

PROGRESS REPORT – 2011

1.0 Introduction

The National Institute of Education (NIE) which is established by the Parliamentary Act No 28 of 1985 is vested with the responsibility of developing curriculum for the general education as well as teacher education, professional development of the personnel involved in the field of education and conducting research on issues related to education policy and implementation. During 2011 NIE implemented 120 projects under these responsibilities. The government grant provided for the institute this year was mainly used for the staff salaries. Another part of the balance was used on maintenance activities and a few of the project costs were covered with the remaining. Covering the projects costs were mainly done with the funds received from World Bank funded Education Sector Development Programme (ESDFP), UNICEF, German Technical Cooperation (GIZ) and a part of the Institutional income earn through conducting several courses from certificates to M.Phil level.

At the beginning of 2011 a new Council was appointed by the Hon. Minister of Education ensuring the representation of all relevant expertise. Prof. W.M.Abeyrathna Bandara was appointed as the Director General and with this appointment several steps have been taken to increase the working capacity of the Institute.

This report provides the details of the progress of the activities conducted by NIE during 2011.

2.0 Organizational Structure of the NIE

2.1 The Council 2011:

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

- Appoint the staff of the Institute in accordance with the scheme of recruitment and procedures for appointment prescribed by regulations;
- Determine the terms and conditions of the services of the staff of the Institute including wages, salary or other remunerations;
- Make rules with regard to matters of discipline;

- Establish and regulate provident funds and schemes for the benefit of the staff of the Institute and may make contributions to any such fund or scheme.

The following members served in the Council in 2011.

Mr. H. M. Gunasekara (<i>Secretary, MoE</i>)	Chairman
Prof. W.M. Abeyrathna Bandara (<i>Director General, NIE</i>)	Member
Prof. S. Sandarasegaram (<i>Former Dean, Faculty of Education, University of Colombo</i>)	Member
Prof. Arjuna de Silva (<i>Professor, Faculty of Medicine, University of Kelaniya</i>)	Member
Prof. Mudiyanse Dissanayake (<i>Senior Professor / Director, University of the Visual & Performing Arts</i>)	Member
Prof. Rolend Abeypala (<i>Senior Lecturer, Faculty of Education, University of Colombo</i>)	Member
Dr. T.A. Piyasiri (<i>Director General, Tertiary & Vocational Education Commission</i>)	Member
Mr. Manjula Makubura (<i>Attorney at Law</i>)	Member
Mr. R.Uduwawala (<i>Director, Department of National Budget</i>)	Member
Mr.P.Ranepura (<i>Additional Secretary, Ministry of Higher Education</i>)	Member (From 15.08.2011)
Dr. Saranga Alahapperuma (<i>Doctor, Base Hospital, Kiribathgoda</i>)	Member (From 15.08.2011)
Ms. V.D.C.P. Perera (<i>Chief Project Officer, Department of English, NIE</i>)	Secretary to the Council

2.2 Academic Affairs Board 2011

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

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

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

The Academic Affairs Board 2011 comprised of the following educational experts.

Prof. W. Ariyadasa De Silva (<i>Former Dean, Faculty of Education, University of Colombo</i>)	Chairman
Prof. W.M. Abeyrathna Bandara (<i>Director General, NIE</i>)	Member
Prof. S. Vidanapathirana (<i>Senior Lecturer, Dept. of Microbiology, University of Kelaniya</i>)	Member
Prof. Narada Warnasuriya (<i>Former Vice Chancellor, University of Sri J'pura</i>)	Member
Mr. R.S.Medagama (<i>Retired Director General, Education Reforms Implementation Unit, MoE</i>)	Member
Mr. Anura Edirisinghe (<i>Commissioner General of Examinations, National Evaluation & Testing Service</i>)	Member
Mr. Tissa Nandasena (<i>Secretary, University Grants Commission</i>)	Member
Mr. T.Mutukumaraswamy (<i>Principal, Hindu College,Colombo 04</i>)	Member

Mr. W.M.N.J. Pushpakumara (<i>Commissioner General of Educational Publications, Ministry of Education</i>)	Member
Dr. P.C.P. Jaufar (<i>Senior Lecturer, Faculty of Education, Open University of Sri Lanka</i>)	Member
Mr. Tissa Hewavithana (<i>Chief Commissioner, Teacher Education Ministry of Education</i>)	Member
Dr. T.A.R.J. Gunasekera (<i>ADG, Faculty of Research, Planning & Development, NIE</i>)	Member
Mr. W. Siyambalagoda (<i>ADG, Languages, Humanities & Social Sciences, NIE</i>)	Member (Till 31.03.2011)
Mr. L.H. Wijesinghe (<i>ADG, Faculty of Science & Technology, NIE</i>)	Member (From 22.03.2011 till 05.07.2011)
Mr. I.M.K.B. Illangasinghe (<i>ADG, Faculty of Educational Leadership Development & Teacher Education, NIE</i>)	Member (From 12.04.2011)
Mr. S.Atugoda (<i>ADG, Faculty of Alternative Education, NIE</i>)	Member (From 22.03.2011 till 20.06.2011)
Dr. N. Wanniarachchi (<i>ADG, Faculty of Alternative Education NIE</i>)	Member (From 20.06.2011)
Dr.G.Kodituwakku (<i>Acting ADG, Faculty of Languages, Humanities & Social Sciences, NIE</i>)	Member (From 01.04.2011)
Mr. M.F.S.P. Jayawardana (<i>Acting ADG, Faculty of Science & Technology, NIE</i>)	Member (From 06.09.2011)
Ms. V.D.C.P. Perera (<i>Chief Project Officer, Department of English, NIE</i>)	Secretary to the AAB

2.3 Director General's Office

The Director General's Secretariat and the Internal Audit Unit function under the direct supervision of the Director General. The Director General's office coordinates the activities of the Council and the Academic Affairs Board (AAB). During the last year 12 Council meetings and 13 AAB meetings have been coordinated.

