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Ministry of Vocational & Technical Training
வாழ்க்கைத்தொழில், தொழில்நுட்பப்பயிற்சி அமைச்சு



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National Institute of Technical Education of Sri Lanka
இலங்கை தேசிய தொழில்நுட்ப கல்வி நிறுவகம்

වාර්ෂික වාර්තාව
ஆண்டறிக்கை
Annual Report
For the Period ended
2009 - 10 - 11

අංක 100, කඳවල පාර රත්මලාන
இல.100, கந்தவல வீதி, இரத்மலானை.
No.100, Kandawala, Ratmalana

Report of the Director General

The National Institute of Technical Education of Sri Lanka was established on 08th January 1999 under the Parliament Act No.59 of 1998. The Institute had been moving ahead with its mandatory objectives, mainly focusing on technical teacher training and curriculum and learning resource materials development for the technical education and vocational training sector in the Country.

The technical teacher training programmes for the trainers serving in the technical education and vocational training sector in the country, had been conducted by the Institute at certificate & diploma levels till 2008, and the first ever degree programme was commenced in October 2008, as the Extra Ordinary Gazette notification of the announcement of the establishment of the University of Vocational Technology, with effect from 15.10.2008, was published, under the Parliament Act. No.31 of 2008.

The Institute had been developing courses to suit with the National Vocational Qualification (NVQ) system introduced and implemented islandwide by the Ministry.

The Parliament Act. No. 59 of 1998 of National Institute of Technical Education of Sri Lanka was repealed by the Extra Ordinary Gazette, Part- I, Section (I) General : No.1622/42 of Friday, October 09, 2009, with the empowerment of the University of Vocational Technology Act No.31 of 2008 with effect from 12.10.2009.

The functions of the former Institute will also be continued, by the University of Vocational Technology as per the aforesaid Extra Ordinary Gazette, and all the staff of the Institute were absorbed to the staff of the University with effect from 12.10.2009 under the Section 68 of the Act. No.31 of 2008, with the approval of the Department of Management Services, of the Ministry of Finance & Planning. All the Assets and Liabilities of the Institute were undertaken by the University according to the Sections 68 & 69 of PART XII of the Act. No.31 of 2008 of the University of Vocational Technology.

I wish to extend my sincere thanks to all who devoted their efforts and supported at various stages in the process of the establishment of the University of Vocational Technology, including the Hon. Minister Piyasena Gamage, Secretaries of the Ministry Mr. Thilak Hapangama & Prof. Dayantha Wijeyasekera, Prof. Kapila Goonasekere Vice Chancellor of the University, Mrs. Nilanthi Sugathadasa, Additional Secretary, Mr. Hector Hemachandra, Project Director, Dr. T A Piyasiri, Director General TVEC, and the Board of Governors & Staff of the Institute, of which the new building complex of the University, was ceremonially declared open by His Excellency Mahinda Rajapaksa, President of the Democratic Socialist Republic of Sri Lanka in 31st March 2009.

K A H Kalugampitiya
Director General

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National Institute of Technical Education of Sri Lanka

(Established on 08th January 1999 by the Parliament Act No.59 of 1998 and which was repealed with effect from 12.09.2009 with the empowerment of the University of Vocational Technology Act No. 31 of 2008)

Annual Report 2009

1. Introduction

The National Institute of Technical Education of Sri Lanka (NITESL) was established in 1999 under the parliamentary act No. 59 of 1998. The main responsibilities of the National Institute of Technical Education of Sri Lanka (NITESL) are training of trainers, staff development of Tertiary Vocational Education and Training Sector (TVET), development of curricula for the TVET Sector, development of Instructional resource materials and provision of necessary consultancy services for state and non-governmental organizations, provide the training to the other sectors. The NITESL was governed by a Board of Governors appointed by the Hon. Minister and the Head of the institution was the Director General. In the year 2008 August, the institute was upgraded into the University of Vocational Technology(UNIVOTEC) under the Parliamentary Act 31 of the year 2008. The year 2009 was considered as the year of transition from the NITESL to UNIVOTEC. During the transition period initial activities needed for the establishment of the University were implemented while the academic activities of the NITESL were continued. In order to implement the transition process while the activities of the NITESL are maintained, an interim committee was appointed by His Excellency the President with the recommendation of the Hon. Minister.

2. Vision

To facilitate the development of demand driven technically skilled training staff in the technical and vocational education and training sector in Sri Lanka.

3. Mission

To provide services of human resource development, curriculum development and instructional resource material development, for the technical and vocational education and training sector in Sri Lanka.

4. Objectives

The Objectives of the Institute are to;

- (a) Continue all programmes, and services to the Department of Technical Education & Training (DTET),
- (b) Advise the Minister and assist the Tertiary & Vocational Education Commission (TVEC) on the formulation of policy pertaining to human resources development & curriculum development in technical education & vocational training (TEVT) sector with the development plans prepared by the TVEC,
- (c) Monitor on behalf of the TVEC and on its request, technical and vocational training standards maintained by the providers of services in TEVT sector,
- (d) Provide such training programmes and services in TEVT sector as may be approved by the Minister,
- (e) Implement and maintain a system for teacher examination and accreditation as determined by the TVEC,

- (f) Provide professional services in the various functional areas of the TEVT sector, human resources development, curriculum development, teaching methodology, educational technology and vocational guidance & counseling,
- (g) Provide and promote graduate level and postgraduate level technical & vocational education and training,
- (h) Undertake and promote research and other studies on all aspects of TEVT sector,
- (i) Sponsor and hold conferences, seminars and workshops and to publish books, and literature in connection to all aspects of TEVT, with the assistance of other similar organizations where necessary,
- (j) Liaise and coordinate with other institutions, both in Sri Lanka and abroad, discharging the functions similar to the functions stated above.

Board of Governors

5. Board of Governors

Chairman: Mr. TilakHapangama

(Ex-officio) Secretary, Ministry of Vocational and Technical Training

Vice Chairman: Mr. T. G. Jayasinghe

(Ex-officio)Chairman, Tertiary and Vocational Education Commission

Appointed Members:

Prof. LakshmanJayatilaka
No.1/9, Galwala Rd, Mirihana, Nugegoda.

Mr. DhanapalaAbeyasinghe
No. 1403, Hokandara Rd, Pannipitiya.

Dr. (Ms.) NeelaPiyaseeliGuneseekara
No. 15, 1st Lane Gangadhara Mw, SirimalUyana, Ratmalana.

Mr. W. A. Jayananda
526, Hirimbura, Galle.

Ms. AnojaMunasinghe
Deputy Director, Department of National Budget,
General Treasury, Colombo 1.

Secretary of the Board(Ex-officio): / Chief Executive Officer

Mr. K. A. H. Kalugampitiya
Director General / Chief Executive Officer
National Institute of Technical Education of Sri Lanka,
No.100, Kandawala Rd, Ratmalana.

