

Performance Audit Report on – Tuition Fee Free Policy 2012–2018

AUDITOR GENERAL'S OFFICE

Auditor General's Office of Papua New Guinea

Performance Audit on– Tuition Fee Free Policy 2012–2018

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Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee iii
Free Policy 2012– 2018

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee iv
Free Policy 2012– 2018

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OFFICE OF THE AUDITOR-GENERAL

01 February, 2021

Hon. Job Pomat, MP
Speaker of the National Parliament
Parliament Haus
WAIGANI
National Capital District

Dear Mr. Speaker,

In accordance with Section 214 of the Constitution of the Independent State of Papua New Guinea, and the Audit Act 1989 (as amended), I have undertaken an audit of the Tuition Fee Free (TFF) policy assessing the effectiveness of the management and payments of the TFF subsidy to schools registered under the national education system in PNG over the period 2012 - 2018.

I submit the report of this audit which is titled Performance Audit on- Tuition Fee Free Policy 2012- 2018.

Following its tabling in Parliament, electronic copies of the report will be available on the Auditor-General's Office homepage- <https://www.ago.gov.pg>

Yours sincerely,

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Page 1 of 1

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee vi
Free Policy 2012- 2018

Table of Contents
Pages

	Acronyms and Definitions	
3	Executive Summary and Recommendations	
4	Background	
4	Overall Audit Conclusions and Key Findings	
5	Recommendations & NDoE Responses	
9		
	1. INTRODUCTION	
15	Recent changes to the TFF policy	
16	Audit rationale	
16	Audit objective and criteria	
16	Audit scope and methodology	
17	Previous audit coverage	
17		
	2. POLICY FRAMEWORK, GOVERNANCE ARRANGMENT AND IMPLEMENTATION OF THE POLICY	
18	Background	
18	Applicable legislations and national education plans/policies	
18	Alignment of TFF policy to broader education plans and legislations	18

	TFF Policy implementation	
20		
	Governance and management arrangements	
21		
	Conclusion	
27		
	Recommendation 1	
27		
	Recommendation 2	
28		
	3. DATA COLLECTION AND MANAGEMENT SYSTEMS; FINANCIAL CALCULATION	
	AND	
	APPROVAL PROCEDURES AND PAYMENTS OF TFF FUNDS	
29		
	School data collection and verification	
29		
	Data management system and enrolment data validation and TFF	
	calculations process	30
	Financial management approval process and payments of TFF funds	
	to schools	33
	Timely payments of TFF funds and impacts on schools	
36		
	TFF funds used to pay for administration expenses	
41		
	Commodity components- Teaching and Learning Materials	
42		
	Approval to withdraw TFF funds at the Provincial level	
44		
	Conclusion	
44		
	Recommendation 3	
45		
	Recommendation 4	
46		
	Recommendation 5	
46		
	Recommendation 6	
47		
	Recommendation 7	
48		
	4. MONITORING AND REPORTING OF TFF POLICY	
49		
	Background	
49		
	Monitoring arrangements and framework	
49		
	Reporting and acquittals of TFF funds	
49		
	Performance measurement and evaluation	
51		
	Conclusion	
51		

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 1
Free Policy 2012- 2018

51 Recommendation 8

53 5. SCHOOLS VISIT AND EXPERIENCES- STAKEHOLDER FEEDBACK

54 Recommendation 9

TABLE OF FIGURES

Figure 1: Alignment of TFF policy with government development plans/legislations 19

Figure 2: TFF policy- governance structure and management arrangement 22

Figure 3: Flow chart illustrating School Census Forms distribution and collections 29

Figure 4: Flow chart showing payment vetting and approval process 34

35 Figure 5: Graph showing TFF appropriations and payments trend

Figure 6: Chart showing number of different school sectors registered under NES 39

Figure 7: Graph showing growth trend of school registration under NES over the years 40

Figure 8: Graph showing growth trend of students enrolment over the years 40

Figure 9: Photo showing over crowding in a class in one of the school 41

TABLES

15 Table 1: TFF policy Components

21 Table 2: NEB Approved Fee Limits

24 Table 3: Roles and responsibilities of PEAs and DEAs

30 Table 4: School Census Forms response rate

32 Table 5: Sample of Batch-1 first quarter payments 2018

34 Table 6: Quantum of TFF Appropriations and payments

36 Table 7: TFF payments and proportions schedules

37 Table 8: Instances of late release of TFF funds

37 Table 9: Case study

	Table 10: TFF funds spent on administrative expenses	
42		
	Table 11: Receipts and Expenditures of TFF Commodity Trust	
Accounts		42
	Table 12: Types of mandated reports required under the policy	
50		
	APPENDIXES	
	Sample of TFF Calculation by Sector by Component	
55		

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 2
Free Policy 2012- 2018

Acronyms and Definitions

AGO	Auditor General's Office
BOM	Board of Management
BPNG	Bank of Papua New Guinea
BSP	Bank South Pacific
DDAs	District Development Authorities
DEAs	District Education Advisors
DoE	Department of Education
DoF	Department of Finance
DoT	Department of Treasury
DIECS	District Implementation Education Committee
EMIS	Education Management Information System
ENBP	East New Britain Province
ESB	Education Statistic Branch
GES	General Education Services
ICT	Information Communication Technology
IDTFFSC Committee	Inter Departmental Tuition Fee Free Steering
LLGs	Local Level Governments
MOA	Memorandum of Agreement
NDoE	National Department of Education

NEC	National Executive Council
NES	National Education System
PEAs	Provincial Education Advisors
PNG	Papua New Guinea
SCF	School Census Form
SOs	Standard Officers
TFFP	Tuition Fee Free Policy
TFFGMU	Tuition Fee Free Grant Management Unit
T & LM	Teaching and Learning Materials
UBE	Universal Basic Education
Vision 2050	Vision 2050 is a framework which sets out PNG's long term strategies
	to guide future direction for the country and reflect the aspirations of the people of PNG. Available at https://www.png.vision.2050.pdf/treasury.gov.pg/html/ /publications .

Auditor General's Office Of Papua New Guinea|Performance Audit
 Report on: Tuition Fee 3
 Free Policy 2012- 2018

Executive Summary and Recommendations

Background

1 The National Department of Education is responsible for overseeing and coordinating the development and functioning of the National Education System as well as national education plans and policies. It also supports the provinces with planning, professional services, developing and monitoring standards, distributing schools subsidies, and managing teachers payroll. Provincial and local level governments are responsible for developing and operating schools and most school infrastructure development is carried out at the provincial level.

2 The education sector is funded by a variety of sources, but mostly by the national government through the National Department of Education's annual budget, which pays teachers' salaries and sends national subsidy payments direct to schools. These payments are in lieu of tuition fees previously paid by parents, which have been reduced over time, and largely abolished through the implementation of the Tuition Fee Free (TFF) policy in 2012. The policy put into effect the PNG Government's Universal Basic Education Plan (2010-2019), which aims to ensure that all school-aged children have access to quality basic education. The Government contribution per child ranges from K100 per enrolment at elementary school, K297 per enrolment at primary school, and up to K990 per secondary/national high schools and technical and vocational training centers.

3 In 2012, the government allocated a total of K602 million to be distributed to schools (in lieu of fees paid by parents) for elementary schools enrolments up to Grade 10. In 2013, the TFF subsidy was expanded to reflect the government's decision to extend the policy to cover grades 11 and 12 and include Technical Vocational Education and Training (TVET) .

4 The TFF policy has changed the way that subsidies are paid to schools. Prior to 2016, subsidies were made available through cheque payments to schools. However, since 2016 funds have been electronically transferred directly to individual school bank accounts. This meant that many schools had to open bank accounts and register these with the National Department of Education in order to receive the subsidies. The TFF policy also required that school management, that is the Head Teacher and the Board of Management (BOM), consult with parents to determine the best use of the funds. The TFF subsidy is also subject to monitoring by national, provincial and district level education authorities.

5 In 2018 and 2019, there were some further changes made to the TFF policy. Following on the NEC Decision No.208/2018, which gave approval to the decentralization of the management functions of the TFF policy to the provinces, the National Department of Education has signed memorandum of agreements (MOAs) with East New

Britain, Enga, Milne Bay, Morobe and New Ireland. The decentralization reforms were made to allow these provinces the opportunity to co-fund their institutions or schools, and manage and report on the implementation of the policy at the provincial level.

6 In late 2019, the government also announced a 37 percent reduction in the funding for the TFF policy based on National Education Board (NEB) approved fee limits effective

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 4
Free Policy 2012- 2018

for the 2020 budget appropriations. This change meant that the Government would pay 63% of each students TFF subsidy and parents would pay the remaining 37%, to share the cost of children's education. The Government decision on Tuition Fee reduction allocated K486 million to fund the cost of TFF policy across the country in 2020. From 2012 to 2019, the Government had allocated approximately K602 million per annum to fund the TFF policy.

7 With such large budget appropriations allocated for TFF policy annually this presents the risk of TFF funds may be misused, especially where there is limited monitoring provided by responsible authorities in charge of managing and implementing the policy. The timely release of TFF funds is also a major concern to all schools in ensuring their smooth operations. The timeliness of funding has attracted a great deal of public interest in the TFF program.

8 In order to address public interest in the TFF program and concerns raised by schools on the management and untimely release of TFF funds to schools, a performance audit was carried out on TFF program covering the period 2012-2018. The objective of the audit is to assess the effectiveness of the management and payments of the TFF subsidy to schools registered under the national education system in PNG with a particular focus on the following criteria:

- Does the established policy framework and governance arrangements support and facilitate the implementation and management of the policy?
- Do the data collection and management systems and financial

approval procedures

facilitate accurate and timely payments of TFF subsidy to schools?

- Does the monitoring and reporting of TFF funds provide sufficient information to determine if the policy intent and objectives have been achieved?

Overall Audit Conclusion

9 The overall management and payments of TFF funds to schools for the period under review (2012–2018) was partially effective. Despite overarching education plans and key government development plans and legislations that supports the governance of the TFF policy implementation, key players identified under the TFF policy to manage and implement the policy at the national, provincial and district levels were not fulfilling their roles and responsibilities. This resulted in a lack of oversight and governance to effectively coordinate, monitor and report on the policy in a timely manner.

Key Findings

Chapter 2: Policy framework, Governance Arrangement and Implementation of the Policy

10 The AGO review found that the implementation of the TFF policy over the years under review (2012–2018) can be divided into two periods. Period 1 from 2012 to 2014 and period 2 from 2015 to 2018. During period 1 the TFF policy was implemented before the TFF policy document and Guidelines were developed to guide the implementation of the policy, and there was a lack of management and operational capacity to administer the policy. This

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 5
Free Policy 2012– 2018

was evidenced by gaps in the reports on the management and implementation of the policy for this period.

11 In 2015, a single integrated TFF policy document was developed with Implementation Guidelines which established the TFF Unit within the National Department of Education to administer the policy. The TFF policy document and

Guidelines

comprehensively set out the: objective and intended outcomes to be achieved; the percentage break-up of the payment components; and procedural and compliance requirements for the implementation of the policy. The objectives and intended outcomes of the TFF policy are aligned with the objectives of the broader education plans and legislations, specifically the Universal Basic Education (UBE) Plan (2010–2019) and Education Act 1983 (as amended). The TFF policy also aligns with the key government development plans such as Medium Term Development Plans, Vision 2050, PNG Development Strategic Plan and Sustainable Development Goals (SDGs).

12 The TFF policy delineates the roles and responsibilities of each player in the management and implementation of the policy at the national, provincial and district levels. The key players identified under the TFF policy to manage and implement the policy at the national, provincial and district levels were not fulfilling their roles and responsibilities. This resulted in a lack of oversight and governance to effectively coordinate, monitor and report on the policy in a timely manner.

13 The 2015 TFF policy document stated that: 40% of TFF funds is for cash administration (to be paid directly to the school account); 30% for infrastructure and capital works (to be paid and held in District Treasury); and 30% for teaching and learning materials (to be paid to supplier and centrally managed in the regions). There was a subsequent NEC decision No.129/2016 made to withhold 15% of the TFF funds component under commodity trust for teaching and learning materials to be procured, supplied and distributed to schools across the country. The 2016 NEC decision has been implemented, with the current practice of 15% of TFF funds withheld in a commodity trust account to procure teaching and learning materials for schools and 85% for cash components (directly deposited into schools bank accounts).

14 Despite these changes to the TFF payment components being implemented, there was lack of clear directive or communication from the TFF Grant Management Team and education authorities advising schools on this change, and the 2015

TFF policy has not been updated. This led to many schools visited by the AGO raising common concerns thinking that the 30 percent TFF infrastructure component was paid to the District Treasury, while in practice there was no TFF funds paid to the District Treasury. With this common misconception, there needs to be clear communication from the National Department of Education clarifying the current TFF payment percentages paid to schools. Amendments to the policy documents are also needed as a matter of urgency to reflect the way TFF funds components are divided, managed and paid to schools.

Chapter 3: Data Collection and Management Systems; Financial Calculation and Approval Procedures; and Payments of TFF Funds

15 During the period under review (2012–2018), total funding of K4.270 billion was appropriated for TFF subsidies. Of that total appropriation, a sum of K3.635 billion was paid to schools accounts, and K305.6 million was allocated for commodity components (to

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 6
Free Policy 2012– 2018

purchase teaching and learning materials). A shortfall of K330 million was outstanding from the government.

