordance with the provisions of Section 38 of the National Audit Act, No. 19 of 2018 .

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| <p>(B) The Chief Accounting Officer shall ensure that annual and other financial statements are prepared within the required time frames and in addition, although the Chief Accounting Officer should ensure that the annual reports relating to the entity being audited are submitted to Parliament, those needs had not been met due to the audit observations mentioned in 1.6.1 of the report.</p> | <p>Since the financial statements of the UNESCO Fund for the years 2015-2024 are incomplete, actions were taken to submit to the Board of Management to correct those deficiencies and submit again. Actions were taken to prepare financial statements for the years 2019, 2020 and 2021 for the TEDP project within the years 2023 and 2024 and submit to audit. The preparation of financial statements for the future years has also begun.</p> | <p>-do-</p> |
| <p>(C) Although the Chief Accounting Officer should ensure that all audit queries are answered within the specified time frames required by the Auditor General, in accordance with the provisions of Section 38 (e) of the National Audit Act, No. 19 of 2018, those requirements had not been met due to the audit observation mentioned in Paragraph 4.13 of the report.</p> | <p>This should be done by other branches, other departments and institutions affiliated to the Ministry, and National Schools under the Ministry. This process takes a long time and the insufficient current staff for this were the reasons for the delay in providing the answers indicated by the relevant audit. Accordingly, The Director General, Department of Management Services has forwarded the letter ED/12/01/14/2024-12 dated 28 March 2025 to obtain approval for positions for pointing out the need for staff to prevent this problem in the future.</p> | <p>- do-</p> |
| <p>(D) Although the Chief Accounting Officer should ensure that there is an effective system in place to properly implement internal audit</p> | <p>Eighty per cent of the audit activities identified in the 2024 Internal Audit Plan have been completed in</p> | <p>-do-</p> |

functions, that requirement had not been met as per the observations mentioned in 5.3 of the report.

2024 and 21 special audits, which were not included in the Audit Plan but were carried out on my orders, were also conducted during the year. Accordingly, due to the limited staff available in the division having to be deployed for those special inspections, it has not been possible to complete the Audit Plan 100 per cent. Therefore, it has been planned to carry out the Audit Plan in full in the year 2025 .

3.6 Non-compliance with Laws, Rules and Regulations

The instances of non-compliance with the provisions of the Laws, Rules and Regulations observed during audit test checks are analyzed below.

		Observation			
	Reference to Laws, Rules, Regulations etc.	Value Rs.	Non-compliance	Comments of the Management	Recommendation
	Establishments Code of the Democratic Socialist Republic of Sri Lanka				
(A)	(i)	Sub-sections 7.1 and 7.4 of Chapter V of the Establishments Code	An officer who fails to report for duty without taking leave is considered to have resigned from his post from the date of such absence, and the officer	When an officer submits an appeal to his disciplinary authority in writing stating the reasons for not reporting for duty and	Actions should be taken against officers who have re-instated the officers who have left their posts based on inadmissible evidence in

was not requesting	accordance
immediately reinstatement,	with the
informed of this the	Establishments
and the sports disciplinary	Code.
coaches who had authority shall	
been absent consider the	
from work for appeal and	
more than 3 determine if	
months without the officer's	
reporting to failure to	
work were report for duty	
reinstated based is due to	
on unacceptable acceptable	
evidences. reasons, that	
	reinstatement
	can be done.

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

(i) Financial Regulations 104(3) and 104(4)

If there is a delay of more than 7 days in submitting a full report, the preliminary report should be submitted, there were 18 cases where action had not been taken accordingly and although a full report should be submitted within three months from the date of the loss, due to insufficient supervision by	Although a full report should be submitted within three months from the date of the loss, it has not been possible to do so due to practical issues.	Further actions needs to be done identifying responsible officers at the due times according to the provisions of the Financial Regulations.
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the relevant divisions, there were 52 cases where such action was not taken.

**(C) Public
Administrati
on Circulars**

(i) Letters of the Director General Establishments No. EST/7/EXA MS/05/1007-6 dated 27 April 2017 and No. EST/T/ALLO W/05/0037-4 dated 28 December 2016	Rs. 7.4 million	A sum of Rs.7.4 million had been paid as resource allowances to officers who participated in non-lecture-type tasks such as preparing various manuals, preparing guidebooks, preparing circulars, and preparing teacher training modules, contrary to the provisions imposed by the Director General Establishments.	Payments have been made to the resource persons under Table No. 01 mentioned in the above article for workshops such as the preparation of manuals, preparation of guidebooks, preparation of teacher training modules.	Actions should be taken to recover overpayments and it should ensure to take steps to pay resource allowances in accordance with the circular and to make payments for special tasks for the Ministry after obtaining the approval of the Director Establishments.
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**(D) Public
Service
Commission
Circulars**

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| <p>(i) Chapter XVIII of the 1st Volume of the Procedural Rules published in the Extraordinary Gazette No. 1589/30 dated 20 February 2009 and Letter No. PSC/EST/02-04-34/01/2017 dated 21 June 2017, Paragraph v(c) (i) of the Ministry of Education Circular No. 21/2024 dated 30 May 2024</p> | <p>(i) Even though the specified service period of each school had expired, the Ministry had failed to implement the annual transfer policy of academic and non-academic staff as scheduled due to the fact that the school principals did not submit the information to the Ministry of Education as per the circular, did not submit it with accurate information and did not maintain a database at the Ministry level .</p> | <p>Information regarding officers with more than 05 years of service, including information from the Education Services Network, will be forwarded to the Director General of Combined Services for consideration during annual transfers.</p> | <p>The Ministry should take adequate measures to implement the Annual Transfer Policy as scheduled, by maintaining a database system at the Ministry level that contains information to enable the Annual Transfer Policy to be implemented as scheduled, and schools that do not do so should be identified through the monitoring mechanism.</p> |
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(ii)	Procedural Rules 28 and 32	Although an acting appointment cannot be made for posts for which there is no approved service constitution or Scheme of Recruitment, an acting appointment had been made to the post of Director (Piriven).	The approval of the Public Service Commission has not received so far to implement the accurate Scheme of Recruitment.	Actions should be taken in accordance with existing regulations and officials who act beyond the regulations should be responsible for the costs incurred by the government.
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(E) Ministry of Education Circulars

(i) Circular No. 17/2023 dated 25 April 2023

- Section 6.0

The Education Secretary had taken actions to be admitted 528 students to 106 popular schools in the island based on unjustifiable reasons misusing Section 6.0 of the Circular, when students do not qualify for the 07 categories that can be admitted to intermediate classes as per the	Even though the maximum number of students in a class is exceeded when deal with the requests of various groups not covered by Circular 17/2023 on the admission of students to intermediate grades in schools, with the approval	Actions should be taken to amend the circular for the recruitment of students for intermediate grades in a manner that safeguards the equal educational rights of all Sri Lankan children.
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circular provisions during the period from 25 April 2024 to 26 July 2024 . of the Cabinet of Ministers, I have been authorized to admit students belonging to the above categories.

(ii) Paragraph 02 of Circular No. 27/2024 dated 20 August 2024

Although all officers in Grades I, II and III of the Sri Lanka Teacher Educators Service who have completed 8 years or more of continuous service at a particular service station have not applied for transfer, and also it was stated that they would be subject to transfers, 15 officers have been serving in the Ruhuna Faculty of Education for a period of between 09 and 24 years. Answers have not been given. The teacher transfer policy should be implemented as scheduled.

**(F) Sri Lanka
Educational
Administrative Service
No. 1928/28
and Service
Minutes
dated 21
August 2015**

• Section

11.1

Despite it has been specified that the qualification for the post of Principal under the appointment to the posts should be an officer of the General Staff of the Sri Lanka Educational Administrative Service Grade I/II/III, arrangements had been made to appoint a Special Service Category Officer to the post of Principal of Visakha Vidyalaya, Colombo in the year 2022 without being amended it and publish it in the Gazette.

Answers have not been given.

The necessary steps should be taken to publish the revised qualifications in the Gazette and the legal status of the appointment made without revision should be re-examined.

3.7 Deposit Balances

The following observation is made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although deposits that had lapsed 02 years from the date of deposit should be credited to the government revenue in terms of Financial Regulation 571, the value of 09 deposit accounts not credited to the government revenue during the year under review was Rs. 427.75 million and within that value, a balance of Rs. 146.15 million had been included for over 5 years.	Written instructions have been given to all relevant Provincial Directors of Education and President to take actions in respect of lapsed balances in accordance with F.R. 571 and to settle the deposit balances before the exceeding of 2 years.	The values that should be credited to the government revenue should be credited to the government revenue.

3.8 Surcharges

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Even though it is not possible to pay the special allowance payable to principals and to officers of the Sri Lanka Educational Administrative Service who hold the post of principal, in accordance with the provisions of paragraph 3 of Public Administration Circular No. 18/2015 (V) dated 27 June 2024 due to the payment of both the special allowance and the principal allowance to Executive Grade officers to 58 principals of 72 schools belonging to the Educational Administrative Service from July 2024 to December 2024, a sum of Rs. 2.15 million had been overpaid in contrary to the circular.	Answers have not been submitted.	Special allowances should be paid in accordance with the provisions of Paragraph 3 of Public Administration Circular No. 18/2015 (V) dated 27 June 2024 and actions should be taken to recover payments made in contrary to the Circular.

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| <p>(B) It had been informed that if a person resigns from the position within 05 years or requests to be released from the position to take up another position, the amount of Rs. 163,053 spent by the government for the inaugural training for one trainer should be paid back to the government as stated under Paragraph 24 of the appointment letter of the sports coaches recruited on 06 May 2019. Actions had not been taken to recover the expenditure of Rs. 4.9 million incurred for 30 sports coaches who had resigned from service and were released to other services within 05 years as at 30 May 2025, in accordance with the appointment letter and an amount of Rs. 45.65 million paid had been useless for 280 people who left the service and the identified outstanding loan balances and salaries of Rs. 521,574 were to be recovered.</p> | <p>Orders for recovery are issued along with orders to leave the service and there, relevant information will be provided by the zonal authorities. Actions are being taken to develop a database system according to the instructions I have given so far.</p> | <p>Steps should be taken to find out the details of officers who have left the service and recover the amount spent on the inaugural training from the officers who have left the service and actions should be taken and in accordance with Financial Regulation 156 and Sections 8.1 and 8.2 of Part II of the Establishments Code regarding the loss to the government to be received from sports coaches who have left the service.</p> |
| <p>(C) The Director (Piriven) appointed by the Public Service Commission to cover the duties from 04 October 2023 had been given an acting appointment on a full-time basis and a sum of Rs. 492,780 had been paid as vehicles, fuel, telephones and other allowances that were not entitled to duty coverage and arrangements had also been made to provide the vehicle for the position of Director. Further, even though the Department of Management Services had approved the establishment of the position on a contract basis on 01 July 2024, actions had been taken</p> | <p>The Director (Piriven) appointed for duty coverage has been paid an amount of Rs. 492,780 as vehicle fuel allowance, telephone allowance and other allowances based on the continued appointment of a Venerable Thero to this position and the continued granting of the privileges and facilities previously granted to those Theros. Once the Scheme of Recruitment is approved in the future, steps will be taken to act accordingly.</p> | <p>Actions should be taken to recover the money paid without supervisory authority and actions should be taken in accordance with Section 156 against the officers who have given recommendation, approval, authority and payment for payment vouchers.</p> |

to pay salaries and allowances of about Rs. 260,000 including all allowances for a period of one and a half months from the date of appointment of the position of Director (Piriven) on a contract basis and to provide other privileges including an official vehicle before that again.

3.9 Operating Bank Accounts

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) The value of unidentified cash receipts as at 31 December 2024, in 09 account numbers of the Ministry of Education, 30 account numbers of the Provincial Education Department and 10 bank accounts belonging to the National Faculties of Education, had been Rs. 20.80 million.	Unrecognized receipts have been identified and settled. Officers have been informed to take steps to accurately identify direct remittances received by banks within the prescribed period when preparing bank reconciliations in the future.	Steps should be taken to better maintain financial discipline in relation to transactions and events in all units under the Ministry by implementing more systematic management of internal financial controls. Accordingly, actions should be taken to resolve unidentified cash receipts.
(B) The total value of unidentified payments as at 31 December 2024, relating to 04 bank accounts of the Ministry of Education and 09 bank accounts under the Provincial Education Department, had been Rs. 3.79 million.	The officials were informed to take actions to accurately identify direct remittances received by banks within the prescribed period when preparing bank reconciliations	Steps should be taken to better maintain financial discipline in relation to transactions and events in all units under the Ministry by implementing more systematic

management of internal financial controls.

Accordingly, actions should be taken to resolve unidentified cash receipts.

4. Operational Review

4.1 Vision and Mission

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Although the National Education Commission had submitted recommendations to the Ministry of Education in 1992, 2003, 2016 and 2021, to formulate national education policies in accordance with the provisions of the National Education Commission Act No. 19 dated 19 April 1991, a National Education Policy had not been approved even by 30 September 2025 .	Answers have not been given.	Educational reforms and all related activities should be carried out in line with the approval of a National Educational Policy covering every field.
(B) When examining the Performance Reports of 2020, 2021, 2022 and Draft Performance Report 2023 of the Skills Sector, which has the Vision and Mission of "A research-oriented society full of skills" and "To create a smart society filled with knowledge, professional skills and talent and to create an ecosystem conducive to the promotion of research and innovation, thereby setting the stage for a regional innovation hub.", a the skills sector has been	It was a difficult task to implement the plans prepared to overcome the challenges identified in the vocational education sector in the view of budgetary constraints in the public financial management systems due to the economic crisis in Sri Lanka during the period 2020-2023. There was no opportunity to implement the government's education policies during the period	Actions should be taken to prepare a plan with a permanent strategy Responsible officers should ensure to establish a system that can produce competent, research-oriented individuals by reviewing progress on a timely basis by preparing a plan with sustainable and flexible short-

facing the same challenges for the 2020-2022 .
past 4 years, a formal, strategic
plan had not been prepared and
implemented to successfully
overcome those challenges.

term, medium-term
and long-term sub-
plans and time
frames to address the
ongoing challenges.