6. Directorate:

Mr. U K D Sugathadasa	Director (Academic / Admin & ICT)
Mr. D DWijesinghe	Director (Curriculum Development & Training)
Mr. D DDSuraweera	Director (LRDC)
Mr. R M P S Bandara	Director (Media & Research)
Mr. L W S Kularatne	Deputy Director (Examinations)

Mr. S A Liyanage	Deputy Director (Academic& Student Affairs)
Ms. PadmashanthiGamage	Deputy Director (Education& Training)
Ms. RamyaKumanayake	Deputy Director (Research)
Mr. B D Premadasa	Deputy Director (Administration)
Ms. G W Upamalika	Deputy Director (Library & Information)
Mr. W M Sunil	Deputy Director (Supplies)

7. Cadre of the Institute (upto 12.10.2009)

Executive Staff

Designation of the Post	Number of Personnel
Vice Chancellor(University of Vocational Technology)	1
Director General	1
Director, Information Technology/Administration/Academic	1
Director, Curriculum Development/Training	1
Director, Human Resource Development	1
Director, Media and Learning Resource Development	1
Deputy Director, Learning Resources Development	1
Deputy Director, Education and Training	1
Deputy Director, Academic and Student Affairs	1
Deputy Director, Research and Curriculum Development	1
Deputy Director, Administration	1
Deputy Director, Supplies	1
Deputy Director, Library and Information	1
Internal Auditor	1
Assistant Director, Finance	1
Assistant Director, Media and Publication	1
Accountant	1
Hostel Warden	1
Total	18

Academic Staff

Designation of the Post	Number of Personnel
Senior Lecturer	5
Lecturer	1
Assistant Lecturer	26
Total	32

Non- AcademicStaff

Name of the Post	Number of Personnel
Producer	1
Network Administrator	3
Administrative Officer	1
Supplies Officer	1
Research Officer	1
Program Officer	1

Assistant Librarian	3
Maintenance Superintendent	1
Evaluation Officer	5
Development Assistant	12
Assistant Accountant	2
Non-linear Editor	1
Graphic Designer	02
Store Keeper	4
Maintenance Officer	1
Media Officer	1
Management Assistant	25
Electrician	1
Lighting Technician	1
Laboratory Technician	4
Laboratory Assistant	1
Data Entry Operator	2
Printing Machine Operator	1
Cameraman	5
Audio-Video Recordist	1
Bus Conductor	1
Receptionist	1
Driver	6
Bus Conductor	1
Plumber	1
Book Binder	2
Office Aide	23
Library Assistants	1
Messengers	1
National Coordinators (LRUC Project Staff)	1
Coordinators (LRUC Project Staff)	50
Technician (LRUC Project Staff)	50
Marketing Assistant (LRUC Project Staff)	50
Total	269

8. Staff Development Activities during the Year

Foreign Training

Name & Designation	Title of the Training Program	Institute
Mr. R M P S Bandara Director	GTC Enhanced Mechatronics Technology for VET instructors	Japan International Corporation Agency – Japan
Mrs. R.P. Kumanayake Deputy Director	GTC Industrial Technology Education	Japan International Corporation Agency - Japan

Local Training

Designation	Program	Institute
Ms. G W Upamalika Deputy Director	Information Security Awareness Program	Sri Lanka Library Association
Mr. G.W. Banduwardana Accountant	Student Registration Renewals	AAT Institute
Mr. L.H.D. Anuruddha Assistant Lecturer	Post Graduate Diploma in Education	University of Colombo
Mr. G.W. Banduwardana Accountant	Certificate course in Computerized Accounting	AAT Computer Training Institute
Ms. W.K. Nishanthi Evaluation Officer	Diploma in Public Management Program	University of Sri Jayawardhanapura
Mr. RDPI Priyadarshana Network Administrators	Linux Network Administration with Security Program	Trunky IT Training
Mr. P.H.S.S. Wijerathne Lecturer	Certificate Course in Quality Management	Sri Lanka Standard Institute
Mr. S.N.P.K. Chandimal Printing Machine Operator	Offset Machine Operating Program	Apprentice Training Institute
Mr.J. C Kodituwakku Store Keeper	Advanced Diploma in Supplies and Material Management	National Institute of Business Management
Mr. S.S. Hewawasam Store Keeper	Certificate Course in Stores Management	Institute of Supply and Material Management
Mr.RDPI Priyadarshana Network Administrator	Bachelor of Information Technology	ESOFT Institute
Mr. T.G. Susil Priyanka Office Aide	Diploma in Computer Hardware and Networking	National Youth Services Council
H.P. Premarathne Management Assistant	Internal Auditing Skills Development Program	Institute of Government Account and Finance
Mr. H.W.M.I. Suranga Office Aide	Industrial Motor Control Program	Apprentice Training Institute
Mr.G.D.Nimal Library Attendant	Training Program for Library Attendants and Other Library Support Staff	University of Colombo

9. Research Projects Conducted in the Year

These research projects were carried out by the staff of the institute in collaboration with the Tertiary and Vocational Education Commission under the funding of the government Treasury.

1. Assessing possibility of recognizing skills of craftsmen in the handcraft sector of Sri Lanka.
2. Identification of necessary measures in improving /introducing food technology courses in TVET institutions.
3. A study to identify problems associated with the implementation of CBT curricular developed for NVQ system.
5. A study to identify issues related to fulfilling foreign employment opportunities for the construction craftsmen trained in the TVET sector institutions.

10. Degree Programs Conducted by the Institute

Bachelor of Education in Technology (B.Ed.Tec.)
--

The programme commenced in October 2008 by the Institute and which was continued by the University of Vocational Technology that ended up as a degree of B.Ed.Tec, and the total enrolment of the programme was 28 trainers serving in the Department of Technical Education & Training (25), National Apprentice & Industrial Training Authority & Vocational Training Authority (03).

11. Training Programs Conducted at Certificate & Diploma Level

National Diploma in Engineering Technology (Civil)
--

National Diploma in Engineering Technology (Mechanical)

National Diploma in Engineering Technology (Electrical)

National Diploma in Quantity Surveying
--

National Diploma in Video Production Technology

National Diploma in Non-linear Editing
--

National Diploma in Training Technology - English Language Teaching

National Certificate in Still Photography

National Diploma in Computer Science

12. Short Term Training Programs Conducted in the Year

These short term programs are conducted by the institute on demand according to the needs of the stakeholders.

13. Training of Trainers

Nine programmes of Assessor training have been conducted during this academic year. The data indicate that almost all participants enrolled for training have successfully completed the training and no drop-out has occurred. The Training of Assessors programme is conducted by the institute in association with the TVEC, and 640 Assessors have been trained for the assessment of student performance of NVQ programmes ranging from level 1 – 4.

14. Training of Trainers

Three programmes of training of trainers have been conducted during this academic year. All the 68 participants have successfully completed their training.

15. Curriculum Development Activities

The following curricula that belong to seventeen occupations were translated into Tamil language from Sinhala and English languages with the financial assistance of the World University Service during the year 2009.

1. Aluminum Fabricator
2. Motor Cycle Mechanic
3. Industrial Sewing Machine Operator
4. Electric Motor Winder
5. House Hold Electrical Equipment Repairer
6. Carpenter Building
7. Computer Hardware Technician
8. Machinist
9. Computer Graphic Designer
10. Automobile Mechanic
11. Automobile Electrician
12. Baker
13. Bar Bender
14. Jewellery Stone Setter
15. Jewellery Maker
16. Radio and TV Repairer
17. Leather Footwear Maker

Curricula belonging to the following three occupations were developed under the financial assistance of NORAD project.

1. Screen Printer
2. Computer Aided Draughtsman
3. Photographer

16. Facilities and Physical Resources

The institute is fully equipped with the following laboratories required to provide high standard training for the stake holders.

17. Computer Laboratory

This laboratory is equipped with 35 networked multimedia computers supplied with high speed internet connectivity. These facilities are used for ICT training and learning material development.

18. Audio Visual Laboratory

Audio visual laboratory is equipped with modern facilities needed for video recording editing. These facilities are used for training the stake holders in video production and producing multimedia e-learning materials.

19. Mechanical Engineering Laboratory

This laboratory has the facilities to train students in practical activities of various aspects in basic mechanical engineering subject.

20. Civil Engineering Laboratory

The civil engineering laboratory has facilities to train the students in practical works of multiple aspects of basic civil engineering subject.

21. Electrical Engineering Laboratory

In this laboratory there are facilities to train the students in practical activities of different aspects of basic electrical engineering subject.

22. Electronic Engineering Laboratory

The electronic engineering laboratory consists of the equipments and facilities to carry out practical activities of various aspects of basic electronic engineering subject.

23. English Language Teaching Laboratory

This laboratory is equipped with a lecturer's master control unit and twenty student workstations with headsets and microphone combination systems. Using this system the lecturer at the master control unit can communicate individually or collectively with the students during practical activities.

24. Library

This library maintains a collection of books totaling over 20,000. These books belong to various categories of subjects in the technical and vocational education field and they can be used by all the trainer categories in the field. In addition to the books, periodicals and daily news papers nationally published in Sri Lanka are available for readers.

