



Asociación para una Sociedad Más Justa and Transparency International
Collaboration and Good Faith Agreement

Ministry of Education

Investigation Summary



Collaboration and Good Faith Agreement

The Collaboration and Good Faith Agreement for Promoting Transparency, Combatting Corruption, and Strengthening Systems was signed by the Government of the Republic of Honduras and Transparency International/Association for a More Just Society in October, 2014.

This Agreement does not look to substitute any State institution; instead it looks to partner with public institutions in order to strengthen them, increasing their efficiency and effectiveness in order to better serve the needs of Honduran citizens.

The Collaboration and Good Faith Agreement has the following objectives:

- To perform independent monitoring and evaluation of the integrity, transparency, and accountability of the institutional management of five of the most vulnerable public sectors: a) Education, b) Tax Management, c) Infrastructure, d) Health, and e) Security.
- To strengthen public institutions through Civil Society in the areas of integrity, citizen participation, and accountability
- To establish baselines from which to monitor improvements in the selected entities
- In the long term, to develop public services of health, education, security, and infrastructure that better respond to the needs of Honduras' citizens

Ministry of Education

The President of Honduras, the Minister of Education, and other relevant personnel have expressed willingness to cooperate with ASJ/TI's investigations, complying with requests for access to information and divulging information about processes and protocols.

The Minister of Education also cooperated in the selection of samples in order to choose representative cases so as to better select opportunities for improvement. It is important to emphasize that the evaluation presented in this investigation does not represent a score for the entire management of the Minister of Education, rather it reflects the study of the few processes selected as samples.

The investigation into the Ministry of Education, presented on November 12th, 2015, can be read in full, in Spanish, [here](#). The investigation establishes a baseline from which civil society can monitor and evaluate the Education System, as well as offers recommendations that the Ministry of Education can use to create improvements and enforce corrective actions. To complement the results of the investigation, the Minister of Education released a [Plan for Improvement](#) which will be monitored and evaluated in a consistent and systematic way, every six months, by the ASJ/TI team.

To establish the baseline for investigation into the Education System, the following three areas were analyzed: I. Purchases and Contracts, II. Human Resources, and III. Data Collection and Evaluation.

I. Purchasing and Contracts

Methodology:

1. The ASJ/TI team worked with the Minister of Education to choose two areas of the Ministry of Education's Purchasing and Contracts proceedings to review: the Acquisition of Computers and the Acquisition of Textbooks.
2. Four purchasing processes from the former were chosen as a sample, and five from the latter.
3. The ASJ/TI team asked the Minister of Education for documents related to the nine purchase processes in the sample. The Minister provided 85.72% of requested documentation relating to these areas, which resulted in 17,396 pages being scanned and analyzed.
4. These two areas of Purchasing and Contracts were verified through nine overall indicators, with 542 criteria for the acquisition of computers and 559 for the acquisition of textbooks, all of which are either required by Honduran law or recommended by international best practices regarding government accountability.

Specific Findings in Computer Purchasing:

The ASJ/TI team analyzed four purchase processes for computers and other technical equipment. The following chart shows that based on selected indicators and verification criteria, the purchases' average compliance was **18.76%**.

Acquisition Process	LPN SEPLAN 002-2010	LPN SEPLAN 003-2010	LPN 004-GA-SEDUC-PAH-2011	LPN 006-GA-SEDUC-PAH-2012
Selected Company	Lot #1: COSEM, S. de R.L. Lot #2: Sistemas Abiertos, S.A. de C.V.	De Lorenzo of American Corporation S.A. de C.V.	Sistemas Abiertos, S. A. de C.V.	COSEM S de R. L.
Contract Amount	Lot #1: L.27,183,950 (\$1,235,634) Lot #2: L. 1,110,724 (\$50,487) Total: L. 28,294,674 (\$1,286,121)	L.10,509,000 (\$477,682)	L.36,799,627 (\$1,672,710)	L.39,335,916 (\$1,787,996)
Object Purchased	IT Equipment and Software	Portable Computer labs	IT Equipment and Software	IT Equipment and Software
Compliance Average	17.02%	17.79%	19.57%	20.66%

Prerequisites:

- There is no evidence that Ministry of Education performed prior market analysis before making purchases. The lack of market references resulted on several occasions in the purchase of overvalued goods.
 - In 2012, for example, they purchased mobile computer labs from COSEM S de R.L. for L. 224,220 (\$11,416.50) that had a market value of only L. 103,224 (\$5,255.81).