16 The National Department of Education uses a data collection management system, and has validation and financial approval procedures to facilitate timely payments of TFF funds to schools. These systems and procedures are partially effective with room for improvement. Specifically, the process used to collect data from schools for use in the calculation and payments of TFF funds was slow and inefficient resulting in the NDoE using prior year data to calculate and pay TFF funds to schools. A five percent (5%) acceptable growth rate is also used in the calculation of TFF funds and applied in the validation process to prevent schools overstating their enrolment numbers to gain extra funding. The fixed rate used means that schools are paid TFF funds according to constrained enrolment figures and this can mean that schools with a genuine increase in student enrolments above five percent

(5%) are underpaid.

17 Every year a number of schools had their TFF funds rejected due to bank account issues. These rejections reflect ineffective coordination and validation of data in the payment process, as well as lack of awareness by schools on the importance of having a valid bank account for TFF purposes. TFF funds are also not strictly paid to schools as per quarterly payment schedules specified in the policy guidelines. There were delays experienced by schools in the payment of TFF funds, and in some instances the amount of TFF funds paid were inadequate and did not match school's enrolment numbers. The delay in receiving funding has impacted school operations, especially for those schools with high student populations that needs constant funding to operate.

18 The delays and reduced TFF payments were mostly caused by cash flow issues with the availability of funds in the government consolidated revenue fund, as well as other associated factors and costs. The limited funding provided in the TFF budget to fund the administration and monitoring of the TFF policy has resulted in the National Department of Education using some components of TFF funds (K13.9 million) to meet the costs of managing and implementing the policy from 2012–2015 when the TFF funds were administered by the National Department of Education. This further decreased the amount of TFF funds paid to schools during that period. Since 2018 there has been some funding (K500,000) allocated through the national budget to meet administrative and operational costs of managing and implementing the policy.

19 The National Department of Education has introduced an information management system (EMIS) to manage student enrolment data and includes system controls to prevent unauthorized access to data. This database shows that the introduction of the TFF policy has led to an increase in student enrolments and the registration of new schools. The increase in student numbers (regardless of gender) indicates the achievement of one of the objectives and intended outcomes of the policy, which is equity and fairness in education irrespective of gender, economic and geographical background. Despite the student population increases

due to the TFF policy, the shortage of teaching and learning infrastructures to accommodate the influx of students has been a challenge for many schools. To address this challenge, collaboration is required between national, provincial and district education authorities.

20 The AGO review found that management of the procurement, supply and distribution of the Teaching and Learning Materials to schools was partially effective. The quantity of supplies delivered to schools was based on prior year data instead of updated enrolment data. The supplies were also not delivered to schools on time and there was no

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 7
Free Policy 2012- 2018

effective monitoring and reporting carried out on the procurement & supply and delivery of materials to schools.

21 While TFF guidelines were developed to support the implementation of the policy, not all schools visited by the AGO had copies of these guidelines and limited training was provided to help schools undertake their required roles and responsibilities under the policy. Schools have not maintained proper financial records which poses a high risk of TFF funds being mismanaged or misused, by schools and the management authorities concerned. With the decentralization reforms on TFF policy, there is an opportunity for the provinces to have more ownership and responsibility for the management and accountability of the TFF policy at the provincial and district levels.

Chapter 4: Monitoring and Reporting of TFF Policy

22 The monitoring and reporting of the TFF policy was ineffective. There was no holistic monitoring plans in place to drive and guide the monitoring activities, and there was no funding provided for monitoring activities and programs. This impacted the coordination, oversight, monitoring and reporting of the policy implementation at the provincial and district level.

23 Under the policy, mandated reports are required to be provided to the TFF management and policy makers by key players in charge of managing and implementing the policy at specific times. The reports from the top management (TFF Secretariat and Secretary for Education) were completed on time. However, the reports from the provincial education boards and school boards were often incomplete and late.

24 Weekly reports from the TFF Coordinators in the Provinces only include issues and challenges faced by schools (such as non receipt of teaching and learning materials supplies and TFF bank account queries) and did not contain information relating to impacts and outcomes of the policy implementation over a period of time. This impacts on management's ability to make effective decisions on the management and implementation of the policy, particularly when there is insufficient information provided in the reports and late reporting. To improve the information that is provided to policy makers on whether the TFF program is meeting its policy outcomes, there should be additional reporting including information on the achievements of the policy objectives and outcomes, as well as the impacts and challenges and issues faced by schools.

25 There were very poor records of TFF acquittals furnished by schools over the period under review. The records of acquittal reports maintained by the National Department of Education were incomplete which indicated a lack of monitoring and oversight provided by education authorities to monitor the spending and accountability of TFF funds by schools. Schools which received public money, but did not provide acquittal reports, breached the Public Finance Management Act.

26 Performance measurement and evaluations of program performance is key to providing vital information to management and policy makers as to whether a policy/program is achieving its objectives and intended outcomes. While the TFF Secretariat and Grant Management Unit had Key Priority Areas (such as facilitating payments to schools and TFF decentralization to ensure TFF functions are carried out successfully), there were no Key Performance Indicators (KPIs) developed to measure the progress in achieving

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee &
Free Policy 2012- 2018

the stated policy objectives and outcomes. The TFF program has not been evaluated, and no evaluation has been scheduled. Establishing a set of key performance indicators would provide visibility to decision makers on the management and performance of the TFF policy over time.

Recommendations

Set out below are the recommendations identified during the course of this audit.

Recommendation 1

The AGO recommends that the National Department of Education should:

a) review and amend the TFF policy document and Manual Guide as a matter of urgency to capture the changes made by Government regarding the TFF percentage payment components as well as recent changes to the TFF policy.

b) establish a clear communication strategy to enable timely and consistent communication of TFF information to schools and provinces on any subsequent changes made to the TFF policy to avoid confusion and misunderstanding by schools and parents in the way the TFF policy is managed and implemented.

National Department of Education response:

a) Noted. Completed and endorsed as per revised policy. The three (3) TFF components (ADMIN, INFRASTRUCTURE, TEACHING & LEARNING RESOURCES) were imposed to set as a guide for schools to budget and spend TFF funds on accordingly. Schools acquittals should show clearly how much was spend on according to the components.

b) Noted. NDoE is consistently exploring better ways of communicating with schools and provinces on timely basis. Communication is delayed at the provincial divisions of education. NDoE has a well established EdNet connected to all provincial divisions. Some provincial

divisions of education do not maintain their bills that lead to disconnection from ISPs. We will explore other options or platforms.

Recommendation 2

The AGO recommends that the National Department of Education should:

a) effectively coordinate and monitor the roles and responsibilities of the Provincial and District Education Authorities, TFF Coordinators and Standard Officers in charge of implementing the TFF policy at the Provincial level. The roles and responsibilities of the key players involved in the implementation of the TFF policy at the Provincial and District level needs to be guided with policy terms and conditions directing the officers to carry out their duties as required under the TFF policy and Implementation Guides.

b) evaluate the trial of the decentralization of the TFF management functions in the six provinces to make inform decision making as to whether to continue with the decentralization of the management functions in other provinces.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 9
Free Policy 2012- 2018

National Department of Education response:

a) Noted. However, the reporting structure present challenges. It is impossible administratively, functionally and legally to have total control over provinces and districts by the National Department of Education. Provinces and district administrations operate under provisions directed from the Organic Law on Provincial & Local Level Governments (1995) and not under Education Act 1983. Hence, we are pursuing decentralization.

b) Noted. The policy is best implemented with the support and collaboration from provinces. Responsibility and ownership by provinces is a challenge in implementing the policy as observed in audited sample provinces and decentralization may be the approach to ensure there is ownership by provinces and accountability as almost all the recipient schools are

provincial institutions and owned by provinces.

Recommendation 3

AGO recommends that the School Census Forms are sent to schools far enough in advance to ensure that the National Department of Education (NDoE) receive completed forms by the first quarter of the school year. In addition, the NDoE need to ensure adequate school inspectors or standard officers are employed to monitor the schools in the country, and assist schools in filling out their School Census Form. Alternatively, the NDoE should review the process for data submissions and determine the best way to get a more timely response (eg. establish online data link and information sharing between provincial and national levels).

National Department of Education response:

It is the current practice as recommended. The SCFs are sent by the Corporate Data Branch at the beginning of the school year to the provinces. The provinces are delaying the delivery of the forms to schools. The rolled out of the MySchoolApp online data link which now registered more than 8,000 schools should ease some of these challenges. The School Inspectors with two inspectors per district will be boosted to three per district.

Recommendation 4

AGO recommends that the TFF management team should make a commitment to verify the schools that have genuine enrolment growth rate in order to pay their full amount of TFF funds. Data validation and verification of schools bank accounts should be given a priority before TFF payments is run.

National Department of Education response:

Noted. Current payment process observed this. Will look into this seriously. The only increases in student enrolments expected at the entry grades of Grade 3 and Grade 9 and 11 with few transfers in to all grades. NDoE may maintain 5% acceptable growth validation process to control the submission of inflated or falsified enrolment data. The underpayments were due to the policy requirement on the use of the previous year's enrolment data. The policy management gave that direction after

Report on: Tuition Fee 10
Free Policy 2012- 2018

assessing that real-time data would not be possible to obtain from provinces if current year's data was to be considered.

There are also issues in communication means to reach schools and NDoE is working on to improve. Excessive withdrawal and no funds to maintain the accounts causing continuous bank rejects. The policy's Implementation Guide directed schools to maintain K100 minimum balance on every withdrawals to ensure account is active. Rejected funds are reverted automatically into the Holding Trust Account and affected schools are advised per the bank's rejects list to activate account to continue receiving the grants. Missed payments called "underpayments" are backdated and paid to schools within the year.

Recommendation 5

To address the issue of inadequate and late payments of TFF funds as well as minimizing the impacts on schools, the AGO recommends that the National Department of Education should:

a) in consultation with Departments of Finance and Treasury make sure that TFF funds appropriated in the annual budget be frontloaded into the TFF commercial banks Trust Account during the beginning of the school academic year and are managed and paid to schools each quarter and on time as required by the policy. Adequate funding should be paid to schools as per school valid enrolment numbers.

b) work closely with Provincial Education Authorities and provide support to provinces with student over population to help them identify options to address issue of overcrowding in schools by building enough classrooms and infrastructure facilities that will accommodate and aid student learning.

National Department of Education response:

a) Agree. The release of TFF funds to schools depended on the timely release of warrants from Department of Treasury and payments from Department of Finance. Further, the actual

grants calculated and paid to schools have been less than the NEB Fee limits. Most schools use the NEB fee rates to establish budget estimates while the funding provided by the Government is less than the fee rates due to increased enrolment annually.

b) Noted. Functionally, the National Government cannot build all school infrastructures in the country. The elementary, primary and secondary schools are provincial institutions. The national government is providing funding under the policy. Planning and funding infrastructure for these institutions rest with the Provincial Governments and the LLGs and DDAs.

Recommendation 6

The AGO recommends that the National Department of Education should:

a) scrutinize and monitor the distributions and delivery process of teaching and learning materials so that schools received their supplies on time as required.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 11
Free Policy 2012- 2018

b) establish its own project management and monitoring team to provide effective monitoring and reporting on the procurement & supply and delivery of school materials instead of engaging private contractors to do this work. This will ensure the quality of work and credibility of information provided in the monitoring reports is not compromised.

c) carry out a needs base survey on the different types of schools in the country, to get information on what kinds/types of school materials are needed in order to procure and distribute needed supplies to schools.

d) conduct a specific review of the TFF Commodity Component Trust Account in order to assess the Value for Money achieved in respect to school teaching and learning materials procured and distributed to schools over the years.

National Department of Education response:

a) Noted. The Department of Education addressing this issue with new contract terms on delivery. The department encourages door to door delivery but does not have funds to pursue that. Therefore, in the contract, all schools are required to sign the delivery notes so contractors can get their final payment.

b) Noted. Vital and Agree. Proposed to be effected in 2021. The issues are being addressed in 2020 through not to contract a management contractor with this responsibility reverted to the department of education to take charge and supervise work done by procurement and delivery contractors.

c) Noted. Department of Education has taken that approach but realised schools have different needs based on different locality needs, therefore a decision was made for schools to use the remaining 15% to cater for other additional needs.

d) Noted.

Recommendation 7

The AGO recommends that the National Department of Education should work closely with relevant government departments such as Department of Finance and conduct regular quarterly audits on school bank accounts in order to prevent fraud and misuse of TFF funds by school management and the authorities concerned. Specific audit attention should be given to church run schools to make sure that TFF funds are properly managed and used for TFF purposes.

National Department of Education response:

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 12
Free Policy 2012- 2018

Noted for consideration with Department of Finance collaboration. The Department of Education is advocating on School Learning Improvement Plan (SLIP) which is a 3-year development plan in a school. The department of Finance is also carrying out school

financial audits in 2019/2020 and will provide further report on this. Funding is a constraint.

Recommendation 8

Having the TFF policy being implemented by various key players requires effective coordination and monitoring arrangements by the top management to ensure program delivery and outcomes is achieved. As a matter of urgency AGO recommends that National Department of Education should:

a) put in place a holistic monitoring and reporting framework/ plans to guide the monitoring and reporting activity of the TFF policy. Funding should be also made available in the budget appropriations to fund the monitoring and reporting activity of the TFF policy.

b) take proactive action to make sure that the TFF mandated reports required under the policy are compiled and sent to the Department and policy makers on time. These reports should contain sufficient and complete information on the TFF expenditure payment records, issues and challenges faced by schools, as well as the impacts and outcomes of the policy implementation over a period. This will assist policy makers in making useful decision concerning the policy if there is a need for improvement in the way the policy is managed and implemented.

c) provide effective coordination with key players in charge of implementing the TFF policy at the provincial level to make sure that schools compile and furnish their TFF acquittal reports regularly as required under the policy guidelines.

d) develop key performance indicators (KPIs) and monitor and evaluate the policy over time to measure its progress in achieving the stated policy objectives and outcomes. Establishing a set of performance indicators with program evaluations would provide visibility to decision makers on the management and performance of the TFF policy over time.