4.2 Planning

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Details regarding the Ministry's updated organizational structure, approved staff and currently employed staff for the year had not been submitted in the Ministry's Action Plan for the year 2024, which should be considered in the preparation and implementation of the Annual Action Plan, in accordance with Paragraph 03 of Public Finance Circular No. 02/2020 dated 28th August 2020 .	Details of the approved staff, organizational structure and staff currently employed have not been included in the Annual Action Plan prepared by this branch. It is expected that this information will be included in the next Annual Action Plan.	Based on the approved updated organizational structure of the Ministry and the actual staff, the Ministry should identify the activities to be carried out at the level of each division, branch and officer to achieve the vision, mission and objectives during the year under review and plan them so that they can be accomplished within a specific timeframe. The Accounts Division, Establishments Division, etc. of the Ministry should prepare activities for all divisions and monitor the overall progress through the Director General of Planning. The overall progress should be reviewed periodically and the benefits of the plans should be delivered to the children of the country through remedial and strategic methods during the year under review.

4.3 Failure to Perform Tasks

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Although the total estimated expenditure for the expected works in the year 2024 was Rs. 30,095.2 million as per the Action Plan, the actual expenditure was Rs. 10,567 million. according to the Progress Report. Accordingly, the unachieved activities amounted to Rs. 19,528.13 million equivalent to 65 per cent of the total allocation and the expected targets had not been achieved. There was also a difference of Rs. 8,979.79 million in the estimated expenditure between the Action Plan and the Progress Report.	The information in the financial and progress reports submitted to the Regulatory and Performance Review Division regarding expenditure by the relevant departments was included in the progress report in the same manner. Areas that failed to achieve the desired goals were made aware during the progress review meetings of the Annual Action Plan.	Based on the approved updated organizational structure of the Ministry and the actual staff, the Ministry should identify the activities to be carried out at the level of each division, branch and officer to achieve the vision, mission and objectives during the year under review and plan them so that they can be accomplished within a specific timeframe. The Accounts Division, Establishments Division, etc. of the Ministry should prepare activities for all divisions and monitor the overall progress through the Director General of Planning. The overall progress should be reviewed periodically and the benefits of the plans should be delivered to the children of the country through remedial and strategic methods during the year under review.

(B) Out of the 927 tasks planned to be completed by the Ministry of Education in 2024, there were about 69 tasks belonging to 26 sectors that did not make any progress and the estimated value of it had been Rs.9,586.29 million.	The information in the financial and progress reports submitted to the Regulatory and Performance Review Division regarding expenditure by the relevant departments was included in the progress report in the same manner. Areas that failed to achieve the desired goals were made aware during the progress review meetings of the Annual Action Plan.	-do-
(C) In the evaluation conducted regarding the orientation towards the professional employment sector, which was one of the main objectives of the Skills Sector, it was found that follow-up programmes had not been implemented regarding the employment of trainees who had completed vocational training from the 20 institutions and incorporated institutions operating under the Department operating under this Sector and a data system on trainee employment had not been established. Accordingly, it was not possible to evaluate the effectiveness thereof.	The “Career One” TVET Career Platform has now been launched, providing NVQ certificate holders with the necessary information and facilities to find employment. Further , the NVQ system currently maintained by TVEC has been improved so that the employment information of NVQ certificate holders can be entered by the institution where they studied the course.	Vocational education should be improved so that it can be taken nationally and internationally and earn foreign exchange , by placing vocational trainees in the right workplaces based on optimal and correct decision-making and improvements reviewing progress with a plan to utilize the improved data system to ensure it is well updated and accordingly, the data should be maintained.
(D) Although the Skills Division had initially identified English language proficiency and one year of relevant experience as essential qualifications for the	Vocational training institutions have been instructed to use workshop English applications whenever possible in lectures and practical	Vocational education should be improved so that it can be taken nationally and internationally and foreign exchange

placement of trainees in the foreign labour market, it had failed to provide a supply that meets the demand in the foreign job market by not taking adequate steps to fulfill those needs up to now.

activities to add industry-oriented English language proficiency to the vocational training field.

earned, and providing English language skills to trainees with experience in the field as required.

4.4 Failure to achieve the Desired Output Level

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) The progress of 66 tasks belonging to 25 branches out of the 49 branches of the Ministry had ranged from 1 to 50 per cent and the estimated value of the unachieved tasks was Rs. 2,750 million according to the Progress Report.	Answers have not been given.	The Ministry should identify the activities to be carried out at the respective sectors, branches and officer levels to achieve its vision, mission and objectives based on updated organizational structure of the Ministry approved and actual staff during the year under review and they should be planned in such a way that they can be accomplished within a specific timeframe and the overall progress should be monitored through the Director General of Planning, with activities prepared

for all sectors such as the Ministry's Accounts Division, Institutions Division, etc., the benefits of the plans during the year under review should be delivered to the country's children through timely review of overall progress and through remedial and strategic methods.

- (B) The State Ministry of Education Reforms, Open Universities and Distance Education was established on 20 August 2020 and the Education Reforms Division spent approximately Rs. 106.27 million during the years 2021 and 2022, and according to information submitted by the National Institute of Education, the same institution spent Rs. 484.34 million, during the period 2020 to 2024 totaling Rs. 590.61 million. The State Ministry was abolished in 2022 and although the tasks and functions that were within the scope of the Ministry of Education were transferred to the Ministry of Education from that date, it was observed that the Ministry is preparing the action plan and timeline for implementing the new education reforms proposed to be implemented from 2026 even by 30 September 2025. Accordingly, despite a delay of
- I agree with the fact that the education reform process has not yet been launched in the education system. The physical and human resources required to implement curriculum reforms for grades 1 and 6 in schools in the year 2026 are being provided and preparing, carrying out the necessary tasks and preparing plans by identifying the key pillars essential for the success of the education reform process accordingly, monitoring done by responsible parties and progress review, recommendations/decisions and approvals are currently being prepared through various committees/boards.
- All responsible officials, including the Secretary of Education, and Heads of related institutions, should take action to ensure the equal right of all children to education by using the funds purposefully, frugally and economically by approving a Road Map for new education reforms that will elevate the country's children in all aspects and move forward in line with the international community, while managing all possible risks, and by approving a new education reform

5 years had elapsed after planning the implementation of the new education reforms, it was unable to identify in audit that the new education reforms program is being implemented properly by approving a new education reform road map that has been prepared to uplift the country's children in all aspects and move forward in line with the international standards, while managing all possible risks.

programme with the relevant expenditures, according to a short-term, medium-term and long-term plan and timeline for implementing new education reforms accordingly,

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| <p>(C) The number of unresolved disciplinary investigations within the Ministry of Education as at 31 March 2025, had been 39. Sufficient attention had not been drawn on the spread of the consequences of the failure of Ministry of Education's to take prompt action in this regard on the school system to the point where children's lives are rendered unsafe and preventing misconduct by taking timely disciplinary actions.</p> | <p>Agreeing that there are unresolved disciplinary investigations.</p> | <p>Actions should be taken to prevent the lives of children in the school system from becoming unsafe by expeditiously concluding unresolved disciplinary investigations.</p> |
| <p>(D) According to the Tertiary and Vocational Education Commission website reports, only 1,722 institutions out of 3,916 training institutions registered with the Tertiary and Vocational Education Commission were operational as at March 2025. The registration period of 1,304 institutions had expired and 844 institutions had been closed. Similarly, out of the institutions whose registration period expired during the year 2024, only 601 institutions had their registration renewed.</p> | <p>Institutions whose registration period has expired should apply to renew their registration. The Commission will take steps to renew the registration of the institutions so requested. A sum of Rs. 05 million was received in the year 2024, as Treasury allocation for this purpose. At least a sum of Rs. 800,000 has to be spent to prepare or update one standard. Accordingly, the maximum number of</p> | <p>The responsible officers of the Ministry should ensure that a long-term plan with stable and flexible short-term, medium-term and long-term sub-plans and time frames is prepared to face the challenges that are continuously being faced, and that progress is reviewed</p> |

	Further, although the Commission had targeted to develop 50 new national competency standards and courses and update 30 during the year under review, only 26 national competency standards had been developed and 22 updates had been made, and there were still 100 competency standards that had not been updated by March 2025 and the Skills Division had not paid attention to this.	standards that could be prepared from those provisions was completed in that year.	periodically, creating competent and innovative individuals, taking them to the national and international levels, and creating a society that can achieve sustainable outcomes beyond output.
(E)	Although the works of 2 new buildings and 3 renovated buildings valued at Rs. 428.07 million had been completed in 2021 under the Austrian project on improving technical training activities at the Katunayake Institute of Engineering Technology, the government's assessed value had decreased by Rs. 298.07 million in a short period of 1 ½ years due to the fact that the government's assessed value obtained in 2021 and 2022 for those buildings was Rs. 130 million. Accordingly, the construction and renovation work carried out by this project had not been carried out economically.	The GRN issued by this project has been used to account for the assets and the relevant values have been taken into account in preparing the accounts of NAITA according to the details provided regarding the building values.	A formal investigation should be conducted by a committee consisting of qualified persons in this regard.
(F)	Although the letter of completion of the project had been issued by the Katunayake Institute of Engineering Technology under the above project subject to the receipt of training equipment that had not been received until then, it was observed that training equipment valued at Rs. 13.73 million had not been received by the Katunayake Institute of	Agree. This project began as an unsolicited proposal.	Actions should be taken to check the circumstances that occurred by a qualified committee in this regard and to receive equipment assistance.

Engineering Technology as at 12 March 2025. Although the value of this equipment, which was Rs. 13.73 million, was also included in the project value, this division has not taken any action regarding the acquisition of equipment even after 3 years.

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| <p>(G) As expected in the year 2024, student enrollment in vocational training institutions under the skills sector had decreased significantly compared to the previous year. That is, it was 120,255 in the year 2023 and it was 105,258 in the year under review.</p> | <p>Answers have not been given.</p> | <p>The courses available in vocational training institutions established under the Skills Division should be revised from time to time to suit the needs of the job market and to identify the number of students that can be enrolled annually based on the maximum capacity for enrolling students for those courses and accordingly, a formal mechanism should be introduced to conduct annual recruitments and the objectives of establishing professional institutions should be achieved.</p> |
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(H) Even though provisions have been allocated for 496 projects for 13 institutions under the Vocational Education Division for the year 2024, only 368 projects had been completed. The 128 projects which were not completed had remained in various stages from planning to completion.	Answers have not been given.	-do-
(I) A number of 317 Skill Development Assistant Officers were assigned to 474 Divisional Secretariats and 58 of them to District Secretariats. However, the progress of the year in relation to 18 out of the 22 main tasks assigned to those officers during the inspection of the performance of those officers in the year 2023, was a low figure ranging from 0 to 35 per cent and the information on the performance of 2024 was not submitted for audit.	A career guidance program targeting students who completed the GCE A/L in 2024 was held island wide in 215 schools (March to May) and certificates were issued to 7,355 students.	Specific activities of skill development officers should be included in the Action Plan, and reviewed periodically, and performance should be evaluated up-to-date to ensure that the required performance is achieved.
(J) A loan of Rs. 950 million had been targeted to be provided from 2016 to 2027 under the Self-Employment Generation Initiative (SEPI) and only Rs. 571 million had been provided to 1,193 beneficiaries by the end of the year 2024,. It was observed that the budgeted provisions obtained for the year 2024 were not sufficient and the provisions of Rs. 70 million were sufficient for only 82 beneficiaries and had been provided by the end of May 2024. Similarly, although the issuance of loans should have targeted entrepreneurs covering all Districts during the year under review, loans had not been	Although a sum of Rs. 100 million has been requested for loans under the SEPI loan scheme from the Budget Estimate for the year 2024, only Rs. 70 million was approved in the Budget 2024 and since the amount was disbursed to 82 beneficiaries by May 2024, the Central Bank was instructed to stop registering beneficiaries for the year 2024 furthermore. Therefore, it has been reported that loan applicants in some Districts have not been able to receive loans in	Actions should be taken to prepare estimates based on accurate information and get the allocations approved to increase the number of borrowers so that the desired objectives of this loan scheme are achieved and sufficient attention should be drawn to it and achieve the goals.

provided in the areas of Mannar, Nuwara Eliya, Jaffna and Hambantota. that year.

(K) Construction of a 12-storied building for the Faculty of Medicine of the University of Ruhuna.

The contract for the construction of a 12-storied building with the aim of increasing the number of students admitted to the Karapitiya Medical Faculty and enhancing research capabilities had been awarded to the Central Engineering Consultancy Bureau on 01 June 2020. Although the work under this contract should be completed and handed over to the University by 06 September, the contract period had been extended on 06 occasions by the end of the accounting year. However, the physical progress of this project had remained at less than 60 per cent.

Actions have been taken to terminate the contract agreement on 13 November 2017 due to the poor performance of the institution to which this project was initially assigned. The construction work, which was later halted, was handed over to the Central Engineering Consultancy Bureau on 02 June 2020. However, due to the Covid pandemic in the country in 2021 and 2022, construction work was delayed due to obstacles in carrying out construction work and shortage of building materials. As a result, the contract period had to be extended from time to time. Necessary steps have been taken to properly complete this project after 2023 and from 2024 after the necessary supervision works done.

