

<b>Institution</b>	-	<b>Vocational Training Authority of Sri Lanka</b>
<b>Ministry</b>	-	<b>Ministry of Skills Development and Vocational Training</b>
<b>Address</b>	-	<b>"Nipunatha Piyasa" No. 354/2, Elvitigala Mawatha, Narahenpita, Colombo 05.</b>
<b>E - mail address</b>	-	<b><a href="mailto:info@vtasl.gov.lk">info@vtasl.gov.lk</a></b>
<b>Web site</b>	-	<b><a href="http://www.vtasl.gov.lk">www.vtasl.gov.lk</a></b>
<b>Auditors</b>	-	<b>Auditor General Department of Auditor General</b>
<b>Bankers</b>	-	<b>People's Bank Bank of Ceylon Commercial Bank</b>

# PRESENTATION

Hon. Minister, Chandima Weerakkody  
Minister of Skills Development and Vocational Training  
"Nipunatha Piyasa"  
No, 354/2, Elvitigala Mawatha,  
Narahenpita,  
Colombo 05,

Hon. Minister,

Annual Report - 2015

Vocational Training Authority of Sri Lanka

I submit the Annual Report of the Vocational Training Authority of Sri Lanka for the year 2015 in terms of Sec. 25 of the Sri Lanka Vocational Training Authority Act No 12 of 1995 and Sec.14 (2)C of the Finance Act No. 38 of 1971.

Yours faithfully,



Eng (Dr.)Lionel Pinto,  
Chairman / CEO,  
Vocational Training Authority of Sri Lanka

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## **OUR VISION**

**To be the pioneer institution in Sri Lanka that provides effective and creative training which fulfills the requirements of the global job market.**

## **OUR MISSION**

**To make facilities to cater to the demand of global trained labor needs by adopting modern methodologies and technologies.**

**We will achieve this mission targeting the global employment trends by maintaining our services and facilities at a very high standard.**

# FUNCTIONS

- ❖ Offering Vocational training and skills to youth by way of arranging Vocational training programs and making arrangements for them to obtain the vocational skills jointly with other Institutions too.
- ❖ Conducting competency based final assesment, issue of National Vocational Qualification certificates, holding trade tests and issue reports.
- ❖ Holding the National Vocational assesment & final assesments & issue of National Vocational Qualification certificates.
- ❖ Conducting Research & Development Programs in relation to vocational training.
- ❖ Implementation of Career Guidance Programs and Counseling.
- ❖ Giving further training to youths who have achieved Vocational training, finding them employment and afford necessary facilities to strat self - employments.



## **INTRODUCTION**

Vocational Training Authority of Sri Lanka was established under the Vocational Training Authority Act No.12 of 1995

### **Structure of the Vocational Training Authority of Sri Lanka**

The Board of Control of the Vocational Training Authority of Sri Lanka consists of 12 members including Chairman, Vice Chairman appointed as per section 5 of the Vocational Training Authority of Sri Lanka Act No.12 of 1995.

The Following Board of Control operated from 01.01.2015 to 31.12.2015 comprising of three Board of Directors appointed from time to time.

From 04.03.2015 to 22.04.2015

01.	Mr.Nimal Bopage Vocational Training Authority of Sri Lanka (04.03.2015)	Chairman
02.	Mr. Dharmasiri Bandara Karunaratne Vocational Training Authority of Sri Lanka (06.03.2015)	Vice Chairman
03.	Mr. C.G. Siriwardhana	Member
04.	Mr. N.G. Dayaratne	Member
05.	Prof. Mrs. Badhrani Thoradeniya National Apprentice and Industrial Training Authority	Member
06.	Mr. Tilar Nadugala	Member
07.	Mr. R.M.D.K.G.N.B. Ranathunge Secretary Generals Office - operational Dept. of the General Treasury	Member
08.	Mr.H.U. Premathilaka Ministry of Education	Member
09.	Mrs. Seetha Senaratne Ministry of Industries and Commerce	Member

**From 22-04-2015 to 11-11-2015**

01	Eng.(Dr.) Lionel Pinto Vocational Training Authority of Sri Lanka (22-04-2015)	Chairman
02	Mr. D.G. Dayaratne Vocational Training Authority of Sri Lanka (23-04-2015)	Vice Chairman
03	Rev. Mawane Nandasara Thero Sri Dharma Gavesi Nikethanaya	Member
04	Mr. R.M.D.K.G.N.B. Ranathunge Treasury Operational Department Secreteriat	Member
05.	Mr. H.L.Obesekara National Apprenticeship & Industrial Training Authority	Member
06.	Mr. H.U.Premathilaka Ministry of Education	Member
07.	Mrs. Chandani Amarathunga Department of Labour	Member
08.	Mrs. Sheetha Senaratne Ministry of Industries & Commerce	Member
09.	Mr. B.Wickramathunga	Member
10.	Mr. D.H.W.Seneviratne	Member
11.	Mr. Thusitha Ranjan Halpathdeniya	Member

**From 11.11.2015**

01.	Major General Gamini Hettaarachchi Vocational Training Authority of Sri Lanka	Chairman
02.	Mr. Sugath Hadunge Attorney – at- law Vocational Training Authority of Sri Lanka	Vice Chairman
03.	Mr. R.M.D.K.G.N.B. Ranathunga Treasury Operetional Department Secretariat	Member
04.	Mr. A.D. Ranjith	Member
05.	Mrs. Chandani Amarathunga Department of Labour	Member
06.	Mr.J.Y.Pieris National Apprentice & Industrial Training Authority	Member
07.	Mr. A.Palitha De Silva	Member
08.	Mr. H.M.Siriwimal Herath	Member
09.	Dr. Mrs. H.M.Wealla	Member
10.	Mr.Anton Perera	Member
11.	Mr. Nilan Wickckramasinghe	Member

## **REPORT OF THE BOARD OF DIRECTORS**

This institution is functioning under the Ministry of Skills Development and Vocational Training and was established under the Vocational Training Authority Act No.12 of 1995. This institution provides skill training to youths through a network of 07 National Vocational Training institutions implemented in the year 2015, 22 District Vocational Training centers, 194 Rural Vocational Training centers and 13 prisons and rehabilitation centers as a social service. The achievements made in the year 2015 in accordance with its policies are set out below.

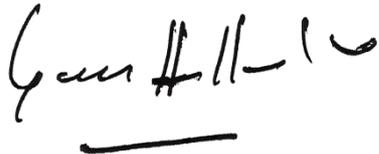
01. Offering full time Vocational Training to 24,141 young boys and girls who had completed their school education in 223 centers through out the country and 410 prison detainees.
02. Offering part time training to 1,515 apprentices who are expecting to join the occupations they wish.
03. Directing 5,641 apprentices for employment consisting 4,696 local jobs opportunities, 169 foreign jobs and 776 self - employment.
04. Conducting 29 Entrepreneurship Development training programs, granting loan facilities by State banks in sum of Rs. 25.44 million for 90 trainees who have started businesses under SEPI system.
05. Issue of certificates to 10,247 apprentices who have completed NVQ and to 3,170 apprentices who have completed qualifications by means of non-National Vocational qualification Courses.
06. Providing training to 734 persons by 21 programs for academic staff & 161 persons by 15 programs for Non-academic staff under the Human Resources Development program.
07. Making awareness to 162,664 persons of vocational training by conducting 3,831 Career Guidelines programs.

08. Obtaining the approval of the Tertiary and Vocational Education Commission for 140 courses in operation under the National Vocational qualification frame work. The number of courses approved and in operation at present are 928.
09. Signed a Memorandum of Understanding (MOU) to join Ambalangoda Ravi Construction Training Center for the construction of machines and heavy vehicle operator training courses which have a demand in the local and foreign construction field and giving training to 217 trainees up to now.
10. At the EDEX job fair and exhibition held at the BMICH in January 2015 the exhibition stall presented by the Career Guidance Division representing the Vocational Training Authority of Sri Lanka won the Best Social Impact stall.
11. Attending to development work in 12 training centres under the Skill Development Project spending Rs. 257.5 Million & allocating a sum of Rs.169 Million for the construction of a new building in Nilaweli centre, in the Trincomalee district.
12. Completion of Annual auditing work in 04 divisions of the Head Office and 09 training centers of the district and national vocational training centers and conducting 11 special audit inspections.
13. Liaising with “Jetwing” company and GIZ project, take actions to uplift the training capacity by 72 in order to provide employment to youths in the Northern Province in the hotel field.
14. Taking action to provide Quality Management Service (QMS) for 18 training centers and to obtain approval for the same.
15. Development of infrastructure facilities in the training centers in Mullative district under UNICEF Aid and uplifting of 04 training courses to the level of NVQ 4
16. Sending 27 members of the academic staff for foreign training for their skill development.
17. Taking action for the recruitment of 146 persons for the existing vacancies in the approved cadre.

## **Programs and Targets for the Year 2016**

- Offer full time Vocational Training to 30,000 youth's islandwide.
- Provide part time Vocational Training to those who are employed and to 5,000 job seekers.
- Completion of accredit to 164 courses to be accredited.
- Implemention of all courses through study management system.
- Establishment of quality management system to 50 leading training centers.
- Making aware 141,960 persons by way of 4,056 awareness programs on Career Guidance to school children through out the island, vocational trainees who have left school, parents, teachers and other social service members.
- As an encouragement for the trainees who complete the training satisfactorily to start businesses, conducting 32 training programs and making financial facilities to 160 persons under SEPI loan scheme to start buisnesses and to develop the existing buisnesses.
- Direct 7,000 to local jobs 500 to foreign jobs & 800 for self – employment to those who have completed training.
- Conducting 10 job markets in 10 selected districts with a view to improve the knowledge and skill of the trainees who have completed training and to give them further training.
- With a view of improving the knowledge and skill of the trainees, arranging 87 workshop inspection tours, and 40 skill development programs
- Issuing 18,250 certificates comprising 15,000 NVQ certificates, 1000 none, NVQ, 750 RPL (NVQ) and 1,500 part time course certificates.

- Commence new courses in the information technology training field in web designing and system administrator.
- Construction of a new building for Madirigiriya Center in the Polonnaruwa district, development of buildings in training centers in another 07 districts spending a sum of rupees 72.5 Million in land development work in Wewala and Niyagama training centers spending Rs. 5 Million.
- Commencing new courses in construction machines and heavy vehicle operator field by entering into Memorandums of Understanding.
- Implementation of proper auditing programs covering all divisions of the Head Office and all districts and National Professional Training centers.



Major General Gamini Hettiarachchi (Retired)  
Chairman / Chief Executive officer  
Vocational Training Authority of Sri Lanka

## Higher Management and Senior Management Staff

Chairman : Mr. Major General Gamini Hettiarachchi (Retired)

Vice chairman : Mr. Sugath Handunge Attorney at - Law

Director General : Mrs. H.Chulangani Perera

Directors :  
1. Mr. K.J.Koralage  
2. Mr. Saman Kulasooriya  
3. Dr. Mrs. Siddika G. Senarathne  
4. Mr. P.B.R.Madawala  
5. Mr. W.A.Ranaweera (from 23.04.2015)  
6. Mr. H.U.Kariyawasam (Actg) (from 07.05.2015)

Chief Internal Auditor : Mr. P.M.Wijesinghe (perform duties from  
08.05.2015)

Deputy Directors :  
1. Mr. N.D.P.Dhammika  
2. Mr. N.S.D. Nawaratne  
3. Mr. U.K.Nanda  
4. Mr. A.K.Arachchige  
5. Mr. E.A.D.S. Senaratne  
6. Mr. G.V.P.N. Perera  
7. Mr. R.N.K.M.J. Seneviratne  
8. Mr. N.K. Ilesinghe  
9. Mr. H.T.S. Wickramaratne  
10. Mr. H.W. Rohan Priyantha  
11. Mrs. S.M. Edirisinghe  
12. Mr. M.M.N.B. Madurasinghe  
13. Mr. D.R.S.L. Dassanayake  
14. Mr. T.D.S.L.Sangadasa  
15. Mr. Mr. W.G. Wijeratne  
16. Mr. H.P. Manamperi  
17. Mr. A.M.T.S. Attygalle

Assistant Directors

:

1. Mr. T.Vinodaraja
2. Mr. A.A. Jabir
3. Mr. A.M.A. Jayatissa
4. Mr. G.D. Jayasinghe
5. Mrs. G.R.M.C. Kulathunga
6. Mr. P.B.G.I.B. Weganthale
7. Mr. Radakrishnan Madurathan
8. Mr. K.Niranjan
9. Mr. A.A.W.G.R.R.Bandara
10. Mr. V.G.Nimalsiri
11. Mr.P.N.Abeshinghe
12. Mr. G.L.A.Peiris
13. Mr. D.A.S.Athukorala
14. Mr. R.M.R.Rathnayake
15. Mr. B.H.A.Nelson
16. Mr. S.Meddegoda
17. Mr. C.J.Widanapathirana
18. Mr. H.A.P.Gunawardhana
19. Mr. M.G.G.Saman
20. Mr. K.D.N.De silva
21. Mr. D.A.Jayarathna
22. Mr.V.Knagasundaram
23. Mr. R.Sunil
24. Mrs.G.H.P.Damayanthi
25. Mrs. N.M.W.K.Herath
26. Mrs. P.J.Jayawardana
27. Mr. M.K.B.Jayathilaka
28. Mr.H.M.Jayantha
29. Mr.M.B.Naleem
30. Mrs. R.Pathirage
31. Mr. P.P. Prasanna
32. Mrs. H. Edirisinghe
33. Mr. A.A.D.T. Shantha
34. Mr. T.V.W. Devapriya
35. Mr. U.G.J. Priyadharshana

36. Mr. G.M.S Perera
37. Mrs. R.D. Pradeepika
38. Miss. J.I.U.P. Gunewardhena
39. Mr. E. J.Wijetunga
40. Mrs. W.M.A.S.L. Wijenayake
41. Mr.H.L. Sisira
42. Mr. W.K. Sumith Wasantha
43. Mr. D.S. Edirisinghe (till 27.07.2017)
44. Mr.R. Ahilan
45. Mr. H.T.D.R.S. Wijesinghe
46. Mr. Thilina Ranasinghe
47. Mrs. G.D.Shyamali
48. Mr. C.D. Smaranayake
49. Mrs. C.U.M. Kodithuwakku
50. Mr. Sunil Abesinghe
51. Mr. G.K.D.C. Kumara
52. Mr. S.M.J. Suwendra
53. Mrs. S.M.M.K. Siyamudali
54. Mrs. N.K.Ambagahawatte
55. Mrs. D.C.O. Vithana
56. Mr.A.D.S. Samarasinghe
57. Mr. A.P.Jagath Nishantha
58. Mr. P.M. Perera (till 04.04.2015)
59. Miss. W.G.E.M. Jinadasa (Leagal Officer/  
Secretary of the Board of Directors)

## DETAILS OF THE STAFF

Approved cadre for the Vocational Training Authority for the year 2015 is 2,438. According to the provisions of the Department of Management Services the number in service as at 31.12.2015 was 1894.

	Post	Staff Approved	Staff as at the end of the year	No. of Vacancies/Surplus at the end of the year	Service Segment
01	Director General	1	1	0	HM 2-1
02	Director	6	5	1	HM1-1
03	Chief Internal Auditor	1	1	0	
04	Deputy / Assistant Director	86	73	13	
05	Legal Officer	1	1	0	MM 1-1
06	Internal Auditor	1	1	0	
07	Engineer	1	0	1	
08	Administrative Office	2	2	0	
09	Testing & Evaluation Officer	12	6	6	
10	Investigation Officer	1	0	1	
11	Transport Officer	1	0	1	
12	Supplies Officer	1	0	1	
13	Printing Officer	1	1	0	
14	Internal Auditing Officer	3	1	2	
15	System Analyst	1	0	1	
16	Welfare Officer	1	1	0	
17	Finance Officer	33	30	3	
18	Senior Program Officer	10	5	5	
19	Training Officer	74	54	20	
20	Research Officer	2	0	2	
21	Planning Officer	2	2	0	
22	Personal Assistant to Chairman	1	0	1	
23	Personal Assistant *	7	5	0	
24	Translator (Sinhala/English)	1	0	1	MA 5-2
25	Translator(Sinhala/Tamil)	3	0	3	

26	Senior Instructor	146	17	129	MA 4
27	Programming officer	69	64	5	
28	Audit Assistant *	3	2	0	
29	Project Assistant *	34	15	0	MA 3
30	Technical Assistant	3	1	2	MA 2-2
31	Instructor	1414	1163	251	
32	Sports Instructor	31	0	31	
33	Planning Officer	1	0	1	
34	Quantity Surveyor	2	0	2	
35	Technical Officer (Civil)	5	0	5	
36	Management Assistant	191	188	3	
37	Assistant Instructor (LRUC) *	38	33	0	
38	Compositor (Printing)	3	1	2	
39	Hostel Keeper	2	1	1	
40	Supervisor (Printing)	1	0	1	
41	Supervisor (Building)	1	0	1	
42	Driver	64	64	0	PL 3
43	Store Keeper *	2	2	0	PL 2
44	Printing Assistant	3	2	1	
45	Book Binder (Printing)	2	1	1	
46	Machine Operator (Printing)	2	1	1	
47	Office Assistant	8	5	3	
48	Watchers *	65	53	0	
43	Laborers	95	92	3	
	Total	2438	1894	505	

- These posts have been approved personal to the present persons and they will expire thereafter.

