

**ANNUAL REPORT  
2012**



**NATIONAL INSTITUTE OF EDUCATION  
MAHARAGAMA**

## PROGRESS REPORT - 2012

### 1.0 Introduction

According to the parliament Act No.28 of 1985 legal power has been given to National Institute of Education in order to achieved the following objectives.

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

Therefore NIE is responsible for assuring quality education through a curriculum designed for the development of productive citizens to meet the local and global demands, provide leadership in preparing competent professionals for the school system and ensure a scientific information base by undertaking research to guide and facilitate policy making for development of education.

The main focus over school curriculum in the year 2012 was to lay a solid foundation for rationalization of the existing curriculum with a view to implement an updated curriculum in 2015. After the introduction of the Education Sector Development Programme, financial allocations for curriculum related activities were mainly covered with the funds provided by the Education Sector Development Grant (ESDG) (named Transforming the school education system as the foundation of a knowledge hub project (TSEP by now) and UNICEF but in 2012 these allocations were not released until the end of June. Even though the planned activities for this period was slightly behind the schedule owing to this situation, the Institute covered the major curriculum activities in the Annual Plan by using Rs. 10 million of its earnings on reimbursement basis.

During this year a total number of 10,185 local and foreign personnel such as school teachers, principals as well as education administrators followed various types of courses conducted by

the Institute which gives the NIE an opportunity to earn a considerable income to cover up a part of the institutional expenses. Initiating the South Asia Teacher Training centre at the Meepe premises under the patronage of UNESCO is one of the greatest achievements of NIE with regard to the responsibility of professional development of the education community during the period concerned. Necessary infrastructure development and designing relevant courses are under way.

In order facilitate the education policy making, the department of Research and Development has been involved in reviewing the curriculum policy making process and a draft national level policy document was prepared.

Apart from this, several national level activities outside the Annual Plan such as preparation of tools for school based assessment; developing DVDs for President Initiative “English as a Life Skills” Programme, activities related to education for sustainable development and facilitating hands on Science in Secondary Education Programmes of UNESCO were also carried out during this period.

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

### **2.1 The Council 2012**

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

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

The following members served in the Council in 2012

Mr. S.M. Gotabaya Jayarathne <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>(Director General, Institute of Sports Medicine)</i>	-	Member
Prof. Mudiyanse Dissanayake <i>(Senior Professor / Director, Postgraduate Institute Unit, University of the Visual &amp; Performing Arts)</i>	-	Member
Prof. Roland Abeypala <i>(Faculty of Education, University of Colombo)</i>	-	Member
Dr. T. A. Piyasiri <i>(Senior Lecturer, Dept. of Mechanical Engineering, University of Moratuwa)</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
Dr. Saranga Alahapperuma <i>(Base Hospital, Kiribathgoda)</i>	-	Member
Ms. V.D.C.P. Perera <i>(Chief Project Officer, Dept. of English, NIE)</i>	-	Secretary to the Council

## 2.2 Academic Affairs Board 2012

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 2012 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>(Emeritus Prof., Dept. of Microbiology, University of Kelaniya)</i>	-	Member
Prof. Narada Warnasuriya <i>(Former Vice Chancellor &amp; Senior Prof. of Pediatrics, University of Sri Jayawardenapura)</i>	-	Member
Mr. R.S. Madagama <i>(Retired Director General, Education Reforms Implementation Unit, Ministry of Education)</i>	-	Member
Mr. W.M.N.J. Pushpakumara <i>(Commissioner General of Examinations National Evaluation &amp; Testing Service)</i>	-	Member
Mr. T. Muthukumaraswamy <i>(Former Principal, Hindu College Col.)</i>	-	Member
Mr. Tissa Hewavithana <i>(Commissioner General of Educational Publications, Ministry of Education)</i>	-	Member
Mrs. W.P.R. Silva <i>(Acting Chief Commissioner Teacher Education, Ministry of Education.)</i>	-	Member
Mr. Tissa Nandasena <i>(Secretary, University Grants Commission)</i>	-	Member
Prof. P.C.P. Jaufar <i>(Senior Lecturer, Faculty of Education, Open University of Sri Lanka)</i>	-	Member
Dr. (Mrs.) T.A.R.J. Gunasekara <i>(ADG, Faculty of Planning, Research &amp; Teacher Education, NIE)</i>	-	Member
Mr. I.M.K.B. Illangasinghe <i>(ADG, Faculty of Leadership Development Management, NIE)</i>	-	Member

Dr. G. Kodituwakku <i>(Acting ADG, Faculty of Languages, Humanities &amp; Social Sciences, NIE)</i>	-	Member
Mr. M.F.S.P. Jayawardana <i>(Acting ADG, Faculty of Science &amp; Technology, NIE)</i>	-	Member
Ms. V.D.C.P. Perera <i>(Chief Project Officer, Dept. 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 13 Council meetings, 12 AAB meetings and one joint meeting 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 units of the Institute were orchestrated under its organizational structure in 2012.

#### **2.4.1 Faculty of Languages, Humanities and Social Sciences**

Department of Early Childhood Development and Primary Education  
 Department of Sinhala  
 Department of Tamil  
 Department of English  
 Department of Aesthetic  
 Department of Religions  
 Department of Social Sciences

#### **2.4.2 Faculty of Science and Technology**

Department of Science  
 Department of Mathematics  
 Department of Technical Education  
 Department of Commerce  
 Department of Information Technology & EMIS  
 Health and Physical Education Unit

#### **2.4.3 Faculty of Planning, Research and Teacher Education**

Department of Planning and Evaluation  
Department of Research and Development  
Department of Teacher Education  
Department of Institutional Development  
External Resource Management Unit

#### **2.4.4 Faculty of Education Leadership Development Management**

Department of Professional Development & Educational Management  
Department of Educational Administration & Development  
Foreign Courses Unit

#### **2.4.5 Faculty of Alternative Education**

Department of Inclusive Education  
Department of Printing and Publications  
Department of Classical / Foreign Languages and Bilingual Education  
Department of Electronic Dissemination  
Guidance and Counseling Unit  
Open School Unit

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

Department of Administration  
Department of Finance  
Department of Engineering Services and Maintenance  
Department of Library and Museum

### **3.0 Important Events in 2012**

- In order to increase the strength of academic carder of the Institute several professional development opportunities have been arranged. University of Malaya has already agreed to offer 02 PhDs and one year masters level programme. ADB has agreed for 06 PhDs while discussions are under way with GIZ.
- A seconded officer from the Dept. of Examinations has been attached to the Institute for increasing the efficiency of the NIE's examination system.
- NIE convocation has been resumed after a lapse of six years. 1263 certificates of MEd., BEd., and PGDEM (Maldivian Course) were awarded.
- A backlog of NCoE certificates was cleared. Certificates were awarded at the convocations arranged by the relevant NCoEs.

- Following measures have been undertaken for effective use of computers available at the Institute.
  - Arrangement of higher level computer training for NIE staff.
  - Rehabilitation of computers according to the requirements of the Departments.
  - Reviewing the computer usage periodically for taking remedial action.
  - Developing an IT culture in the Institute by converting documents to electronics.
  - Organizing an area with common computer facilities for NIE staff.
- Opportunities were provided for the education personnel in the country to develop their research skills:
  - 03 days Thematic course on Research Methods was conducted at Meepe Centre.
  - Conducted a 02 day Research Dissemination Seminar in March 2012 including the Research Findings of the studies conducted by the Research Department and some of the staff members of NIE as well as external researches such as University staff and school Principals, etc.
  - Conducting a two day seminar on “Enhancing Research Skills and Productivity” for academic staff to develop their research skills by Dr. Richard Gonazales, Education Management Specialist, EKSP Project, MOE.
- With reference to the President Initiative “English as a Life Skills” programme mentionaed earlier the responsibility of producing 550 DVDs has been undertaken by the Institute. 50 DVDs for G.C.E. (O/L) English language and 50 Video scripts on Grade 10 English language has been produced by now.
- Actively involved in UNESCO activities by launching a training manual on education for sustainable development to be used in National Teacher Training Institutes and developing low cost Science kits to facilitate hands on Science in secondary schools.
- Regarding the ADB funded projects, preparation of School Based Assessment (SBA) tools in support of EKSP project on SBA for Grade 6-9 have been undertaken. Necessary tools for 25 school subjects have been drafted. Further, 1810 school Principals have been provided professional training under the project on Principalship in Meepe Centre of NIE.
- Introducing an E-learning system for the school system have been initiated. 10 materials have already been uploaded for the use of the teaching learning process in A/L Science, Food Science and Accounting.
- Extended the volunteer services of the Institute for capacity building of staff officers in the Sri Lanka Air Force.
- 80 trainee instructors have been provided training on education psychology and counseling.

- Undertaken the responsibility of contribution for the quality of learning materials distributed through ‘Web Partashala’ which is a joint project with MOE, STC and Etisalat Co. is in progress.
- Conducted a special seminar on “Why do some schools make more of difference to children’s lives than others ? And ..... What can we do about it” by Prof. David Galloway, Durham University, United Kingdom in March giving opportunity for the staff members to reflect over the existing work they involved for the quality improvement in the school system.