25. Learning Resource Development Center (LRDC)

This center has been established on the seventh floor of the "NpunathaPiyasa" Elvitigala Mw, Narahenpita. It consists of modern technical facilities to produce audio-visual materials required for educational purposes.

Activities of the LRDC in the year 2009

Production/ Output	Client/ End User	Date /Duration	Section
Video Productions			
Documentary video on work profile of TVEC	TVEC	March 2009	Studio
15 promotional video programs in Sinhalese, Tamil and English On three modal Diploma courses (NVQ 5&6) conducted by SLCoT Maradana	JSCoT Project/ JICA	July 2009– January 2010	Desktop Publishing/ Studio
Learning Resources/ Instructional Materials (Multimedia)			
Interactive CD ROM on Basic Auto Mobile Technology	Students in TVET sector	January 2009	Desktop Publishing/ Studio
Interactive CD ROM on three modal	Student	July 2009 –	Desktop Publishing/

Diploma courses (NVQ 5&6) conducted by SLCoT Maradana	s in TVET sector	January 2010	Studio
Interactive CD ROM on "Photoshop Text Effects"		June 2010	Desktop Publishing
Learning Resources/ Instructional Materials (Printed)			
Facilitated to develop a Text book series On "Multimedia design and Production" For SLCoT Maradana with Development team of UNIVOTEC	JSCoT Project/ JICA	July 2009 - January 2010	

Use of Office Space and Facilities at the LRDC

The staff, space and office equipment facilities were used for the workshops on curriculum development and distribution of the curricula materials.

Activities in Progress at the LRDC

Discussions are underway with Nutrition Coordinating Division of the Ministry of Health to produce a promotional video program on "Adolescents' nutrition development". Another discussion is going on with Skills Development Fund Ltd to develop several certificate courses based on mass media requirements.

26. Learning Resource Utilization Centers (LRUC's)

There are fifty LRUC's established throughout the country for the distribution of curricula and learning materials developed in the NITESL. Each center is equipped with the following facilities to enhance the services rendered by the centers.

Facilities available at LRUC's

Equipment	Quantity Available
Multimedia Computers	08
UPS	08
DVD Players	08
Colour TV	03
Multimedia Projector	01
Overhead Projectors	03
Photocopy Machine	01
Magi Board Wheel	03
Multimedia Projector With Stands	03
Computer Tables	08
Computer Chairs	08

Other Facilities Available in the NITESL

- ❖ Committee Room with AC facilities
- ❖ Air conditioned Auditorium with seating capacity of 200
- ❖ Air conditioned Seminar Room having seating capacity of 50
- ❖ Sixteen class rooms with total seating capacity of 660
- ❖ Teaching equipments with multimedia and internet facilities
- ❖ Video recording with sounds
- ❖ Staff/students transport facilities
- ❖ Two hostels (with shared accommodation) for 140 at a time
- ❖ Staff Quarters for fourteen married staff members and eight bachelors
- ❖ Bungalow for the Vice Chancellor
- ❖ Bungalow for the Director General
- ❖ Recreation facilities
- ❖ Canteen facilities

27. New Acquisitions, Renovations and Reconstructions

- A new four storied building with a fountain in the front which was constructed for the administrative purposes of the UNIVOTEC under the funding of the Asian Development Bank. This building was ceremonially opened by His Excellency the President on 31st March 2009
- A new “BuduMedura” was constructed to compensate the old one which was removed as a result of the construction of the new administrative building of the UNIVOTEC
- The hostels and the staff Quarters were renovated
- A new car was purchased for official use of the Director General
- A new entrance and a road to the Institute were newly constructed
- A new website of the UNIVOTEC was launched

In every month the major source of income has been the funds provided by the government treasury except for the month of October in which highest income has been earned from consultancy.

28. Interim Management Committee of the Institute / University

The Interim Committee appointed under the Section 66 of PART XII of the University of Vocational Technology Act No.31 of 2008, by His Excellency the President Mahinda Rajapaksha, with the recommendation of the Hon. Piyasena Gamage, Minister of Vocational & Technical Training (January 2009 – 12.10.2009)

Prof. K. G. A. Gunasekara(Chairman)

Vice Chancellor, University of Vocational Technology

Mr. K. A. H. Kalugampitiya(Member)

Director General, National Institute of Technical Education of Sri Lanka

Mr. D. D. Wijesinghe (Member)

Director, Curriculum Development,

National Institute of Technical Education of Sri Lanka

29. Extra Ordinary Gazette Notifications

Extra Ordinary Gazette Notifications published on the Interim Committee & the repealing of the National Institute of Technical Education of Sri Lanka Act No.59 of 1998 with the empowerment of the University of Vocational Technology Act No.31 of 2008 with effect from 12.10.2009.

- (i) Extra Ordinary Gazette, Part I: Section (I) General – No.1572/14 Wednesday, October 22, 2008,
- (ii) Extra Ordinary Gazette, Part I: Section (I) General – No.1597/6, Friday April 17, 2009, and
- (iii) Extra Ordinary Gazette, Part I: Section (I) General – No.1622/42 Friday, October 09, 2009.

30. Repealing of the Act No.59 of 2008 & Empowerment of the Act No.31 of 2008

The Parliament Act. No. 59 of 1998 of the National Institute of Technical Education of Sri Lanka was repealed by the Extra Ordinary Gazette, Part- I, Section (I) General : No.1622/42 of Friday, October 09, 2009, with the empowerment of the University of Vocational Technology Act No.31 of 2008 with effect from 12.10.2009.

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

STATEMENT OF FINANCIAL POSITION

As at 11th October 2009	Note	11.10.2009 Rs.	31.12.2008 Rs.
ASSETS			
Non - Current Assets			
Property , Plant and Equipment	1	97,816,095	75,694,011
CURRENT ASSETS			
Stocks		392,686	164,412
Staff Debtors	2	8,883,039	9,358,881
Debtors and Receivables	3	7,759,942	11,638,418
Pre - payments	4	113,108	201,826
Advances	5	3,239,904	1,454,226
Bank balances	6	3,430,962	2,503,367
Deposit Receivable	7	16,500	36,818
		23,836,142	25,357,948
Total Assets		121,652,237	101,051,959
LIABILITIES			
Current Liabilities			
Deposit payable	8	1,909,384	2,153,735
Accrued expenses	9	11,107,330	1,182,243
		13,016,714	3,335,978
Non-Current Liabilities			
Differed Income	10	75,650,748	52,859,074
Provision for Gratuity	11	7,100,109	5,900,337
Provision for Audit Fess		100,000	
		82,850,857	58,759,411
Total Liabilities		95,867,571	62,095,389
Total Net Assets		25,784,666	38,956,570
NET ASSETS /EQUITY			
NITE Accumulated Fund	12	25,361,729	37,668,506
Revaluation Reserve	13	230,191	1,104,918
Other Funds	14	192,746	183,146
Total Equity		25,784,666	38,956,570



K.A.H. Kalugampitiya
Director General



P.A. Kalinga Gananath
Accountant

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

STATEMENT OF FINANCIA PERFORMANCE

For the period ended 11th October 2009		Note	11.10.2009 Rs.	31.12.2008 Rs.
Operating Revenue				
Recurrent Grant			60,050,000	56,000,000
Course Fees		15	7,537,878	7,295,894
Consultancy Income(Net)		16	8,848,668	13,833,966
Amortization of Deferred Income			8,479,525	11,302,132
Other Income		17	2,334,128	2,400,218
Surplus from LRUC & LRDC		18	1,608,656.76	4,743,633.24
Total Operating Revenue			88,858,856	95,575,844
Operating Expenses				
Personal emoluments		19	49,686,706	43,569,789
Utility and other services		20	10,587,071	12,072,613
Staff development and welfare		21	768,042	549,516
Transportation		22	3,152,058	2,762,266
Repairs and maintenance of assets		23	5,303,587	3,344,939
Supply and requisites		24	2,411,947	2,088,240
Library services		25	198,484	268,880
Academic, training and evaluation		26	9,302,822	6,112,935
Publication and information service		27	1,004,999	717,952
Financial charges		28	44,467	43,506
Travelling		29	1,359,552	722,242
Gratuity			1,260,422	1,565,743
Legal Charges		30		8,100
Depreciation		31	13,471,029	16,746,208
				-
Total Operating Expenses			98,551,186	90,572,929
Surplus / (Deficit) from Operating Activities			(9,692,330)	5,002,916
Prior year adjustment		32	(246,661)	906,504
Net Surplus /(Deficit) for the period			(9,938,991)	5,909,421