Contracting Procedure:

- For several purchases, the required specifications were so specific that only particular companies were able to fill the order. By not publishing a more general technical specification for their orders, the Ministry of Education prevented competition that could have dramatically reduced the price.
 - The written specifications for the Acquisition of 10 Interactive, Multifunctional Laboratories, a contract worth over \$477,000, were so restrictive that only the corporation “De Lorenzo of America” could meet them. In fact, the government-mandated specifications for the order were tailored to match De Lorenzo product descriptions word-for-word, excluding other companies who were providing nearly identical products.
- In the evaluations of the contract offers, proof of the companies’ economic solvency was not taken into account.
- In none of the evaluated processes did the Evaluation Committee correctly evaluate the competitiveness of the contract bids. The Committee was found to have applied the required evaluation criteria to some business and not to others, in some cases marking a business as compliant when it was not.
 - In purchase order No. 002-2010, “Acquisition of Computer Equipment and Software for Portable Laptops,” the Evaluation Commission asked both potential firms to demonstrate an adequate line of credit. Despite both firms’ failure to comply with the request, one firm, REPRIMHSA, was rejected, and the other, Sistemas Abiertos, accepted.
- The Ministry of Education did not officially appoint anyone to the evaluation commission. Consequently, Juan Carlos Fiallos, Director of the “Ampliando Horizontes” (Broadening Horizons) program acted as both evaluator of the purchasing program and coordinator of receiving the goods – a conflict of interest that is expressly against the Code of Ethical Conduct of the Public Servant.

Delivery and Reception of Goods:

- Contractually, purchases should be delivered within 35 days or face a fine of 1% of the total cost for every day late. Both large purchases made in 2010, (002-2010 and 003-2010) were significantly late (one 35 days, the other 70 days), yet neither were penalized. Were required fines enforced, the Honduran government would have recovered 35% and 70% of the purchase cost, L. 388,753.33 (\$17,671) and L.7,356,300 (\$334,377), respectively.
- Documentation of the purchase processes did not contain all the required delivery receipts. Many of the documents were printed on the firms’ letterhead and not in the format required by the National Goods Database. Additionally, much of the documentation lacked required information or failed to identify to which stage of the purchase process it pertained.

Inventory and Storage of Goods:

- None of the computers purchased between 2010 and 2012 by the “Ampliando Horizontes Program” were registered in the National Goods Database as required by law, despite being worth millions of dollars.

Specific Findings in Textbook Purchasing:

The ASJ/TI team analyzed five purchase processes for textbooks and other school supplies. The following chart shows that based on selected indicators and verification criteria, the purchases’ average compliance was 35.26%:

Contract Evaluated	LPI 001-SEDUC-2012	LPI 002-SEDUC-2012	LPI 001-SEDUC-2013	LPI 002-SEDUC-2013	LPI 004-SEDUC-2013
Amount of the Contract	Multi-megaprinter's	Multi-megaprinter's	COMEX	COMEX	Multi-megaprinter's
Products requested	\$1,803,013.62	\$4,064,790.60	\$1,657,708.00	\$823,404.48	\$1,775,296.44
Selected Firm	Textbooks	Textbooks	Educational Materials	Textbooks	Textbooks
Average	38.24%	32.89%	34.02%	34.93%	36.67%

Contract Procedure:

- In various purchasing processes, the companies Multimegaprinter's and COMEX did not present all the required documentation required by the purchase specifications; this documentation included delivery receipts, commercial references, signed statements, timelines of compliance, and proof of prior contracts equal to or greater than \$1 million.
- In some of the processes, Multimegaprinter's presented financial statements, contracts, and references from a different, and entirely unassociated company. This included financial documents from before the company had even been founded.

Execution and Modification of the Contract:

- Businesses did not present all the required information for the contract proceedings.
 - Multimegaprinter's did not create records with the DEI (Honduran equivalent of IRS), IHSS (Social Security Office), or the PGR (Attorney General's Office). COMEX did not create records with the DEI.
- In four out of the five contracts, additional goods were added retroactively, increasing the price by 10%. While this is permissible in certain exceptional circumstances, and following certain protocols, no circumstances were documented that would justify the contract modification, and the correct protocols were not followed.
- In some of the processes, the contracts did not contain all the contractual clauses that the law requires. In none of the processes did the administration submit a certified copy of the written contracts to the ONCAE (Office for Contracts and Acquisitions of the State) for registration.

