

**Ministry of Vocational and Technical
Training**

Vocational Training Authority of Sri Lanka



**Annual Report
2009**

Our vision

To be the leader of providing Technical,
Vocational Education and Training to the
Nation

Our Mission

To function as an Organization that Produces
Skilled Personnel to the level of national and
international skills standard.

Information on the Vocational Training Authority of Sri Lanka

Institution	:	Vocational Training Authority of Sri Lanka
Ministry	:	Ministry of Vocational and Technical Training
Address	:	4th Floor, "Nipunatha Piyasa", No, 354/2, Elvitigala Mawatha, Colombo - 05.
E- Mail address	:	Vta_ch@Yahoo.com
Web Site	:	www.vtasl.slt.lk
Auditors	:	Auditor General Dept. of the Auditor General
Bankers	:	People's Bank Bank of Ceylon Commercial Bank

Presentation

Hon. Piyasena Gamage

Minister of Vocational and Technical Training,

Ministry of Vocational and Technical Training,

" Nipunatha Piyasa"

No. 354/2,

Elvitigala Mawatha,

Colombo 05.

Hon. Minister

Annual Report 2009 - Vocational Training Authority of Sri Lanka

In Terms of para 25 of the Vocational Training Authority of Sri Lanka. Act no 12 of 1995 and para 14 (2) © of the Finance Act No 38 of 1971, I submit the Annual Report of the Vocational Training of Sri Lanka for the year 2009.

Yours truly,

Admiral Daya Sandagiri, RSP, VSV, USP

Chairman,

Vocational Training Authority of Sri Lanka,

26 March 2010.

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Report of the Board of Governors

The Vocational Training Authority of Sri Lanka which has been established under the Vocational Training Authority of Sri Lanka Act No. 12 of 1995 is providing skill training to the rural youth through a cluster of national level training Institutions. 22 District level Vocational Training centers and 237 villages level Vocational Training Centers.

This Institution which is being implemented under the Ministry of Vocational & Technical Training engaged in the following activities in the year 2009 in keeping with its objectives. And its progress has been described in the chapters to follow.

- Providing Vocational Training to Youth by arranging vocational training programmes and providing the necessary training direct or in collaboration with other organizations where vocational training could be achieved.
- Conducting national vocational examinations and issue of National Vocational Certificates.
- Launching researches on vocational training and development programmes.
- Providing Vocational guidance and advice.
- Implement training programmes for trainers with a view to conduct vocational training programmers more effectively and efficiently.
- Make opportunities for further training to youths who have obtained vocational training. Find them employment and provide them with facilities to start self employment.
- Conducting workshops to improve technical skills through Government and private Sector Institutions.
- Expanding Vocational Training to rural areas .

In the year 2009 Vocational Training Authority of Sri Lanka has made the following achievements

- In the villages kadirgamar, Arunachalam and Ananda Kumaraswamy in the District of Vavuniya which were established after the cessation of hostilities, vocational training courses were started and approximately 2000 youths were given vocational training.
- Opening of the Training Center comprising of the Jaffna District office and 04 Vocational Training Courses.
- Initiating primary action to commence short vocational training courses in 12 camps of displaced persons in the Jaffna District.
- Obtaining powers from the Tertiary and Vocational Educational Commission to evaluate the "RPL" system through National Vocational qualifications and to conduct vocational qualification level 5 and 6 courses.

In addition, the Vocational Training Authority of Sri Lanka received the assistance from the foreign funded projects to undertake the duties conferred on it in the field of vocational training,

The Progress of the Projects Launched Under Foreign Aids.

❖ **The World University Service of Canada (WUSC)**

- Construction of buildings to open vocational training centers in the areas of Chunnakam and Sandilipai in the district of Jaffna.
- Offering of tools to the value of Rs. 250,000/- to 100 students who followed vocational training in the District of Jaffna.

❖ **HMT International of the Government of India**

As an initial step of the project to work in coordination with the Vocational Training Authority of Sri Lanka in the field of vocational training sending 08 Trainers to India and given them overseas training.

❖ **Korean Export and Import Bank - Korean Government (ECDF)**

Offering training on Management to 5 Officers of the Vocational Training Authority of Sri Lanka and training 28 Trainers.

Programs and targets for the year 2010

- ❖ Construction of a new Vocational Training Center at a cost of Rs. 85 Million under the sponsorship of the Rotary Club in the district of Mullativu.
- ❖ Construction of a complete District Vocational Training Center in the District of Vavuniya and Trincomalee at a cost of Rs. 2500 Million by the MNT International of the Indian Government. Improvement of the Vocational Training Center in the District of Batticaloa and the Batticaloa - Ondatchimadam Vocational Training Center.
- ❖ Construction of a complete District Vocational Training Center in the District of Vavuniya and Trincomalee at a cost of Rs. 2500 Million by the MNT International of the Indian Government. Improvement of the Vocational Training Center in the District of Vocational Training Center in the District of Batticaloa and the Batticaloa- Ondatchimadam Vocational Training Center and Jaffna District Vocational Training Center.
- ❖ Construction of a complete District Vocational Training Center in the District of Kilinochchi at a cost of Rs. 575 Million under the Asian Development Bank Aid.
- ❖ Construction of a Vocational Training Center in the Vavuniya Town, and construction of 2 complete Vocational Training Centers in Kappalthurai and Serunuwara in the District of Trincomalee under Korean Credit Aid at a cost of US\$ 78 Million.
- ❖ Arranging to hold Youth Camps to create a new era in the fields of Vocational Training.
- ❖ Conducting Workshops to enhance the Knowledge and skills of the Instructors to promote the quality of the Vocational Training Courses conducted by the Vocational Training Authority of Sri Lanka.
- ❖ Creating local and International recognition to vocational training by introducing the implementation of national vocational qualification level 5 & 6 courses.

Admiral Daya Sandagiri RSP, VSV, USP
Chairman,
Vocational Training Authority of Sri Lanka.

02. Introduction

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

03. The Structure of the Vocational Training Authority of Sri Lanka

The Vocational Training Authority of Sri Lanka is comprised of 12 members including a chairman, Vice Chairman appointed under section 05 of the Vocational Training Act of Sri Lanka Act No. 12 of 1995.

01	Admiral Daya Sandagiri, RSVP,VSV,USP Vocational Training Authority of Sri Lanka (From 10-08-2009)	Chairman
02	Mr. D.G. Dayaratne Vocational Training Authority of Sri Lanka	Vice Chairman
03	Engineer Commander Lionel Pinto Specialist Consultant, Vocational Training Authority of Sri Lanka	Member
04	Mr. Ananda Mapalagama General Manager, Diesel & Motor Engineering Co	Member
05	Mr. H.D.A. Wickremasinghe Managing Director, Colombo International Services (Pvt) Ltd.	Member
06	Mr. G.R. Perera Veteran Drama Artist	Member
07	Mr. W.R.V.P. Gemunu Samarasiri Director, National Budget Department	Member
08	Mrs. V.B. Pearl Weerasinghe Additional Commissioner General of Labour Department (From 30-08-2009)	Member
09	Mr. N.P.V.C. Piyatilleke Senior Assistant Secretary, Ministry of Youth Affairs (From 25-08-2009)	Member
10	Mr. P. Ranepura Additional Secretary, Ministry of Higher Education	Member
11	Mr. Pitus Jayawardena Additional Secretary, Ministry of Higher Education	Member
12	Mr. Amal Senalankadhikara Chairman, National Apprenticeship and Industrial Training Authority	Member

No. of Meetings of the Board of Directors held this year	-	12
No. of Audit and Management Committee Meetings held this year	-	07

The Chairman of the Vocational Training Authority of Sri Lanka is performing as its Chief Executive Officer who is assisted by a Staff of 1634 Officers including a Vice Chairman, Specialist Advisor, Director General and 5 Directors.

STAFF OF THE SENIOR MANAGEMENT

Chairman	:	Admiral Daya Sandagiri RSP,VSV,USV,
Vice Chairman	:	Mr. D.G. Dayarathne
Specialist Consultant	:	Engineer Commander Lionel Pinto (up to 30-09-2009) Major General M.T.W. Ponnampereuma (From 11 - 08 2009)
Director General	:	Mr. W.A. Ranaweera (Actg.)
Directors:		
Research	:	1. Mr. C. Vidana Pathirana
Administration	:	2. Mr. G.M.P.A. Gallaba
Training	:	3. Mr. K.J. Koralage
Finance	:	4. Mr. S.A.D.J. Chandra Kumara
Vocational Guidance & Employment	:	5. Mr. K. Sarath Ananda
Deputy Directors:		
Training	:	1. Mrs. K.P. Kalubowial
Establishment	:	2. Mr. H.M.A. Herath
Training	:	3. Mr. W.D. Fernando
Administration	:	4. Mr. Mahinda Jayatilleke
Chief Internal Auditor	:	1. Mr. H.U. Kariyawasam
Asst. Directors	:	1. Mr. N.D.P. Dhammika
		2. Mr. W.W. Soysa
		3. Mr. N.S.D. Navaratne
		4. Mr. C.R. Samaraweera
		5. Mr. D.R.S.L. Dasanayaka
		6. Mr. U.K. Nanda
		7. Mr. D.M.A. Bandara (No pay overseas leave)
		8. M.T.M. Saheed (Retired on 15 - 06- 2009)
		9. Mr. G. Galapaththi
		10. Mr. H.W.R. P. Wijesekera
		11. Mr. N.K.J. de Silva
		12. Mr. P.M. Perera
		13. Mr. T.D.S. Sangadasa
		14. Mr. A.K. Arachchige
		15. Mr. W.G. Wijeratne
		16. Mr. T. Vinodarajah
		17. Mr. V. Kamaladasan
		18. Mr. S. Abeygunasekara
Secretary to the Board of Directors	:	Mrs. A.A.H.I. Amaratunga

Although a cadre of 1933 is approved to the Vocational Training Authority of Sri Lanka for the year 2009, according to the allocations of the Management Services Department there had been a Staff of 1634 as at 31 - 12- 2009

	Post	Approved Cadre	Staff at the end of year	
1	Chairman	1	1	0
2	Vice Chairman	1	1	0
3	Director General	1	1	0
4	Director	5	4	1
5	Deputy Director	5	5	0
6	Chief Internal Auditor	1	1	0
7	Assistant Director	25	17	8
8	Senior Training Manager	10	9	1
9	Accountant	2	2	0
10	Manager Training	38	33	5
11	Secretary to the Board of Directors / Legal Officer	1	1	0
12	Administrative Officer	1	1	0
13	Secretary	5	7	(2)
14	Manager (Transport)	1	0	1
15	Manager (Supplies)	1	1	0
16	Manager (Printing)	1	1	0
17	Auditing Officer	1	1	0
18	Systems Analyst	1	0	1
19	Training Officer	33	30	3
20	Research Officer	2	2	0
21	Planning Officer	2	2	0
22	Inspection and Evaluation Officer	3	0	3
23	Supervising Officer	1	0	1
24	Accounts Assistant	22	21	1
25	Programme Officer	4	1	3
26	Programme Officer	42	30	12
27	Senior Consultant	26	26	0
28	Vocational Guidance Officer	13	11	2
29	Job Placement Officer	24	18	6
30	Project Assistant	115	67	48
31	Chief Stores Officer	1	1	0

32	Chief Clerk	2	1	1
33	Supervisor (Printing)	1	1	0
34	Advisor (Permanent)	825	622	203
35	Advisor (Contract)	354	397	(43)
36	Buildings Supervisor	1	0	1
37	Warden	2	1	1
38	Stenographer/Typist	5	5	0
39	Stores Officer	24	24	0
40	Clerk/Typist	88	86	2
41	Accounts Clerk	23	16	7
42	Audit Clerk	3	1	2
43	Shroff	1	1	0
44	Computer Operator	5	5	0
45	Word Setter (Printing)	1	1	0
46	Reception Officer/Telephone Operator	2	2	0
47	Machine Operator (Printing)	1	1	0
48	Book Binder (Printing)	1	1	0
49	Printing Assistant	3	2	1
50	Driver	32	31	1
51	K.K.S.	3	4	(1)
52	Watcher	72	61	11
53	Store Keeper	3	2	1
54	Labourer	89	72	17
55	Sanitary Labourer	3	2	1
	Total	1933	1634	302

The additional Advisors had been recruited from the allocations of the permanent Staff

04. Training of the Staff

Special attention was paid in the year 2009 for the training of the Staff and by way of the programmes organized with the objective of uplifting the knowledge and skills of the staff we were able to participate 54 officers in overseas training programmes and 1259 officers in local training programmes.

Likewise Officers attached to various groups of the Authority participated in more than two local training programmes. Out of these Officers 729 belonged to the Academic Staff while 539 were Officers of the non-academic Staff.