The Internal Audit Unit has taken the charge of internal auditing and has helped strengthening the internal controls and transparency in management.

2.4 Faculties and Divisions

Given below is how the different Departments and Cells of the Institute were orchestrated under its organizational structure in 2011.

2.4.1 Faculty of Languages, Humanities and Social Sciences

- Department of Sinhala
- Department of Tamil
- Department of English
- Department of Aesthetics
- Department of Religions
- Department of Social Sciences
- Department of Early Childhood and Primary Education
- Language Coordinating Cell

2.4.2 Faculty of Science and Technology

- Department of Science, Health and Physical Education
- Department of Mathematics
- Department of Technical Education
- Department of Business Studies
- Department of Information Technology

2.4.3 Faculty of Education Leadership Development and Teacher Education

- Department of School Management
- Department of Education Administration
- Department of Teacher Empowerment
- Department of Institutional Development
- Department of Examinations
- Guidance & Counseling Cell

2.4.4 Faculty of Alternative Education

- Department of Open School
- Department of Electronic Dissemination
- Department of Library and Publications
- Department of Inclusive Education

2.4.5 Faculty of Research, Planning and Development

- Department of Research and Development
- Department of Planning and Evaluation
- External Agencies Cell

2.4.6 Division of General, Financial & Technical Administration

Department of Finance
Department of Administration
Department of Engineering Services
Department of Publications

3.0 Important Events in 2011

- Prof. W.M. Abeyrathna Bandara assumed duties as the 09th Director General of the Institute on 03rd January 2011.
- Coordination among the activities conducted by the NIE and MoE has been established through joint meetings.
- New organizational structure for the Institute was developed including the expected cadre and designations and has got the approval from the National Salaries and Cadres Commission which will enable to attract outside qualified persons.
- Twenty one Assistant Project Officers who completed PGDE with five years experience at NIE were promoted to the level of Project Officers.
- English, Tamil and IT programmes have been started for NIE staff to improve the effectiveness and efficiency of the Institute.
- A capacity building programme on multimedia was conducted for a group of 36 staff members in collaboration with the Commonwealth Media Centre (CEMCA)
- As part of the Electronic Management Information System, a student information system (SIS) was designed by a team of internal staff members saving Rs.5.8 million for the institute which will enable the NIE to manage their courses more effectively and transparently.
- Post conflict peace building programme to promote quality and innovation in teacher education through Education for Sustainable Development was started in collaboration with UNESCO, India. Accordingly 59 teacher educators including NIE officers were trained as trainers and 2766 NCoE's students were trained in 2011.
- Extending its voluntary services to capacity building of staff officers in the Sri Lanka Air-Force and has given training for 100 trainee instructors on education psychology.

- Preparation of tools for testing of listening & speaking skills for school based assessment (SBA) to integrate the component of spoken English into the school based assessment in Gr. 7, 8 & 9 under the technical assistance from presidential initiative programme “English as a life skill.”
- In order to giving readers of NIE Library a better service necessary steps have being adopted to convert the available ‘WINISIS’ library system.
- Under the extra financial support of Rs. 15 million from Education Sector Development Grant for capital Items for 2011, NIE was able to fulfill the office equipment requirements of the Department of Examinations and in the NIE Press. Further the library collection of NIE was up graded with books on education and other fields, periodicals as well as some educational software worth of Rs.1, 000,000.
- Preliminary work have been started to establish a South Asian Centre for Teacher Development in Sri Lanka to provide an advocacy role for the transformation of the teacher development process in the South Asian Region, emphasizing development of the innovative approaches as well as research & information sharing within the mandates of the South Asian countries – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan & Sri Lanka under the auspices of UNESCO.

4.0 Curriculum Development

Faculty of Languages, Humanities and Social Sciences and the Faculty of Science and Technology hold the responsibility of all matters related to country’s general education.

Seventy projects were implemented in 2011 to perform the following duties by the seven departments and the Cell of Language Coordination under the Faculty of Languages, Humanities and Social Sciences, and the five departments under the Faculty of Science and Technology:

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

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

During 2011 the Following developments have been taken effect:

- Quality development of primary teachers through publishing and disseminating the Action Research Programme conducted by the Department of Early Childhood & Primary Education.
- Further training of 1,628 provincial and zonal subject directors and zonal level In-Service Advisors (ISAA) on the new curriculum for Grades 7 & 11.
- Preparation of a student work book for grade 9 Mathematics and E-content for grade 10 Mathematics.
- Designing of 15 educational software for grades 6-11 (6 for Science, 4 for English, 3 for Geography, and 2 for History) and development of 4 software for Science.
- Preparation of Information Communication Technology (ICT) materials for Health and Physical Education for grades 6-11.
- Revision of 35 G.C.E.A/L curriculum after conducting surveys of the subject content.
- Preparation of practical guide books for A/L Chemistry, Physics and Biology.

- Capacity development of 5,698 resource persons and teachers for grades 12 & 13.
- Preparation of 8 resource books for A/L technical subjects.
- Preparation of two E-learning materials and a study book for Sign language.
- Preparation of a teaching package for Braille education after a needs assessment.
- Identification of 2014 ICT technical terms up to letter “P” for a glossary of ICT.
- Initiation of an Action Research Programme on bilingual education (BE) for professional development of teachers in Central and Eastern Provinces.
- Preparation the first draft of model supplementary package on BE for Pirivena education.
- Appointment of inter-departmental editorial boards to maintain the language quality of the curriculum materials.
- Development of an educational web site for the Institute and publishing all syllabuses and Teacher Instructional Manuals on the web.