National Department of Education response:

a) Noted for consideration. This will be a priority as we are now decentralizing the government tuition fee services. We will set standards too.

b) Agree and noted. Impacts and outcomes were to be part of the report but TFF Coordinators have not been specific in their reporting. A new monitoring framework will capture a standard report.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 13
Free Policy 2012- 2018

c) Agree and noted. Acquittals process and procedures were addressed through Secretary's Circular Instructions No. 7/2018 to schools. The Provincial Education Authorities failed in their part to put in place control measures to implement the directions.

d) Noted. It is agreed that the program has not been monitored or evaluated. The TFF Secretariat has had sets of Key Priority Areas to ensure TFF functions were carried out successfully annually. Key priority areas such as facilitating payments to schools, the roll out of DEIC, decentralization of TFF, TFF policy awareness and quarterly IDSC meeting were the main focus though some of these priority areas were not been achieved due to funding constraints.

Recommendation 9

The AGO recommends that National Department of Education should:

a) put in place a TFF training plan and provide training to Head Teachers and Board Of Management on how to maintain and aquit all TFF financial and accounting records adequately and accurately.

b) provide to all school Head Teachers the TFF Policy Manual Guide so that they know its requirements and compliance.

National Department of Education response:

a) Noted. More than 1,000 Head Teachers especially from primary schools were trained with

funding assistance from the Australian Department of Foreign Affairs and Trade (DFAT) in 2017.

b) Noted.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 14
Free Policy 2012- 2018

1. Introduction

This chapter provides an overview of the Tuition Fee Free Policy and the audit.

1.1 Education is a tool for success and it influences all forms of development by increasing the productivity of the labour force and growth in the economy and society. In 2012, the Government introduced the Tuition Fee Free (TFF) Policy in line with the Universal Basic Education (UBE) Plan 2010-2019 and the Education Act 1983 (as amended 1995). UBE is one of the six major goals the Government is committed to achieve in line with Sustainable Development Goals (SDGs) and Vision 2050. Under the UBE Plan, all schools aged children will have equal access to quality basic education in order to contribute to the country's development. The initial funding commitment for TFF was made in 2011 through the supplementary budget, and implementation of free education

commenced in 2012.

1.2 The TFF policy aims to provide tuition fee free funding to all schools registered under the National Education System. This would enable all school-aged children to access universal quality education from Preparatory grade to Grade 10. In 2013, the policy was extended to cover grades 11 and 12, and include Technical Vocational Education and Training (TVET), and Flexible Open Distance Education (FODE). Specifically, the TFF policy was designed to achieve the following intended outcomes:

- all children and youth have access to elementary, primary and secondary schooling- leading to compulsory education (13 years of schooling);
- all people in PNG will be educated and be able to contribute to country's development and future growth;
- equity is enhanced. Education is available to all children in all communities across PNG irrespective of gender, economic or geographic background; and
- parents are relieved from the burden of fees. Savings are invested to improve the quality of life of Papua New Guineans, towards achieving Vision 2050.

1.3 The policy states that the TFF funds is made up of three (3) components (with indicated percentages on how much should be spent on each component) and given to a school or through approved arrangements to benefit school. The TFF components are as shown in table below:

Table 1- TFF policy components

Component	Percentage	Description
paid directly to each Cash Administration	40%	Cash grants to be school account.
infrastructure and capital Infrastructure and held in District	30%	For school works, to be paid Treasury accounts.
learning materials, to be Teaching and Learning and centrally managed	30%	For teaching and paid to suppliers in the regions.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 15
Free Policy 2012- 2018

1.4 The National Department of Education (NDoE) is the key agency responsible for the management, planning, preparation and implementation of the TFF Policy. In 2012, the government allocated K602 million to subsidise fees for more than 13,000 schools registered under national education system. The TFF Secretariat/Grant Unit and various committees were established within the NDoE to provide administrative oversight, monitoring and reporting on the implementation of the policy to the Minister for Education and the Government.

Recent changes to the TFF policy

1.5 Some Provinces wanted to maximize the opportunity provided through the TFF policy to co-fund their institutions or schools, and manage and report on the implementation of the Policy. This was formalized through the NEC Decision No.208/2018 and subsequent signing of Memorandum of Agreements (MOA), which in 2019 gave approval to the decentralization of the management functions of the TFF Policy to the following Provinces: East New Britain; Enga; Milne Bay; Morobe; and New Ireland.

1.6 In December 2019, the Government announced a 37% reduction in the funding for the TFF policy based on National Education Board approved fee limits to be effected in the 2020 budget appropriations. This change means that the Government will pay 63% of each student's Tuition Fee Free subsidy with parents paying the remaining 37%. The Government decision on tuition fee reduction was factored in 2020 budget appropriations, which allocated an amount of K486 million to fund the cost of TFF policy right across the country, compared to K602 million allocated in 2019 and prior years.

The Audit

Audit rationale

1.7 Education is a key area of policy development that the Government is heavily investing in through the annual budget. The TFF policy was selected to be audited based on the financial materiality of the program which involves annual budget allocation expenditure of more than K602 million towards funding more than 13,000 schools over the years 2012–2018.

1.8 As a majority of the schools in PNG are located in rural and remote areas, it can be difficult for funding to physically reach the schools on time, and challenging for responsible departments to validate reporting from areas where there is limited monitoring. The multiple levels of administration (at the national, provincial and district levels) also presents a risk of TFF funds being misused. There has also been large public interest in the TFF program, as schools can be heavily dependent on fees collected from parents to fund their operational costs.

Audit objective and criteria

1.9 The objective of the audit is to assess the effectiveness of the management and payments of the Tuition Fee Free subsidy to schools registered under the National Education System in PNG. To form a conclusion against the audit objective, the AGO adopted the following high-level criteria:

- Does the established policy framework and governance arrangement supports and facilitate the implementation and management of the policy?

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee Free Policy 2012– 2018

- Do the data collection and management systems and financial approval procedures facilitate accurate and timely payments of TFF subsidy to schools? and
- Does the monitoring and reporting of TFF funds provide sufficient information to determine if the policy intent and objectives have been

achieved?

Scope

1.10 The audit covers the National Department of Education (NDoE) and TFF Secretariat and committees with responsibility in relation to the management, planning, preparation and implementation of the TFF policy for the years 2012– 2018. The audit did not examine the other functions and responsibilities of the NDoE that are unrelated to the implementation of the TFF policy.

1.11 The audit reviewed six (6) Provincial Education Authorities: Central; East New Britain; Enga; Gulf; Morobe; and Western Highlands. Audit inspections at a total of 274 schools in these respective Provinces were undertaken to gather data and evidence about the operation of the TFF program at the Provincial level.

Methodology

1.12 The audit team employed a number of data collection methods and techniques for the audit and these include:

- Review of TFF policy documents and reports;
- Examinations and comparative analysis of TFF budget against actuals;
- Data analysis and recalculations/reconfirmations of figures;
- Assessment and verification of data management systems and payment procedures;
- Survey questionnaires; and
- Group focus interviews with Provincial Education Officers and School Head Teachers.

Previous audit coverage

1.13 In 2015, the AGO carried out a financial audit on the TFF policy based on the Terms of References (TOR) requested by the Office of the Chief Secretary to Government. The financial audit uncovered some serious findings concerning the payments of TFF funds to schools, ranging from payment management issues to monitoring and reporting which was considered to be lacking controls and ineffective.

2. Policy framework, Governance Arrangement and Implementation of the Policy

This chapter discusses the TFF policy framework and governance arrangement put in place to provide oversight in the management and implementation of the policy.

Background

2.1 With an average annual budget of K600 million appropriated for TFF funding, the administration and management of the TFF policy constitutes core business and a substantial commitment for the Government of PNG. It is therefore expected that the responsible agencies will have established and maintained a sound policy framework and system of governance that will enable the effective and accountable administration of funds within the specifications of the governing legislation and policies.

Applicable Legislations and National Education Plans/Policies

2.2 The Education Act 1983 (as amended) is the principal legislation that provides for the establishment of the National Education System in PNG. Section 4, (1) clause (e) of the Act provides that one of the objectives of the National Education System is to make education accessible to the poor and physically, mentally and socially handicapped as well as to those who are educationally disadvantaged. The Act also requires the establishment of the National Education Plan, National Education Board (NEB) and Provincial Education Board (PEB) to administer, deliver and monitor the education system throughout the country. This is done in conjunction with the provisions of the Organic Law on Provincial & Local Level Government (OLPLG) which extends the function of the National Education Board into Provinces and also allowed the Provincial legislature to create laws

for the primary,
secondary, technical and vocational education.

2.3 The National Education Plan 1995–2004 and National Education Plan 2005–2014 were the first two national education plans that were rolled out after the enactment of the Education Act 1983. The main objective of the 2005–2014 National Education Plan was to make primary education accessible to all school aged children. It was revised in 2009 to give effect to the creation of PNG Government’s Universal Basic Education Plan (2010–2019). The objectives and goals of Universal Basic Education Plan (UBE) are aligned with Sustainable Development Goals and Vision 2050, which placed emphasis on access to education and promotion of the rights of children.

Alignment of the TFF policy to broader educational policy and government plans

2.4 The AGO reviewed the TFF policy framework (as mentioned in chapter 1) to examine the alignment of the policy with broader education legislations and Government development plans. The review found that the TFF policy:

- aligned with the objectives of the Education Act 1983 (as amended);
- supported the achievement of the Universal Basic Education Plans 2010– 19;

Auditor General’s Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 18
Free Policy 2012– 2018

- aligned with Sustainable Development Goals (SDGs), PNG Development Strategic Plan (PNGDSP) and Medium Term Development Plan (MTDP) of the government and Vision 2050;
- was a well-structured and comprehensively set out clear objective and intended outcomes of the policy as well as the procedural requirements and governance arrangement of each key player in the management and implementation of the policy.

2.5 The pie chart in figure 1 below shows the analysis on how the TFF policy objective

and intended outcomes aligned with key government development plans such as MTDP,

PNGDSP, Vision 2050, SDGs and education plans and legislations.

Figure 1. Alignment of TFF policy with key Government development plans

	TUITION FEE FREE (TFF) POLICY
	Objective: To provide TFF funding to
schools	registered under the NES to enable
all school	aged children to access
	universal quality education
	Outcome: (a) Children and youths to
have	access to basic education (b)
Human	development and growth (c) encourage
equity	and fairness, irrespective of
gender, economic	& geographical backgrounds (d)
provide	financial relieve from parents,
encourage	savings & investments to improve
quality of	

Source: AGO analysis

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 19
Free Policy 2012- 2018

TFF Policy Implementation

2.6 The implementation of the TFF policy over the years under review (2012-2018) can be divided into two periods. Period 1 from 2012 to 2014 and period 2 from 2015 to 2018. During period one the TFF policy was implemented without the TFF policy document and Guidelines being developed to guide the implementation of the policy, as well as lack of operational capacity to administer the policy. This was evidenced by gaps in the reports on the management and implementation of the policy for this period.

2.7 In 2015, a single integrated TFF policy document was developed with the

Implementation Guidelines which enhanced the operational capacity and establishment of the TFF Unit within the National Department of Education (NDoE) to administer the policy.

The TFF Guidelines outlines the roles and responsibilities of schools and education authorities in implementing the policy. The Guidelines covers most of the important aspects of the policy such as: the TFF components paid to schools; items that TFF funds can be spent on; schools and student information on data collection; validation procedures; budgeting; procurement; acquittals and financial reporting; and monitoring and compliance to the policy requirements. The scope of the TFF policy implementation guidelines covers all schools registered with the NDoE as well as permitted schools, and applies to all Provinces and Districts across PNG.

2.8 As mentioned in Chapter 1, the TFF policy stated that the percentage payment components of TFF funds are to be paid as:

- 40%– Cash Administration (paid direct to school account);
- 30%– Infrastructure (paid and held in District Treasury for schools infrastructure and capital works); and
- 30%– Teaching and Learning (paid to supplier and centrally managed in the regions).

2.9 A subsequent NEC Decision in 2016 (No: 129/2016) directed the National Department of Education to implement the TFF components with 15% of the TFF funding withheld in a Commodity Trust account. The trust account funds were to be used to purchase Teaching and Learning Materials supplied to schools, with the remaining 85% disbursed directly to schools. This was the practice observed by the AGO during this audit.

No funding had been allocated for the infrastructure component of TFF (and paid to the District Treasury) as stated in the TFF policy documents.

2.10 The ambiguity in the manner in which TFF funds were separated and paid has led to many schools visited by the AGO raising concerns that the 30 per cent infrastructure component had been paid to the District Treasury. While in practice there were no TFF funds paid for infrastructure to District Treasury, despite what was stated in the policy.

With this misconception by many schools and provincial education authorities there needs to be a clear communication from the NDoE. This communication should clarify the current

TFF payment components and proportions paid to schools, as well as amending the policy documents as a matter of urgency to reflect the way TFF funds components are actually managed and paid to schools.

Auditor General's Office Of Papua New Guinea|Performance Audit
 Report on: Tuition Fee 20
 Free Policy 2012- 2018

2.11 One of the functions of the National Education Board (NEB) (from section 17 of the Education Act 1983) is to impose fees on the parents or guardians of the students attending schools, and determine the fee limit that may be imposed or charge by schools or education authorities. The AGO review found also that the calculation and payments of TFF funds to schools is based on the NEB approved maximum fee limits/rates which is consistent with the provisions of the Education Act 1983.