The relevant officers should ensure that the project is completed in accordance with the agreement, with due monitoring and supervision to be able achieve the project objectives.

(L) Project to establish a Professors' Unit at Karapitiya Hospital.

The project to establish this unit was awarded to Central Engineering Services Private

The contract period had been extended until 13 June 2025, based on reasonable

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Limited on 24 June 2019 at a cost of Rs. 1,138.5 million with the aim of achieving the goals of increasing the number of medical undergraduate candidates by 300, improving the National Health Services, medical and nursing professions, improving the recruitment of post-medical graduate trainees, and improving the quality of teaching in clinical practice based on a 2018 budget proposal. According to the agreement, the work had been expected to be completed on 16 June 2022. Date extensions for this project had been obtained on several occasions and the date had been extended until 13 June 2025. There were still issues with the installation of the mechanical, electrical and air conditioning systems of this Project even by May 2025, and the physical progress of the Project was 87 per cent.

The project has made 87 per cent progress so far and it has been reported that the project can be completed at a short period of 06 months. Instructions have been received to prepare a Memorandum of Cabinet of Ministers for the induced cost of Rs. 427 million due to price fluctuations and the future progress of the project depends on the ability to obtain that approval very quickly.

(M) Project to construct a building complex for the Faculty of Health Sciences of the Eastern University of Sri Lanka.

Project to construct a building complex for the Faculty of Health Sciences of the Eastern University of Sri Lanka is implemented under Loan Agreement No. 940 signed on 24 March 2016 between the Republic of Sri Lanka and the Kuwait Fund for Arab Economic Development (KFAED) and it had agreed to provide a loan of 10 million Kuwaiti dinars for this project. Although the construction

Remaining of this project in its final stages, this project will be operational again from 10 February 2025 as per the decision of the Cabinet of Ministers, the project will be implemented through local funds (GOSL) and the amount spent will be reimbursed after the loan agreement is activated according to the decision of

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of the faculty building complex had been completed, the remaining work contract of the project was inactive and its physical progress was at 10 per cent. The progress in purchasing learning equipment to be purchased through the project was at 40 per cent and project activities had been temporarily halted as the loan disbursement had been suspended since 08 June 2022 .

the Cabinet of Ministers on 06 January 2025 in accordance with the request made by the University to provide the results of the project, which was completed at a cost of 6.5 million Kuwaiti dinars, to the medical students without delay.

4.5 Failure to Achieve the Expected Outcome

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Failure to keep A/L students focused on school education throughout the two academic years.		
(A) Although the school attendance rate of A/L students has been at a low level for many years, the Ministry of Education had not been able to resolve this problem by the year under review and actions had not been taken to conduct research on the absence of A/L students from school after 2016 and take necessary further actions.	School principals have been informed in this regard, through the issuance of Circular No. 2006/45 dated 06 October 2006 and through instruction letters issued from time to time.	Actions should be taken to implement an operational programme to provide effective education at a level that can attract students through the school by involving relevant parties by the Ministry of Education

Failure to introduce a programme to regulate non-government schools

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| (A) | <p>Although more than 3 years had elapsed since the performance audit titled “Regulatory Process Regarding Non-Government Schools” dated 02 March 2022, which made 18 recommendations, the urgent measures required to implement those recommendations had not been taken by 30 April 2025. Although the regulation of international and private schools has been stated as a key function of the Ministry, since international schools are registered with the Board of Investment of Sri Lanka and under the Companies Act, it was stated in the response to the performance report on June 06, 2025 that it was not subject to the regulation of the Ministry of Education.</p> | <p>Since international schools are registered with the Board of Investment of Sri Lanka and under the Companies Act, not subjected to the regulation of the Ministry of Education.</p> | <p>Actions should be taken to address the breakdowns in the education system due to the Ministry of Education's failure to properly supervise the administration of non-government schools.</p> |
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Provision of Student Suraksha Insurance for the period 2024/2025

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| (A) | <p>It had been entered into an agreement with a tax-inclusive value of Rs. 2,292.7 million with Sri Lanka Insurance Corporation for Suraksha Student Insurance. A total of 18,552 claim applications were received for the 9-month period up to 28 March 2025 and out of these, Rs. 330 million had been paid as benefits for 9,315 applications. That payment had been about 19 per cent less than the</p> | <p>Various reasons have contributed to the decrease in the number of claims. Non-implementation of the Suraksha Sisu Insurance Programme during the period from 02 December 2022 to 30 June 2024. Lack of confidence among the public in this programme due to its non-continuous implementation. The existence of various insurance schemes that can</p> | <p>The Ministry should maintain an information system with sufficient data on student application submissions, payments, rejections, appeals, etc. and the current system should be reviewed and a policy should be entered into in</p> |
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installment amount of Rs.1,777.79 million pertaining to the year 2024/2025.

provide benefits to respect of students government employees, who should be private sector employees, provided with tri-forces and police insurance coverage. officers.

- (B) The Sri Lanka Insurance Corporation should carry out publicity activities regarding the Suraksha Student Insurance using audio-visual and other media according to the agreement and, an amount of Rs. 60 million had been paid to the Insurance Corporation for the year 2024/2025 for that. Although 50 per cent of the amount paid for advertising should be spent within 02 months from the date of insurance validity, as per the agreement, the Insurance Corporation had spent only Rs. 1.83 million on advertising and due to this, requesting for claims by students had reached a very low level.

The necessary publicity activities have been carried out properly to inform all other parties, including the school community, about this programme.

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Provision of Suraksha Student Insurance for the period 2018 -2020

- (A) Although the responsible officers and the Chief Accounting Officer should take the necessary steps to ensure that benefits are paid to the beneficiaries as per the contract for the period 2021/2022 for which the Suraksha Student Insurance cover was provided, claim benefits valued at Rs. 67.8 million remained unpaid for 8000 unpaid insurance claims for students during that

After the remaining claim benefit amount of Rs. 67,794,566 million, which could not be paid to the insured before 15 July 2024, is paid to the insured, it has been inquired the possibility of reimbursing the claim amount back to Sri Lanka Insurance General Corporation Limited. A committee has also been appointed to

Taking necessary actions to ensure that benefits are paid for claims as contracted.

period due to lack of sufficient attention.

obtain recommendations regarding the reimbursement of this amount and further action will be taken after receiving those recommendations.

4.6 Abandonment of Projects without Completing

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) The Skills Division had allocated Rs. 100 million, Rs. 200 million and Rs. 200 million for the years 2021, 2022 and 2023 respectively for the project to establish 05 city universities identified under special priorities in Gazette No. 2209/14 dated 04 January 2021. A building complex was selected in the Kegalle area in the year 2022 and a sum of Rs. 16.74 million was spent on water bills, electricity bills, and security expenses, and Rs.1.2 million was spent on the above expenses in 2023. The necessary works to complete the project had not been carried out even by now.	Attempts have been made to provide this building to an institution under the Ministry at present, and after that, following the inspection tour of the Purawara University Building carried out on 10 January 2025, the University of Vocational Technology expressed its willingness to have the Purawara University Building converted into a university college of the University of Vocational Technology and it has been informed by letter dated 20 February 2025 and further steps are being taken for that purpose.	Actions should be taken to make the use of available resources with expected goals.
(B) Even though the Skills Division had paid Rs. 280 million to the Urban Development Authority in order to acquire the necessary land plot pursuant to the approval granted to establish a National Science Center by Memorandum of Cabinet of Ministers No. CMP/16/0167/716/008 dated 11 February 2016, steps had not	A sum of Rs. 280 million has been paid to the Ministry of Science and Technology for the acquisition of this land. However, since the report of the Chief Government Valuer regarding the land parcels has not been received yet, the	A methodology should be established to allocate funds for construction aiming at the targets, as it will be done after land acquisition.

been taken even by the end of the year under review to transfer its ownership to the Vocational Education Division of the Ministry. A sum of Rs. 60 million had been allocated in the year 2022 under the Descriptive Target targeting 07 opportunities and although it was proposed to complete the construction work of the center within 24 months, further steps had not been taken by the end of the year under review.

compensation payments related to the acquisition of the land have not been completed, and as the land acquisition process is still being done, UDA has informed in a letter dated 19 July 2023 that the land will be handed over to the Ministry after the completion of those processes.

4.7 Projects that Commenced Works After a Delay

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>(A) Establishment of the Information Technology Center for Secondary Education</p> <p>The Ministry of Education had planned to build Information Technology Hubs as a result of a comprehensive proposal for the implementation of Information and Communication Technology in the general education system in Sri Lanka, presented in 2014. Although the loan agreement for the project was signed in 2019, the proposed lands for the construction of the IT centers under a loan assistance of USD 35 million had changed from time to time due to technical issues, the project could not be activated. The project was reactivated on 18 September 2024 and the approval of Cabinet of Ministers</p>	<p>The project was not implemented due to non-signing of the loan agreement. The relevant loan agreement was signed on 18 September 2024. Thereafter, the consultancy procurement activitiy was initiated. However, after the presidential election held in November 2024, this project was also reviewed under the review of large-scale projects to revise the project in line with the new policies of the government. Since the amendment of the loan agreement related to the National Level ICT Hub</p>	<p>Since it has been more than 11 years since this project was proposed to begin and because of current technology is advanced, it is necessary to re-review whether there is a need for such a project and decide whether to proceed with the project.</p>

had been received to extend the project period until 10 May 2026. Since no steps have been taken to initiate the basic activities of the project, such as establishing project management units and selecting a consulting firm, and this project has been delayed for 11 years since its proposal and 7 years since its contractual agreement, the decision had not been made after sufficient review on whether the project should be continued as a foreign loan project.

project was a task carried out by the Korean EXIM Bank, and since the delay in amending this loan agreement was caused from the Korean EXIM Bank side, due to the Sri Lankan government debt restructuring process, reminders have been made in this regard from time to time.

(B) Improving infrastructure in estate schools with assistance from the Government of India

Although the approval of Cabinet of Ministers for this Rs. 300 million project had been received on 19 June 2019 to develop infrastructure facilities in 9 selected estate schools in the Central, Uva, Sabaragamuwa and Southern Provinces under the assistance of the Government of India, despite the estimates have been revised to Rs. 632.77 million at three occasions from 2019 to 2023 stating the insufficient assistance of Rs. 300 million for the said work and the increase in prices as the reasons and despite a delay of 6 years in allocating Rs. 2.35 million for the year under review, no progress whatsoever had been made in relation to the project during the year under review. Only the initial parts of the procurement had been completed as at 31 March 2025 and it had failed to

Delay in the work of this project due to the arrival of the Covid pandemic in the year 2019. Due to the economic crisis in 2021, and the increase in prices, the Indian assistance of Rs. 300 million to Sri Lanka was not sufficient and therefore, the Republic of India, through the High Commission of India, had to increase the main fund to Rs. 600 million in Sri Lanka. Accordingly, the relevant approval of Cabinet of Ministers was obtained on 29 July 2024. Accordingly, the letter of exchange and letter of acceptance regarding the grant of Rs. 600 million were signed on 18 October 2024. Estimates have been prepared and approved so

Actions should be taken to review the project activities and complete them efficiently to achieve the benefits in a timely manner.

effectively implement this Indian aid project and achieve the benefits as a country in a timely manner.

far and the procurement documents have been submitted to the Indian Embassy for review.

4.8 Foreign Aid Projects

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Secondary Education Sectorial Improvement Programme (SESIP) Education Management Information System		
(i) The regulatory and evaluation framework for the Secondary Education Sectorial Development Programme consists of 65 Key Performance Indicators (KPIS) related to the 07 appropriation-linked indicators and although a data system covering all 9 Provinces should have been created within the Ministry of Education to collect relevant data, the relevant tasks had not been completed by the date of the audit.	Setting up the NEMIS system and entering the data by developing a data collection system for the regulatory and evaluation framework through DHIS2 software currently until that system matures and instructions have been given to provide observations and recommendations to the relevant departments on April 08, 2024. Since response was not received until those recommendations were received, steps have been taken to actively maintain the system, which has been completed and implemented in the relevant institutions, including the modifications identified by the Data Management Branch and those identified in subsequent discussions.	The necessary steps should be taken to achieve the desired goals within the prescribed timeframe and the proposed National Education Management Information System to be established in the Ministry of Education, which is important for making decisions regarding the education sector, should be established.

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| <p>(ii) Due to the lack of a qualified software engineer at the Ministry of Education to prepare the database, 04 consultants were selected through the Consultant Management System for the recruitment of consultants by the Asian Development Bank considering the importance of a data management system and the respective consultants should create the database within a period of 06 months and it had also stated that the costs for this would be borne by the Asian Development Bank. Although it is very important to create a database and achieve appropriation related indicators by employing relevant consultants, the officers responsible for the matter had failed to carry out the relevant tasks.</p> | <p>It is observed that the arrangements have been made to recruit 04 consultants for a period of 06 months and the Data Management Branch has not yet been informed of the complete information regarding the consultants recruited. Furthermore, in a context where this task, which was expected to take 18-32 months in 2022, was reduced to 06 months, it has not been discussed whether the relevant process can be completed within this 06 month limit. Further , it has not been informed about the further process after 6 months, since the consultants were recruited.</p> | <p>The necessary steps should be taken to achieve the desired goals within the specified timeframe and the consultants receiving an Asian Development Bank grant should create a database related to the disbursement-related indicators.</p> |
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(B) Construction of a New National School with Multi-ethnic and Trilingual Education in the Polonnaruwa District

A decision of Cabinet of Ministers CMP/16/24/66/742/039 dated 07 December 2016 was received to construct a new national school with multi-ethnic and trilingual education in the Polonnaruwa district under the assistance of the Republic of India and it had been planned to construct two buildings under this project. Accordingly, the construction of the Phase 01 building was carried out under Indian assistance and only the Value Added Tax (VAT) and

consultancy fees related to that contract were met from local funds, and the entire cost of the Phase 02 building was met from

local funds. The following points were observed in this regard.