#### **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.

Sixty eight projects were implemented in 2012 to perform the following duties by the seven departments under the Faculty of Languages, Humanities and Social Sciences, and the five departments and Health and Physical Education Unit 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 2012 the Following Developments have been taken effect:

- Preparation of curriculum grids of 46 subjects specified for general education of the country in the areas of Languages and Humanities and Science and Technology. Preparation of draft syllabi for Grade 6 and 10.
- Preparation of Resource Books for strengthening teaching of G.C.E.(A/L) Science, Technical and Humanities subjects such as Physics, Chemistry, Agriculture Science, Bio-Resource Technology, Hard Technology, Mechanical Technology, Electric / Electronic and Information Technology, Civil Technology and Home Economics, Political Science and Logic & Scientific Methodology.
- Completion of necessary changes in the Teacher Instructional Manuals of G.C.E. (A/L) Chemistry, Biology, Economics and Accounting.
- Preparation of a Training Module for strengthening Mathematics Education in G.C.E. (O/L) and provision of necessary training for 40 selected teachers.
- Development of 28 software for Science, Mathematics, English Language, History and Geography for easy understanding of difficult concepts in considering the several criticism of the public over these subjects.
- Preparation of tools for School Based Assessment in Grade 6 – 9.
- Publishing a comment form in the web for collecting comments of the public for further improvements of the curriculum prepared by the Institute.
- Initiation of uploading curriculum materials and assessment tools into the Web in support of effective implementation of the existing curricula.
- Implementation of Bilingual Education programme in 11 selected schools.
- Developing the draft of conceptual framework on Pirivena Bilingual Education.
- Completion of 02 Newsletters to disseminate Bilingual Education information.
- Preparation of syllabi for teaching Sinhala, English and Mathematics in Braille.
- Preparation of 09 handbooks over the syllabuses in the primary curriculum of the national colleges of education.

#### 4.1 Revision of Syllabi – 2012

- **Following syllabi were revised :**

- |  |                  |
|--|------------------|
| - G.C.E.(A/L) Accounting (E)   | - Grades 12 & 13 |
| - G.C.E.(A/L) Business Studies (E)   | - Grades 12 & 13 |
| - G.C.E.(A/L) Economics (E)  | - Grades 12 & 13 |
| - G.C.E.(A/L) Mathematics  | - Grades 12 & 13 |
| - G.C.E.(A/L) Combined Mathematics   | - Grades 12 & 13 |
| - English Syllabi for the National Colleges of Education<br>(Primary Education Course, Second Subject) |                  |

Syllabus for Diploma in Teaching Japanese as a Foreign Language

#### 4.2 Preparation of Teachers' Instructional Manuals (TIMs) – 2012

- **Following 02 TIMs were prepared:**

- Art (T) - Grade 13
- Arabic - Grade 10

#### 4.3 Preparation of Resource Materials – 2012

- **Following resource materials were prepared :**

- Tamil Language - Gr. 6
- Tamil Teacher's Handbook for Activity Based Oral English - Gr. 1 & 2
- Practical Activity Manual Agro Science (S) - Gr. 12 & 13
- Resource Book for Hard Technology (S/T) - Gr. 12
- Reference Book for Civil Technology (S/T) - Gr. 13
- Reference Book for Electrical, Electronic & Information Technology (S) - Gr. 13
- Resource Book for Mechanical Technology - Gr. 13
- Resource Book for Bio Resource Technology (T) - Gr. 13
- Resource Book for Agricultural Science (T) - Gr. 12
- 10 Supplementary Readers for English - Gr. 6

*(Unity in diversity, Visiting the Moon, Unforgettable Birthday present, Arun, Judgment, The New Pair of Shoes, Chocolates and Potatoes, The Wise Monkey, Long Hair, Mothers & Sons)*

- **Relevant materials for following proposals for courses were prepared:**

Proposal for conducting short term ICT vocational course  
Proposal for Bachelor of Education Degree Online Programme  
Proposal for the Diploma in Teaching Japanese as a Foreign Language  
Proposal for Diploma Courses in Japanese, Korean, Chinese and Russian Languages  
Plan of In-service Primary Teacher Training Module (Key Stage I) Sinhala & Tamil Medium)  
Course Guide for Master of Education

- **Other materials prepared :**

Assignments of ICT subject for teacher training course for untrained non-graduate teachers 2010-2012

Teacher Development material on Bilingual Education

CDs of Tamil songs for Grade 6 – 9

Media Kit on Disaster Safety Education which includes booklet & DVD for the use of Teachers and Students in Grades 6 – 9 (S/T/E)

Teachers' Handbook containing examples of listening & speaking for School Based assessment in Grade 8

## **5.0 Education Leadership Development & Enhancing Professionalism**

Enhancing the professional capacities of the personnel involved in the field of education is one of the main tasks of the Institute.

This is being done through conducting professional development courses ranging from Master of Philosophy level to Certificate level. All educational management courses are conducted at the Meepe Centre. Provincial level centres have been established for giving opportunity for educational personnel in different parts of the country to follow BEd., PGDE. and Additional Language Improvement Courses. Details of courses conducted by the Institute are given in Table I.

**Table 1 : Details of the Professional and Development Courses :**

<b>Name of the Course</b>	<b>Department Responsible</b>	<b>Location</b>	<b>No. of Participants</b>
<b>Postgraduate Courses</b> M.Phil (Education) Master of Education M.Sc. in Education Management	Teacher Education Teacher Education Professional deve. & Edu. Mgt.	NIE NIE/Jaffna Centre Meepe Centre	35 189 51
<b>Postgraduate Diploma Courses</b> Postgraduate Dip. in Ed. Management (Full time) Postgraduate Dip. in Ed. Management (Part time) Postgraduate Dip. in Education Postgraduate Dip. in school counselling	Professional dev. & Edu. Mgt. Professional deve. & Edu. Mgt. Teacher Education Teacher Education	Meepe Centre Meepe Centre NIE+35 regional Centres NIE	53 85 3300 31
<b>Graduate Courses</b> Bachelor of Education	Teacher Education	NIE+38 regional Centres	4500
<b>Diploma Courses</b> Diploma in School Management Dip. in Teaching English as a Second Language Dip. in Early Childhood and Primary Education Dip. in Special Education Dip. in Sign Language Dip. in Teaching Japanese Language as a Foreign Language	Professional Dev. & Edu. Mgt. English Primary Education Inclusive Education Inclusive Education Classical / Foreign	Meepe Centre NIE NIE NIE NIE	214 29 76 53 20 30
<b>Certificate Courses</b> Additional Language Improvement Course (ALIC)	Teacher Education	NIE+18 regional Centres	750
<b>Short-Term Thematic Courses</b> Thematic Course on Education Management Thematic Course on Educational Research Methods	Professional Dev. & Edu. Mgt. Research and Development	Meepe Centre NIE	726 50
<b>Courses for Foreign Students</b> B.Ed Management Course	Professional Dev. & Edu. Mgt.	Meepe Centre	23

## 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:

- Training of 27 NCoE lecturers over the concept of education for sustainable development by using a Training Manual prepared by a team of experts.
- Selected thirty four best examples of action research on social cohesion in order to develop action research skills among NCoEs lecturers and prospective teachers.
- Developing a Learning Teaching Material for the use of teaching English in primary grades after a need analysis.
- Revision of the Syllabus of measurement and evaluation in NCoEs.
- Conducting an in-depth study on updating and upgrading pre-service teacher education courses.
- Training of 175 NCoEs lecturers on second national language and ICT.

## 5.2 Examinations

Strengthening the examination procedure of NIE is a major achievement of the period of January – December 2012.

- Following 12 examinations were conducted during the year.  
PGDE (Part II)  
Dip TESL (Final 2011 / 2012)  
PGDEM (entrance)  
Dip. In Early Childhood  
BEd. (Part II)  
BEd. Mgt. (Semester IV)  
PGDE (Part I)  
PGDE (Final)  
BEd. (Part I)  
Dip TESL (Final 2012 / 2013)  
BEd. Mgt. (Semester V)  
EB Examination

## **6.0 Alternative Education**

### **6.1 Inclusive Education**

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

- Updating the available Brail Education Training Package and training of 90 Resource Persons.
- Training of 75 Special Education ISSA and Teachers in Central Province on Brail Education.
- Training of 100 ISSA and teachers on children with learning difficulties by using a training package developed by the department.
- Coordination of Diploma in Sign Language and Special Education courses and delivering necessary lectures.
- Conducting a study on Special Education to enhance the quality of the course.
- Publishing a magazine on Inclusive Education.

### **6.2 Printing and Publications**

Following Publications of the Institute have been printed by the Department of Printing and Publications in 2012.