	<b>Designation</b>	<b>Approved Staff</b>	<b>No. of Staff at the end of the year</b>	<b>Vacancies/surplus at the end of the year</b>
<b>01</b>	HM 2-1 Senior Manager HM 1-1 Senior Manager	08	07	01
<b>02</b>	MM 1-1 Manager	89	75	14
<b>03</b>	JM 1-1 Junior Manager	152	107	43
<b>04</b>	MA 5-2 Entorcing/Implementing	04	0	04

	Extansion Officers			
<b>05</b>	MA 4 Operational / Counseling Service	218	83	134
<b>06</b>	MA 3 Associated Officers	34	15	0
<b>07</b>	MA 2-2 Management Assistant – Technical	1456	1164	292
<b>08</b>	MA 1-2 Management Assistant Non-Technical	236	223	08
<b>09</b>	PL 3 Primary Artists	64	64	0
<b>10</b>	PL 2 Primary Artists	09	06	03
<b>11</b>	PL 1 Non – Primary Artists	168	150	06
	<b>Total</b>	<b>2438</b>	<b>1894</b>	<b>505</b>

## Training of the Staff

In the year 2015 action was taken to uplift the knowledge, attitudes and skill of 734 persons in the academic staff and 161 members in the non-academic staff.

88 instructors in the 2014/2015 group have completed the level 05 of the National Vocational Qualifications. 165 instructors could be referred to the 2015 group to obtain level five of the National Vocational Qualifications.

27 persons of the academic staff were referred to overseas training for their skills development.



## Overseas Training – 2015

	Scholarships	Country	No. Participated
01	Training programs on teaching methodologies	Singapore	12
02	Vocational education management training program	China	3
03	Annual Meeting of CISCO members	Thailand	2
04	Traning Program to handicrafts & knitting technology for developing countires	China	5
05	Training program on the making of jewellery for developing countries	China	4
06	Training program on motor vehicle electricity & engine system fordual technology	Malaysia	1
07	Training program of leaders in technological & vocational education field	Singapore	1
08	Capacity development training program	Korea	2
09	Training program to use biology in relation to rural agriculture field	India	1
10	International training program on advanced management	Thailand	2
11	Training Program and hospitality management	Singapore	15
	<b>Total</b>		<b>48</b>

## Local Training (Non – Academic Staff) – 2015

	Training Program	No. Participated
01	Workshops on the preliminary concepts re. information management	01
02	Training program on supervisory management	02
03	Work shop re. making awareness of the role of the post of driver	62
04	Training Program re.the recruitment procedure	04
05	Training program on the responsibility & role of cashier	01
06	Training program on guidance	74
07	Workshop on business statistics & quality control	01
08	Workshop on preliminary statistics & statistic analysis	02
09	Annual workshop of the Sri Lanka Economic Association	10
10	Training of skill development & entrepreneurship skill development training	01
11	Laws relating to the construction field	02
12	AAT Annual conference – 2015	01
	<b>Total</b>	<b>161</b>

## Local Training (Academic Staff) – 2015

	Training Program	No. Participated
01	Training Methodology	154
02	Program on progress review	390
03	Training program on the supervision of the progress of training	66
04	Training program on skills development	92
05	Program for the training of new instructors	32
	<b>Total</b>	<b>734</b>

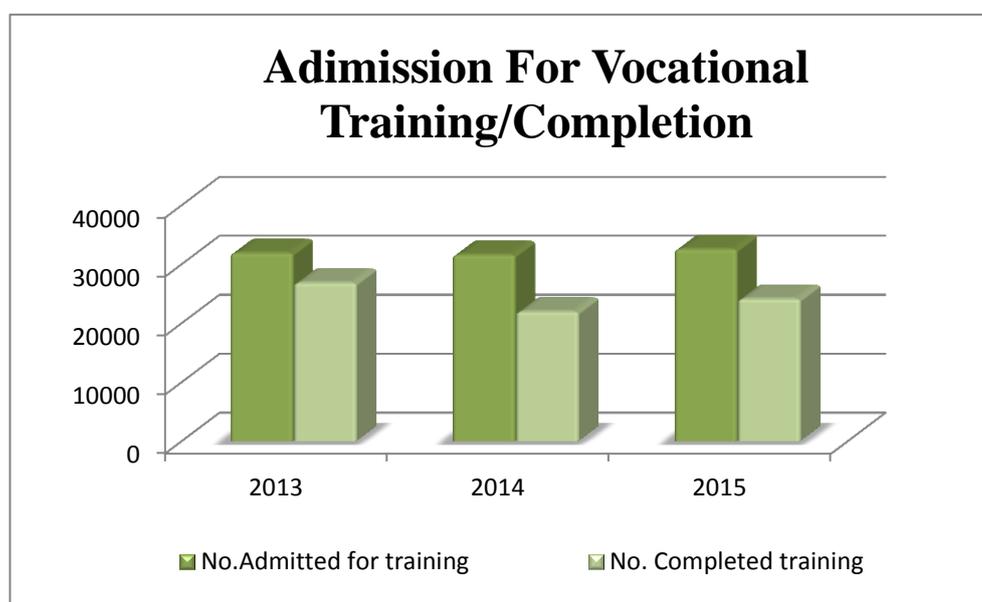
## Affording Vocational Training to Youths by way of Implementing Vocatinal Training Programs

By way of 1953 training programs implemented under 120 training courses belonging to 18 various fields 28,745 trainees were admitted for institutional training. In addition 3,247 persons under the implementation of Skills Development Programs & 564 by way of Entrepreneurship Development Programs were trained. Accordingly the total number of trainees admitted for training in the year 2015 was 32,556.

### Admission for Vocational Training/Completion Of The Training

Year	2013	2014	2015
<b>No. admitted for training</b>	31,907	31,591	32,556
<b>No. completed of training</b>	26,869	21,976 *	27,952

\* 2763 apprentices admitted for training are due to complete training in the year 2016

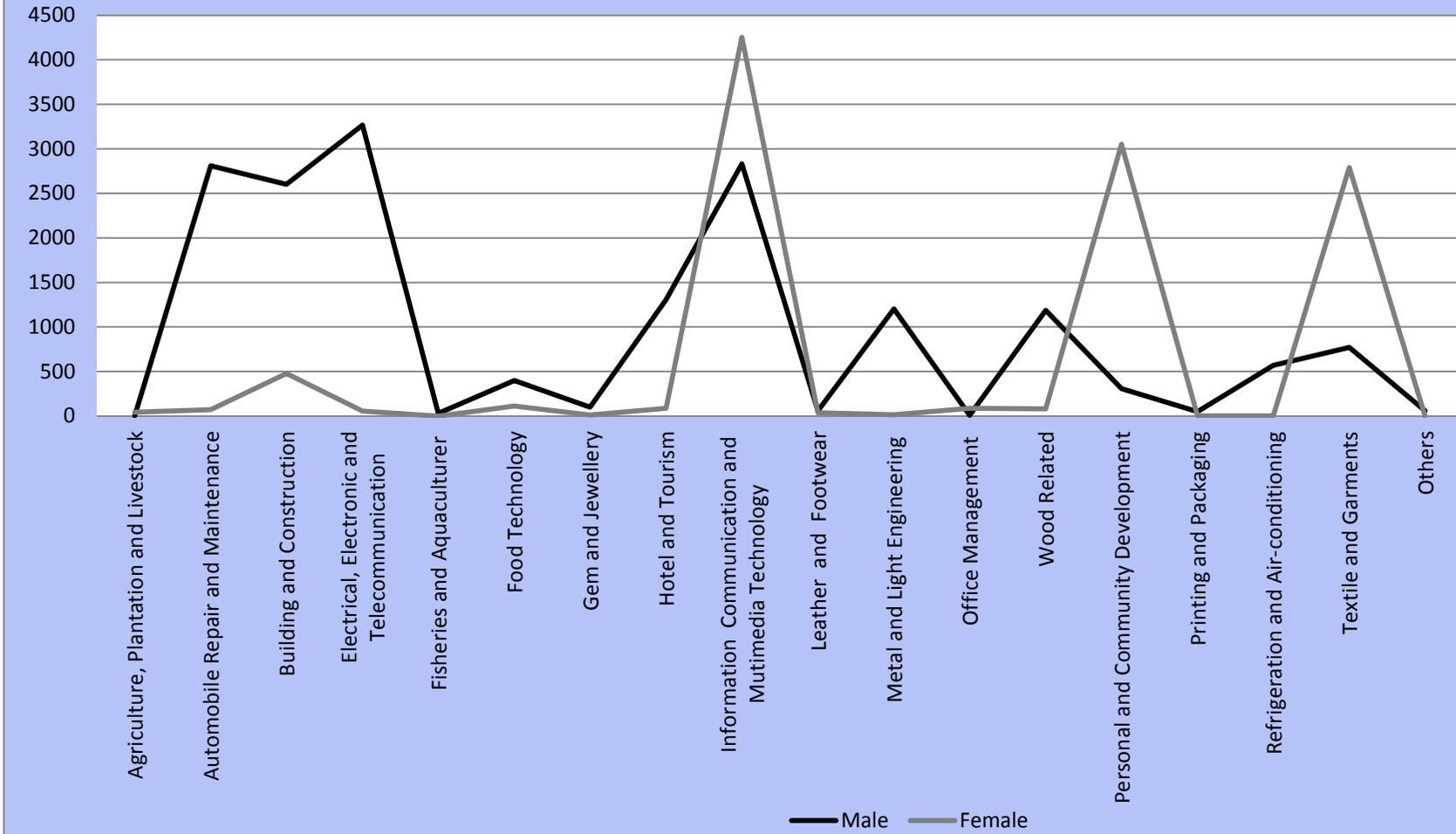


## Demand of Trainees for training fields – 2015

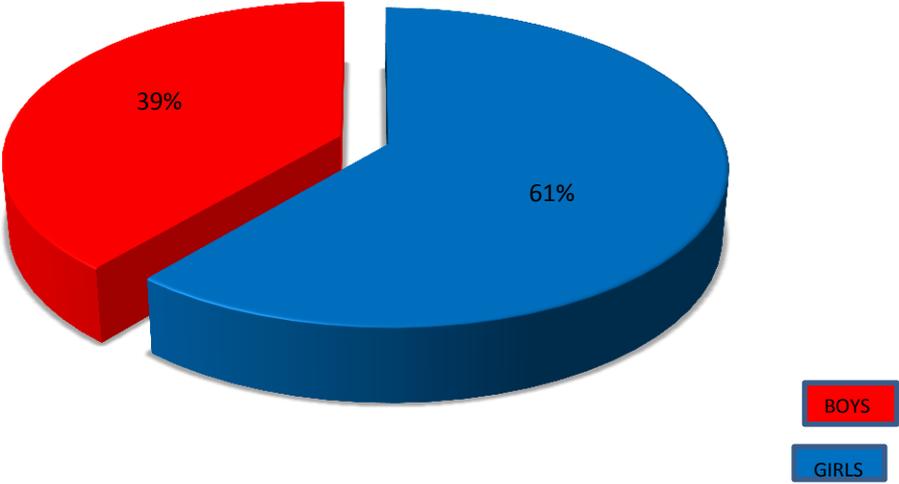
	<b>Fields</b>	<b>No of Trainees admitted</b>
<b>1</b>	Agriculture, Plantation and Livestock	46
<b>2</b>	Automobile Repair and Maintenance	2883
<b>3</b>	Building and Construction	3078
<b>4</b>	Electrical, Electronic and Telecommunication	3324
<b>5</b>	Fisheries and Aquaculturer	32
<b>6</b>	Food Technology	513
<b>7</b>	Gem and Jewellery	111
<b>8</b>	Hotel and Tourism	1392
<b>9</b>	Information Communication and Mutimedia Technology	7087
<b>10</b>	Leather and Footwear	95
<b>11</b>	Metal and Light Engineering	1218
<b>12</b>	Office Management	97
<b>13</b>	Wood Related	1267
<b>14</b>	Personal and Community Development	3358
<b>15</b>	Printing and Packaging	51
<b>16</b>	Refrigeration and Air-conditioning	573
<b>17</b>	Textile and Garments	3562
<b>18</b>	Others	58
	<b>Total</b>	<b>28745</b>



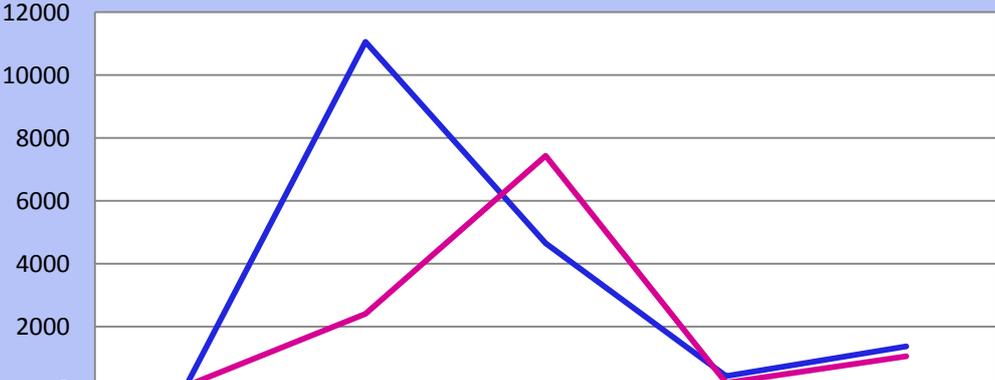
## Recruitment For Training - 2015



### Recruitment for training - 2015



### Recruitment for training - 2015

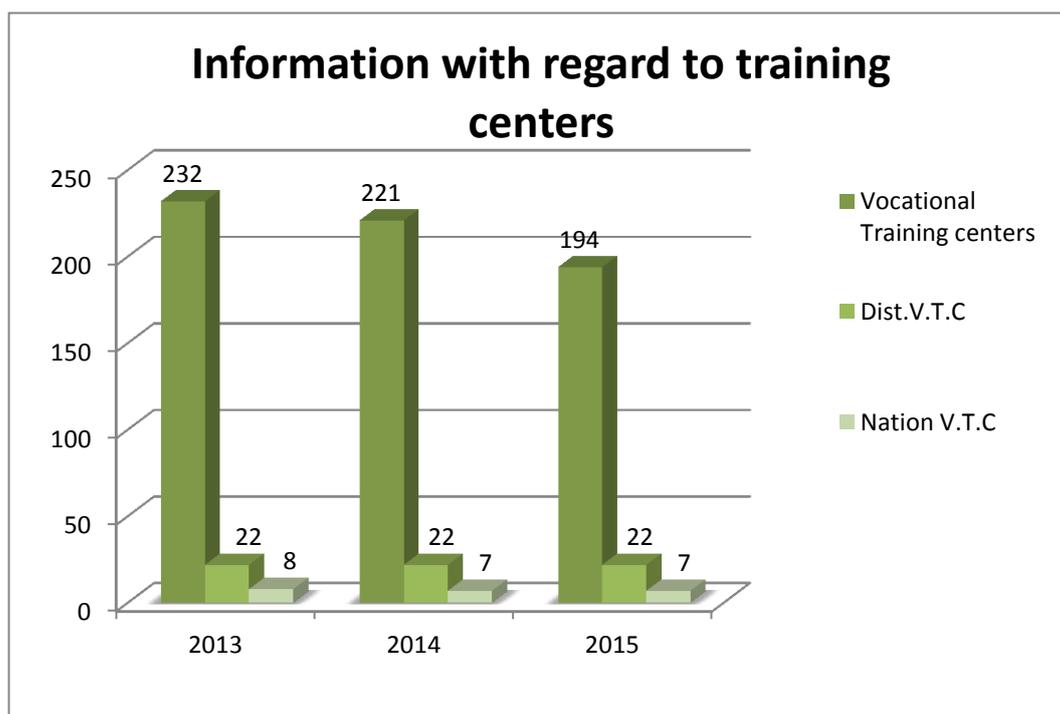


	Level 2	Level 3	Level 4	Level 5	Non
Male	66	11062	4649	417	1369
Female	92	2402	7430	204	1054

## Extension of Training Centers

The number of training centers implemented in the year 2015 is set out below. In addition 13 prisons & rehabilitation centers conducted vocational training courses.

Year	2013	2014	2015
<b>National Vocational Training Institutes</b>	08	07	07
<b>District Vocational Training Centers</b>	22	22	22
<b>Vocational Training Centers</b>	232	221	194
<b>Total</b>	<b>262</b>	<b>250</b>	<b>223</b>



## Extension of Vocational Training Centers – 2015

Province	District	No Of Institutes						
		NVTI	DVTC	VTC	AT	PC	Reh	Total
<b>Western Province</b>	Gampaha	-	1	13	1	1	-	16
	Colombo	2	1	12	1	1	-	17
	Kaluthara	-	1	7	-	1	-	9
<b>North Western Province</b>	Puththalam	-	1	5	1	-	-	7
	Kurunagala	-	1	7	-	-	-	8
<b>Northern Province</b>	Jaffna	-	1	7	-	-	-	8
	Killinochchi	-	1	4	-	-	-	5
	Mulathivu	-	1	2	-	-	-	3
	Mannar	-	-	1	-	-	-	1
	Vavuniya	-	1	6	1	-	-	8
<b>Eastern Province</b>	Trincomalee	-	1	6	-	-	-	7
	Batticalo	1	-	12	-	-	-	13
	Ampara	-	1	13	2	-	-	16
<b>Southern Province</b>	Galle	2	1	10	2	2	-	17
	Matara	1	-	13	1	-	-	15
	Hambantota	1	1	10	-	1	-	13
<b>Sabaragamuwa Province</b>	Kegalle	-	1	8	-	-	-	9
	Rathnapura	-	1	10	1	2	-	14
<b>Uva Province</b>	Badulla	-	1	7	-	1	-	9
	Monaragala	-	1	8	-	1	-	10
<b>Central Province</b>	Kandy	-	1	10	-	2	-	13
	Matale	-	1	5	-	-	-	6
	Nuwaraeliya	-	1	4	-	-	-	5
<b>North Central Province</b>	Anuradhapura	-	1	10	-	-	-	11
	Polonnaruwa	-	1	4	-	1	1	7
	<b>Total</b>	<b>7</b>	<b>22</b>	<b>194</b>	<b>10</b>	<b>13</b>	<b>1</b>	<b>247</b>

**NVTI:** National Vocational Training Institutes

**DVTC:** District Vocational Training Centers

**VTC :** Vocational Training Centers

**AT :** Affiliate

**PC :** Prisons Centers

**Reh :** Rehabilitation Centers

## Career Guidance & Counselling

Vocational Training Authority of Sri Lanka is conducting guidance programs through out the country aiming at various types of youth groups in order to refer them to a suitable occupation.