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA
CASH FLOW STATEMENT

For the period ended 11th October 2009	11.10.2011 Rs.	31.12.2008 Rs.
Cash flows from operating activities		
Deficit / Surplus from ordinary activities	(9,692,330)	5,002,916
Non - Cash Movements		
Amortization of Differed Income	(8,479,525)	(11,302,132)
Depreciation	13,471,029	16,746,208
Gratuity	1,260,422	1,565,743
Bad debts		-
Audit Fees	100,000	
Adjustment of Previous Year Assets	(17,748,946)	
Previous year over provision of depreciation	1,005,422	(205,096)
Operating Profit Before Changes in W/C	(20,083,928)	11,807,639
(Increase)/Decrease in Stocks	(228,274)	(8,692)
(Increase)/Decrease in Staff Debtors	475,842	(2,221,512)
(Increase)/Decrease in Debtors and Receivables	3,878,476	(10,660,149)
(Increase)/Decrease in Pre-payments	88,718	12,947
(Increase)/Decrease in Advance	(1,785,678)	(1,390,889)
(Increase)/Decrease in Deposit Receivables	20,318	-
Increase/(Decrease) in Deposit payable	(244,351)	806,925
Increase/(Decrease) in Accrued expenses	9,925,087	(989,250)
Prior year adjustment	(246,661)	906,504
Net cash flows from operating activities	(8,200,451)	(1,736,477)
Cash flows from investing activities		
Land		-
Buildings	(9,298,342.16)	(11,448,471)
Motor Vehicles		(5,965,000)
Computers	(348,900)	(4,645,213)
Furniture and Fittings	(868,899)	(1,124,124)
Office Equipment	(1,694,480)	(1,037,893)
Teaching Equipment	(3,095,000)	(208,665)
Plant and Machinery		
Books		(225,672)
Other Assets	(3,581,465)	267,046
Road Development		-
Gratuity Payment	-	
Boundary of Walls		
Net cash flows from investing activities	(18,887,085)	(24,922,083)
Cash flows from financing activities		
Capital Grant – Treasury	15,000,000	22,890,000
Capital Grant – Ministry	14,291,555	
NITE Accumulated Fund	(1,286,021)	5,402,122
Other Funds	9,600	4,400
Net cash flow from financing activities	28,015,133	28,296,522
Net increase/(decrease) in cash and cash equivalents	927,595	1,637,962
Cash and cash equivalents at beginning of period	2,503,367	865,405
Cash and cash equivalents at end of period	3,430,962	2,503,367

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

STATEMENT OF CHANGES IN NET ASSETS

For the period ended 11.10.2009	Accumulated Fund	Re-valuation Reserve	Re-Valuation Reserve	Other Funds	Total Net Assets
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01. 2008	28,906,367		2,209,836	178,746	31,294,949
Prior year adjustment	(1,431,248)				(1,431,248)
Adjustment of differed Income					-
Adjustment of revaluation reserve	-		(1,104,918)		(1,104,918)
Adjustment NITE Acc. Fund	4,283,967				4,283,967
					-
					-
Surplus /(Deficit) for the period	5,909,421				5,909,421
					-
Transfer to unclaim deposit					-
Deposit for the period				4,400	4,400
					-
					-
Balance as at 31.12. 2008	37,668,507	-	1,104,918	183,146	38,956,571
Balance as at 01.01. 2009	37,668,506	-	1,104,918	183,146	38,956,570
					-
Adjustment of revaluation reserve			(874,727)		(874,727)
Adjustment from Differed Income		13,824,180			
Prior year adjustment	-	(8,299,590)			-
Adjusted NITE Acc.Fund	(2,367,785.57)				(2,367,786)
					-
Surplus /(Deficit)/Charge for the period	(9,938,991)	(1,104,918)			(9,938,991)
					-
Deposit for the period				9,600	9,600
Balance as at 31.12. 2008	25,361,729	4,419,672	230,191	192,746	25,784,666

ACCOUNTING POLICIES

For the period Ended 11th October 2009

01. GENERAL

The Financial Statement are prepared in conformity with Generally Accepted Accounting Principles, and the Accounting Standards lay down by Institute of Chartered Accountants of Sri Lanka. These are been applied consistently on historical cost basis with no adjustments are made for inflationary factors.

02. FORMAT OF ACCOUNTS, PRIOR YEAR FIGURES AND PHRASES

The Financial Statement represented in accordance with the format of Accounts Prescribe by Public Enterprises Circular No.PED/19 with appropriate changes. Certain prior year figures have been re-arrange wherever necessary to conform to the current year presentation.

03. GOVERNMENT GRANT AND SUBSIDIES

Government grant on which the organization depends of its expenditure are been accounted on a receipts basis. Grant related to the recurrent expenditure are been presented as a credit to the income and expenditure accounts whereas the grant related to capital expenditure are being credited to the differed income and amortize annually.

04. PROPERTY PLANT AND EQUIPMENT

4.1 Cost

These are stated at cost less accumulated depreciation. The cost of property, plant and equipment is the cost of acquisition together with any expense incurred in bringing the assets to its working condition for its intended use.

4.2 Depreciation

Freehold Land is not depreciated. Depreciation is charged on all other property, plant and equipment on the straight-line basis to write off the cost/valuation over the estimated useful lives as follows.

• Building	Over 20 years @	5%
• Motor Vehicles	Over 04 years @	25%
• Computers	Over 04 years @	25%
• Furniture & Fittings	Over 10 years @	10%
• Office equipment	Over 10 years @	10%
• Teaching Equipment	Over 10 years @	10%
• Books	Over 10 years @	10%
• Boundary of Walls	Over 20 Years @	05%
• Other Assets	Over 10 years @	10%

Full Year depreciation is provided on property, plant & Equipment purchased during the year and in the year of disposal no depreciation is charged.

- 4.3 National Institute of Technical Education of Sri Lanka was Functioning as a Department of Technical Education Training and was converted to a statutory body with effect from 8th January 1999. Assets, which have been, acquired from the Department of Technical Education and Training have not been taken to the books of accounts except motor Vehicles and Library books. Valuation Process is now underway and will be included in the next year Final Account.
- 4.4 Motor Vehicles (Acquisition) have been fully depreciated up to the end of year 2003. Therefore the depreciation of the Motor Vehicles has been applied only for the Vehicle No. WPNA 2503, which is bought in 2006.

05 GRATUITY

Provision has been made in the financial Statement for retiring gratuity, which may fall due for payment under the payment of Gratuity of Act No : 12 of 1983 for all the employees who has been continued service in the Institute.

06 FINANCIAL PERFORMANCE STATEMENT

The Surplus of the Statement of Financial Performance have been arrived at after making provision for all known liabilities and depreciation of the Fixed Assets.

07 CASH FLOW STATEMENT

The Cash Flow Statement has been prepared by using the "Indirect Method" Cash and cash equivalents comprise of bank balances of the Institute Bank Accounts.

08 DISCLOSURES

Events after the balance Sheet Date
(Under SLA No – 12)

According to the Extraordinary gazette of the Democratic Socialist Republic of Sri Lanka. Issued on 09.10.2009, the Hon. Minister of the Vocational & Technical Training has declared National Institute of Technical Education of Sri Lanka Act. No 59 of 1998 stand repealed from 12th October 2009 with effect from this date the University of Vocational Technology commence as new institution under the parliament at No. 31 of 2008. According to the Act. The following Assets and all liabilities of the National Institute of Technical Education of Sri Lanka. Will be transfer to the University of Vocational Technology.

