



Annual Report 2020

National Education Commission

Expenditure Head 335

Message from the Chairman



I am glad to provide this message as the Chairman of the 8th National Education Commission which assumed duties in March 2020. Though the current Commission assumed duties in March 2020, it commenced its work only from the latter part of June 2020 due to the 1st wave of COVID-19 pandemic. Unfortunately, the work was disrupted again from the latter part of October due to the 2nd Wave of COVID 19 pandemic. Amidst these interruptions, new Commission has taken several progressive steps to reform and strengthen the National

Education Commission to cater for the needs of progressively expanding and changing education sector.

New Commission is cognizant of the NEC's potential role as the apex body in the education sector and the new roles it could play, particularly in areas where no other apex/regulatory body of education could fulfill such functions. In this context, it is very conceivable, that Sri Lanka is in need of a national agency for prescribing and updating National Learning Competency Framework (i.e. national educational goals, basic competencies and level descriptors or learning outcomes for different levels of education - early childhood, primary, junior secondary, senior secondary, collegiate and post-secondary education), and National Education Standards and Guidelines, and reviewing of educational institutions and programs for compliance with prescribed National Learning Competency Framework and National Education Standards and Guidelines.

Therefore, the new Commission has embarked on several progressive reforms and as the first step towards this exercise, the Strategic Plan (2020-2025) of the NEC was prepared and approved, and commenced the implementation it in vigorous manner. I am of the firm belief, that the NEC could reposition itself to emerge within the lifespan of the current Commission as the apex body of education sector fulfilling multiple roles as envisioned in its new vision and mission.

Prof. Harischandra Abeygunawardena
Chairman
National Education Commission

Prepared to be submitted to the parliament in terms of paragraph 2.4.1 of the Public Finance Circular No. 402.

2022 December

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Chapter 01 - Corporate Profile/ Implementation Summary

1.1 Introduction

The National Education Commission was established under the act 19 of 1991 to analyze the educational policies and plans, and to forward suggestions to the president on a comprehensive education policy, assuring the continuity of the education policies and to make the educational system comply with changing needs of the society.

According to the 4th chapter of the Report of the Presidential Commission on Youth, they have accepted the need to establish a “National commission on education policy” with the aim of having a common agreement on education policy. Based on the clause in presidential committee on youth “Such a commission should immediately commence preparing a 10 year plan and implementation of the plan should begin in 1991”, with the view of preparing a definite education policy which is not affected by the constant changes in the political arena.

According to Section 2(1) and Section 2(3) of the National Education Commission Act, the National Education Policy, based on the report containing the recommendations submitted by the National Education Commission to the President, should be complied with by all authorities and institutions responsible for all aspects of education and be announced from time to time.

According to clause 4(1) of the National Education Commission Act, The National Education Commission consists of 10 experts in the field of education, administration and management and 5 members holding key positions in the Education sector shall be elected by the President. As per the 05th clause of the act, the National Education Commission has a full time Chairperson and two Vice Chairpersons.

The 08th National Education Commission is currently on operation. (from 2020.02.28)

1.2 The Vision, Mission and the Main Functions of the Organization

Vision

Holistic society of progressive and lifelong learners for a peaceful, cohesive Sri Lankan society attuned to facing local and global challenges

Mission

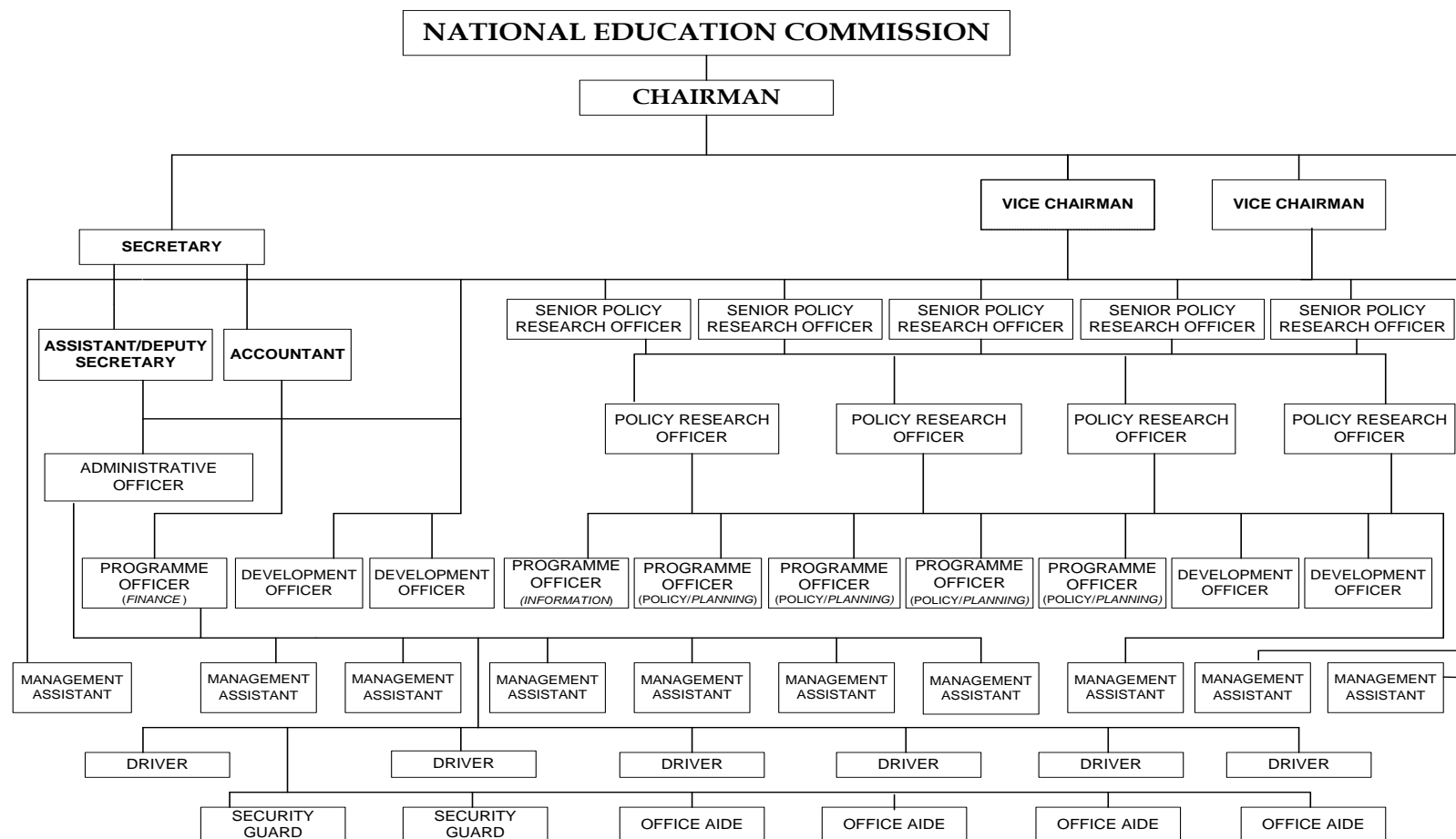
Function as the premier organization in setting national education policy, goals, competency profiles, and standards of educational qualifications with monitoring and certification roles with the view to improve quality, relevance, and standards of education.