Losses incurred by the government due to project delays

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| <p>(i) A sum of Rs. 59.57 million had been paid as initial advance and Rs. 9 million as VAT in the year 2018 in respect of the contract valued at Rs. 297.84 million for school construction works. The Ministry had taken steps to pay the VAT without obtaining an advance security for the VAT amount or confirming the advance security for the VAT amount with the Indian High Commission. The contract had been terminated on 22 January 2020 due to delays in construction works and as a result, the government had incurred a loss of Rs. 6.13 million from the VAT paid along with the initial advance amount. The Ministry had not taken steps to ensure that the government received the relevant VAT from the Inland Revenue Department or otherwise recover the loss incurred by the government from the contractor.</p> | <p>The Department of Inland Revenue is required to recover the VAT amount related to the advance payment made in the year 2018, from the contractor. This is confirmed by the letter dated 25 May 2017 from the Department of Public Finance confirming this. Accordingly, this Ministry does not have the ability to recover the amount mentioned by the audit from the said contractor and it is confirmed that this Ministry does not have an agreement with this contractor and as shown in the audit, it is stated that legal action cannot be taken against a contractor who does not have an agreement with the Ministry.</p> | <p>Due to the payment of VAT related to the payments for the construction project carried out under the assistance of the Republic of India, the Ministry of Education made payments to the contractor from the funds of the Government of Sri Lanka, the Ministry of Education should verify whether the relevant contractor has paid the relevant VAT on the advance payment to the Inland Revenue Department and accordingly, the loss incurred should be recovered from the contractor.</p> |
| <p>(ii) A 100 per cent physical progress had been achieved for the Phase 01 building at a cost of Rs. 227.22 million (including VAT) with scope limitations, and about 42 per cent physical</p> | <p>It is not clear what purpose these buildings are currently being used for and the Polonnaruwa District Secretary has been informed to obtain and</p> | <p>Responsible officers should take actions to complete the construction works as planned and achieve the</p> |

progress had been achieved for the Phase 02 building at a cost of Rs. 111.43 million (including VAT) by 31 December 2024. Thus, only the roof and first floor of the building, Phase 01 of the project, had been completed and handed over to the Ministry by the relevant contractor, and the approval of the Secretary of the Ministry had been received on 03 April 2025, to cancel the contract for Phase 02 by mutual consent. Accordingly, due to the inability to complete the building planned to start a trilingual national school at a cost of approximately Rs. 535.7 million, the objective of the project had not yet been achieved despite there was a delay of 7 years since 2018. Further, although the decision of Cabinet of Ministers required that a Memorandum of Understanding be entered into with the relevant parties to implement the aid project, a Memorandum of Understanding between the Government of India and the Ministry of Education for this project was not presented for audit.

submit proposals from the Polonnaruwa District Coordination Committee regarding the current needs of the area and further action is scheduled to be taken as decided by the Ministry of Education by taking these suggestions into consideration.

objectives of the project.

(C) Infrastructure improvement project at Saraswati Central College, Pussellawa with assistance from the Government of India

The construction of this project was completed in 2024 at a cost of Rs. 74.91 million and the Government of India had approved the purchase of information technology

The Indian High Commission carried out procurement activities related to the purchase of goods for this remaining amount. However, due to a

The responsible officers should take immediate action to create new expenditure items to cover the

equipment valued at Rs. 3.77 million and laboratory equipment valued at Rs. 2.9 million during the year under review from the remaining funds under that assistance. Although the works on these 02 projects had been commenced during the year under review, steps had not been taken to include those 02 tasks in the plans as scheduled and create new expenditure objects for the years 2024 and 2025. The Indian Government had approved the purchase of IT equipment valued at Rs. 3.77 million (excluding VAT) in 2019 and handed over to Saraswati Central College on 22 January 2025 after a delay of 06 years and despite the relevant procurement expenditure items had not been got approved, it had been started in the year 2024. Further, the procurement process for the purchase of laboratory equipment valued at Rs. 2.9 million (excluding VAT) had not been commenced even by 31 May 2025.

large difference between the estimated amount and the price bids for this project, the procurement activities of this project were assigned to this Ministry in the middle of the year 2024 on the instructions of the former Education Secretary. Accordingly, the relevant expenditure item could not be obtained in the middle of the year. The relevant expenditure item and provisions have been obtained in the year 2025.

expenses of this project and allocate funds to achieve the objectives of the project and To ensure that the accounting of finances and goods received locally and abroad and the approval thereof are obtained in a timely manner in accordance with State Accounts Circular No. 30/94 dated 20 April 1994 and procurement activities should begin after the provisions are approved, and the officers in charge of budget and procurement activities should carry out the work.

4.9 Procurements

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) EDU Net software introduced by Codegen and its Functionality		
(i) A proposal had been submitted to develop the Cloud Smart School software, which is used by about 18 government and	The agreement presented in the audit query is not a service agreement. It is an agreement which is non-disclosure but an	Further actions should be taken regarding parties that have entered

private schools in Sri Lanka, as a project by an organization called Codegen, to suit the data requirements of the Ministry, and to provide the EDUNET Software developed accordingly as a Corporate Social Responsibility (CSR) project for a period of 5 years and the recommendations of the committee appointed on 09 February 2024 to conduct a feasibility study and obtain recommendations regarding the proposal had been received on 19 April 2024 and although the committee's recommendations stated that legal arrangements should be made, including Cabinet approval For the proposal submitted by Codegen, a non-disclosure agreement had been reached with the private company before the committee submitted its recommendations. Accordingly, 2024, the Additional Secretary (Information Technology and Digital Education) had misused his power and entered into a one-sided agreement on 01 February without obtaining formal approval of a mutual non-disclosure agreement with that institution, contrary to 1.3 of Chapter XLVII of the Establishments Code.

agreement made by both parties not to disclose the data of either party to other parties during a pilot run to consider the feasibility of the desired matter before entering into a service agreement. The decision to install the information system in the selected schools as a pilot project to study the feasibility of the information system was taken at a meeting held on 08 April 2024 under the Chairmanship of the Additional Secretary (Information Technology and Digital Education). Accordingly, the preliminary work required to obtain the approvals of the relevant Cabinets of Ministers had already been initiated considering the initial progress of this information system. Accordingly, it is not observed that the respective officers have acted contrary to the Establishment Code as indicated by you.

into contracts with an external organization without proper approval and contrary to Section 1.3 of Chapter 47 of the Establishments Code.

- (ii) Although it had been ordered to prepare and implement a systematic computer system that includes information on school students and teachers, according to Directive No. 09 of the Public Accounts Committee meeting

The Ministry of Education maintains a teacher information system by now..

Necessary steps should be taken to establish a National Education Management Information

dated 12 February 2016, a systematic National Education Management Information System had not been created by 10 October 2025. When planning the future of education and formulating policies, it is compulsory that the entire education system be digitized and for that purpose, the Ministry of Education had failed to develop an information system that included updated and accurate data prepared according to the main modules that should contain the data required to make various management decisions related to the scope of the education sector .

System.

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| <p>(iii) Actions should have been taken against the Additional Secretary (Information Technology and Digital Education), who exceeded his authority and entered into a contract with a private company so that valuable data in the education sector was in the possession of outside parties without formal approval, and the Principals of 18 national schools using the Cloud Smart School software introduced by codegen in schools without obtaining approval as per Section CEX 6 of the Guidance Manual of the Secretary to the Ministry of Education Circular 54/2023 dated 29 December 2023, in accordance with the Establishments Code.</p> | <p>This is not a service agreement at all and is an agreement entered into with the institution to ensure that sensitive data obtained and exchanged during the pilot run is not exposed. The decision to install the information system in the selected schools as a pilot project to study the feasibility of the information system was taken at a meeting held on 08 April 2024 under the Chairmanship of the Additional Secretary (Information Technology and Digital Education). Accordingly, the preliminary work required to obtain the approvals of the relevant Cabinets of Ministers had already been initiated considering the initial progress of this information system. Accordingly, it is not observed that the respective officers have</p> | <p>The necessary legal actions should be taken against the responsible parties on allowing use of data in the education sector by external parties without formal approval and in accordance with Section CEX 6 of the Guidance Manual relating to Circular No. 54/2023 dated 29 December 2023 .</p> |
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acted contrary to the Establishment Code as indicated by you.

(B) Purchasing High-tech Equipment for Innovation Laboratories

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| <p>(i) The Ministry of Education was to provide high-tech equipment, which was to be provided with high quality standards and under responsibility, among the equipment required for innovation laboratories as stated in Circular No. 20/2021 dated 23 December 2021 issued in relation to this programme. Accordingly, although steps had been taken to purchase high-tech equipment including 3D printers at a cost of Rs. 79.96 million for 45 schools as a pilot project, the innovation labs in 750 schools were not functioning at an optimal level as per the above paragraph. Similarly, when preparing these high-level specifications and purchasing high-tech equipment, actions had been without considering the affordability of maintenance costs and raw material costs during use and a long-term financial and operational plan had not been prepared for this.</p> | <p>The installation of these devices has been completed in 39 out of 45 schools so far, and the Metropolitan Institute has informed that the installation work of the remaining 06 schools will be completed before 2025.05.31. A programme has been included in the Annual Action Plan 2025 to provide the necessary technical knowledge to the principals and teachers of these 45 schools by calling appropriate officers from the Metropolitan Institute. Accordingly, it is expected that this training programme will be carried out after the installation of the relevant devices is completed. Accordingly, the necessary steps will be taken to promptly empower the innovation laboratories. I also point out that these high-tech devices provided to these laboratories can be utilized to create innovations under the new education reforms to be implemented in the future. A programme has also been planned in the Annual Action Plan 2025 to prepare the minimum standards required for innovation laboratories.</p> | <p>Necessary actions should be taken to make the project a success by preparing an implementation operational plan with timelines.</p> |
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- (ii) Bids were invited for the procurement (supply, delivery and installation) of equipment for the Technology Innovation Laboratories and it was stated that one hundred per cent of the contract price should be paid to the supplier within 30 days after confirming that the goods have been delivered and all the contracted services have been performed in accordance with CC 15.1 of Clause vii of the Bidding Document. However, in contrary to that, arrangements had been made to pay an amount of Rs. 50.55 million to the supplier on 31 December 2024 based only on the receipt of laptops and 3D printers and without the delivery and installation tasks to the relevant school despite the tasks of handing over and installing the equipment to the relevant school have been completed.
- The Quality Inspection Committee inspected a sufficient sample of laptops and 3D printers on 27.12.2024, at the supplier's warehouse and recommended that they are suitable to be accepted at the Pattalagedara warehouse and the goods were delivered to the Pattalagedara warehouse on 28.12.2024. Submitting a letter, dated 16.12.2024 by the supplier stating that since the remaining two types of goods will arrive at the port by 28.12.2024, considering the time taken to release those goods, arrangements will be made to supply the goods by 15.01.2025. Since the provisions allocated for the year will expire on 31.12.2024 and also provisions are allocated through a vote of account for the first quarter of 2025 and since instructions have been given that no liabilities and obligations should be incurred for the year 2025, a bank guarantee equivalent to the value payable for the goods supplied to the warehouse has been obtained and the relevant amount has been paid to the supplier where practical. The remaining goods have also been delivered to the Pattalagedara warehouse by 31.01.2025. All deliveries have been completed by now, and the remaining payments are still to be made.
- Payments should be made as contracted and subsequent changes to the terms of the contract should not limit the opportunity for bidders to respond substantively and through that, since the government would be disadvantaged by losing the opportunity to select the lowest bidder who responded substantively in the first instance, the officers who later changed the terms of the agreement will be responsible.

- (iii) It was stated that procurement committees are expected to prepare bidding documents for each procurement to inform and advise potential bidders, as well as to inform both parties of the requirements expected from suppliers and contractors in accordance with 5.2.1 of the Procurement Guidelines. Accordingly, since this bid award will be implemented at the end of the year, the conditions regarding payment for the bids had not been prepared and included in the bid documents to accommodate the above uncertainties that may arise. Despite this, the Chief Accountant (Procurement) who recommended the payment, the Additional Secretary (Procurement) who approved the payment, and the officer who certified the payment should have been held responsible for making payments of Rs. 50.55 million contrary to the agreement.
- This procurement was initiated on 07.03.2024 and the call for bids was made on 14.05.2024 . Due to an unexpected situation that arose during the procurement, the award of the procurement has been delayed due to the need to transfer the provisions under F.R.66 again as explained in 4.3.2 (a). As you have pointed out, these matters did not arise during the preparation of the bid documents, and there was no need to include clauses for special uncertainties in the bid documents. Based on the prevailing practical situation, after receiving the goods at the Pattalagedara warehouse and inspecting their quality, 80% of the value of the goods has been paid and the remaining 20% has been retained in the general deposit account under my approval as the Chief Accounting Officer for the utilization of the provisions of the year 2024 under contract administration under contract administration. Further, since provisions are being allocated through a vote on account for the first quarter of 2025, instructions have been given that no liabilities and commitments should be incurred for the year 2025. Therefore, an unconditional bank guarantee equal to the value to be paid has been obtained for the goods supplied to the warehouse as a matter of practicality after obtaining the recommendations of the Goods
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Acceptance Committee and the relevant amount has been paid to the supplier.