For this purpose the Vocational Training Authority of Sri Lanka is showing the way to select the vocational fields suitable to youths according to their choice & qualifications through the career guidances & counselling units set up throughout the country.

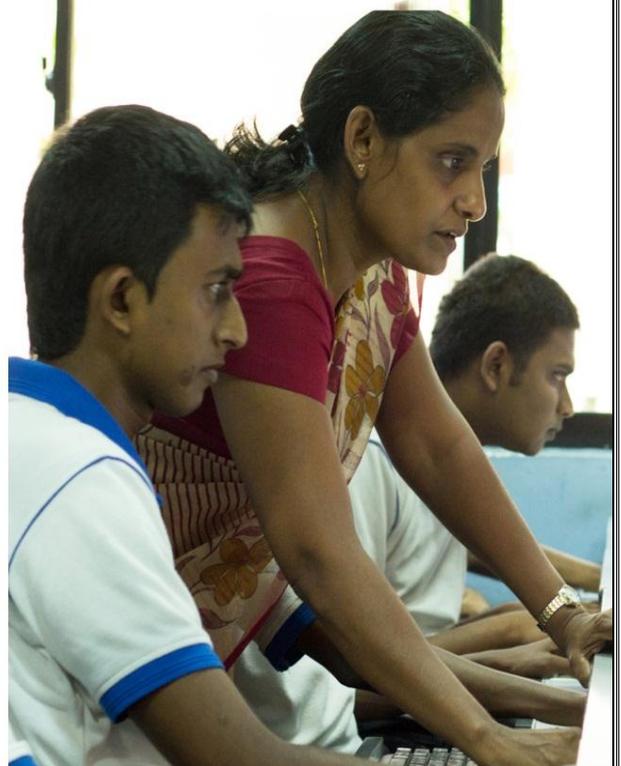
Accordingly, 3,831 programs could be implemented in the year 2015 for school children, school leavers, parents, teachers & field officers & 162,664 persons could be made known about it.

Tragetted Group	No. of programs conduted	No. attened
School children	1228	61023
School Leavers	781	31184
Others	1822	70457
Total	3831	162664

Year	2013	2014	2015
<b>No. Participated</b>	115,736	136,663	162,664



## Career Guidance & Counselling

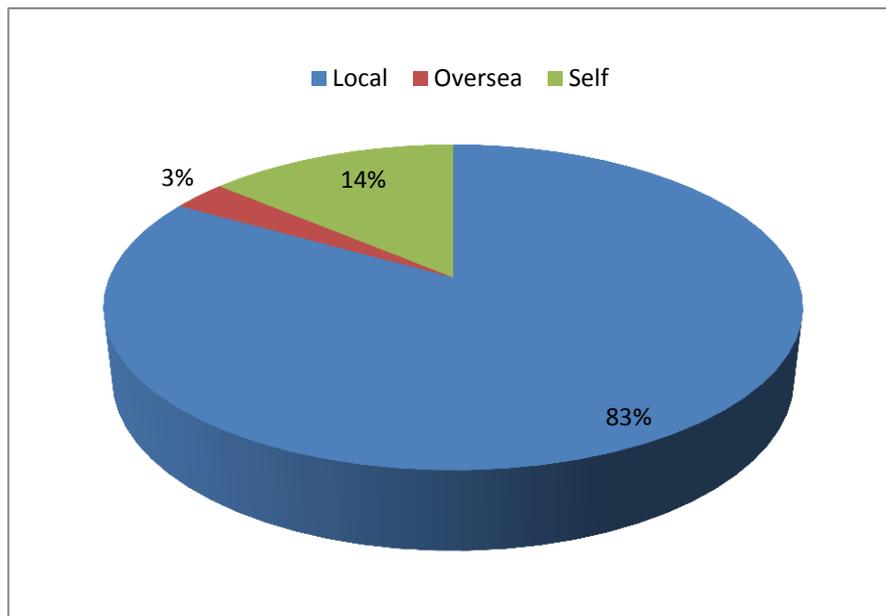
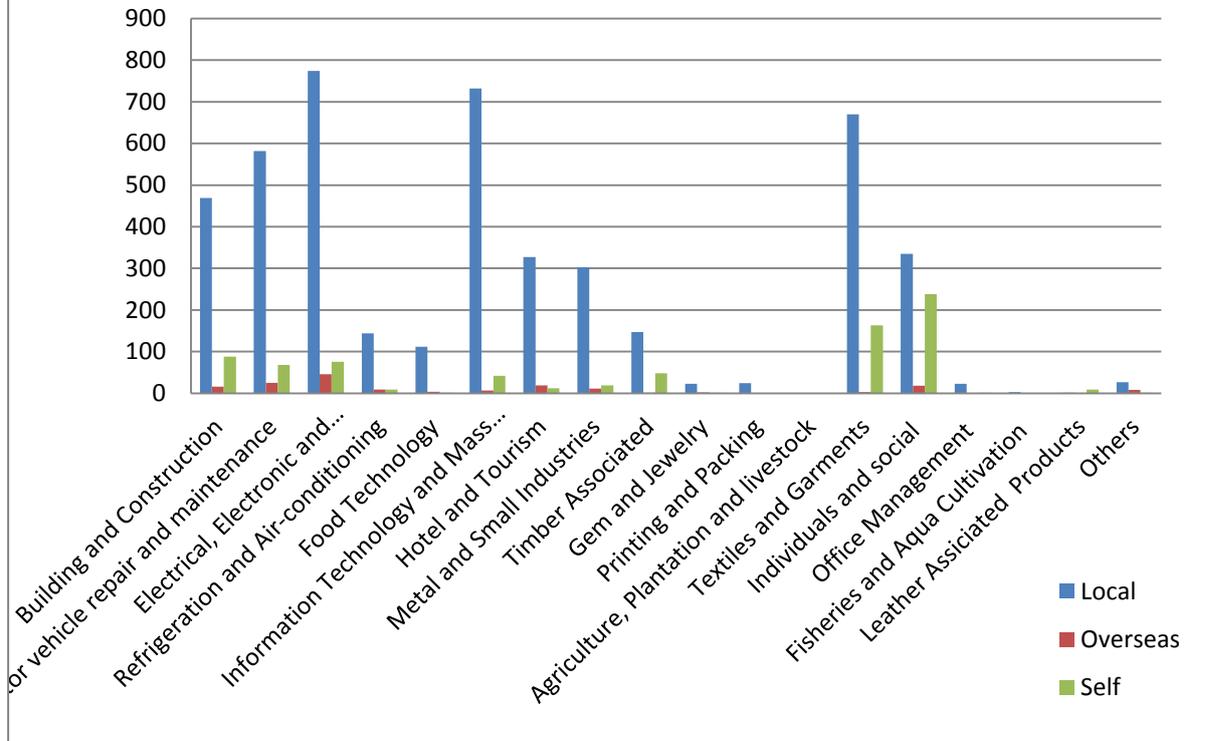


## JOB PLACEMENT

Under the program to find employment on district basis 5641 trainees were offered employment through registered local & foreign employment establishments. Out of them 4,696 were sent to local jobs, 169 to overseas employment & 776 for self-employments. In order to implement these programs 97 local & overseas employment establishments were registered. By way of such finding employments effectively, Vocational Training Authority of Sri Lanka was able to contribute approximately in a sum of Rs. 163 million to the national economy.

No	Training Field	No. found employment			
		Local	Overseas	Self	Total
01	Building and Construction	469	16	88	573
02	Automobile Repair and Maintenance	582	25	68	675
03	Electrical, Electronic and Telecommunication	774	46	76	896
04	Refrigeration and Air-conditioning	144	09	09	162
05	Food Technology	112	04	01	117
06	Information Communication and Multimedia Technology	732	07	42	781
07	Hotel and Tourism	327	19	12	358
08	Metal and Light Engineering	303	11	19	333
09	Wood Related	147	01	48	196
10	Gem and Jewellery	23	02	01	26
11	Printing and Packaging	24	0	0	24
12	Agriculture, Plantation and Livestock	0	0	0	0
13	Textiles and Garments	670	03	163	836
14	Personal and Community Development	335	18	238	591
15	Office Management	23	01	0	25
16	Fisheries and Aquaculturer	03	0	0	03
17	Leather and Footwear	01	0	09	10
18	Others	27	08	01	36
	<b>Total</b>	<b>4696</b>	<b>169</b>	<b>776</b>	<b>5641</b>

## Job Placement



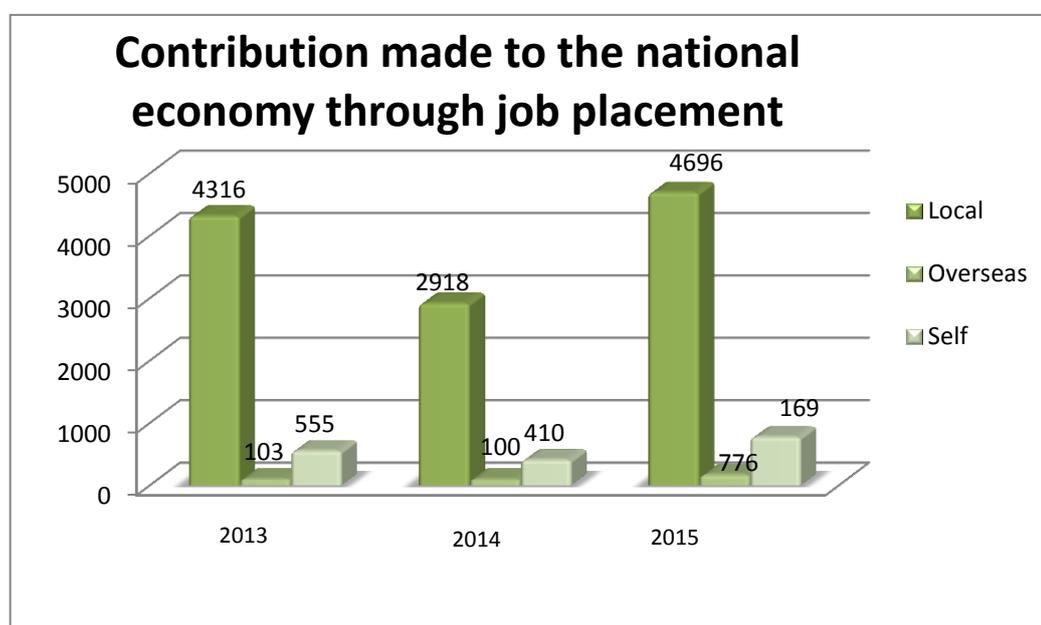
## Contribution to the National Economy through job placement

Category	No. of placements made	Contribution made to the national economy (Rs.Million)
Local Jobs	4696	130.93
Overseas Jobs	169	11.24
Self-employment	776	20.87
<b>Total</b>	<b>5641</b>	<b>163.04 *</b>

\* (Prepared in accordance with the labor market magazine of the Tertiary & Vocational Education Commission & data of the establishments to which job placements were made, the approximate income of the trainees for whom job placements were given in the year 2015)

	Local Jobs	Overseas Jobs	Self-employment	Total
<b>2013</b>	4316	103	555	4974
<b>2014</b>	2918	100	410	3428
<b>2015</b>	4696	169	776	5641

(Only the information with regard to the job placements made by the VTA except the courses with a request from the society)

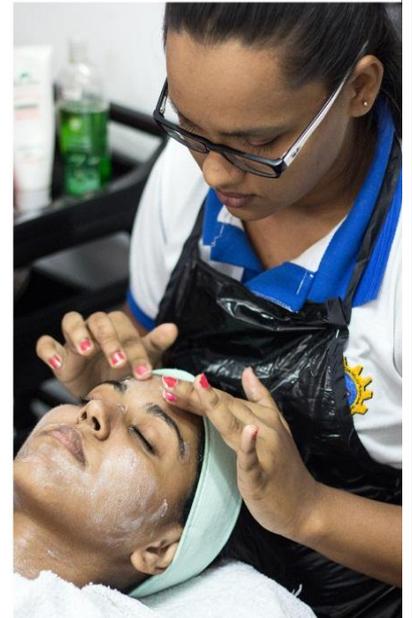


## Conduct workshops of Technical skills with the coordination of public & private Institutions

These programs are conducted with the objective of developing the knowledge & skills to those who are engaged in the vocational training field & to offer new technical knowledge in the changing world.

According in the year 2015 it was possible to hold 44 such programs in respect of 07 fields & there by it was possible for 3,247 persons to develop their skills.

	<b>Program</b>	<b>No. of programs</b>	<b>No. Participated</b>	<b>Sponsor Establishment</b>
	Laying of tiles	16	617	Lanka tiles
	Beauty culture	15	1852	Natures Beauty Creation (Pvt) Co.
	Electrician	06	468	ACL Cable Co.
	Bakery Associated Products	01	31	AB Mayuri Lanka Co.
	Repair of Motor cycles & three wheelers	03	153	David Pieris Co. Ltd
	Buildings & Painting	02	51	Axonoble paint Co. Ltd
	Aluminum fabricators	01	75	Swisstech Aluminum Ltd
	<b>Total</b>	<b>44</b>	<b>3247</b>	



## Signing of Memorandums of understanding

Vocational Training Authority of Sri Lanka in its march towards accomplishing its objectives applied various methods, & with the intention of creating various local & overseas jobs signed Memorandums of Understanding (MOU) with 5 government & private sector establishments in the year 2015.

	<b>Memorandum of Understanding</b>	<b>Establishment</b>
<b>01</b>	Creating employment opportunities in relation to construction machines & heavy vehicle operator field	Ravi Constructions
<b>02</b>	Creating employment opportunities in relation to heavy vehicle operator field	Maga Neguma Road Construction Machinery & Equipment Co.
<b>03</b>	Creating employment opportunities in relation to high speed sewing machine operator field	Walasmulla Tharushi Garment Private Co.
<b>04</b>	Creating employment opportunities in relation to repair of mobile telephones	Samsung India Electronic Private Co.
<b>05</b>	Creating employment opportunities in relation to cinnamon industry field	Cinnamon Trades Academy private Co.

## Conducting Entrepreneurship Development Programs

Vocational Training Authority of Sri Lanka with the view of empowering youth entrepreneurs conducts entrepreneurship development programs. By way of 29 programs conducted through out the island in the year 2015, 564 persons could be trained.

By way of the knowledge achieved from this type of programs businesses were planned, and a sum of approximately Rs. 25 Million could be obtained from public banks such as People's Bank, Bank of Ceylon by 90 trained entrepreneurship apprentices during the year 2015. Young entrepreneurs who have started such small & medium size businesses are scattered throughout the island.



## CHALLENGES

- ✿ Scarcity of consultants capable of attending to training using new technology & the difficulty in paying them a high salary.
- ✿ To minimize the imbalance between training fields & employment opportunities.
- ✿ Inadequacy of the capital & re-current provisions allocated by the government as a service providing establishment.
- ✿ Inability to provide facilities in equal level to all vocational training centers in operation throughout the island.
- ✿ Lack of financial facilities adequate to provide infrastructure facilities to vocational training institutions.
- ✿ Had to launch wide advertising programs to make aware society about the importance of vocational training.
- ✿ Had to function competitively with private sector establishments providing vocational training.
- ✿ As the facilities offered by non-governmental organizations and other organizations are more, inability to provide facilities in the same manner.
- ✿ A great effort has to be made to attract youth for vocational training.
- ✿ Less tendency of youth for skilled level courses which have a demand for labor.

## FORWARD

### FINANCAIAL STATEMENT FOR THE YEAR ENDED

31<sup>ST</sup> DECEMBER 2015

#### Vocational Training Authority of Sri Lanka

During the year under review a total grant of Rs. **1,697,097,206.39** was released to the Authority by the Treasury, Ministry and Skill Sector Development Project. The details are given below.

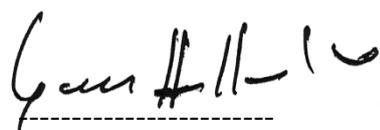
<b>1.1 Government Grant</b>	<b>Allocation (Rs)</b>	<b>Amount Released (Rs)</b>
Treasury Grant - Recurrent	1,162,000,000.00	1,162,000,000.00
Treasury Grant - Capital	145,000,000.00	121,500,000.00
Skill Sector Development Project	1,001,530,000.00	411,427,087.14
Ministry of Skill Development & Vocational Training	2,170,119.25	2,170,119.25
<b>Total</b>	<b>2,310,700,119.25</b>	<b>1,697,097,206.39</b>

<b>1.2 Income</b>	<b>Budgeted (Rs)</b>	<b>Income Earned Net(Rs)</b>
Income	<b>145,000,000.00</b>	<b>161,186,476.78</b>

The Financial Statements for the year ended 31<sup>st</sup> December 2015 are presented herewith for the approval of the Board of Directors.

#### The following documents are included:

01. Statement of Financial Position as at 31<sup>st</sup> December 2015
02. Statement of Financial Performance for the year ended 31<sup>st</sup> Dec.2015
03. Cash flow statement for the year ended 31<sup>st</sup> December 2015
04. Statement of changes in Net Assets for the year ended 31<sup>st</sup> December 2015
05. Notes to the Financial Statement



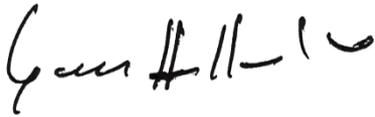
Major General Gamini Hettiarachchi (Retd.)