1.3 Main Functions

- A) Make recommendation to the President, on educational policy in all its aspects, with a view to, ensuring continuity in educational policy and enabling the educational system to respond to changing needs in society, including an immediate review of educational policy and plans.
- B) Periodic review and analysis of the National Education Policy and plans in operation and the key recommendations to the President on the changes required when necessary.
- C) The President would likely to refer to the National Education Commission, to advice the president on any other matter relating to education.

1.4 Organizational Structure

Organizational Structure of National Education Commission



Members of the Commission



Prof. H. Abeygunawardena
Chairman



Mrs. Padmini Ranaweera
Vice Chairperson (Policy)



Mr. Kingsly Fernando
Vice Chairman (Planning)

The Ex-officio members:



Prof. Sampath Amarathunga
Chairman, University Grants Commission



Eng. B.K.U.A. Wickramasinghe
Chairman, Tertiary and Vocational Education Commission



Prof. Kapila C.K. Perera
Secretary, Ministry of Education



Mr. T.M.J. Bandara
Director, Department of National Planning, Ministry of Finance



Mr. M.M. Nayeemudeen
Additional Secretary, Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government

Appointed Members:



Dr. T.A. Piyasiri
*Former Vice Chancellor,
University of Vocational
Technology*



Dr. Kapila Bandara
*Dean, Faculty of Education,
University of Colombo*



Dr. Anuruddha Padeniya
*Pediatric Neurologist,
Lady Ridgeway Children's Hospital*



Dr. Indrani Thalagala
*Former Head of Division,
Early Childhood and Primary
Education, Open University*



Mr. D.M.A.R.B. Dissanayake
*Secretary, Ministry of Higher
Education, Technology and
Innovation*



Dr. Harsha Alles
*Chairman, Gateway International
School*



Mr. Swaminathan Wimal
*Senior Lecturer
Dept. of Linguistics & English
University of Jaffna*

Chapter 02 – Progress and Outlook

2.1 Special Achievements, Challenges and Future Goals.

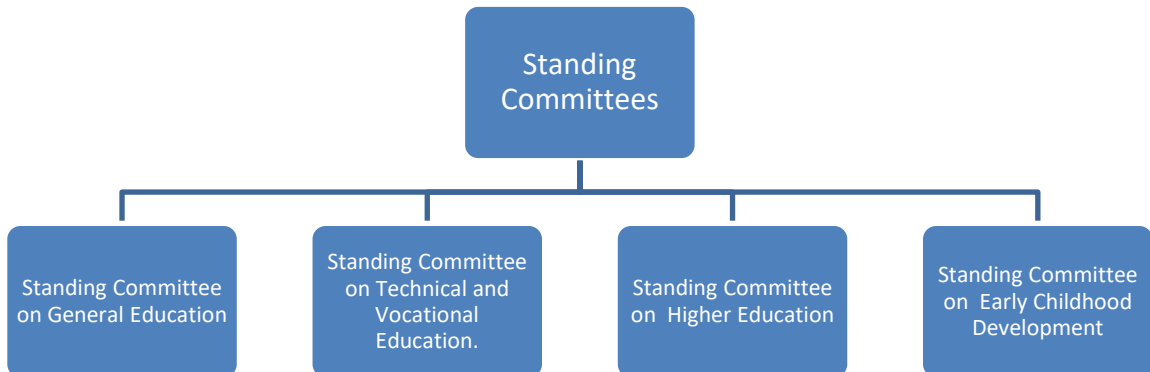
Introduction

Following are the main functions of the National Education Commission.