2.12 Table 2 below shows the NEB approved maximum fee limits/rates, which have been used to calculate TFF funds for schools under the TFF Policy.

Table 2. National Education Board (NEB) Approved Fee Limits

Sector		2012			2013		
2014 - 2019		NEB GOV'T FEE LIMIT	GOV'T PARENT	PARENT	NEB FEE LIMIT	GOV'T	
Elementary	110	100	100	0	110	110	0
Primary	297	270	270	0	297	297	0
Lower Secondary - Day	990	900	900	0	990	990	0
Lower Secondary - Boarding	1650	1500	1500	0	1650	1650	0
Upper Secondary - Day	1089	900	675	225	1089	990	0
Upper Secondary - Boarding	1749	1300	975	325	1430	1430	0
Vocational Centres -	990	990	743	247	1089	1089	0

990	990	0							
Day									
Vocational Centres	1430	1430	0	1500	1125	375	1650	1650	0
Boarding									
FODE (One-off)	110	110	0	100	75	25	110	110	0
Approved Parents (One-off)	100	100	100	33	30	Parents	33	33	
Permitted Parents (One-off)						Parents			
pay				to pay		to pay			to
the				the		the			
variance				variance		variance			
Inclusive Parents (One-off)	200	200	200	33	30	Parents	33	33	
pay						to pay			to
the						the			
variance						variance			

Source: DoE provided- NEB approved rates

Governance and Management Arrangements

2.13 Good governance is recognized as a platform for achieving policy objectives, implementing effective and efficient programs and ensuring good management through all levels of the policy and program implementations. It is generally accepted that good governance is based on a set of principles that includes accountability, transparency, effectiveness and efficiency.

2.14 The TFF policy established the governance and management arrangements with the aim of providing oversight that the program is well coordinated and implemented to achieve the objectives, see figure 2 below.

Auditor General's Office Of Papua New Guinea|Performance Audit
 Report on: Tuition Fee 21
 Free Policy 2012- 2018

Figure 2. Governance Structure and Management Arrangements outlined in TFF Policy

Education

Inter-Department TFF Steering Committee

Secretary for Education

Provincial Coordinators- are
the TFF Secretariat or
Officers placed in the
TFF Secretariat
to carry out duties
report to the Secretariat.

TFF
part of
National
Provinces
and

Provincial Education Authority

District Education
Authority
District Education
Implementation committee (DEIC)
be established throughout
District Education
country. As such, schools are
Implementation
dealing directly with the
Committee
Education Authorities
the Provincial TFF
and the Standard

The
are yet to
the
currently
Provincial
through
Committees
Officers/

School Inspectors.
Schools/Board of Governors

Source: AGO analysis

Key:
Oversight arrangement
Reporting, data, and information flow

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 22
Free Policy 2012- 2018

2.15 According to the governance structure, the Minister for Education receives advice from the Inter-Departmental TFF Steering Committee (IDTFFSC) and together with this committee oversees the Secretary for Education and his TFF Secretariat/Grant Management Team to ensure that the implementation, monitoring and reporting of the TFF program is carried out effectively in line with the policy guidelines. The TFF Secretariat established within the NDoE provides the administrative duties in the implementation, monitoring and reporting of the program with the assistance of the Provincial Education Authority/Coordinators and the District Education Implementation Committee (DEIC). The DEIC collects school data to assist in the calculations and disbursement of the TFF funds to schools.

2.16 The AGO reviewed the governance and management arrangements in place (as outlined in figure 2 above) to assess the roles and responsibilities carried out by key players in charge of the management and implementation of the TFF policy. The findings are outlined below.

Inter Departmental TFF Steering Committee (IDTFFSC)
2.17 The Inter Departmental TFF Steering Committee (IDTFFSC) is the highest governing body identified under the TFF policy management structure. Together with the Secretary for Education the IDTFFSC is to provide oversight and advice to the Minister on the TFF policy. The IDTFFSC is made up of key government departments'

representatives and stakeholders.

The TFF policy requires the IDTFFSC to convene meetings every quarter to deliberate on TFF policy agendas. AGO review found that the Committee met once or twice a year to discuss TFF matters, not quarterly as required under the policy. Information and records of meeting minutes provided for audit review revealed that the Committee convened only two (2) meetings between 2016 and 2018 to deliberate on TFF policy matters. The limited number of meetings affects the ability of the Committee to address TFF issues in a timely manner, which is key to effective and robust governance and oversight. TFF Secretariat and Grant Management Unit

2.18 The TFF Secretariat and Grant Management Unit provide administrative support to the Secretary for Education. The Unit is responsible in performing some of the core functions of the policy by managing TFF payments and giving advice and guidance to IDTFFSC and the Secretary for Education on the progress of the TFF Policy. Within the Unit, there are Regional Coordinators to work with the Provincial TFF Coordinators and Districts to ensure school census forms, enrolment data and acquittals are reported and submitted on time.

2.19 To support the Secretary for Education the TFF Secretariat and Grant Management Unit developed Annual Management Plans for the period under review 2012–2018. These plans outlined key objectives and targets, activity plans with budget cost and progress indicators as a framework to guide their work implementation programs. Despite having annual management plans in place, AGO review found that there were delays in the implementation of plans by the TFF Secretariat and Grant Unit. The delays were mainly caused by no funding being allocated in the national budget in the prior years to meet the administration and operational cost of the TFF Grant Unit. Since 2018 there has been some funding (K500,000.00) allocated through the national budget to meet administrative and

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 23
Free Policy 2012– 2018

operational costs of the TFF Secretariat and Grant Management Unit. This should assist the Unit to show some improved progress towards implementing annual

management plans.

Provincial & District Education Authorities

2.20 The Provincial and District Education Authorities are to implement national education policies/plans and programs at the provincial and district levels, having regard to the Organic Law on Provincial and Local Level Governments. The Provincial Education Division (PED), headed by the Provincial Education Advisor/Director, is responsible for the overall governance of the education system at the Provincial level. In the District, it is headed by the District Education Advisor/Director/Coordinators.

2.21 The table 3 below shows key roles and responsibilities for Provincial and District Education Authorities to be carried out as outlined in the TFF Policy Implementation Guide.

Table 3. Roles and responsibilities of PEAs & DEAs as per the TFF Policy Guidelines.

Authority	Roles & Responsibilities
Provincial Education Advisor school data. (PEA) accountability of TFF management Advisors, Head Teachers and management policy and operation in the Province. schools with issues of TFF funds. twice a year. District Education Advisor (DEA) its operation. data to PDoE and NDoE school boards in the Tuition Guide. ensure they are complying with Implementation procedures. attend to TFF related	<ul style="list-style-type: none">• Responsible for accurate• Responsible for the and expenditure.• Support District Education School Boards training on TFF procedure.• Support the TFF Coordinators'• Conduct spot checks on• Ensure Schools are audited• Establish a DEIC and support• Provide validated school quarterly.• Train Head Teachers, TIC and Fee Free Implementation• Regularly visit schools to the Tuition Fee Free• Conduct awareness on TFF and

• matters.

- Conduct spot checks on

schools with issues of TFF funds.
Source: TFF Implementation Guide

AGO review of policy implementation at Provincial and District level for six Provinces

2.22 The AGO selected on a sample basis six (6) Provinces (Central, East New Britain, Enga, Gulf, Morobe and Western Highlands) for review to determine the effectiveness of the TFF governance arrangements in the province.

2.23 From the sample of provinces visited, the AGO found that the TFF governance and implementation for Enga Provincial Education Authority was effective (as shown in box below).

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee Free Policy 2012- 2018

The Enga Provincial Government was used as a pilot Province in the decentralisation of TFF Policy in 2012. However, there was no formal Memorandum of Agreement (MOA) signed until 2019. Enga Province established its own Provincial Free Education Policy in 2012, which was then complemented by the National Government Tuition Fee Free Policy. Because the Province had implemented its own Provincial Free Education Policy, the Provincial Administration and Education Authority had established a DEIC in all the Districts and put in place tight control mechanisms and governance for the TFF funds. This follows the normal formalities as outlined in the Public Financial Management Act and TFF Implementation Policy Guidelines to control, managed and disbursed TFF funds to schools.

2.24 Common issues identified in the TFF policy implementation and governance

arrangements in the other Provinces visited (Central, East New Britain, Gulf, Morobe and Western Highlands) included:

- There was limited training and awareness provided by Provincial and District Education Authorities to Head Teachers and School Boards on the TFF management policy and procedures. Specifically on how to prepare the Combine Cash Book and

financial record-keeping as well as acquittals of TFF funds as required under the TFF policy guidelines. There was also lack of regular school spot-checks and audits of TFF funds carried out by Provincial Education Authorities and Standard Officers which poses greater risk of TFF funds being misused by schools. However, in 2017 the NDoE with the support of Australian High Commission has provided financial management training to 13,600 teachers and school administrators across 7,750 schools in PNG.

- There was poor coordination and collaboration among the Provincial Education Authorities, District Education Authorities, TFF Provincial Coordinators and Standard Officers on the ground to monitor and report on the use of TFF funds by schools. The poor coordination was caused by a lack of financial resources and logistic support to fund the work of TFF coordinators and standard officers, and the remoteness of many schools in rural areas.

- Despite the TFF Grant Management Unit regularly disseminating information on TFF subsidy payments to the Provincial Education Authorities and TFF Provincial Coordinators to inform schools on the payments of TFF funds to their bank account, this information was not effectively communicated to the schools by the provincial level. Around 60% of schools visited in the selected provinces advised that they were not frequently informed when their TFF subsidy was paid, and either called for that information themselves or sought information from the media (newspaper and radio) regarding payments of TFF funds.

2.25 The TFF decentralisation reforms recently introduced in East New Britain, Enga, Milne Bay, Morobe and New Ireland have provided an opportunity for the provinces to have more ownership and responsibility of the management of the TFF policy at the Provincial and District levels.

TFF Provincial Coordinators

2.26 A total of 18 Provincial TFF Coordinators were established in 2016 to coordinate the implementation of the TFF Policy at the Provincial level. The Provincial TFF Coordinators are part of the National TFF Grant Management Unit. The NDoE is to provide for the wages/salaries of the Coordinators, while the Provincial Governments will provide logistic support cost and other operational cost.

2.27 The TFF Provincial Coordinator is meant to be responsible for the collection of school enrolment data and maintaining accurate data entry. The TFF Provincial Coordinator will also liaise with Provincial Education Authorities on the establishment and operational status of schools in the province. The TFF Provincial Coordinator is tasked to provide effective coordination, monitoring and administration of school fee subsidy activities at the Provincial level, as well as to assist schools in the compilation of acquittals, which the Coordinators then submit to the TFF Grant Management Unit. The TFF Coordinators are also expected to ensure all schools are operational and operate a school bank accounts for the receipt and payment of the subsidy.

2.28 Although the TFF Coordinators were stationed in the provinces to assist in the implementation of the TFF policy, AGO review found that they were unable to effectively carry out most of their duties and responsibilities as stated in their job descriptions. Specifically, there was a lack of monitoring and assistance provided by TFF Coordinators to schools in compiling and submitting their TFF acquittals reports to the TFF Grant Management Unit, as well as poor collaboration between TFF Coordinators and Provincial Education Authorities. The challenges and delays faced by TFF Coordinators was mainly caused by inadequate financial resources made available from the National Department of Education and a lack of logistic support provided by Provincial Governments to assist the work of TFF Coordinators on the ground. However, some provinces like Morobe and East New Britain, provide good leadership at the provincial level by working in close collaboration with the TFF Provincial Coordinators and provided them with logistic

support.

District Education Implementation Committee (DEIC)

2.29 The District Education Implementation Committee (DEIC) is also part of the TFF

governance structure to be established in each district. The DEIC role is to approve school

Learning Improvement Plans, verify school enrolment data collected through every school

census and ensure proper use of TFF funds by each school. The committee members are

mostly public servants in the districts and they are comprised of the District Education

Administrator (as Chairman), District Education Officer, District Treasurer, Standard Officer

(Inspector), Church Representative and Women's Representative.

2.30 The TFF policy requires that the DEIC will be established and working in all 89

Districts in the country. The AGO review found that two (2)

Districts located in the Eastern

Highlands Province had established a DEIC as a pilot project, and a further 5 districts in

Enga Province also have DEIC, but the remaining 82 districts have yet to establish a DEIC. It

Auditor General's Office Of Papua New Guinea|Performance Audit

Report on: Tuition Fee 26

Free Policy 2012- 2018

was noted that the slow progress in the establishment and operation of the DEIC in the

Districts was caused by lack of coordination and collaboration amongst the (NDoE),

Provincial and District Education Authorities.

2.31 In the absence of the DEIC at the District level, the school inspectors/standard

officers and Provincial TFF Coordinators carried out a number of the roles and

responsibilities expected to be performed by DEIC. Although performing the DEIC roles and

responsibilities, there was lack of logistic budget support and oversight provided by the

(NDoE) and Provincial Education Authorities to ensure that these roles and responsibilities

were effectively carried out as expected and/or required under the TFF policy.

Conclusion

2.32 The 2015 TFF policy comprehensively set out the objective and outcomes to be

achieved as well as the percentage components, and procedural and compliance requirements of the policy. The policy was aligned with broader education legislations and key government development plans. The policy also delineates the roles and responsibilities of each player in the management and implementation of the TFF policy at the national, provincial and district levels.

2.33 The implementation of the policy, specifically, the percentage payment components to schools was not consistent with what the policy stated. The current practice is that 15 percent of TFF funds is withheld by (NDoE) in a commodity component trust account to pay for teaching and learning materials and the 85 percent of the funds are paid into school's bank account. The ambiguity in the manner in which TFF funds were paid has led to many schools visited by AGO to raise concerns that the TFF infrastructure component was paid to district treasury, but no infrastructure components were paid to district treasury. There was a lack of information and clear communication from the (NDoE) to inform schools on how the TFF funds are managed and paid to schools.