Chairman/CEO

**STATEMENT OF THE CHARIMAN ON BEHALF OF THE BOARD**  
**THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**  
**VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

The Financial Statements of the Vocational Training Authority of Sri Lanka for the financial year ended 31<sup>st</sup> December 2015 have been prepared in accordance with the Sri Lanka Accounting Standards and in the form and manner specified by the Vocational Training Authority of Sri Lanka Act No. 12 of 1995 and the Finance Act. No. 38 of 1971.

Financial rules and procedures prescribed by the Vocational Training Authority of Sri Lanka have been complied with, and the systems of controls have been maintained as far as practicable to ensure & safeguard the assets and effectiveness and efficiency of the transactions. To best of knowledge, the Financial Statements for the year ended 31<sup>st</sup> December 2015 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka.

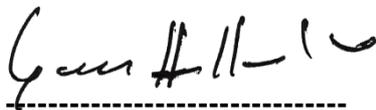


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Chairman /CEO

For the Board of Directors

Vocational Training Authority of Sri Lanka

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA					
STATEMENT OF FINANCIAL POSITION AS AT 31 <sup>st</sup> DECEMBER 2015					
	Note	2015 (Rs.)		2014 (Rs.)	
<b><u>ASSETS</u></b>					
<b><u>Non - Current Assets</u></b>					
Property Plant and Equipment	2	5,258,307,033.48		5,268,035,889.01	
Capital Work in progress	3	128,920,347.07		115,024,684.78	
Other Financial Assets					
Fixed Deposit		25,000.00	5,387,252,380.55	25,000.00	5,383,085,573.79
<b><u>Current Assets</u></b>					
Inventories	4	30,326,332.31		28,088,609.22	
Receivables	5	27,858,398.23		22,477,991.11	
Staff Loans	6	45,363,743.66		47,087,942.80	
Cash and Cash equivalent	7	90,736,999.03	194,285,473.23	72,814,017.76	170,468,560.89
<b>TOTAL ASSETS</b>			<b>5,581,537,853.78</b>		<b>5,553,554,134.68</b>
<b><u>EQUITY &amp; LIABILITIES</u></b>					
Accumulated Surplus (Deficit)		(752,188,530.98)		(676,856,282.16)	
Revaluation Surplus		2,319,991,544.97		2,319,991,544.97	
Gov. Grant - Capital	8	36,138,943.05		18,497,560.64	
Differed Income Grant	9	3,492,008,442.35	5,095,950,399.39	3,487,416,935.59	5,149,049,759.04
<b><u>Non - Current Liabilities</u></b>					
Provision for Gratuity	10	373,823,908.00	373,823,908.00	283,271,227.10	283,271,227.10
<b><u>Current Liabilities</u></b>					
Payables	11	90,775,778.71		104,650,307.67	
Accrued expenses	12	20,987,767.68	111,763,546.39	16,582,840.87	121,233,148.54
<b>TOTAL EQUITY &amp; LIABILITIES</b>			<b>5,581,537,853.78</b>		<b>5,553,554,134.68</b>



Major General Gamini Hettiarachchi (Retd.)

Chairman/CEO

<b>VOCATIONAL TRAINING AUTHORITY OF SRI LANKA</b>			
<b>STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST</b>			
<b>DECEMBER 2015</b>			
<b>(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)</b>			
Description	Note	2015 (Rs.)	2014 (Rs.)
<b>Operating Revenue</b>			
Recurrent Grant - Treasury		<b>1,162,000,000.00</b>	925,246,461.44
Differed Income Grant		<b>396,423,846.71</b>	405,459,678.31
<b>Other Income</b>			
Other Income	13	<b>145,612,986.16</b>	142,368,482.08
Production Unit Income (Net)	14	<b>15,573,490.62</b>	13,861,895.21
Fund Received For Special projects	15	<b>118,269,864.01</b>	75,691,741.77
Total Revenue		<b>1,837,880,187.50</b>	1,562,628,258.81
<b>Operating Expenses</b>			
Staff Cost	16	<b>1,017,313,302.11</b>	730,234,595.57
Travelling	17	<b>12,097,644.82</b>	13,443,233.99
Supplies and consumable used	18	<b>23,867,354.50</b>	32,383,543.52
Maintenance	19	<b>32,453,285.99</b>	27,760,175.04
Contractual services	20	<b>140,531,915.07</b>	135,716,461.52
Training material		<b>82,089,003.86</b>	76,978,188.45
Staff Training		<b>5,862,719.00</b>	10,788,417.67
Promotional & Career Guidance		<b>20,874,593.50</b>	22,289,729.35
Job placement, Research & Entrepreneurship	21	<b>16,617,111.70</b>	13,591,114.89
Loss on disposal of fixed assets			30,119,556.24
Depreciation		<b>396,423,846.71</b>	405,459,678.31
Other operating expenses	22	<b>46,626,598.14</b>	64,443,726.47
Expenditure on Special projects	23	<b>118,269,864.01</b>	75,691,741.77
Finance Cost	24	<b>185,196.91</b>	184,948.02
Total Operating expenses		<b>1,913,212,436.32</b>	1,639,085,110.81
Net Surplus /(Deficit) for the period		<b>(75,332,248.82)</b>	(76,456,852.00)
<b>Statements of Accumulated Surplus/Deficit</b>			
As at 1st January as reported previously		<b>(686,636,233.28)</b>	(595,665,207.92)
Prior Year Adjustment	25	<b>9,779,951.12</b>	(4,734,222.24)
As at 1st January as Restated		<b>(676,856,282.16)</b>	(600,399,430.16)
Net surplus/(deficit) for the period		<b>(75,332,248.82)</b>	(76,456,852.00)
Balance as at 31st December		<b>(752,188,530.98)</b>	(676,856,282.16)

**VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2015**

	2015 (Rs.)		2014 (Rs.)	
<b><u>Operating Activities</u></b>				
Surplus /(deficit)for the period		(75,332,248.82)		(76,456,852.00)
Prior year adjustment				
<b>Adjustment for:</b>				
Depreciation	396,423,846.71		405,459,678.31	
Amortization of deffered income grant	(396,423,846.71)		(405,459,678.31)	
Loss of the Assets Disposal	-		30,119,556.24	
Gratuity provision	99,630,393.20		59,613,604.56	
Gratuity paid	(8,724,868.30)		(8,956,685.41)	
Prior year adjustment	9,779,951.12		(4,734,222.24)	
(Increase) / Decrease in receivables	(3,627,961.12)		3,986,600.83	
(Increase) / Decrease in Staff Loans	1,724,199.14		(6,890,567.80)	
Increase/(Decrease) in payable	(25,003,653.58)		22,335,708.52	
Increase/(Decrease) in accrued expenditure	4,404,926.81		(8,095,129.40)	
(Increase)/Decrease in inventories	(2,237,723.09)	94,224,622.82	(2,530,921.30)	85,200,788.20
Net cash flow from operating activities		613,015.36		8,743,936.20
<b><u>Investing Activities</u></b>				
Purchases of property plant & Equipment	(384,765,040.12)		(362,120,231.06)	
Work in Progress	(16,581,729.85)		(83,340,649.52)	
Cash received for Assets Disposal			7,557,805.00	
Net cash flows from investing activities		(401,346,769.97)		(437,903,075.58)
<b><u>Financing Activities</u></b>				
Government Grant Capital	121,500,000.00		204,500,000.00	
Other Income Grant	297,156,735.88		239,373,357.30	
Net cash flow from Financing Activities		418,656,735.88		443,873,357.30
Net increase/decrease in cash & cash Equivalents		17,922,981.27		14,714,217.92
Cash & cash equivalents at beginning of period		72,814,017.76		58,099,799.84
Cash & cash equivalents at end of period		90,736,999.03		72,814,017.76

**VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31st DECEMBER 2015**

Description	Accumulated Fund	Government Grant Capital	Differed Income Grant	Revaluation Surplus	Total
Balance as at 1st January 2014	(595,665,207.92)	18,807,318.76	3,451,139,440.87	2,319,991,544.97	5,194,273,096.68
Opening balance Adjustments	(4,734,222.24)		(2,445,942.39)		(7,180,164.63)
Opening balance reststed	(600,399,430.16)	18,807,318.76	3,448,693,498.48	2,319,991,544.97	5,187,092,932.05
Grant received during the year		204,500,000.00			204,500,000.00
Amount transferred to differed income Grants		(204,809,758.12)	444,183,115.42		239,373,357.30
Amortization for the year			(405,459,678.31)		(405,459,678.31)
Surplus / ( Deficit ) for the year	(76,456,852.00)				(76,456,852.00)
Balance as at 31st December 2014	(676,856,282.16)	18,497,560.64	3,487,416,935.59	2,319,991,544.97	5,149,049,759.04
Balance as at 1st January 2015	(686,636,233.28)	18,497,560.64	3,486,332,412.03	2,319,991,544.97	5,138,185,284.36
Opening balance Adjustments	9,779,951.12		1,084,523.56		10,864,474.68
Opening balance reststed	(676,856,282.16)	18,497,560.64	3,487,416,935.59	2,319,991,544.97	5,149,049,759.04
Grant received during the year		121,500,000.00			121,500,000.00
Amount transferred to differed income Grants		(103,858,617.59)	401,015,353.47		297,156,735.88
Amortization for the year			(396,423,846.71)		(396,423,846.71)
Surplus / ( Deficit ) for the year	(75,332,248.82)				(75,332,248.82)
Balance as at 31st December 2014	(752,188,530.98)	36,138,943.05	3,492,008,442.35	2,319,991,544.97	5,095,950,399.39

## **01 - ACCOUNTING POLICIES**

### **1.0 Corporate Information**

1.1 Vocational Training Authority of Sri Lanka (VTASL) is a Statutory Board Incorporated in Sri Lanka under the Act No. 12 of 1995 of Vocational Training Authority of Sri Lanka.

1.2 The principal place of business is situated at No. 354/2, 'Nipunatha Piyasa', Elvitigala Mawatha, Narahenpita, Colombo 05.

1.3 During the year, the principal activity of the Authority was providing of vocational training to students.

### **1.4 General Policies**

#### **1.4.1 Statement of Compliance**

The Statement of financial position, statement of financial performance, statement of changes in net asset and cash flow statement, together with the accounting policies and notes (the financial statements) have been prepared in compliance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

#### **1.4.2 Basis of preparation**

The financial statements, presented in Sri Lanka rupees, have been prepared on an accrual basis and under the historical cost convention unless stated otherwise.

#### **1.4.3 Comparative Information**

The accounting policies applied by the authority are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged wherever necessary, to conform to the current years presentation.

1.4.4 The notes to the financial statements on pages **04** to **24** form an integral part of the financial statements.

1.4.5 The value presented in the financial statements are in Sri Lanka Rupees unless otherwise indicated. The

significant accounting policies are shown below.

1.4.6 Events after the balance sheet date  
No circumstances have arisen since the Balance Sheet date which requires adjustments to or disclosure in the accounts.

### **1.5 Taxation**

No provisions for income tax is made as the Authority is not expected to earn profits which operate on Government funds.

#### **1.5.1 Deferred tax**

The tax effect for timing difference has not occurred according to the taxation policy of the Authority. Therefore, the deferred taxation is not provided.

### **1.6 Valuation of Assets and Their Measurement Bases**

1.6.1 Recognition of Property, Plant & Equipment

Cost of an item of Property, Plant & Equipment should be recognized when,

a) It is probable that future economic benefits associated with the asset will flow to the Vocational Training Authority.

b) Cost of the asset to the Vocational Training Authority can be measured reliably

The capitalization threshold of Vocational Training Authority is Rs. 2,000/-. However, identification of Property, Plant & Equipment not only depends on the capitalization threshold but the following facts should also be considered.

(i) Expected useful life time of the asset incurred in bringing inventories to its present location and condition are accounted on FIFO basis as follows

- |                             |          |
|-----------------------------|----------|
| 1. Training materials       | -at cost |
| 2. Stationeries             | -at cost |
| 3. Raw materials (printing) | -at cost |
| 4. Other consumables        | -at cost |

## 1.6.2 Property , Plant and Equipment

a) Property, plant and equipment is stated at cost or valuation less accumulated depreciation. Items of property, plant and equipment are derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognizing of the asset is included in the income statement in the year the asset is derecognized.

### b) Depreciation

Provision for depreciation has been calculated by providing depreciation in the year of purchase. The following depreciation rates are applied.

Category	%
Building & Improvements	5%
Office equipments	10%
Motor vehicles	25%
Furniture & Fittings	10%
Training equipments	20%
Plant & Machinery	20%
Computer equipments	20%
Electrical equipments	20%

c) Capital Work-in progress  
Projects are valued at cost of work completed.

### 1.6.4 Receivables

Receivables are stated at the amounts they are estimated to realize, net of provisions for bad and doubtful receivables. A provision for doubtful debt is made when the debt exceed 365 days and collection of the full amount is doubtful.

### 1.6.5. Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand net of outstanding bank overdrafts.

## 1.7 Liabilities and provisions

1.7.1 All known liabilities have been accounted for in preparing the Financial Statements.

### 1.7.2 Staff Retirement Gratuity

The liability for retirement gratuity is computed on the basis of half (1/2) a month salary for each completed years of service in respect of all employees.

However, as per the Payment of Gratuity Act No. 12 of 1983 the liability arises only upon completion of five (05) years continued service.

The Gratuity liability is not assessed on Projected Unit Credit Method as the Gratuity liability is funded by General Treasury. No fund has been created in respect of this liability.

### 1.7.3 Defined Contribution Plans

Employees Provident Fund & Employees Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respecting statutes and regulations.

### 1.7.4. Government Grants and Subsidies.

a) Government grant on which the organization depends for its expenditure are being accounted on receipt basis. Grant related to recurrent expenditure are being presented as a credit to the income and expenditure account whereas the grant related to capital expenditure are being credited to Capital Grant Account.

b) Initially grants received from donor agencies related to the assets are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to the Deferred Income Grant and subsequently amortized during the useful life time of the asset.

### 1.7.5 Provisions and Contingent Liabilities

Provisions are made for all obligations existing as at the Balance Sheet date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed under note 27 to the

## **1.8 Income & Expenditure Statement**

### **1.8.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

a) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c) Income from training courses  
Students fees for training courses are recognized on an accrual basis.

d) Income from student production units  
The income of student production units are recognized on an accrual basis.

e) Rental Income  
Rental income is recognized on an accrual basis over the term of the lease.  
Financial statements unless the outflow of resources is remote.

f) Other income is recognized on an accrual basis

### **1.8.2 Expenditure Recognition**

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure

incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

Notes to the Financial Statements										
2 Property, Plant & Equipment										in Rs.
	Land	Building & Improvement	Motor Vehicles	Furniture & Fittings	Training Equipment	Office Equipment	Electrical Equipment	Computer Equipment	Plant & Machinery	Total
<b>Cost or Valuation</b>										
At the beginning of the year	1,750,201,814.06	3,002,523,565.92	291,798,022.58	237,115,732.83	1,577,438,789.03	86,418,505.30	8,093,123.81	393,403,812.38	83,541,670.56	<b>7,430,535,036.47</b>
Additions during the year	3,707,107.18	139,722,060.60	983,718.00	20,678,588.45	202,285,203.36	4,452,515.34	551,702.00	12,391,715.00	1,922,381.25	<b>386,694,991.18</b>
At the end of the year	<b>1,753,908,921.24</b>	<b>3,142,245,626.52</b>	<b>292,781,740.58</b>	<b>257,794,321.28</b>	<b>1,779,723,992.39</b>	<b>90,871,020.64</b>	<b>8,644,825.81</b>	<b>405,795,527.38</b>	<b>85,464,051.81</b>	<b>7,817,230,027.65</b>
<b>Accumulated Depreciation</b>										
At the beginning of the year	0.00	702,617,078.81	184,742,694.36	84,950,584.25	870,492,523.91	31,732,609.17	3,619,044.29	231,758,226.51	52,586,386.16	<b>2,162,499,147.46</b>
Charge for the year	0.00	121,981,427.39	27,009,761.56	17,284,373.70	181,846,293.30	5,913,841.15	1,005,156.30	34,807,460.18	6,575,533.13	<b>396,423,846.71</b>
At the end of the year	<b>0.00</b>	<b>824,598,506.19</b>	<b>211,752,455.92</b>	<b>102,234,957.95</b>	<b>1,052,338,817.21</b>	<b>37,646,450.32</b>	<b>4,624,200.59</b>	<b>266,565,686.69</b>	<b>59,161,919.29</b>	<b>2,558,922,994.17</b>
<b>Written Down Value</b>										
As at 31st December 2015	<b>1,753,908,921.24</b>	<b>2,317,647,120.33</b>	<b>81,029,284.66</b>	<b>155,559,363.33</b>	<b>727,385,175.18</b>	<b>53,224,570.32</b>	<b>4,020,625.22</b>	<b>139,229,840.69</b>	<b>26,302,132.52</b>	<b>5,258,307,033.48</b>
As at 31st December 2014	<b>1,750,201,814.06</b>	<b>2,299,906,487.11</b>	<b>107,055,328.22</b>	<b>152,165,148.58</b>	<b>706,946,265.12</b>	<b>54,685,896.13</b>	<b>4,474,079.52</b>	<b>161,645,585.87</b>	<b>30,955,284.40</b>	<b>5,268,035,889.01</b>
<b>2.1 Adjustment to the opening balance</b>										
<b>Cost</b>						<b>Depreciation</b>				
<b>Assets Category</b>	<b>Opening Balance before adjustment</b>	<b>Adjustment made</b>	<b>Opening Balance after adjustment</b>			<b>Assets Category</b>	<b>Opening Balance before adjustment</b>	<b>Adjustment made</b>	<b>Opening Balance after adjustment</b>	
<b>Building &amp; Improvement</b>	3,004,791,266.98	(2,267,701.06)	<b>3,002,523,565.92</b>			<b>Building &amp; Improvement</b>	702,979,260.87	(362,182.06)	<b>702,617,078.81</b>	
<b>Office Equipment</b>	86,080,755.30	337,750.00	<b>86,418,505.30</b>			<b>Office Equipment</b>	31,698,834.17	33,775.00	<b>31,732,609.17</b>	
Total	<b>3,090,872,022.28</b>	<b>(1,929,951.06)</b>	<b>3,088,942,071.22</b>			Total	<b>734,678,095.04</b>	<b>(328,407.06)</b>	<b>734,349,687.98</b>	

## Notes to the Financial Statements

### 2.2 Unvalued Land & Buildings

1. The Land and Buildings at Following Vocational Training Centers has not been included in the annual A/C as it was not been valued.