(C) Implementing a Pilot Project by obtaining 500 Smart Boards with Chinese Assistance

- (i) Out of the 1500 schools identified as priority schools under the proposed upcoming education reforms, 500 schools were scheduled to receive USD 20 million under the Chinese aid project, through a project proposal for digital transformation of general education. It had been expected that 450 classrooms with smart boards (Delivering class rooms), 50 classrooms with smart boards (Receiving class rooms) and a network operations unit (Data center), a studio room, and a conference room would be provided within the Ministry of Education to conduct these activities in 500 schools under this project. Nevertheless, despite receiving that Chinese aid, the procurement for the purchase of 1000 smart boards valued at Rs. 1,762.11 million and other related equipment and other services through the Government Commercial Miscellaneous Corporation at the expense of the Telecommunications Regulatory Commission was carried out by the Ministry of Education in accordance with the approvals of Cabinet of Ministers received on
- The Chinese government is leading the way in the timeline of this project and accordingly, project steps should be followed adhering to that . The time spent by the Chinese government on the project and on the preparation and approval of the agreement is beyond the scope of the Ministry. The purchase of 1000 smart boards has been made with the approval of Memorandum of Cabinet of Ministers No. CMP/24/0978/630/009 .
- The 500 billboards under Chinese assistance should be obtained first, and accordingly, the parties responsible for the failure to implement the pilot project should be identified and steps should be taken to obtain Chinese assistance.

12 March 2024, 28 May 2024 and 06 August 2024, in accordance with the 03 joint Cabinet memoranda submitted on 23 February 2024, 14 May 2024 and 23 June 2024.

(ii) Procurement Committee, Technical Evaluation Committee and Procurement Timeframes

Appointing the Additional Secretary (Information Technology and Digital Education) of the Ministry of Education, who was the officer in charge of the project as a member of the Technical Evaluation Committee, shortening the procurement framework by a very short period of one month compared to the planned procurement timeline without any reason, submission of the technical specifications by the Additional Secretariat in charge of the project and including the name of the Chinese manufacturer in the bid documents without being reviewed by the Technical Evaluation Committee, and purchasing of smart boards in violation of quantitative procurement measures had been made in contrary to the provisions of Sections 2.8.2, 4.2.2, 4.2.3 and 2.6 of the Procurement Guidelines 2006 .

Since these smart boards should also be purchased to match the smart boards to be received under the Chinese aid project, the Additional Secretary (Information Technology and Digital Education), who has worked on the matter as a person with good knowledge in the matter, has been appointed to the Technical Evaluation Committee. Further, the Additional Secretary (Information Technology and Digital Education) has provided specifications via email and in writing and it is the responsibility of the procurement entity to incorporate the submitted specifications into the drafted bid documents and submit them to the Technical Evaluation Committee, in accordance with 2.3.2 (C) of the Procurement Guidelines 2006 and it is the responsibility of the Technical Evaluation Committee to review and approve the relevant drafted bid documents in accordance with 2.6.1 (a) II of the Procurement Guidelines. The specifications have been obtained in writing with

Officers should take steps to carry out procurements in accordance with the provisions of Sections 2.8.2, 4.2.2, 4.2.3 and 2.6 of the Procurement Guidelines, 2006 and necessary actions should be taken against officers who acted contrary to this.

signatures and included in the drafted bid documents as informed, to be included in the bidding documents by obtaining the relevant specifications in writing from the division in charge of this project in accordance with the decisions of the Cabinet of Ministers at the Technical Evaluation Committee meeting held on 28.06.2024. The Technical Evaluation Committee has approved the bid documents on 03.07.2024 after confirming the relevant specifications and the local representative office in writing. Since the relevant specifications are stated in the Decision of Cabinet of Ministers, the Technical Evaluation Committee cannot change the specifications.

(iii) Procurement Process

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| <p>(a) Although the Ministry of Education had justified adopting the direct procurement method on the basis of providing the relevant equipment that was technically equivalent to the smart boards and equipment proposed to be acquired under the Chinese aid project, it had not complied with the requirements under reference 3.6 of the Procurement Guidelines. Similarly, although references 3.5 and 3.6 clearly state that reordering should be a reasonable opportunity to match existing equipment in use, this was not a procurement made to match the existing equipment in</p> | <p>The direct procurement method has been adopted in this procurement, it has been stated that it is appropriate to follow the direct procurement method when the required equipment can only be obtained from a single source with the right supplier in accordance with Sections Section of 3.5 and 3.6 of the Procurement Code 2006. Proposals 3.1 and 3.2 of the Memorandum of Cabinet of Ministers submitted on 14.05.2024 have also been submitted to have the relevant equipment purchased through the State Trading (General) Corporation from the</p> | <p>Procurement should be planned and implemented in a manner consistent with procurement principles and in accordance with the Procurement Guidelines and necessary actions should be taken against officers who acted in contrary to that.</p> |
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use, and this had been a procurement made to be equal to the equipment proposed to be received in the future.

manufacturer who is providing the relevant equipment by the Chinese government under the Chinese aid project. Accordingly, this procurement has been carried out following the direct procurement method under the approval of the Cabinet of Ministers.

- (b) This procurement was carried out in a very short period of time and in a very urgent manner. Before issuing the joint Cabinet decision dated 06 August 2024, the Cabinet discussed the relevant memorandum and gave approval to carry out Sections 3.1 to 3.6 as proposed and it was also observed in audit that the Additional Secretary, who holds the position of Secretary to the Cabinet, issued the letter dated 30 July 2024, marking "Urgent-Confidential" to the Secretary of Education with copies to other parties, as an unrealistic situation. Accordingly, despite there was no emergency procurement situation, this procurement task was carried out by falsely creating an emergency situation and considering it as an emergency procurement situation as mentioned under 3.8 of the Procurement Guidelines.

The proposals related to all these decisions have been included in the Memorandum of Cabinet of Ministers No. ED/PRO/24/71 dated 23.07.2024, submitted before the award of this procurement, and the relevant approvals have been given at the Meeting of Cabinet of Ministers held on 29.07.2024, and the Cabinet Office has informed in a letter dated 30.07.2024 that further work should be carried out accordingly. (Annexure 45) Similarly, the amendments made under the original approval of Cabinet of Ministers before the award of the relevant procurement have also received approval of Cabinet of Ministers on 29.07.2024 .

Procurement should be planned in a manner consistent with procurement principles and implemented, and actions should be taken in accordance with the Procurement Guidelines, and necessary action should be taken against officers who act contrary to them.

- (c) The Sri Lanka State Trading (General) Corporation Ltd. had submitted an estimate of Rs. 1,658.69 million initially and after price negotiations, the estimate had been revised to Rs.1,493.31 million. Accordingly, the estimated

The Sri Lanka State Trading (General) Corporation (STC) is a state enterprise established as a state institution with the aim of making a profit, and they have also submitted prices with a profit. However, as per the recommendation of the

Direct procurement activities should not be carried out contrary to the Procurement Guidelines.

value had decreased by Rs. 165.38 million after negotiating and it had been 10 per cent as a percentage. Accordingly, the Sri Lanka State Trading (General) Corporation, as a state institution, had not taken steps to present fair prices at the initial stage.

Technology Evaluation Committee, SCAPC has negotiated to reduce the prices and has negotiated with the relevant manufacturing institution and reduced the price by Rs. 165.38 million.

- (d) Even though it had been stated in the bidding document that a 03-year on-site comprehensive warranty and necessary service and maintenance work should be provided by the manufacturer and the manufacturer's authorized representatives throughout the island, and that the supply of post-warranty spare parts should be guaranteed for a period of 05 years, as per 14.1 and 14.2, a high price estimate of US\$ 293,732 or Rs. 91 million had been submitted for maintenance work during the second and third years of the warranty period. Further, since the supplier did not agree to the 3-year warranty period stated in the bidding documents, the Additional Secretary (Information Technology) and other relevant responsible officers had taken steps to provide misleading information to the Cabinet of Ministers by presenting only the total value of the procurement without separately presenting the financial information in the Memorandum of Cabinet of Ministers stating that the supplier would have to make an additional payment of

The supplier has provided a one-year warranty period in accordance with general commercial law and since a warranty period of 3 years is required according to the bidding documents, the prices have been submitted stating US\$ 293,732 equivalent to Rs. 91 million as an additional payment for the next 02 years. The procurement was awarded under the approval of the Cabinet of Ministers due to the supplier's refusal to agree to reduce the prices.

The authorities should take actions to prepare and present the Memorandum of Cabinet of Ministers with accurate information.

Rs.91 million to obtain a warranty period of 03 years in addition to the one-year warranty period provided by the supplier as stated in the bid documents.

(iv) Training of Officers

It had been planned to install smart boards in 20 schools during the December 2024 school holidays by an engineer and a trained team before 31 December 2024. Although the engineer who had been brought to the country for the installation of smart boards had arrived in the country for about 06 weeks, the Ministry was unable to get the engineer who came to the country to carry out the relevant tasks and 1,000 smart boards remained uninstalled in the schools at the Pattalagedara warehouse as at 31 December 2024. Since the smart boards received in October 2024 were not installed even after 06 months after the November 2024 General Election, as at 31 May 2025, the answer that it was not possible to install smart boards in schools due to election circumstances could not be acceptable during the audit.

Since the Election Commission had informed not to distribute these items during election periods, the distribution of the smart boards was not done. Under the circumstances that arose later, the relevant equipment has not yet been distributed. The Cabinet of Ministers has approved the procurement of all the procurement activities related to purchase, distribution, installation, training and maintenance by the Sri Lanka State Trading (General) Corporation. The system integrator selected by the Government of Sri Lanka State Trading (General) Corporation. has provided training to the teachers regarding the installation of the system.

Authorities should take steps to achieve the objectives by achieving the desired goals within the specified timeframe.

(v) Maintenance

- (a) While purchasing the smart boards, the evaluation had not been done based on the criterion of high life cycle cost. The Sri Lanka State Trading (General) Corporation Limited had

Quotations have been invited for all these works under the approval of the Cabinet of Ministers and as you have indicated, this procurement has been awarded to the State

Necessary actions should be taken. to ensure that the desired objectives of the project can be achieved

<p>requested an amount of Rs. 254 million for the maintenance costs of these equipment and accordingly, it was observed that the maintenance and service facilities of this project would have to incur a very high cost and no specific agreement had been entered into on whether the Telecommunications Regulatory Commission of Sri Lanka would continue to contribute towards the above maintenance costs after the 03 year warranty period.</p>	<p>Trading (General) Corporation. for an amount of Rs. 1,493.31 million (excluding VAT) including maintenance costs. Before the relevant order letter was issued, the Board of Directors' approval was received for the payment of this entire cost from the Telecommunications Regulatory Commission, and after that the order was awarded. Accordingly, the relevant work has been carried out only after receiving specific approval.</p>	<p>continuously without disruption by paying attention to maintenance and service facilities when planning procurement activities.</p>
<p>(b) The Standing Cabinet Procurement Committee had proposed to procure 1000 UPSs required for continuous power supply for the 1000 imported smart boards locally through the Government of Sri Lanka State Trading (General) Corporation Limited. Accordingly, a bid had been awarded to the Government of Sri Lanka State Trading (General) Corporation Limited (for the purchase of 1000 UPSs at an estimated cost of Rs. 18 million, which had not complied with the principles of direct procurement as contained in references 3.5 and 3.6 of the Procurement Guidelines.</p>	<p>Although the quotations were called including UPS in the specifications for this project, since the CIF prices submitted by the foreign agency did not include UPS prices, arrangements have been made to purchase it under the approval of the Cabinet. Of Ministers. Similarly, a separate approval of Cabinet. Of Ministers has been given to purchase from the Sri Lanka State Trading (General) Corporation Limited (STC) following the direct procurement method for purchases below 50 million (Annexure 46). Further, the approval has also been received under proposal number 3.3 submitted through the Memorandum of Cabinet of Ministers dated 14.05.2024 .</p>	<p>Actions should be taken in accordance with the principles of direct procurement contained in reference 3.5 and 3.6 of the Procurement Guidelines.</p>

(vi) Necessary infrastructure in schools

The smart boards had already been imported by the time the Ministry informed the schools about the project. According to the letter, the infrastructure and human resources that should be available in the school for the installation of smart boards had been emphasized and it had also been mentioned that wired fiber internet facilities should be available. However, out of the 1000 schools selected, 121 schools did not have fiber internet facilities.

Schools were informed, provided with necessary instructions and guidelines before the equipment arrived in the country. Accordingly, awareness was not raised about providing smart boards to schools during the election period. Since the main stakeholder in this project is the Telecommunications Regulatory Commission, considering these 1000 schools as a priority a list of schools with issues related to fiber had initially been submitted to the Fiber project, which is being implemented jointly with the Telecommunications Regulatory Commission. Actions are being taken with the Telecommunications Regulatory Commission of Sri Lanka and Sri Lanka Telecom and relevant development work has been carried out and alternative measures have been taken to provide internet facilities.

Actions should be taken to focus on the ability to meet the infrastructure required for implementation before implementing the project.

(vii) Remained in Idle without being used for a Purpose

In purchasing 1,000 smart boards for a project to digitalize general education, for a sum of Rs. 1,493.31 million, due to the lack of a long-term operational plan, including the provision of the necessary infrastructure for the purposeful deployment of those smart boards, in the absence of completion of other

The Information Technology and Digital Education Division has implemented a formal plan to prepare the relevant infrastructure to implement this project, make the centralized system operational, and train the relevant human resources. The expert committee convened to obtain recommendations

It should work to prepare a long-term operational plan, infrastructure facilities should be provided and the goods should be installed in schools as soon as possible.

infrastructure facilities and operational activities along with the purchase, as a country, there is an opportunity cost in this regard and the smart boards received in the warehouse on 07 October 2024 had remained unused for 08 months as at 31 May 2025. The Chief Accounting Officer of the Ministry of Education, Additional Secretary (Information Technology and Digital Education) and members of the Technology Assessment Committee are liable for the emergency procurement of smart boards made without obtaining 500 smart boards under Chinese assistance in violation of all the aforementioned provisions, and the above officials were liable for the financial loss incurred by the government in the event that this project could not be implemented.