Details of the training programmes are as follows :-

OVERSEAS TRAINING - 2009

No	Name of the Officer	Scholarship	Country
01	Admiral Daya Sandagiri	Education tour on the development of Vocational training organized by the International Labour Organization and Korean Employment Agency	South Korea
02 03	Mr. D.G. Dayaratne Mr. W.A. Ranaweera	Education tour on technical cooperation program organized by the HMT International Organization of the Indian Government with the Vocational Training Authority of Sri Lanka. Technical Cooperation program organized by the HMT International Organization of the Indian Government with the Vocational Training Authority of Sri Lanka.	India
04 05 06	Mr. C. Vidanapathirana Mr. W.D. Fernando Mr. H.M.A. Herath	Management Training on the development of Niyagama National Vocational Training Institution	South Korea
07	Mr. C.R. Samaraweera	Education Tour under the Project for Technical Cooperation organized by the HMT International Institute of the Government of India and the Vocational Training Authority of Sri Lanka.	India

08	Mr. A.K. Arachchige	Management Training on the Development of Niyagama National Vocational Training Institute Creative Concept Workshop on Technical, Vocational Training & Training Development	South Korea Singapore
09.	Mr. E.A.D.S. Senaratne		
10	Mr. G.D. Jayasinghe		
11	Mr. D.P. Perera	Training of Instructors for the development of the Niyagama National Vocational Training Institute	South Korea
12	Mr. L.J. Chandana		
13	Mr. R.A. Mahinda		
14	Mr. S.P. Jayaratne		
15	Mr. D.K. S. Priyanjith		
16	Mr. R.S.D. Dayananda		
17	Mr. N.G. Jaatilleke		
18	Mrs. M.H.N. Priyanka		
19	Mr. K.R.Samarawickrema		
20	Mr. K. S. Kasantha		
21	Mr. K.V. R. Kumara		
22	Mr. S.D. Sudusinghe		
23	Mr.S.G. Ileperuma		
24	Mr. C.W. Madanayake		
25	Mr. M.J.H.A. K. Asoka		
26	Mrs. L.L. Priyanka		
27	Mr. B.P. Abeysekara		
28	Mr.G.V.D.P. Jayanath		
29	Mr. G.H.G. M. Ranjith		
30	Mr. Suminda Liyanage		
31	Mr. S.L.Sarath		
32	Mr. B.D. A. Kumara		
33	Mrs. G.D. Dahanayaka		
34	Mr. G.M. Karunaratne		
35	Mr. W.K. Sarath		
36	Mr.A.S.K. Wijesekera		
37	Mr. H.M.D. Bandara		
38	Mr. K.A. Ariyadasa		
39	Mr. R.Ahilan	Training program on gender	India
40	Mr. T. Suresh Kuamr		

41	Mrs.PJ.Wickremanayak	Workshop on web-site creation Seminar on Higher Vocational Education Management	Malaysia China
42	Mr. U.K. Nanda		
43	Mr. D.M. Yahampath	Training Program for Instructors by the HMT International Project of the Indian Government	India
44	Mr. H.M.S. Jaatilleke		
45	Mr. T. P. Amarasinghe		
46	Mr. S. Robinson		
47	Mr. R.M.P. Manoranjan		
48	Mr.KADWarnakulasuri		
49	ya		
50	Mr.A.W. Kulatunga Mr. R.K. Sudusinghe		
51	Mrs. K.W.K.B.P.L.D. Kelani Bandara	Training Program on Information Technology, Human Resource Development for South Asian Pacific countries	Japan
52	Mr. T.P.L Guruge	Study Workshop (CISCO)	Singapore
53	Mr. M.M. Somaratne		
54	Mr. M.S.D. Gamage		

LOCAL TRAINING (ACADEMIC STAFF) - 2009

No.	Field of Training	No. participated
01	Awareness of new Advisors	40
02	Programme to make awareness in the National Professional qualifications and skill based Training	175
03	Workshops on modern motor Car Technology -	01
04	Awareness Programme on trained methodology Sinhala Medium	19
	Tamil Medium	39
05	CISCO Advisory Training	06
06	Skill Development Program	
	Welding Field	54
	Carpentry	42
	Masonry	37
	Information Technology	90
	Motor Mechanism	28
	Motor car electrician	04
	Aluminum processing	24
	Planning Officer	12
	Electrician	16
	Motor Cycle and trishaw mechanic	30
	Motor winding Technician	17
	Garments	98
	Total	729

LOCAL TRAINING (NON-ACADEMIC STAFF) 2009

No.	Training Program	No. Participated
01	Higher Diploma on supplies and material management	01
02	Workshop relating to methodologies to get rid of negative stress	11
03	Workshop relating to the inclusion of disabled persons to the main development stream	02
04	English Language Training	04
05	Workshop relating to the legal aspects of shop and Office Employees Act	05
06	Higher Diploma in Human Resource Management	02
07	Workshop on Research & Study Methodologies	01

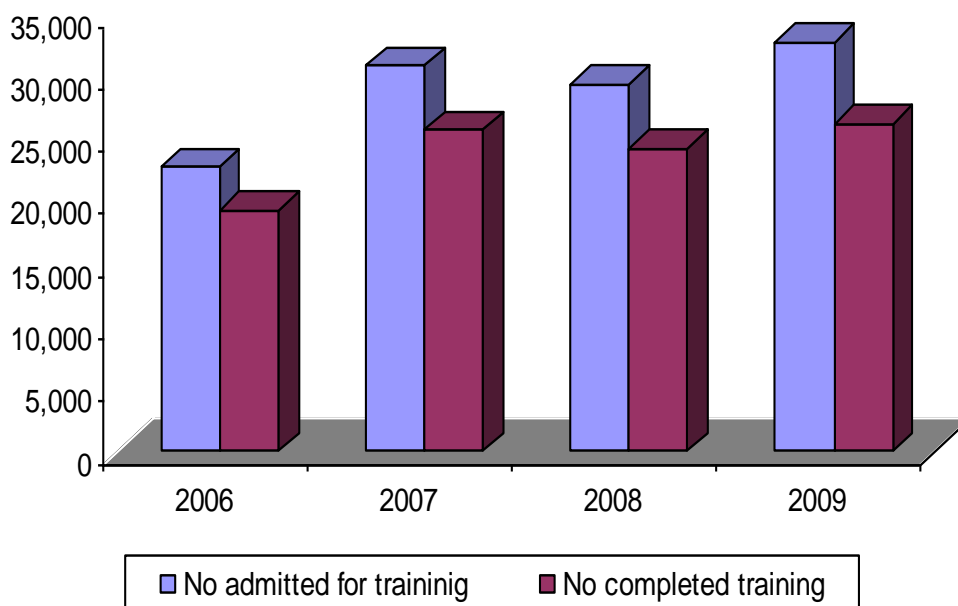
08	Workshop on Secretarial Procedures	02
09	Development of Human Resources through proper discipline	49
10	Workshop on the Management of Standards	06
11	Workshop o the Procurement Development Process	58
12	Workshop on the settlement of disputes in the service stations	03
13	Workshop in training the participation training methodologies	05
14	New Computer Software training on Accounting matters	94
15	Workshop on the computation of fixed assets	35
16	Workshop on employee efficiency and social protection	02
17	Workshop for the training of development of attitudes towards drivers	29
18	Symposium on the grant of construction contracts	02
19	Symposium for Engineers	03
20	Workshop on the introduction of Projects and Project Procedures	02
21	Certificate Court on storage	07
22	Computer Software training program relating to the implementation of Projects	01
23	Excellent Consumer Service Workshop	02
24	Workshop on the development of attitudes and self motivation	111
25	Workshop on making awareness of Assistant Account and Supply Officer	50
26	Management Training Program	43
	Total	530

05. **VOCATIONAL TRAINING TO YOUTH THROUGH THE IMPLEMENTATION OF VOCATIONAL TRAINING PROGRAM.**

Out of the 265 Vocational Training Centers established through out the country, 71 Training Centers were implemented and 18 Vocational training fields. Accordingly 32,740 apprentices were recruited for training in the year 2009 apprentices were recruited for training in the year 2009 and 26,200 of them completed the training. In addition to the institutional training this number consisted of the apprentices recruited for entrepreneur development programmes and skill development programs.

Entry / Exit for Vocational Training

Year	2006	2007	2008	2009
No admitted for training	22,818	30,916	29,367	32,740
No completed training	19,302	25,751	24,220	26,200

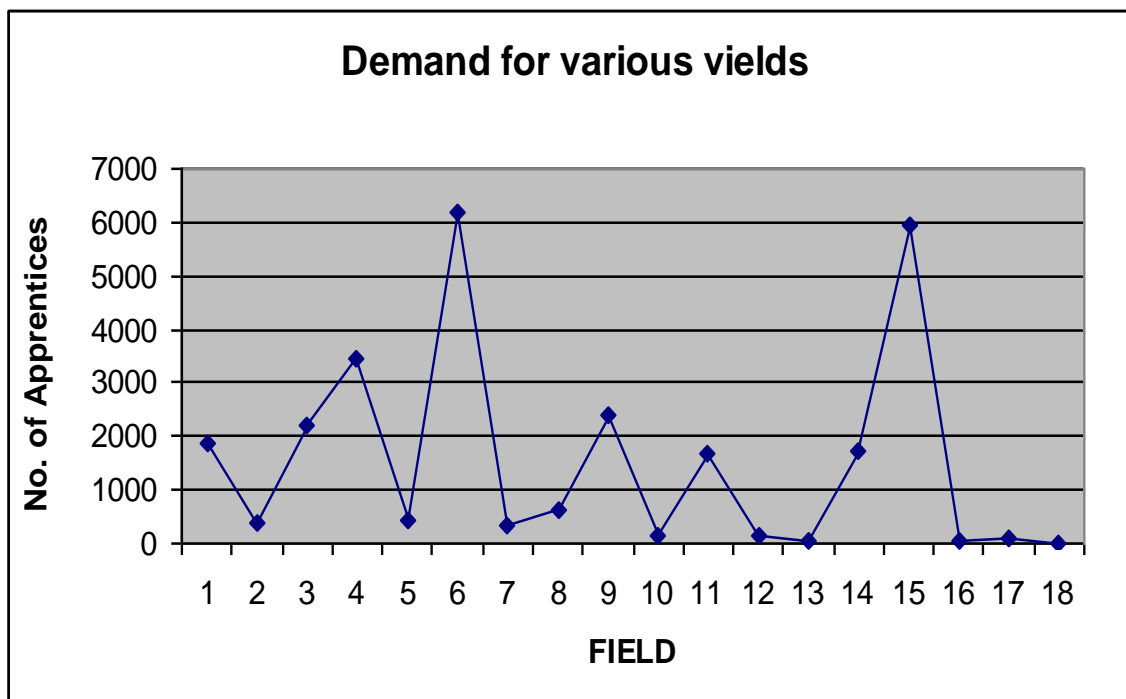


**INSTITUTIONAL COURSES IMPLEMENTED BY THE VOCATIONAL
TRAINING AUTHORITY OF SRI LANKA.**

No	Field	Course and duration	No. of apprentices
01	Building and Construction	Machinery Technician	777
		Machinery and Plumbing Technician (12 months)	53
		Plumbing Technician (6 months)	463
		Planning Officer (12 months)	187
		Quantity Surveyor (6 months)	381
02	Electronic	Radio/T.V. Technician (12 months)	258
		Radio Technician (6 months)	13
		Tool Technologist	52
		Repair of mobile telephones (6 months)	74
03	Auto mobile motor vehicles	Motor Mechanic (12 months)	607
		Motor Car electrician (12 months)	127
		Motor Car air-condition Mechanic (12 months)	31
		Heavy Vehicle Driver (3 months)	96
		Motor Car painter (06 months)	14
		Motor cycle and trishaw Mechanic (12 months)	132
		Motor Cycle Mechanic (6 months)	878
		Agricultural Machine Mechanic (12 months)	138
		Trishaw Mechanic (6 months)	92
		Motor Car painter and Fitter	110
04	Electrical	Electrician (12 months)	346
		Electrician (06 months)	2128
		Repair of domestic electric and electronic appliances (06 months)	149
		Refrigeration and Air-condition Technician (12 months)	435
		Winder of electrical Motors (6 months)	399

05	Food Technology	Bakers (6 months)	353
		Manufactures of food items mixed with fruits and milk (06 months)	82
06	Information Technology	Computer Assistant (06 months)	4069
		Computer hardware Technician (06 months)	481
		Information Technology Certificate (6 months)	1252
		CISCO Computer Network (300 hours)	153
		Information Technology Diploma 12 (months)	162
		Composing of Computer system and programming (12 months)	52
07	Printing	Offset Litho Machinist (06 months)	24
		Computer Type Setter (06 months)	24
		Graphic Technician (06 months)	269
08	Hotel & Tourism	Supplier of food and beverages (External) 06 months	604
		Stuart (06 months)	10
		Room Boy (04 months)	26
09	Metallic Items	Machinist (12 months)	244
		Fitter - Ordinary (12 months)	33
		Brassware/Processor (06 months)	11
		Aluminum Processor (6 months)	782
		Iron Processor (12 months)	128
		Welder (12 months/06 months)	1187
10	Gem & Jewelry	Jewelry Technician (handicraft) (12 months)	77
		Jewelry Stone fitter (06 months)	41
		Gem cutting Technician (06 months)	21
11	Timber based items	Sculptor (06 months)	123
		Carpenter (Furniture) (12 months)	204
		Carpenter (Furniture) (06 months)	1277
		Carpenter (Buildings) (06 months)	92
12	Agriculture	Planting and budding of plants (06 months)	69
		Flower planting (06 months)	84
13	Office Management	Secretarial work (09 months)	70

14	Personal and Social	Gardener (6 months)	225
		Beautician (03 months)	1044
		Hairdresser (03 months)	406
		Hairdresser - male (06 months)	36
15.	Fabrics & garments	Pattern creator (06 months)	238
		High Speed sewing Machinist (1 1/2 months)	1405
		High Speed sewing Machinist Technician (06 months)	265
		Technician (06 months)	2770
		Tailoring - Ladies and children (06 months)	623
		Curtain Printer (06 months)	260
		Garment products supervisor (06 months)	227
		Fabric cutter (06 months)	23
		Work Study Assistant (06 months)	32
		Garment Quality Controller (06 months)	91
		Garment Production Supervisor (06 months)	06
16	Fisheries	Motor Boat Mechanic (12 months)	26
17.	Rubber, Plastic & Leather based Products	Production of leather items (06 months)	117
18	Technical Management	Technical Management Diploma (6 months)	16
		Multi skilled Technician (06 months)	06
Total			27,752



06. CONDUCTUNG OF VOCATIONAL GUIDANCE & COUNSELLEING PROGRAMS

Vocational Training Authority of Sri Lanka guides youths to select the vocational field that suits them according to their choice and qualifications through vocational guidance and counseling units established through out the Island.

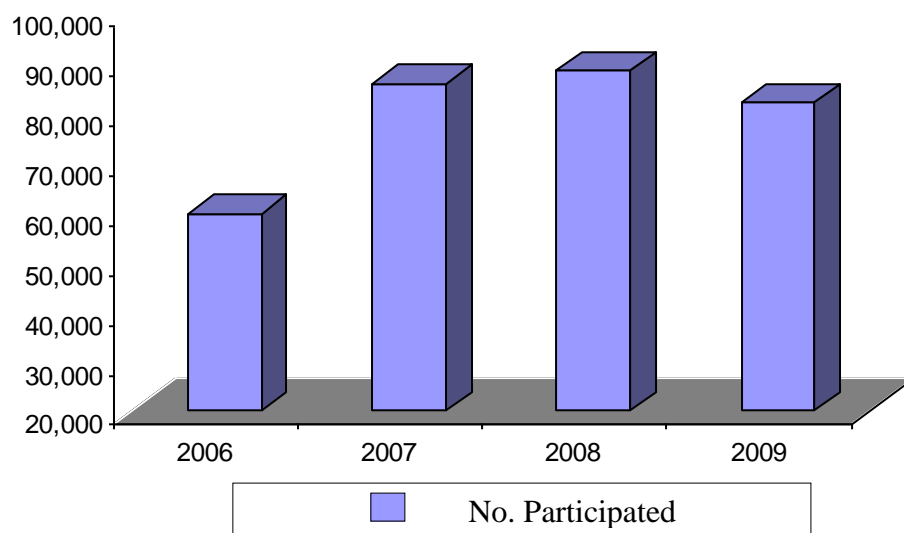
According to this program 81,852 persons could be given awareness in the year 2009 by way of 1911 programs organized for school going children, students leaving schools, apprentices undergoing vocational training, parents and field Officers.