- |  |   |            |
|--|---|------------|
| • Vocational Training Center Matale        | - | Matale     |
| • Vocational Training Center Yakkalamulla  | - | Galle      |
| • Vocational Training Center Ginimellagaha | - | Galle      |
| • Vocational Training Center Akmimana      | - | Galle      |
| • Vocational Training Center Wathurawila   | - | Galle      |
| • Vocational Training Center Katana        | - | Gampa      |
| • Vocational Training Center Kirinda       | - | Hambantota |
| • Vocational Training Center Siribopura    | - | Hambantota |

The valuation of the above Land & buildings is ongoing, after getting the values, those value will be accounted in the year 2016

2. The following Buildings are constructed on funds from skill Development Project at lands which are not belongs to VTA. The valuation of the above land & building will be included in year 2016

- |   |   |              |
|---|---|--------------|
| • Vocational Training Center Bingiriya      | - | Kurunegala   |
| • Vocational Training Center Veyangoda      | - | Gampaha      |
| • Vocational Training Center Yakkalamulla   | - | Galle        |
| • Vocational Training Center Niyagama       | - | Galle        |
| • Vocational Training Center Ruwanwella     | - | Kegalle      |
| • Vocational Training Center Kantale        | - | Trincomale   |
| • Vocational Training Center Hambanthota    | - | Hambanthota  |
| • Vocational Training Center Waskaduwa      | - | Kalutara     |
| • Vocational Training Center Haldumulla     | - | Badulla      |
| • Vocational Training Center Welimada       | - | Badulla      |
| • Vocational Training Center Wellawaya      | - | Monaragala   |
| • Vocational Training Center Bibila         | - | Monaragala   |
| • Vocational Training Center Mihinthale     | - | Anuradhapura |
| • Vocational Training Center Galnewa        | - | Anuradhapura |
| • Vocational Training Center Thabuththegama | - | Anuradhapura |
| • Vocational Training Center Rajanganaya    | - | Anuradhapura |
| • Vocational Training Center Minneriya      | - | Polonnaruwa  |
| • Vocational Training Center Yatiyanthota   | - | Kegalle      |
| • Vocational Training Center Kilinochchi    | - | Jaffa        |
| • Vocational Training Center Rathmalana     | - | Colombo      |

<b>Notes to the Financial Statements</b>		
<b>Note</b>	<b>2015</b>	<b>2014</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>3</b>	<b><u>Capital Work in Progress- Buildings</u></b>	
	13,317,157.42	7,299,086.63
	390,637.50	390,637.50
	19,064,397.56	3,777,930.55
	158,850.00	
	1,714,442.53	3,644,120.80
	339,733.50	339,733.50
	3,405,037.56	2,686,067.56
	18,258,018.77	18,258,018.77
	37,148,386.74	450,892.50
	3,964,497.60	8,675,858.90
	221,247.00	221,247.00
		34,935,846.55
	17,729,439.62	176,712.00
	13,049,580.77	1,994,057.55
		27,569,676.77
	158,920.50	158,920.50
		4,021,177.70
		424,700.00
	<b>128,920,347.07</b>	<b>115,024,684.78</b>
<b>4</b>	<b><u>Inventories</u></b>	
	22,353,518.82	21,040,848.67
	7,149,429.29	6,941,957.55
		30,105.00
	823,384.20	75,698.00
	<b>30,326,332.31</b>	<b>28,088,609.22</b>
<b>5</b>	<b><u>Receivables</u></b>	
	Advance Payment For T-Shirt (Trainee)	
	82,000.00	120,450.00
	409,750.00	281,000.00
	Ministry of Vocational Training & Rural Industrial	
		55,714.28
	14,683,894.10	15,105,790.10
	1,173,934.93	906,172.70
	11,732.00	11,732.00
	3,035,710.16	3,035,710.16
	10,977,338.20	1,028,962.43
	519,749.00	-
	<b>34,825,039.63</b>	<b>29,444,632.51</b>
	<b>(6,966,641.40)</b>	<b>(6,966,641.40)</b>
	<b>27,858,398.23</b>	<b>22,477,991.11</b>

## Notes to the Financial Statements

		2015	2014
		Rs.	Rs.
<b>6</b>	<b><u>Staff Loans</u></b>		
	Balance at the beginning of the year	47,087,942.80	40,197,375.20
	Less:-Opening balance adjustment		(55,000.00)
	balance as reststed	47,087,942.80	40,142,375.20
	Add: Loans granted during the year	43,771,473.41	40,908,568.19
		90,859,416.21	81,050,943.39
	Less: Repayments during the year	(45,495,672.55)	(33,963,000.59)
	Balance at the end of the year	<b>45,363,743.66</b>	<b>47,087,942.80</b>
<b>7</b>	<b><u>Cash &amp; Cash Equivalent</u></b>		
	Cash in transit		
	Gold coins	104,000.00	104,000.00
	<b><u>Cash at Banks</u></b>		
	Bank of Ceylon	67,165.71	67,165.71
	Cash in hand	27,313.00	28,483.00
	Cheque in hand	-	2,065.03
	Commercial Bank	731,357.25	1,249,962.15
	Peoples Bank	89,807,163.07	71,362,341.87
		<b>90,736,999.03</b>	<b>72,814,017.76</b>
<b>7.1</b>	Two gold coins have been received by the Authority as rewards from Seylan Bank. Each gold coin weight is 8.02 grams and each gold value is 22.03 karat.		
<b>8</b>	<b><u>Government Grant - Capital</u></b>		
	Balance at the beginning of the year	19,253,677.14	18,807,318.76
	Less:-Opening balance Adjustment	(756,116.50)	-
	balance as reststed	18,497,560.64	18,807,318.76
	Add: Grants received during the year	121,500,000.00	204,500,000.00
		139,997,560.64	223,307,318.76
	Less: Transfers to Differed Income Grant	(103,858,617.59)	(204,809,758.12)
	Balance at the end of the year	<b>36,138,943.05</b>	<b>18,497,560.64</b>

## Notes to the Financial Statements

		Rs.	Rs.
<b>9</b>	<b><u>Differed Income Grant</u></b>		
	Balance at the beginning of the year	3,486,332,412.03	3,451,139,440.87
	Add:- Opening balance adjustment	1,084,523.56	(2,445,942.39)
	balance as reststed	3,487,416,935.59	<b>3,448,693,498.48</b>
	Add: Transfers during the year	401,015,353.47	444,183,115.42
	9.1		
		<b>3,888,432,289.06</b>	<b>3,892,876,613.90</b>
	Less: Amortized for the year	(396,423,846.71)	(405,459,678.31)
	Balance at the end of the year	<b>3,492,008,442.35</b>	<b>3,487,416,935.59</b>
<b>9.1</b>	<b>Transfers to Differed Income</b>		
	Government Grant – Capital	103,858,617.59	204,809,758.12
	SSDP Grants	297,156,735.88	239,373,357.30
		<b>401,015,353.47</b>	<b>444,183,115.42</b>
<b>10</b>	<b><u>Provision for Gratuity</u></b>		
	Balance at the beginning of the year	282,918,383.10	232,261,463.95
	Add: Opening balance adjustment	352,844.00	2,003,022.24
	balance as reststed	283,271,227.10	234,264,486.19
	Add: Provision Made During the year	<b>99,277,549.20</b>	<b>57,963,426.32</b>
		<b>382,548,776.30</b>	<b>292,227,912.51</b>
	Less: Payments during the year	(8,724,868.30)	(8,956,685.41)
	Balance at the end of the year	<b>373,823,908.00</b>	<b>283,271,227.10</b>

<b>Notes to the Financial Statements</b>				
<b>Note</b>		<b>2015</b>	<b>2014</b>	
		<b>Rs.</b>	<b>Rs.</b>	
<b>11</b>	<b><u>Payables</u></b>			
	Audit Fees	1,924,000.00	1,424,000.00	
	Cashier Deposit	25,000.00	25,000.00	
	Course fee payable	451,740.00	616,600.00	
	Deposit	67,000.00	234,500.00	
	Employee Provident Fund	14,175,314.95	7,298,414.76	
	Employee Trust Fund	2,126,296.84	1,094,762.21	
	Lecture fees	1,794,325.00	4,877,575.00	
	Ministry youth affairs & Skill		2,150,000.00	
	Other Payables	7,170,060.80	9,354,508.44	
	Project funds Payable	10,427,341.81	10,427,341.81	
	Received in Advance	646,095.00	1,514,600.00	
	Refundable Tender Deposit	1,888,531.29	1,287,835.95	
	Retention Money	15,473,297.26	7,795,102.39	
	Salary payable	449,003.43	1,557,703.42	
	Staff Incentive payable	251,903.65	69,360.00	
	Student insurance scheme	11.1	24,905,500.00	12,309,000.00
	Trade Creditors	7,639,520.77	42,527,688.73	
	Mobile phone reserve	1,264,640.15		
	W & O.P	96,207.76	86,314.96	
		<b>90,775,778.71</b>	<b>104,650,307.67</b>	
11.1	<b>Student insurance scheme</b>			
	At the beginning of the year	12,309,000.00	-	
	Add :-Contribution during the year	12,604,000.00	<b>12,337,500.00</b>	
		24,913,000.00	<b>12,337,500.00</b>	
	Less :- Payments during the year	(7,500.00)	<b>(28,500.00)</b>	
	Balance at end of the year	<b>24,905,500.00</b>	<b>12,309,000.00</b>	

**Notes to the Financial Statements**

<b>Note</b>	<b>2015</b>	<b>2014</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>12</b> <b><u>Accrued expenses</u></b>		
Carrier Guidance	183,020.00	270,980.00
Electricity	2,317,337.56	1,521,854.79
Examination & Evaluation	207,482.00	96,659.86
Fuel & Lubricant	48,948.00	58,376.00
Janitorial Services	717,379.00	563,595.00
Maintenance	1,414,185.50	1,182,972.27
Newspapers & periodicals	35,825.00	23,350.00
On The Job Training Payable	536,250.00	578,250.00
Overtime & Holiday pay	863,678.49	818,410.53
Part Time Expenses Payable	4,852,415.00	4,437,918.17
Promotional Activities	495,554.56	233,743.00
Rent, Rates & Taxes	213,900.00	88,476.19
Season tickets	545,083.75	584,351.02
Security Charges	4,046,400.00	2,705,145.00
Stipend	1,535,500.00	569,137.00
Telephone	1,887,616.47	1,527,958.36
Transport	77,800.00	
Travelling	550,308.80	507,673.54
Water	459,083.55	813,990.14
	<b>20,987,767.68</b>	<b>16,582,840.87</b>

<b>Notes to the Financial Statements</b>		
<b>Note</b>	<b>2015</b>	<b>2014</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>13</b>	<b><u>Other Income</u></b>	
	Auction Income	415,250.00
	Course fees	3,813,333.75
	119,485,750.00	109,004,150.00
	Canteen income	220,000.00
	Company registration	108,500.00
	Daily Diary	2,951,000.00
	2,839,700.00	2,839,700.00
	Entrepreneur Development program	82,000.00
	57,500.00	57,500.00
	Fines	69,956.00
	217,798.40	217,798.40
	Hall Income	1,590,800.00
	1,394,475.00	1,394,475.00
	Hostel Fees	414,500.00
	366,800.00	366,800.00
	Katharagama circuit bungalow	446,275.00
	415,695.00	415,695.00
	Loan Interest	1,857,567.05
	1,731,641.17	1,731,641.17
	Miscellaneous	3,373,791.10
	9,049,782.21	9,049,782.21
	Non Refundable Tender deposit	283,377.40
	684,500.00	684,500.00
	Record Book	5,137,100.00
	4,652,800.00	4,652,800.00
	Registration fees	8,158,800.00
	6,174,600.00	6,174,600.00
	Rent Income	-
	260,000.00	260,000.00
	Sale Finish goods	202,650.00
	184,611.00	184,611.00
	Savings A/C Interest	808,669.61
	1,445,595.55	1,445,595.55
	Supplier Registration	7,000.00
	75,500.00	75,500.00
	<b>145,612,986.16</b>	<b>142,368,482.08</b>

<b>Notes to the Financial Statements</b>			
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>14</b>	<b><u>Production Unit Income</u></b>		
	Ahugamma staff development center	1,931,075.50	318,162.00
	Earning 10%	664,095.70	781,807.00
	Hotel School – Ahangama	-	5,500.00
	Income from Part time courses	9,688,681.47	10,309,987.47
	Printing School –Narahenpita	-	537,125.75
	Recognition of prior learning (RPL)	1,541,601.10	992,394.00
	Sipsala bojun narahenpita	74,157.37	307,073.44
	Sundry income	159,957.80	113,788.80
	Trade test	54,688.67	331,598.75
	Thalalla restaurant	234,365.21	
	T - Shirt income	1,169,540.80	
	Vehicle Service	55,327.00	44,513.00
	VTA Food Production Income	-	119,945.00
		<b>15,573,490.62</b>	<b>13,861,895.21</b>

<b>Notes to the Financial Statements</b>			
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>15</b>	<b><u>Funds on Special Projects</u></b>		
	Ministry of Youth Affairs & Skills Development - A/L student program	2,170,119.25	6,377,201.75
	Ministry of Youth Affairs & Skills Development - World Skill Day	53,025.00	2,591,364.65
	Skill Sector Development Programme	114,270,351.26	66,331,150.49
	Ceylon Electricity Board	1,776,368.50	
	TVEC	-	392,024.88
		<b>118,269,864.01</b>	<b>75,691,741.77</b>
<b>16</b>	<b><u>Staff Cost</u></b>		
	E.P.F. & E.T.F.	102,487,074.83	63,899,431.23
	Gratuity surcharge	76,818.75	294,067.60
	Other Allowance	433,998,896.67	232,938,543.56
	Pension Contribution		196,971.80
	Salaries & overtime	381,472,962.66	374,942,155.06
	Staff Gratuity	99,277,549.20	57,963,426.32
		<b>1,017,313,302.11</b>	<b>730,234,595.57</b>

<b>Notes to the Financial Statements</b>			
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>17</b>	<b><u>Travelling</u></b>		
	Accommodation Expenses	463,426.00	90,910.00
	Domestic	6,877,069.56	6,943,162.82
	Foreign	4,473,001.30	4,469,131.17
	Verification Expenses	284,147.96	1,940,030.00
		<b>12,097,644.82</b>	<b>13,443,233.99</b>
<b>18</b>	<b><u>Supplies and Other Consumables</u></b>		
	Fuel & Lubricant	13,258,538.90	16,385,790.11
	Others	1,673,172.20	3,691,306.53
	Stationary & Office Requisites	8,935,643.40	12,306,446.88
		<b>23,867,354.50</b>	<b>32,383,543.52</b>
<b>19</b>	<b><u>Maintenance</u></b>		
	Building	12,013,289.13	9,709,395.04
	Plant & Machinery	8,555,592.18	6,613,800.55
	Vehicle	11,884,404.68	11,436,979.45
		<b>32,453,285.99</b>	<b>27,760,175.04</b>
<b>20</b>	<b><u>Contractual Services</u></b>		
	Advertisement	2,322,323.70	6,054,591.36
	Audit Fees	500,000.00	500,000.00
	Consultation and Professional Fees		1,895,094.12
	Compensation	313,794.00	
	Electricity	44,753,916.95	48,912,656.75
	Hire Charges	240,000.00	405,000.00
	Insurance	4,579,745.90	3,750,432.00
	Janitorial service	9,554,281.82	7,848,685.02
	News Papers & Periodicals	397,978.00	409,561.00
	Postal Charges	891,524.76	1,154,151.26
	Rent , Rates & Taxes	6,701,835.26	5,539,059.61
	Security Charges	40,347,468.00	29,810,988.75
	Staff Welfare & Other	368,240.00	668,940.00
	Telephone Charges	17,466,794.56	15,092,851.93
	Transport	2,692,086.52	4,433,434.10
	Water	9,401,925.60	9,241,015.62
		<b>140,531,915.07</b>	<b>135,716,461.52</b>

<b>Notes to the Financial Statements</b>			
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>21</b>	<b><u>Job placement, Research &amp; Entrepreneurship</u></b>		
	Curriculum Development	362,440.00	200,017.50
	On the Job Training & Monitoring	13,988,608.40	11,394,054.50
	Entrepreneurship Programs	936,144.80	935,279.89
	Job Placement	976,460.50	600,813.00
	Research & Tracer study	122,600.00	284,655.00
	Private public partnership	230,858.00	176,295.00
		<b>16,617,111.70</b>	<b>13,591,114.89</b>
<b>22</b>	<b><u>Other Operating Expenses</u></b>		
	Deyata kirula	-	3,019,567.00
	Discount 10 %	119,490.00	36,400.00
	Discount Cost For Training Courses 50 %	2,077,110.00	1,497,255.00
	Examination & Evaluation	4,560,505.13	4,120,764.09
	Free Courses Cost	1,901,370.00	1,372,850.00
	Honorarium	68,400.00	369,200.00
	Insurance for free courses	349,000.00	400,000.00
	Legal Fees	713,508.23	1,244,566.00
	Miscellaneous	4,153,020.47	9,217,775.61
	Quality Management Accreditation	1,598,186.47	2,199,848.53
	Season Tickets	4,513,405.00	5,407,931.24
	Special Training Program	1,109,740.00	1,221,715.40
	Stipend Allowance	19,207,436.00	26,848,035.33
	Tools & Consumables	2,986,791.84	1,220,538.27
	Unrecovered insurance from students	305,700.00	566,000.00
	unsettled course fees	2,962,935.00	5,701,280.00
		<b>46,626,598.14</b>	<b>64,443,726.47</b>

<b>Notes to the Financial Statements</b>			
<b>Note</b>	<b>2015</b>	<b>2014</b>	
	<b>Rs.</b>	<b>Rs.</b>	
<b>23</b>	<b><u>Expenditure on Special Projects</u></b>		
	Ministry of Youth Affairs & Skills Development - A/L student program	2,170,119.25	6,377,201.75
	Ministry of Youth Affairs & Skills Development - World Skill Day	53,025.00	2,591,364.65
	Skill Sector Development Programme	114,270,351.26	66,331,150.49
	Ceylon Electricity Board	1,776,368.50	
	TVEC	-	392,024.88
		<b>118,269,864.01</b>	<b>75,691,741.77</b>
<b>24</b>	<b><u>Finance Cost</u></b>		
	Bank Charges	185,196.91	184,948.02
		<b>185,196.91</b>	<b>184,948.02</b>

## Notes to the Financial Statement

### 25. Prior Year Adjustment

Following over and under provision of expenses were adjustment as previous year adjustment.