(D) Purchasing of 328 Laptops to implement the NEMIS Data System

Arrangements had been made to purchase 328 laptop computers valued at Rs. 78.4 million from the contracting company under the national competitive bidding system for the Data Management Branch in order to implement the NEMIS data system. The goods had not been delivered by 08 March 2024, as per the agreement and although all the tasks of supplying, distributing and installing laptops had been provided as per the agreement, the statement in the reply that the

regarding this project has also provided relevant reports on two occasions. The Election Commission had informed that the relevant distributions should not be made due to the holding of the Presidential Election and the General Election. Later, I had appointed a special committee to examine this matter, and as per the recommendations of the relevant committee, the distributions were temporarily stopped for further work, and further information is being found to carry forward the matter.

According to the bidding documents, this procurement has been carried out only for the purchase of goods and this does not include installation and distribution. As per the bidding documents, the place where the respective goods should be delivered is mentioned as the central warehouse of the Ministry. Although the relevant goods should have been given an opportunity to be inspected at the supplier's warehouse before being delivered to the

Necessary actions should be taken against officers who failed to make proper actions regarding non-compliance with the agreements and against officers who took action to accept goods despite the fact that they were not deemed to be in compliance with the specifications.

procurement work was done only for purchase was not correct according to the bidding documents and related documents and goods had been delivered to the Ministry's central warehouse on 13, 14, and 15 March 2024. Despite it cannot be accepted that the supplied laptop computers conform to the specifications as per the samples submitted during the bid evaluation, although the Ministry had taken steps to accept the goods, the Additional Secretary (Procurement) and other officers had not taken legal action against the contractor company for violating the terms of the agreement, namely not delivering the goods on time and conducting a quality inspection at the supplier's warehouse before delivering the goods and the respective company had filed a case for non-payment. The case had not been concluded by 30 September 2025 and 328 laptops valued 78.4 million had been ruling out of technical condition in the warehouse for about 2 years.

central warehouse as per the bidding documents, the supplier did not provide that opportunity and directly delivered the relevant computers to the warehouse specified as the delivery point mentioned in the order letter, subject to the condition of inspecting the goods. However, these computers have not been included in the warehouse books until the relevant technical confirmation is received. Since the relevant institution has filed a case in this regard, the Additional Secretary (Procurement) does not have the authority to take legal action until the decision of the case is received. However, before filing the case, the relevant institution was informed to take the relevant goods and the necessary steps were taken to collect the performance guarantee and hold it in the general deposit account as per the bid documents. Since there is a legal proceeding in this regard, the Ministry does not have the legal authority to take further action until the decision of the case is received.

(E) Non-compliance with Procurement Guidelines

Although a more accurate total cost estimate, including all related costs related to the procurement, including costs of procurement preparation activities, costs of post-award activities, and contingent

According to the Procurement Plan for the year 2024, the number of procurements made by the Procurement Division is 36. As you have pointed out, although a total cost estimate should be prepared for

The total cost estimates should be prepared accurately as stated in the Procurement Guidelines and it should be approved

provisions, should be prepared and approved by the relevant authority mentioned in the Procurement Guidelines Manual, in accordance with 4.3.1 and 4.3.2 of the Procurement Guidelines for Goods and Works, 2006, the divisions had not prepared accurate total cost estimates for the procurement activities of the Ministry and 136 procurement activities related to such goods, works and services were identified during the year under review. As a result, important steps in procurement such as the procurement system and exceeding the authority limit had been disrupted.

construction, including all costs, the procurement division has carried out procurements of goods, services and consultancy services in the year 2024, so a gross estimate including unit costs (including taxes) has been prepared for that as well, included in the Procurement Plan, and after approval, the relevant purchases have been made. Similarly, since the relevant procurements have been awarded directly by the suppliers for delivery to the relevant location, all costs have been included in the unit cost and the estimated cost has been prepared.

by the relevant authority.

(F) Although procurement activities exceeding Rs.200 million should be carried out through the e-GP system as per Circular PED/Circular 08/2019(I) dated 19 April 2023, actions had not been taken accordingly for 05 procurement activities worth more than Rs. 200 million carried out during the year under review.

However, in addition to publishing newspaper advertisements as you have pointed out in the future, it has been noted that the necessary arrangements have been made to publish it in the electronic system as well.

Attention should be paid to implementing the procurement process through the e-GP system introduced by the government to ensure transparency in the procurement process and actions should be taken as per the referred circular.

(G) Venivelkola Student Day Center

Despite the Audio Meter purchased for the Venivelkola Student Day Center to measure the hearing level of hearing impaired children according to the Procurement Plan 2024 was not taken to an inventory, the Accountant of the Procurement

The Audio Meter has been included in the Shishyoda Institute's inventory register, and plans have been made to soundproof the hearing screening room at the Shishyoda Institute using the provisions allocated for this

Measures should be taken to purchase goods in a manner that maximizes economic benefits by following the procurement process according to need and

Division had made payments of Rs. 1.75 million on 26 July 2024 and it had been retained in the Special Education Unit for over 9 months without being handed over to the Shishyoda Center until 21 April 2025, and had been included in the inventory register of the Veniwelkola Shishyoda Center on 22 April 2025. Further, written agreement had not been entered into with the relevant supplier regarding the future works of installing this equipment in a suitable condition for use and actions had not been taken to receive training on the use of the device.

year's renovation expenses. Similarly, discussions have been made with the relevant institution to provide training on the use of this device.

priority and confirmations should be obtained to ensure that the relevant divisions have received and taken inventory before making payments.

- (H) Even though an officer who worked in the Examinations Department was selected to study a degree in Educational Research, Evaluation and Assessment at Flinders University in Australia under a financial assistance of Rs. 8 million from the World Bank TSEP Project, after completing this course, a service agreement had not been entered into to provide their services to the Examinations Department according to the decision of the Ministry Procurement Committee. Due to the taking of actions to release the officer worked for a short period in the Examinations Department and then applied for the position of Principal the Examinations Department had been impossible to achieve the desired out put for which the government had spent that money.

Answers have not been submitted.

It should act in accordance with the Establishments Code in respect of officers who acted contrary to the decisions of the Procurement Committee and the relevant laws and regulations.

4.10 Construction of Contracts

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Isurupaya Building Complex Expansion Project		
(A) The construction-related works for the 6th and 7th floor expansion project of the Isurupaya Building Complex had been assigned to the State Engineering Corporation as per the Cabinet decision dated 22 August 2013. Accordingly, work commenced on 20 April 2014, was completed on 15 September 2018 with extensions, and had been handed over on 26 February 2019. A total of Rs. 71.63 million was paid, including Rs. 65.49 million for variations and Rs. 6.15 million for Provisional Sum, without obtaining prior approval from the Standing Technical Evaluation Committee. Despite the relevant Input Percentages for price variations were not included in the agreement as per the contract terms, payments of Rs. 6.73 million had been made and an overpayment of Rs. 6.76 million had been made to the State Engineering Corporation as per 55 payment certificates dated 29 November 2023.	Construction of the first phase of the Isurupaya Building Expansion Project commenced in 2014 and the contract for the year 2019 has been completed. Nevertheless, due to the delay in providing the documents required to be submitted to the Fixed Price Committee by the State Engineering Corporation, the final bill settlement process for that institution has been delayed, bills have not been settled due to the delay in submitting the prices of the Fixed Price Committee to the Ministry. However, the Committee has informed the amount to be paid to prepare the relevant report and arrangements have been made to make that payment. It is expected that the final bill will be prepared after the relevant cost report is submitted after the payments are made.	Actions should be taken to complete the construction expeditiously so that the weaknesses in contract administration and management can be overcome and the funds spent can be fully utilized.

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| (B) | <p>Although the payments for the “rates” of the variations related to the first phase of the Isurupaya Building Complex Expansion Project should be made with the prior approval of the Standing Technical Evaluation Committee, despite the approval was not given, the recommendation for Rs. 65.49 million and Rs. 6.15 million in present value (P.S.) was made by the Engineer of the Ministry of Education, the certification was made by the Director (Engineering), and the approval was made by the Additional Secretary (Engineering) during the period from 2014 to 2021 pertaining to variations within 54 payment bills (IPC) and Despite the responsible officers do not have the authority to do so, it had done. Similarly, it had been impossible to obtain approval from the Standing Technical Evaluation Committee for the relevant rate even up to 31 March 2025, the date of the audit.</p> | <p>This is an improvement to be made to the interior of the two floors that have been constructed in Phase I of the Isurupaya Building Expansion Project, Phase II. Works of that contract was commenced in 2018 and although the contract completion date had been extended to 31 December 2020, suddenly, activities of this has stopped suddenly with the Covid-19 situation during that period and the complete transfer of the Engineering Division of the Ministry of Education to the State Ministry of Women and Child Development, Preschool and Primary Education, School Infrastructure and Educational Services. Further, due to the economic crisis in the country, the abnormal increase in raw material prices, the lack of a payment mechanism for price variations in the contract, and the absence of an engineer for the contract, it has not been possible to proceed with the remaining work on the contract in a proper manner. Although the Engineering Division was later re-established in this Ministry, the contractor no longer agreed to continue the remaining work at the old prices with the increase in contract prices. Necessary work is being carried out to complete the remaining works at the new prices by now.</p> | <p>Payments should be made after obtaining prior approval for contract variation rates.</p> |
| (C) | <p>Although Rs. 21 million, representing 80 per cent of the raw materials available at the work site, had been paid on the</p> | <p>Although the prices related to the variations were referred to the Fixed Price Committee for approval several times, due to</p> | <p>Payments should be made according to proper procedures under the accurate</p> |

recommendation of the Civil Engineer of the Ministry of Education, according to the bill submitted by the relevant contractor on 28 December 2020, a certificate from the Supervising Engineer had not been obtained regarding the actual presence of the raw materials at the work site and their quality. Under that, payments had been made for a sound system valued at Rs. 8 million and 859 auditorium chairs valued at Rs. 17.55 million. Although almost 5 years had passed since the equipment was acquired, since the relevant construction work had been stopped while function, the warranty period of the equipment had expired, the equipment was damaged, and it had technically outdated. The officers from the Engineering and Accounts Division who recommended, approved and paid were responsible for this.

the absence of staff for this purpose in the Ministry of Education in 2021 and 2022 and due to various issues raised by the Sri Lanka Engineering Corporation, it is true that it was not possible to obtain the approval of the Fixed Price Committee. Nevertheless, even though these prices were checked and forwarded to us by the Engineer of the Consulting Division of the Sri Lanka Engineering Corporation (a new engineer related to this industry), the bills have also been sent to the Buildings Department for recommendations due to the lack of Technical Officers in this Ministry. When the State Engineering Corporation submits payment requests from time to time, since they cannot make payments without proper variance approval, it has only been pointed out that Rs. 6.15 million has been overpaid to the State Engineering Corporation by calculating 80 per cent of the approved variations in the consultation from the information at that time.

authority and further actions should be taken against the Engineering Division and the Accounting Division officers responsible for the technical obsolescence of finished equipment for over 6 years in order to achieve the objectives on time and regarding payments.

4.11 Assets Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Although it was observed in audit that the misplacement of copper plates and other accessories related to the lightning conductor system of the Ministry of Education, estimated to be valued	At the time of the copper wire and other components of the lightning conductor system of the Ministry are missing, reports have been called from the relevant	When goods are lost in accordance with Financial Regulation 103(1), actions should be taken to recover

at Rs. 7 million, had occurred before April 2023, the activities had been commenced in accordance with the Financial Regulations with a delay from 11 November 2024. Accordingly, as per the summary of actions to be taken in the event of loss in Financial Regulation 103(1), even though this misplacement had occurred more than 3 months ago as at the date of audit 28 March 2025, actions had not been taken in accordance with Financial Regulations.

departments regarding whether this was a system that had been completed by the relevant contracting company and formally handed over to the Ministry and whether this lightning conductor system was in operation at the time the copper cables were missing and a complaint has been filed with the Thalangama Police in this regard under number GCIB-358/102. Although a preliminary report on a loss was prepared under F.R 104, a primary investigation for that has already been begun.

damages by taking actions on the measures to be taken.

- (B)** A number of 139 motor vehicles registered in the name of the Secretary of the Ministry of Education were not in the possession of the Ministry.

Information on 139 vehicles has not been found at present. Out of those 139 vehicles, 129 vehicles are more than 30 years old. It is possible that due to the establishment of new Provincial Councils during that period, those vehicles were handed over to local government institutions by the Zonal Offices and then some of the vehicles might sent to the disposal process. It is difficult to find information on those vehicles as the documents containing information about the transfer or temporary provision of these vehicles to institutions, projects or

Vehicles registered in the name of the Secretary of the Ministry should be accurately identified and further actions should be taken, and an internal control system should be established.

other institutions under the Ministry of Education are not currently available.