1. Evaluating the education policies by analyzing and reviewing the existing programmes.
2. Updating the Educational Policy Suggestions as per the current needs.
3. Making recommendations to the President based on the reviews, analysis, evaluations, and modifications of the existing policies, plans and programs.

To get the above functions done the National Education Committee has established 04 standing committees as follows.

1. Standing committee on General Education
2. Standing Committee on Early Childhood Development
3. Standing Committee on Higher Education
4. Standing Committee on Technical and Vocational Education.



Each Standing committee consists of 15-20 scholarly members who represent both state and private sectors.

Performance of the work scheduled for the year 2020 can be summarized as follows.

General Education

- **Analysis of policies on school classification**

The classification of schools in Sri Lanka at present is as follows.

- 1AB – Schools with the science stream for G.C.E (Advanced Level)
- 1C – Schools with Arts and Commerce Streams for G.C.E (Advanced Level)
- Type 3 – Schools with classes from Grade 1-5
- Type 2 – Schools with classes from grade 1-9

A research was conducted in the Sabaragamuwa province based on the above classification in 2019 and the research report was submitted to the members of the committee. Based on the reviews and suggestions of the committee the final report was updated and submitted to the provincial director of education of the Sabaragamuwa province. Due to the Covid pandemic we could not have a discussion on the report with the Sabaragamuwa provincial education officials as planned.

Suggestions/ recommendations in the report

1. School mapping should be based on a logical system and only two categories of schools should be established such as primary and secondary.

Primary schools with grade 1-5

Secondary schools with grade 6-13

2. Admission should be limited to the students from the closet residents.
 3. Classes should be arranged on per the 30*30 specifications.
 4. Hostel facilities should be provided for the secondary schools as for the requirement.
 5. International and private schools and piriven schools be categorized as per set of standards and should be registered through internet.
 6. In order to motivate standards to attend schools daily, welfare schemes such as free uniforms and free meals should be implemented.
 7. To ensure quality of all schools, principals' teachers and non-academic staff should be given transfers every 5 years.
 8. Total number of students in the school should be a manageable number (Maximum 1500 students)
 9. Providing hospital facilities for students, who drop out of school due to poverty, distance from home to school, lack of parental care etc.
- **Formulation of a national policy on school-based career guidance.**
Preparing a national policy for school based career guidance included in the policies related to the General Education prepared in 2016. The draft with suggestions related to school based career guidance was prepared with the suggestions and views of principals, teachers involved in career guidance, school children, officers of governmental and non-governmental institutes that are involved in career guidance, entrepreneur and youth

organizations etc. The plan was to forward the draft for further discussion but could not be completed due to Covid pandemic.

– **Studying the current status of implementing STEM education within the general education.**

STEM is an inter learning approach that involves subjects of Science, Technology, Engineering Science and Mathematics and it has incorporated real life example into the teaching, learning process. This research aims to study the current status of the STEM education in Sri Lanka and to give recommendation for further promotion of the STEM approach. It also expects to check the quality and evaluate main areas like the knowledge of the main stakeholders about STEM, human and physical resources, teaching materials and facilities in the schools. In 2020 we were only able to the research objectives and the problems due to Covid pandemic.

– **Reevaluation of the teachers’ professional development policy (Related to the 2014 NEC research study and the 2016 General Education policy suggestions)**

The National Education Commission constantly focus on teaching profession in Sri Lanka Accordingly in view of planning a suitable policy on a strategic intervention framework to develop teaching profession a study named “The current status of teacher education system in Sri Lanka: Policies, Program and use for professionalism of teachers” was initiated. It is expected to address the drawbacks in the teachers’ professional development complying with the national requirements and global trends. In 2020 we were only able to identify the research objectives and the problems.

Technical and Vocational Education

– **A study to evaluate the activity quality and relevance of the diploma programmes for NVQ level 5 and 6 at Technical, Vocational Education and Training (TVET) institutes.**

This aims to check whether the diploma courses for NVQ level 5 and 6 are implemented on planned; to assure the progress of completion of the courses of the students and also the demand for such courses; identifying whether the institutes are equipped with the required resources for the courses; identifying whether the institutes are equipped with the required resources for the courses; to identify the productivity of the monitoring mechanism introduced by the Tertiary and Vocational Education Commission to supervise the implementation of NVQ level 5 and 6.

Students are permitted leave the system for obtaining NVQ level 5, offered by the technical, vocational education and training institutes or pursue further studies or obtain the higher diploma offer level 6 and leave. Programmes have been introduced to fill in the

gaps to facilitate the transition from NVQ level 3/4 into programmes designed for NVQ level 5. Students with GC.E (A/L) qualifications are allowed to follow courses designed for NVQ level 5/6 and this study aims to analyze the relevance of the gap filling programmes. This also aims to identify the policy interventions if required to rectify the shortcomings in the TVEC monitoring mechanism offer evaluating their effectiveness and if it has any in capabilities, Due to the effect of the covid pandemic we were able to identify the research problem and the objectives only in 2020.

Information and database management

– Developing an education database system and developing a detailed statistical base for education.