4.1 Preparation of Syllabi - 2011

- **Following syllabi was prepared**

Russian	Grades 10 & 11
Chinese	Grades 10 & 11
Hindi	Grades 10 & 11
Sanskrit	Grades 10 & 11
Pali	Grades 10 & 11
German	Grades 10 & 11
Japanese	Grades 10 & 11
Hard Technology (S)	Grades 12 & 13
- **Following syllabi were revisited and necessary commandments were made**

Chemistry (S/T/E)	Grades 12 & 13
Physics (S/T/E)	Grades 12 & 13
Biology (S/T/E)	Grades 12 & 13
Accounting (S/T/E)	Grades 12 & 13
Economics (S/T/E)	Grades 12 & 13
Business Studies (S/T/E)	Grades 12 & 13

4.2 Preparation of Teachers' Instructional Manuals (TIMs) – 2011

- **Following 78 TIMs were prepared**

Drama & Theater (T)	Grade 6
Geography (E)	Grade 7
Drama & Theater (T)	Grade 7
Geography (E)	Grade 9
Art (T)	Grade 9
History (E)	Grade 9
Life competencies & Civic Education (E)	Grade 9
Science (E)	Grade 9
Hindi	Grade 10
Sanskrit	Grade 10
Russian	Grade 10
Pali	Grade 10
Communication & Media Studies (S)	Grade 10
Drama & Theater (T)	Grade 10
Hindi	Grade 11
Pali	Grade 11
Sanskrit	Grade 11
Russian	Grade 11
Arabic	Grade 11
Drama & Theater (T)	Grade 11
Science (Chemistry Component) (E)	Grade 11
Arabic	Grade 12
Japanese	Grade 12
Accounting (E)	Grade 12
Business Studies	Grade 12
Political Science (E)	Grade 12
Mathematics (T)	Grade 12
Agriculture Science (E)	Grade 12
Food Science & Technology (T)	Grade 12
General Information Technology (S&T)	Grade 12
Hindi	Grades 12 & 13
Hinduism	Grade 13
Hindu Civilization	Grade 13
Islam (S/T)	Grade 13
Islam Civilization (S/T)	Grade 13
Christianity (S/T)	Grade 13
Christian Civilization (S/T)	Grade 13
Greek & Roman Civilization (E)	Grade 13
Sinhala	Grade 13

Tamil	Grade 13
English	Grade 13
Sanskrit	Grade 13
Pali	Grade 13
Chinese	Grade 13
German	Grade 13
Russian	Grade 13
Arabic	Grade 13
Japanese	Grade 13
Oriental Music	Grade 13
Western Music	Grade 13
Dancing	Grade 13
Drama & Theater (S/T)	Grade 13
Art (S)	Grade 13
Carnatic Music	Grade 13
Bharatha Natyam	Grade 13
History (S/T)	Grade 13
Political Science (S/T/E)	Grade 13
Geography (S/T/E)	Grade 13
Logic & Scientific Method (S/T)	Grade 13
Communication & Media Studies (S)	Grade 13
Business Studies (S/T/E)	Grade 13
Accounting (S/T/E)	Grade 13
Business Statistics (S/T/E)	Grade 13
Economics (S/T/E)	Grade 13
Mathematics (S/T/E)	Grade 13
Combined Mathematics (S/T/E)	Grade 13
Physics (S/T/E)	Grade 13
Chemistry (S/T/E)	Grade 13
Biology (S/T/E)	Grade 13
Electrical, Electronic & Information Technology (S/T)	Grade 13
Civil Technology (S/T)	Grade 13
Home Economics (S/T)	Grade 13
Bio Resource Technology (S/T)	Grade 13
Agriculture Science (S/T/E)	Grade 13
Agro Technology (S/T)	Grade 13
Mechanical Technology (S)	Grade 13
Information & Communication Technology (S/T/E)	Grade 13
Food Science & Technology (S)	Grade 13

4.3 Preparation of Recourse Books - 2011

- **Following 05 resource books were prepared**

Hard Technology (S)	Grade 12
Bio Resource Technology (S)	Grade 12
Electrical, Electronic & IT (S)	Grade 13
Home Economics (S)	Grade 13
Agriculture Science (S)	Grade 13

4.4 In- Service Training

- A total number of 10,643 ISAA, Subject Directors, Principals and Teachers have been provided training by NIE in 2011.
- In collaboration with the provincial administration Bilingual Education (BE) Programme has been promoted among the teachers involved in Eastern, North Western and Northern provinces and trained 36 teachers of Pirivena & Government assisted private schools.

5.0 Professional Development

Professional development of the personnel engaged in the field of education is entrusted to the Faculty of Educational Leadership Development and Teacher Education. This Faculty is made up of the Department of School Management, Department of Educational Administration, Department of Teacher Empowerment and Department of Institutional Development. During the period under review 21,418 personnel involved in the field of education have been received the opportunity for professional development through the courses mentioned in Table I, which are being conducted at Maharagama and Meepe premises.