IMPLEMENTATION OF VOCATIOANL GUIDANCE PROGRAMS - 2009

Targeted group	No. of programs Conducted	Mo. participated
School going children	431	27,440
School leavers	495	22,002
Trainers	314	11,332
Parents	325	12,097
Others	346	8,931
Total	1911	81,852

CONDUCTING OF VOCATIONAL GUIDANCE PROGRAMS

Year	2006	2007	2008	2009
No. Participated	59,617	85,789	88,356	81,852



07. Placement in Employment

Under the Employment Providing Program conducted on district level 4582 trainers' were provided with employment. Out of them 4197 were referred to local employment, 47 to foreign employment and 338 for self employment. In order to implement this program 33 local and foreign employment Agencies were registered. By providing employment in such manner Vocational Training Authority of Sri Lanka was able to contribute a sum of Rs. 401 Million to the national income.

DETAILS RE. PLACEMENT IN PROVIDING EMPLOYMENT

	District / National Vocational Training Center	Local	Foreign	Self	Total
1	Head Office	23	-	-	23
2	N.V.T.C. - Narahenpita	200	03	18	221
3	N.V.T.C. - Orugodawatta	152	06	07	165
4	N.V.T.C. - Niyagama	74	-	21	95
5	N.V.T.C. - Baddegama	30	-	-	30
6	Colombo	323	-	03	326
7	Gampha	178	-	02	180
8	Lalutara	161	04	17	182
9	Galle	329	01	21	361
10	Matara	315	-	14	329
11	Hambantota	271	02	43	316
12	Badulla	269	01	06	276
13	Monergala	218	04	13	235
14	Ratnapura	171	-	15	189
15	Kegalle	251	-	01	252
16	Kandy	267	-	08	275
17	Matale	143	05	38	186
18	Nuwara Eliya	153	-	15	168
19	Polonnaruwa	98	-	17	115
20	Anuradhapura	88	03	14	105
21	Kurunegala	225	02	38	265
22	Puttalam	43	03	03	49
23	Ampara	32	-	03	35
24	Trincomalee	46	04	11	61
	Total	4197	47	338	4582

CONTRIBUTIONS MADE TO THE NATIONAL ECONOMY BY WAY OF PROVIDING EMPLOYMENT

Type	Provision of Employment	Contribution made to the National Economy (Rs. Million)
Local	4197	344
Foreign	47	16
Self	338	41
Total	4582	401

- ❖ The income received by the Trainers who have been provided with employment in the Year 2009 has been approximately estimated.

NO -OF JOB PLACEMENTS

year	Local	Foreign	Self Employment	Total
2006	5671	98	332	6101
2007	4863	69	416	5348
2008	4720	172	524	5416
2009	4197	47	338	4582

- ❖ Details with regard to the provision of employment by the Vocational Training Authority of Sri Lanka.



08. CONDUCTIONG OF WORKSHOPS TO IMPROVE SKILL PROFICIENCY THROUGH BUILDING RELATIONSHIP BETWEEN STATE AND PRIVATE INSTITUTIONS

These programs are conducted with a view to enhance one's knowledge and abilities and ti offer new technology in the changing worked to those who are engaged in the vocational training field Accordingly 31 such programs could be conducted in 04 fields with the assistance of 4 Government and private Sector Institutions in the year 2009 and thereby 3027 persons get the opportunity to develop their skills.

PROGRESS IN SKILL DEVELOPMENT PROGRAMS

Program	No. of Programs	No. participated	Sponsorship Institution
Laying of tiles	09	338	Lanka Tiles (Pvt) Ltd.
Beautyculture	13	1933	Natures Beauty Creations (Pvt) Ltd.
Repair of trishawa and motor cycles	04	243	David Peiris (Pvt) Ltd.
Bakery	03	513	A.B. Mayri Co.
Total	29	3027	

09. SIGNING OF MEMOREANDUMS OF UNDERSTANDING

Among various courses of action taken to accomplish the objectives of the Vocational Training Authority of Sri Lanka 08 Memorandums of Understanding were signed with various Establishments in the year 2009 to promote vocational training opportunities and also its quality.

1. With the view to broaden the language abilities of the youths who left school and to improve the knowledge and skills in Information Technology a Memorandum of Understanding was signed with the Netherlands International Higher Education Institute establish a Language Training Center in Rajagiriya Training Center.
2. Signing and Agreement with Natures Beauty Creations Institution to implement Skill Development Programs in beauty culture.
3. Obtaining sponsorship to conduct Secretarial course, Information Technology Certificate Course. Quantity Surveyor's Course, Graphic Artists Course, CISCO & CISCO A + Course in 33 course Centers through Education Modification project established under the Ministry of Education.
4. Signing a memorandum of Understanding with information and Media Technology for the development of the courses in Hotel Management and garment field.
5. Signing a Memorandum of Understanding assemble Agricultural machinery with UNIMO Enterprises with the objective of enhancing the skills of the apprentices in motor mechanism section of the Orugodawatta National Vocational Center.
6. Signing a Memorandum of Understanding with IDP Empowerment Trust / NDB Bank in order to offer funds and tool sets to trainees who had successfully completed the training programs that were implemented to internally displaced persons.
7. Signing a Memorandum of Understanding with " L.C. Disable Resource Center" in order to implement a program to provide a suitable vocational training and find them employment and self employment to selected disabled persons in the Colombo District.
8. Signing a Memorandum of Understanding with "Salasine" Rupavahini Institution in order to produce a documentary video cassette using modern technology depicting the purview, role and the network of centers of the Vocational Training Authority of Sri Lanka.

10. CONDUCT OF ENTREPRENEURSHIP DEVELOPMENT PROGRAM

Entrepreneurship Development Programs are conducted as a guideline to those who are involved in the field of vocational training field to open up small and middle scale enterprises In the year 2009 553 persons could be provided with employment of 30 such similar programs conducted through out the country. Further at the time of getting trained for selected courses 1408 persons could gain business knowledge and develop skills by 92 programs conducted in " Know about Business"

11. ISSUE OF VOCATIONAL COMPETENCY CERTIFICATES.

Another important service rendered by the Vocational Training Institute of Sri Lanka is to assist those who are involved in the vocational training field, but without a Certificate of Vocational Training, when it becomes necessary to establish their vocational qualifications. It is a significant factor that most of the persons, who come to get their vocational qualifications, are persons proceeding for foreign employment.

Accordingly the vocational tests conducted in the year 2009 are as follows :-

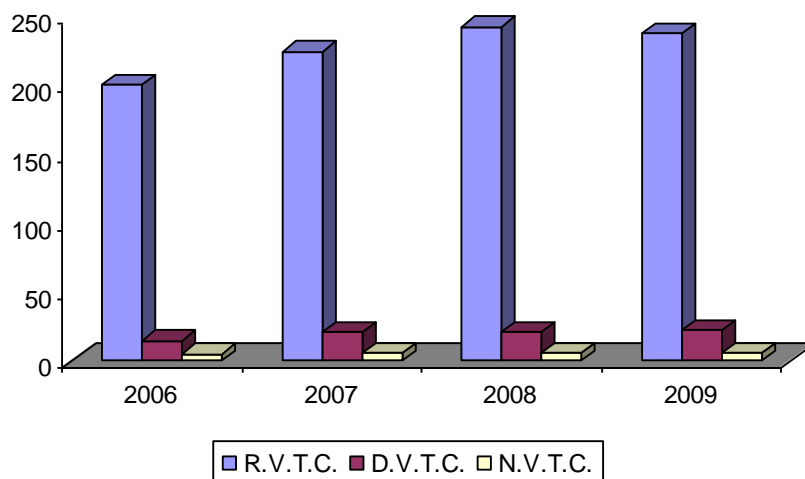
PROFESSIONAL TESTS

Serial No.	Field	No. of Professional Tests conducted		
		N.V.T.I. Narahenpita	N.V.T.I. Orugodawatta	N.V.T.I. Ratmalana
1	Electrician	01	12	15
2	Welder	04	48	27
3	Motor Mechanic	11	01	20
4	Mechanic	-	01	02
5	Motor car mechanic	01	-	02

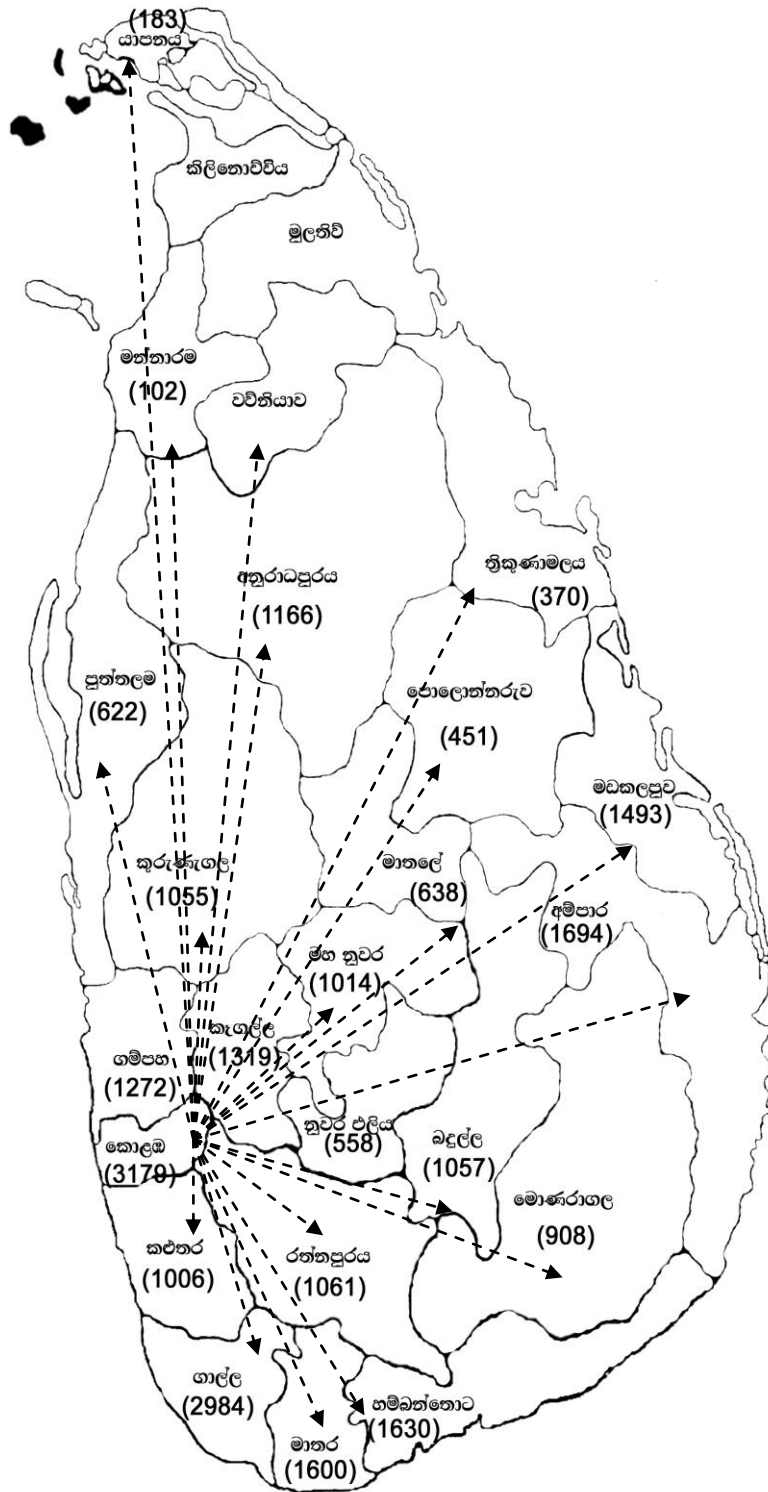
6	Refrigeration & Air condition Technician	-	01	10
7	Computer Assistant	02	-	02
8	Plumber	-	03	17
9	Aluminum Processor	-	01	03
10	Mason	-	14	38
11	Carpenter	02	24	55
12	Motor Vehicle Fitter	-	02	12
13	Building Painter	-	-	11
14	Nail Bender	-	-	04
Total		21	107	218
Grand Total		346		

DETAILS OF CENTERS

Year	2006	2007	2008	2009
Rural Vocational Training Centers	200	224	242	237
District Vocational Training Centers	15	21	21	22
National Vocational Training Centers	5	6	6	6
Total	220	251	269	265



TRAINING CENTER PROJECT & NO OF APPRENTICES - 2009



1.3 CHALLENGES

- ❖ Scarcity of instructors capable of imparting Training using modern technology and the inability to pay them a higher salary.
- ❖ Minimizing the gap between training fields and job opportunities.
- ❖ Inadequacy of capital and recurrent expenditure provisions made by the Government as a service supply Institution.
- ❖ **Inability to provide equal facilities to every Vocational Training Institution** through out the Island.
- ❖ Non availability of adequate funds to provide infrastructure facilities to Vocational Training Centers.
- ❖ **Had to launch a broad propaganda programme to create** public awareness of the importance of Vocational Training.
- ❖ There is a competition with private sector Institutions that provide Vocational Training.
- ❖ Inability to match the facilities provided in vocational training by non-Governmental Organizations and the facilities provided through other Institutions.
- ❖ A considerable effort has to be made to attract youths towards Vocational Training.
- ❖ Youths becoming more tempted to follow Courses such as / computer and planning Courses instead of trade Courses.