The main aim of this programme is managing, planning and upgrading the feasibility of developing supervision of the Sri Lanka education system through practicing a culture that uses collective of data processing and analyzing in the process of taking decisions by the stakeholders involved in education. The preliminary discussion was held on 07/06/2020 uses the analyses platforms and the suggestions were forwarded to all the standard committees. With the idea and suggestions given by the committees another meeting was held on 20/12/2020. A specialized committee has been approved to prepare a statistical digest on education in Sri Lanka. The primary objective of the proposed Code of Education Statistics is to compile statistical information covering the entire education sector in Sri Lanka. The compendium was supposed to depict the trends and forecasts of various sub-sectors of the education system (higher education, general education and technical and vocational education) which can be used for making informed decisions by policy makers, planners, researchers and others. Owing to prevailing Covid -19 epidemic situation, only secondary source data collection could be done for the year 2020.

Upgrading the National Education Commission Documentation Centre/Library

The documentation center of the National Education Commission, with its collection of educational books, journals, reports, acts and other education-related documents has been enhanced for convenience of reference by subject area.

Improvement of National Education Commission website

The aim is to build an attractive, dynamic website for the National Education Commission, since the existing website is not user friendly, it is expected to increase efficiency by introducing a content management system (CMS) so that users can find what they want and connect with the organization easily.

Compilation of “NEC News”, the Newsletter

The newsletter for 2020 named "NEC News" compiled with the aim of informing the public about the basic efforts related to current education policy/policy formulation and starting a public dialogue about the current situation was able to be successfully completed.

Newly appointed 8th National Education Commission with messages from the Chairman, Vice-Chairmen, composition of members, restructuring of staff, recruitment of new staff, changes made in organizational processes, preparation of National Education Policy Framework (2020-2030), National Learning Competency Framework (NLCF) Preparation, the details of the research conducted by the institute for the year 2020 are contained in this newsletter.

Completion of National Education Objectives (NEGs), development of National Education Objectives Based Core Competencies (NEG-BCs) and National Education Objectives Based Core Competencies Sri Lanka Qualification Framework (SLQF) Levels details, along with mapping of those core competencies.

This focuses on preparing the vision statement for the general education system and to prepare the specifications for Levels 1 and 2 of the Sri Lanka Qualification Framework (SLQF) for GCE(O/L) and GCE(A/L) respectively. For this, five rounds of discussions were held with relevant stakeholder expert groups in the year 2020. For this, a rough draft was prepared and it is planned to be compiled as the first part of the National Education Policy Framework document, which is proposed to be completed in the year 2021.

2.2 Challenges

According to the medium term performance development plan of the National Education Commission, the challenges and future goals related to general education, higher education, technical and vocational education and administrative and institutional challenges that facilitate for the completion of above tasks are as follows.

2.3 Future goals

- Establishment of National Education Commission in a new location with facilities.
- Revising the recruitment procedure and obtaining related approvals so that an academic staff can be recruited to implement the new plan effectiveness of the institution and the new officers can be retained for a longer period of time.
- Preparing a ten year national Education Policy and getting it approved.
- Establishing the NEC on an institute functioning under the Ministry of Education.
- Making amendment to the National Education Policy enabling the National Education Commission to determine standards regarding International schools and early childhood education and to analyze whether the standards are maintained and obtaining approval for the amended policy.

Chapter 03 - Overall financial performance for the year

3.1 Statement of Financial Performance

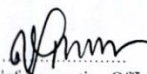
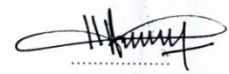
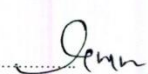
Budget 2020		Note	Actual		ACA -F
			2020	2019	
Rs.					
Statement of Financial Performance for the period ended 31st December 2020					
-	Revenue Receipts				
-	Income Tax	1	-	-	} ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	
-	Taxes on International Trade	3	-	-	
-	Non Tax Revenue & Others	4	98,565	114,530	
-	Total Revenue Receipts (A)		<u>98,565</u>	<u>114,530</u>	
-	Non Revenue Receipts				
-	Treasury Imprests		38,774,000	44,345,000	ACA-3
-	Deposits		9,175	15,000	ACA-4
-	Advance Accounts		579,503	1,488,502	ACA-5
-	Other Receipts		369,537	656,996	
-	Total Non Revenue Receipts (B)		<u>39,732,215</u>	<u>46,505,498</u>	
-	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		<u>39,830,780</u>	<u>46,620,028</u>	
-	Less: Expenditure				
-	Recurrent Expenditure				
21,975,000	Wages, Salaries & Other Employment Benefits	5	20,928,243	23,460,843	} ACA-2(ii)
1,524,000	Other Goods & Services	6	14,062,261	15,582,654	
3,125,000	Subsidies, Grants and Transfers	7	3,124,710	762,736	
-	Interest Payments	8	-	-	
-	Other Recurrent Expenditure	9	-	-	
26,624,000	Total Recurrent Expenditure (D)		<u>38,115,215</u>	<u>39,806,233</u>	
-	Capital Expenditure				
245,000	Rehabilitation & Improvement of Capital Assets	10	-	-	} ACA-2(ii)
-	Acquisition of Capital Assets	11	181,144	585,275	
-	Capital Transfers	12	-	-	
-	Acquisition of Financial Assets	13	-	-	
100,000	Capacity Building	14	-	209,300	
1,800,000	Other Capital Expenditure	15	938,438	3,759,310	
2,145,000	Total Capital Expenditure (E)		<u>1,119,582</u>	<u>4,553,885</u>	
-	Main Ledger Expenditure (F)		<u>110,725</u>	<u>1,011,975</u>	
-	Deposit Payments		6,725	31,975	ACA-4
-	Advance Payments		104,000	980,000	ACA-5
-	Total Expenditure G = (D+E+F)		<u>39,345,521</u>	<u>45,372,093</u>	
-	Imprest Balance as at 31st December 2020 H = (C-G)		<u>485,259</u>	<u>1,247,935</u>	