Distribution of Goods:

- One printing firm, COMEX, failed to comply with its contract, neither delivering nor distributing the goods to the determined education centers. Instead, they delivered materials to a single education center, and remaining centers were forced to transport the materials at their own cost.
 - The textbooks were also not printed to agreed-upon technical specifications. Despite evidence of these irregularities, no fines or disciplinary proceedings have taken place.

Score for Purchasing and Contracts:

The Ministry of Education's overall compliance in Purchasing and Contracts was **27.01%**. The following chart shows the compliance scores for both areas and each of the nine indicators:

No.	INDICATORS	AVERAGE FOR COMPUTERS	AVERAGE FOR TEXTBOOKS	OVERALL AVERAGE FOR MINISTRY OF EDUCATION
1	Previous Requirements	62.65%	75.35%	69.00%
2	Contract Procedure	61.68%	82.52%	72.10%
3	Execution and Modification of the Contract	24.48%	25.72%	25.10%
4	Procedure for Delivery and Reception of Goods	17.39%	55.74%	36.56%
5	Procedure for Inventory and Storage of Goods	2.63%	N/A	2.63%
6	Procedure for the Distribution of Goods	0.00%	N/A	0.00%
7	Sanctioning Procedure	0.00%	0.00%	0.00%
8	Auditing and Oversight Procedure	0.00%	0.00%	0.00%
9	Social Auditing	0.00%	7.50%	3.75%
	AVERAGE	18.76%	35.26%	27.01%

Recommendations:

- Specific regulations regarding storage, distribution, and auditing of contracts should be written and enforced.
- In purchase orders where price is not the only factor for evaluation, a point system that takes elements such as experience, financial stability, and technical specifications into account should be enforced to facilitate the selection process.
- Personnel assigned to the Evaluation Committee should be prepared and certified in purchases and contracts in order to ensure a more efficient purchasing processes.
- Civil society should be involved in some form of social auditing to ensure transparency and accountability in purchases within the Ministry of Education.

II. Human Resources

Methodology:

1. ASJ/TI audited the Ministry of Education's hiring and termination practices in the years 2011 and 2014, using the departments of Choluteca, Ocotepeque, and Francisco Morazán as representative samples.
2. To perform this audit, 352 documents from 2011 and 2014 were analyzed, with a total of 10,242 pages scanned.
3. These documents were analyzed through six indicators with 29 sub-indicators, each of which contained an average of 25 verification criteria. Of these indicators, the following three were prioritized as objects of study: Hiring of teachers, Appointment of departmental directors, and Firing of teachers.
4. The evaluation was developed according to a detailed ten-step auditing process designed in cooperation with ASJ/TI and Price Waterhouse Coopers.
5. In accordance with the Law of Transparency, absence of information was considered to be noncompliance for the sake of scoring.

Request and Delivery of Documentation:

- Only the Departmental Education Office of Ocotepeque gave evidence that they were able to maintain complete and ordered documentation relating to both the process of selecting teachers as well as maintaining teachers' files.
- Francisco Morazán, in which Honduras' capital city Tegucigalpa is located, was not able to provide any hiring records from 2011. The current selection committee informed ASJ/TI that the reason for this was that the previous selection committee had burned all information relevant to that period. The Minister of Education had no knowledge of this finding.

Administration of Teacher Qualification Test in Francisco Morazán, 2011 and 2014:

- According to the Honduran Teacher's Statute, all teacher applicants should pass a qualification test with a score of at least 75% in order to be hired as a teacher. Francisco Morazán's selection committee, however, arbitrarily lowered this minimum grade to 60%, causing unqualified teachers to be contracted in both 2014 and 2015.
 - In 2014, 1,332 teachers (79% of all who passed) passed their qualification test with a score between 60% and 74.9%. Though no one with this score should legally be allowed to teach, 249 of applicants with these scores were appointed to teaching positions in 2014, and the faulty list has been used to hire faculty in 2015 as well.
- Severe anomalies were found in the administration of the teacher qualification tests in the department of Francisco Morazán. In one sample for Basic Education, there was evidence that in three classrooms all applicants passed with a grade of 75% or higher, though neither the building nor the classroom could be identified.
- In three classrooms of Middle Education applicants, all passed with grades above 60% despite similar irregularities. The scores on this list were all marked with the same handwriting and the same pen.