- 13 syllabi
- 08 Teacher Instructional Manuals
- 12 supplementary materials
- 07 magazines
- Certificates for 08 examinations
- 44 other materials
- 04 modules
- 68 extra reading books
- 07 invitations

### **6.3 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 2012:

- Completed 72 programmes on Nenasa and handed over for telecasting.
- Completing 38 weekly radio programmes (Nipuna).
- Producing 35 programmes on current issues. Broadcasting of these has been done by “Swadeshiya Seva” of SLBC.
- Duplicating 1280 cassettes and handing over for sale.

### **6.4 Guidance and Counseling**

In order to meet the psychological needs in the educational community, the Guidance and Counselling Unit has been established from June 2006. The unit takes the responsibility of providing career guidance and counseling services to the student population. Following activities were completed in 2012:

- Conducting in-house counseling sessions for 118 school children and parents.
- Conducting 16 mobile school counseling programmes to address school level issues.
- Organizing 06 public lectures.
- Conducting training programmes for 94 primary teachers using a training material developed by the unit.
- Training of 320 school counseling teachers in the 13 zonal educational levels.

### **6.5 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 in 2012 with regard to the programme on open learning.

- Enrolling 2000 students for Open Secondary Courses in 34 centers of the country.
- Adopting 06 learning modules from Sinhala to Tamil (Community Education and Mathematics).
- Conducting a capacity development programme for 80 tutors in Jaffna and Colombo Centres.
- Providing 33 support sessions for the learners in the country wide centres.
- Conducting 07 visits for monitoring and supervision.

## **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 External Resource Management Unit.

### **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 the year 2012:

- Documented the historical background of curriculum policy making in Sri Lanka.
- Developing a resource pack to be used in small schools and piloting it at the Sabaragamuwa Province where exists a considerable numbers of small schools.
- Preparing a final report on impact of the small school resource pack.
- Publish 03 educational journals to disseminate information on educational research.
- Preparing the final draft of the book on Historical Development of Education in Sri Lanka (1969 – 2009) and submitting for 2<sup>nd</sup> review under the instructions of the Academic Affairs Board.
- Conducting the 23<sup>rd</sup> C.W.W. Kannangara memorial lecture on “Kannangara vision: challenge in reforming education” by Dr. G. B. Gunawardena who initiated the lecture series in 1988.
- Completion of the SAARC journal vol. 6 and handing over for printing.

## **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 2012:

- Preparation of the Annual Progress Report 2011 and current performance report 2012.
- Preparation of monthly progress reports of the year and submission for relevant parties for necessary action.
- Preparation of the procurement plan 2012.
- Preparation of the furniture and office equipment list considering the needs of each Department / Unit and submitted it for the Supplies Unit.
- Preparation of budget estimate for 2013.
- Preparation of Five Year Plan 2013 – 2017.
- Preparation of the training calendar 2013 which includes details of subject wise training programmes planned by the NIE for the effective use of the physical and financial resources available in the NIE as well as in the provinces.
- Preparation of progress reports requested by other Institutes such as Central Bank, MOE, ICTA, UGC etc.

## **7.3 External Agencies**

The External Resource Management Unit is responsible for arranging overseas staff development programmes. 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 Unit.

Staff development programmes were limited in 2012 due to the delay of receiving TSEP funds. However, following achievements have been made during 2012:

- Foreign opportunities such as workshops and seminars received through ERD have been arranged for 25 officers from January to December 2012.
- Local opportunities for professional development has been arranged with the financial assistance of GIZ as follows :
  - Professional development course conducted by MDF consultants for 52 staff members.
  - Skills through English for Public Servants (STEPS) course for 22 officers.
- One officer of the Institute won the Australian Awards Scholarship for a Master's Degree at Finders University in Australia.

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

The function of the Division of Administration, Finance and Supporting Services is to procure financial, physical and managerial services and support services with respect to the functions of the five academics faculties in the Institute. The Department of Administration which is under Division of Administration, Financial and Supporting Services takes the responsibilities 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 Financial 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 maintains of the physical environment appropriate for educational activities by handling the construction and maintenance of the buildings of the Institution, maintenance of electrical and telephone services, provision of infrastructural facilities and coordination of cleaning and security service.

### **8.1 Department of Administration**

In order to increase the quality of the output of the Institute, absorbing experienced qualified personnel in the field of Education has become another urgent need as almost all the senior staff members are retiring in the near future. Therefore the existing organigramme of the Institute has been converted to an organizational structure considering the issues so far generated and the approval of the Salary and Carder Commission has been obtained. All designations of the academic officers below the rank of the Director will be change as lectures or educationists accordingly to attract good talent. Recruitment procedures for each post have been decided and the SOR has been submitted for necessary approval.

- Following recruitments and promotions were completed by the Department of Administration during the period of January to December 2012

#### Recruitments

Assistant Director General	-	01
Director (On secondment )	-	01
Project Officer	-	04
Assistant Project Officer	-	01

- Financial assistance as well as study leave has been provided for 08 academic and non-academic officers of the Institute.

### **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 and Maintenance

Following activities related to Engineering Services were completed by the end of 2012:

- Renovating all hostel buildings including two other buildings for the use of Foreign education consultants and educationists.
- Rehabilitating the sewage system and waste water treatment system of the Institute which has been cited for a considerable period.
- Upgrading the water supply system of NIE by installing a new industrial type water pump.
- Installing a system of Central Air-conditioning in the main auditorium.
- Establishing a standard conference system in the existing conference hall of the Institute.
- Establishing CCTV cameras in selected places in order to upgrade the available security system.
- Maintenance of vehicles and upgrading the vehicle fleet by including 3 brand new vehicles.
- Rehabilitation of ICT laboratory at Meepe including building works and electrical and network facility for 100 computers.
- Rehabilitation and improvement to existing buildings at Maharagama and Meepe.
- Improvement of security fence and road system at Meepe.

### 8.4 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 2012.

Books	997
Books (donations)	2450
Curriculum materials	07
Educational reports	71
Local Magazines (donations)	05
Local Magazines	07
Foreign Magazines	04
Newsletters (donations)	15
CDs containing education information	21

- Updated automate library information system and created 02 computerized data bases.
- Conducted 02 library orientation programmes.
- Conducted 02 workshops to train school librarians.



**විගණකාධිපති දෙපාර්තමේන්තුව**  
**கணக்காய்வாளர் தலைமை அறிப்பித் திணைக்களம்**  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය } EC/I/NIE/FA/2012  
 எனது இல }  
 My No }

ඔබේ අංකය }  
 உமது இல }  
 Your No }

දිනය } 15 November 2013.  
 திகதி }  
 Date }

The Director General  
 National Institute of Education

**Report of the Auditor General on the Financial Statement of the National Institute of Education for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act, No.38 of 1971**

The audit of financial statement of the National Institute of Education for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the statement of financial performance, 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 15 August 2013.

1.2 Management's Responsibility for Finance Statement

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.

අංක 306/72 පොල්දූව පාර,  
 බත්තරමුල්ල , ශ්‍රී ලංකාව

இல. 306/72, பொல்துவ வீதி,  
 புத்தரமுல்லை இலங்கை

No.306/72, Polduwa Road,  
 Battaramulla , Sri Lanka

දුරකථනය }  
 தொலைபேசி } 2887028 - 34  
 Telephone }

ෆැක්ස් අංකය }  
 பக்ஸ் இல } 2887223  
 Fax No. }

ඉලෙක්ට්‍රොනික් තැපෑල }  
 #- மெயில் } oaggov@slt.net.lk  
 E-mail. }

### 1.3 Auditor's Responsibility

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My Responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. 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 judgment, 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

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### 2.1 Qualified Opinion

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In my opinion, except for the effect of the matters described in paragraph 2.2 of this report, the financial statement give a true and fair view of the financial position of the National Institute of Education as at 31 December 2013 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

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#### 2.2.1 Accounting Deficiencies

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Following observations are made.

- (a) The draft financial statements for the year under review had been submitted on 28 February 2013. The audit queries on financial statements were issued after the audit of accounts. The amended financial statements had been furnished on 12 June 2013 after making correction entries amounting to Rs 30,311,575, out of accounting deficiencies amounting Rs. 32,880,333 pointed out through such audit queries. The risk on existence of similar deficiencies which were not detected in the test checks could not be ruled out in audit.
- (b) The profit amounting to Rs. 43,478 earned during the year under review on disposal of assets had not been identified and adjusted in the financial performance report.

- (c) The balance amounting to Rs. 2,525,275 which was included under current assets and shown in the statement of financial position as at 31 December 2011 had been adjusted to the reserve on profits generated through disposal of assets without obtaining an authority from relevant parties. Thus the balance shown in that account had been omitted from the financial statements.

#### 2.2.2 Accounts Receivable and Payable

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Following observations are made.

- (a) A sum of Rs 3,237,800 receivable in 2008 from Ministry of Education for printing of evaluation of question papers for schools could not be recovered during the year under review.
- (b) Loan balances aggregating Rs. 294,722 to be recovered from four officers who vacated from the service had remained outstanding over 12 years.
- (c) Allowances for incidental expenses and warm cloths amounting to Rs 60,431 paid to an officer who obtained a leave on foreign visit for higher education purposes had remained outstanding for over two years as respective officer had not returned to the island and reported for duties.