3.2 – Not Relevant

3.3 Statement of Financial Position

Statement of Financial Position		ACA-P	
As at 31st December 2020			
	Note	Actual 2020 Rs	2019 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	45,156,061	44,974,918
Financial Assets			
Advance Accounts	ACA-5/5(a)	1,362,584	1,838,351
Cash & Cash Equivalents	ACA-3	116,182	638,728
Total Assets		46,634,827	47,451,997
Net Assets / Equity			
Net Worth to Treasury		1,330,134	1,808,351
Property, Plant & Equipment Reserve		45,156,061	44,974,918
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	32,450	30,000
Imprest Balance	ACA-3	116,182	638,728
Total Liabilities		46,634,827	47,451,997

Detail Accounting Statements in ACA format Nos. 1 to 6 presented in pages from 01 to 52 and Notes to accounts presented in pages from 53 to 60 form and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.

 Chief Accounting Officer Name Dr. M. Upali Sedara Designation State Secretary Date State Ministry of Education Reforms, Open University & Distance Education Promotion "Isurupaya" Battaramulla	 Accounting Officer Name : Designation : Date : Prof. Harischandra Abeygunawardena Chairman National Education Commission 126, Nawala Road, Nugegoda, Sri Lanka.	 Accountant Name : Date : M. W. Gayani Chamalika 24/12/2020 Accountant (Acting) National Education Commission 126, Nawala Road, Nugegoda.
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3.4 Statement of Cash Flows

		ACA-C	
Statement of Cash Flows for the Period ended 31st December 2020			
	2020 Rs.	Actual 2019 Rs.	
<u>Cash Flows from Operating Activities</u>			
Total Tax Receipts	-	-	
Fees, Fines, Penalties and Licenses	-	-	
Profit	-	-	
Non Revenue Receipts	369,537	656,996	
Revenue Collected for the Other Heads	-	-	
Imprest Received	38,774,000	44,345,000	
Total Cash generated from Operations (a)	39,143,537	45,001,996	
<u>Less - Cash disbursed for:</u>			
Personal Emoluments & Operating Payments	34,685,788	39,006,777	
Subsidies & Transfer Payments	3,124,710	762,736	
Expenditure on Other Heads	-	-	
Imprest Settlement to Treasury	116,182	638,728	
Total Cash disbursed for Operations (b)	37,926,680	40,408,241	
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(a)-(b)	1,216,857	4,593,755	
<u>Cash Flows from Investing Activities</u>			
Interest	-	-	
Dividends	-	-	
Divestiture Proceeds & Sale of Physical Assets	-	-	
Recoveries from On Lending	-	-	
Recoveries from Advance	-	-	
Total Cash generated from Investing Activities (d)	-	-	
<u>Less - Cash disbursed for:</u>			
Purchase or Construction of Physical Assets & Acquisition of Other Investment	1,119,582	4,553,885	
Advance Payments	104,000	-	
Total Cash disbursed for Investing Activities (e)	1,223,582	4,553,885	
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(d)-(e)	(1,223,582)	(4,553,885)	
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	(6,725)	1,011,975	
<u>Cash Flows from Financing Activities</u>			
Local Borrowings	-	-	
Foreign Borrowings	-	-	
Grants Received	-	-	
Deposit Received	-	-	
Total Cash generated from Financing Activities (h)	-	-	
<u>Less - Cash disbursed for:</u>			
Repayment of Local Borrowings	-	-	
Repayment of Foreign Borrowings	-	-	
Deposit Payments	6,725	1,011,975	
Total Cash disbursed for Financing Activities (i)	6,725	1,011,975	
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	(6,725)	(1,011,975)	
Net Movement in Cash (k) = (g) -(j)	-	-	
Opening Cash Balance as at 01st January	-	-	
Closing Cash Balance as at 31st December	-	-	

3.5 Notes to Financial Statement

Basis of Reporting

The period from the 01st January 2020 to 31st December 2020 shall be the reporting period for the financial statements.

Financial statements have been presented in Sri Lankan rupee rounded to the nearest rupee.

3.6 Performance of Collecting Revenue - Not Relevant

3.7 Performance of Utilizing the Allocated Provisions.

Type of Provision	Allocated provisions Rs.		Actual Expenditure Rs.	Utilized provisions as a percentage(%) of final provisions
	Original Provisions	Final Provisions		
Recurrent	40,340,000	42,733,000	38,115,215	89
Capital	2,145,000	9,250,000	1,119,582	12

3.8 Provisions (recurrent) granted to this Department/District Secretariat/Provincial Council as an agent other Ministries and Departments in terms of Financial Regulations 208. - Not Relevant

3.9 Performance of Reporting Non-Financial Assets

Asset Code	Code Description	Balance as at 31.12.2020 as per the Board of Survey report Rs.000	Balance as at 31.12.2020 as per the financial status Rs. 000	To be accounted in the future	Reporting the progress as a percentage %
9152	Machinery	45,156,061	45,156,061	-	-

3.10 Report of the Auditor General

Director General

State Accounts Department

Summary Report in terms of Section 11 (1) of the National Audit Act No. 19 of 2018 on financial statements of National Education Commission for the year ended 31 December 2020

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Education Commission for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. This Report contains my comments and observations on the financial statements which are presented to the Commission in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The report which is to be presented to the Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be presented to the Parliament in due course.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements give a true and fair view of the National Education Commission as at 31 December 2020 and its financial performance and cash flow for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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

1.3 Responsibilities of Chief Accounting Officer on Financial Statements

Preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with

Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 is the responsibility of the Chief Accounting Officer.