Table 1: Details of the Professional and Development Courses:

Name of the Course	Department Responsible	No. of Participants
Postgraduate Courses M.Phil (Education) (2008/2009,2009/2010, 2011/2012) Master of Education (2009/2011, 2010/2012) M.Sc. in Education Management (2009/2011 & 2011/2013)	Teacher Empowerment Teacher Empowerment Education Administration	33 157 47
Postgraduate Diploma Courses Postgraduate Diploma in Ed. Management (Full time) (2011/2012) Postgraduate Diploma in Ed. Management (Part time) (2011 / 2013) Postgraduate Diploma in Education (2009 / 2010,2011/2012, 2012/2013) Postgraduate Diploma in school counselling (2009/2010)	Education Administration Education Administration Teacher Empowerment Teacher Empowerment	54 85 8423 30
Graduate Courses Bachelor of Education (2007/2009,2009/2011,2011/2013)	Teacher Empowerment	5120
Diploma Courses Diploma in School Management (2010/2011) Diploma in Primary School Management (2011 - Tamil) Diploma in Special Education (2010) Diploma in Sign Language (2011) Diploma in Teaching English as a Second Language * Diploma in Early Childhood and Primary Education *	School Management School Management Inclusive Education Inclusive Education English Primary Education	204 71 71 32 47 37
Certificate Courses Additional Language Improvement Course (ALIC) (2010/2011)	Teacher Empowerment	1114
Short – term Thematic Courses Thematic course on Education Management Thematic Course on Educational Research Methods Thematic Course on pedagogical competencies	Education Administration Research and Development Teacher Empowerment	1,181 250 50
Courses for Foreign Students B.Ed Management Course (2009 / 2011 & 2010/2013)	Education Management	45
Courses for Non Graduate Teachers Teacher training course for un trained, non-graduate teachers	Institutional Development	4367

* Considering the practical problems of implementing the programmes these two courses were coordinated by the Department of English & Department of Early Childhood Education.

5.1 Institutional Development

The NIE is responsible for curriculum development for pre-service teacher education programme conducted through the NCoEs as well as for in-service teacher education programmes conducted through the Teacher Training Colleges (TTCs). During the last year the following interventions were taken place:

- Seven NCoEs Primary, General and Special components of NCoE syllabuses were revised and necessary training was given for 215 lecturers.
- A tool for monitoring academic work of NCoEs and TTC's was prepared.
- A need survey was conducted on professional development needs of NCoEs and TTC staff. Accordingly 215 NCoEs staff had provided training on education practice.
- An evaluation procedure of trainees was developed for TTCs.

5.2 Guidance and Counseling

Following activities were completed under the in-house counseling programme in 2011:

- Provided counseling for 420 students.
- Provided counseling for 600 parents, 50 teachers, 30 parents and 100 other stakeholders.
- Organized 03 public lectures and where there were nearly 1000 participants.
- Conducted 15 Action Research projects on student counseling.
- A capacity building programme was conducted for 120 counseling ISAA, and 47 special education ISAAs.

5.3 Examinations (NIE Courses)

NIE was able to clear the backlog of all the examination results during 2011. Further, following achievements were made during the period concerned.

- 14 examinations were conducted.
- Results of 8,343 candidates of PGDE 2009/2010 batch (first year) was released.
- A total number of 1950 Certificates of the previous examinations were issued.

6.0 Alternative Education

6.1 Open Learning

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

Following activities were completed last year with regard to the programme on open learning.

- Providing opportunity for 1802 learners to follow the foundation course on open secondary education programme (OSEP) & Foundation course on Open Secondary Education with the assistance of 40 tutors in 06 centres.
- Writing of 03 modules for community education for OSEP.
- Provision of 05 mobile tutoring services.
- Conducting of 32 face to face sessions in 10 centres.
- Publishing a newsletter on information related to Open Learning.
- Establishing of 03 new centres & enrolling 400 learners

6.2 Electronic Dissemination

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

Following are the activities completed by the end of 2011:

- Preparation of 537 Nenasa programmes and handing over for telecasting.
- Training of 79 subject specialists on writing scripts for radio programmes on primary and secondary curriculum and current issues.

- Completion of 48 Nipuna weekly audio programmes and 24 programmes on ‘This is our School’.
- Production of 01 audio and 01 video programmes and conducting a poster competition on school safety education through media.
- Training of 50 teachers on using videos in the classroom.

6.3 Inclusive Education

The Department of Inclusive Education of the NIE occupies a special position in making the concept of Education for All a reality. While initiating programmes with regard to the children with special needs, the Department implements special counselling programmes for their parents/guardians. The activities under mentioned have been completed during 2011.

- Published a magazine on Inclusive Education to disseminate current information.
- Prepared E-learning materials & study book for Sign Language.
- Prepared a Sign Language Dictionary for Gr. 2 reading book.
- Trained 50 teachers on Brail Education.

6.4 Library

In addition to the internal staff members, the library of the NIE is often used by the University Staff, Staff of NCOEs and Teacher Training Colleges, teachers and students as well as other educationists for academic purposes. The following books and CDs were added to the library collection in 2011.

Books	1003
Educational reports	146
Curriculum materials	06
Local Magazines	05
Foreign Magazines	06
Newsletters	10
CDs containing education information	30

7.0 Research, Planning and Development

As an Institution functioning towards quality education NIE contributes curriculum development, professional development and policy making through a variety of

research and planning activities. These activities are conducted by the Department of Research and Development and Planning and Evaluation and the Cell of External Agencies.

7.1 Research and Development

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

Following are the highlighting features of the Department during 2011:

- The research report on the study on New Curriculum Reforms implemented in Gr.9 in 2010 was completed.
- A research glossary & educational glossary to disseminate research findings among educational community were developed.
- The research report on vertical integration of DRM concepts in the school curriculum from Gr. 6-11 was completed.
- A Resource Pack for small schools to strengthen the school management in small schools was developed.
- A research based CD on disaster safety education in science education at classroom level was developed and had given training for hundred and eighty three teachers based on the instructional training modules.
- Two thematic courses on Educational Research Methods were conducted for 250 participated including MoE staff members and Provincial Directors.
- Sinhala version of the book containing 12 C.W.W. Kannangara memorial lectures was prepared.
- The annual C.W.W. Kannangara memorial lecture was delivered by Prof. A.V. Suraweera, former chairman, National Education Commission on the October 2011 on “Dr. Kannangara’s free education proposal in relation to the subsequent expansion of the tuition industry.”