Other Irregularities in Teacher Appointments: Choluteca

- In the Departmental Education Office of Choluteca in 2011, two of the 15 newly-hired teachers were appointed in an irregular way. In both cases, newly-appointed teachers replaced a relative who had filled the place before them.

- Investigation confirmed that Ana Missel Andrade Quiroz, daughter of Ana Deysi Quiroz González, was appointed to her mother's position as an interim teacher from September 1 2011 through November 30th, 2011. Her eventual permanent appointment is considered illegitimate because she completed only two of the six months that the law requires to obtain an exemption from the competitive appointment process.
- Yulissa Gabriela Díaz Coello was appointed for an interim term from March 1st, 2011 through March 31st, 2011, as well as from September 1st, 2011 through November 30th, 2011. On the same day that she gave up her interim appointment, she was appointed to the permanent teaching position previously occupied by her father, Raúl Stalin Díaz Montoya. This appointment is considered illegitimate because she also completed only two of the six months required by law to obtain an exemption from the competitive appointment process.
- Ninety-two per cent of teacher appointment documents from 2011 provided by the Department of Education in Choluteca lacked official seals and signatures. Furthermore, evidence points to teachers hired purely upon the recommendation of the Departmental Director.
- The Selection Committee that oversees the appointment of new teachers is made up of people with strong connections to current Teachers' Unions, which is a conflict of interest. This is heightened by the fact that there is not currently citizen participation or oversight into teacher appointment process.
- In 2014, 63% of evaluated documents displayed anomalies. In particular, the selection committee's minute book provided by the Departmental Director of Education displayed two identical documents, visibly pasted in recently. The printing quality and the lack of any deterioration or signs of use indicate that the minute book was created after it was requested. The book also displayed several irregularities.

Teacher Terminations and Disciplinary Actions:

- In 2011, according to the Teachers' Human Resources Branch and data from the Integrated System of Teachers' Human Resources Administration (SIAHRD), only eight teachers were suspended for disciplinary reasons. In 2014, 60 teachers were suspended for various offenses; however, of all 68 suspensions, only one was permanent. All other suspended teachers were reinstated after a period of a few months.
- Most teachers who left did so voluntarily; however, in many cases, they did not permanently exit the Education System. Teachers were permitted to quit their hourly or interim positions in order to obtain an appointment in a permanent position.
- Two legal regulations – the Teacher Statute and the Fundamental Law of Education – are at odds, and a lack of clarity between them allows for major gaps in their regulation. Until these two laws are harmonized, their conflicting implementation allows teachers to act with impunity.

Appointment of Departmental Directors:

- Every Honduran department has a Director of Education who oversees administration, pedagogy, and human resources management. Due to regulation gaps, however, this individual is neither vetted nor overseen in any meaningful way by any outside organization, leaving a high possibility for corruption in appointment and management.
 - While the legal regulations regarding the appointment of Directors of Education were passed over a year ago, the budget for their salaries has not yet been approved, requiring the use of funds from additional sources. Furthermore, specific norms and protocols regarding the management of the position have not been put into place.

- The Departmental Director of Choluteca has been terminated on two occasions in full compliance with the law. Nonetheless, he has not only been reinstated by the Supreme Court on both occasions, his acquittal has come about with unprecedented speed. Cases like his are usually resolved in two-to-three years. His was resolved in three days. This points to unjust preferential treatment.
- According to official records, more Departmental Directors have been appointed than have left the position – a mathematical impossibility that points to gaps in documentation and poor administration of personnel documents.

Score for Human Resources:

In 2014, Ocatepeque earned a **93%** compliance rate, Tegucigalpa earned **38%**, and Choluteca **32%** for compliance with the Ministry of Education’s hiring regulations and best practices. The following chart shows compliance by year and region:

Type of Documentation Evaluated	OCOTEPEQUE		FRANCISCO MORAZÁN		CHOLUTECA	
	Compliance 2011	Compliance 2014	Compliance 2011	Compliance 2014	Compliance 2011	Compliance 2014
Human Resources Documentation (Hiring and Firing process, Sanctions)	57%	86%	0%	14%	38%	14%
Personnel Files (Teacher Qualification Tests Scores, Overall Teaching Evaluation Results)	90%	100%	12.8%	61%	53%	50%
Average Compliance	75%	93%	6%	38%	46%	32%

Recommendations:

- Design and implement a new system of teacher qualification tests and Selection Committee appointments in which civil society acts as overseer.
- Cancel appointments offered to unqualified teachers or teachers who are found to have cheated on the qualification test, and nullify the qualification scores of those who passed irregularly.
- Harmonize conflicting legal regulations so that there is a clear process for sanctions and terminations – a measure that will reduce the current rates of impunity.