### 2.2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions

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The following non-compliance were observed.

Reference to Laws, Rules and Regulations  
etc

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Non-compliances

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(a) Financial Regulation No.104 of Democratic Socialist Republic of Sri Lanka

Investigations should be carried out immediately on vehicle accidents to determine the losses and the responsible parties. However, action had not been taken on vehicle accidents met in three occasions, as required by Financial Regulations.

(b) Treasury Circular No IAI/2002/02 of 28 November 2002

A Fixed Assets Register had not been maintained for computers valued at Rs.14,000,000 as required by the Circular.

(c) Circular No 155 dated 30 December 2011 of Ministry of Finance and Planning

The maximum amount of distress loan for a public officer should be limited to Rs.250,000. However, distress loans aggregating Rs.3,803,191 had been granted to 53 officers exceeding the above limit.

### 3. Financial Review

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#### 3.1 Financial Results

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According to the financial statements presented, the operations of the Institute had resulted in a deficit of Rs.34,626,857 during the year under review as against the surplus of Rs.41,078,116 for the preceding year. The decline of the operation revenue by Rs.79,905,282 was the major reason for decrease of the financial results by Rs.75,704,973 compared to the financial result of the preceding year.

#### 3.2 Legal cases commenced against or by the Institute

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Following observations are made.

- (a) Four legal cases had been filed by the Institute claiming compensation aggregating Rs.10,681,604 against four officers who violated the compulsory service agreements and defaulted in payment of guarantee bonds.
  
- (b) Three legal cases had been filed by two officers and a trainee against the Institute to get reinstated in the posts and to obtain course certificate respectively.

### 4. Operating Review

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#### 4.1 Performance

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Ten examinations, out of 23 examinations planned to be held in 2012 had not been held. The results of 05 examinations out of 13 examinations held before 2012 had been released with a delay ranging from 12 months to 28 months. Further, the results of 04 examinations held in first quarter of 2012 had not been released even by the date of audit on 11 April 2013.

## 4.2 Operational Inefficiencies

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Following observations are made.

- (a) Advances aggregating Rs.586,600 had been refunded in 31 instances as a result of payment of advances in parts to a same workshop with a maximum limit of Rs.20,000.
- (b) An officer who obtained leave to visit abroad for education purpose in the year 2007 had to be paid a penalty of Rs.353,840 on violation of compulsory service agreement, salaries amounting to Rs.704,734 for leave with pay for two years period, expenses amounting to Rs.122,069 incurred by the Institute for the respective period and salaries amounting to Rs.154,642 for the period for which was not reported to duty after arriving the island. The Director General had informed that the legal action had been taken to recover the total dues aggregating Rs.1,335,285 as mentioned above.

## 4.3 Idle and Under- utilized Assets

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Books valued at Rs.2,111,775 printed in three languages in the year 2010 for the use of centers for non-graduate teachers had remained undistributed even by the end of the year under review.

## 4.4. Deficiencies in Contract Administration

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Consultancy fees amounting to Rs.1,200,949 had been paid in 2008 to a private institute for the purpose of designing and preparation of Bill of quantities, tender document etc to construct a lavatory system for three storied hostel. The Director General had later decided on 11 June 2012 that respective improvement by expending a large sum of funds was uneconomical and fruitless as the building was old more than 20 years. Therefore, it was observed that the amount of Rs.1,200,949 shown under work-in-progress was fruitless.

#### 4.5 Projects Implemented with Delays

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Following observations are made.

- (a) A contract had been awarded at a cost of Rs.115,000 to a private party to demolish a water tank which was not in usable condition and required to complete the contract on or before 17 August 2011. However, the respective task had not been completed even by 10 April 2013.
  
- (b) The contract to erect a barbed wire fence around the part of the land of the Institute which facing to the paddy field had been awarded at a cost of Rs 91,850 to a second highest bidder without disclosing any reason for rejecting the lowest bid made at Rs.78,650. However, the contractor had later informed that the contract could not be completed at the accepted cost. The task could not be completed even by 05 April 2013 as a result of taking action by the procurement committee to re-tender the task.

#### 5. Accountability and Good Governance

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##### 5.1 Action Plan

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The Institute had failed to conduct 224 work shops, out of 1,194 workshops were expected to conduct as per the Action Plan for 2012. Details are given below.

5. Accountability and Good Governance

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5.1 Action Plan

-----

The Institute had failed to conduct 224 work shops, out of 1,194 workshops were expected to conduct as per the Action Plan for 2012. Details are given below.

	Workshops Expected to Conduct as per Action Plan	Workshops Conducted	Workshops not Conducted
	-----	-----	-----
Department of Languages , Humanitarian and Sociology	497	408	89
Faculty of Science and Technology	257	197	60
Faculty of Planning, Research and Teaching	110	75	35
Faculty of alternative Education and Teacher Education	330	290	40
	-----	-----	-----
	1194	970	224
	=====	=====	=====

6. System and Control

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Deficiencies observed during the course of audit had informed to the director General of the Institute time to time. Special attention is needed on following areas of Control.

- (a) Assets and Stores Control
- (b) Printing of Books
- (c) Budgetary Control
- (d) Foreign Travelling for Studies
- (e) Conducting Examinations and Release of Results
- (f) Procurement

H.A.S.Samaraweera

Auditor General

**Explanatory Report with respect to the Auditor Generals' Report  
in terms of Clause 14(2)(c) of Financial Act No. 38 of  
1971 regarding the Cash Flow Statement of the  
National Institute of Education for the year ended 31 December 2012**

**2.2 Expression of views regarding Cash Flow Statement**

**2.2.1 Accounting shortcomings**

(a) Acceptances

Value of accounting shortcomings as revealed through audit investigations noted in the Auditor Generals Report	Rs. 32,880,333.00
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Value of accounting shortcomings accordingly rectified	Rs. 30,311,575.00
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Value of unrectified accounting shortcomings	Rs. <u>2,568,758.00</u>
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Accordingly, details of unadjusted shortcomings

Profit from removal of assets	Rs. 43,478.00
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Balance in outdated stocks account	Rs. 2,525,275.00
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	<u>Rs. 2,568,753.00</u>
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Out of this money Rs. 43,478/= was adjusted in 2013 according to Cash (A) Out of the balance of Rs. 2,525,275/= an amount of Rs. 631,444/= as really outdated stocks. Further, while the approval of the Council (369.6.5) has been obtained in this regard, a request has been made through Secretary, Education to obtain the approval of the Department of Finance. As such, according to our information only Rs. 674,922/= (Rs. 43,478 + Rs. 631,444) can be considered as uncorrected accounting shortcomings for 2012.

(B) Acceptance, Instructions have been provided for this to be adjusted through the accounts for 2013.

Present situation : Relevant rectifications will be made and final accounts forwarded in the accounting year 2013.

**Present situation**

Relevant rectifications will be made and final accounts forwarded in the accounting year 2013.

**(a) This is a stock balance being maintained from about 2002.**

This adjustment was affected having obtained the approval of the Council (369.6.5) at the 369<sup>th</sup> meeting held on 22.01.2013. Nevertheless the following steps have already been taken in this regard.

While the storekeeper has been informed to prepare a report within 3 months on the optimum levels of stocks that can be retained in the stores, he has also been instructed that, consequent to an inspection carried out to check its correctness, to maintain levels properly and to avoid retaining unnecessary levels of stocks.

Apart from this the procurement officer has been informed to get involved in procurement activities consequent to inquiring about reports on stocks in the stores.

**Present situation**

Action is being taken to introduce a management system regarding stock levels in stores. (So as to facilitate deciding on maximum stocks, minimum stocks, re-order levels). Further, while action has been taken, subject to the approval of the Council to auction goods valued at Rs. 2,525,275/= according to the out of date stocks accounts balance, most of these articles have been sold.

**2.2.2 Receipts and Payments Accounts**

- (a)** According to the instructions given by the COPE Committee conducted last year, action has been taken to obtain the consent of the Management Services Department to strike off this debt as bad debts. (Annex 01 and 02) Further, according to what was discussed at the meeting of the Audit and Management Committee, a letter has been forwarded to Secretary, Education for necessary action to be taken to obtain the approval of the Government Finance Department for this money to be struck off. (Annex 03) Apart from this, a letter intimating this to the Government Finance Department has been forwarded through the Department of Management Services. (Annex 04)

**Present situation**

The relevant adjustments will be made immediately the response of the Government Finance Department is received.

- (b) The Audit Query forwarded in relation to this, referred to only three officers. Accordingly the relevant explanation is as below.

L.P. Jayasinghe – Rs. 93,674/=

Since this officer committed an examination fraud, he was dismissed from service after a disciplinary inquiring conducted against him. As he was found guilty in a case filed against him at the High Courts he was handed down a prison sentence. Considering at case conducted his age and physical condition his sentence was reduced from 05 years to 03 years. Apart from this he was fined Rs. 50,000/= The amount of Rs. 93,674/= payable by him was arranged to be charged as below.