7.2 Planning and Evaluation

With a view to achieve the aims and objectives of NIE in agreement with the national aims and to utilize the available human and physical resources in an efficient and effective manner following activities have been completed under Planning and Evaluation by the end of 2011:

- Preparation of Five Year Plan 2012 – 2016
- Preparation of Annual budget 2012.
- Annual Plan for the year 2012.
- Preparation of the Annual Progress Report 2010.
- Preparation of quarterly Progress Reports.

7.3 External Agencies

The External Agencies Cell under the faculty of Research, Planning and Development is responsible for arranging staff development programmes in overseas. Further, coordination of the projects funded by the World Bank for ESDG, ADB for EKSP, GIZ for Social Cohesion and Disaster Risk Management, UNICEF for Basic and Primary Education are under the responsibility of this Cell.

Following are the key features under staff development:

- Eleven NIE officers successfully completed the online Postgraduate Certificate Course on Instructional Designing conducted in collaboration with the Walden University of USA.
- The officer who was sent to follow the Advanced Training Programme in Educational Planning in IIEP/UNESCO in France finished the programme receiving a Masters Degree for Education Planning.
- The officer who was sent to the University in Hyderabad, India has completed the M.Phil programme on English and Foreign Languages.
- Two officers of NIE who were sent to University of Putra Malaysia to follow one year Masters Course on Curriculum and Instruction completed the course work.
- A management training programme focusing on facilitation skills was held for 6 NIE staff.
- Necessary arrangements were made in 2011 to attend workshops and seminars received through ERD for 12 officers.

8.0 General, Financial and Technical Administration

The function of the Division of General, Financial and Technical Administration is to procure financial, physical and managerial services and support services with respect to the functions of the five academic faculties in the Institute. The Department of Administration which is under the Division of General, Financial and Technical Administration takes the responsibility of all functions related to day to day administration, identifying training needs of the staff and providing necessary training at local level. The Department of Finance provides the financial resources for all tasks of the Institution and maintains income and expenditure reports in terms of financial rules and regulations while the Department of Engineering services carries out the responsibility of the maintenance of the physical environment appropriate for educational activities by handling the construction and maintenance of the buildings of the Institution, maintenance of electrical and telephone services, provision of infrastructural facilities and coordination of cleaning and security services.

8.1 Department of Administration

NIE received approval from the Department of Management Services to fill up all the vacancies in the Institute. 51 vacancies have been filled during 2011:

- Carried out following promotions for internal staff:

Project Officer	-	21
Project Assistant I	-	02
Typist I	-	02

- Following vacancies were filled as new recruitments

Assistant Director General	-	02
Director	-	08
Project Officer	-	05
Assistance Project Officer	-	03
Maintenance Officers	-	01
Internal Auditor	-	01
Audit Assistance	-	01
Office aids	-	05

- Gratuity payments were made for following 16 Academic Staff Members who retired their service in 2011.

ADG	-	03
Director	-	06
Chief Project Officer	-	07

- Provided Financial assistance and necessary study leave for 26 academic and non-academic officers of the Institute to follow professional course.
- Conducted an English Language improvement programme for 67 staff members.

8.2 Department of Finance

- Prepared and completed the fixed assets register and the evaluation procedures.
- Completed the Board of survey for 2011.

8.3 Department of Engineering Services

Following activities related to Engineering Services were completed by the end of 2011:

- Fixing of lightning arrestors for two of the blocks in the main building complex and the museum which were remained without lightning protection for certain period.
- Supply and installation of A/C for two ADG offices and audio media centre.
- Supply and fixing of a commuter to water waste treatment plant at Maharagama.
- Supply of new telephone sets for 45 units.
- Rehabilitation and improvement of the panel board in the pump house at Maharagama.
- Rehabilitation of office equipment.
- Landscaping work at Maharagama and Meepe premises.
- Pest control treatments in NIE stores and miner staff quarters.
- Rehabilitation and improvement of 18 buildings, 6 toilets, pump house, fire pipe lines and side walls.

8.4 Printing and Publication

Following publications of the Institute were completed by unit of printing & publication in 2011:

- 36 books, research magazines and other research publications.
- 37 modules.
- 24 Teacher's Instructional Manuals.
- 110 other materials.



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கணக்காய்வாளர் துறைமை சிறியதி திணைக்களம்

AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No

CE/J/NIE/2011/FA/01

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

31 July 2012

The Director General
National Institute of Education

Report of the Auditor General on the Financial Statements of the National Institute of Education for the year ended 31 December 2011 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the National Institute of Education for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory Information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 19 of the National Institute of Education Act, No. 28 of 1985. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act, appear in this report. A detailed Report in terms of Section 13(7)(a) of the Finance Act was furnished to the Director General of the Institute on 20 June 2012.

1:2 Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

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1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3 and 4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

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

1:4 Basis for Qualified Opinion

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

2. Financial Statements

2:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the National Institute of Education as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2:2 Comments on Financial Statements

2:2:1 Presentation of Accounts

The final financial statements were presented after rectification of understatements amounting to Rs.455,211 and overstatements amounting to Rs.4,915,820 detected during the course of the audit of draft financial statements pointed out by the audit.

2:2:2 Accounts Receivable

The following matters were observed.