III. Data Collection and Evaluation

Methodology:

1. To evaluate the Ministry of Education’s processes of Standards and Evaluations, ASJ/TI, in cooperation with the Minister of Education, selected three measurement standards to evaluate: Teacher Evaluations, Evaluation of Student Academic Achievement and Days in Class.
2. ASJ/TI then met with key actors and evaluators within the Ministry of Education in order to collect documentation, analyze procedures, and offer recommendations.

Teacher Performance Evaluations:

Requested Documentation:

Documentation Delivered Complete	46.15%
Documentation Delivered Incomplete	46.15%
Documentation Not Delivered	7.70%

Student Performance Evaluations:

Requested Documentation:

Documentation Delivered Complete	27.28%
Documentation Delivered Incomplete	18.18%
Documentation Not Delivered	54.54%

Findings on Days of Class:

Requested Documentation:

Documentation Delivered Complete	0%
Documentation Delivered Incomplete	0%
Documentation Not Delivered	100%

- ASJ-affiliate Transformemos Honduras (“Let’s Transform Honduras”) was instrumental in recording actual school days that students spent in class versus the legally-required minimum of 200 days. While Transformemos Honduras figures confirm that over the last two years, schools have met for at least 200 days (218 in 2013 and 224 in 2014), this information was not recorded or received by the Ministry of Education.
 - The Ministry of Education had neither protocol nor observable practice for recording students’ days in class.

Score for Standards and Evaluations:

The average compliance and transparency score for these three selected processes is summarized in the following table. This percentage is not a qualification of the standards of Teacher or Student performance, rather a representation of the processes and transparency of their measurement.

Process	% of Compliance
Teacher Performance Evaluations	92.30%

Student Academic Achievement Evaluations	45.46%
Days in Class	0%

Recommendations:

- Create and enforce a consistent method of teacher evaluations, administered through an independent entity within the Ministry of Education, and use the results as a basis for promotions.
- Develop a mechanism in which everyone – authorities, parents, students, and citizens in general – has access to the results of the academic achievement evaluations.
- Document days that students spend in class through the leadership of the Ministry of Education and with the oversight of civil society.

Hondurans’ Trust in the Ministry of Education:

- In June 2015, with the firm “Le Vote,” ASJ conducted a National Public Opinion poll to measure the population’s level of trust in public systems.

Responses to the question, “Do you believe the ... system has improved compared with last year?”:

SECTOR	Has Improved	Stayed the Same	Has Worsened	No Response
Public Ministry of Education	49.72%	31.52%	16.12%	2.65%
Public Health System	16.52%	29.51%	51.96%	2.00%
Public Security System	24.38%	42.98%	30.79%	1.84%
Executive Director of Finance	20.45%	34.96%	28.63%	15.96%
Governmental System for the Construction of Highways and Infrastructure	37.53%	35.45%	22.13%	4.89%

Responses to the question, “How much trust do you have in the ... system?”:

Public Ministry of Education	Trust (a lot + some)	66.64%
	Distrust (some + a lot)	30.95%
Public Health System	Trust (a lot + some)	46.11%
	Distrust (some + a lot)	51.89%
Public Security System	Trust (a lot + some)	48.60%
	Distrust (some + a lot)	48.92%
Executive Director of Finance	Trust (a lot + some)	40.98%
	Distrust (some + a lot)	45.23%
Governmental System for the Construction of Highways and Infrastructure	Trust (a lot + some)	53.97%
	Distrust (some + a lot)	40.66%

- Though confidence in public institutions in Honduras is overall very low, the poll showed that the Ministry of Education was both the best-evaluated in terms of improvement, as well as the most-trusted overall, with over twice as many people seeing improvement in the Ministry of Education compared to other similar systems such as Health or Security.