2.34 AGO review also found that the governance arrangements in place at the provinces visited by the AGO were generally ineffective. The key officers at the provincial and district levels were not fulfilling their roles and responsibilities as outlined in the policy due to limited funding and monitoring arrangements. While guidelines were developed to support the implementation of the policy, not all areas visited by the AGO had copies of these guidelines and limited training was provided to help schools undertake their required roles/responsibilities.

2.35 In order to address the issues and weaknesses identified in the policy framework, governance arrangement and implementation of the policy, the AGO make the following recommendations:

Recommendation 1

The AGO recommends that the National Department of Education should:

a) review and amend the TFF policy document and Manual Guide as a matter of

urgency to capture the changes made by Government regarding

the TFF percentage
payment components as well as recent changes to the TFF
policy.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 27
Free Policy 2012- 2018

b) establish a clear communication strategy to enable timely and
consistent
communication of TFF information to schools and provinces on
any subsequent
changes made to the TFF policy to avoid confusion and
misunderstanding by schools
and parents in the way the TFF policy is managed and
implemented.

National Department of Education response:

a) Noted. Completed and endorsed as per revised policy. The
three (3) TFF components (ADMIN,
INFRASTRUCTURE, TEACHING & LEARNING RESOURCES) were imposed
to set as a guide for
schools to budget and spend TFF funds on accordingly.
Schools acquittals should show clearly
how much was spend on according to the components.

b) Noted. NDoE is consistently exploring better ways of
communicating with schools and
provinces on timely basis. Communication is delayed at the
provincial divisions of education.
NDoE has a well established EdNet connected to all
provincial divisions. Some provincial
divisions of education do not maintain their bills that lead
to disconnection from ISPs. We will
explore other options or platforms.

Recommendation 2

The AGO recommends that the National Department of Education should:

a) effectively coordinate and monitor the roles and
responsibilities of the Provincial and
District Education Authorities, TFF Coordinators and
Standard Officers in charge of
implementing the TFF policy at the Provincial level. The
roles and responsibilities of
the key players involved in the implementation of the TFF
policy at the Provincial
and District level needs to be guided with policy terms and
conditions directing the
officers to carry out their duties as required under the TFF
policy and
Implementation Guides.

b) evaluate the trial of the decentralization of the TFF management functions in the six provinces to make inform decision making as to whether to continue with the decentralization of the management functions in other provinces.

National Department of Education response:

a) Noted. However, the reporting structure present challenges. It is impossible administratively, functionally and legally to have total control over provinces and districts by the National Department of Education. Provinces and district administrations operate under provisions directed from the Organic Law on Provincial & Local Level Governments (1995) and not under Education Act 1983. Hence, we are pursuing decentralization.

b) Noted. The policy is best implemented with the support and collaboration from provinces. Responsibility and ownership by provinces is a challenge in implementing the policy as observed in audited sample provinces and decentralization may be the approach to ensure there is ownership by provinces and accountability as almost all the recipient schools are provincial institutions and owned by provinces.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 28
Free Policy 2012- 2018

3. Data Collection and Management Systems; Financial

Calculation and Approval Procedures; and Payments of TFF

Funds

This chapter examines the collection and management of data, the financial

calculation and approval procedures, and payments of TEE funds to schools.

School Data Collection and Verification

3.1 A considerable volume of information on school enrolment data is collected through

the Annual National School Census conducted by the National Department Of Education

(NDoE). Once in a year, School Census Forms are distributed and collected from all schools

during a nominated School Census week. The data collected through the forms are used to

chart the progress of the National Education Plan, for calculating school TFF funding

entitlements, and to assist provinces in future planning of education services.

3.2 The diagram illustrated in figure 3 below shows how the School Census Forms are

distributed from NDoE and collected from schools across the country.

Figure 3. Distribution and collection cycle of School Census Forms

Annual Census Form Sent to and received by the Sent
to schools to fill up the
Prepared at the Statistic school Census Coordinators
form. The Principals and
Branch DoE in Provinces
Head Teachers is fully
responsible for the forms

The PEA does the final
quality check, signed off The provincial census The
National Census Forms
with endorsement on the coordinator does the second are
received by the School
Provincial Master List of quality check before being
Inspector for first quality
schools confirming that the endorsed by the PEA
check at school level
list is accurate

The National school census
forms are then sent to the
DoE data collection records
for the year

Source: AGO analysis

3.3 According to the Annual Education Calendar, the Annual Census Forms are sent out

in March to all schools throughout the country. The forms are expected to be returned to the

NDoE Statistical Branch between May and July at the earliest, or August to November at the

latest. The AGO review found that in most cases completed School Census Forms are

submitted late and do not reach the Statistical Branch on time. This results in the NDoE

using data from the prior year Census Forms for the calculations of all schools TFF funding

entitlements. While there are a number of procedures designed to verify and check School

Census Forms, before they are sent to the National Education Department, the process is

slow and inefficient.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 29

Free Policy 2012- 2018

3.4 The timely collection of school data is a major challenge faced by the NDoE. Various

factors contributing to the delays include geographical locations of schools, bad weather

conditions and transport costs, as well as poor handling and filling out of Census Forms by

Head Teachers, which again requires proper corrections and verifications by Provincial

Education Authorities before they can be sent to the NDoE statistical branch. With this

challenge at hand, the NDoE has rolled out the MySchoolApp and over 8,000 of the 13,000

plus schools are now registered to submit data online beginning in 2021 onwards.

3.5 The AGO analysed the School Census Forms response rate from 2015–2018. The

analysis indicated that although the deadline for the forms is November, only 75% of the

School Census Forms on average had reached the NDoE Head Office by this time. To avoid

schools missing out on TFF funding, the NDoE has opted to use prior year census data for

the calculations and payments of all TFF funds to schools. Using previous student enrolment

numbers may result in schools being overpaid or underpaid for the current number of

student attending the school.

3.6 The table 4 below shows School Census Forms response rate for the years 2015– 2018.

Table 4. School Census Forms (SCF) response rate

Year	No. of schools	
Non	Total No. of	No. of Schools
Response		not yet
Response	schools	submitted SCF

Rate (%)				submitted SCF
2015 77	23	13,340	10,221	3,119
2016 78	22	13,691	10,637	3,054
2017 72	28	13,684	9,807	3,877
2018 72	28	13,712	9,833	3,879
AVERAGE 75	25			

Source: AGO analysis of NDoE-SCF Statistical data

3.7 The AGO visited a total of 274 schools in five (5) Provinces (Central, East New

Britain, Gulf, Morobe and Western Highlands), all schools indicated that the School Census

Forms had been submitted to their respective Provincial Education Offices as required. The

monthly returns were also submitted by schools to Provincial Education Offices which assist

Provincial Education Authorities in the verification and cross-checking of School Census

Forms data supplied by schools. AGO randomly picked 45 School Census Forms for

examination and found that ninety per cent (90%) of those reviewed were approved and

signed by the Standard Officers and Provincial Education Advisor before it was sent to the

National Department of Education.

Data Management System and Enrolment data Validation and TFF Calculations

Process

3.8 The National Department of Education established a data management system called

the 'Education Management Information System' (EMIS) in 2013. The EMIS is used to

record, manage and monitor the total number of students enrolled and different categories

of schools registered under the National Education System (NES) in the country.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 30

Free Policy 2012- 2018

3.9 The EMIS is managed by the ICT division within the NDoE. Respective divisions have access to this database depending on their areas of responsibility, for example General Education Services (GES) is responsible for school establishment so is only given access to relevant information to confirm the operational status of a school. Further examples of divisions being given access to the EMIS is the research and data division that is responsible for entering student enrolment data, and school bank account details being inputted by the TFF Grant Unit. Other divisions cannot access and manipulate the data inputted by another division. All users have a password and any information entered by a user is recorded under the user's details. The TFF application receives all information entered by different divisions and when all information is in order, this database then draws information to run payments.

3.10 The NDoE opted to use the oracle system software program for its EMIS to manage data and run the TFF application as it is convenient and allows multitasking (unlike Microsoft Access which was used for other programs in prior years).

3.11 The TFF funding to schools is primarily based on the total number of student enrolments registered in each school. With substantive amounts of

TFF funding given to schools, there is a risk for schools to increase and/or inflate enrolment numbers with the intention to get more TFF funding. The TFF policy guidelines allow for an accepted 5% growth rate increase in students' enrolment, which is currently used by the TFF ICT team for data validation to control inflated enrolment numbers provided by schools. So any enrolment increase of 5% and above is flagged by the TFF application as being inflated and the payment is done on the expected enrolment capacity or school sector maximum cut off range level. If after successful verification of the school enrolment data the inflated enrolment is confirmed as genuine, then the balance of what is owed to the school will be paid. The process for TFF calculations and payments is as follows:

(a) The TFF application is interlinked with EMIS application. Once verified, the enrolment data is entered into the EMIS and picked up by TFF Grant Unit Team for calculations.

(b) The TFF Grant Unit Team verifies the account details supplied by the schools prior to payment. Any instances such as, dormant bank account, duplicate account code, or no account information supplied is "queried" and no payment is done until the queried information is supplied and entered.

(c) The TFF Grant Unit Team confirms the account details of the schools and sends information on schools to be paid to ICT who facilitate the calculation process via the TFF application. The TFF application systematically performs the calculation by sector based on approved pay factor (pay factor is the approved fees set by NEB) and enrolment data.

(d) A pay run/calculation report on the schedule of funds to be distributed is generated and sent to the TFF Grant Unit Team for confirmation.

(e) Once confirmed the TFF Grant Unit Team generates a text file and puts them into zip folders with different passwords before sending them to banks for payments to be made to schools.

Report on: Tuition Fee 31
Free Policy 2012- 2018

3.12 The AGO examined the enrolment validation and payment calculations process to

determine the effectiveness of the 5% accepted growth rate validation process used to

control potential inflated enrolments. The AGO reviewed a sample of payment calculations

that were flagged by the TFF application as being due to an inflated enrolment number.

3.13 The table below shows sample of payments flagged by the TFF application with

inflated enrolments extracted from the TFF application managed by ICT division for audit test and analysis.

Table 5. Sample of Batch 1 first quarter payment- 2018

Province 2018 Enrol decrease	District % Increase/ decrease	Sector	Amount (K)	2017 Enrol
Eastern Highlands 3425	Goroka 15	Secondary	333,531.00	2984
Milne Bay 138	Samarai Murua 34	Elementary	3,410.00	103

Source: Payments data extracted from TFF application- ICT Division

Analysis:

a) A Secondary School in Goroka, Eastern Highlands Province was flagged by the TFF

application for inflated enrolment as the student population increased 441 students,

or fifteen percent (15%). The 5% acceptable growth rate was 22 students so the TFF

application made the payment as per NEB approved pay rate/limits based on total

new enrolment of 3,006 (i.e. 2,984 from 2017 plus 22 students from 2018). The other

remaining 419 students (i.e. difference of 441 minus 22 students) wouldn't be taken

into account when calculation is done because they are regarded as inflated

enrolment. However, the TFF management team have to verify the increased in

enrolments and once confirmed as genuine, the balance will be paid to the school.

b) An Elementary School in Samarai Murua, Milne Bay Province was flagged by the

TFF application for inflated enrolment numbers as the student population increased

by 35 students, or thirty four percent (34%) in 2018. Because the increase in

enrolment is within the school sector maximum enrolment cut off range (i.e. 35), the

enrolment of 138 students was accepted for payments calculations.

3.14 From the review and analysis done, AGO found that the five percent (5%) acceptable

growth rate used in the validation process to control inflated enrolments has both its strength and weaknesses. Its strength is it helps to control and prevent inflation of

enrolment figures and/or ghost enrolments supplied by schools.

However, it could also allow schools to be underpaid despite having a genuine increase in students enrolments.

The schools complaining for being underpaid are schools that have real students growth rate

of five percent (5%) and above, but were only paid on the 5% acceptable growth level as the TFF application classified them as being inflated enrolments. For instances, in 2018 batch one

first quarter payments, a total of 1001 schools were picked up by TFF application as having

inflation enrolments and paid at five percent (5%) acceptable growth rate. Further work was required by the TFF Grant Unit to confirm that the student numbers were genuine.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 32
Free Policy 2012- 2018

3.15 Further, AGO also found that there was increased number of schools where the TFF funds were rejected by the banking system due to the school bank account being dormant or non- operational. For instance, in 2016 and 2017 a total of 1,053 schools had their TFF funds rejected by the banking system due to bank account issues. TFF funds being rejected by banking systems has been an issue experienced every year since 2016 and this reflects ineffective coordination and validation of data in the payment process as well as lack of awareness and communication provided to schools on the importance of having a valid bank account.

Financial Management Approval process and Payment of TFF funds to Schools

3.16 Subsidies were previously made available through cheque payments to schools from the NDoE. However, since 2016 the TFF funds have been managed by the Department of Finance and electronically transferred to individual school bank accounts. The NDoE only plays a coordinating and monitoring role in ensuring that TFF funds are disbursed to schools each quarter based on TFF policy requirements and guidelines. This means that many schools had to open bank accounts and register them with the NDoE in order to receive the subsidy.

3.17 In the vetting and approval process of payments, NDoE liaises closely with the Department of Treasury (DoT), Department of Finance (DoF) and Bank of PNG in the approval and transfer of funds to schools. The NDoE usually check the DoT and DoF on the release of Warrants and availability of TFF funds. Once the funds are confirmed, the NDoE through the ICT division and TFF Team do the calculations and quality checks with an authorised letter for payments signed by the management signatory. This is then sent to DoF for counter signing and then sent to the Bank of PNG for the transfer of funds to schools via commercial banks.