- a) All movable and immovable property.
- b) All Contracts and agreements entered into.
- c) All sums of money lying to the credit of the fund ; and
- d) All existing liabilities.

However we opened a current account at the people's bank at Ratmalana in March 2009. In the name of the University of Vocational Technology. No; 080100130003120 we received funds (Current/Capital) for this account through the Ministry and maintained the account according to the National Institute of Technical Education of Sri Lanka. Financial norms until 12.10.2009.

09 INVENTORIES

Inventories Consist of stationery, Maintains consumable Items and Computer and Photo Copy Toners. The cost has been calculated first in first out Method.

National Institute of Technical Education of Sri Lanka

Notes to the Accounts

For the period ended 11.10.2009	Balance As at 1/1/2009	Adjustment	Addition	Disposals	Balance As at 11/10/2009
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
1 Property, Plant& Equipment					
1.Rehabilitation & Improvements					
Land	2,122,414.43	2,510,775.08			4,633,189.51
Buildings	23,682,309.79	9,617,975.68	7,109,212.56		40,409,498.03
Motor Vehicles	1,992,090.44				1,992,090.44
Computers	738,332.95				738,332.95
Office Equipment	76,103.40				76,103.40
Teaching Equipment	3,877,763.89				3,877,763.89
Plant and Machinery	613,446.00				613,446.00
Other Assets	367,148.55				367,148.55
Boundary of Walls Road Development	874,485.54				874,485.54
Books	225,000.00				225,000.00
2.Acquisition of Fixed Assets					
Buildings	21,270,697.54		2,189,129.60		23,459,827.14
Motor Vehicles	13,990,000.00				13,990,000.00
Computers	24,021,343.71		348,900.00		24,370,243.71
Furniture and Fittings	6,407,701.71	5,238,445.00	868,898.00		12,515,045.31
Office Equipment	4,982,412.68		1,694,479.78		6,676,892.46
Teaching Equipment	25,118,912.70		3,095,000.00		28,213,912.70
Plant and Machinery	14,283,246.50				14,283,246.50
Books	12,943,331.64	374,962.00			13,318,293.64
Other Assets	4,386,532.75	6,788.00	3,581,464.95		7,974,785.70
TOTAL	161,973,274.22	17,748,945.76	18,887,084.89	-	198,609,305.47

National Institute of Technical Education of Sri Lanka

Notes to the Accounts

For the period ended 11.10.2009	Balance As at 1/1/2009	Adjustment	Charges for the Period	Disposals	Balance As at 11/10/2009
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Depreciation					
1.Rehabilitation & Improvements					
Buildings	2,922,277.73	480,898.78	1,599,542.63		5,002,719.14
Motor Vehicles	1,892,088.81	-	103,830.25		1,995,919.06
Computers	595,396.77	-	56,578.44		651,975.21
Office Equipment	45,662.04		6,024.85		51,686.89
Teaching Equipment	1,856,101.95		306,989.64		2,163,091.59
Plant and Machinery	170,419.20		48,564.48		218,983.68
Other Assets	137,682.16		29,065.93		166,748.09
Boundary of walls	87,448.56		34,615.05		122,063.61
Road Development			-		-
Books	22,500.00		17,812.50		40,312.50
2.Acquisition of Fixed Assets					
Buildings	7,674,810.66		928,618.16		8,603,428.82
Motor Vehicles	8,403,750.00		2,061,302.08		10,465,052.08
Computers	20,434,174.96		1,708,662.86		22,142,837.82
Furniture and Fittings	3,112,396.54	523,844.50	990,774.42		4,627,015.46
Office Equipment	2,835,975.95		528,587.32		3,364,563.27
Teaching Equipment	15,782,467.95		2,233,601.42		18,016,069.37
Plant and Machinery	6,663,276.90		1,130,757.01		7,794,033.91
Books	10,980,287.52	37,496.20	1,054,364.91		12,072,148.63
Other Assets	2,662,545.69	678.80	631,337.20		3,294,561.69
Total Depreciation	86,279,263.39	1,042,918.28	13,471,029.16	-	100,793,210.83
TOTAL NET VALUE	75,694,010.83				97,816,094.64

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA
Notes to the Accounts - NITESL

For the year period 11th October 2009		11.10.2009		31.12.2008	
		Rs.	Cts.	Rs.	Cts.
2 Staff Debtors					
	Distress Loans	8,504,972.23		9,277,580.72	
	Festival Advances	336,000.00		78,400.00	
	Special Advances	42,067.12		2,900.00	
		8,883,039.35		9,358,880.72	
3 Debtors and Receivable					
	Rent Income	48,392.50		48,392.50	
	Water Charges	9,818.61		9,818.61	
	Consultancy Curriculum			-	
	Telephone	17,676.77		19,766.77	
	Electricity	14,579.58		16,769.22	
	Ministry of Vocational Training	-		1,951,716.65	
	Norad A/C	2,700,000.00		4,000,000.00	
	LRUC Reimbursement	3,235,790.00		3,235,790.00	
	LRDC Reimbursement	1,456,827.00		1,456,827.00	
	SDP Reimbursement	276,857.50		276,857.50	
		7,759,941.96		11,015,938.25	
4 Pre-payments					
	Insurance payments	105,282.51		192,831.28	
	Library Service – Periodicals	-		5,862.00	
	Financial Charges	7,825.10		4,894.99	
		113,107.61		203,588.27	
5 Advance					
	Sundry advance	3,224,904.40		1,439,226.00	
	Travelling Advances	15,000.00		15,000.00	
	Festival Advance				
		3,239,904.40		1,454,226.00	
6 Bank balances					
	Bank of Ceylon - Rathmalana				
	A/c No. 229918	(193,331.02)		307,161.15	
	A/c No.229929	2,217,733.80		2,190,627.34	
	Peoples Bank –Rathmalana			-	
	A/c No.101175	360,372.43		5,578.07	
	Peoples Bank –Rathmalana				
	A/c No.3120	(307,239.02)			
	Adjusted Cash Balances for the period of 11-10-2009 to 31-10-2009 (A/C 229918, 229929 & 3120)	1,353,426.27		-	
		3,430,962.46		2,503,366.56	
7 Deposit Receivable					
		16,500.00		36,818.00	
		16,500.00		36,818.00	
8 Deposit Payable					
	Miscellaneous	1,596,109.15		1,939,459.98	
	Library Deposit	246,275.00		214,275.00	
	Hostel Deposit	67,000.00			
		1,909,384.15		2,153,734.98	

Notes to the Accounts - NITESL		11.10.2009	31.12.2008
		Rs. Cts.	Rs. Cts
9	Accrued Expenses		
	Overtime	120,092.15	184,101.26
	Holiday Payments	5,794.75	
	Lecture Fees	421,958.00	382,242.50
	Acade. & Trai.- Others	7,641.00	
	Travelling	1,225.00	-
	Curriculum Meeting	25,055.00	
	Resource Person Fee	75,794.00	
	Water	309,432.18	131,903.24
	Telephone	563,321.63	102,100.29
	Audit fee	-	-
	Stationery	1,730.50	
	Salaries and Wages	3,429,776.86	-
	Bank Charges	3,750.00	
	Cost of Living	731,250.00	
	Staff Training	54,075.00	
	Function	492,389.60	
	Fuel	94,446.00	
	Foreign Travelling	91,043.25	
	Meals to participants	17,463.00	-
	Canteen Facilities	6,885.00	
	Utility and Other services	32,495.00	79,139.00
	Other Allowances	3,400.00	3,900.00
	Electricity	965,300.92	232.00
	Security service	147,892.50	139,194.94
	Janitorial Services	135,900.00	68,250.00
	Repa. & Mainte. – Others	418,470.80	
	Repa. & Mainte. – Building	100,000.00	
	Repa. & Mainte. - Office Equipment	569,681.89	
	Repa. & Mainte. – Vehicles	235,643.00	
	Repa. & Mainte. - Teaching Equipment	161,750.00	
	Hire of Vehicles	80,154.00	
	Consumable Stock	413,063.80	
	Rate & Taxes	48,212.00	584.00
	Consultancy – TEDP	246,252.50	-
	Periodicals	50.00	
	News papers	23,580.00	7,670.00
	Consultancy Training	-	-
	Consultancy Research	13,559.35	-
	E.P.F. Contributions	470,421.39	8,178.87
	Postages	-	-
	Publication & Information – Printing	36,000.00	
	Advertising	147,565.00	36,800.00
	Publication & Information – Exhibition	287,209.33	36,720.00
		11,107,329.75	1,182,242.93
10	Differed Income		
	Balance as at.01.01.2008	52,859,074.32	37,559,705.51
	Accmu. Capital Contribution-Treasury		
	Accmu. Revaluation Reserve		-
	Capital Contribution for the year-Treasury	15,000,000.00	22,890,000.00
	Adj. of NITE Accumulated Fund	1,104,918.00	
	Capital Contribution for the year-Ministry	14,291,554.68	-
	Amortization of Accumu. Depreciation		2,606,583.00
	Amortization of Depreciation for the year	(7,604,798.55)	(10,197,214.19)
		75,650,748.45	52,859,074.32