Description	Dr	Cr	+ /(-)
Provision for gratuity	(352,844.00)		(352,844.00)
Unpaid Salaries & Wages		5,701,818.51	5,701,818.51
Refundable Tender Deposit		475,284.44	475,284.44
Vehicle Service Unit	(58,921.00)		(58,921.00)
Acquisition Of Office Equipment		337,750.00	337,750.00
Acquisition Of Building & Improvement		418,366.50	418,366.50
Retention Money		3,709,792.67	3,709,792.67
Trade Creditors		242,229.00	242,229.00
Other Payable		1,000,000.00	1,000,000.00
Depreciation	(54,693.33)	383,100.39	328,407.06
Differed Income Grant Recurrent	(383,100.39)	54,693.33	(328,407.06)
Drop Out	(1,693,525.00)		(1,693,525.00)
<b>TOTAL</b>	<b>(2,543,083.72)</b>	<b>12,323,034.84</b>	<b>9,779,951.12</b>

As a result of the above adjustments, the deficit of Rs. 86,236,803.12 related to the year 214 will be decreased as Rs. 76,456,852.00 in 2015.

### 26. Commitments and Contingencies

#### a) **Litigation against the Authority**

The court cases pending were as follows

Court	31.12.2015	31.12.2014
	Supreme Court	02
Court of Appeal	-	-
High Court	-	-
District Court	01	02
Labour Tribunal	01	03
Labour Department inquiries	03	-
<b>Total</b>	<b>07</b>	<b>08</b>

#### b) **Capital Commitments**

There were no material capital commitments as at 31.12.2015

**27. Adjustment of unusable items cost of property, plant & Equipment**

All ready auction items identify in the asset verification held in year 2013, 2014 and 2015 and some of items are Auction & destroyed in 2014 and 2015, the book value of the above item will be adjust to properly plant & equipment (Fixed Assets) in the year 2016.

**28. Bad debts Provision**

Out of the bad debts provision amounting Rs. 6,966,641.40, a sum of Rs. 6,775,037.37 due from Ministry of Youth Affairs & Skills Development and security service receivables for which a decision is expected due cause.

**29. TVEC Project Fund Payable**

Balance of the TVEC project as at 31<sup>st</sup> December 2014 is Rs. 10,427,341.81 which was granted accreditation to the courses. Up to now related course equipment's already has been purchased, therefore, those equipment value will be adjusted in year 2016.

**Vocational Training Authority of Sri Lanka**

**Trial Balance as at 31<sup>st</sup> December 2015**

<b>Description</b>	<b>Dr.</b>	<b>Cr.</b>
<b>Acquisition of Capital Assets</b>		
Acquisition of Land & Land improvement	1,753,908,921.24	
Acquisition of Buildings and Improvement	3,142,245,626.52	
Acquisition of Computer Equipment	405,795,527.38	
Acquisition of Electrical Equipment	8,644,825.81	
Acquisition of Furniture & Fittings	257,794,321.28	
Acquisition of Motor Vehicles	292,781,740.58	
Acquisition of Office equipment	90,871,020.64	
Acquisition of Plant & Machinery	85,464,051.81	
Acquisition of Training equipment	1,779,723,992.39	
<b>Provision For Depreciation</b>		
Provision for dep. Buildings and Improvement		824,598,506.20
Provision For Dep. Computer equipment		266,565,686.69
Provision For Dep. Electrical equipment		4,624,200.59
Provision For Dep. Furniture & Fittings		102,234,957.95
Provision For Dep. Motor Vehicles		211,752,455.92
Provision For Dep. Office equipment		37,646,450.32
Provision For Dep. Plant & Machinery		59,161,919.29
Provision For Dep. Training equipment		1,052,338,817.21
<b>Capital Work in Progress</b>		
Work in Progress - Building structures	128,920,347.07	
<b>Investment</b>		
Fixed Deposit	25,000.00	
<b>Inventories</b>		
Training Material	22,353,518.82	
Stationary	7,149,429.29	
Other Consumables	823,384.20	
<b>Other Receivables</b>		
Advances For Programs	82,000.00	
Deposits	409,750.00	
Ministry of Youth Affairs & Skills Development	3,930,931.24	
Vehicle Service Income Receivable	519,749.00	
Receivable Course Fee	14,683,894.10	
Salary Receivables	1,173,934.93	
Shortage Of Income	11,732.00	
State Organization	3,035,710.16	
Trade & Other receivables	10,977,338.20	
Provision for Bad Debts		6,966,641.40
Staff Loan		
Distress Loan	44,905,743.66	
Festival Advance	458,000.00	
<b>Cash &amp; Cash Equivalents</b>		
Gold coin	104,000.00	
<b>Bank Accounts</b>		
Ampara	515,927.94	
Anuradhapura	328,913.71	
Badulla	155,790.73	

Batticaloa	610,125.07	
Colombo	972,503.72	
Galle	650,159.86	
Gampaha	46,299.86	
Hambantota	87,430.38	
Head Office.	74,133,854.40	
Jaffna	283,833.25	
Kalutara	189,384.92	
Kandy	849,038.30	
Kegalle	69,213.70	
Killinochchi	521,628.13	
Kurunegala	2,058,307.45	
Matale	303,303.27	
Matara	553,434.76	
Monaragala	1,093,513.08	
Nuwaraeliya	1,011,564.63	
NVTI – Baddegama	296,535.96	
NVTI – Mirijjawila	984,624.36	
NVTI – Narahenpita	1,154,086.30	
NVTI – Niyagama	149,922.99	
NVTI – Orugodawaththa	99,992.52	
NVTI – Rathmalana	695,178.92	
NVTI – Thalalla	447,629.16	
Polonnaruwa	616,784.43	
Puttalam	96,837.77	
Rathnapura	108,572.30	
Trincomalee	151,933.70	
Vavuniya	1,369,360.46	
Cash-in-hand	27,313.00	
Government Grant Capital		36,138,943.05
Government Grant - Recurrent		1,162,000,000.00
Differed Income Grant – Recurrent		396,423,846.71
Reserves & Surplus		
Differed Income Grant		3,492,008,442.35
Provision for Gratuity		373,823,908.00
Revaluation Surplus		2,319,991,544.97
<b>Payables</b>		
Audit Fee Payable		1,924,000.00
Cashier Deposit		25,000.00
Course Fee Payable		451,740.00
Deposits		67,000.00
E.P.F Payable		14,175,314.95
E.T.F. Payable		2,126,296.84
Lecture Fees Payable		1,794,325.00
Other Payables		7,170,060.80
Project Funds Payable		10,427,341.81
Received in Advance		646,095.00
Refundable Tender Deposit		1,888,531.29
Retention Money		15,473,297.26
Salary Payable		449,003.43

Staff Incentive Payable		251,903.65
Trade Creditors		7,639,520.77
W & O P Payable		96,207.76
Student insurance payable		24,905,500.00
Mobile phone reserve		1,264,640.15
<b>Accrued Expenses</b>		
Carrier Guidance Accrued		183,020.00
Electricity Accrued		2,317,337.56
Examination & Evaluation Accrued		207,482.00
Fuel & Lubricant Accrued		48,948.00
Janitorial Service Accrued		717,379.00
Maintenance Accrued		1,414,185.50
News Papers & Periodicals Accrued		35,825.00
Overtime & holiday pay Accrued		863,678.49
Part Time Expenses Accrued		4,852,415.00
Promotional Expenses Accrued		495,554.56
Rent, Rates & Taxes Accrued		213,900.00
Season Tickets Accrued		545,083.75
Security Charges Accrued		4,046,400.00
Stipend Allowance Accrued		1,535,500.00
Telephone Charges Accrued		1,887,616.47
Traveling Accrued		550,308.80
Transport Accrued		77,800.00
Water Accrued		459,083.55
On The Job Training Accrued		536,250.00
<b>Other Income</b>		
Auction Income		415,250.00
Course fee		119,485,750.00
Daily Diary		2,951,000.00
Entrepreneurship Program		82,000.00
Fines		69,956.00
Finished Good Sales		202,650.00
Hall Income		1,590,800.00
Hostel Fee		414,500.00
Katharagama Circuit Bungalow		446,275.00
Loan Interest		1,857,567.05
Miscellaneous Income		3,373,791.10
Non Refundable Tender Deposit		283,377.40
Record Book		5,137,100.00
Registration Free		8,158,800.00
Canteen Income		220,000.00
Supply Registration		7,000.00
Savings A/C Interest		808,669.61
Company registration		108,500.00
<b>Production Unit Income</b>		
Sundry Income		159,957.80
Part Time Courses		9,688,681.47
RPL		1,541,601.10

Trade Test		54,688.67
Vehicle Service		55,327.00
Ahugamma Academic Staff Development		1,931,075.50
10% Earnings		664,095.70
Sipsala Bojun Narahenpita		74,157.37
Thalalla restaurant		234,365.21
T - Shirt income		1,169,540.80
<b>Funds On Special Projects</b>		
Funds Received From Ministry For A/L Student		2,170,119.25
Funds on Electrical from CEB		1,776,368.50
Funds Received From SSDP Project		114,270,351.26
World Skill Day Expenditure		53,025.00
<b>Staff Cost</b>		
E.P.F. Expenses	81,981,803.90	
E.T.F. Expenses	20,505,270.93	
Other Allowance(Staff Cost)	433,998,896.67	
Salaries & Overtime	381,472,962.66	
Staff Gratuity	99,277,549.20	
Surcharge for gratuity	76,818.75	
<b>Travelling</b>		
Travelling – Domestic	6,877,069.56	
Travelling – Foreign	4,473,001.30	
Accommodation Expenses	463,426.00	
Verification Expenses	284,147.96	
<b>Supplies and Other Consumables</b>		
Stationary & Office Requisites	8,935,643.40	
Fuel & Lubricant Charges	13,258,538.90	
Other Supplies	1,673,172.20	
<b>Maintenance</b>		
Maintenance of vehicle	11,884,404.68	
Maintenance of Plant & Machinery	8,555,592.18	
Maintenance of Building	12,013,289.13	
<b>Contractual Service</b>		
Audit Fees -1	500,000.00	
Advertisement-1407C	2,322,323.70	
Compensation	313,794.00	
Electricity Charges	44,753,916.95	
Hire Charges	240,000.00	
Insurance	4,579,745.90	
Janitorial Service	9,554,281.82	
News Papers & Periodicals-1	397,978.00	
Postal Charges	891,524.76	
Rent, rates & taxes	6,701,835.26	
Security Charges-1	40,347,468.00	
Staff Welfare & Other	368,240.00	
Telephone Charges	17,466,794.56	
Transport-1	2,692,086.52	
Water Bill	9,401,925.60	

<b>Job Placement, Research &amp; Entrepreneurship</b>		
Curriculum Development	362,440.00	
On the Job Training & Monitoring	13,988,608.40	
Entrepreneurship Programs	936,144.80	
Job Placement-1	976,460.50	
Research & Tracer Study	122,600.00	
Private Public Partnership	230,858.00	
<b>Other Operating Expenses</b>		
Tools & Consumables	2,986,791.84	
Approved Dropouts 2015- Full time	2,962,935.00	
Examination & Evaluation-1	4,560,505.13	
Honorarium	68,400.00	
Legal Fees	713,508.23	
Miscellaneous expenses	4,153,020.47	
Quality Management & Accreditation	1,598,186.47	
Season Tickets	4,513,405.00	
Special Training Programs	1,109,740.00	
Stipend Allowance	19,207,436.00	
Free Course Charges	1,901,370.00	
10% Discount	119,490.00	
50 % Discount Cost for Training	2,077,110.00	
Insurance for free courses	349,000.00	
Unrecovered insurance	305,700.00	
<b>Expenditure On Special Projects</b>		
Expenditure for Ministry A/L Student	2,170,119.25	
Expenditure on Electrical from CEB	1,776,368.50	
Expenditure Received From SSDP Programme	114,270,351.26	
Expenditure World Skills Day	53,025.00	
<b>Finance Cost</b>		
Bank Charges	185,196.91	
Training Materials-1	82,089,003.86	
Staff Training - Capacity Development	5,862,719.00	
Promotional Expenses	18,386,522.07	
Carrier Guidance -1	2,488,071.43	
Depreciation	396,423,846.71	
Profit & Loss A/C	686,636,233.28	
Previous Year Adjustment		9,779,951.12
	<b>10,747,276,158.95</b>	<b>10,747,276,158.95</b>



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல. } VTY/E/VTA/1/15/108  
My No. }

ඔබේ අංකය  
உமது இல. }  
Your No. }

දිනය  
திகதி }  
Date }

23 March 2017

The Chairman,  
Vocational Training Authority of Sri Lanka.

Report of the Auditor General on the Financial Statements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2015 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No.38 of 1971 and Section 25 of the Vocational Training Authority of Sri Lanka Act, No. 12 of 1995. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## 2. Financial Statements

### 2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### 2.2 Comments on Financial Statements.

#### 2.2.1 Sri Lanka Accounting Standards

##### (a.) Sri Lanka Accounting Standard 16

- (i) Depreciation begins when the asset is available for use. Nevertheless, assets had been depreciated by the Authority based on the year of purchase.



- (ii) According to the Standard, the residual value, useful life, as well as the method of depreciation of an asset should be reviewed by the end of every financial year. Nevertheless, the assets had been depreciated by the Authority by applying a common rate that had been used for each category of asset.

- (b.) Disposal of assets had not been accounted after the year 2009.

#### 2.2.2 Lack of Evidence for Audit

Schedules of creditors relating to the other payables valued at Rs. 7,170,061 shown in the financial statements, had not been made available to audit.

#### 2.3 Accounts Receivable and Payable

- (a.) Of the debtor balance of Rs. 34,825,040 by the end of the year under review, seven balances totalling Rs. 3,177,689 had been old between 1 to 5 years, whilst 21 debtor balances totalling Rs. 7,068,641 had been old between 5 to 13 years. Rs. 3,035,710 of that had remained receivable from Government institutions.

- (b.) The balances payable by the end of the year under review totaled Rs. 90,775,779, whereof a sum amounting to Rs. 265,000 had been older than 05 years, whilst sums of Rs. 13,313,061 and Rs. 19,969,169 had remained outstanding for periods from 3 to 5 years, and 1 to 3 years respectively. However, action had not been taken to settle those balances.

#### 2.4 Non-compliances with Laws, Rules, Regulations, and Management Decisions

The following instances of non-compliance were observed.

<u>Reference to Laws, Rules, and Regulations</u>	<u>Non-compliance</u>
(a.) Establishments Code of the Democratic Socialist Republic of Sri Lanka.	
Section 2.2 of Chapter IX	The royalty of 10 per cent had not been deducted from the payments amounting to Rs. 168,835 made with respect to the lectures conducted for the part-time training courses by the permanent lecture panel of the Authority.



- (b.) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.
- (i) Financial Regulation 104 and 110. Two computers pertaining to the Computer Hardware Course conducted at the National Vocational Training Center in Ratmalana, had been misplaced on 15 January 2015. However, action had not been taken in accordance with the relevant regulations.
- (ii) Financial Regulation 188 (2) Follow-up action had not been taken even up to 31 December 2015 in respect of 02 unrealized cheques valued at Rs. 49,644 despite being deposited in the year 2009, and a cash deposit of Rs. 320,915 that had not been credited to the account despite being deposited in the year 2013.
- (iii) Financial Regulation 385 When a bank account is kept, payments of Rs. 500 and over must not be made in cash. However, it was observed in an audit test check that instructors' fees of the part-time courses amounting up to Rs. 86,400 had been paid in cash in 08 instances.
- (c.) Section 9.3.1 (vii) of the Public Enterprises Circular, No. PED/12, dated 02 June 2003. If an acting appointment is made under exceptional circumstances, it should be limited to a period not exceeding 3 months. Nevertheless, 04 instances were observed in which acting appointments had been made for periods of up to 04 years.



## 2.5 Transactions not Supported by Adequate Authority

The following observations are made.

- a) A part time training course had been conducted at a National Vocational Training Centre since 11 March 2015 without a proper approval. A sum of Rs. 42,700 collected from the apprentices had been retained by the instructor for a period of 04 months without being handed over to the Cashier.
- b) A sum of Rs. 7,500,000 had been received from the Sri Lanka Tourism Promotion Bureau in February, 2012 in order to pay to the Salacine institute for commemorating the World Tourism Day in the year 2011. A sum of Rs. 1,000,000 that had been saved after making payments therefrom, had been credited to the income of the Authority in the year under review without a proper approval.
- c) In order to establish an insurance fund for the apprentices of the Authority, a sum of Rs. 24,905,500 had been collected from them during the period from the year 2013 to 31 December 2015, and deposited in a bank account of the Authority without approval of the Treasury in accordance with Section 3.1 of the Public Finance Circular, No. P. F/423, dated 22 December 2006.