**STATEMENT OF THE BOARD OF DIRECTORS
ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2009
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

The Financial Statement of the Vocational Training Authority of Sri Lanka for the financial year ended 31st December 2009 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 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 our knowledge, the Financial Statements for the year ended 31st December 2009 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka.


.....
Chairman

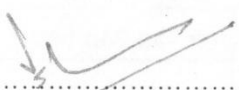
On behalf of the Board of Directors
Vocational Training Authority of Sri Lanka

.....
Director of the Board

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2009

	Notes	2009 (Rs.)		2008 (Rs.)	
ASSETS					
Non - Current Assets					
Property plant and equipment	2	3,305,438,319.20		3,266,014,570.47	
Capital Work in progress	3	15,867,188.19		28,437,082.38	
Other Financial Assets					
Fixed Deposit		25,000.00		25,000.00	
			3,321,330,507.39		3,294,476,652.85
Current Assets					
Inventories	4	21,992,113.75		23,526,168.36	
Receivables	5	20,461,272.90		13,435,240.67	
Staff Loans	6	34,216,430.09		22,897,684.20	
Cash and cash equivalent	7	50,595,793.86		69,107,784.87	
			127,265,610.60		128,966,878.10
TOTAL ASSETS			3,448,596,117.99		3,423,443,530.95
EQUITY & LIABILITIES					
Accumulated Surplus (Deficit)		-108,275,089.27		-96,060,847.00	
Gov. Grant - Capital	8	22,166,071.75		40,788,973.76	
			-86,109,017.52		-55,271,873.24
Non - Current Liabilities					
Differed Income Grant	9	3,321,305,507.39		3,294,451,652.85	
Provision for Gratuity	10	138,979,598.75		114,058,468.13	
			3,460,285,106.14		3,408,510,120.98
Current Liabilities					
Payables	11	65,064,681.56		59,486,212.67	
Accrued expenses	12	9,355,347.81		10,719,070.54	
			74,420,029.37		70,205,283.21
TOTAL EQUITY & LIABILITIES			3,448,596,117.99		3,423,443,530.95


Admiral Daya Sandagiri, RSP, VSV, USP
Chairman


S.A.D.J. Chandrakumara
Director (Finance)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER
2009

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

Description	Note	2009 (Rs.)	2008 (Rs.)
Operating Revenue			
Recurrent Grant		656,500,000.00	566,000,000.00
Differed Income Grant		157,473,584.33	165,598,855.61
Other Income			
Other Income	13	67,680,326.29	37,239,499.40
Production Unit Income (Net)	14	20,628,672.51	10,741,571.54
Fund Received For Special projects	15	30,070,691.21	54,482,965.37
		932,353,274.34	834,062,891.92
Operating Expenses			
Staff Cost	16	489,877,027.08	429,746,145.83
Travelling	17	6,334,760.82	6,598,663.75
Supplies and consumable used	18	18,916,249.68	10,678,313.11
Maintainance	19	22,675,179.50	13,183,464.21
Contractual services	20	69,794,265.66	56,842,023.37
Staff Training		6,777,748.18	4,013,211.46
Promotional & Carrier guidance		16,983,413.18	12,844,935.89
Job placement, Research & Entrepreneurship	21	5,228,487.84	3,139,600.28
Depreciation		157,473,584.33	165,598,855.61
Other operating expenses	22	120,081,298.05	86,422,668.22
Expenditure on Special projects	23	30,070,691.21	54,482,965.37
Finance Cost	24	354,811.08	455,965.08
Total operating expenses		944,567,516.61	844,006,812.18
Net Surplus /(Deficit) for the period		(12,214,242.27)	(9,943,920.26)
Statements of Accumulated Surplus/(Deficit)			
Balance as at 1st January		(96,060,847.00)	76,802,702.10
Prior Year Adjustment	25	0.00	(9,314,224.64)
As Restated		(96,060,847.00)	(86,116,926.74)
Net surplus/(deficit) for the period		(12,214,242.27)	(9,943,920.26)
Balance as at 31st December		(108,275,089.27)	(96,060,847.00)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST DECEMBER 2009

	2009 (Rs.)		2008 (Rs.)	
<u>Operating Activities</u>				
surplus (deficit)for the period		-12,214,242.27		-9,943,920.26
Adjustmebt for:				
Depriciation	157,473,584.33		165,598,855.61	
Amortization of differed income grant	-157,473,584.33		-165,598,855.61	
Gratuity provision	29,093,605.61		23,270,475.44	
Gratuity paid	-4,172,474.99		-5,912,052.32	
Prior year adjustment			-9,314,224.64	
Provision for Doughtful Debts			11,122,447.04	
(Increase) / Decrease in receivables	-7,026,032.23		1,604,444.19	
(Increase) / Decrease in Staff Loans	-11,318,745.89		-1,013,013.22	
Increase/(Decrease) in payable	5,578,468.89		35,160,419.89	
Increase/(Decrease) in accrued expenditure	-1,363,722.73		3,439,025.49	
(Increase)/Decrease in inventories	<u>1,534,054.61</u>	<u>12,325,153.27</u>	<u>-20,702,688.25</u>	<u>37,654,833.62</u>
Net cash flow from operating activities		110,911.00		27,710,913.36
<u>Investing Activities</u>				
Purchases of property plant & Equipment	-196,897,333.06		-233,424,616.91	
Work in Progress	<u>12,569,894.19</u>		-1,141,207.88	
Net cash flows from investing activities		-184,327,438.87		234,565,824.79
<u>Financing Activities</u>				
Government Grant Capital	103,200,000.00		177,300,000.00	
Other Income Grant	<u>62,504,536.86</u>		<u>61,922,008.95</u>	
Net cash flow from Financing Activities		165,704,536.86		239,222,008.95
Net increase/decrease in cash & cash Equivalents		-18,511,991.01		32,367,097.52
Cash & cash equivalents at beginning of period		69,107,784.87		36,740,687.35
Cash & cash equivalents at end of period		50,595,793.86		69,107,784.87

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31st DECEMBER 2009

Description	Accumulated Fund	Government Grant Capital	Differed Income Grant	Gratuity Provision	Total
Balance as at 1st January 2008	-76,802,702.10	38,804,008.76	1,331,397,537.75	138,979,598.75	1,432,378,443.16
Opening balance					
Adjustments		-7,765.65	17,758,910.48		17,751,144.83
Opening balance					
Adjustments			-13,196,039.62		-13,196,039.62
Adjusted Opening balance	-76,802,702.10	38,796,243.11	1,335,960,408.61	138,979,598.75	1,436,933,548.37
Grant received during the year		177,300,000.00	241,805,074.77	23,270,475.44	442,375,550.21
Amount transferred to differed income Grants		-179,883,065.82			-179,883,065.82
Amortization for the year			-165,598,855.61		-165,598,855.61
Surplus / (Deficit) for the year	-9,943,920.26				-9,943,920.26
Prior year adjustments	-9,314,224.64				-9,314,224.64
Revaluation for the Year			1,777,454,529.21		1,777,454,529.21
Payment for the year				-5,912,052.32	-5,912,052.32
Balance as at 31st December 2008	-96,060,847.00	36,213,177.29	3,189,621,156.98	156,338,021.87	3,286,111,509.14
Balance as at 1st January 2009	-96,060,847.00	36,213,177.29	3,189,621,156.98	114,058,468.13	3,243,831,955.40
Opening balance					
Adjustments		4,575,796.47	0.00		4,575,796.47
Adjusted opening balance	-96,060,847.00	40,788,973.76	3,189,621,156.98	114,058,468.13	3,248,407,751.87
Grant received during the year		103,200,000.00	184,327,438.87	29,093,605.61	316,621,044.48
Amount transferred to differed income Grants		-121,822,902.01			-121,822,902.01
Amortization for the year			-157,473,584.33		-157,473,584.33
Surplus / (Deficit) for the year	-12,214,242.27				-12,214,242.27
Payment for the year				-4,172,474.99	-4,172,474.99
Balance as at 31st December 2009	-108,275,089.27	22,166,071.75	3,216,475,011.52	138,979,598.75	3,269,345,592.75

**STATEMENT OF THE BOARD OF DIRECTORS
ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER
2009 VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

The Financial Statement of the Vocational Training Authority of Sri Lanka for the financial year ended 31st December 2009 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 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 our knowledge, the Financial Statements for the year ended 31st December 2009 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka.


.....
Chairman

On behalf of the Board of Directors

Vocational Training Authority of Sri Lanka

Notes to the Financial Stetments

01 - ACCOUNTING POLICIES

1. 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 notes to the financial statements on pages **03** to **33** form an integral part of the financial statements.
- 1.3 The value presented in the financial statements are in Sri Lanka Rupees unless otherwise indicated. The significant accounting policies are shown below.

1.4 General Policies

1.4.1 Statement of Compliance

The Statement of financial position, Statement of financial performance, Statement of changes in net assets and Cash flow statement, together with the accounting policies and notes (the financial statements) have been prepared in compliance with the Sri Lanka Public Sector Accounting Standards (SLPSAS) issued by the Institute of Chartered Accountants of Sri Lanka. It has been applied the Sri Lanka Accounting Standards (SLAS) issued by the Institute of Chartered Accountants of Sri Lanka in previous years as the non availability of Accounting Standards designed for public sector.

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 Events after the balance sheet date

No circumstances have arisen since the Balance Sheet date which requires adjustments to or disclosure in the accounts.

1.4.5 Presentation of Financial Statements

The following presentations have been changed in this year in complying with Sri Lanka Public Sector Accounting Standards.

- a) The following Financial statements are renamed.
 - i. Balance Sheet is renamed as Statement of Financial Position
 - ii. Income and Expenditure Account is renamed as
Statement of Financial performance

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 Fixed Assets

Cost of an item of fixed assets 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 fixed assets not only depends on the capitalization threshold but the following facts should also be considered .

- (i) Expected useful life time of the asset
- (ii) Intended purpose of the asset.
- (iii) Durability of the asset
- (iv) Whether the asset is a consumable or not

1.6.2 Inventories

Inventories are valued at lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. The costs 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 |

1.6.3. 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.

1	Building & Improvements	5%
2	Office equipments	10%
3	Motor vehicles	25%
4	Furniture & Fittings	10%
5	Training equipments	20%
6	Plant & Machinery	20%
7	Computer equipments	20%
8	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 doubt.

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 Gratuity

Up to year 2007 the VTASL had making a provision for gratuity only for

employees who completed 5 (five) years of service. This policy has been changed from the year 2008 to be in conformity with SLAS 16. The backlog of the provision for past year has been debited to a prior year adjustment account.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of five(05) year 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 up to 2004. Capital Grants have been credited to the Differed Income Grant account from year 2005 in terms of Guidelines issued by the Department of Public Enterprises.
- b) Initially grants received form 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 Differed 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 25 to the financial statements unless the outflow of resources is remote.

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.
- f) Other Income
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.

Sri Lanka Vocational Training Authority
Audit and Management Committee
Performance – 2009

01) Members of the Committee :

- | | |
|-------------------------------|--------------------------------------|
| 1. Mr. W.R.V.G.G. Samarasiri | - Chairman of the Committee 2009 |
| 2. Mr. G.R. Perera | - Member |
| 3. Mr. J.J. Rathnasiri | - Member |
| 4. Mr. W.A. Ranaweera | - Director General (Acting) |
| 5. Mr. S.A.D.j. Chandrakumara | - Director (Finance) |
| 6. Mr. K.Sarath Ananda | - Director (Covering) |
| 7. Mr. Ananda Herath | - Deputy Director (Establishments) |
| 8. Mr. Mahinda Jayathilake | - Deputy Director (Administration) |
| 9. Mr. H.U. Kariyawasam | - Chief Internal Auditor |
| 10. Mr. R.K. Ariyaratne | - Audit Superintendent |

02) Number of meetings held during the year – 07

03) Findings

- i) Making arrangements for the preparation of a handbook on accounting and administrative procedure for the Authority so that the administrative and financial activities of the Sri Lanka Vocational Training Authority could be maintained properly and efficiently.
- ii) Having received the position regarding including in accounts values referred to in the list of fixed assets prepared on behalf of the Authority action to be taken to correct the errors and shortcomings which have been observed.
- iii) Introduction of a formal agreement and a bond for the officers of the Authority who go abroad on scholarships and taken action for its implementation.
- iv) Having received the internal audit reports regarding the activities in Districts, action to be taken to remedy the weakness and shortcomings revealed by above reports.
- v) Taking action to minimize errors and shortcomings by pre-auditing primarily the gratuity payments under the system of pre-auditing the financial payments, in order to avoid errors and shortcomings in payments.

Notes to the Financial Statements

2.2 Unvalued Land & Buildings

The following list of land & buildings occupied by VTA training centers were not valued as the unavailability of proof to prove the ownership.