Notes to the Accounts		2009.10.11		2008.12.31	
		Rs.	Cts	Rs.	Cts
11	Provision for Gratuity				
	Balance as at.01.01.2009		5,900,336.71		4,391,773.52
	Gratuity payment				-
	Adjustment		(60,650.00)		34,324.00
	Provision for year 2009		1,260,421.83		1,565,743.19
	Balance as at.31.12.2008		7,100,108.54		5,991,840.71
12	NITE Accumulated Fund				
	Balance as at.01.01.2009		37,668,505.95		28,906,366.00
	Adjustment of .Previous year				(1,431,247.75)
	Adjustment of .Differed Income		-		-
	Amortization of Accumu. Depreciation		-		-
	Adjustment of .Revaluation Reserve				-
	Adjusted NITE Acc.Fund		(2,367,785.57)		4,283,967.00
	Surpluses/(Deficit) Transferred from F/P		(9,938,991.38)		5,909,420.68
			25,361,729.00		37,668,505.93
13	Re valuation Reserve				
	Revaluation of Books		1,104,917.98		2,209,835.98
	Accu. Dep. of Books				-
	Amortization of Depreciation for the year		(874,726.75)		(1,104,918.00)
			230,191.23		1,104,917.98
14	Other Funds				
	Institute Development Fund		170,483.86		170,483.86
	Staff Development Fund		3,811.90		3,811.90
	Library Development Fund		18,450.00		8,850.00
			192,745.76		183,145.76
15	Course fees				
	National Diploma in Engineering Technology		895,508.00		857,069.20
	National Certificate in Still Photography		210,000.00		900,000.00
	National Diploma in Vocational Training Technology		-		-
	National Diploma in Training Technology		15,000.00		173,200.00
	National Certificate in Computer Hardware		108,000.00		175,000.00
	Ms - Office & Multimedia Application		71,375.00		162,125.00
	National Diploma in Multimedia				-
	Graphic Designing		-		11,000.00
	Multimedia & E – Learning		-		-
	National Diploma in Research Technology		-		8,000.00
	National Diploma in Video Production Technology		718,836.00		1,385,500.00
	National Diploma in Non Leaner Editing		283,000.00		690,000.00
	National Diploma in English		579,000.00		611,000.00
	National Diploma in Computer Science		400,000.00		216,000.00
	Web Designing Technology		-		179,000.00
	National Diploma in Quantitysurveying		4,257,159.00		1,928,000.00
			7,537,878.00		7,295,894.20
16	Consultancy Income(net)		8,848,667.53		13,833,965.91
	Consultancy Income				
	Consultancy -Training		2,306,019.60		15,620,587.65
	Consultancy -Curriculum		2,482,327.50		
	Consultancy -Others		121,450.00		368,497.00
	Consultancy -Research		368,000.00		
	Consultancy-TEDP Project		7,326,599.75		2,705,099.24
	Consultancy-SEMP Project		877,035.00		
	-		13,481,431.85		18,694,183.89

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

Notes to the Accounts - NITESL

For the year ended 11th October 2009		11.10.2009	31.12.2008
		Rs. Cts.	Rs. Cts.
	Consultancy Expenditure		
	Consultancy Training Expenditure	1,104,570.00	3,642,472.98
	Consultancy Curriculum Devel. Expenditure	286,353.00	64,165.00
	Technical Education Development Project	2,698,178.00	482,600.00
	Consultancy - SEMP	504,035.97	
	Others	19,863.00	670,980.00
	Total Consultancy Expenditure	3,222,076.97	1,153,580.00
	Consultancy - Research	19,764.35	-
		19,764.35	-
		4,632,764.32	4,860,217.98
17	Total Consultancy Expenditure		
	Other Income		
	Rent income - Staff Quarters	715,790.50	882,566.27
	Rent income - Hostel	650,225.00	359,605.00
	Hire of Halls and Equipment	96,406.00	205,924.90
	Loan Interest	259,470.65	333,342.81
	Recovery of Telephone Charges	20,905.39	47,398.99
	Recovery of Water Charges		2,493.33
	Recovery of Losses	174,051.27	187,547.50
	Recovery of Electricity	7,597.57	18,338.69
	Convocation Fees		66,000.00
	Transport	17,800.00	64,200.00
	Sundries	391,881.90	234,601.00
		2,334,128.28	2,402,018.49
18	Surplus/(Deficit) from LRUC & LRDC		
	LRUC Income	5,667,955.00	7,503,522.26
	LRDC Income	2,192,197.01	8,425,384.15
	Less:- LRUC payments	(4,946,139.76)	(7,347,828.32)
	Less:- LRDC payments	(1,305,355.49)	(3,837,444.85)
		1,608,656.76	4,743,633.24
19	Personal Emoluments		
	Salaries and Wages	34,344,317.95	31,405,828.33
	Cost of Living	7,350,264.17	4,662,712.80
	E.P.F. Contributions	5,002,878.70	4,267,531.75
	E.T.F. Contributions	1,247,288.06	1,060,519.85
	Other Allowances	271,720.00	111,875.41
	Overtime	1,204,617.48	1,852,899.41
	Holiday Payments	68,865.25	96,237.57
	Allowances - Governing Council	22,000.00	99,000.00
	E.T.F. Surcharge		13,184.00
	Academic Allowance	127,396.25	
	Entertainment Allowance	47,358.50	
		49,686,706.36	43,569,789.12

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

Notes to the Accounts - NITESL

For the period ended 11th October 2009	11.10.2009		31.12.2008	
	Rs.	Cts.	Rs.	Cts.
20 Utility and other services				
Rate and Taxes		78,241.20		8,468.00
Electricity		5,031,539.74		5,883,449.36
Water		1,359,524.69		1,890,482.04
Telephone Charges and rentals		1,579,870.34		1,735,602.17
Postage		51,810.00		58,330.00
Janitorial Service		703,350.00		831,025.00
Security Service		657,413.00		780,169.58
Advertising (Administration)		526,275.00		564,307.87
Audit fee		100,000.00		
Others		499,047.00		320,779.00
		10,587,070.97		12,072,613.02
21 Staff development and welfare				
First aid		852.00		473.00
Canteen Facilities		252,633.00		20,532.00
Staff Training		244,554.80		294,808.00
Cost of Uniforms				-
Functions		113,250.00		101,346.00
Others		156,751.77		132,357.00
		768,041.57		549,516.00
22 Transportation				
Fuel and Lubricants		1,314,717.00		1,531,830.10
Repairs and Maintenance		848,584.24		807,276.03
Tyres and Batteries		12,700.00		47,591.60
License and Insurance Charges		257,810.80		192,626.99
Hire of Vehicles and others		682,110.00		164,882.00
Others		36,136.00		18,059.00
		3,152,058.04		2,762,265.72
23 Repairs and maintenance of Assets				
Buildings		2,922,605.77		1,573,209.06
Furniture and Fittings		182,126.81		345,636.50
Office Equipment		670,374.94		895,632.46
Computers		268,811.00		33,865.00
Teaching Equipment		264,130.00		52,279.70
Others		995,538.80		443,716.30
Books		-		600.00
		5,303,587.32		3,344,939.02