1. For the amount of Rs. 56,880/= payable to him as gratuity to be set off against the above amount.
2. With respect to the balance amount of Rs. 36,794/= the relevant officers were instructed to take necessary action to charge his surety A. Weerasinghe along with his pension.

**Present situation**

The gratuity money of Mr. L.P. Jayasinghe has been set off. With respect of the balance amount of Rs. 36,794/-, a final notice has been issued dated 2013.12.24 to surety Mr. A. Weerasinghe. Should no response be received for this, he has been informed same would be charged from his pension or otherwise suitable legal action taken.

**J.A.K. Jayalalani – Rs. 16,667/-**

An amount of Rs. 16,306 as balance distress loan and Rs. 485.10 interest has been paid by receipt No. 11997 dated 1998.11.11 (Annex 05)

**Present situation**

This amount has been recovered. This has been adjusted through final accounts 2012.(J/E42)

**D.N. Thayamani – Rs. 46,056/-**

This officer has left service. In order to recover this amount, she cannot be traced at her address. Relevant officers have been instructed to take necessary action to recover this amount from her surety, pensioner Ms. S.M. Cassim.

**Present situation**

This has been communicated to Ms. S.M. Cassim.

**(c) Loan Advances**

General Advances

B.K. Wijegunawardhana - Rs. 60,431/-

Rs. 42,988.50 of this amount has been provided as casual expenses allowances for participation in the Ph.D. course conducted from September 2007 to July 2011 in China. Rs. 17,212.50 has been provided as warm clothes allowance for the trip. The relevant officers have been instructed to take necessary legal action in this regard.

Further, while an amount of Rs. 230/= has been noted due to a fault in calculation, this amount will be adjusted in the Accounts for 2013.

**Present situation**

In order to recover this amount a letter of demand was issued by the Attorney General's Department on 2013.11.15.

**2.2.3. Failure to conform to Laws, Rules, Regulations and Management decisions**

**Reference to laws, Rules and Regulations**

- (a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka 104 - To date, 3 inquiries have been conducted with regard to vehicle accidents. F.R. 104. Although there have been certain delays in the receipt of basic documents in order to conduct inquiries resulting in delay in the appointment of Boards of Inquiry, the relevant officers have been informed to take action so as to minimize such delays.

**Present situation**

This inquiry has been completed by now. Instructions have been given to speed up inquiries in future so as to avoid losses of this nature.

- (b) Treasury Circulars - Cannot be accepted. A fixed assets register has been maintained separately for this purpose.

**Present situation**

The fixed assets register is being updated.

- (c) Treasury Circular - At present, action is being taken to pay distress loans subject to a limit of Rs. 250,000/-

**Present situation**

According to what was pointed out in the Audit inquiry Report, distress loans will not be paid in excess of the Rs. 250,000/- limit.

**3. Financial Review**

**3.1 Financial Results**

Given below are the reasons that contributed to this situation

Compared to 2011 operations, income has dropped as below

Consolidated Fund (Receipts for recurrent expenses)	Rs. 2,462,000.00
Foreign Aid (UNICEF)	Rs. 2,491,915.19
Foreign Aid (GIZ) aid	Rs. 2,026,922.86
ESDG Aid	<u>Rs. 25,000,000.00</u>
	<u>Rs. 31,980,838.05</u>
Drop in revenue	
Reduction of course fees and examination fees	Rs. 28,431,809.40
Miscellaneous income	Rs. 40,783,244.62
Deposits (Local)	Rs. 2,118,620.34

### **Increase in Expenses**

Increase in depreciation expenses	Rs. 6,620,065.06
Increase in printing and stationery expenses	Rs. 5,122,287.27
Increase in hostel expenses	Rs. 7,983,496.35
Increase in workshop resource person expenses	Rs. 13,459,954.25
Increase in workshop refreshments expenses	Rs. 2,412,224.66
Increase in examinations expenses	Rs. 3,467,711.50

### **3.2 Legal processes initiated against or by Institution**

#### **(a) 780/M - District Courts, Nugegoda - K.A. Anton Kumaraia**

Although there have been certain delays in the receipt of basic documents in order to conduct inquiries resulting in delay in the appointment of a Board of Inquiry, the relevant officers have been informed to take action so as to minimize delays, while it was not possible to trace the address of the trainee, the main complainant in this court case, permission of the Courts was sought to recover the sum of Rs. 2,237,337.05 from the 2nd defendant Ms. S.M. Cassim who is the surety and in a Court decision the fiscal was ordered to hand over that decision to the 2nd defendant.

#### **Present situation**

Since it was not possible to trace the address of the trainee, the main complainant, in this Court Case, a unilateral decision has been handed down by the courts to recover the amount of Rs. 2,237,337.05 from his surety, the 2nd defendant Ms. S.M. Cassim.

#### **480/05/M - District Courts, Mt. Lavinia - S.M.J. Seneviratne**

Since both the defendant and surety in this Court Case have left the country and while the Police of the relevant region and the Provincial Secretary were informed to trace them and since they could not be traced to the addresses given, this case has been temporarily set aside.

#### **Present situation**

Although the Sri Lanka Embassy in America was informed to trace the addresses they are believed to be residing in abroad, it has not been possible to find same. This Court Case has been temporarily set aside.

**7018/M - District Courts, Mt. Lavinia - A.P.S.S. Pathirana**

This court case has been taken up for inquiry, while objections have been filed by the defence, it has been summoned for 2013.11.11 for inquiry and order.

**Present situation**

This case is at present, being heard at the District Courts, Mt. Lavinia.

**669/08/M - District Court, Nugegoda - S.M.M. Senanayake**

A sum of Rs. 876,235.36 borne with respect to a foreign scholarship is payable to the Institution.

On the occasion when this case was called on 2013.08.06 this officer agreed, with the consent of the Courts to repay this money through 05 years (in 60 instalments).

**Present situation**

On the agreement above the first instalment of Rs. 14,603.93 of this money was paid by Mr. S.M. Senanayake to the Institution on 2013.12.18.

**(b) Labour Tribunal - B.R.M. Dayananda**

He has been dismissed from service consequent to his being found guilty after a formal disciplinary inquiry in relation to a fraud involving Rs. 36,000/- committed by him.

While Court Case No. MH/33/208/04 has been filed by him against the Institution the Court case in that regard is being heard.

**Present situation**

This case is being heard.

**Nilmini Wicremasingha**

She was dismissed from service consequent to being found guilty after a formal disciplinary inquiry conducted with regard to the misappropriation of a sum of Rs. 549,772.50 for personal use from the daily sales of the National Institute of Education Bookshop in 2009.

She has filed Court Case No. MH22/1005/11 against the Institution. At the moment this case is being heard.

**Present situation**

This case is being heard.

**WP/HCCA/MT/12/2012 RA - Civil High Court, Mt. Lavinia, Ms. K.D.L. Rani**

The petition on Court Case No. 11/2007 filed in the Appeal Courts against the Institute in order to obtain the Course Certificate for the Distance Teacher Education course conducted by the National Institute of Education was rejected on the grounds that she had failed to complete the course properly while once again she filed case no. SPL/125/09 at the District Courts, Nugegoda, this case also was rejected.

She has once again filed this case in the Civil Appeals Court, Mt. Lavinia under the number above.

**Present situation**

The courts have informed that written submission on this case be submitted before 28 May 2014.

**4. Operations Review****4.1 Achievement**

Cannot be accepted. Reasons are given below.

The examinations time table is set by each section according to the days appropriate for the relevant examinations to be conducted. Nevertheless, examinations have to be postponed on the request of each course division due to reasons of lectures failing to be completed in time and the failure of relevant external assessments to be completed.

Further, although entrance examinations are scheduled at the beginning of the year, they cannot be held on the assigned dates because of the failure of the Course Sections to call for applications in time. Similarly, where an adequate number of applications are not received the entrance examination is cancelled and selections are made only on an interview. When an adequate number of applications are not received, the examination is cancelled, since the need to foot an enormous printing cost is eliminated, thereby. Accordingly, the following information is reported.

## **Conduct of Examinations**

### **Efficiency bar examination for Project Assistants (2013)**

This is an examination for the internal staff. While applications for the examination were called by the Administration Division, the examination was conducted on 2012.12.22 and 23.

### **Post-graduate Diploma in Education, Examination (Part I) Repeat Examination**

Because the Post-graduate Diploma in Education (Part 1) was scheduled to be held in July, there was no need to conduct an additional Repeat Exam.

### **Post-graduate Education Management (Full-time) Diploma**

Since it was unnecessary to conduct two examinations for the same course, full-time and part-time, a single examination was conducted for both courses. At the conclusion of the course, the examination for the part-time course was conducted from 2012.09.11-15.

### **School Management Diploma (Entrance Examination)**

Since an adequate number of applications were not received it was decided that the examination need not be held.

### **Post-graduate Education Management Diploma (Entrance Examination)**

Since an adequate number of applications were not received it was decided that the examination need not be conducted.