DISTRICT	CENTRE
----------	--------

Lands

Matale	RVTC - Matale
Rathnapura	RVTC - Kaltota
Galle	RVTC - Yakkalamulla RVTC - Ginimellagaha RVTC - Akmeemana RVTC - Wathuruwila
Gampaha	RVTC - Katana
Hambantota	Siribopura Nilanivasa A 50 - Nilanivasa A 55 - Nilanivasa Kirinda
Kandy	RVTC - Nawalapitiya

Buildings

Gampaha	RVTC - Katana, South Kadirana
Kandy	RVTC - Wegiriya, Hodiadeniya
Matale	RVTC, Arangala, Naula
Badulla	RVTC, Girandurukotte
Ampara	RVTC, Indrasara Pirivena, Ampara
Hambantota	SUCHI Quarters, Siribopura, Hambantota
Galle	RVTC, Ginimellagaha RVTC, Mataramba, Akmeemana Skill Development center, Makumbura, Yakkalamulla NVTI, Niyagama, Thalgaswala RVTC, Ambalegedera, Neluwa RVTC, Urawatta, Ambalangoda Narigama, Hikkaduwa

Notes to the Financial Statements

	<u>Note</u>	2009 Rs.	2008 Rs.
3 Capital Work in Progress			
Anuradhapura		3,435,435.15	2,848,649.71
Inamaluwa		0.00	5,623,935.17
Mihintale		0.00	2,263,201.56
Kantale		0.00	1,306,326.40
Hambantota		5,109,274.20	912,996.50
Rathnapura		0.00	3,158,870.78
Matale		0.00	2,187,065.56
Polonnaruwa		0.00	989,753.25
Marawila		1,267,448.24	9,146,283.45
Niyagama		4,200,400.00	0.00
Matara		551,112.82	0.00
Badulla		449,993.70	0.00
Ampara		853,524.08	0.00
		15,867,188.19	28,437,082.38
3.1 Upgrading of Niyagama Vocational Training Center Project			
<p>Upgrading of Niyagama Vocational Training Center Project is financed by the Economic Development Fund of the Exim Bank of Korea under loan No.SRI-16. The total value of the project is US\$ 8.78 Million. The expenditure of SL Rs.747,928,385 has been incurred for this project as at end of the year. The value of the work in progress has not been taken to the books of VTA as the project was not handed over to VTA as at 31.12.2009.</p>			
4 Inventories			
Training Materials		17,512,596.93	16,278,986.26
Stationary		3,323,518.22	4,860,273.89
Raw Materials (Printing)		1,098,252.60	2,122,139.21
Other Consumables		57,746.00	264,769.00
		21,992,113.75	23,526,168.36
5 Receivables			
Advances for programs		400,006.64	633,224.52
Current Accounts		0.00	0.00
Deposit for compensation		485,778.72	485,778.72
Deposits		602,000.00	102,000.00
Ministry of Vocational Training & Rural Industrial		4,097,520.24	3,733,300.50
Miscellaneous Debtors		10,000.00	67,891.00
Shortage of income		81,130.00	0.00
Receivable course fees		12,200,215.00	0.00
Prepayments		1,094,901.49	2,996,222.51
Receivable Income		2,396,302.02	3,692,630.50
Receivable Insurance		0.00	80,950.00
Receivable project fund		3,213,992.46	4,101,574.43
Salary Advance		0.00	45,690.06
State Organizations		4,144,544.97	4,553,541.27
Trade & Other receivables		2,857,328.40	4,064,884.20
		31,583,719.94	24,557,687.71
Less:- Provision for Bad Debts		11,122,447.04	11,122,447.04
		20,461,272.90	13,435,240.67

Notes to the Financial Statements

	<u>Note</u>	2009 Rs.	2008 Rs.
6 Staff Loans			
Balance at the beginning of the year		22,897,684.20	21,884,670.98
Add: Loans granted during the year		34,779,480.96	16,945,438.49
		57,677,165.16	38,830,109.47
Less: Repayments during the year		23,460,735.07	15,932,425.27
Balance at the end of the year		34,216,430.09	22,897,684.20
7 Cash & Cash Equivalents			
Cash in transit		523,168.47	737,942.97
Gold coins	7.1	65,450.00	57,466.00
Cash at Banks			
Peoples Bank		42,555,297.44	61,627,566.53
Bank of Ceylon		1,007,995.37	988,782.30
Commercial Bank		4,607,958.78	5,483,432.42
Stamp Imprest		0.00	1,000.00
Petty Cash Imprest		81,529.25	81,529.25
Cheque in hand		1,694,447.55	0.00
Cash in hand		59,947.00	130,065.40
		50,595,793.86	69,107,784.87

Notes to the Financial Statements and each gold value is 22.03 karat.

8 Government Grant - Capital			
Balance at the beginning of the year		40,788,973.76	38,796,243.11
Add: Grants received during the year		103,200,000.00	177,300,000.00
		143,988,973.76	216,096,243.11
Less: Transfers to Differed Income Grant		121,822,902.01	179,883,065.82
Balance at the end of the year		22,166,071.75	36,213,177.29
Add: Adjustment		0.00	4,575,796.47
		22,166,071.75	40,788,973.76

8.1

balance of Govt Grant Capital.

	<u>Note</u>	2009	2008
		Rs.	Rs.
11 Payables			
Audit Fees		400,000.00	258,502.00
Cashier Deposit		25,000.00	25,000.00
Cheque cancelled		324,273.15	324,273.15
Compensation (S.M.A.Construction)		979,507.80	2,729,507.80
Current Accounts		300,000.00	300,000.00
Daily diary printing (Printing School)		169,632.32	2,771,668.00
Employee Provident Fund		5,838,059.81	0.00
Employee Trust Fund		875,859.13	0.00
Hostel Deposit		249,500.00	0.00
Keen Mission		781,238.04	794,076.89
Lecture fees		1,810,128.75	1,409,010.83
Other Creditors		4,405,000.40	39,300.00
Project funds Payable		14,788,576.01	19,782,857.11
Ranmalee Associated International Pvt Ltd		175,000.00	197,117.79
Received in Advance		799,000.00	587,300.00
Refundable Tender Deposit		2,278,199.88	1,678,988.88
Retention Money		7,008,249.28	5,703,106.10
Staff Incentive payable		39,730.00	175,676.77
Stationary		268,699.13	61,186.25
Trade Creditors		20,291,621.87	20,070,927.88
Unpaid Salary & Wages		1,660,843.23	1,689,658.08
W & O.P		355,307.97	276,835.94
Withholding Tax		1,241,254.79	611,219.20
		65,064,681.56	59,486,212.67

11.1 Compensation

A judgement was given in respect of Arbitration between S M A Construction and Vocational Training Authority of Sri Lanka to pay Rs. 3,729,507.80 to S M A Construction for the losses incurred in construction of Regional Information Technology Center at Kegalle.

However the Regional Information Technology Center was not constructed. Part payments Rs. 2,750,000.00 have been paid to the contractor at the end of this year.

Notes to the Financial Statements

	<u>Note</u>	2009	2008
		Rs.	Rs.
12 Accrued expenses			
Advertisement		0.00	111,750.00
Carrier Guidance		39,350.00	100,106.00
E.P.F		0.00	53,011.90
E.T.F.		0.00	7,951.80
Electricity		1,220,293.34	1,755,704.07
Examination & Evaluation		1,069,963.54	13,213.42
Foreign Travelling		0.00	16,437.00
Fuel & Lubricant		53,200.00	60,006.00
Gratuity		0.00	542,853.40
Part Time Expenses Payable		565,366.00	0.00
Janitorial Services		148,083.00	43,780.00
Job Placement		174,500.00	34,000.00
Legal fees		0.00	75,171.25
Maintenance		514,701.60	876,551.19
News papers & periodicals		28,050.00	17,855.00
Other		289,815.50	33,888.20
Other Allowance		95,493.29	21,500.00
Overtime & Holiday pay		132,514.53	173,206.36
Postage		45,443.10	26,829.00
Promotional Activities		148,794.00	130,160.50
Quality Management Payable		38,500.00	0.00
Rent, Rates & Taxes		144,000.00	2,087,587.98
Research & Tracer studies		0.00	21,660.00
Season tickets		842,066.35	829,257.60
Security Charges		381,105.00	241,404.50
Staff Traing		760,750.00	65,045.40
Stipend		1,306,774.51	1,648,509.65
Telephone		594,688.38	854,149.49
Transport		87,710.00	246,778.00
Travelling		111,468.93	207,345.50
Vehicle hire charges		146,877.07	106,366.66
Water		415,839.67	316,990.67
		9,355,347.81	10,719,070.54

Notes to the Financial Statements

	<u>Note</u>	2009	2008
		Rs.	Rs.
13 Other Income			
Auction Income		425,278.48	1,511,146.44
Bakery Income		0.00	559,006.00
Carrier Guidance		0.00	31,546.80
Course fees		53,351,549.50	22,598,933.50
Daily diary Income		2,138,250.00	626,450.00
ED programmes		19,000.00	821,305.72
Exam fees		74,262.00	79,500.00
Miscellaneous		1,893,137.74	0.00
Fines		210,546.49	0.00
Finish goods		0.00	179,912.75
Gold Coin Income		7,984.00	57,466.00
Hall Income		1,052,815.00	1,104,169.42
Katharagama Bangalow		51,600.00	0.00
Hostel Fees		227,967.24	0.00
Loan Interest		956,418.84	875,095.03
Non Refundable Tender deposit		513,345.00	320,900.00
Other Income		81,130.00	1,705,773.94
Record Book Income		1,074,150.00	1,145,950.00
Registration fees		5,498,417.00	4,964,000.00
Samurdhi programme		0.00	286,093.80
Short term Training Programme		0.00	213,700.00
Supply Registration		104,475.00	138,150.00
Trade test		0.00	20,400.00
		<u>67,680,326.29</u>	<u>37,239,499.40</u>

Notes to the Financial Statements

	<u>Note</u>	2009	2008
		Rs.	Rs.
14	Production Unit Income		
Abeypusa		147,814.22	0.00
Academy of Hair & Beauty		1,785,442.82	916,827.74
Aluminium Partition		-127,175.74	261,507.38
Carpenter		3,413.50	410,730.82
Electrical		0.00	91,132.50
Exam Fees		786,655.00	0.00
Hostel fee		0.00	1,719,653.70
Hotel School		309,934.00	0.00
Koggala		38,434.75	0.00
Lands Caping		900.00	52,750.73
Maintanace		25,078.13	0.00
Motor winder		0.00	56,989.40
Other		163,527.77	191,684.49
Part time		14,968,397.90	6,307,673.19
Printing School -Galle		-96,535.40	428,254.14
Printing School -Narahenpita		1,980,077.60	-493,748.98
Repair of A/C & Refrigerator		6,960.26	-56,612.00
Repair of Computers		-10,877.03	-12,748.23
Repair of Vehicle		70,521.68	96,821.50
Trade test		552,737.57	858,006.31
Vehicle Service		23,365.48	-135,180.15
Welding		0.00	47,829.00
		20,628,672.51	10,741,571.54

Notes to the Financial Statements

	<u>Note</u>	2009 Rs.	2008 Rs.
15	Funds on Special Projects		
GTZ		0.00	14,185.00
HMTI Project		10,825,031.54	0.00
Inter Labour Organization		31,542.00	919,193.90
Mahinda Chinthana		91,950.00	0.00
Manik Farm		8,513,516.07	0.00
NECCDEP Project		1,900,104.10	1,121,419.50
NEHRB		0.00	296,688.00
NWRC Sri Lanka Project		0.00	144,450.00
Niyagama Special Project		550,935.34	0.00
Other		1,152,455.50	0.00
PLAN Project		69,000.00	6,436,512.25
Secretarial Practise Programme		914,317.50	355,000.00
Seedo Project		0.00	99,770.00
Swiss Contract Project		0.00	28,135.14
TVEC		0.00	142,639.55
World Vision		0.00	551,935.00
WUSC		4,514,665.94	44,181,726.03
Youndiriya		1,507,173.22	191,311.00
		30,070,691.21	54,482,965.37

Notes to the Financial Statements

	<u>Note</u>	2009 Rs.	2008 Rs.
16 Staff Cost			
E.P.F. & E.T.F.		47,999,247.69	45,472,748.74
Other Allowance		593,945.25	318,362.50
Payee tax		0.00	7,987.08
Pension Contribution		138,271.54	128,215.42
Salaries & overtime		412,051,956.99	364,476,582.90
Staff Gratuity		29,093,605.61	19,342,249.19
		489,877,027.08	429,746,145.83
17 Travelling			
Domestic		4,780,931.11	4,259,535.01
Foreign		1,553,829.71	2,339,128.74
		6,334,760.82	6,598,663.75
18 Supplies and Other Consumables			
Stationary & Office Requisites		9,607,164.31	3,081,643.94
Fuel & Lubricant		8,212,733.06	7,432,246.67
Others		1,096,352.31	164,422.50
		18,916,249.68	10,678,313.11
19 Maintenance			
Vehicle		7,774,834.15	3,383,303.72
Plant & Machinery		5,440,839.20	4,404,947.88
Building		9,459,506.15	5,395,212.61
		22,675,179.50	13,183,464.21
20 Contractual Services			
Audit Fees		480,858.00	0.00
Advertisement		1,640,694.00	2,561,167.60
Consultation an Professional Fees		5,305,190.00	0.00
Compansation		0.00	3,759,445.80
Electricity		29,081,623.15	24,043,366.09
Hire Charges		3,639,317.14	3,321,974.66
Insurance		1,162,918.86	896,311.29
Janitorial service		3,008,177.78	1,205,236.53
News Papers & Periodicals		536,343.50	395,485.90
Others		0.00	817,041.71
Postal Charges		1,010,928.79	920,907.10
Rent		1,892,968.61	3,154,224.50
Security Charges		7,976,831.28	5,781,059.78
Staff Welfare & Other		209,787.50	0.00
Telephone Charges		5,665,822.37	3,909,393.00
Transport		2,464,848.77	2,121,901.10
Water		5,717,955.91	3,954,508.31
		69,794,265.66	56,842,023.37

Notes to the Financial Statements

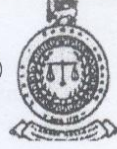
	<u>Note</u>	2009	2008
		Rs.	Rs.
21	Job placement, Research & Entrepreneurship		
Curriculum Development		1,206,130.00	814,683.00
On the Job Training & Monitoring		1,497,934.27	0.00
Entrepreneurship Programs		879,648.00	760,090.50
Job Placement		869,171.57	781,447.68
Private public partnership		341,461.00	411,203.10
Research & Tracer Study		434,143.00	372,176.00
		<u>5,228,487.84</u>	<u>3,139,600.28</u>
22	Other Operating Expenses		
Bad Debts		0.00	1,074,529.75
Bad Debts Provision		0.00	11,122,447.04
Examination & Evaluation		6,132,208.27	3,336,083.34
Honorarium		752,875.96	1,190,146.23
IT Examination Fees		208,200.00	0.00
Legal Fees		173,838.99	1,361,167.75
Miscellaneous		1,633,525.58	1,595,454.98
Quality Management Accrediation		1,170,509.09	0.00
Season Tickets		6,998,717.38	8,615,583.33
Special Training Programme		2,307,829.00	1,251,371.25
Stipend Allowance		23,281,039.68	22,151,171.78
Training Materials		77,422,554.10	34,724,712.77
		<u>120,081,298.05</u>	<u>86,422,668.22</u>

Notes to the Financial Statements

	<u>Note</u>	2009	2008
		Rs.	Rs.
23 Expenditure on Special Projects			
GTZ		0.00	14,185.00
HMTI Project		10,825,031.54	0.00
Inter Labour Organization		31,542.00	919,193.90
Mahinda Chinthana		91,950.00	0.00
Manik Farm		8,513,516.07	0.00
NECCDEP Project		1,900,104.10	1,121,419.50
NEHRB		0.00	296,688.00
NWRC Sri Lanka Project		0.00	144,450.00
Other		1,152,455.50	0.00
PLAN Project		69,000.00	6,436,512.25
Secretarial Practise Programme		914,317.50	355,000.00
Seedo Project		0.00	99,770.00
Swiss Contract Project		0.00	28,135.14
TVEC		0.00	142,639.55
World Vision		0.00	551,935.00
Niyagama Special Project		550,935.34	0.00
WUSC		4,514,665.94	44,181,726.03
Youndiriya		1,507,173.22	191,311.00
		30,070,691.21	54,482,965.37
24 Finance Cost			
Bank Chages		354,811.08	455,965.08
		354,811.08	455,965.08



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல
My No

JF/H/VTA/FA/09

මගේ අංකය
உமது இல
Your No.