3.18 The flow chart in figure 4 below shows vetting and approval process for the payment of TFF funds to schools.

Figure 4. Payment vetting and approval process

Tuition Fee Free Payment Process

Dept. Finance
Dept.

Treasury

Bank of PNG

\$

Makes Fund

Release

Available

Warrant
Transfers to Commercial
Banks for disbursement
into School bank accounts

Bank

Advice on
the transfer
fund

1. Check for availability of fund
Commercial
2. Receives advise on the Availability of

of funds
authorization

3. Send and receive DoF Sec signature for
Check for
Westpac &

Warrant

of payments

ANZ)

4. Submits letter with detail payment

Dept.

Education

Schools get TFF
funds

1. Check for actual Fund
Advise on break-up

Transfer
TFF fund proportion

2. Submits letter for transfer
authorization with Schools

signatories of both DoF Sec
Dept.

& DoE Sec. to BPNG governor
Education/ICT

1. Consult for administration and
the operation of the TFF fund

2. TFF Regional Coordinators does
the quality checks, including
Calculates TFF

filtering to check if the enrollment
Allocation

Dept.

versus amount paid is consistent
Dept.

Education/
Provincial of
Education

Education/TFF

Grant Unit PDoE confirms and

ensures that funds are
Once payment is

spent according to the
confirmed, the PEAs, TFF
policy

coordinators, Inspectors
Confirms and verify payment data

andotify ICT to proceed with

are inform as well as
calculation of TFF break up

receiving payment listings

Source: AGO analysis- TFF grant Management Unit documented payment process

3.19 The AGO review found that overall, the vetting and approval process followed the

established process as per the Finance Instruction for the disbursement of the TFF payments.

The approval for the payment break up and authorisation of the payments to schools is done

by the Secretary of the two Departments (Education and Finance) in consultation with the

TFF Grant Unit in which there was a segregation of duties and controls involved as noted in

the audit.

3.20 Between 2012 and 2018 a total of K4.270 billion was appropriated for TFF subsidies.

Table 5 below shows the quantum of TFF appropriations and payments made to schools

over the years 2012–2018. Of that total appropriation, a sum of K3.635 billion was actually

paid to schools and K305.6 million was allocated for teaching and learning materials

commodity components while a balance of K330 million remained outstanding for the

period.

Table 6. Quantum of TFF appropriations and payments 2012 – 2018

Year
Appropriation (K)
Payments (K)

Budget Submission (K)

2012
260,020,000
602,000,000
457,702,020

2013
345,121,000
652,000,000
554,494,228

2014
701,900,000
605,000,000
571,884,173

2015
631,505,000
605,000,000
588,935,540

2016
663,080,300
602,000,000
514,391,052

2017
890,399,100
602,000,000
432,155,252

2018
662,000,000
602,000,000
514,951,258

Total
4,154,025,400
4,270,000,000
3,634,513,523

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee
34

Free Policy 2012- 2018

Source: AGO analysis on the DOE ICT data and Management response
3.21 The AGO review and analysis of TFF payments against appropriations and budget submission figures found that the actual payments of TFF funds to schools for the period under review was less than the appropriations and budget requests. The appropriations were fixed at an average of K600 million annually despite budget submissions being made that were higher, corresponding to the increase in student enrolments every year. However, in 2012 & 2013 the appropriations were higher than the budget requests which indicates Government's commitment towards funding the TFF policy during the early stage of the policy.

3.22 The graph in figure 5 below shows the trend of TFF subsidy appropriations and payments for the years 2012-2018.

Figure 5. Appropriations and payments trend

Source: AGO analysis

3.23 Many of the decisions about the TFF payment calculations and break-ups were done and authorised by top management in consultation with TFF Grant Management Unit. For instance, if the funds made available by the Department of Finance for a quarter is less than the amount expected, the NDoE Secretary (based on the advice from TFF Secretariat or Grant Management Unit) has to authorise which sectors get the funds

and in what proportion of funding. The decided proportion is communicated to the ICT division for the calculation of the payments as per the break-up proportions directed by management through the Secretary Circular Instructions and Directives. The AGO noted that the NDoE Secretary uses his section 32 management powers and authority given under Finance Instructions to intervene and authorise the payments break-up in situations where less funding is given, although the TFF policy document did not clearly mention such TFF Subsidy Appropriation and Payments

2012
2013
2014
2015
2016
2017
2018
Year

Appropriation
Payments
Appropriation Trend
Payments Trend
Fund
Millions
400.00
700.00
600.00
500.00
300.00
200.00
100.00
0.00

35
Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee
Free Policy 2012- 2018

arrangements. The overall approval for payment is endorsed by the Secretaries of the Education and Finance Departments as Trustees on behalf of the Government before all payments are completed through the Bank of PNG. An example of how the TFF calculation break-up by sector and component is attached as appendices.

Timely Payments of TFF funds and Impacts on Schools

3.24 The adequacy and timely release of TFF funds to schools is important to ensure the smooth running of the schools during the academic year. The TFF policy stated that TFF payments should be done on a quarterly basis.

3.25 The table 7 below shows the schedules for TFF payments per quarter, as specified in the policy.

Table 7: TFF payments proportion schedules

Payment no.	Payments Time	Proportion of TFF funds to be paid
Payment 1	January/February	40%
Payment 2	March/April	20%
Payment 3	August/September	20%
Payment 4	October/November	20%

Source: TFF policy Implementation Guidelines

3.26 With the introduction of the TFF policy in 2012, subsidies were made available through cheque payments to schools from the NDoE until 2016. From then TFF funds were electronically managed and transferred directly to school accounts. This process involves remitting the funds directly to the Bank of PNG from the Department of Finance and eventually to commercial banks and school accounts thereafter. Despite the process, timely release of TFF funds remains a challenge.

3.27 The AGO review and assessment found that TFF funds were not released and paid to schools as expected and/or according to TFF policy payments schedules. There were delays experienced by education authorities and the schools regarding timely payments of TFF funds, which at times affected the normal operations of schools. The issue of late release and inadequacy of TFF funds paid to schools is mainly caused by cash flow issues and/or dependent upon the availability of funds in the government public accounts or consolidated revenue fund. Further impacting the adequacy of the funding is the TFF application formula used (5% accepted enrolment growth rate/school rate) in the calculation of TFF funds paid to schools as discussed above. Other factors causing schools to not receive TFF funds on time or at all are to do with bank account issues, no data or schools not in the Education Management and Information System (EMIS), school code related issues, borrowed code, or suspended and unknown status. These issues experienced by schools are recurring issues

not adequately addressed each year.

3.28 Compounded with the late payments of TFF funds, AGO also noted that the proportional amount of funds paid to schools each quarter was insufficient and not according to the school enrolments. In most cases, quarterly TFF funds released are below

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 36
Free Policy 2012- 2018

the quarterly ceiling to fully fund schools and as such most schools are unable to receive funds on time or receive less funds than requested or expected.

3.29 The table 8 below shows some instances of late release of TFF funds between 2016 and 2018.

Table 8. Detail instances of late release of TFF funds 2016 and 2018

Year	Quarter/Term	TFF Payment Dates	Total TFF fund paid	Remarks
2016	3	7th Oct 2016	K150.5m	Third
	quarter payment for	3rd Nov 2016		2016
	paid in term four (4).			
2018	2	6th July 2018	K65m	Quarter
	two payments	19th July 2018		were
	actually paid in term	26th July 2018		three,
	whilst quarter 3			payments
	went into term			four and
	as a result quarter			4
	payments were not made			until

2019 quarter 1.

Source: AGO analysis of TFF payments records

3.30 From the 274 schools visited by the AGO, 86% of the schools raised concerns that they did not receive TFF funds on time, as well as the amount paid being somewhat below their expectations. Delayed funding has put stress on schools to meet administration and operational cost in a timely manner, which at times forced schools resorting to operate on a credit facility arrangement with the suppliers. Most schools in rural areas were unable to

access their TFF funds on time due to lack of effective communication from the provincial education authorities and TFF Grant Unit advising schools on the availability of funds that has been paid. About 60% of the schools visited raised concerns that they have experienced poor communication on TFF matters over the years. TFF management should take proactive measures to ensure that schools are directly informed through a reliable communication channels about TFF payments and other matters concerning TFF policy.

3.31 A case study of one of the primary schools in Morobe Province that did not receive a timely and adequate amount of TFF funds as per the enrolment numbers is included below.

Table 9– CASE STUDY

Case study: Primary School in Morobe Province

A primary school in Morobe Province is one of the schools experiencing over population in classes. In 2018 the school had a student population of 1,228 and a total of 31 teachers teaching elementary to grade 8 classes. The Head Teacher advised AGO that the rapid growth experienced over the years since the introduction of TFF policy in 2012 has caused additional burden in the administration and management of maintaining the schools operational costs. This was made more difficult due to the untimely receipt and insufficient TFF funds. As a consequence, the Board of Management (BOM) had to resort to requesting that parents contribute to the projects fees in order to keep the school running. The school was surviving on the parental assistance through the minimal project fees collected which was spent only on student and teachers. Infrastructure development projects were

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 37
Free Policy 2012– 2018

stalled.

Further, the Head Teacher also advised that due to the continuing receipt of TFF funds in an untimely manner the school had to resort to acquiring basic consumables for the teachers and students through a credit facility arrangement agreed to by the school and the suppliers. Below are the records of school's TFF subsidy allocations for the years 2012–2018.

	2012	2013	2014	2015	2016
TFF since 2017 introduced Student population	2018 873 1,228	886	895	1,182	1,242
TFF subsidy expected allocation rate per student-K270	K235,710 K327,510 K331,560	K239,220	K241,650	K319,140	K335,340
TFF subsidy paid into school account	K238,102 K189,747 K190,550	K259,281	K184,617	K194,829	K254,404
TFF subsidy variations	K2,392 (K137,763) (K141,010)	K20,061	(K57,033)	(K124,311)	(K80,936)

The TFF financial data and records shows that in 2012 and 2013 there was an over payments made, however, in 2014 to 2018 there was substantial underpayments which impacted the schools normal operations over the years.

The picture below shows one of the grade 3 classes with student over population and insufficient TFF funds allocated to cater for the growing student population.

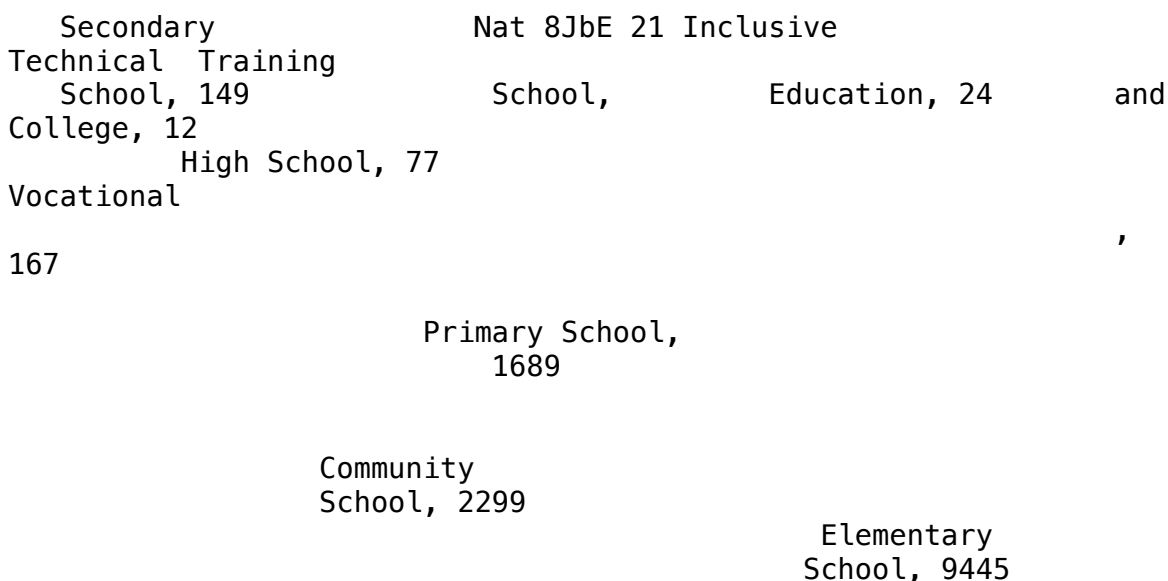
Photo: AGO Team

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 38
Free Policy 2012- 2018

3.32 According to EMIS records there are a total of 13,889 schools registered under the national education system, and over 1.8 million students benefitting from the TFF policy. AGO review and analysis noted that the number of schools registered under the national education system has increased steadily over the years to cater for the demand of the student population. Further analysis also revealed that the female student enrolment population was increasing alongside the male student enrolment numbers. From 2012-2018, the total female students' enrolment population has risen from 738,860 to 842,909 (an increase of 104,049 students).

3.33 The pie chart below in figure 6 shows the number of different sectors of schools registered under the national education system. The figure 7 and 8 below also shows the trend of schools registration and students' enrolment population over the years 2012-2018.

Figure 6. Number of different school sectors registered under the national education system.