### **M.Ed. (Entrance Examination)**

Application were called in January/February 2013. Accordingly the examination was conducted in 2013.04.07.

### **B.Ed. Degree Examination (Entrance Examination – 2013)**

While applications had been called in March 2013 the examination had been conducted on 2013.06.16.

### **Diploma in Special Education – 2013**

Since the course had not been completed within the given period a request had been made from the course section for the examination to be held in February 2013. Accordingly, the examination had been conducted in February.

### **Sign Language Diploma Examination - 2012**

The reply above is relevant to this.

### **Additional Language Improvement Course - 2012**

Since there had been a delay in the provision of application forms by regional centres and since the G.C.E.(O/L) examination and the implementation if its evaluation is conducted in December the oral test of the examination was held in February and the written test of the examination had been held on 19 January 2013.

### **Release of Results**

According to the nature of the courses of the National Institute of Education it is not possible to release the results of the examination conducted by it, in that year itself. The delay in the provision of results has been due to the need to take the following action and the reasons below.

1. Provision of an additional period of time consequent to the conduct of examinations for assignments and research thesis, to be handed in e.g. PGDE I and II.
2. Since there were over 7000 candidates sitting Part I of the Post-graduate Diploma Examination the implementation of evaluation and release of results has been affected by the shortage of qualified examiners.
3. Failure of assignment marks to be handed in as required.
4. In the preparation of the structure and regulations of the course, a period of time has been assigned for research thesis after the examination is conducted. Accordingly the period of the course gets extended e.g. Dip. TESL

Under the situation above, in future, the final examination will be conducted after all the lectures, assignments etc. are completed. Similarly, a methodology has been introduced for assignment marks to be obtained at the time application forms are received.

According to this, application forms have to carry assignment marks entered by the course co-ordinator and forwarded. As such, the delay in the release of results due to the delay in the submission of assignment marks will be eliminated.

### **Present situations**

All examinations have been properly conducted and results released.

## **4.2 Operations Inefficiency**

### **(a) Cannot be accepted**

The balance left over from the advances provided to several officers with respect to workshop requirements have been settled in this manner. Estimates are prepared according to the number of participants expected to participate in a workshop and advances are obtained. But due to the failure of the expected number to turn up, this situation arises and there is money left over.

Further, according to F.R. 371 since one individual can be provided a maximum of Rs. 20,000/- internal administrative weaknesses arise in the payment of an amount in excess of this amount. Treasury approval has been sought for the provision of an amount in excess of the amount above. Majority has been paid in instances where workshops have had to be conducted outstation.

Since the two cashiers at the National Institute of Education are assigned the task of the attending to daily functions within the Maharagama premises it has not been possible for them to attend to payments for workshops conducted outstation. Wherever possible necessary steps have been taken for a cashier to be involved for payments with respect to workshops conducted within the NIE premises.

You are kindly informed that only in instances where it is not possible to involve cashiers in payments that arrangements are made for the relevant officers to be paid advances.

Further, if arrangements are not made for the balance from the advances to be deposited within 3 days, action is taken to deduct a fine on that money from the salary of the officer involved. The procedure with regard to advances is controlled through this process.

### **Present situations**

Steps have been taken to control advances.

### **(b) Cannot be accepted**

Action has been taken to recover the monies. While, by now the money due to be recovered from the relevant officer has been calculated, the Solicitor General was informed on 2012.10.05 for legal action to be instituted against these officers

**Present situation**

A letter of demand was sent by the Attorney Generals Department on 2013.11.15 for the recovery of this money from Ms. B.K. Wijegunawardhana.

**4.3 Dormant underutilized Assets**

Do not agree, while in this regard books to the value of Rs. -11,700,000/- were printed, what is left over at present is a stocks of books valued at Rs. 2,111,775/- Arrangements have been made to sell these in the Future. Facilities have been arranged for the participants on the relevant course to purchase them from the publications stores of the National Institute of Education.

**Present situation**

These book publications are being marketed by the Publications stores.

**4.4 Shortcomings in the Contract Administration**

This project has been cancelled due to failure to receive allocations despite requests being made for same. While, to begin with, Council approval has been sought for this sum of Rs. 1,200,949/33 to be removed from the accounts, treating it as dormant expenses although indicated as ongoing work with approval of the Government Department of Finance being obtained for necessary steps to be taken to have it struck off.

**Present situation**

In this regard Council approval was obtained on 2013.10.31. Action was taken on 2013.12.12 for approval of the Government Department of Finance to be obtained via Secretary, Ministry of Education.

**4.5 Delayed Projects**

**(a) Cannot be accepted**

No payment whatsoever has been made in this regard. As he has failed to carry out the test properly his performance bond of Rs. 11,500/- has been confiscated by the Institute. While tenders have been called once again action is being taken to complete the task.

With respect to the task above, although action had been taken to award a letter of assignment of task on 2011.08.01 and since later a decision had been taken to sign an agreement, a period of two weeks following the date of signing of the agreement had been considered as the period of contract.

Accordingly, while the date of signing of the agreement was 2011.08.17 the date by which the task should be completed is 2011.08.30.

**Present situation**

The task has been completed as of the present.

**(b) Laying of barbed wire along the section bordering the paddy field**

Cannot be accepted.

According to information disclosed later, it had been forwarded to the Procurement Committee for approval since Dilshan Enterprises had submitted the lowest rate. On this occasion the tender awarded earlier was cancelled.

According to this, plans have been drawn for the performance of this task in 2013 in terms of the procurement procedure.

**Present situation**

It has not been possible to carry out this task due to lack of financial allocations.

**5 Accountability and Good Practices**

**5.1 Working Plan**

**Languages, Humanities and Social Sciences**

Although, according to the annual plan, these workshops were due to have been implemented from the beginning of the year and since the receipt of TSEP monies took place only by the end of October it had not been possible to conduct workshops. This is not an indication of inefficiency of the Institute.

**Science and Technology Faculties**

The answer above is relevant to this.

**Planning, Research and Teacher Education**

The answer above is relevant to this also.

**Alternative Education and Teacher Education**

The answer above is relevant to this also.

**5.2 Income and expenditure control**

Cannot be accepted. Given below are details with respect to each difference.

**Committee Allowances**

Since this expense is decided on attendance and the number of sessions of committees held, the amount spent has been less than the amount budgeted.

**Travel expenses (Local)**

This expense has dropped due to reasons of curtailment of outstation travel.

**Travel expenses (Foreign)**

This expense has decreased due to the reason that the planned programme for the training of staff abroad could not be implemented properly because of the delay in obtaining funds.

**Office requirements in stationery and printing**

These needs and printing expenses have decreased because of restriction of purchases based on stock control.

**Food**

This expense has decreased due to reasons of limitation of the supply of food.

**Medical Facilities**

This the amount was spent as medical examination fees requested according to recruitments within the year.

**Machinery and Electrical equipment**

Money allocated under this has been spent on the repair and maintenance of machinery and equipment.

**Other Learning Material**

A situation has arising through expense control.

**Newspapers and Periodicals**

This situation has arisen because of the inclusion of not only payments made in cash but also the expenses payable the previous year.

**Tax Expenses**

While Vat. expenses in relation to purchases have been classified in relation to the accounts and indicated as tax expenses, purchases have been included under the expense heading under budget control.

**Repair and Maintenance expenses**

**Vehicles**

Because the life time of vehicles has expired the maintenance costs of vehicles has increased.

**Machinery and Equipment**

Money allocated for the machinery and electrical equipment above should be added to the money allocated under this. Then the extra expenses borne is only Rs. 981,744/-.

**Buildings**

This situation has arisen through the inclusion of expenses incurred from allocations belonging to expenses from recurrent and improvements expenses in capital allocations considered under real expenses.

**Other furniture and equipment**

Expenses have decreased under limitation of expenses.

**Post and Dissemination**

In the preparation of accounts the real balance has been prepared as below:

Post and telephone	-	Rs.	728,164.00
Dissemination expenses	-	Rs.	1,184,713.80
		Rs.	<u>1,912,877.80</u>

Accordingly, the sum of both the Postal and Telephone expense account and the Dissemination account have been recorded under this heading. As such there is a saving of about Rs. 147,122.20

**Bank fees, Interest and Audit fees**

This money had been estimated because real audit payment expenses were not known . This difference has occurred due to the payment of these expenses being paid immediately the Auditor General's Department bill is received.

**Licence fees registration and Insurance fees**

This situation has arisen because insurance fees had increased above the fees planned.

**Payments on Piece work basis**

Within these genuine expenses, recurrent expenses payable by 2012.12.31 have been included.

**Resource Person Payments**

Within these genuine expenses, recurrent expenses payable by 2012.12.31 have been included.

**Worker Development**

Planned programmes have not been implemented for the reason that the monies related to this allocated money being received late. Action has been taken to implement the relevant training programs before the close of 2013 utilizing that money.

**Worker Welfare**

This situation has arisen through the initiation of a new insurance scheme in the Institute. Expenses have increased because, included in it, is the money allocated for the year apart from the insurance payments made for insurances affected in the course of the year.