දිනය
திகதி
Date

26 October 2009

Chairman,
Vocational Training Authority of Sri Lanka.

Report of the Auditor General on the Financial Statement of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2009 in terms of Section 14(2)(c) of the Finance Act of 1971.

The audit of Financial Statement of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2009 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 25 of Vocational Training Authority of Sri Lanka Act No. 12 at 1995 and Section 13(1) of the Finance Act No. 38 of 1971. 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. A detailed report in terms of Section 13(7) (a) of the Finance Act was sent to the Chairman of the Authority on 16 July 2010.

1.2 Responsibility of the Management for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate policies; and making accounting estimates that are reasonable in the circumstances.

1.3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as audit coverage as possible within the limitation of staff other resources and time available to me. The audit was carried out in accordance with Sri Lanka Accounting Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. Sub Sections (3) and (4) of the 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.

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කොළඹ 07, ශ්‍රී ලංකාව

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2. Financial Statements

2.1 Opinion

In view of my comments and observations appearing in this report, I am unable to express an opinion on the financial statements of the Vocational Training Institute of Sri Lanka for the year ended 31 December 2009.

2.2 Comments on Financial Statements

2.2.1 Delay in Presentation of Accounts

Although the financial statements should be presented to audit within 60 days after the end of the financial year in terms of the Public Finance Circular No. PF/PE/21 dated 24 May 2002, financial statements of the Authority for the year under review were presented to audit on 06 April 2010.

2.2.2 Sri Lanka Accounting Standards (S.L.A.S.)

Following non-compliances were observed.

(a) S.L.A.S. No. 16

Although provision should be made for gratuity payments of an employee from the date of his employment in terms of the Standard, gratuity payments amounting to Rs. 946,388 had been made during the year under review for 11 employees who had left the service during last two years without making such provision.

(b) Matters Arising from Previous Audit Reports

S.L.A.S. No. 18

Fixed Assets had been re-valued by the Authority during the previous year for the first time.

Following observations are made in this connection.

- (i) Instead of transferring the revaluation surplus of Rs. 2,166,142,248 to Revaluation Surplus (Reserve) Account and showing under reserves, it had been transferred to Deferred Revenue Account.

- (ii) Instead of making adjustments separately after having identified the overvaluation of Rs. 39,014,905 relating to 26,997 units of 06 fixed assets categories and undervaluation of Rs. 143,845,401 relating to 29,960 units of 07 assets categories, net result of Rs. 104,830,495 had been credited to Deferred Revenue Account after setting off the increased value against the under valuation.
- (iii) Instead of crediting the loss of Rs. 388,687,719 arisen from revaluation of other assets to assets accounts and writing off it through the revenue account, it had been deducted from the revaluation surplus.
- (iv) Value of buildings amounting to Rs. 33.7 Millions damaged due to tsunami disaster had not been eliminated from that account and provision for depreciation. Due to that, result of revaluation arisen from the cost of buildings had been understated in a similar amount
- (v) It is implied that the concept of substance over form in accounting over form the legal position and therefore ownership of assets is vested in the Authority. On that basis, action had not been taken to estimate and show the value of 09 lands, 12 buildings and 25 motor vehicles that had been left out in revaluation.
- (vi) Out of the lands and buildings, assts taken on lease hold had not been separately classified and action had not been taken to amortize during their life time.
- (vii) While assets had been shown at the re valued amount as at 31 December 2008, revised rates of depreciation too had been shown. However, an assessment had not been made with regard to the life time of the assets. Due to that, material problems could be arisen with regard to the basis of to be applied for provision of depreciation during upcoming years.
- (viii) Revaluation loss had been significant due to lapses prevailed in revaluation and assessment of other assets. Out of two offset printing machines costing Rs.31,059,718, valuation of one machine for Rs. 12,000,000 and valuation of other one for Rs.7,764,900 corroborate this position.
- (ix) Certain assets classified under other assets had not been properly classified and due to that, value of each class of such assets had been under/over stated. Out of the two printing machines referred to in paragraph (viii) above, one machine had been classified under Equipment while the other machine had been classified under Machinery and Plants.

(c) S.L.A.S. No. 30

Training equipment/material amounting to Rs. 3,406,842 had been purchased from an institution where one of the member of the board of directors of the Authority is holding a key post. But, it had been disclosed in the financial statements as purchases amounting to Rs. 2.5 millions were made.

2.2.3 Accounting Deficiencies

Following accounting deficiencies were observed.

- (a)
 - i. Instead of accounting the total cost of Rs. 969,430,601 of the 06 buildings constructed under the Tsunami Rehabilitation Project and transferred to the Authority during the previous year, re valued sum of Rs. 528,127,250 had been accounted. Due to that, value of buildings had been understated in a sum of Rs. 441,303,351 in the Balance Sheet.
 - ii. Value of 03 buildings costing Rs. 343,911,344 constructed under the project referred to above had not been accounted and due to that, value of buildings had been understated in a similar amount in the Balance Sheet.
- (b) Although a further sum of Rs. 21,172,947 is payable to two contract companies on account of Value Added Tax for the training centres constructed under US Aids, provision had not been made for that liability.
- (c) Cost of 04 vehicles amounting to Rs. 4,918,575 vested during the year under review from the US Aids Programme had not been included in the financial statements.
- (d) A sum of Rs.327, 940 on behalf of 11 officers who had left the service without completing 05 years service and a further sum of Rs. 154,070 on behalf of two officers who had obtained gratuity having resigned from service had been provided. Due to that, provision for gratuity had been overstated in a sum of Rs. 482,010 in the financial statements as at the end of the year under review.
- (e)
 - i. Cost of 13 three wheelers, 10 motor cycles and 03 tractors purchased as training equipment totalling to Rs. 5,618,718 had been accounted under vehicles . Due to that value of vehicles and value of training equipment had been overstated and understated respectively, in the financial statements by the same amount.
 - ii. Due to making provision for depreciation at 25% on the above value at a higher percentage of 5%, an over provision of Rs. 280,936 had been made.

- (f) Rates payable for the Narahenpita National Centre as at the end of the year under review amounted to Rs. 1, 063,470. It was observed that provision had not been made for that liability.
- (g) Although software had been purchased at cost of Rs. 900,000 during the year under review for accounting work, action had not been taken to capitalise and depreciate.
- (h) Value of security deposits amounting to Rs. 1,532,000 kept for obtaining electricity supply to 07 buildings out of the 09 buildings constructed under US Aids Programme, had not been disclosed in the financial statements.
- (i) Although a sum of Rs. 376,925 was recoverable from 52 officers on account of no-pay leave, that value had not been shown under staff debtors in the financial statements.
- (j) Method of depreciation applied by the Authority for making provision for depreciation of fixed assets had not been disclosed in the financial statements.
- (k) While the value of library books of the Authority had not been assessed , it had been omitted in the financial statements.

2.2.4 Un-reconciled Accounts.

Following observations are made.

- (a) A difference of Rs. 3,470,266 was revealed between the value of buildings shown in the financial statements and the value of buildings determined by the revaluation party.
- (b) There was an un-reconciled balance of Rs. 300,000 in a current account maintained by the projects among district offices.
- (c) A difference of Rs. 132,600 was observed between the Provision for Gratuity shown in the Balance Sheet and balance shown in the Gratuity Register.
- (d) A difference of Rs. 5, 095, 984 was revealed between the total of cash balances in the current accounts of the Peoples Banks shown in the financial statements and total of balances shown in the cash books.

2.2.5 Unidentified balances

After transferring the cost of fixed assets purchased from the Treasury Capital Grant Account balance to the Deferred Revenue Account by the Authority, there was a further balance of Rs. 22,166,072 in that account. Action had not been taken even during the year under review to as well as in preceding years to identify or to settle this balance that was being brought forward continuously.

2.2.6 Accounts Receivable and Payable

Following observations are made.

- (a) In the Sundry Debtors total of Rs. 31,583,719, there were 54 balances totalling to Rs. 11,065,501 that had been outstanding for over 03 years and out of that, 20 balances amounting to Rs. 7,068,491 had been outstanding for over 06 years. An adequate course of action had not been implemented to recover those amounts.
- (b) Although it had been shown in the financial statements that a sum of Rs. 4,071,120 from the Ministry of Vocational and Technical Training, a sum of Rs. 527,435 from the National Apprentice and Technical Training Authority and a sum of Rs. 35,750 from Tertiary and Vocational Education Commission are due, according to the financial statements of those institutions such balances were not seen.
- (c) A sum of Rs. 333,810 was seen in the debtors balance as recoverable from the Skill Development Project which was completed in October 2006.
- (d) Out of the creditors total of Rs. 65,064,681, there were 20 balances totalling to Rs. 4,027,720 that had remained unsettled for over 03 years and out of that, 04 balances amounting to Rs. 792,523 had remained unsettled for over 06 years. Action had not been to settle those balances even up to the end of the year under review.
- (e) In the total of unsettled advances amounting to Rs. 400,006, there were 03 balances amounting to Rs. 129,773 that had been remained unsettled for over 06 years while the balance sum of Rs. 270,233 related to the year under review.
- (f) Three officers who got scholarships to go abroad on study leave with pay had not reported for work after the end of the scholarship period. Action relating to recovery of Rs. 8,164,703 from the relevant officers being the expenditure incurred for the scholarships by the Skilled Development Project and the Authority was getting delayed.

2.2.7 Lack of evidence for audit.

- (a) Following account balances could not be satisfactorily vouched in audit due to lack of evidence indicated against them.

Item of Account	Value	Written evidence not furnished
	Rs.	
Fixed Assets	1,552,559,172	Registers of Fixed Assets, Board of Survey Reports
Computer Hardware and Software	39,624,537	Registers and detailed schedules
Stores Assets	21,538,956	Title deeds and registers confirming ownership.
Lands	1,652,292,085	Detailed schedules
Stocks	21,992,113	Confirmations of balances
Debtors	13,119,622	- do -
Creditors	8,078,622	- do -
Security Deposits	2,032,000	- do -
Expenditure	7,635,963	51 Payment Vouchers
Fuel and repair Expenses	15,987,568	Running charts and monthly performance

- (b) Replies had not been furnished to 30 audit queries sent to the Authority during the year under review and the preceding year.

2.2.8 Non-compliance with Laws, Rules, Regulations and Management Decisions.

Following Instances of non-compliance with laws, rules , regulations etc. were observed in audit.

Reference to laws, rules, Regulations etc.	Non-compliance
-----	-----
(a) Gratuity Payments Act No. 12 of 1983	
i. Sections 5 (1) and 6 (2)	Action had not been taken to make gratuity payments to 02 employees who had left the service after completion of 05 years service even up to 15 July 2010.
ii. Section 4 of the main Act as amended by Act No.62 of 1992	When payment can not be made on the due date, surcharge should be paid for delayed period.However, in making gratuity payments of Rs. 2,714, 494 to 26 employees, surcharge payments amounting to Rs. 500,629 calculated on the delayed payment period ranging from 26 days to 556 days had not been paid to them.
(b) Municipal Councils Ordinance No. 39 of 1986.	
Sections 255 and 289(2)	A surcharge amounting to Rs. 212,694 also had to be paid due to non payment of rates payable amounting to Rs. 1,063,470 for the years from 1991 to 2008 in respect of the Narahenpita Training Centre.
(c) Financial Regulations (F.R.)	
F.R. 104, 188 (2), 261(3) 1646 and 1647(a)	Submission of reports relating to 04 vehicles accidents, action with regard to 09 cheques/money orders amounting to Rs. 69,740 deposited, but not realised over a considerable period, issue of cheques causing

overdraft balances in 06 cash books, submission of originals of daily running charts and monthly performance reports on the specified dates and holding a full inquiry relating to vehicles and equipment had not been complied with in terms of respective F.R. requirements.

(d) Circulars of the Authority

Circular No. 2000/16 of dated 30 October 2000 and Government and F.R. 371(2)	When granting advances to officers for various jobs and in settlement of those advances action had not been taken in terms of the relevant requirements. Unsettled balance of advances as at 31 December 2009 amounted to Rs. 400,006.
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(e) Ministry Circulars

Sub - section 1.1 of the Section 1 of the Circular No. TVET/1/Circular/2004/1 dated 28 January 2004.	While 638 training courses had been conducted for a number of apprentices less than the minimum number required without bringing to the attention of the Secretary to the Ministry for obtaining approval, number of courses conducted enrolling less than 09 apprentices was 376. 39 Courses conducted having enrolled less than 05 apprentices were also included in that.
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2.2.9 Transactions not Covered with Adequate Authority

Following observations are made.

- (a) Expenditure amounting to RS. 6,073,420 had been incurred under 06 items of expenditure of 04 Recurrent Expenditure Heads in excess of the approved provision limits provided through the Treasury for the year under review, and also without obtaining the approval of the Board of Directors.
- (b) In spite of refusal to make provision by the Treasury for payment of compensation to a contractor, due to a dispute arisen between the two parties with regard to the construction of a training centre, expenditure amounting to Rs. 750,000 had been incurred as a part payment of compensation disregarding the refusal.

