but under no circumstances could they support further substantial development of the relevant school.

From 1st September 2004 to 30th June 2006 basic schools implemented the *Pilot Z* system project co-financed from the ESF. The project was financially settled as of 31st December 2006. The aim of the project was to verify how the two-tier curricula functioned in basic education. 14 pilot basic schools were included in the project, which enabled them to implement their school education programmes to their full scope (i.e. including increased number of hours for ICT and languages). Results of the projects were essential for all basic schools which had received guidance for teaching in accordance with SEPs. Subsidies were provided in compliance with the rules of the project. Regions, as subsidy providers, set the rules appropriately both for drawing money and recording financial flows. All schools issued overviews of work performed and submitted relevant financial statements. All earmarked financial resources were cleared in all schools in compliance with the provisions of Section 6 (2) of Decree No. 551/2004 Coll. Only in two cases were funds unduly paid. Violations of legal regulations and project rules were not ascertained. Therefore it may be said that funds were used lawfully and in compliance with the project rules.

From 1 September 2004 to 31st August 2006 basic schools carried out the system project entitled *Modification of Education Programmes of 7th Grades Aiming at the Development of Key Competences of Pupils* (*Hour*) co-financed by the ESF in the framework of the OP HRD. The project was financially settled as of 31st December 2006. Public audit was in this case also an ex-post check of how financial resources allocated to schools for the project in question were made use of. Ex-post checks were carried out in all regions with the exception of Prague, where financial resources for the project Hour were provided in a different manner. Financial checks were carried out on the basis of performance indicators specified for the project. These were included in regular 3-month financial statements at the same time. The subsidy was provided in compliance with the project rules. Regions as subsidy providers set the rules for drawing money correctly. The data about the numbers of classes and pupils involved in the projects reported by schools corresponded to actual numbers. Inspected schools regularly drew up 3-month statements of drawing allocated money and the statements were submitted within specified deadlines to subsidy providers (usually to regional authorities). The reported data corresponded with real numbers and bookkeeping entries. All earmarked financial resources were cleared in all schools in compliance with the provisions of Section 6 (2) of Decree No. 551/2004 Coll., only in two cases were funds unduly paid. Violations of legal regulations and project rules were not discovered. Thus it may be said that funds were used lawfully and in compliance with project rules.

Basic schools applied for projects focusing on prevention of pathological social phenomena, multicultural education and education of pupils towards citizenship, environmental education, the development of pupils' personality, support of pupils with SEN and exceptionally gifted pupils, further education of teachers and enhancement of ICT literacy. Projects preventing pathological social phenomena concentrated on drug issues, diminishing bullying and supporting activities leading to a healthy life style, acquiring social behaviour through the purposeful use and organisation of leisure time, preventing failures and improving counselling services. Such projects became an integral part of the preventive strategies of schools. An example may be the project *Drug-free Zone* subsidised by Medivet International s.r.o., a distributor of aerosol drug detectors sold under the trademark MISTRAL. Medivet International s.r.o. supplied basic schools with such detectors for a subsidised price.

As far as preparation of pupils for their professional life is concerned the project *Advisory Services-School-Profession* was implemented. Its main objective was to create a