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

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

1.4 Auditor's Responsibility on Audit of Financial Statements

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

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

- Appropriate audit procedures were designed and implemented to identify and assess the risk of possibility of quantitative misrepresentations occurred in financial statements due to fraud or errors in providing a basis for the expressed audit opinion. More than the impact of quantitative misrepresentations due to misrepresentation, the effect of fraud is strong because of malpractice, forgery, intentional evasion, misrepresentation, or evasion of internal controls can lead to fraud.
- Although it is not intended to express an opinion on the effectiveness of internal control of the Commission, obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- Evaluated the appropriateness of the accounting policies followed, fairness of accounting estimates and related disclosures made by Management.

- Evaluated whether the transactions and events underlying the structure and content of the financial statements are appropriately and fairly consisted in and presentation of financial statements including disclosures as a whole.

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

1.5 Report on Other Legal Requirements

I declare the following matters in terms of Section 6 (1) (d) and Section 38 of the National Audit Act No. 19 of 2018.

- (a) The financial statements are in consistent with those of the preceding year,
- (b) The recommendations made by me regarding the financial statements furnished for the preceding year had been implemented.

1.6 Commenting on Financial Statements

1.6.1 Statement on Financial Position

1.6.1.1 Non Financial Assets

The following observations are made

- (a) Furniture worth Rs. 49,523 purchased in the year 2020 had been mistakenly accounted for under communication equipment.
- (b) As per the printed Treasury notes, fixed asset balance of Rs. 45,018,493 was stated as Rs. 45,156,061 in the statement of financial position and accordingly there had been a difference of Rs. 137,568.

1.6.2 Balance of the deposit Account

As per books of the Commission balance of the deposit account as at 31 December 2020 was Rs. 2,450 and as per the Treasury books the balance was Rs. 32,450.20. Accordingly a difference of Rs. 30,000 had been observed.

1.6.2 Cash flow Statement

1.6.3 Cash flow generated from financial activities

Although deposits received under cash flows generated from financial activities in the Cash Flow Statement for the year ending 31st December 2020 should be recorded as Rs. 9,175, no value had been recorded in the cash flow statement as money generated from financial activities.

1.6.4 Non-maintenance of documents and books

The following observations are made

Document type	Related regulations	Observations
(a) Obligations and Liabilities Register	Financial Regulations 214	Not maintained
(b) General Deposit Register	Financial Regulations 571	Not maintained

2. Financial Review**2.1 Expenditure Management**

The value of savings for 7 expenditure items which were not utilized from the net allocation allocated for the objectives and goals of the Commission was Rs. 1,491,775 and it was observed that it ranged from 25% to 100% of the net provision.

2.2 Entered into Liabilities and Commitments

Two liability items amounting to Rs.161,110 for the year under review had not been recorded in the Statement of Liabilities.

2.3 Certifications to be made by the Chief Accounting Officer

- (a) The Chief Accounting Officer should ensure that an effective internal control system for the financial control exists and carry out periodic reviews to monitor the effectiveness of such systems in terms of the of Section 38 of the National Audit Act No. 19 of 2018 and accordingly, make any alterations as required for such systems to be effectively carried out and even though such reviews should be made in writing and submitted a copy to the Auditor General, the statements that such reviews were made had not been furnished to audit.
- (b) Although the Chief Accounting Officer and the Accounting Officer should ensure that there is an effective mechanism for the proper functioning of the internal audit function, this requirement has not been met as per the observations made in paragraph 5.1of the report.

2.4 Non-compliance with Laws, Rules, Regulations

The following observations are made

Reference to Laws, Rules, Regulations	Description
(a) Financial Regulations 756 (6)	Although the report should have been submitted to the Auditor General before March 31, 2021 after conducting an Annual Board of

- Survey, the relevant reports had not been submitted by the date of the Audit report.
- (b) Section 3.1 of Public Administration
Circular No. 30/2016 dated 29th December 2016
- Although a fuel test has to be carried out again after a period of 12 months followed by a fuel test or after running a distance of 25,000 km or after major repairs to the engine, no such fuel test had been performed on vehicles owned by the Commission.
- (c) Public Administration Circular No. 02/2018
Dated 24th January 2018
- No human resource development plan had been prepared for the Commission.

3. Operational Review

3.1 Performance

3.1.1 Vision and Mission

An Education Policy based on the proposal for the Education Policy submitted by the Commission in 1992 had been declared by the His Excellency President in 1997. However, actions had not been taken for the proposals made later on for the Education Policy to declare as policies.

3.1.2 Annual Performance Report

The Annual Performance Report of the Commission had not been prepared in accordance with the format stipulated under Guideline No. 14 issued by the Public Finance Department in accordance with paragraph 10.2 of the Public Finance Circular No.2/2020 dated 28th August 2020.

3.2 Procurement

Although a sum of Rs 600,000 had been paid for 5 research proposals under the expenditure item of Research and Development (Vote 2507) of the National Education Commission, Procurement Guidelines had not been followed in selecting skilled specialists from outside. And although the approval of the Review Committee for these research proposals had been given on 10th February 2021, before the said approval, that is, on 14th December 2020 a sum of Rs. 600,000 had been paid Rs.120,000 each for the skilled specialists.