- (c) In terms of the Cabinet decision No. 1024 F/600/29 dated 30 November 1963, public corporations are required to frame financial and administrative regulations without delay and approval of the Ministry should be obtained for those. While over payment of overtime allowances had been made annually due to non compliance with Government Financial and Administrative Regulations until such regulations are framed, a sum of Rs. 867,971 had been over paid during the year under review.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented, operations of the Authority during the year under review resulted in a deficit of Rs.12,214,242 while the corresponding deficit of the preceding year amounted to Rs. 9,943,920 . When compared with the preceding year, financial result for the year under review indicated a decline of Rs. 2,270,322 in the financial results.

3.1.2 Transactions of Contentious Nature

Following observations are made.

- (a) A job commenced had to be stopped due to lack of financial provision and refusal of granting financial assistance on the grounds of improper selection of the contractor contrary to circular instructions. However, due to legal steps taken by the contractor, compensation amounting to Rs. 3,729,507 and legal charges amounting to Rs.780, 302 had to be paid. Out of this a sum of Rs. 2,750,000 had been paid as a 31 December 2009.
- (b) Out of the sum of Rs. 4,405,189 payable to the contractor who undertook to prepare the Register of Fixed Assets, a sum of Rs. 2,643,114 had been paid up to the month of May of the year under review. However 1/3 of the Value Added Tax payable on that amount and 5% With Holding Tax had not been recovered and remitted to the Commissioner General of Inland Revenue.
- (c) While 11 centres had been constructed out of funds of the Authority in lands belong to outside parties without acquiring the legal ownership, total expenditure of 06 of those buildings amounted to Rs. 42,218,403. While buildings for 25 centres had been constructed by foreign aid projects, out of those, the expenditure incurred on 20 buildings amounted to Rs. 77,414,967. Details relating to the expenditure incurred on other buildings were not furnished to audit.

- (c) Although an improvement of 2,390 is shown in the number of apprentices enrolled during the year under review when compared with the number enrolled during the preceding year, this result was seen after setting off the increase of 4,700 apprentices for 37 courses against the decrease of 2,318 apprentices for 37 courses.
- (d) Seven hundred Seventy Trade tests in 22 training fields had been carried out by the Authority during the preceding year while only 346 trade tests in 14 training fields had been carried out during the year under review. Accordingly, it was observed that there had been a decrease of 424 or 55% in the number of trade tests and that tests had not been conducted for 09 training fields.
- (e) Although a provision of Rs. 2.0 millions had been made for the Research and Development Division for the year under review, expenditure amounting to Rs. 0.450 millions only had been incurred out of that during the year. Accordingly, it was observed that financial performance of this Division had been 22.5% only.
- (f) Enrolment of Apprentices and Vacation of Courses.

According to information furnished to audit, details relating number of apprentices enrolled and number vacated the courses during the year under review and preceding 04 years were as follows.

Year	Number enrolled	Number vacated the courses	Number vacated the course as percentage of the number enrolled
-----	-----	-----	-----
2009	27,752	5,721	20.6
2008	25,362	4,507	17.7
2007	24,302	3,884	15.9
2006	21,495	3,197	14.8
2005	21,611	2,813	13.7

According to above information, it is observed that the trend relating to vacation of courses continuously increasing.

3.2.2 Management inefficiencies

Following observations are made.

- (a) Thirty Instructors had been engaged on a training course incurring a cost of Rs. 75,000 per person on the financial sponsorship of the Skill Development Project, without entering into an agreement between the Authority and the officers. While 10 of them had vacated the course another 04 officers had not faced the final test. Legal action had not been taken to recover the loss of Rs. 1,050,000 caused together with government fees from those 14 instructors during the year under review.

- (d) A Double Cab vehicle of the line Ministry which met with an accident and removed from use, had been repaired by the Authority spending a sum of Rs. 1,036,244 during the year without the approval of the Board of Directors. Action had not been taken to recover that amount. The Chairman had informed that this cab is a vehicle which has been transferred by the Ministry for the use of the Authority.

3.2 Operating Review

3.2.1 Performance

Following observations are made.

- (a) Targets expected to achieve during the year under review and the position relating to achievement of those are given below.

Particulars	Estimated number	Actual number	Shortfall	Shortfallied as a percentage of estimated number
-----	-----	-----	-----	-----
				%
Completion of apprentice training	22,500	21,003	1,457	06.48
Awarding certificates	25,600	17,691	7,909	30.89
Employment	8,300	4,582	3,718	44.79
Participation of trainees				
In awareness programmes	13,440	8,532	4,908	36.51
Conducting awareness programmes for others	415	346	69	16.62
Conducting internal audit programmes	42	17	25	59.52
Conducting employment markets	10	07	03	30.00
Conducting merit development programmes	40	27	13	32.50
Conducting media awareness programmes	20	08	12	60.00

Accordingly, works which could not be accomplished to the expected targets had been in a range from 6% to 60%.

- (b) Instructors had not been attached to 13 District and Rural Training Centres and due to that, it had not been possible to conduct 16 courses in those centres during a period from 03 months to 10 months. The Chairman had replied that it was due to lack of relevant approval for recruitment of instructors.

- i Action had not been taken to recover the sum of Rs. 750,000 due from eight officers up to the end of the year under review.
 - ii Although the recovery of the amount due from seven officers had been commenced, the sum of Rs. 457,375 recovered from them during the preceding year and the year under review had not been credited to the Consolidated Fund.
- (b) Carrying out repairs to double cab vehicle that met with an accident in January 2003 and a motor car that met with an accident in September 2008 had been delayed up to 30 June 2010. Similarly, a lorry had been parked without being used during last three years including the year under review.
 - (c) Action had not been taken to remit contributions recovered amounting to Rs. 355,308 from the salaries of the state officers serving in the Authority for Widows and Orphans Pensions Fund during the years from 2005 to the end of the year under review, due to non receipt of the relevant membership numbers from the Ministry.
 - (d) Action had not been taken even up to 30 June 2010, to register the ownership of 04 motor vehicles taken over from the U.S. Aids Programme during the month of March of the year under review.

3.2.3 Operational Inefficiencies

Following observations are made.

- (a)
 - i Supply orders placed amounting to Rs. 8,778,863 to make supplies within 14 days and a month respectively had not been completed even after a lapse of 06 months. However, action had not been taken to cancel those orders and to select some other suppliers.
 - ii Supply orders had been cancelled due to the delay in supplying goods amounting to Rs. 5,829,115 out of 26 supply orders placed totalling to Rs. 12,311,442, and due to supplying goods that had not been ordered. As a result of this, training courses had been terminated due to lack of training material and equipment. The audit is of the view that termination of courses on these grounds has caused a great injustice to the apprentices who followed the relevant course of studies.
- (b) Three wheeled vehicle bearing No. 202-9649 and the motor cycle bearing No.143-1300 owned by the Authority had been handed over to training centres to be utilised for training work. Action had not been taken to inform the Motor Traffic Department to delete the use of those vehicle numbers.

- (c) During the year under review 571 days of no-pay leave had been approved to 42 members of the staff in excess of leave entitle to them. The Audit is of the view that this is a loss caused to the apprentices undergoing the training courses.
- (d) Instructors had not been attached to 13 District and Rural Training Centres. Due to that it had not been possible to commence 16 training course at those training centres during a period between 03 to 10 months.

3.2.4 Resources of the Authority Provided to other State Institutions.

Eleven Officers had been released from service to the line Ministry and certain other external institutions overriding clauses 8.3.9 and 9.4 of the Public Enterprises circular No. PED/12 dated 02 June 2003. While salaries and allowances of 04 individuals out of them had been paid by the Authority, total payments made for the year under review amounted to Rs. 1,105,532. Payment made on behalf of 07 officers during the preceding year amounted to Rs. 1,151,263. While three vehicles had been released to the line Ministry further to that, an expenditure amounting to Rs. 421,118 had been incurred by the Authority for that during the year under review.

3.2.5 Uneconomic Transactions

A petrol motor car which has been used for three years after the first registration had been taken over from the U.S. Aids Project having paid custom duties amounting to Rs. 5,317,198 during the year under review.

3.2.6 Slow moving, Idle and Underutilized Assets.

Following observations are made.

- (a)
 - i. A sum of Rs. 42,279,421 had been kept in 49 bank current accounts without being spent for the expected work out of provision for recurrent expenditure. In addition to this, a sum of Rs. 795,847 had been kept in three bank current accounts belong to the World Canadian University Services Project.
 - ii. four Bank current accounts totalling to Rs. 3,167,015 had been maintained throughout the year under review without being used for any purpose.
- (b) Thirty one Instructors had obtained salaries and allowances for a period from 03 to 10 months without involving in training work at training centres, due to non commencement of training courses in terms of the Secretary to the Ministry Circular No. TVET//1/C/2004/1 dated 28 January 2004 and delays in commencement.

3.2.7 Identified Losses.

Following observations are made.

- (a) Total of losses occurred during the year under review from production units of aluminium processing, computer repairs and also printing school (Galle) amounted to Rs. 234,588.
- (b) A sum of Rs. 52,173 had to be paid as surcharges by the Authority during the year under review due to non compliance with provisions in the Employees Provident Fund Act, Employees Trust Fund Act and Payment of Gratuity Act.
- (c) Action had not been taken even up to the end of the year under review to fix responsibility on relevant individuals for the recovery of the sum of Rs. 612,055 being the amount not covered by insurance on account of accidents to vehicles during the preceding year.

3.2.8 Human Resources Management

Following observations are made.

- (a) Schemes of Recruitment for the posts had not been approved through the Management Services Department of the Treasury even up to the end of the year under review.
- (b) While cases had been filed in various courts by staff members against the Authority, out of those, 11 cases were in progress as at the end of the year under review. According to the Chairman's comments, 06 cases were in progress by 14 September 2010.
- (c) Copies of letters relating information on account of Authority's appointments, confirmations, transfers, promotions, releases, removals, retirements, salary conversions, granting salary increments, deferment of increments etc. had not been referred to the Auditor General contravening provisions in sub paragraph 2.10 of Chapter VI of the Establishments Code.
- (d) Particulars relating to no-pay leave of the officers of the Authority' had not been furnished to the Auditor General in terms of Clause 22.4 of Chapter XII of the Establishments Code. However, the number of no-pay leave obtained by 70 officers during the year under review was 973 days.

3.2.9 Corporate Plan

While a Corporate Plan should be prepared In terms of Clause 5.1 of the Public Enterprises circular No. PED/12 dated 02 June 2003; it has to be up dated and approved by the Board of Directors and should be submitted together with the up dated budget before 15 days of the commencement of the financial year in terms of clause 5.1.3. However, the Corporate Plan effective from the year 2009 onwards had been approved by the Board of Directors only on 29 January 2009.

3.2.10 Budgetary Control

Material variances were observed between the estimated expenditure shown in the revised budget for the year under review and the actual expenditure, indicating that the budget had not been made use of as an effective instrument of management control.

4. Systems and Controls

Deficiencies observed in systems and controls were referred from time to time to the Authority. Special attention is needed in the following areas of control.

- (a) Accounting.
- (b) Cash and Banking Activities.
- (c) Fixed Assets.
- (d) Vehicle Utilization.
- (e) Advances and Purchases.
- (f) Debtors and Creditors.
- (g) Staff Management.
- (h) Apprentice training Works.

HAS Samaraweera
Acting Auditor General.

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA

My No. VTA/GAQ/14 (3) C - 2009

2010.09.14

Auditor General,
Auditor General' s Department
Independence Square
Colombo 07

**AUDITOR GENERAL' S REPORT IN TERMS OF SEC.14 (2) C OF THE FINANCE
ACT NO.38 OF 1971 WITH REGARD TO FINANCIAL STATEMENT FOR THE
YEAR ENDED 31ST DESEMBER 2009 OF THE VOCATIONAL TRAINING
AUTHORITY OF SRI LANKA**

With regard to your Audit Inquiries No. JF/H/VTA/FA/09 dated 16.-07-2010 on the above subject we Answer as follows:-

1.2 .Responsibility of the Management with regard to Financial Statement.

I admit that it is the responsibility of the Management to prepare Financial Statements in accordance with the standers of Accounts and to prepare Financial Statements avoiding incorrect statements where faults and frauds can happen, and also planning, implementation and maintaining of an internal administration system and the preparation of Estimate of Accounts in a reasonable manner.

1.3. Purview of Audit.

2. Financial Statements.

2.2.1. The failure to furnish the Final Account for the year 2009 was due to the fact that in the process of introduction of a new package for the preparation of Accounts procedure and List of Fixed Assets, certain mistakes had occurred and it had taken time to rectify these mistakes, but in future arrangements will be made to furnish the statements of Account without delay.

2.2.2. (a) Standard No.16.

Noted to make provisions correctly for the Year 2010.

(b) Standard No.18.

Matters arisen from the previous Audit Report.

i), ii), iii) - Corrections are being made in Accounts for 2010

- iv) As no proper evaluation had been done with regard to the value of the buildings damaged by the Tsunami disaster it could not be reconciled in the revaluation of assets.
- v) Action was taken to account for the value of these Assets when preparing Accounts for the year 2010.
- vi) Action is already being taken in this regard.
- vii) As it is not practicable to revalue the lifetime of each item and decide on the proportion of depreciation revaluating fixed deposits, the calculated Fixed Assets depreciation has been done generally on the basis of the accepted depreciation policy of the Authority.
- viii) This has been accounted for on the values given by the recognized Values.
- ix) Action will be taken to rectify this in the fixed Assets List. 2010.

(C) Standard No.30

Although training equipment to the value of Rs.3, 406,842.00 has been purchased from Diesel Motor Engineering Company the value disclosed by the member of the Director Board in the Accounts for the year 2009 was Rupees 2.5 Million.

2.2.3. This has not been applied for as a policy in the year 2009 but it has been included in the statement of Accounts under principles of Accounts due to a printing error,

2.2.4. Accounting Shortcomings

- A.i) As the Establishment that was Authorized to revalue assets has calculated less the value of the 6 buildings the value of buildings has been shown in the balance sheet as Rs. 441,303,351/- less. However the relevant construction establishments have given information to say that the actual value of these buildings which is Rs.969, 430,601/- has been spent as cost. Accordingly action is being taken to make rectifications in Accounts for the Year 2010.
- ii) As the possession of the other 03 buildings has not been received by us yet, they have not been accounted for. Action is being taken to get it transferred in the year 2010 and take it into accounts.