## 3. Financial Review

### 3.1 Financial Result

According to the financial statements presented, the financial result for the year under review amounted to a deficit of Rs. 75,332,248 as compared with the corresponding deficit of Rs. 76,456,852 for the preceding year, thus indicating an improvement of Rs. 1,124,604 in the financial result for the year under review as compared with the preceding year. Although the expenditure on cost of staff, contractual services, and the security services had increased by sums of Rs. 287,078,707, Rs. 4,815,454, and Rs. 10,536,480 respectively as compared with the preceding year, the decrease in the supply and consumer services, and other operating expenses by sums of Rs. 8,516,189, and Rs. 17,817,128 respectively whilst the increase in the Treasury grants by a sum of Rs. 236,753,539, had mainly attributed to the aforesaid improvement.



The analysis of the financial results of the year under review and 04 preceding years revealed that a financial surplus had resulted in for the year 2012, whereas a deficit had resulted in for the other years. However, in considering the employee remuneration and the depreciation on non-current assets, the contribution of the Authority in the year 2013 amounting to Rs. 1,023,595,450, had continuously increased up to Rs. 1,338,404,900 in the year under review.

### 3.2 Legal Action Instituted by or against the Authority

By the end of the year under review, 07 cases had been filed by the employees against the Authority whilst 02 cases had been filed by the Authority against the Director (Finance) whose service had been suspended. A sum of Rs. 713,508 had been paid during the year as legal expenses..

## 4. Operating Review

### 4.1 Performance

The following observations are made.

- a) (i) According to the Vocational Training Authority of Sri Lanka Act, No. 12 of 1995, the Authority should execute the functions such as, conducting vocational training programs and providing training, carrying out research and development in vocational training and labour market, co-ordination of vocational training conducted by agencies in the public and private sector, offering career guidance and counselling services , offering job placement services, establishing links with local and international Vocational Training Organizations, and facilitating the training of trainers required for vocational training. However, no researches on the demand and supply of the labour market had been conducted whilst attention had not been paid on establishing international relationships in the year under review. Furthermore, the Authority had not implemented programs suitable for providing training by attracting the apprentices to the courses identified to be in line with the requirements of the labour market, and the participation of the apprentices in those courses had remained at a low level.



- (ii) The number of apprentices trained in the year under review in respect of the vocational areas such as, refrigeration and air-conditioning repair, gem and Jewellery, food technology, leather and footwear, fisheries and ornamental fish, and printing, had been less than 5 per cent of the overall number of apprentices.
- b) Observations on the performance in accordance with the Action Plan for the year and the conducting of classes during the 03 preceding years, are as follows.
- (i) From the year 2013 up to 2015, the numbers of apprentices enrolled for the training had been 28,446, 28,692, and 28,745 respectively. Accordingly, it was observed that the increase in the number of apprentices had been less than even 1 per cent. As the number of courses conducted had been 1925, 1939, and 1952, it was observed that the increase in the number of courses during those years, had also been less than 1 per cent.
- (ii) The number of courses not accredited to the vocational level (NVQ), had been decreased from 522 in the year 2013 to 198 in the year 2015. The increase in the number of courses under vocational skills level 4 from 383 up to 775 in the year 2013, had been a favourable trend.
- (iii) Despite being targeted to conduct 2405 full time and part time courses for the year 2015, only 1952 courses had been conducted. As such, 453 courses had not been conducted.
- (iv) The number of courses for which, 5 or less apprentices had been enrolled was 28.
- c) The performance of the activities under the Skills Sector Enhancement Project.



- (i) Despite being targeted to establish 60 business units at 60 training centres by the end of the year under review, only 07 centres had been established.
- (ii) Although a staff of 167 employees should have been recruited by 31 December 2015 under the Skills Sector Enhancement Project, only 43 officers had been recruited, thus indicating the unaccomplished target of 75 per cent. Of the 25 Instructors recruited, 11 had left the Authority. Although courses had been commenced at the centers by targeting another 7 of them, they had not been attached thereto.
- (iii) As budgeted provisions had not been made for 43 Instructors recruited by the Authority in the year 2015 in addition to the recruitments made under the Project Plan, payments amounting to Rs. 13,147,737 had been made by the Project in the year 2015 for their salaries.
- (iv) Although it had been targeted to commence 40 new courses at 07 selected centres, and to provide all the equipment required for those courses by the Project, 26 of those courses had not been commenced up to 31 December 2015.
- (v) Although it was expected to establish a computer network by reviewing and improving the existing Information System of the Authority to encompass and formalize the activities such as, apprentice registration, and financial, stores and library administration, the activities for establishing such a system had not been commenced up to the end of the year under review.
- (vi) A methodology had not been implemented by the Authority in the year under review to promote new training courses targeting foreign employment which is an objective of the Project.



- (vii) According to the Project Plans, construction of 10 new training centres should have been completed by the end of the year under review. Nevertheless, construction of only one centre had been commenced whilst only 12 out of the 50 centres to be improved, had been improved.
- (viii) It was revealed at a sample check that the apprentices who had followed the Motor Vehicle Engineering Technician course at a centre in Colombo in the years 2012 and 2014, had not been awarded with certificates up to 26 October 2016.
- d) The establishment of Vocational Training Councils is stated under Section 15(1) of the Vocational Training Authority of Sri Lanka Act, No. 12 of 1995. Accordingly, directives relating to the establishment of Vocational Training Councils had been issued through the Gazette Extraordinary dated 30 April 1996 of the Democratic Socialist Republic of Sri Lanka, but such Councils had not been established up to 31 December 2015. It was further observed that courses had been commenced and discontinued improperly.
- e) The number of Vocational Training Centres that remained functional during the years 2013, and 2014 was 275, and 251 respectively. However, that had decreased to 247 by 31 December 2015.
- f) As only a part of the equipment required for commencing the Technician Course at the Vocational Training Centre in Puttalam, had been provided, the course had not been commenced.
- g) Although it had been proposed to construct a new Hotel School in Ahangama, and training equipment valued at Rs. 8,605,519 required for 03 courses scheduled to be conducted therein had been purchased under the Skills Sector Enhancement Project since the year 2015, the construction of the Hotel School had not been commenced even up to May 2016. The equipment had been stored at the nearby centres since the year 2015.

#### 4.2 Management Activities

The following observations are made.

- a) According to the information made available, the number of lands where the Vocational Training Centres of the Authority had been located, was 248, and of that, 178 lands belonged to the Public sector, whereas 70 lands belonged to the private sector. The ownership of only 32 lands belonging to the Government had been properly vested in the Authority by 31 December 2015. Despite being planned to take over the ownership of 60 lands, no action whatsoever had been taken to take over the rest of the 86 lands. Of the lands owned by the private sector, agreements had been signed between the two parties only for 35 lands.
- b) The contribution to the Employees' Provident Fund and Employees Trust Fund amounting to Rs. 207,752,019 in respect of the cost of living allowance and the budget allowance paid to the officers of the Authority from January 2006 up to May 2015, had not been remitted by the Authority to the relevant Funds.
- c) A course for the Air Pressure Technicians had been commenced by the National Vocational Training Centre in Ratmalana, without an instructor, and without having the equipment required for accrediting the vocational qualification level, and class room facilities.
- d) Two new petrol engines valued at Rs. 1,639,729 provided for the training activities of the Motor Vehicle Engineering Technician course of the Vocational Training Centre in Anuradhapura district on 30 March 2012, had remained non-functional by 31 December 2015, but no action had been taken in that connection.

#### 4.3 Transactions of Contentious Nature.

Disciplinary action had not been taken against the officers who had paid a sum of Rs. 1,711,961 as salaries without approval to a Director interdicted on financial misappropriation against whom a case had been filed.



#### 4.4 Idle and Underutilized Assets

- a) The Lanka Ashok Leyland Bus the written off value of which amounted to Rs. 266,968 as at 31 December 2014, had remained parked at the premises of the District Office in Anuradhapura without being utilized.
- b) The binding machine used to bend the large- sized metal sheets and the rolling machine used to roll the sheets that had not belonged to the Welder Training course conducted at the National Vocational Training Centre, in Ratmalana, had remained idle at the premises pertaining to the Welder Training course over an extensive period of time.
- c) Despite the availability of the equipment required for the Steward Training course being conducted at the National Vocational Training Centre in Anuradhapura, the Skills Sector Enhancement Project had granted equipment valued at Rs. 4,862,672 on 06 May 2015, and those equipment had remained idle up to the end of the year under review.

#### 4.5 Underutilization of Funds

The following observations are made.

- a) A sum of Rs. 201,737 in 05 bank accounts belonging to 02 centres closed for renovation, and 02 other centres, had remained idle over many years.
- b) A sum of Rs. 9,815,345 granted by the Tertiary and Vocational Education Commission in the year 2011 for purchasing training equipment, had remained idle without being used for the intended purpose.

#### 4.6 Resources of the Authority Released to other Public Institutions

An officer, and 02 vehicles had been released to the Ministry of Skills Development and Vocational Training without proper approval, whilst 02 officers had been released to the Skills Sector Enhancement Project.

#### 4.7 Personnel Administration

The following observations are made.

- a) The post of Director (Finance) of the Authority had remained vacant since 30 April 2015, and the Chief Internal Auditor had been appointed to act in that post on full time basis with effect from 05 May 2015. However, action had not been taken to appoint permanently an officer to the said post even up to 28 February 2017. As an auditor subordinate to the said officer had been appointed to perform the duties of the Chief Internal Auditor, it was observed that the transactions of the Finance Division were unlikely to come under an independent internal audit.
- b) The approved permanent cadre of the Authority had been 2438 as at 31 December 2015, and the actual cadre had been 1894, thus observing 544 vacancies. As 260 of the vacancies had been for the Instructors, the number of targeted training programmes could not be held.
- c) In making recruitment for the post of Instructor in terms of Section 5.1.1 of the Scheme of Recruitment of the Authority, a certificate of competence should be obtained by following a technical course on or above par with NVQ Level 5. However, out of the 91 files examined in the audit test check conducted in respect of the Instructors recruited in the year 2014, it was observed that 23 of them had not fulfilled that requirement.
- d) In terms of the Scheme of Recruitment of the Authority, recruitment for the post of Director (Human Resources and Administration) should have been made after calling for applications from the external and internal applicants and adhering to the system of granting marks by a board of interview comprising of the officers specified in Section 5.2.6 of Chapter II of the Establishments Code. Nevertheless, an officer had improperly been recruited to the said post with effect from 22 April 2015 in accordance with a letter signed by 08 members of the Board of Directors along with the recommendation of the Chairman of the Authority dated 05 June 2015.



- e) Six Instructors whose periods of service ranged from 10-16 years had been employed at a Vocational Training Centre in Colombo where an excess of Instructors had existed. As Instructors had been transferred whilst the courses had been in progress, instances in which apprentices, following the courses had faced up to difficulties, had been observed in the audits conducted at the district centres in Ratmalana, and Anuradhapura.
- f) Although the Authority had not conducted training programs on media, an Instructress who had not completed the basic qualifications in that field, had been recruited in the year 2011 on contract basis. Despite her failure in carrying out the duties relating to the post of Instructor, extension of service had continuously been granted to her, and her scope had been changed in the year 2014 as an Information Technology Instructress. The duties in that field had not been performed properly as well. Despite the non-availability of an approved methodology since the year 2016, this officer officiating for 3 days a week on contract basis, had been released for activities relating to the media coordination, by the top management.

#### 4.8 Weaknesses in Contract Administration

Although a sum of Rs. 2,130,290 had been incurred in the year 2014 on consultancy services relating to the constructions of the 05 centres proposed for renovation in Eheliyagoda, Mapakada Wewa, Bingiriya, Baddegama, and Wellawaya, procurement activities had not been commenced in respect of those constructions up to 31 March 2016.

#### 5. Accountability and Good Governance

##### 5.1 Internal Audit

Audit programmes should have been planned and implemented in accordance with Management Audit Circular, No. DMA/2009(i), dated 09 June 2009, and Financial Regulation 133. Nevertheless, despite an Internal Audit Unit consisting of 12 officers had functioned at the Authority during the year under review, it was observed that the objectives expected by maintaining that Unit, had not been achieved due to weaknesses in areas such as planning and implementation of audit programmes, and follow up actions.



## 5.2 Unresolved Audit Paragraphs

The following observations are made.

- a) An investigation had not been conducted in accordance with Financial Regulations up to 30 July 2014 in connection with a vehicle that had met with an accident on 10 June 2011. A case had been filed against the driver, and a letter of demand had been sent on 04 May 2012 stating to pay the fines by pleading guilty, and compensate for the loss of Rs. 255,950 sustained by the third party at the accident. Nevertheless, no action had been taken in that connection even up to 31 July 2015.
- b) Even though the cost and accumulated depreciation of the non-current assets eliminated from use should be eliminated from the accounts through an Assets Disposal Account at the time of eliminating them from use and the resulting profit or loss should be adjusted in the financial statements of the relevant year itself. Nevertheless, the value of the assets eliminated from the year 2004 up to 2016 had not been eliminated from the Assets Accounts and the Accumulated Depreciation Account.
- c) The Chairman of the Authority had released a Deputy Director with salaries from 17 January 2006 for executing the duties of the Board of Control and the post of Working Director of the Central Cultural Fund for 03 half days per week, and to take part in the meetings of the Board of Control whenever held. The said officer had officiated at both of the institutions even up to the year 2014. A sum of Rs. 5,444,015 had been obtained as allowances from the Central Cultural Fund while receiving the salary from the Authority.

Even though the Secretary had been directed at the COPE meeting held on 12 September 2014 for the Vocational Training Authority of Sri Lanka that instructions be obtained from the Secretary to the President on the matter of obtaining salaries in addition to the Authority, the action taken in that connection had not been made available to audit.



- d) Even though the qualifications or experience had not been met in accordance with the Scheme of Recruitment of the Authority, recruitments had been made for the posts of Director General, Director (Planning, Research and Development), Director (Career guidance, establishment of employment and promotion), 03 posts of Deputy Directors, 02 posts of Assistant Directors, and the post of Legal Officer. Furthermore, an officer had been recruited for the post of Assistant Director (Finance) which had not been in the approved cadre.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Authority from time to time. Special attention is needed in respect of the following areas of control.

Area of Systems and Controls

Observations

- |                             |  |
|-----------------------------|--|
| a. Personnel Administration | <ul style="list-style-type: none"> <li>- Recruiting officers who had not fulfilled the minimum qualifications.</li> <li>- Failure of the Boards of the Interview and Practical Test to function properly.</li> <li>- Non implementation of a proper transfer scheme.</li> </ul>  |
| b. Assets Management        | <ul style="list-style-type: none"> <li>- Failure to maintain a Register of Fixed Assets properly.</li> <li>- Failure to use codes for identifying the assets.</li> <li>- Existence of idle assets.</li> <li>- Failure to ensure all assets being inventorized. Non confirmation of the safeguard of assets.</li> </ul> |



c. Control of Income

(i) Allowance  
Apprentices

for

- Failure to obtain an acknowledgement from the apprentices for the receipt of the apprentice allowance.
- Differences in the methodology for computing the allowance.

(ii) Course Fees

- Obtaining monies by the Instructors without banking the course fees.
- Failure to ensure that the royalty is charged for all of the part-time courses, and failure to account after being identified as a separate income.

d. Financial Control

- Failure to assign the functions, and non-execution of the functions in an internal check system.
- Failure to carry out supervisions properly.
- Existence of the differences between the values paid by the bank , and the values shown in the ledger with respect to the expenses.

W.P.C. Wickramaratne  
 Acting Auditor General.



**Vocational Training Authority of Sri Lanka – Current situation in respect of the report of the Auditor General on the Financial Statements of the Vocational Training Authority of Sri Lanka for the year ended 31<sup>st</sup> December 2015 in terms of Section 14 (2) ( C) of the Finance Act No 38 of 1971.**

- 2.2.1(a) A requirement has not been arisen to change the depreciation policy.  
 2.2.1(b) Actions are being taken to be accounted in year 2017.  
 2.2.2 Already have been prepared.  
 2.3(a) Actions have been taken to cut out the values, amount of Rs. 1,453,670.75 from the Receivable balance amount of Rs. 6,966,641. Actions have been taken to submit to the Treasury seeking approval to write off the balanced balance.  
 2.3(b) Informed to the debtors.  
 2.4(a) Accordingly rectified.  
 2.4(b)i An inquiry has been carried out in respect of this in terms of 104 of the Financial Regulation. Future actions will be taken after receiving the recommendations of it.  
 2.4(b)ii Actions will be taken immediately after receiving the respective information.  
 2.4(b)iii Accordingly, it will be rectified in future.  
 2.4(c)

<b>Name</b>	<b>Acting post</b>	<b>Reason</b>
Mr. P. Ramadas	Financial officer	Due to financial officer who appointed to the District of Mulativu has not assumed the duties. Therefore the duty is being carried out up to now due to service requirement based on the approval of the Chairman.
Mr. H. M. L. A. Samaranyaka	Transport Officer	The Department of Management Services had given the approval for this considering it as a filling of internal vacancy. The basic qualification to this is obtaining NVQ level 05 in Motor Mechanic sector. But since the NVQ level 05 qualified applicants are not available internally these vacancies cannot be filled.
Mr. H. U. Kariyawasam	Director (Finance)	Planned to fill the vacancy of this post in year 2018.

- 2.5(a) Instructions have been given to the Deputy and Assistant Directors who are in charge of the District and National Vocational Training Institutes to commence the courses in per to the approved estimate after receiving the approval of the Training Division by submitting formal estimates for the part-time courses.  
 2.5(b) The amount remained in same manner at present too.  
 2.5(c) The approval of the General Treasury has not been received so far. This will not execute during the year 2017.  
 3.1 These expenses have been increased due to conduct the career guidance programs separately as promotional programs for recruit the apprentices in District and National centers.  
 The reason for reduce the expenses in job placements, researches and entrepreneurships was formality of expenses management system. Similarly, even though an increment was occurred in the researches monitoring activities, actions were implemented to manage its costs.