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

Notes to the Accounts - NITESL		11.10.2009		31.12.2008	
For the period ended 11t October 2009		Rs.	Cts.	Rs.	Cts.
24	Supply and requisites				
	Stationery Administration	1,023,271.39		1,135,909.43	
	Printing - Administration	287,075.00		309,261.00	
	Consum. - Academic	654,472.41		247,694.10	
	Consum. -	156,235.38		103,894.84	
	Others	129,546.20		228,738.00	
	Printing -Academic & Evaluation	161,346.50		62,742.38	
		2,411,946.88		2,088,239.75	
25	Library service				
	News Papers	194,083.60		99,510.00	
	Periodicals	4,315.00		15,430.00	
	Others	85.00		153,940.00	
		198,483.60		268,880.00	
26	Academic, training and evaluation				
	Lecture Fees	3,384,474.25		4,337,928.00	
	Curriculum Meetings	1,075,348.26		56,058.45	
	Meals to Participants	133,778.00		104,224.00	
	Functions Inauguration	3,113,172.80		258,120.00	
	Award Ceremony	68,748.30		525,549.75	
	Advertisements and Publicity	700,745.00		200,468.50	
	Others	579,016.85		230,418.35	
	Payment to resources person	93,294.00		3,000.00	
	Allowance to participants	41,500.00		118,940.00	
	Study tours /Field Visits	69,945.00		193,778.00	
	Evaluation /Examination	42,800.00		35,450.00	
	Hire of Halls and Equipments			49,000.00	
		9,302,822.46		6,112,935.05	
27	Publication and Information Service				
	Payment to Writers	31,280.00			
	Printing	140,520.00		36,720.00	
	Advertising	203,640.00		33,000.00	
	Others	629,558.89		-	
	Exhibition			648,231.68	
		1,004,998.89		717,951.68	
28	Financial charges				
	Bank Charges	37,846.00		42,805.67	
	Insurance Charges			-	
	Stamps for receipts	6,621.23		700.00	
		44,467.23		43,505.67	
29	Travelling				
	Local	81,468.25		69,574.09	
	Foreign	1,278,083.76		652,667.75	
		1,359,552.01		722,241.84	
30	Legal Charges				
	Legal Charges	-		8,100.00	
		-		8,100.00	

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

Notes to the Accounts - NITESL		11.10.2009		31.12.2008	
For the period ended 11th October 2009		Rs. Cts.		Rs. Cts.	
31	Depreciation - Acqui.of Fixed Assets				
	Buildings	928,618.16		1,063,534.88	
	Motor Vehicle	2,061,302.08		2,603,750.00	
	Computers	1,708,662.86		4,140,447.30	
	Furniture and Fittings	990,774.42		640,770.17	
	Office Equipment	528,587.32		498,241.27	
	Teaching Equipments	2,233,601.42		2,511,891.27	
	Books	1,054,364.91		1,294,333.16	
	Plant & Machinery	1,130,757.01		1,428,324.65	
	Other Assets	631,337.20		438,653.28	
		11,268,005.38		14,619,945.98	
	Depreciation -Reha. of Fixed Assets				
	Buildings	1,599,542.63		1,184,115.49	
	Motor Vehicles	103,830.25		264,770.65	
	Computers	56,578.44		117,705.00	
	Office Equipment	6,024.85		7,610.34	
	Plant & Machinery	48,564.48		61,344.60	
	Other Assets	29,065.93		36,714.86	
	Teaching Equipments	306,989.64		387,776.39	
	Boundary Walls	34,615.05		43,724.28	
	Books	17,812.50		22,500.00	
		2,203,023.77		2,126,261.61	
	Total Depreciation for the period	13,471,029.15		16,746,207.59	
32	Prior year adjustment				-
	Overtime				-
	Holiday Payments	-			-
	Audit fee				-
	Local Travelling				-
	Lecturer Fees	563.47			-
	Deposit Payable - Miscellaneous		-		-
	News papers				-
	Electricity				-
	Water				-
	Telephone	-			-
	Postage	-			-
	Fuel & Lubricants				-
	Transporation-Repair and maintenance				-
	Janitorial Services				-
	Security Services				-
	Other Allowance	-			-
	Repair and maintenance of assets - Teaching Equipment	-			-
	Repair and maintenance of assets - Building				-

NATIONAL INSTITUTE OF TECHNICAL EDUCATION OF SRI LANKA

Notes to the Accounts - NITESL For the period ended 11th October 2009	11.10.2009		31.12.2008	
	Rs.	Cts.	Rs.	Cts.
Prior year adjustment		-		-
Over depreciation (computers)		-		-
Consumable Stores – Administration		-	166,562.00	
Over depreciation (Motor vehicle)		-		-
Printing - Administration				-
Consultancy Training – Income		-	38,534.00	
Over depreciation (computer - Reha.& inpru)				-
Consultancy Training – Expenses		-		-
Consultancy Training – Refreshments		-		-
Consultancy Training - Lecture fees-Internal Staff		-		-
Consultancy Training - Lecture fees-External Staff		-		-
Consultancy Training - Co-ordination fee		-		-
Consultancy Training – Overhead		-	853,590.29	
Accrued Expenses		-		-
Receivable Income - Consultancy Curriculum Development		-		-
Other Income Recovery of Losses	45,140.95			-
Distress Loans	(600.00)			
Festival Advance		-		-
Loan Income				-
Utility and other services				-
Transportation - Others				-
Rate and Taxes	168,150.00			-
Furniture & Fittings		-		-
In country training Income	1,005,422.08			-
Adjustment in Respect of Previous Year				-
Adjustment in NITE Accumulated Fund	(972,015.37)			
CBT Curriculum Development Overhead		-	(43,412.00)	
Provision for gratuity		-	(108,770.00)	
Pre-Payment	246,661.13		906,504.29	



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கணக்காய்வாளர் தலைமை அறிப்பதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } JF/G/NITESL/FA/2009
 my No }

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 Your No. }

දිනය } 09 September 2010
 திகதி }

The Director General
 National Institute of Technical Education of Sri Lanka

Report of the Auditor General on the Financial Statements of the National Institute of Technical Education of Sri Lanka for the period ended 11 October 2009 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971

The audit of financial statements of the National Institute of Technical Education of Sri Lanka for the period ended 11 October 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 13(1) of the Finance Act No 38 of 1971 and Section 22 of the National Institute of Technical Education of Sri Lanka Act. No. 59 of 1998. My comments and observations which I consider should be published with the annual report of the Institute 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 issued to the Director General on 20 April 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 the 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 accounting policies and making accounting estimates that are reasonable in the circumstances.

1.3 The National Technical Education of Sri Lanka had been converted in to the University of Vocational Technology in term of the Gazette notification of the Democratic Socialist Republic of Sri Lanka dated 09 October 2009. Accordingly the accounting period of the National Institute of Technical Education of Sri Lanka had been terminated as at 11 October 2009.

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INDEPENDENCE SQUARE,
 COLOMBO 07, SRI LANKA

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1.4 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 wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing 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 policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion. Sub-sections (3) and (4) of Section 13 of the Finance Act No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the Audit.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the National Institute of Technical Education of Sri Lanka had maintained proper accounting records for the period ended 11 October 2009 and except for the effects on the financial statements of the matters referred to in paragraph 2.2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the National Institute of Technical Education in Sri Lanka as at 11 October 2009 and the financial results of its operation and cash flows for the period then ended.

2.2 Comments on Financial Statements

2.2.1 Presentation of Financial Statements

- (a) Financial Statements of Public Corporations should be presented for audit before 28 February of the year following in terms of Treasury Circular No. 01/2004 of 24 February 2004. Nevertheless, the draft financial Statements for the period under review had been presented for audit only on 22 April 2010.
- (b) A report indicating the accounting deficiencies revealed at audit test checks carried out in respect of the draft final accounts presented on 26 February 2010 had been referred to the attention of the Director General of the Institute on 15 March 2010. The revised accounts after rectifying those deficiencies had been submitted on 26 April 2010.