**Employee Loan Fund**

Because there was an adequate balance in the Employee Loan Fund no payments have been made out of this money.

**Other miscellaneous expenses, Security Services, Cleaning Services, Entertainment Expenses**

Situation created through control of expenses.

**Deposits expenses, Hostels, Pre-School**

Allocations in this regard are not included in the Income Expense document. Expenses have been borne out the income received.

**Consumer material**

Classification has been in relation to the preparation of Accounts reports. Goods purchased under various expense heads of the Institute, have been classified in this manner.

**Present situation**

Statement of Accounts is prepared based on cash. But genuine expenses have been accounted on accrual basis. In future, action will be taken to implement a variations study every 3 months.

**6. Systems and Control****(a) Assets and Stores control**

Necessary action has been taken to systematise this.

**(b) Printing of Books and Documents**

This shortcoming has not occurred because educational documents and Teacher Handbooks are printed by the Educational Publications Department.

**(c) Budget Control**

The budget is prepared based on cash. But genuine expenses are accounted on accrual base. As a result there are differences in budget control. In future, action will be taken to implement a variations study every 3 months.

**(d) Foreign trips for study purposes**

Has been formalized. A shortcoming of this nature does not arise because no one in one's probation period is awarded a scholarship abroad.

**(e) Conduct of Examinations and Release of Results**

Has been formalized.

**(f) Procurement**

This was not noted in the Audit Report.

Necessary steps have been taken formalize same.

**Present situation**

Strict administrative measures have been applied in order to involve these fields effectively.

Professor W.M. Abeyrathna Bandara  
Director General  
National Institute of Education  
Maharagama.



ජාතික අධ්‍යාපන ආයතනය  
தேசிய கல்வி நிறுவகம்  
NATIONAL INSTITUTE OF EDUCATION



හැ.පෙ. 21, හයිලෙවල් පාර, මහරගම  
த.பெ. 21, ஹைலெவல் வீதி, மகரகம  
P.O. Box 21, High Level Road, Maharagama, Sri Lanka

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எமது கோவை: } NIE/ED/A/C/P1  
Our Reference: }

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Your Reference: }

දිනය: } 11/03/2012  
திகதி: }  
Date: }

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මෙම මුදල කවදුරටත් අයකර ගැනීමට හැකියාවක් නොමැති බැවින්, එම ලැබිය යුතු ශේෂය කපා හැරීම සම්බන්ධව ආයතන සභාවේ අනුමැතිය ලබා දී ඇති අතර, (එම අනුමැතියේ පිටපතක් අවශ්‍ය කටයුතු සඳහා ඉදිරිපත් කරමි.) එම අනුමැතිය මහාභණ්ඩාගාරයේ ආවරණය අනුමැතිය ලබාගැනීම සඳහා කාරුණිකව ඉලදිරිපත් කරමි.

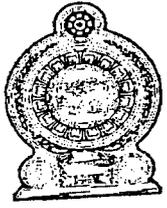
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BM  
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දුරකථන/தொலைபேசி இல./Telephone Nos.

අමාත්‍යතුමා } 2784832  
அமைச்சர் } 2784807  
Minister } 2785617



අල්කම් செயலாளர் } 2784812  
Secretary }

කාර්යාලය } 2785141-50  
அலுவலகம் } Fax: 2784846  
Office }

අධ්‍යාපන අමාත්‍යාංශය  
கல்வி அமைச்சு

Ministry of Education

"ඉසුරුපාය", ශ්‍රී ජයවර්ධනපුර  
வந்தரமுල්ලே  
'இசுரூபாயர்' ஸ்ரீ ஜயவர்தனபுர கோட்டை  
பத்தரமுல்ல  
"Isurupaya", Sri Jayawardhanapura  
Battaramulla.

මගේ අංකය }  
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Date }

ඊමේල්/மேயில்/E-mail : info@moe.gov.lk

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අධ්‍යක්ෂ ජනරාල්,  
කළමනාකරන සේවා දෙපාර්තමේන්තුව  
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2012 ගිණුම් වර්ෂයෙන් අවසන් ගිණුම් වලින්  
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උක්ත කරුණු පිළිබඳ ජාතික අධ්‍යාපන ආයතනයේ අධ්‍යක්ෂ ජනරාල්ගේ NIE/ED/A/C/P1 හා 2013.03.11 දිනැති ලිපිය හා බැඳේ. (පිටපත අමුණා ඇත)  
ඒ අනුව 2008 වර්ෂයේ සිට ජාතික අධ්‍යාපන ආයතනයේ අවසන් ගිණුම් වල දිගින් දිගටම අයවිය යුතු ලෙස පෙන්නුම් කරන රු.3,237,799.66 ක මුදල අවසන් ගිණුම් වලින් බොල්ණය ලෙස කපාහැරීම සඳහා අනුමැතිය ලබාදෙන මෙන් කාරුණිකව ඉල්ලා සිටිමි.

අනුර දිසානායක,  
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අධ්‍යක්ෂ ජනරාල්, ජාතික අධ්‍යාපන ආයතනය - දැ.ගැ.ස.



ජාතික අධ්‍යාපන ආයතනය  
தேசிய கல்வி நிறுவகம்  
NATIONAL INSTITUTE OF EDUCATION



හැ.පෙ. 21, හයිලෙවල් පාර, මහරගම  
த.பெ. 21, ஹைலெவல் வீதி, மகரகம  
P.O. Box 21, High Level Road, Maharagama, Sri Lanka

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எமது கோவை: }  
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NIE/FD/BK/AC/2013

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2012 ගිණුම් වර්ෂයේ අවසන් ගිණුම්වලින් බොල් ණය කපා හැරීම

යතෝක්ථ සිරස්තලයෙන් යුක්තව යොමු අංක NIE/ED/A/C/P1 හා 2013.03.11 දිනැතිව ඔබ වෙත යොමුකරන ලද ලිපිය හා බැඳේ. ඒ අනුව ඔබ විසින් මහාභාණ්ඩාගාරයේ කළමනාකරණ සේවා දෙපාර්තමේන්තුවේ අධ්‍යක්ෂ ජනරාල් වෙත යොමු අංක ED/5/78/3/8 හා 2013.09.09 දිනැති ලිපිය මගින් රු.3,237,799.66 ක මුදල බොල්ණය ලෙස කපා හැරීම සඳහා අනුමැතිය ඉල්ලා ඇත. (පිටපත් අමුණා ඇත.)

අවසන් ගිණුම්වලින් මෙම මුදල බොල්ණය ලෙස කපා හැරීම සඳහා මහාභාණ්ඩාගාරයේ, රාජ්‍ය මුදල් දෙපාර්තමේන්තුවේ අධ්‍යක්ෂ ජනරාල්ගේ අනුමැතිය ලබාගැනීම සඳහා යොමුකල යුතු බව 2013.09.03 දින ජාතික අධ්‍යාපන ආයතනයේ පැවති 47 වන විගණන හා කළමනාකරණ කමිටු රැස්වීමේදී සඳහන් කරන ලදී.

එබැවින් මෙම මුදල කපා හැරීම සඳහා රාජ්‍ය මුදල් දෙපාර්තමේන්තුවේ අධ්‍යක්ෂ ජනරාල්ගේ අනුමැතිය ලබාදීමට කටයුතු සලසා දෙන ලෙස කාරුණිකව ඉල්ලමි.

මහාචාර්ය ඩබ්.එම්. අබේරත්න බණ්ඩාර  
අධ්‍යක්ෂ ජනරාල්  
ජාතික අධ්‍යාපන ආයතනය



සමහර කළමනාකරණ සේවා දෙපාර්තමේන්තුව  
 முகாமைத்துவ சேவைகள் திணைக்களம்  
 DEPARTMENT OF MANAGEMENT SERVICES

අමුණ - 04

මුදල් හා ක්‍රමසම්පාදන අමාත්‍යාංශය  
 நிதி, திட்டமிடல் அமைச்சு  
 MINISTRY OF FINANCE & PLANNING

මහා ගාණධායාරය, කොළඹ 01.    පොත්‍ර තිහෙර්ෂේෆී, කොළඹ-01.

General Treasury, Colombo 01.

මගේ අංකය  
 எனது இல.  
 My No.

DMS/B1/37/03/VOL III

ඔබේ අංකය  
 உமது இல.  
 Your No.

දිනය  
 திகதி  
 Date

2013.10.08

අධ්‍යක්ෂ ජනරාල්

රාජ්‍ය මුදල් දෙපාර්තමේන්තුව



ප්‍රිය මහත්මයාණෙනි

2012 ගිණුම් වර්ෂයෙන් අවසන් ගිණුම්වලින් බොල්ණය කපා හැරීම

උක්ත කරුණ සම්බන්ධයෙන් අධ්‍යාපන අමාත්‍යාංශයේ ලේකම් විසින් මා ඇමතු අංක ඊඩී/5/78/3/8 හා 2013.09.09 දිනැති ලිපියේ පිටපත් මේ සමඟ අමුණා ඇත.