3.3 Commitments and Liabilities

Not in accordance with paragraph 02 (a) of Public Accounts Circular No. 255/2017 dated 27th April 2017 Commitments worth of Rs. 1,075,631 had been entered exceeding savings.

4. Sustainable Development

4.1 Achieving the Sustainable Development Goals

Even though the Commission was aware of the United Nations 'Agenda' for Sustainable Development Year 2030, actions had not been taken to identify the sustainable development goals and objectives that can be applied to the Commission, milestones to be achieved and indicators to measure targeted achievements.

5. Good Governance

5.1 Internal Audit

Although the Board of Directors of each entity should appoint an Internal Auditor in terms of Section 40 (1) of the National Audit Act No. 19 of 2018, to conduct an internal audit of all entities, an Internal Audit Unit had not been established by appointing an internal auditor to the Council. And, although requests have been made to conduct audits through the Internal Audit Division of the Line Ministry, such activities have not been implemented so far.

6. Human Resource Management

6.1 Expenditure for Attached Staff and Actual Staff

The approved cadre of the Commission was 45 and the actual staff was 34 with 11 remaining vacancies.

W.M.P.A. Fonseka
Assistant Auditor General
for Auditor General

Concise Report of the Auditor General in terms of Section 11(1) of the National Act No. 19 of 2018, regarding the Financial Statements of the National Education Commission for the year ended on 31 st December 2018 Head 335		
No.	Audit Observation	Answer
1.5	Comment on Financial Statement	
1.5.1	Statement on Financial Position	
1.5.1.1	Non-Financial Assets	
	(a)	This amount has been brought to account through New Cigas Software. Due to an inadvertency occurred when preparing final accounts, this has been stated under communication equipment.
	(b)	The Vote head of the National Education Commission was changed (September 2020) from 012 to 335. The value of the assets that had been brought to account was changed to vote 335. Where as the value of the fixed assets purchased September to December 31, had not been updated in the Vote 335. Such values had been updated in January 2021 and that value had not been in the Treasury printouts.
1.5.2	(a)	As per the Financial Statements of the Commission, the balance of the General Deposit Account is Rs. 32,450.00 and the annex 01 includes a copy of the relevant Balance Reconciliation statement as at 31.12.2020.
	(b)	Due to an inadvertency, the balance of Deposit Account as at 31 December 2020 had not been recorded at the time of preparing final accounts.
	(c)	According to Treasury printouts, the value of entire transfers in respect of 2020 is Rs. 9175.00 and it has been correctly stated in the final accounts. The summary of the deposit Account of the relevant head of 335(annex 2) is attached hereto.
1.5.3.1	Cash Flow Statement	
	Cash flow generated from Financial statement	The sum of Rs. 9,175.00 represents stamp Duty collected by this institution and such money is credited to the Inland Revenue Department on quarterly basis. This is a cross-entry transaction.
1.5.4	Not maintaining Registers and books	
	(a)	Action has been taken to update Assets and liabilities Register from 2021 properly.
	(b)	Action has been taken to update General deposit Register from 2021 properly.

2	Financial Review	
2.1	Expenditure Management	<p>There was a saving in Annual Recurrent Provision due to Covid situation whereby activities in office could not be performed in order.</p> <p>Since Mrs. H. G. Apsara Kaldera had left the Commission on transfer from 25.09.2020, the transport allowance allocated for her remained unused.</p>
2.2	Getting into Asseta and Liabilities	A Liability Register was started to be maintained from 2021 and it has been updated. Due to an error it was not possible to state the liabilities mentioned in the Audit Query in liabilities statement 1.
2.3	Certifications by Chief Accounting Officer	
	(a)	I wish to state that there is an effective internal control strategy for financial control of the Commission and necessary changes are introduced from time to time by reviewing it. Instructions have been issued to maintain documents in-writing as regarding such review. Action will be taken in future to submit such document for audit.
	(b)	A request has been made according to the instructions receive to fulfill that requirement through the Audit Section of the line Ministry instead of maintaining a separate Internal Audit Section for the sake of this Institution. Due to the unfavourable health environment, an internal audit for 2020 could not been carried out.
2.4	Non-compliance to laws, rules and regulations	
	(a)	The annual Board of Survey was carried out. Disposal items according to the Survey could not be done due to the fact that office activities could not be carried out continuously due to Covid. As such relevant record could not be submitted to the audit.
	(b)	Since there was no any unusual consumption of the fuel in the vehicles of the Commission and therefore no fuel test was done. Instructions have been issued to perform such test in due course.
	(c)	Action is underway to prepare Human Resource Development Plan relevant to the Commission.
2.5	Operating Bank Account	Necessary action has been taken with regard to expired cheques as per F. R.
3	Operational Review	
3.1	Performance	
3.1.1	Vision and Mission	The role of this Commission is only to formulate policy proposals and submit it to the President and the President subsequently pronounced it as a policy.