- (a) The sum of Rs.3,237,799 receivable from the Ministry of Education over a period exceeding 03 years for the printing of evaluation question papers of schools had not been recovered even by the end of the year under review.
- (b) Sums of Rs.28,302 older than 05 years and Rs.60,431 older than 04 years shown under the general advances continued to be carried forward even up to the end of the year under review due to the inability to settle.

2:2:3 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliances
(a) Establishments Code	
Chapter XV Sections 3.1, 4.2 and 4.3	(i) Even though provisions do not exist for granting study leave abroad with pay to officers during the probation period, leave with salary had been approved for
Chapter XII Section 14.2	

the period 01 September 2007 to 31 August 2009 to an Assistant Project Officer and salaries amounting to Rs.650,160 had been paid for the entire period. The Institute had not obtained a formal security bond signed by her when the leave was approved.

Chapter XII Sections 23.1 and 23.2

(ii) The officer referred to above had proceeded abroad again from 01 September 2009 to 31 August 2011 without obtaining approval for leave and the Institute had taken action to treat that period as no-pay leave. The Institute had paid a sum of Rs.154,640 to that officer for 05 months of that period as salaries, and contributions to the Employees' Provident Fund and the Employees' Trust Fund.

Chapter V Section 7

(iii) The Institute had not taken action to treat the officer who had not reported for duty without obtaining approval for leave as vacated post with effect from 01 September 2009.

(b) Government Financial Regulations

Financial Regulation 371(2) and (5)

Even though advances obtained under ad hoc sub-imprestts should be settled immediately after the completion of the purpose, the settlement of advances amounting to Rs.226,517 granted in 08 instances had been delayed for 05 to 08 months while the advances obtained in the year under review had been delayed up to February and March 2012.

Financial Regulations 394(b) and (d) and 396 (b) and (d) (i)

Even though 338 cheques valued at Rs.478,865 issued but not presented to the Bank for more than 06 months by 31 December 2011 had been cancelled and credited to income, action in terms of the Financial Regulations had not been taken on the cheques.

Financial Regulation 446(2)

An imprest of Rs.20,000 had been granted at the beginning of the year 2011 for expenditure on food for the children studying the Early Childhood Development Centre maintained by the Institute and expenditure amounting to Rs.206,379 had been reimbursed in 16 instances during the first half of the year. Registers for recording the receipts and payments had not been maintained according to the Financial Regulations.

Financial Regulations 770 and 772

According to the report of the Board of Survey of the Central Stores conducted in the year 2010 forty two categories of unusable goods valued at Rs.2,287,699 had been recommended to be sold and 50 categories of goods valued at Rs.355,515 had been recommended to be destroyed. But those recommendations had not been carried out up to the time of conducting the Board of Survey for the year 2011.

2:2:4 Transactions not supported by Adequate Authority

The following matters were observed.

- (a) An external applicant for the post of the Maintenance Officer (electrical) of the National Institute of Education had been recruited with effect from 15 May 2011. He had been placed on the salary step of Rs.30,195 which is 05 steps above the approved initial salary step of Rs.26,970 relating to the post. The prior approval of the Director General of Establishments in terms of Section 3 of Chapter VII of the Establishments Code had not been obtained in that connection.
- (b) According to the decision of the Board of Directors dated 23 January 2012, a sum of Rs.293,000 had been spent for the payment of allowances to the members of the Board of Survey for the year 2011 at the rate of Rs.1,500 to the Chairman of the Board and Rs.1,000 per member of the Board. The Board of Survey had been conducted during office hours and the approval obtained for the payment of allowances or other financial benefits in terms of the Public Enterprises Circular No. 95 of 14 June 1994 could not be established in audit.

3. Financial Review

3:1 Financial Results

According to the financial statements presented the financial result for the year under review amounted to a surplus of Rs.41,078,116 as against the deficit of Rs.48,544,103 for the preceding year. The improvement of the financial result for the year under review by a sum of Rs.89,622,219 as compared with the preceding year had been due to the increase of the operating income by a sum of Rs.74,472,104 and the decrease of the expenditure on supplies and consumables and the operating expenses by sums of Rs.12,098,309 and Rs.9,759,450 respectively.

4. Operating Review

4:1 Performance

The following matters were observed.

- (a) Out of the 54 modules prepared in Sinhala and Tamil Languages for the subject of Home and Community Education relating for the courses conducted in the Regional Learning Centres under the Open Schools Regional Centres Programmes, 34 modules had not been printed up to 31 December 2011. As such, the objectives expected from those courses had not been achieved due to the failure to issue modules to those following the courses.
- (b) According to the Annual Action Plan of the Examinations Department of the Institute, plans had been made for the conduct of a number of examinations, evaluation of answer scripts and the issue of results in the year itself. Nevertheless, the issue of the results of three examinations conducted in the year 2009 and one examination conducted in the year 2010 had been delayed for 12 to 23 months. Thus it was observed the activities had not been carried out as planned.

4:2 Management Inefficiencies

The following matters were observed.

- (a) Out of the printed copies of Volumes 16, 17, 18 and 19 relating to the years 2007, 2008 and 2009 of the Education Management Journal printed and published for the introduction of empowerment and management of learners involved in the education field, 74 per cent, 74 per cent, 87 per cent and 87 per cent respectively remained in the stores even by 31 December 2011. The cost of the balance stocks amounted to Rs.899,800. A formal course of action had not been taken either to sell those magazines or to distribute those to the targeted groups.

(b) Eight officers who had proceeded abroad for study purposes in the years 1999, 2000, 2001 and 2002 had not reported for duty and as such the value of penalties and the guarantee bonds recoverable as at the end of the year under review amounted to Rs.11,172,910. The Institute had not taken prompt action for the recovery of the money or to take legal action thereon and as a result it had not been possible to collect information relating to those officers.