02) එකී ලිපියේ සඳහන් ඉල්ලීම ඔබ දෙපාර්තමේන්තුවේ විෂය පථයට අයත් බැවින් අවශ්‍ය කටයුතු සඳහා කාරුණිකව ඉදිරිපත් කරමි.

මෙයට - විශ්වාසී

එන්. ගොඩකන්ද  
 අධ්‍යක්ෂ ජනරාල්

පිටපත්:

- 1) ලේකම්, අධ්‍යාපන අමාත්‍යාංශය - කරු. දැ.ගැ.ස
- 2) අධ්‍යක්ෂ ජනරාල්, ජාතික අධ්‍යාපන ආයතනය - කරු. දැ.ගැ.ස

ඉ

*Handwritten signature*

*Handwritten signature*



නවරත සිං

4. 10. 2013

11/10/13

Original

1286

පිටපත් කිරීමේ  
පත්‍රයේ අංකය  
Receipt No.

97  
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දිනය  
Date

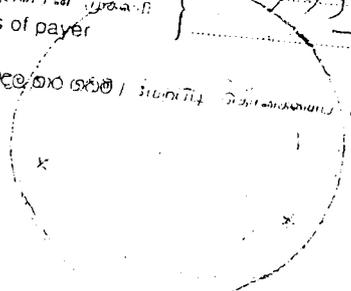
98/11/11

ජාතික අධ්‍යාපන ආයතනය  
தேசிய கல்வி நிறுவனம்  
National Institute of Education

මුදල් භාර ගැනීමේ අවිභවය  
பணம் பெற்றுக் கொண்டதற்கான பற்றுச்சீட்டு  
Cash Receipt

1. වඩ සටහන / විෂය පථය / Programme : .....
2. මුදල් ගනු ලැබූ අය / පණාම කළ පුද්ගලයා / Received from : G.A.K. Vardana
3. ගන්නා මුදල / වැටුප්පත පණාම / The amount received : රු. 18621.00 - රාජකාරි පාලන කමිටුව
4. රු. / Rs. : 18621.00
5. හරහා / හේතුව / Reason : පාලන කමිටුවේ විෂය පථය
6. රාජකාරි ලිපි යාම / පිටපත් කිරීමේ පත්‍රයක් / Official letters reference : .....
7. ගෙවීම් වචනවල අංකය / ගෙවීම් වචනවල අංකය / No. of paying in voucher : 1464.00 - 366.00 - 16306.00 - 485.00
8. චෙක් / මුදල් ගෙවීමේ අංකය හා දිනය / චෙක් / M. O. No. & date : 277, 18621.00
9. ගෙවන්නාගේ ලිපිනය / ගෙවන්නාගේ ලිපිනය / Address of payer : .....

ඉහත සඳහන් මුදල භාර ගත්ම / Received the above amount



මුදල් අධ්‍යක්ෂ / Cashier

## 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
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**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.

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

AS AT 31<sup>ST</sup> DECEMBER 2012

	Notes	2012		2011	
		Rs.	Cts	Rs.	Cts
<b>Assets</b>					
Property, Plant and equipment	<b>1</b>	749,147,713.85		731,455,431.10	
ADD - Work in progress	<b>1A</b>	1,200,949.33		6,652,325.99	
		<b>750,348,663.18</b>		<b>738,107,757.09</b>	
<b>Current Assets</b>					
Inventories / Stock	<b>2, 2A</b>	46,041,376.76		21,735,420.14	
Trade, other receivables and advances	<b>3, 3A</b>	73,051,898.05		69,625,866.53	
Prepayments	<b>4</b>	43,505.50		908,202.92	
Short term Investments	<b>5</b>	122,535,876.13		120,000,000.00	
Cash and Cash equivalents	<b>5A</b>	48,488,153.82		61,507,669.44	
		<b>290,160,810.26</b>		<b>273,777,159.03</b>	
<b>Total Assets</b>		<b>1,040,509,473.44</b>		<b>1,011,884,916.12</b>	
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accrued Expenses	<b>6</b>	21,541,107.37		26,676,630.10	
Course fees received in Advance	<b>7</b>	27,958,588.12		38,325,000.00	
		<b>49,499,695.49</b>		<b>65,001,630.10</b>	
<b>Non Current Liabilities</b>					
Provision for Gratuity	<b>8</b>	71,071,320.87		71,720,527.95	
<b>Total Liabilities</b>		<b>120,571,016.36</b>		<b>136,722,158.05</b>	
<b>Total Net Assets</b>		<b>919,938,457.08</b>		<b>875,162,758.07</b>	
<b>Net Assets / Equity</b>					
Accumulated Fund	<b>9</b>	(384,060,691.18)		(366,010,719.66)	
Capital Reserves & Grant	<b>10</b>	1,014,155,034.53		952,009,253.23	
Loan Fund	<b>11</b>	57,925,626.48		55,377,949.50	
Reserve Fund	<b>12</b>	231,918,487.25		233,786,275.00	
<b>Total Net Assets / Equity</b>		<b>919,938,457.08</b>		<b>875,162,758.07</b>	

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

**Certified Correct**

**Approved**

.....

P.A.Kodippili  
*Director Finance*

13<sup>th</sup> June 2013

**National Institute of Education**  
**Maharagama**

.....

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

**NATIONAL INSTITUTE OF EDUCATION**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**

	Notes	2012		2011	
		Rs.	Cts	Rs.	Cts
<b>Operating Revenue</b>					
Government & Foreign Grant Recurrent Income	14	237,277,355.00		269,258,193.05	
	13(15-20)	204,172,680.81		252,097,124.24	
<b>Total Income</b>		<b>441,450,035.81</b>		<b>521,355,317.29</b>	
<b>Operating Expenses</b>					
Personnel Emolument	21	198,649,554.31		200,200,769.42	
Travelling Expenses	23	3,200,522.40		4,534,766.37	
Supplies and consumable used	24	24,874,682.38		18,128,000.41	
Maintenance	25	17,454,848.92		24,240,440.57	
Contractual Services	26	148,070,022.76		151,704,770.83	
Deposit Expenses	26-1	17,117,849.95		25,606,817.52	
Depreciation and Amortization Expenses	27	50,390,423.44		44,401,802.13	
Operating Expenses	28	16,000,199.21		11,069,834.46	
<b>Total Operating Expenses</b>		<b>475,758,103.37</b>		<b>479,887,201.71</b>	
Surplus / (Deficit) from operating activities before financial cost		(34,308,067.56)		41,468,115.58	
Finance Cost	29	(318,790.00)		(390,000.00)	
<b>Surplus / ( Deficit ) for the year</b>		<b>(34,626,857.56)</b>		<b>41,078,115.58</b>	

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

**Certified Correct**

**Approved**

.....  
**P.A.Kodippili**  
**Director Finance**

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

**13<sup>th</sup> June 2013**

**National Institute of Education**  
**Maharagama**

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012

	2012 Rs.	2011 Rs.
<b>Cash Flow from Operating Activities</b>		
Surplus/ (deficit) from ordinary activities	(34,614,394.00)	41,078,116
<b>Adjustment for Non Cash movements</b>		
Depreciation	50,390,423.00	48,679,436
Provision for Gratuity	5,663,957.00	6,895,794
Adjustments	55,831,378.00	(49,516,362)
<b>Operating Activities Before Working Capital Changes</b>	<b>77,271,364.00</b>	<b>47,136,984</b>
(Increase) / Decrease in Stock	(24,305,957.00)	2,415,719
(Increase) / Decrease in Receivables	(2,561,334.00)	(581,883)
(Increase) / Decrease in other Current Assets	(2,535,876.00)	(120,000,000)
Increase / (Decrease) in Payable	(15,501,935.00)	24,193,692
<b>Net Cash Flow from Working Capital</b>	<b>(44,905,102.00)</b>	<b>(93,972,472)</b>
Cash Generated from Operations	32,366,262.00	(46,835,488)
Retirement Benefit Cost Paid	6,447,792.00	(9,968,426)
<b>Net Cash Generated from Operating Activities</b>	<b>38,814,054.00</b>	<b>(56,803,914)</b>
<b>Cash Flows from Investing Activities</b>		
Additions Plant and Equipment	(54,874,646.00)	(58,324,640)
<b>Net Cash used in Investing Activities</b>	<b>(54,874,646.00)</b>	<b>(58,324,640)</b>
<b>Cash Flow from Financing Activities</b>		
Capital Grant & Donation	493,400.00	59,299,023
Loan Fund	2,547,677.00	2,458,995
<b>Net Cash used in Financing Activities</b>	<b>3,041,077.00</b>	<b>61,758,018</b>
<b>Net Increase / (decrease) In Cash and Cash Equivalents</b>	<b>(13,019,515.00)</b>	<b>(53,370,536)</b>
Cash & Cash Equivalents at the beginning of year	61,507,669.00	114,878,205
<b>Cash &amp; Cash Equivalents at End of the Year</b>	<b>48,488,154.00</b>	<b>61,507,669</b>