2.2.2 Sri Lanka Accounting Standards

Although a provision for the payment of gratuity amounting to Rs. 1,592,112 had been made as at the end of the period under review, an investment had not been made to settle those liabilities, and it had not been disclosed in terms of Sri Lanka Accounting Standard 16 as well.

2.2.3 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) In adjusting the fixed assets balances as at 01 January 2009 of the period under review in the final accounts and the deferred revenue as at 31.12.2008 the following differences were observed between the balances taken as fixed assets.

Particulars of assets	Balance taken in the adjustment of Deferred revenue as at 31 December 2008 Rs	Balance shown in the final accounts as at 01 January 2009 Rs.	Difference Rs.
<u>Reconstruction and Improvements</u>			
Teaching equipment	3,672,070	3,877,764	205,694
<u>Acquisition of Fixes Assets</u>			
Motor vehicles	11,640,000	13,990,000	2,350,000
Computers	19,376,131	24,021,344	4,645,213
Total	<u>34,688,201</u>	<u>41,889,108</u>	<u>7,200,907</u>

As the value of assets as at 31.12.2008 had been considered as understated the differed depreciation relating to that value had also been understated.

- (b) In the adjustment of depreciation on deferred revenue the value of computers acquired from the fund amounted to Rs. 5,555,597. According to the depreciation policy the value of depreciation at 25% should be Rs. 1,388,899 but the amount shown in the accounts was Rs. 2,841,653 and it represented 51% of the total value of computers.

2.2.4 Accounts receivable

The following observations were made.

- (a) In the disclosure of assets valued at Rs. 4,692,618 in the accounts of the period under review, the amount receivable from the Learning Resources Utilization Centre had been shown as receivable from the Learning Resources Utilization Development Centre and Vice-Versa. This difference had existed since 2007.

- (b) Action had not been taken to recover the rent receivable income of Rs. 48,393 since the year 2007.

2.2.5 Non – compliance with Laws, Rules, Regulations and Management Decisions

The following Non – compliance with Laws, Rules, Regulations and Management Decisions were observed.

Reference to Laws, Rules, Regulations etc.	Non - compliance
<p>Financial Regulations (F.R) of the Democratic Socialist Republic of Sri Lanka</p> <p>F.R 104 (2)</p>	<p>Action had not been taken in terms of Financial Regulation in respect the vehicle bearing No. 62-3743 met with an accident</p>
<p>F.R 371</p>	<p>Although an advance should be settled immediately after the completion of purpose for which it was taken, the delay in settling advances ranged from 25 to 56 days.</p>
<p>F.R 1646</p>	<p>Running charts relating to 7 vehicles had not been submitted to the Auditor General.</p>
<p>Procurement Guidelines Section 8.12.2</p>	<p>Completion reports in respect of 3 contracts had not been furnished.</p>
<p>Public Finance circular No 431 of 24 April 2008</p>	<p>Although Air tickets should be purchased only from the Sri Lankan Air Lines or Mihin Air from whichever the funds the expenditure is incurred, it had not been so done.</p>

2.2.6 Transactions not Supported by Adequate Authority

The Korean Training Course commenced since December 2007 had been implemented in the year 2008. A sum of Rs. 9,682,172 had been received by the Institute for conducting this course. Out of that money a sum of Rs. 1,446,610 had been paid to the staff of the Institute as special allowances. The approval of the Treasury had not been obtained for the payment of this allowance.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented the operation of the Institute had resulted in a deficit of Rs. 69,742,330 before taking in to account the government grants for recurrent expenditure for the period ended 11 October 2009 as compared with the deficit of Rs. 50,997,084 for the preceding year. The deficit after taking in to accounts the government grants of Rs. 60,050,000 received in the period under review for recurrent expenditure amounted to Rs. 9,692,330 as against a surplus of Rs. 5,002,916 for the preceding year, after taking in to account the government grants of Rs. 56,000,000 received for recurrent expenditure for that year.

3.2 Operating Review

3.2.1 Examination Results

In the evaluation of examination results it was observed that the percentage of failing the examinations ranged from 07% to 67%.

3.2.2 Issue of Examination Certificates

Seventy six certificates had been issued during the year in respect of 06 examinations held in the year 2008.

3.2.3 Un-economic Transactions

There is an official bungalow within the premises of the University of Vocational Technology allocated for the Head of the Institute but it had been given to an official of the Ministry. It was observed that a house had been rented out to the Vice Chancellor of the University and paid a monthly rental of Rs, 85,000 since May 2009. A monthly rental of Rs. 4,146 had paid by an officer who had no connection with the Institute in respect of the official bungalows existed in the Institute up to September 2009. Accordingly the total loss incurred from May to September 2009 amounted to Rs. 404,270.

3.2.4 Library Control

Fifteen books valued at Rs. 12,400 and 58 books in which the prices were not indicated borrowed by 33 officers of the Institute had not been returned for a long period.

3.2.5 Operating inefficiencies

Lands, buildings, teaching equipment and furniture belonging to the National Technological Teacher Training Institute of the Department of Technical Education and Training should be vested in the Institute in terms of Section 23 (1) of the National Institute of Technical Education of Sri Lanka No 59 of 1998. Nevertheless they had not been vested up to now.

4. Systems and Controls

Deficiencies observed in systems and controls during the course of audit had been brought to the notice of the Director General of the Institute from time to time.

Special attention is needed in respect of the following areas of control.

- (a) Presentation of financial statements for audit.
- (b) Fixed assets
- (c) Contract administration
- (d) Gratuities
- (e) Libraries

H.A.S. Samarasinghe
Acting Auditor General

Corrective measures taken to remedy deficiencies indicated in Auditor General's Report in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.

2.2.1 Presentation of Financial Statements

- (a) Actions have been taken to submit financial statements on time as stipulated by Treasury Circular No.01/2004 of 24th February 2004. Financial Statements of 2010 were submitted to AG on the 25th February 2011 .

2.2.2. Sri Lanka Accounting Standards

Necessary disclosure required by the Accounting standard, has now been made in financial statements .

2.2.3 Accounting Deficiencies

- (a) *Necessary corrections have been made.*
- (b) Necessary corrections have been made.

2.2.4 Accounts Receivable

- (a) Action has been taken to rectify the financial records.
- (b) Rent receivable have been totally cleared by now.

2.2.5 Non –compliance with Laws,Regulations and Management Decisions

FR 104 (2) Corrective action has been taken avoid such errors in future.

FR 371 Necessary vigilance is exercised to avoid such delays.

FR 1646 Running charts are regularly sent to AG.

Procurement guidelines 8.12.2 – Steps have been taken to obtain a completion report prior to effecting payment.

Public Finance Circular No.431 of 24th April 2008 Circular is followed as prescribed now.

2.2.6 Transaction not supported by Adequate Authority

Corrective action is taken by the University not to repeat such incidents.

3.1.1 Financial Results

Measures have been taken to minimize such deficits.

3.2.1 Examination Results

Many of the students following part time diploma programmes cannot attend lectures regularly due to their employment commitments and language competencies of students (all programmes are conducted in English medium) are the main reasons for large numbers failing examinations. A less work load per week and strict adherence to a 80% attendance requirement is a possible solution which will be implemented. Steps also will be taken to assist them in their language deficiencies.

3.2.2 Issue of Examination Certificates

Action is taken to avoid such delays.

3.2.3 Un-economic Transactions

Vice Chancellors in the University system is entitled to a furnished house, crockery, cutlery, bed linen, routine consumables, a cook, a gardener and security. In this case Vice Chancellor has only leased a fully furnished at a convenient location at a very reasonable rental. None of the other benefits have been made use of out Vice Chancellor's entitlement.

3.2.4 Library Control

Library regulations are adhered to at present.

3.2.5 Operating Inefficiencies

Assessment is being done by the Valuation Department and these assets will be takeover by the University as soon as the final valuation report is received.