Similarly, due to the increment of salaries and emoluments for the staff, the paying of overtime and other travelling claims also had been increased. Even though it had been spent for training materials, within the provisions limitation, the cost incurred for that has been increased due to the prices increment of training material.

### 3.2

Serial No	Case No	Institute / employee filed the case against	Expense incurred in year 2016	Current situation
1.	2/අඹ/3668/2013	Mr. S.A.D.J. Chandrakumara (Director - Finance)	Fees of Rs. 154,500 for Attorney at Law. Rs. 3000.00 bata for government witness.	Written statements are to be filed on 02.02.2018.
2.	DMR 1029/2014 (Case has been filed by the Vocational Training Authority of Sri Lanka )	Mr. S.A.D.J. Chandrakumara (Director – Finance)	Rs. 27,750/=	To be inquired on 26.09.2018.
3.	SCFR -161/2014	Case filed by Mrs. Mangala Kumari Siyamudali and another 4 persons.	Paid invoices have not been received up to now.	To be inquired on 14.03. 2018.
4.	SCFR-309/2014	Case filed by Mr. D. M. Yahampath and another 4 persons.	Paid invoices have not been received up to now.	To be inquired on 23.01. 2018.

Accordingly only 04 cases were processed as at 30.12.2016.

A sum of Rs. 182,250.00 has been paid by the Authority in the year 2016 as lawyer charges. The case No DMR 1029/ 2014 for recovering the salaries paid for the officer who has interdicted from the service due to financial frauds, was filed in the District Court of Colombo and currently is scheduled to be hearing.

Further, the Commission to Investigate Bribery and Corruption is also being conducted investigations in this regard at present.

4.1(a) \* Trained more than 4000 employees annually on island wide jointly together with 07 selected most expert private sector Institutions.

\* Achieved a large progress through issuing SEPI loans by aware and giving training to the trainees from 08 day Entrepreneurship Training program as weekend Entrepreneurship Training program.

\* The “Gap Filling” program has already been implemented for the electrician and refrigerator and Air Condition courses. Large numbers of foreign employments institutions have been registered.

\* Required workshops have being implemented for the sectors of Beauty culture, Information Technology and Hotels and Tourism.

\* The required data entry is being implemented through MIS System.

\* This program is being implemented successfully in district and provincial wise based on the amount of annual financial allocations.

\* Implemented career guidance programs successfully by giving targets as monthly, annually for each officer separately. Tamil medium officers had been newly recruited for that in North and East provinces.

\* Width publicity had been carried out to aware the people through televisions, radios, newspapers, government gazettes as well as posters and banners in each year.

\* Publishing activities had been completed successfully through attractive posters in railway stations and stickers in buses.

\* Recording the progress with implementing programs in the counseling guideline in the level of centers and the level of courses by each officer is in successful progress.

\* The participation of the apprentices had been increased through enhancing the employment motivation of the instructors and the attraction of the apprentices.

Similarly, due to all the courses will be held in free of charge since 2017, the apprentice attraction in these fields would be further increased.

4.1(b) i. the number of programs conducted in the year 2016 is 1961 and the recruited number of apprentices is 31628.

ii. The non-accredited courses number is 111 in the year 2016 and the number of NVQ level 4 courses is 521.

iii. The number of full time and part time courses conducted in year 2016 is 1363 and the number of programs is 2073.

iv. The number of courses less than 5 apprentices in the year 2016 is 10.

4.1(c) i. 31 Business Plan implementing centers had already been established as 10 for 2014 /2015 and 11 for 2011 and 10 for 2017.

iv. 34 courses are being conducted in 11 identified Centers as at 2017.

vi. A special training programme had been conducted in year 2016 for 31 foreign employments expectants in the field of Refrigerator and Air Condition with the coordination of Foreign Employment Bureau and Foreign Employment Agencies.

4.1(d) As stipulated in this paragraph, the Vocational Training Councils would have to be commenced, in per to the Vocational Training Authority Act. Accordingly, the Vocational Training Councils were commenced and implemented in the inception.

But, due to inconvenience of assembling the members including other reasons that were not implemented thereafter. However, finding the productivity of this and expects to commence these training councils by aware the Hon. Minister.

Further, the Counseling Committees consisted of experts in prior institutions in private sector have been established for few of the training sectors, by the Authority, in view of identifying training requirements, introducing new technology for courses, increasing the quality of the further training and update the syllabuses. The Skills Sector Development Programme (SSDP) also established Sector Councils for some of the training sectors in view of accomplishing the above objectives to increase the quality of the vocational training since January 2016. Through this national objectives of Training Councils will be fulfilled.

4.1(e) the training activities are in progress in 267 centers consisted of 232 training centers and 35 sub centers in the year 2016.

4.1(f) 14 apprentices have already been recruited for the one year Heavy Machines Equipment course and is being conducted successfully at present.

4.1(g) Even though the project of renovating the Hotel School in Ahangama and project of constructing Hotel School in Kuchchaweli had not been completed as at the end of the year 2016, the construction of Hotel School in Kuchchaweli had currently been concluded and the renovation of Hotel School –Ahanagama is scheduled to be concluded at the end of this year.

4.2(a) \* the measurements have been carried out in about 18 lands which are to be requested to vest. The relevant activities to vest the lands are in progress.

\* Similarly relevant actions are being implemented to sign MOUs for 35 centers which are not sign the agreements.

4.2(b) Rs. 67,674,000 had been already paid to the Fund through two installments.

4.2(c) 14 apprentices had already been recruited and trained at present.

4.2(d) These equipment are being utilized for the training activities at present and the repairs are also being accomplished.

4.3 Case for recovering money paid as salaries No 1029/2014 filed against the officer who interdicted due to financial frauds, has filed in the District Court - Colombo and is scheduled to be hearing.

Further, the Commission to Investigate Bribery and Corruption is also being conducted investigations in this regard at present.

Authority accepted that a sum of Rs. 1,711,961 had been paid as salaries for this officer. A case has been filed against this officer in the District Court to recover these finance and is being processed at present.

4.4(a) Utilize for the transport.

4.4(b) These equipment are further stored in the Division, since those are useful to the metal work field and to obtain an extra knowledge for the apprentices in Welding Section as well as to utilize for the other special programs.

4.4(c) This courses is being implemented successfully at present by utilizing relevant equipment.

4.5(a) Actions had been taken to close the account number 165199. Remained 04 accounts are being activated at present.

4.5(b) These funds had been received to purchase the equipment required for accreditation of the courses and a large number of courses had been accredited. Accordingly, actions will be taken to transfer these funds to the Capital Provisions of the Treasury.

4.6 The following three officers had been transferred to the Line Ministry.

1. Mr. P.B.G.I.B. Weganthale
2. Mr. R.D.S.J. Kumara
3. Miss P. Premila

Additionally, driver Mr. R. Wimalanathan has been released to the Skills Sector Development Division (SSDP) based on reimburse the salaries. The total amount paid to him as salary during the year 2016 had been reimbursed to this Authority.

A written request had been made by the Ministry to provide temporary vehicles as there was a vehicle scarcity in the vehicle pool of the Ministry. Accordingly, these vehicles have been released to the Ministry until obtain the vehicles to the vehicle pool of the Ministry. Actions will be taken to use these vehicles after Ministry receives the vehicles to its pool.

4.7(a) Planned to fill the vacancies of the post of Director (Finance) in the year 2018.

4.7(b) The buildings which are to be constructed newly in the Vocational Training Centers which purview under this Authority by the Skills Sector Development Division (SSDP) have not been constructed as at 31.12.2016. Therefore, the courses planned to be commenced in those centers have not been begun. Courses have been commenced only in the centers which have been completed the work. In appointing due instructors in per to the Annual Training plan, it could not be possible to fill those vacancies due to not present of applicants with relevant qualifications.

In the event of approving the staff of the Vocational Training Authority of Sri Lanka, the officers who were in secondary level, whose post is approved to be personal to the holder, the recruitments had been carried out for the posts existed vacancies in secondary level, based on their qualifications. Due to the officers who approved in the post to be personal to them in primary level had been retired and resigned, the number of permanent posts approved to be personal to them in secondary and primary levels, had been reduced.

4.7(c) National Vocational Qualifications (NVQ) framework was implemented for the first time in Sri Lanka in the year 2007. Under this NVQ level 05 was implemented only

for few of the limited courses. In subsequent years, applications were called to do the recruitments by publishing paper advertisements to fill the posts of instructors. But due to the sufficient number of applicants those who completed the NVQ level 5 had not been presented, it had to face lot of difficulties. Therefore, actions have been taken to recruit the applicants those who have NVQ level 04 or equal level qualifications with one year work experience, on contract basis.

The Scheme of Recruitment of this Authority had been approved on 18.03.2014. According to that Scheme of Recruitment, the post of instructor has been approved under the service category of Management Assistant Technology (MA 1-2) and the qualification for the recruitment has given as NVQ level 05. The officers who were in the post of instructor recruited under the qualifications existed then before the date approved the Scheme of Recruitments, have approved as permanent staff under the service category of not Management Assistant Technology (MA 1-2) so as to personal to them. Hence actions have been taken to permanent the instructors who recruited on contract basis and completed 03 year service period under the then qualifications which had made the recruitments.

- 4.7(d) The post of Director (Human Resources and Administration) has been vacant since 22.02.2015 and Mr. W. A. Ranaweera who was internally qualified to the said post and had 10 year service experience as a Deputy Director was appointed to the said post in Acting basis. Thereafter considering his efficiency and the experience gained through the following posts the Board of Directors has permanent Mr. W.A. Ranaweera, in the post of Director (Human Resources and Administration). The posts hold by Mr. W.A. Ranaweera.

Designation	Service period
Director (Career Guidance and Job Placement) Acting	2006.10.02. – 2008.02.25
Director General (Duty Cover - up)	2008.02.25 - 2008.04.15.
Director General( Acting)	2008.04.15 -2010.12.10.
Director (Career Guidance and Job Placement) Acting	2012.11.05 -2014.06.17.
Director (Human resources and Administration)	2015.04.24 – up to now

This appointment had been done in accordance with the powers assigned to the Board of Directors under the section No. 16 (1) of the Vocational Training Authority Act.

- 4.7(e) Transfers will be carried out formally in future.

A formal transfer procedure is available for the instructors including staff of the Authority. In addition to the transfers, the other transfers are to be carried out in transferring of courses id est. on services requirement basis.

- 4.7(f) Even though the Director (Training) has requested to transfer this officer to the Vocational Training Center in Wellawaththa, the transfer was not carried out since a Computer course in NVQ level 04 was existed in that center.

Since the necessity of Media Unit existed for a long time to make the promotional affairs of the Authority in a formal and expedite manner, this officer has been attached to the Media Unit by establishing it newly.

- 4.8 In per to the instructions given to commence the renovation activities of 43 centers among 50 centers which are proposed to be renovated by the Skills Sector Development Division (SSDP), the plans and the Quantity Bills had been handed over to the selected Consultancy Institution. Thereafter, SSDP has reduced the centers to be renovated up to the number of 31 and the plans were prepared for them. Out of them Quantity Bills had been prepared for 28 centers. For this payments have been made for the said Institution. Accordingly, the plans were prepared to renovate the

above mentioned 09 centers. The renovation activities had been commenced by carrying out procurement activities of the Nuwara Eliya and Bulnewa centers in the year 2016. The contracts had been awarded by completing procurement activities to commence the renovation activities of the Godakawela and Weyangoda centers. The renovations of the remaining centers will also be commenced in future according to the financial receivables of the Project.

5.1 Actions are being taken to carry out the intended purposes.

5.2(a) Actions are being taken to obtain insurance claims relevant to third party from our Insurance Company.

5.2(b) Accordingly, actions had been taken to adjust to the accounts of the year 2017.

5.2(c) This officer had been appointed by the Secretary to the His Excellency the President as per to an order of him. He was released for 03 half day per week on the approval of the Chairman. In per to the Vocational Training Authority Act, since the Chairman is the Chief Executive Officer, this releasing had been carried out and the officer had obtained an allowance approved by the Board of Control of the Central Cultural Fund. The COPE meeting called for the Central Cultural Fund in this regard, the Secretary of the Ministry of Cultural Affairs was ordered to approve the allowance paid for this officer from the Treasury.

Similarly, this officer was engaged in the service only for 03 half day per week not in full time.

5.2(d) (i) **The post of Director General**

In per to the Scheme of Recruitment of the Vocational Training Authority of Sri Lanka, the following qualifications should be fulfilled to the post of Director General. Obtained a first degree in any of the subject area from a University accepted by the University Grant Commission And Obtained a Post Graduate degree in any of the subject area or obtained the associated membership in an accepted professional institution on Management And The experience of minimum 20 years in management level, in a State Cooperation, Statutory Board or recognized private sector institution. (Out of them at least minimum 05 years in the Senior Management level).

Accordingly, the officer currently recruited to the post has obtained the degree in BSc. Agriculture (Special) in University of Ruhuna in year 1990 and Post graduate degree (MSc.) in Forest Science in University of Jayawardhanapura in year 1995.

After obtaining the first degree this officer had held the posts in management services category and above since 1991 to 2014 and during that period she had also held the posts in senior management category for more than 08 years in University of Jayawardhanapura, Open University, Hardy Higher technology Institution in Ampara and Touch wood Private institution.

In the marking scheme, full membership in a recognized professional institute or chartered qualification would be considered as the additional educational qualification / professional qualification. Accordingly, this officer has obtained the full membership of the Institute of Biology of Sri Lanka and the chartered qualification as well.

(ii) **Post of Director (Training)**

This officer who was in the post of Director (Training) had been appointed on a decision of the former Management and had been resigned currently from the service of the Authority.

(iii) **Post of Director (Planning, Researches and Development)**

The officer who is in the post of Director (Planning, Researches and Development) has been completed the relevant qualifications in per to the Scheme of Recruitment. A description on educational and professional qualifications obtained by the applicant for the relevant post had been submitted to the personal file.

Accordingly, the officer had obtained a degree on BSc. Chemistry Hon.in year 1995 and PhD degree from the University of London in year 2002. After receiving that degree he had been served in a post of high management category in the Technical Technology Institution for 05 years and 06 months. Additionally, he has worked in a

Post - Doctoral Research Fellow in United State of America for 04 years. This was a management services category vocational qualification and also additional educational / professional qualification. In per to the Scheme of Recruitment, even though it had not been mentioned that the Doctorate is a qualification to the Senior Executive Category (HM 1-1), the doctorate degree with a five year experience with an upper management category had mentioned as the experience for the post of Director General.

Accordingly, the above interview panel has desired that the Doctorate degree and the experience in the field of researches and planning of more than 05 years as the qualification for the post of Director which was a lower position post to the post of Director General.

The “management” has not been defined in a standard methodology in Sri Lanka. Therefore, the relevant service experience required for the upper management decides by vivid interview panels. Hence, no statement can be made to the marks given by a matured and experienced interview panel.

**(iv) Director (Career Guidance, Job Placement and Promotion)**

When recruiting the Director (Career Guidance, Job Placement and Promotion) the required qualifications had been completed in per to the Scheme of Recruitment of the Vocational training Authority of Sri Lanka. The description on educational and professional qualifications obtained by the applicant had been submitted to the personal file.

The “management” has not been defined in a standard methodology in Sri Lanka. Therefore, the relevant service experience required for the upper management decides by vivid interview panels. Hence, no statement can be made to the marks given by a matured and experienced interview panel.

Further, these officers had been recruited to the relevant posts calling applications from internal and external applicants through publishing an open newspaper advertisement by an independent interview board.

**(v) Posts of Deputy Directors**

Two Deputy Directors, without qualifications had not been appointed by our Institution. All the Deputy Directors had appointed after completed 10 year service period in the MM -1 -1 category and passed the efficiency bar examination.

**(vi) Posts of Assistant Directors**

As stated orally in the audit, the officer Mrs. Inoka Gunawardhana, one of an Assistant Director had been appointed to the post of Assistant Director (Coordinating). This officer is being already in the service of Training Division and also actions are being taken to change even the name of the post. As stated orally in the audit, the other Assistant Director (Finance) Mrs. H. Edirisingha, had been fulfilled the required qualifications, in recruiting as the Assistant Director (Finance)

**(vii) Post of Legal Officer**

This Legal Officer had been reported to the duty of the Authority on 16.09.2013 and had given the oath in Supreme Court as a lawyer on 13.12.2011. She has obtained the degree on Law (Hons) from the University of Colombo. After given the oath as an Attorney at Law in the Supreme Court, she had performed her duties as a junior Attorney at Law under a Senior Attorney at Law since 13.12.2011 to 21.05.2012 and thereafter worked as the Legal Officer in a private financial institution since 22.05.2012 to 03.09.2013. In per to the Scheme of Recruitment, the qualification for recruiting the Legal Officer was a degree of Law and one year service experience with giving oath as an Attorney at Law in the Supreme Court. Accordingly, since this legal officer had been fulfilled one year and 09 months service period after giving the oath

in the Supreme Court as an Attorney at Law in the time of reporting to the duty of Authority, she had been completed the requirements of the Scheme of Recruitment.

**(viii) Assistant Director ( Finance)**

No external recruitments had been carried out for the post of Assistant Director (Finance) in accordance with the approved cadre of the Authority. 05 posts for Assistant Directors to the Finance Division had been approved.

6. Recruitments are already being implemented according to a formal methodology. Accordingly, the actions will be taken to implement the interviews and Practical assessments formally and the transfer procedure also as well.
  - 6(a) Data are being entered to the new software.
  - 6(b) Accordingly, rectified.
  - 6(c) Accordingly, rectified.
  - 6(d) Accordingly, rectified.