4.12 Losses and Damages

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Although 2 CCTV cameras installed in the Pirivena Section were missing, actions had not been taken in accordance with Financial Regulations in this regard.	A preliminary investigation was conducted under F.R. 103 in respect of the misplacement of the CCTV camera in the Pirivena Division and the report states that CCTV cameras were not purchased or received as a government grant and it has been recommended that officers do not have the relevant documents for donations from another institution. Accordingly, the government has not faced any financial loss.	Further actions needs to be take in accordance with Financial Regulation 104 (4) and since the asset becomes a government asset once received as a donation, it should be used to its fullest extent in accordance with government laws and regulations.
(B) Recovery of losses or taking further actions in respect of 07 losses valued at Rs. 16 million shown as the opening balance in the statement of write-offs presented with the financial statements had not been made during the accounting year and actions had not been taken to recover any amount from 5 items related to those balances in the year 2023.	It had agreed with the observation.	-do-

4.13 Failure to Respond to Audit Queries

The following observation is made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>The Chief Accounting Officer had not taken steps to provide answers to 82 audit queries, including 15 audit inquiries issued to the Chief Accounting Officer during the period 2021-2023 with a minimum delay of 16 months and a maximum delay of 42 months, 66 audit inquiries issued in the year under review with a delay of 16 months, and the “Special Audit Draft Report on Increasing National Schools to One Thousand” issued in the year 2023 with a delay of 18 months.</p>	<p>Providing audit inquiries and responses should be submitted through other branches within this Ministry, other departments and institutions affiliated to the Ministry, and national schools under the Ministry. This process takes a long time and the insufficiency of current staff for this has been the reasons for the delay in providing the answers indicated in the relevant audit . Accordingly, the Director General, Department of Management Services has forwarded the letter ED/12/01/14/2024-12 dated 28 March 2025 to obtain approval for positions by pointing out the need for staff by me to prevent this problem in the future.</p>	<p>Due to the failure to provide timely answers in accordance with the provisions of the National Audit Act No. 19 of 2018 and the provisions of the Financial Regulations, the errors observed during the audit were not corrected, the Chief Accounting Officer is directly responsible for the adverse impact on the education system inspiring other officers to make such mistakes and they are responsible for not completing those tasks on time and the Chief Accounting Officer is required to respond promptly to audit queries and provide full answers to them.</p>

4.14 Management Inefficiencies

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) The total outstanding balance of debts receivable from transferred, deceased, retired, suspended and resigned officers at the end of the year under review was Rs. 149.63 million as per the summary of the age analysis of loans/advances receivable balances in the consolidated statement of accounts presented as at 31 December 2024 and due to the fact that an amount of Rs. 3.96 million has been settled by 31 March 2025, the balance was Rs. 145.67 million and out of that, a sum of Rs. 19.06 million had been outstanding for more than 20 years, Rs. 26.78 million for a period of between 10 and 20 years, Rs. 20.96 million for a period of between 5 and 10 years, and Rs. 78.87 million for a period of less than 5 years.	Agree with the observations.	Action should be taken to recover loan balances by acting in accordance with the provisions of the circular.
(B) The balance receivable as overpayments from other transferred officers as at 31 December 2024 was Rs. 28.82 million and an amount of Rs. 20,000 had been settled by 31 March 2025 and the balance was Rs. 28.8 million. Out of this, Rs. 7.61 million had been for more than 20 years, Rs. 11.84 million for a period of between 10 and 20 years, Rs. 1.62 million for a period of between 5 and 10 years and Rs. 7.72 million for a period of less than 5 years.	An amount of Rs. 20,000.00 has been settled from the outstanding debt to be recovered as overpayments from transferred officers as at 31.12.2024, and it applies to a period of less than 5 years.	Action should be taken to recover loan balances by acting in accordance with the provisions of the circular.

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| <p>(C) Although 30 years had elapsed since the Ministry of Education issued a circular regarding the functions of school Past Pupils' Associations, steps had not been taken to amend the circular to bring it into line with the present by including general instructions regarding Past Pupils' Associations.</p> | <p>Past Pupils' Associations circular has been drafted with the necessary amendments and actions will be taken to release it in the future.</p> | <p>Steps should be taken to introduce guidelines regarding the activities of Past Pupils' Associations within the school and to utilize the activities of those associations in a manner that is most conducive to the advancement of the school system.</p> |
| <p>(D) There was a balance of the funds received into the hostel account of the Ruhuna National College of Education that had been carried forward without being spent since 2013 and there was a balance of Rs. 6.8 million in that account as at the date of audit 16 December 2024. It was observed that the remaining funds in that account are being held in the hostel current account without taking steps to properly identify and settle them at the relevant times or credit them to government revenue.</p> | <p>The hostel account is carrying forward a balance of Rs. 4 million and the Ministry of Education has received verbal instructions to retain that money without spending it. Accordingly, the money is spent while retaining that money and, there was an amount of Rs. 6.8 million due to the non-submission of relevant vouchers for the purchased goods as at the date of audit, since the monthly amount allocated to the hostel account is calculated and the menus are prepared and spent by the food committee, there is no money saved in that account.</p> | <p>Provisions should be made available in the next budget for the benefit of the beneficiaries and lapsed deposits should be transferred to government revenue in terms of Financial Regulation.</p> |

4.15 Other Observations

The following matters were observed at the audit test check of National Schools.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Although vouchers prepared by filling in the prescribed forms correctly and completely should be submitted for all payments, vouchers had not been prepared by the Karadeniya Central College Alumni Association in respect of the expenditure of Rs. 1.74 million paid by cheque in the years 2022, 2023 and 2024 and the expenditure of Rs. 2.40 million withdrawn from two savings bank accounts.	It has been emphasized and certified at the executive meeting held after receiving the audit query that the principal's signature is mandatory in the financial transactions of the Past Pupils' Association.	Since the President of the Alumni Association is the Principal by ex-officio, he should act in accordance with the provisions of Financial Regulations 225, 135-140, the Establishments Code and other government rules, regulations, ordinances and vouchers should be prepared for all payments.
(B) The Principal of Karadeniya Central College had not taken steps to credit the swimming pool income to the School Development Account in accordance with Section 3.3 of the Education Secretary's Circular No. 52/2023 dated 29 December 2023. An amount of Rs. 491,332 from the income had been spent contrary to the circular and Rs. 78,190 had been given to the Past Pupils' Association.	The swimming pool manager has incurred expenses from that income in order to carry out the work more quickly and efficiently. All those expenses have been spent under supervision and it is also accepted as a mistake, and all expenses have been ensured to be true and correct expenses and all expenses have been made through the Development Society's accounts.	Actions should be taken in accordance with the provisions of the circular and it should ensure that financial control is streamlined.
(C) Actions had been taken to recover a sum of Rs. 11.61 million from Ga/ Karadeniya Central College and when Royal	It has been informed that the "Prayama" programme was conducted with the intervention of the parents	School principals should pay attention to act in accordance with the circulars

	College Colombo admitting students to Advanced Level and a sum of Rs. 2.73 million was spent on admitting students to Grade 1 at Royal College, Colombo from parents in contrary to Paragraph 2 of the Secretary of Education's Circular No. 05/2015 dated 19 January 2015, Paragraph 7.4 of Circular 26/2018 and Paragraph 11 of Circular 2008/17.	of the Advanced Level students, with funds raised on their own representation. Answers have been submitted pertaining to Royal College, Colombo.	issued by the Ministry of Education.
(D)	Although the form containing the information of teachers who have completed more than 5 years of service in the same school as at 31 December of each year should be accurately completed and submitted to the Secretary of the Ministry of Education by the relevant principals, and also the majority of principals had not acted in this way, the Ministry of Education had not taken any further steps in this regard.	Answers have not been given.	The Ministry should take further steps to ensure that the annual transfer policy is implemented as scheduled.
(E)	During the audit test check carried out on students who were admitted to intermediate grades in schools in the Western Province, it was observed that the actions had been taken to admit 28 children by the members of the interview committee including the principal without verifying the accuracy of the new and old residence proof documents to be submitted in accordance with the Secretary of Education's Circular No. 17/2023 dated 25 April 2023.	Answers have not been given.	Actions should be taken by introducing a proper uniform methodology in terms of the circulars to confirm the accuracy of the schedules to enroll only the students who are qualified to the schools.
(F)	Even though the number of periods a teacher should teach in a week is 40, although a teacher should engage in the subject-	It has also been impossible to provide the minimum period due to teacher excesses. However, other	Efforts should be made to employ teachers principals, as per the circular

	related learning process for at least 30 periods, except in cases of assignment exemptions, it had been observed that 105 teachers at Ra/Embi/ President Central College and Karadeniya Central College had remained in vain without taking any action to comply with it.	tasks have been assigned to teachers.	and the teacher transfer policy should be implemented in a manner that achieves a respectful balance.
(G)	Steps had not been taken to recruit students for the vacancies in accordance with Circular 2(ii) and 2(iv) of the Secretary of Education's Circular No. HRD/EQD/2002/26 in respect of 23 students who went abroad with the approval of the Girls' High School and did not return to school beyond the approved period. Similarly, if a student does not return to the island for more than a year in accordance with Section V of the Circular although it is stated that vacancies should not be continuously maintained for the respective student, due to lack of follow-up on this matter, principals were unable to advertise vacancies for intermediate classes and make recruitments as per Circular 17/2023 .	Answers have not been given.	Rapid programmes should be introduced to ensure that such situations are promptly and accurately detected and accordingly, steps should be taken to provide opportunities to qualified students based on the identified vacancies.
(H)	It was observed that expenses were not incurred in accordance with the regulations from the School Development Society account of Karadeniya Central College and it was observed that the total expenditure of Rs. 3 million that was subject to audit test check was irregular expenditure. Accordingly, the Chairman of the School	Answers have not been given.	Actions should be taken in accordance with the referenced circular and payments should be made in accordance with the provisions of Financial Regulations 135-140, 225, 156 .

Development Society of Karadeniya Central College, that is, the Principal of the school, the members who are holding positions of the School Development Executive Committee and responsible officers had acted contrary to Section 16.6 of the Guidelines on Planning and Procurement for School-Based Qualitative, Quantitative and Structural Development issued by the Secretary of Education No. 26/2018 dated 22 June 2018 and the Financial Regulations.

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| <p>(I) When receiving financial donations, although receipts should be issued in the name of the School Development Account with a formal serial number and the seal of the Zonal Director of Education for that, in accordance with Paragraph 7.3 of the Secretary of Education's circular No. 26/2018 dated 22 June 2018, Mahawa Vijayaba National School had acted contrary to the circular and bills had not been issued for 37 donations received from 2019 to 2024 in Ra/Embi President's Central College also.</p> | <p>The official seal of the Zonal Education Director is obtained, and once the receipt book is full, the seals are re-used for a part. The books will not be used until they are sealed and bills will be issued for all donated items in the future.</p> | <p>Steps should be taken to print receipt books as required and obtain the seal of the Director of Education for all books and an adequate programme should be introduced at the Ministry Level in this regard and actions should be taken in accordance with the circular.</p> |
| <p>(J) A sum of Rs.1.1 million has been made available for the alms and Pirith service held at Vijaya National School, Matale in August 2023 in contrary to Circular No. 26/2018 dated 18 June 2018 and actions had been taken to spend a sum of Rs. 851,175 without acting in accordance with that circular.</p> | <p>Answers have not been given.</p> | <p>School principals should act in accordance with the circulars issued by the Ministry of Education and an adequate programme should be introduced at the Ministry level in this regard and</p> |

actions should be taken in accordance with the circular.

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| <p>(K) Although all income received from swimming pools should be credited to the School Development Account and relevant expenses should be made from that account, Karandeniya Central College had not complied with it and the daily income collected by the Manager was used irregularly that is,. after paying his monthly allowance and other miscellaneous expenses, only the remaining money was credited to the School Development Society account. Accordingly, a total of Rs. 491,332 was spent irregularly without complying with the provisions of the Secretary of Education's Circular No. 52/2023 and providing Rs. 78,190 to the Past Pupils' Association of the school to cover the school's 80th anniversary expenses had been done.</p> | <p>Answers have not been given.</p> | <p>It should credit money to the school development account and incur expenses in accordance with Circular No. 52/2023 dated 29 December 2023 .</p> |
| <p>(L) Although a sum of Rs. 70,000 out of the Rs. 287,540 income collected by the Manager and to be credited to the School Development Account as per the inspection of the records and books of the swimming pool income and expenditure of Karandeniya Central College on 08 October 2024, there was a financial deficit of Rs. 147,540. The Manager failed to present the reasons for the relevant deficiency to the audit at that time, and it could not ruled out in</p> | <p>Answers have not been given.</p> | <p>Actions should be taken in terms of Sections 8.1 and 8.2 of Part II of the Establishments Code and Financial Regulations 119 and 156, money should be credited to the School Development Account and expenses should be incurred through that account and in</p> |

audit that the relevant funds have been misused.

respect of non-compliance with the introduced provisions and the Principal in terms of the Circular.

(M) The value of the loss related to the theft of the computer laboratory at Vijitha Maha Vidyalaya, Dickwella on 09 November 2021, was Rs. 1.34 million and despite it has been over 3 years since the incident occurred, arrangements had not been made to take further actions against the relevant responsible officers by issuing a Financial Regulation 104 (4) final report and recover losses.

Instructions on how to recover the loss and how to remove it from the books as per the recommendations indicated in the investigation conducted by the Matara Zonal Education Director has not yet been provided by the Director of the Southern Provincial Education Department. Accordingly, the Director of the Southern Provincial Education Department was made aware by letters dated 12 August 2024 and 03 March 2025 to carry out this work urgently.

Making arrangements to take further actions and recover from the responsible officers in terms of Financial Regulation 104 (4) .

(N) Despite there was no power to executive committee to appoint committees to write off or investigate the financial balance differences of Rs. 3,342 million, which cannot be reconciled between the cash balance included in the financial statements and the cash book balance of the Development Society Account of the Co/ Royal College from the year 2016 to the year 2023, although the school had taken steps to write off the amount from the school's financial statements prepared as at 31 December 2023, based on a decision of a special committee appointed by the School

Answers have not been given.