3.1.2	Annual Performance Report	Preparation of Annual Performance Report is underway relevant to the year 2020.
3.2	Procurements	Payments approved by the Commission for the purpose of formulating these research proposals are made after having obtained the approval of the Chairman on recommendation of the review Committee for the relevant research proposals. Approval of the Chairman has been obtained complying with the recommendations of that Committee because a date could not be fixed to hold the review Committee meeting for research proposal.
3.3	Assets and Liabilities	The requirement of maintaining daily official duties without break, made it necessary to exceed the provisions in the Vote as stated in the Audit Query. Action will be taken to manage the expenses in future as per the para 02(b) of the Public Accounts Circular No. 255/2017 and dated 25.04.2017.
4	Sustainable Development	
	4.1	These entities engage in implementing these policies relate to the criteria meant for achieving sustainable development goals and measuring them. And therefore, it is not necessary for this entity to identify such indexes according to my observations. Attention will be paid on these objectives in policy formulation matters.
5	Good Governance	
5.1	Internal Audit	An request has been made to carry out an audit through the Internal Audit Section of the line Ministry instead of maintaining a separate Internal Audit Section for the sake of the Commission.
6	Human Resource Development	
6.1	(a)	Approved Cadre of the Commission is 45. As at the date of audit was 20. Nine(09) vacancies out of them have been filled. Plans are underway to make recruitment for the remaining posts.
	(b)	For all these educational vacancies, recruitments have been completed by now.

Chapter 04 - Performance

4.1 - Performance indicator of the organization

Special Indicators	Actual outputs an a percentage of the expected output			
	100%-90%	75%-89%	50%-74%	Below 50%
	Not Applicable			

Chapter 05 – Performance of the achievement of the Sustainable Development Goals

5.1 Objectives of Sustainable Development goals

Assuring an equal and quality education for all and promoting opportunities for lifelong education.

5.2 Achievement and Challenges of the sustainable Development Goals.

Steps have been taken by the National Education Commission to achieve the relevant Sustainable Development Goals in the process of formulating education Policies. Accordingly preparation of the report of Education policy framework 2022-2030 was begun in July 2020 and it was planned to include the policy recommendations based on achieving Sustainable Development Goals.

Aim:- Assuring an inclusive and fair quality education and providing opportunities for lifelong education for all.

- 5.2.1 – Ensuring that all girls and boys complete their fair and quality primary and secondary education by 2030, leading to relevant and effective learning outcomes.
- 5.2.2 – Ensuring that all girls and boys have access to quality early childhood development care and access to pre-primary education by 2030 and thereby preparing them for primary education.
- 5.2.3 – Ensuring equal access to all women and men for affordable and quality technical vocational and tertiary education including universities by 2030.
- 5.2.4 – By the year 2030, there will be a significant increase in the number of young people and adults with the relevant skills required for the employment and entrepreneurship.
- 5.2.5- Ensuring elimination of gender segregation and social inequalities and providing equal access to all levels of education and vocational training for people with disabilities, indigenous people and children prone to vulnerabilities.
- 5.2.6 – Ensuring that a significant number of both young and adult males and female acquire literacy and mathematical abilities by the year 2030.
- 5.2.7- Ensuring all learners acquire knowledge and skills in education for sustainable development, sustainable life style, human rights, gender equality. Promoting peace and a non-violent culture, appreciation global citizenship and cultural diversity and cultural promote sustainable development through contribution of culture for sustainable development.

Chapter 06 – Human resource Profile

6.1 – Cadre Management

	Approval Cadre	Actual Cadre	Vacancies/(Excess)
Senior	12	03	09
Tertiary	11	04	07
Secondary	10	07	03
Primary	12	10	02

6.2 Impact of shortages an excess of the employees in the performance of the institute.

Not relevant

6.3 Human Resource Development

We could not attend to this in 2020 due to Covid pandemic.

Chapter 07- Compliance Report

No.	Applicable Requirement	Compliance Status (Complied /Not Complied)	Brief explanation For Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following Financial statements/accounts have been submitted on due date			
1.1	Annual Financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)		Not applicable	Not applicable
1.4	Stores Advance Accounts		Not applicable	Not applicable
1.5	Special Advance Accounts	Complied		
1.6	Others	Nil	Nil	Nil
2	Maintenance of books and registers (FR445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments card has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained an update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		

2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintained and update	Complied		
3	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pas each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in term of state Accounts Circular 171/2004 dated 11.05.2014 in using the Government payroll Software Package	Complied		
4	Preparation of Annual Plans			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared		Internal Audit section does not exist in the NEC	Seeking help of other departments to proceed accordingly
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	Audit queries			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
6	Internal Audit			
6.1	The internal audit plan has been		Internal	Seeking help of

	prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)DMA/1-2019		Audit section does not exist	other departments to proceed accordingly
6.2	All the internal audit reports has been replied within one month		Not applicable	
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40 (4) of the National Audit Act No. 19 of 2018		Not applicable	
6.4	All the copies of internal audit Reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)		Not applicable	
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019		Unable to complete due to Covid -19 pandemic	
8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was Appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No.05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the	Not Complied	Unable to complete due to Covid -19	

	period specified in the circular		pandemic	
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Not Complied	Unable to complete due to Covid -19 pandemic	
9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date		Had provided necessary information on requests	Instructions were given to provide information monthly
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Not Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No.30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased Vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments Had to be made, and had those balances been settled within one month	Complied		

11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		

15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	Provision of information to the public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate /allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	Implementing citizens charter			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management		Actions are taking place	Actions were taking place
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter/ Citizens client's charter as per paragraph 2.3 of the circular		Actions are taking place	Actions were taking place
19	Preparation of the Human Resource Plan			

19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.		Actions are taking place	Actions were taking place
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan		Unable to complete due to Covid -19 pandemic	
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular		Actions are taking place	Actions are taking place
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular		Actions are taking place	Actions are taking place
20	Responses Audit Paragraphs			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		



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