Source: General Education Service- EMIS report -schools registration data

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 39
Free Policy 2012- 2018

Figure 7. Trend of Schools registration over the TFF policy years
Source: EMIS schools registration data

Figure 8. Trend of student enrolments over the years 2012-2018
Source: AGO analysis of enrolment data with NDoE- Research & Statistic Division

3.34 With increases in student enrolments there have not been enough classrooms and infrastructure learning facilities put in place for most schools visited during the AGO review. As a result most schools experienced overcrowding in classrooms as well as a shortage of teachers. During the field review, 58% of schools visited expressed concerns

2012

2013

2014

2015

2016

2017

2018

Year

Number of School

Student Enrollment

Thousands

2012

2013
2014
2015
2016
2017
2018

Year

Total Enrollment

Male

Female

40

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee
Free Policy 2012- 2018

about having insufficient classrooms and infrastructure learning facilities to accommodate the influx of student enrolments and to aid student learning.

3.35 Figure 9 below shows a picture taken during the audit field visits of one elementary school visited in East New Britain Province experiencing overcrowding in class due to insufficient classrooms to cater for the increase in student numbers.

Figure 9. Overcrowding in elementary school in Rabaul, East New Britain Province

Source: AGO audit team photo

TFF funds were used to pay for administrative and operational expenses

3.36 Between 2012 and 2015 the NDoE used TFF funds to pay for

administrative and operational expenses. The AGO review and analysis on TFF expenditure records found that a total of K13.9 million of TFF money was spent on hire cars, wages, travelling allowances and accommodation over the period mentioned (in late 2015 and onwards; TFF funds have been managed by the Department of Finance). The NDoE was unable to provide the records of the payments vouchers (FF3 & FF4) for verification and as a result the AGO is unable to determine whether these payments were made in relation to TFF purposes. The use of TFF funds outside the expected expenditure, has resulted in less TFF funds paid to schools during the period mentioned.

3.37 The table 10 below shows the break-down of TFF funds spent on administrative and operational expenses in 2012- 2015.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 41
Free Policy 2012- 2018

Table 10. Details of TFF funds spent on administrative and operational expenses

Year	Hire cars (K) Accommodation (K)	Wages (K) Total (K)	Travel Allowances (K)
2012	286,379.95 115,351.47	- 459,116.42	57,385.00
2013	1,545,203.05 3,029,998.21	137,583.33 6,247,463.39	1,534,678.80
2014	3,500,592.18 2,515,425.29	130,793.82 6,872,260.98	725,449.69
2015	323,050.00 412,049.99	75,975.99	13,024.00
Total	5,655,225.18 5,660,774.97	344,353.14 13,990,890.78	2,330,537.49

Source: AGO analysis of TFF payments obtained from PGAS- NDoE

3.38 Since the Department of Finance assumed control for the management of TFF funds in late 2015, TFF funds are directly transferred to schools account via Bank of PNG and commercial bank and there were no more TFF funds being used to pay for administrative and operational expenses.

Commodity Component– Teaching and Learning Materials
 3.39 During the roll out of the TFF policy in 2013, a Trust Account known as the Tuition Fee Free (TFF)– Commodity Component Trust was established with Bank South Pacific (BSP) commercial bank through the signing of a Trust Instrument. This provided authority to hold monies directly appropriated to it in accordance with Section 16(2) of the Public Finance Management Act, 1995 (as amended) for the funding of Supply and Door Delivery of Basic Classroom and Teaching Learning Materials for all students in all schools in PNG from Elementary to Grade 12.

3.40 A NEC Decision No. 129/2016 on the Tuition Fee Free Policy divided the TFF funds into two components: the cash component (85%) to be directly deposited to schools bank accounts; and commodity component (15%) for Teaching and Learning Materials to be procured and distributed to schools around the country. Further amendment to the initial Trust Instrument in 2016 had accommodated the NEC decision, which now sees 15% of the TFF Commodity Components being managed in the trust account for the purchase and delivery of Teaching and Learning Materials to all schools around PNG.

3.41 The table 11 below shows the total Receipts and Expenditures as well as cash balance position of the TFF Commodity Component Trust Account for the period under review (2013–2018).

Year	Receipts (K)	Expenditures (K)
Cash Balance Position (K)		
2013	40,003,367.14	1,083.52
40,002,283.62		
2014	2,018.09	32,000,362.72
8,003,938.99		
2015	2,916.31	8,000,468.61
6,386.69		
2016	90,426,471.72	159,297.39
90,273,561.02		
2017	107,065,343.05	124,907,561.71
72,431,342.36		
2018	74,434,290.12	77,149,093.90
69,716,538.58		
Total	311,934,406.43	242,217,867.85
69,716,538.58		

Source: AGO analysis of Receipt and Expenditure- Ledger Trust Account

3.42 Between 2013 and 2018, a total expenditure of K242.2 million was incurred for payments to a number of Contractors and associated costs involved in the purchase, management and distribution of Teaching and Learning Materials to schools in the country. The various contractors engaged by the National Department of Education were invited through Open Tenders which are selected by the Central Supplies and Tenders Board (CSTB). The list of the successful contractors involved in the procurement, management and distributions of the Teaching and Learning materials for the period under review are:

1. Treid Pacific Limited- Procurement Supplier
2. MH Supplies Limited- Procurement Supplier
3. Vesi Contractors- Project Manager
4. Protocol Investment- Distributor- Highlands Region
5. LD Logistic- Distributor - Momase Region
6. Kots Investment- Distributor- NGI Region
7. L & Z Logistics- Distributor- Southern Region

3.43 The contract documents for the above companies were requested for audit review, for the AGO to examine the Terms and Conditions of the Contracts with a particular focus on the following aspects:

- Quantity- The quantity of teaching and learning materials supplied to schools was based on prior year's enrolment data, and many schools raised concerns that the quantities supplied were less than actual enrolment numbers and what was actually required. For instance, the quantity supplied in 2018 for Momase region was based on 2015 schools data. AGO also noted from the field audit conducted that 75% of the schools visited experienced less teaching and learning materials supplies than their enrolment numbers entitled them to.
- Distribution & Delivery- The contract covers delivery to the districts and to ensure all schools receive their materials and supplies. Many

schools in remote areas are faced with challenges to access their supplies on time due to the cost involved in transporting the supplies from the District Head Quarters to the school especially during bad weather.

- Monitoring & Reporting– There was no monitoring and reporting of the procurement and distribution of supplies carried out by the NDoE itself. However, a private contractor (VESI CONTRACTOR) was contracted by the department as the project manager in charge of monitoring and reporting on the procurement and distributions of supplies. AGO review of a sample of reports on procurement & supply and delivery of teaching and learning materials produced by the contractor found that the quality and credibility of the reports was compromised (cut and paste reports) which can provided management with misleading information for decision making.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 43
Free Policy 2012– 2018

- Quality– It was noted during the review that the majority of the schools visited by AGO (about 75%) were satisfied with the quality of the school materials supplied.

Approval to withdraw TFF funds at the Provincial level
3.44 As required under the TFF Policy Guidelines, the withdrawal of TFF funds by schools has to be approved by a Provincial Education Advisor and/or District Education Advisor based on certain threshold limits. AGO review found that the withdrawal requirements have been complied with by the Provincial Education Authorities of all the Provinces visited, with a signed approval withdrawal letter authorising schools to withdraw TFF funds from banks. For most agency schools or church run schools the bishop/priest/secretariat of the churches used to sign the school cheques or letter authorising withdrawals of TFF funds, as a control mechanism put in place to ensure schools managed and spent the TFF funds wisely throughout the year.
3.45 Although there were controls put in place by Provincial

Education Authorities and Church Agencies to control withdrawals of TFF funds by schools, it does not avoid the possibility of collusion by responsible authorities and school management to defraud or misuse school TFF funds on private expenditures and personal gain. A number of church run schools visited by AGO raised common concerns that the bishop/priest/secretariat of the church are managing and controlling the TFF school bank account by holding onto and signing the school's cheque book without the Head Teacher and Board of Management (BOM) signing on the cheque book to withdraw TFF funds. If the school needs to purchase materials using TFF funds, the Head Teacher and BOM have to raise and provide quotations to the bishop/priest/secretariat for approval and payments to be made to the supplier for school to get the materials or services required. The TFF policy guidelines require the Head Teacher and BOM to account and provide financial reports on the spending of school's TFF funds, but they often have little visibility on how the bishop/priest/secretariat is spending the TFF funds.

3.46 Further, AGO review also found that schools have not maintained proper financial records of how they have spent TFF funds, posing a high risk of mismanagement and abuse of TFF funds. Around 41% of schools visited by AGO have not kept proper financial records of their TFF funds, indicating a breakdown in the management controls and accountability of TFF funds by schools.

Conclusion

3.47 The AGO review concluded that the data collection management system and financial approval procedures employed to facilitate timely payments of TFF funds to schools is partially effective. While the department has established a process to collect data from schools and validate it, the process is often slow and inefficient and the validation of data to be used for the calculations of TFF funds has room for improvements.

3.48 The NDoE has introduced an information management system (EMIS) to manage student enrolment data and included systems controls to prevent unauthorized access to

Free Policy 2012- 2018

data. This database shows that the introduction of the TFF policy has led to increased student enrolment in schools over the years (in both males and females). Although, there has been limited infrastructure put in place to accommodate the influx of student enrolment.

3.49 The TFF funds are not released and paid to schools on time as per quarterly payment schedules specified in the policy guidelines. There were delays experienced by schools in the payment of TFF funds and in some instances the amount of TFF funds paid were inadequate and did not match enrolment numbers. It was also noted that the annual total amounts of TFF funds paid over the period were less than the amounts appropriated in the annual budgets. The lack of funding commitment provided in the budget to fund the policy had resulted in the NDoE using components of TFF funds to meet administrative and operational costs from the period 2012- 2015, reducing the amounts paid to schools.

3.50 The management of the procurement, supply and distribution of the Teaching and Learning Materials is also partially effective. The quantity of supplies delivered to schools is less than the school enrolments and prior year data was used for the planning and procurement of supplies instead of current data. Supplies were not delivered to schools on time and there was no effective monitoring and reporting carried out NDoE on the procurement & supply and delivery of materials to schools.

3.51 Schools have not maintained proper financial records, which poses high risk of mismanagement and abuse of TFF funds by schools.

3.52 In order to address the issues and weaknesses identified in the data collection and management system, financial approval procedures and payments of TFF funds, AGO make the following recommendations:

Recommendation 3

AGO recommends that the School Census Forms are sent to schools far enough in advance to ensure that the National Department of Education (NDoE) receive completed forms by the first quarter of the school year. In addition, the NDoE need to ensure adequate school inspectors or standard officers are employed to monitor the schools in the country, and

assist schools in filling out their School Census Form. Alternatively, the NDoE should review the process for data submissions and determine the best way to get a more timely response (eg. establish online data link and information sharing between provincial and national levels).

National Department of Education response:

It is the current practice as recommended. The SCFs are sent by the Corporate Data Branch at the beginning of the school year to the provinces. The provinces are delaying the delivery of the forms to schools. The rolled out of the MySchoolApp online data link which now registered more than 8,000 schools should ease some of these challenges. The School Inspectors with two inspectors per district will be boosted to three per district.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 45
Free Policy 2012- 2018

Recommendation 4

AGO recommends that the TFF management team should make a commitment to verify the schools that have genuine enrolment growth rate in order to pay their full amount of TFF funds. Data validation and verification of schools bank accounts should be given a priority before TFF payments is run.

National Department of Education response:

Noted. Current payment process observed this. Will look into this seriously. The only increases in student enrolments expected at the entry grades of Grade 3 and Grade 9 and 11 with few transfers in to all grades. NDoE may maintain 5% acceptable growth validation process to control the submission of inflated or falsified enrolment data. The underpayments were due to the policy requirement on the use of the previous year's enrolment data. The policy management gave that direction after assessing that real-time data would not be possible to obtain from provinces if current year's data was to be considered.

There are also issues in communication means to reach schools and NDoE is working on to improve. Excessive withdrawal and no funds to maintain the accounts causing

continuous bank rejects. The policy's Implementation Guide directed schools to maintain K100 minimum balance on every withdrawals to ensure account is active. Rejected funds are reverted automatically into the Holding Trust Account and affected schools are advised per the bank's rejects list to activate account to continue receiving the grants. Missed payments called "underpayments" are backdated and paid to schools within the year.

Recommendation 5

To address the issue of inadequate and late payments of TFF funds as well as minimizing the impacts on schools, the AGO recommends that the National Department of Education should:

a) in consultation with Departments of Finance and Treasury make sure that TFF funds appropriated in the annual budget be frontloaded into the TFF commercial banks Trust Account during the beginning of the school academic year and are managed and paid to schools each quarter and on time as required by the policy. Adequate funding should be paid to schools as per school valid enrolment numbers.

b) work closely with Provincial Education Authorities and provide support to provinces with student over population to help them identify options to address issue of overcrowding in schools by building enough classrooms and infrastructure facilities that will accommodate and aid student learning.

National Department of Education response:

a) Agree. The release of TFF funds to schools depended on the timely release of warrants from Department of Treasury and payments from Department of Finance. Further, the actual grants calculated and paid to schools have been less than the NEB Fee limits. Most schools use the NEB fee rates to establish budget estimates while the funding provided by the Government is less than the fee rates due to increased enrolment annually.

b) Noted. Functionally, the National Government cannot build all school infrastructures in the country. The elementary, primary and secondary schools are provincial institutions. The national government is providing funding under the policy. Planning and funding infrastructure for these institutions rest with the Provincial Governments and the LLGs and DDAs.

Recommendation 6

The AGO recommends that the National Department of Education should:

a) scrutinize and monitor the distributions and delivery process of teaching and learning materials so that schools received their supplies on time as required.

b) establish its own project management and monitoring team to provide effective monitoring and reporting on the procurement & supply and delivery of school materials instead of engaging private contractors to do this work. This will ensure the quality of work and credibility of information provided in the monitoring reports is not compromised.

c) carry out a needs base survey on the different types of schools in the country, to get information on what kinds/types of school materials are needed in order to procure and distribute needed supplies to schools.

d) conduct a specific review of the TFF Commodity Component Trust Account in order to assess the Value for Money achieved in respect to school teaching and learning materials procured and distributed to schools over the years.