The Ministry of Education should conduct an investigation into this matter and steps should be taken to educate schools on how to act in such situations.

Executive Committee, the advice and guidance had not been obtained from the National Schools Branch of the Ministry of Education in this regard.

5. Good Governance

5.1 Performing Services to Public

The following observation is made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The internal telephone system (PABX system) of Ministry of Education had been completely out of service since 07 April 2023 due to a lightning strike and although the approval of the Secretary of Education was received since 2018 to establish a new system, due to the fact that the existing system is not functioning properly, the Ministry of Education had failed to establish a new system until 2025. Due to failure to take prompt action regarding the breakdown of the internal telephone system, there was a significant adverse impact for the inability to properly perform services provided to the public via telephone even up to a period of 24 months until October 2025 .	The breakdown of the internal telephone system of the Ministry has adversely affected the Ministry's communication activities. Nevertheless, the Ministry's 10 direct telephone lines are operational and from that, the public can contact the necessary departments through the telephone exchange in times of need. Further, each branch has one internal telephone number in operation. Further, external clients and internal officers associated with the Ministry of Education can contact the necessary departments of the Ministry through approximately 240 direct telephone numbers using the Telephone Directory.	Necessary steps should be taken to promptly install the new internal telephone system and it is necessary to ensure that public services are provided in an optimal manner.

5.2 Internal Audit

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) Although there are 29 audit areas and audit activities identified by internal audit based on risk assessment, according to the Internal Audit Plan of the Internal Audit Division for the year 2024, the planned tasks had not been completed during the inspection of the issued reports and most Internal Audit reports had limited to the financial audits of National Schools.	Eighty per cent of the audit activities identified in the 2024 Internal Audit Plan have been completed in 2024 and 21 special audit examinations, which were not included in the Audit Plan but were carried out on my orders, were also carried out during the year. Accordingly, due to the limited staff available in the division having to be deployed for those special inspections, it has not been possible to complete the Audit Plan 100 per cent. Therefore, it has been planned to carry out the Audit Plan in full in the year 2025 .	It should be confirmed periodically reviewing the internal control systems of Ministry of Education, including financial discipline, project execution, procurement objectives, etc. by preparing an Internal Audit Plan with all controls and conducting internal audits including strengthening established internal control systems and introducing new internal control systems to cover specific issues identified based on risk assessment.
(B) Although it has been stated that the Internal Auditor should participate in the internal control system of the financial affairs of the Ministry and conduct an ongoing review and independent evaluation of the regularity and adequacy of the internal controls used to prevent and detect errors and fraud in those affairs in accordance with Financial Regulation 133 (1), it was	According to the Internal Audit Plan for the year 2024, a greater emphasis has been placed on examining internal control systems and introducing new internal control systems to prevent and detect errors and frauds that have occurred in national schools under the purview of the Ministry and it has	The recommendation is as above.

observed from Internal Audit Plans and reports that, the Ministry's Internal Audit Division has not spent sufficient time to prevent and detect errors and frauds, to examine internal control systems and to introduce new internal control systems.

been prepared to focus more attention on the financial affairs of the Ministry by the Audit Plan 2025 .

Actions will be taken to prepare the plan to cover national schools as well as the activities of the Ministry in the audit plans prepared for the future years.

(C) Although a report should be submitted to the Secretary of the Ministry stating the Internal Auditor's decision on the Expenditure Head of the Ministry in accordance with Section 33 (2) of the Public Finance Management Act, No. 44 of 2024, such a report had been submitted.

I was instructed to submit a report from the year 2025, stating the Internal Auditor's decision regarding the Expenditure Head of the Ministry in accordance with Section 33(2) of the Public Finance Management Act, No. 44 of 2024 .

A report should t be submitted to the Secretary of the Ministry in accordance with Section 33 (2) of the Public Finance Management Act, No. 44 of 2024 stating the decision of the Internal Auditor decision on the Expenditure Head of the Ministry.

5.3 Audit and Management Committee

The following observation is made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although Audit Management Committee Meetings should be held at least quarterly, that is, 4 times a year, in accordance with Paragraph 5.3 of the Management Audit Circular No. DMA/1-2019 dated 12 January 2019 only 03 Management Committee Meetings had been held for the year 2024 .	Two elections were held in the country and, only 3 Audit Management Committee Meetings were held during the year accordingly. Actions will be taken to hold the Audit and Management Committee Meeting within the quarter.	Audit and Management Committee Meetings should be held at least once a quarter in accordance with Paragraph 5.3 of the Management Audit Circular No. DMA /1-2019 dated 12 January 2019.

6. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(A) The post of Building Manager, which was an essential position to properly maintain the building maintenance activities of the Ministry, had been vacant since 30 December 2023 and actions had not been taken to fill the position even by 30 April 2025.	As the post of Building Administrator is a special grade post in the Sri Lanka Technical Service as per the Scheme of Recruitment approved for this Ministry, it is not possible to recruit for that. Accordingly, due to the absence of a qualified officer in the Ministry who could be promoted internally to fill the vacancy in the post, steps have been taken to perform the services related to the position in accordance with the provisions of Section 06 of Public Finance Circular 01/2020.	Actions should be taken to appoint an officer for the maintenance of the buildings of the Ministry under the existing legal provisions.
(B) Recruitment of Sports Coaches for Government Schools		
i) The Ministry had taken steps to recruit 3,888 sports coaches in 2019 without properly identifying the needs of sports and physical education teachers and by suppressing the position of sports and physical education teacher in the teachers service. Due to problems that arose when attaching sports coaches to National Schools and Provincial Councils, efforts had been made to ensure that the position of sports and physical education teacher was not suppressed again. Despite the fact that sports and	Answers have not been given.	When recruiting sports and physical education teachers in accordance with the service regulations, recruitments should be made properly identifying the need for sports and physical education teachers, reviewing the number of approved posts, by conducting a census of the number of

physical education teachers and sports coaches have been assigned to schools so, it was observed that many schools hire external coaches for sports such as chess, cricket, volleyball, etc., and pay salaries from the School Development Society and charge additional fees from students.

vacancies and recruiting them. The Ministry of Education should introduce a formal programme and methodology to eliminate informal organizations that collect money from students and parents from the school system and monitor it at the Ministry level.

- ii) Although it was stated in the Scheme of Recruitment for sports coaches that the relevant coaches should pass the first efficiency bar examination before they have been promoted to Grade III and have completed 03 years, and that the efficiency bar examination should be held twice a year in accordance with Section 8.2 of the Scheme of Recruitment, only one efficiency bar examination had been held from 2020 to 2025. Although it was stated that the Appointing Authority/ Administrative Authority is committed to the responsibility of conduct efficiency bar examinations on the due date as per Sub-section IX of Section 15 of the Establishments Code, the Additional Secretary (Non-Academic and Combined Services) had not taken steps to conduct the efficiency bar examinations for the prescribed number of times. Accordingly, it had been impossible to confirm the appointments of sports

Due to the Covid pandemic from the end of 2019 to the year 2022,/ as per the approval given by the Public Service Commission on 05.07.2022, the Scheme of Recruitment will be revised by incorporating amendments regarding the efficiency bar examination and an efficiency bar examination will be conducted as per the Scheme of Recruitment. Arrangements will be made to conduct the efficiency bar examinations annually.

Actions should be taken to conduct efficiency bar examinations at the scheduled time following proper procedures and to ensure that their services are provided to the students properly by conducting efficiency bar examinations within the specified time frames.

coaches due to the failure to hold the relevant efficiency bar examinations.

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| <p>(C) There were 880 vacancies for senior and tertiary level officers and 2,418 vacancies for secondary and primary level officers.</p> | <p>Answers have not been given.</p> | <p>Actions should be taken to identify only essential positions and make new appointments with a review of them and to provide clarifications and make recruitments.</p> |
| <p>(D) Since there are 544 senior level vacancies, 26 tertiary level vacancies, 262 secondary level vacancies and 106 primary level vacancies in the National Colleges of Education, there was a strong impact on the overall functioning of the National Colleges of Education and although there were vacancies as mentioned above, the Ministry of Education had not included those vacancies in the expected recruitment list for the year 2025 and a review had also not been conducted on the approved number of vacant positions.</p> | <p>Answers have not been given.</p> | <p>Actions should be taken to conduct a review of the approved number of staff in the National Colleges of Education and to recruit for essential posts under the prescribed approval.</p> |
| <p>(E) According to the detailed staff information related to the National Colleges of Education, it was observed that the approved number of lecturer posts in the Sri Lanka Teacher Educator Service was 1,080 and the actual posts as at 30 April 2025 are 539 and accordingly, the number of vacant lecturer posts had been 541 and it was observed that external lecturers between the ages of 63</p> | <p>Answers have not been given.</p> | <p>Actions had not been taken to conduct a review of the approved number of staff in the National Colleges of Education and to recruit for essential posts under the prescribed</p> |

and 70 in many faculties are extending their service by once in each 6 months. Although it has a strong impact on the learning process of students at the National Colleges of Education, the Ministry of Education had not paid due attention to this matter.

approval.

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| <p>(F) Although 73 posts of Hostel Superintendents (Male/Female) and 74 posts of Hostel Assistant Superintendents (Male/Female) had been approved for the National College of Education, 58 posts of Hostel Superintendent (Male/Female) and 33 posts of Hostel Assistant Superintendent (Male/Female) remained vacant by 30 April 2025.</p> | <p>Approval has been given to recruit 80 people on a limited basis for the post of Assistant Student House Manager. Although 47 people passed the examination for the post, 27 will be appointed in July 2025, subject to the completion of the necessary qualifications. Furthermore, a request has been made on 27 March 2025 to recommend new recruitments to the Committee appointed by the Cabinet to review the recruitment process and manage staff in the public service.</p> | <p>Actions had not been taken to conduct a review of the approved number of staff in the National Colleges of Education and to recruit for essential posts under the prescribed approval.</p> |
| <p>(G) According to the staff information of national schools, the number of approved Development Officer Grade I, II, III posts for schools was 1,297, and thus the actual number of staff as at 31 December 2024 was 2,313, there were 1,016 excess staff and 111 primary level posts approved for teacher training centers and thus the actual staff was 123 there were 12 excess employees and thus the number of excess teachers at secondary and primary levels in teacher training colleges</p> | <p>Instructions have been given to provide permanent appointments at the assigned workplace where the Graduate trainees who were given permanent appointments in 2022 are being trained</p> <p>Therefore, the actual number of development officers in national schools has exceeded the approved number when those officers were assigned to the same</p> | <p>Officers should be assigned to the post with proper approval according to excess and shortage posts at the Ministry level.</p> |

was 40, the Ministry of Education had assigned 1,068 officers in excess. According to the answer, it is observed that the Ministry has not taken sufficient steps to attach the Development Officers appointed in 2022 so that there was no excess and the salaries and allowances paid to those officers had become useless.

places where they were trained. Secondary and primary level posts for teacher training colleges were approved in 2019. At that time, the officers working in those institutions were included in the staff. Information on officers with more than 05 years of service is forwarded to the Director General of Combined Services for consideration during annual transfers. Due to the approval of 336 development officer posts for teacher centers, these excess Development Officers will be assigned to those centers. Relevant steps are being taken by now to assign the excess Development Officer staff in National Schools across the island to the nearest Teacher Development Centers according to the approval received for 336 Development Officer posts for Teacher Development Centers by letter No. DMS/1868 dated 2024.03.06 of the Director General of Management Services. However, the balancing work has been temporarily suspended in accordance with Supreme Court Fundamental Rights Cases Nos. 77-2023, 78-2023, 88-2023 and 95-2023.

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| <p>(H) Even though 258 hostel wardens have been approved for national schools, 178 posts out of the actual number of 80 had remained vacant. The Ministry of Education had not paid attention to the large number of vacancies in this position, which is required to control and supervise the activities of children in school hostels.</p> | <p>Government recruitments were suspended in accordance with the Management Services Circular No. 02/2020 dated 26 October 2020. Vacancies have arisen in this position due to retirement, resignation, and release of officers to other positions. The Cabinet-appointed Committee of Officers to review the recruitment process in the public service has approved the recruitment of 80 Assistant Student House Managers on a limited basis. A request has been made on 27 March 2025 by recommending new recruitments and it is expected that these vacancies will be filled by making new recruitments for those posts after approval is received.</p> | <p>Actions should be taken to manage human resources to optimally achieve institutional objectives.</p> |
| <p>(I) Although 338 posts of Faculty of Technology Assistants had been approved for national schools, all the positions remained vacant. Also, 554 laboratory assistant posts had been approved and of which, 390 posts had remained vacant. Accordingly, problems had arisen regarding the proper provision of practical scientific knowledge to children, and the maintenance, and operation of school laboratories.</p> | <p>A request has been made on 27.03.2025 recommending new recruitments to the Committee appointed by the Cabinet of Ministers to review the recruitment process and manage staff in the public service and it is expected to fill all 338 positions after approval is received. Government recruitment has been suspended as per Management Services Circular No. 02/2020 and dated 2020.10.26 for the post of Laboratory</p> | <p>Although arrangements should be made to manage human resources to optimally achieve institutional objectives and although recruitments were generally stopped by circulars, conducting a review of essential positions, since recruitment for essential positions</p> |

Assistant. There are in the public service vacancies in this position has been done, due to reasons such as steps should be retirement, leaving the taken to recruit service, or release of students with the officers to other positions. approval of the special committee and the safety of the students in the hostel should be ensured providing information about these positions with a review.