(c) According to paragraph vi of the letter No. DMS/D/1/NIE/SA of the Department of Management Services dated 30 November 2006 sent to the National Institute of Education, the Institute had been instructed to revise the Scheme of Recruitment and Promotion of the Staff of the Institute and obtain the approval of the Department. Nevertheless, the Scheme had not been revised and approval obtained even up to 31 December 2011.

(d) Four Pre-school Teachers and 02 Assistant Cooks had been deployed in service on daily and piece rate basis for the purposes of the Early Childhood Development and Research Centre maintained by the Institute. Even though this Centre had been functioning for more than 20 years under the Primary Education Department of the Institute action had not been taken to determine the cadre requirements of the Centre, obtain approval and recruit staff formally.

(e) (i) A stock of 52,921 copies of 64 Teachers' Guides for Grades, 6, 7, 10 and 11 syllabuses costing Rs.4,350,644 printed in the years 2007 and 2008 and a stock of 35,257 copies of 78 Teachers' Guides and Syllabuses, the value of which could not be ascertained had been retained as non-moving stocks in the stores even by 31 December 2011 without being distributed to the schools.

(ii) A stock of 70,157 copies of 93 Advanced Level Syllabus books the value of which could not be ascertained had been in the stores as the balance stocks as at 31 December 2011 without being distributed to the teachers. The cost of those books had not been computed and included in the financial statements for the year ended 31 December 2011.

- (iii) A stock of 108,381 copies 20 categories of English Story Books for Grades 3,4 and 5 printed in the year 2009 for free distribution to schools remained in the stores as balance stocks as at 31 December 2011. The cost incurred thereon could not be ascertained in audit.

4:3 Operating Inefficiencies

The following matters were observed.

- (a) (i) A stock of 24,691 units of 32 items of stock valued at Rs.3,180,745 identified as slow moving in the Report of the Committee appointed in the year 2010 to make recommendations for updating the stock position of the inventory and consumable goods of the Institute had been retained in the stores over 05 to 10 years without being issued. A stock valued at Rs.186,590 older than 10 years continued to be retained in the stores.
- (ii) Even though a period exceeding 01 year had elapsed after the issue of the Committee Report, a stock of 42 obsolete items of goods valued at Rs.441,380 referred to in that report had been retained in the stores even by 31 December 2011 without taking action for disposal.
- (b) The compact discs relating to the Teachers Guides on 03 subjects in the English Medium and the Teachers' Guides on 02 subjects in the Tamil Medium on the General Certificate of Education (Advanced Level) New Syllabus commencing from August 2009 had not been prepared and handed over to the Department of Educational Publications even by 31 December 2011 in accordance with the Circular No. 2009/16 dated 18 May 2009 of the Ministry of Education.
- (c) Action had not been taken even by 31 December 2011 for the disposal of 496 old tyres and 105 tubes kept in storage in the Central Stores over a long period. Attention had not been paid to minimize the storage costs through disposal. Even though this matter had been disclosed at the Annual Board of Survey, a suitable course of action had not been taken up to date.

- (d) Instead of following a methodology for placing orders for consumable goods according to the requirements and issue them for use within a short period, excessive stocks of 11 categories of goods had been maintained. Out of these stock, 19,109 units of brown paper valued at Rs.28,842 older than 10 years had become unusable even by 31 December 2011.

5. Accountability and Good Governance

5:1 Procurement Plan

Even though the Institute had purchased capital assets costing Rs.50,275,852 during the year, a Procurement Plan in terms of Section 4.2 of the Procurement Guidelines and the instructions in the National Budget Circular No. 128 of 24 March 2006, had not been prepared for the year under review.

5:2 Budgetary Control

A reconciliation of the budgeted expenditure for the year 2011 with the actual data revealed material variances ranging from 18 per cent to 56 per cent thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Control

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

- (a) Stores Control
- (b) Printing of Books
- (c) Budgetary Control
- (d) Foreign Study Tours
- (e) Conduct of Examinations and Issue of Results

H.A.S. Samaraweera
Auditor General

NOTES TO THE FINANCIAL STATEMENTS (cont)

Significant Accounting Policies

1.1 General

The Published results and the financial position of the institute have been prepared under the historical cost convention in accordance with generally accepted accounting principles consistent with those used in the past.

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

1.3 Assets and the Bases of their Valuation

1.3.1 Debtors & Other Receivable

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

1.3.2 Property, Plant & Equipment and Depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont)

1.3.3. Inventories

Inventories have been valued at the lower cost or net realisable value.

1.3.4 Cash & Cash Equivalents

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

1.3.5 Cash Flow

Cash Flow statement has been prepared using the indirect method.

1.4. Accounting Grants

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

1.5 Employee Benefits

1.5.1 Provision for gratuity

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

1.5.2 Define contribution plans

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

1.6 Current Liabilities

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

1.7 Events after the Balance Sheet Date

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

NOTES TO THE FINANCIAL STATEMENTS (cont)

1.8 Income and Expenditure

1.8.1 Revenue recognition

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

1.8.2 Expenditure

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

1.9 Contingency

Since the following cases are sub judice, a provision could not be made as the liability amount is uncertain.

1.9.1

1. No. 780/09/M/finance	Rs. 2,237,337
2. No. 4801/05/finance	Rs. 2,947,755
3. Mrs. A.P.S.S. Pathirana	Rs. 4,056,527
4. Mr. S.M.M. Senanayake	Rs. 876,235

1.9.2 Pending legal action for following persons

1. Mrs. K.W.P.A. Weerawardhana	Rs. 202,728
2. Mr. M. Thangawel	Rs. 276,958
3. Mrs. A.D.K. Wijewardhana	Rs. 213,120
4. Mrs. S.R. Gajadeera	Rs. 362,250

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

2.1

From the inception of the National Institute of Education, the provision for depreciation devoted for Fixed Assets, which has to be reduced from the Capital Grant has not been amended in the Capital Grant of the Final Accounts.