- (b) After the issue of Financial Statements for 2009 the relevant to construction Companies have informed that there is a credit of Rs. 21,172,947.00 for construction work. Provisions had not been made on them and it has not been disclosed in Financial Statement. Action will be taken to settle the same from the savings of the provisions of capital for the year 2010.
- (c) Action will be taken to account for the revalued cost of the 4 vehicles transferred in the year 2010 and as the ownership of the vehicles was not with us in the year under review they were not included in the Financial Statement.
- (d) (i) I will take action to correct the payment and allocation of gratuity.
(ii) This has happened inadvertently and I will ensure that they will not recur in the future.
- (e) i and ii - Inadvertently these training equipment had been included for vehicles. This will be rectified in 2010.
- (f) There was no such amount to be paid as rates. All the arrears had been paid in 2009.
- (g) I agree to abide by the instructions given by the Audit Division.
- (h) A some of Rs. 500,000/- has been deposited as security for the supply of electricity to Niyagama Project and it has been shown in the Financial Statement under deposits. A payment has not been made by the Authority as security deposits in respect of the buildings constructed under the united States Aid.
- (i) As information with regard to the monies to be recovered on no pay leave had not been received on the due date it could not be shown in Accounts.
- (j) When depreciating the Fixed Assets, the system adopted by the Authority is the depreciation system. This has not been printed due to a lapse.
- (k) The cost of Library books has been taken into account as Inventoried costs and action is being taken to disclose it in the Account for 2010.

2.2.5. Unrecognized Administration Account.

- (a) Do not accept.

It does not disclose from the Financial Statement that there is a difference between the cost of buildings indicated in the Financial Statement and the value of buildings revalued with assets.

- (b) Action will be taken to correct this in 2010.

- (c) accepted, will be corrected.

- (d) This value has been shown in the Bank balance of the People's Bank by a mistake. But this should be included in the cheques in hand and should be corrected.

2.2.6 - Unidentified balances.

The balance received from the Treasury as capital grant is added to the carried forward capital balances from the last year and spent for capital work of the current year and the balance remaining is not sent back to Treasury. The balance is used for the capital purchases of the ensuing year.

2.2.7 - Receivable and payable balance.

- (a) There are certain very old creditors from whom the receivable balance is totaling Rs. 31,583,719/- which creditors are very unlikely to settle that money and out of that money a sum of Rs. 11,122,447.04 has already been set apart. Action is being taken to write off that money in future and to recover the balance from the respective District Offices and Head Office.
- (b) A committee has been appointed to report on the balance to be recovered from various Establishments and suitable action will be taken in accordance with the Report of that committee.
- (c) Now about 4 years have passed of the completion of the Skilled development Project and expenses have been borne in the District Offices without money in the Skilled Development Project (SDP). This money should be written off as expenses of the Authority.
- (d) Out of the credit balances shown in the Accounts, the balances which exceed 3 years amounts to Rs. 792,523/- and most of them are payments received by this Authority due to be paid to projects. These Projected are now completed and the said projects have not made a request for the payment of the said

monies. Accordingly that money can be shown in our accounts as our income. Action is being taken to make payments and finalize the matter in the year 2010 with regard to the credit balance of the Year in Review.

- (e) Except the balance of Rs. 129,773/- which is the unsettled Advance balance that has exceeded a period of 6 years the balance advance sum of Rs. 270,233/- has already been settled.
- (f) A decision has not been taken by the Management for the recovery of this amount. It has been referred for legal action.

2.2.8. - Lack of evidence for the Audit.

- (a) Due to the shortcomings in the present fixed income package, there is a difficulty in obtaining the sub-Report. The Relevant institutions have been informed to rectify the exciting shortcomings. They will be corrected in future. However the required information can be obtained for the Audit through software. As a first step action will be taken to take over under the Ministry of youth Affairs the Government lands and buildings which have not established their ownership.
- (b) If detailed Reports concerning these balance and infrastructure are sent to us they can be examined.
- (c) Action is taken to send the replies to Audit Inquiries soon.

2.2.9. - Non- compliance with the laws, regulations and Management Decisions.

- (a) (1) The relevant Officers have been informed to make gratuity payment on the due date in future.
 - (ii) Accepted. I will take action to rectify in future.
- (b) Municipal Council Ordinance No., 39 of 1986.

As the Assessment Taxes payable for the years from 1991 to 1995 do not relate to Vocational Institute of Sri Lanka they have not been paid. Although Assessment Taxes have been paid from 1995 to 2008, as there were arrears of installments all of them have been settled at the latter part of the Tear 2008 with the approval of the Board of Directors.

- (c) Financial Regulations
I will look into it and rectify.

(d) Circulars of the Authority.

The Advances not paid up to 31-12-2009 have been paid in the next month.

2.2.10 (a) As shown in the Inquiry I admit that recurrent expenses had been made. Such expenses were made as the allocations made under essential votes were not sufficient; however expenses had not been spent in excess of the recurrent allocated value reserved by the Treasury. Further in the budget presented to the Treasury and obtained its approval, the amount of Rs.15 million earned by the Authority to bear surcharge expenses has been set apart for recurrent expenditure.

(b) Allocation from Treasury has not been used for this purpose and payments had been done from the income earned by the Authority. Payments had been made on the Orders of Court and with the approval of the Board of Directors.

(c) Financial and Administrative Regulations are being formulated for this purpose, and the approval of the Ministry will be obtained thereafter. The Institution is following the Government Financial and Administration Regulations and the additional expenses such as overtime is paid with the approval of the Ministry.

3.1. Financial Review

3.1.1. Financial Results.

3.1.2. Transactions in dispute.

(a) With regard to the compensation under this, it has been shown in the Statement of Accounts under disclosure. Even though allocations were not obtained in excess of liabilities, payments had been made from the earned income.

(b) Action is taken to recover full taxes from the balance payment.

(c) This expenses can be examined at any time.

(d) The double cab pointed out by the Inquiry is a vehicle transferred for the use of the Authority by the Ministry Therefore its repairs had been attended to and taken for use of the Authority. The cost of repairs incurred in this connection need not be recovered from the Ministry and these repairs had been effected subject to the approval of the Tender board of the Authority.

3.2.1. - Performance

In the estimate of the completion of training of Apprentices it has been shown that 6.48% is less as a percentage. Although sufficient performance has been performed under the present limited allocations Assistant Directors have been instructed to take more effective action in future.

When issuing a certificate it has to be given to Apprentices who have completed First Academic term in the Year 2008 and 2009 and to those who are appearing for the 2nd Academic term. Certificate are issued to those who have completed training. Arrangements have been made to attend to that work in a methodical manner.

- (b) Registration fees are not paid by Apprentices on the very first day of their enrolment, and it has been observed that certain persons have left before paying the Registration fees.
- (b) (i) This has happened due to not receiving the due approval for the recruitment of instructors.
- (ii) According to the training program this Course has not been included.
- (c) According to the Course set, admission to Course has been done according to the wish of the apprentices. If this has happened due to any weakness Assistant Directors have been instructed to look into that and rectify same.
- (d) Vocational tests are conducted only in respect of the training fields that have applied for such tests. Accordingly there is no possibility to change the number of vocations tests according to the need of the applicants.
- (e) In the year 2009 training has been given to 5000 persons more than in the year 2005. Even though the percentage who left the Course in the Year 2009 was more than the number who joined the Labour market was more than 6,000.

However action will be taken to find out the reason for the increase of the percentage of leaving the Course and to make remedial action therefore.

3.2.2 - Management inefficiencies

- (a) Although money had been charged from those who had not participated for the Course, pursuant to a complaint made by them against the Vocational Training Authority of Sri Lanka to the Industrial Disputes Section of the Department of Labour, an Oder has been made to pay back this amount. Since an Agreement had not been entered into between the Vocational Training Institute of Sri Lanka and Officers the commotion of Labour who was there to resolve the Industrial dispute has informed that this money cannot be recovered from their salaries.
- (b) As requested by the Deputy Secretary to the Treasury on 25-07-2006 information had been requested about those who died as a result of Tsunami

disaster while they were serving in Government Corporations and statutory Boards. Accordingly the relevant information had been referred from time to time. The Department of Management Services has informed the Director Admonition by letter dated 27-10-2009 that there is no possibility of granting the relevant relief. Accordingly after the Board of Directors deciding to write of as bad debts the amounts due to this Authority from the relevant 4 employees action had been taken to get the entitlements of the said employees confirmed properly. When getting then conformed properly. When getting them confirmed as the relevant documents were exchanged on a number of occasions to get the current documents. Accordingly the payments had been settled as follows:-

<u>Name</u>	<u>Date of settlement of the payment</u>
S.M. Ajith Kumara	28-06-2010
S.M. Champalani	28-06-2010
Varuni Sajeevani	28-06-2010
N.A. Jayawathie	28-06-2010

- (c) According to the instructions given in the Report of the Board of Inquiry appointed for the purpose of repairs to be made to the vehicle that met with an accident in the year 2003, Chief Training Officer of the Ratmalana National Institute has been instructed to take suitable action to call for quotations. Vehicle No. 19-9958 is being repaired at present. Lorry has been repaired and now in running condition.
- (d) In order to remit the Windows and Orphans Pension amounts recovered from the salaries of Government Officers, the Ministry has been requested to furnish the relevant Nos. from the Year 2005 to the year under review. But it has not been registered so far. Cheques for the amount recovered have been sent to the relevant Ministry and the said cheques also have been returned. A further effort is made to settle these moies.
- (e) Action is being taken to register these vehicles. One of the 04 vehicles has been registered.

3.2.3. Operational inefficiencies

- (a) As the majority of the equipment invoiced under 1 and 2 are imported and supplied by the suppliers they have to be given sufficient time for that purpose. In the event those orders are to be cancelled and given back, the supplies procedure has to be followed from the beginning. Therefore as a considerable amount of time is wasted for that purpose too, this situation has arisen as an effort is being made to get the relevant goods and services from the services from the suppliers itself after placing orders.
- (b) Action is taken to cancel the relevant Nos. after informing the Department of Motor Vehicles.
- (c) Action will be taken to rectify in future.
- (d) Action will be taken to rectify in future.

3.2.4. Resources of the Board offered to other Government institutions.

Out of the employees released to outside institutions one employee has voluntarily resigned from service on 23-11-2009. Salaries are paid by this Authority to 3 employees in the year under review and at present and the Secretary to the President has informed on 01-03- 2010 that out of these employees as J.A.R.P. Jayasuriya has been engaged in a very important and essential duty he cannot be released to this Authority.

Out of the 03 vehicles released to the Ministry 02 have been taken for use of the Authority.

3.2.5 Non-economic transactions

I would like to state that a vehicle of that type cannot be purchased for this value.

3.2.6.

- (A) i.) 49 Current Accounts amounting to Rs.42, 279,421 disclosed by way of financial Account are remaining for the payment to debtors and for accrued expenses. The relevant vouchers have not been received at the Finance Division for settlement and they have been entered in the Registers as accrued expenses and balances of the debtors. A majority of them have already been settled.
- (b) These monies relate to various projects. These monies have not been requested by these projects. Inquiries are made about these monies and action will be taken to use that money for this project.

- (c) The delay in commencing Courses was due to the reporting to work after maternity leave and shifting Courses to another center due to the lack of trainees.

3.2.7. Identified Shortcomings

- (a) Admitted

Action will be taken to operational work in future without leaving room for such shortcomings

- (b) Admitted.

Action will be taken to attend to work in future without such shortcomings.

When gratuities are paid to the Academic Staff of this Authority that is using approximately Rupees 10 Million worth Government property there is a delay in getting the relevant information rectified due to non clearing of Government properties. There had been delays in getting down the relevant information from rural level to Head Office through District Offices. In such instances it has become necessary to minimize the losses caused to Government property by recovering the amounts due and owing to the Authority from their gratuities on their consent.

- (c) Action will be taken after making inquiries about this matter.

3.2.8. Staff Management.

- (a) It has been reported that the scheme of Recruitment has been sent to the Department of Management Services and thereafter the relevant Scheme of Recruitments have been referred to the Salaries and Cadre Commission and it is being studied at the Salary Commission.

- (b) 11 Cases had been instituted against the Authority during the last year and by 18-08-2010 it has been reduced to cases.

- (c) (d) The relevant Officers have been informed to take action in future.

3.2.9. Combined Plan.

Admitted

This delay has been caused by about one month due to the delay in conducting Board Meetings, Audit and Management Committee Meetings.

3.2.10. Control of Budget

Action will be taken to properly control budget in future without leaving any room for lapses.

Sgd :

Chairman

Vocational Training Authority of Sri Lanka

Translated by me from Sinhala
to English Language.

Sri Lanka Vocational Training Authority

Audit and Management Committee

Performance – 2009

(01) Members of the Committee :

- | | |
|-------------------------------|--------------------------------------|
| 1. Mr. W.R.V.G.G. Samarasiri | - Chairman of the Committee 2009 |
| 2. Mr. G.R. Perera | - Member |
| 3. Mr. J.J. Rathnasiri | - Member |
| 4. Mr. W.A. Ranaweera | - Director General (Acting) |
| 5. Mr. S.A.D.j. Chandrakumara | - Director (Finance) |
| 6. Mr. K.Sarath Ananda | - Director (Covering) |
| 7. Mr. Ananda Herath | - Deputy Director (Establishments) |
| 8. Mr. Mahinda Jayathilake | - Deputy Director (Administration) |
| 9. Mr. H.U. Kariyawasam | - Chief Internal Auditor |
| 10. Mr. R.K. Ariyaratne | - Audit Superintendent |

(02) Number of meetings held during the year – 07

(03) Findings

- i) Making arrangements for the preparation of a handbook on accounting and administrative procedure for the Authority so that the administrative and financial activities of the Sri Lanka Vocational Training Authority could be maintained properly and efficiently.
- ii) Having received the position regarding including in accounts values referred to in the list of fixed assets prepared on behalf of the Authority action to be taken to correct the errors and shortcomings which have been observed.
- iii) Introduction of a formal agreement and a bond for the officers of the Authority who go abroad on scholarships and taken action for its implementation.
- iv) Having received the internal audit reports regarding the activities in Districts, action to be taken to remedy the weakness and shortcomings revealed by above reports.
- v) Taking action to minimize errors and shortcomings by pre-auditing primarily the gratuity payments under the system of pre-auditing the financial payments, in order to avoid errors and shortcomings in payments