National Department of Education response:

a) Noted. The Department of Education addressing this issue with new contract terms on delivery. The department encourages door to door delivery but does not have funds to pursue that. Therefore, in the contract, all schools are required to sign the delivery notes so contractors can get their final payment.

b) Noted. Vital and Agree. Proposed to be effected in 2021. The issues are being addressed in 2020 through not to contract a management contractor with this responsibility reverted to the department of education to take charge and supervise work

done by procurement and delivery contractors.

c) Noted. Department of Education has taken that approach but realised schools have different needs based on different locality needs, therefore a decision was made for schools to use the remaining 15% to cater for other additional needs.

d) Noted.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 47
Free Policy 2012- 2018

Recommendation 7

The AGO recommends that the National Department of Education should work closely with relevant government departments such as Department of Finance and conduct regular quarterly audits on school bank accounts in order to prevent fraud and misuse of TFF funds by school management and the authorities concerned. Specific audit attention should be given to church run schools to make sure that TFF funds are properly managed and used for TFF purposes.

National Department of Education response:

Noted for consideration with Department of Finance collaboration. The Department of Education is advocating on School Learning Improvement Plan (SLIP) which is a 3-year development plan in a school. The department of Finance is also carrying out school financial audits in 2019/2020 and will provide further report on this. Funding is a constraint.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 48
Free Policy 2012- 2018

4. Monitoring and Reporting of TFF Policy

This chapter examines the monitoring and reporting requirements and activities of TFF policy progress towards the achievement of the policy objectives.

Background

4.1 With a substantial amount of funding given to schools annually under the TFF policy/program, there is an increased opportunity for fraudulent activity and mismanagement of TFF funds by schools. The requirement for sound corporate governance and accountability emphasise the need for high levels of cooperation amongst education authorities (national, provincial and district) in the implementation of the policy and governance strategies. These strategies must clearly identify possible fraud risks and how these risks will be managed and minimised. One way to minimise the risk of fraud and mismanagement is to regularly monitor and report on the policy and

program, and conduct reviews to address any shortcomings that emerge.

4.2 The TFF Secretariat and Grant Management Unit established within the National Department of Education (NDoE) is responsible for administering the policy implementation, and monitoring and reporting on the performance and achievement of the policy objectives to the government through the Minister responsible for education matters.

Monitoring Arrangements and Framework

4.3 The AGO found that there was no holistic documented monitoring framework or plans put in place to guide the monitoring activities of the TFF policy implementation. In the absence of a monitoring framework, the TFF Grant Management Unit is dependent on the Provincial and District Education Authorities as well as the Standard Officers and TFF Provincial Coordinators on the ground to carry out monitoring activities. However, the AGO review identified that the provision of training on TFF financial management and acquittals of TFF funds expected to be carried out at the provincial level (as outlined in the TFF policy) were not being effectively undertaken, and there is no framework in place to check these activities.

4.4 Further, AGO also found that there was no separate monitoring funding allocated in the TFF budget appropriation over the years 2012–2018. This has impacted the National Department of Education and TFF Grant Management Unit's ability to provide effective coordination, monitoring and reporting of the policy implementation at the provincial and district level to ensure there is better management of the spending of TFF funds by schools.

Reporting and Acquittals of TFF funds

4.5 The TFF policy requires various reports to be provided to management and policy makers on the financial performance and progress of policy implementation annually. Table 12 below shows the types of mandated reports required under the policy to be completed and reported on by specified dates.

Auditor General's Office Of Papua New Guinea|Performance Audit
 Report on: Tuition Fee 49
 Free Policy 2012- 2018

Table 12. Types of TFF mandated reports

Report Recipient	Report by	Type of Report
Parliament	Minister	Parliament Statement
Annual	March 30	
National Executive Council (NEC)	Minister	NEC Information paper
Bi Annual	June 31, Dec 31	
Inter-Departmental Steering Committee	Secretary for Education	Administration & Financial Report
Every Quarter	March, June, Sept, Dec	
National Education Board (NEB)	Deputy Secretary	Administration & Financial Report
Every Quarter	March, June, Sept, Dec	
Top Management Team (TMT)- Secretary for Education	TFF Secretariat	Administration & Financial Report
Feb, Apr, June, Aug,	Oct, Dec	
Every two months	School Boards and Provincial Education Boards	Administration & Financial Report
Heads of Schools	March, June, Sept, Dec	
Each term		

Source: TFF policy guidelines

4.6 These mandated reports contain information on policy administration and TFF expenditure payments as well as the activity implementation plans and achievements during the period. The AGO review of these mandated reports provided found that the reports from the TFF Secretariat and Secretary for Education were increasingly produced within the required timeframes. The reports from the Provincial Education Boards (PEBs) and School Boards were lacking controls and at times incomplete and late. The reports by the PEBs and School Boards were not provided to AGO despite being requested.

4.7 In addition to the mandated reports, there were also weekly reports from the TFF Coordinators in the Provinces sent to the TFF Grant Management Unit. The weekly reports contains information on TFF issues and challenges faced by schools which assisted TFF Grant Management Unit to have a clear understanding on the issues and challenges encountered by schools. The AGO review found that the weekly reports from TFF Provincial Coordinators did not contain information relating to impacts and outcomes of the policy implementation apart from the issues and challenges experienced by schools over the period under review. The issues and challenges such as not receiving teaching and learning materials supplies and TFF bank account queries varies by school and at times these issues and challenges were not fully captured in the weekly reports provided to the TFF Grant Management Unit. Provincial TFF Coordinators can have difficulty accessing information on TFF issues and expenditure reports from schools in rural remote areas due to communication and road accessibility problems.

4.8 To improve the reporting on TFF progress in meeting its policy outcomes that is provided to policy makers, there should be information included on the achievement of the policy objectives and outcomes, as well as the impacts and challenges and issues faced by schools. Improved reporting would provide policy makers with more complete information to use in their decision-making about policy implementation.

4.9 The AGO review also found that there was very poor records of TFF acquittal reports furnished by schools over the period under review. This is despite TFF Coordinators being stationed in the Provinces to assist schools to compile acquittal reports. The records of TFF acquittal reports maintained by NDoE were incomplete, indicating a total break down in the accountability and management reporting of TFF funds by schools and education authorities concerned. The lack of acquittal reports by schools receiving public funds is also a breach of the Public Finance Management Act. It was noted that one of the major factors contributing

Free Policy 2012– 2018

to poor acquittal of TFF funds by schools was the lack of knowledge and skills from Head Teachers on how to acquit TFF funds, due to lack of training as required under the policy guidelines.

Performance Measurement and Evaluation

4.10 Performance measurement and evaluations of program performance is key to providing vital information to management and policy makers as to whether a policy/program is achieving its intended outcomes, and assist with better decision-making.

4.11 The AGO review found that the NDoE did not develop key performance indicators (KPIs) to measure its progress in achieving the stated TFF policy objectives and outcomes (as outlined in chapter one). The program has not been evaluated, and no evaluation has been scheduled. Establishing a set of performance indicators would provide visibility to decision makers on the management and performance of the TFF policy over time.

Conclusion

4.12 Monitoring arrangements and performance measurement for the TFF policy have not been established, reducing visibility of the policy performance and achievement of objectives and outcomes. The TFF mandated reports from the TFF Secretariat and Secretary for Education were increasingly produced within timeframes. The reports from the Provincial Education Boards (PEBs) and School Boards were lacking controls and at times incomplete and late.

4.13 There was very poor records of TFF acquittals furnished by schools over the period under review. The records of acquittal reports maintained by NDoE were incomplete which indicated lack of monitoring and oversight provided by education authorities to monitor the spending and accountability of TFF funds by schools as well as a breached of Public Finance Management Act by schools receiving public money.

4.14 The AGO also found that there was no separate monitoring funding allocated in the TFF budget appropriation over the period under review specifically

to fund the monitoring activities and programs which impacted the management ability to provide effective coordination, oversight, monitoring and reporting of the policy implementation at the provincial and district level.

4.15 In order to address the issues and weaknesses identified in the monitoring and reporting framework, the AGO make the following recommendations:

Recommendation 8

Having the TFF policy being implemented by various key players requires effective coordination and monitoring arrangements by the top management to ensure program delivery and outcomes is achieved. As a matter of urgency AGO recommends that National Department of Education should:

a) put in place a holistic monitoring and reporting framework/plans to guide the monitoring and reporting activity of the TFF policy. Funding should be also made available in the budget appropriations to fund the monitoring and reporting activity of the TFF policy.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 51
Free Policy 2012- 2018

b) take proactive action to make sure that the TFF mandated reports required under the policy are compiled and sent to the Department and policy makers on time. These reports should contain sufficient and complete information on the TFF expenditure payment records, issues and challenges faced by schools, as well as the impacts and outcomes of the policy implementation over a period. This will assist policy makers in making useful decision concerning the policy if there is a need for improvement in the way the policy is managed and implemented.

c) provide effective coordination with key players in charge of implementing the TFF policy at the provincial level to make sure that schools compile and furnish their TFF acquittal reports regularly as required under

the policy guidelines.

d) develop key performance indicators (KPIs) and monitor and evaluate the policy over time to measure its progress in achieving the stated policy objectives and outcomes. Establishing a set of performance indicators with program evaluations would provide visibility to decision makers on the management and performance of the TFF policy over time.

National Department of Education response:

a) Noted for consideration. This will be a priority as we are now decentralizing the government tuition fee services. We will set standards too.

b) Agree and noted. Impacts and outcomes were to be part of the report but TFF Coordinators have not been specific in their reporting. A new monitoring framework will capture a standard report.

c) Agree and noted. Acquittals process and procedures were addressed through Secretary's Circular Instructions No. 7/2018 to schools. The Provincial Education Authorities failed in their part to put in place control measures to implement the directions.

d) Noted. It is agreed that the program has not been monitored or evaluated. The TFF Secretariat has had sets of Key Priority Areas to ensure TFF functions were carried out successfully annually. Key priority areas such as facilitating payments to schools, the roll out of DEIC, decentralization of TFF, TFF policy awareness and quarterly IDSC meeting were the main focus though some of these priority areas were not been achieved due to funding constraints.

5. Schools Visit and Experiences – Stakeholder Feedback

5.1 During the review, AGO visited 274 schools located in 5 Provinces (Central, East New Britain, Gulf, Morobe and Western Highlands). The audit did not visit schools in Enga as the audit only looked at the governance part of the TFF management in Enga Province. The key findings of the schools visits are outlined below.

Audit observations/findings

1. Around 58% of the schools visited raised common concerns that there were not enough classrooms and infrastructure learning facilities in place to cater for the growing student population in the school. The shortage of infrastructure to accommodate increased in student population in schools remains a challenge and it requires both national and provincial governments to work in collaboration and address such issues. As infrastructure of provincial institutions is the responsibility of the provinces and districts.

2. Around 75% of schools raised concerns that there was an insufficient quantity of Teaching and Learning Materials supplied to schools compared to student enrolment numbers. The inadequate quantity of teaching and learning materials supplied to schools was due to the department of education using prior year's enrolment data from schools in the calculations and procurement of teaching and learning supplies. The establishment of the online MySchoolApp which the department of education is currently rolling out to schools will help to address this issue of data submission going forward.

3. Around 86% of the Schools visited had a shared concerns that TFF funds were not paid on time and the amount paid was insufficient, as it did not equate to their enrolment numbers. The TFF payments made to schools dependent on the country's

economic situation and cash flow, which can result in irregular payments made to schools.

4. There was lack of formal communication from the provincial education authorities and TFF Coordinators advising schools when the TFF payments were made. Schools have to find out themselves by enquiring at the bank, or become aware of the payments being made through media sources. Despite communications from the TFF Grant Management Unit disseminated to TFF coordinators, school inspectors and provincial education authorities to inform schools of payments, this information was not effectively conveyed to schools from the provincial level due to various factors such as remoteness location of many schools and associated cost involved.

5. Schools have not maintained proper financial records of how they have spent TFF funds, posing a high risk of mismanagement and abuse of TFF funds.

6. Schools have noted that there was limited regular training provided to the Head Teacher on how to prepare the Combine Cash Book and financial records keeping as well as acquittals of TFF funds. In 2017, more than 1,000 Head Teachers especially

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 53
Free Policy 2012- 2018

from primary schools were trained with funding assistance from the Australian Department of Foreign Affairs and Trade (DFAT).

7. There were no regular audits conducted into schools accounts by TFF Management and relevant government departments to detect and/or prevent misuse of TFF funds by school management during the period under review.

5.2 In order to address the issues and weaknesses identified at the schools level, the AGO make the following recommendations:

Recommendation 9

The AGO recommends that National Department of Education should:

- a) put in place a TFF training plan and provide training to Head Teachers and Board Of Management on how to maintain and aquit all TFF financial and accounting records adequately and accurately.
- b) provide to all school Head Teachers the TFF Policy Manual Guide so that they know its requirements and compliance.

National Department of Education response:

- a) Noted. More than 1,000 Head Teachers especially from primary schools were trained with funding assistance from the Australian Department of Foreign Affairs and Trade (DFAT) in 2017.
- b) Noted.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 54
Free Policy 2012- 2018

Appendixes

Source: NDoE provided calculation method for TFF payments.

Auditor General's Office Of Papua New Guinea|Performance Audit
Report on: Tuition Fee 55
Free Policy 2012- 2018