Therefore according to the accounting standard no.24, Account year of 2011, this amount has been adjusted and, accordingly the results are as follows.

	<u>Before Adjustment</u>	<u>After Adjustment</u>
1. Deficit / Surplus for the year	(27,711,565.95)	41,078,115.58
2. Capital Grant & Reserves (Net)	1,470,378,813.37	952,009,253.23
3. Accumulated Fund	(883,806,055.53)	(366,010,719.66)

NATIONAL INSTITUTE OF EDUCATION

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2011

	Notes	2011 Rs. Cts	2010 Rs. Cts
Assets			
Property, Plant and equipment	1	731,455,431.10	722,494,439.19
ADD - Work in progress	1A	6,652,325.99	4,241,444.75
		738,107,757.09	726,735,883.94
Current Assets			
Inventories / Stock	2, 2A	21,735,420.14	24,151,139.62
Trade, other receivables and advances	3, 3A	69,625,866.53	69,834,495.80
Prepayments	4	908,202.92	117,691.00
Short term Investments	5	120,000,000.00	0.00
Cash and Cash equivalents	5A	61,507,669.44	114,878,205.94
		273,777,159.03	208,981,532.36
Total Assets		1,011,884,916.12	935,717,416.30
Liabilities			
Current Liabilities			
Accrued Expenses	6	26,676,630.10	23,807,938.30
Course fees received in Advance	7	38,325,000.00	17,000,000.00
		65,001,630.10	40,807,938.30
Non Current Liabilities			
Provision for Gratuity	8	71,720,527.95	74,765,494.47
Total Liabilities		136,722,158.05	115,573,432.77
Total Net Assets		875,162,758.07	820,143,983.53
Net Assets / Equity			
Accumulated Fund	9	(366,010,719.66)	(868,177,698.26)
Capital Reserves & Grant	10	952,009,253.23	1,411,079,790.03
Loan Fund	11	55,377,949.50	52,918,954.29
Reserve Fund	12	233,786,275.00	224,322,937.47
Total Net Assets / Equity		875,162,758.07	820,143,983.53

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

Certified Correct

Approved

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S. Gallage
Director Finance

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Prof. W.M. Abeyrathne Bandara
Director General

27th of April 2012

National Institute of Education
Maharagama

NATIONAL INSTITUTE OF EDUCATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2011

	Notes	2011 Rs. Cts	2010 Rs. Cts
Operating Revenue			
Government & Foreign Grant Recurrent Income	14 13(15-20)	269,258,193.05 252,097,124.24	313,046,171.31 143,268,130.28
Total Income		521,355,317.29	456,314,301.59
Operating Expenses			
Personnel Emolument	21	200,200,769.42	197,430,700.63
Travelling Expenses	23	4,534,766.37	9,710,818.77
Supplies and consumable used	24	18,128,000.41	30,226,309.57
Maintenance	25	24,240,440.57	14,081,005.31
Contractual Services	26	151,704,770.83	150,080,951.85
Deposit Expenses	26-1	25,606,817.52	33,707,341.80
Depreciation and Amortization Expenses	27	44,401,802.13	48,551,992.20
Operating Expenses	28	11,069,834.46	20,829,284.01
Total Operating Expenses		479,887,201.71	504,618,404.14
Deficit / Surplus from operating activities before financial cost		41,468,115.58	(48,304,102.55)
Finance Cost	29	(390,000.00)	(240,000.00)
Deficit / Surplus for the year		41,078,115.58	(48,544,102.55)

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

Certified Correct

Approved

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S. Gallage
Director Finance

27th of April 2012

National Institute of Education
Maharagama

.....
Prof. W.M. Abeyrathne Bandara
Director General

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011 Rs.	2010 Rs.
Cash Flow from Operating Activities		
Surplus/ (deficit) from ordinary activities	41,078,116	(48,544,102)
Adjustment for		
Non Cash movements		
Depreciation	48,679,436	46,006,322
Provision for Gratuity	6,895,794	1,774,929
Adjustments	(49,516,362)	5,985,401
Operating Activities Before Working Capital Changes	47,136,984	5,222,550
(Increase) / Decrease in Stock	2,415,719	(15,233,833)
(Increase) / Decrease in Receivables	(581,883)	(5,557,744)
(Increase) / Decrease in other Current Assets	(120,000,000)	0
Increase / (Decrease) in Payable	24,193,692	(18,353,663)
Net Cash Flow from Working Capital	(93,972,472)	(39,145,240)
Cash Generated from Operations	(46,835,488)	(33,922,690)
Retirement Benefit Cost Paid	(9,968,426)	(6,142,350)
Net Cash Generated from Operating Activities	(56,803,914)	(40,065,040)
Cash Flows from Investing Activities		
Additions Plant and Equipment	(58,324,640)	(17,113,492)
Net Cash used in Investing Activities	(58,324,640)	(17,113,492)
Cash Flow from Financing Activities		
Capital Grant & Donation	59,299,023	24,500,000
Loan Fund	2,458,995	2,252,087
Net Cash used in Financing Activities	61,758,018	26,752,087
Net Increase / (decrease) In Cash and Cash Equivalents	(53,370,536)	(30,426,446)
Cash & Cash Equivalents at the beginning of year	114,878,205	145,304,651
Cash & Cash Equivalents at End of the Year	61,507,669	114,878,205