

# **Annual Report 2011**



**Vocational Training Authority of Sri Lanka**

**Ministry of Youth Affairs & Skills  
Development**

**Information on the Vocational Training Authority of  
Sri Lanka**

**Institution** : Vocational Training Authority of Sri Lanka

**Ministry** : Ministry of Youth Affairs & Skills  
Development

**Address** : "Nipunatha Piyasa",  
  
No, 354/2,  
  
Elvitigala Mawatha,  
  
Narahenpita  
  
Colombo - 05.

**E- Mail address** : info@vtasl.gov.lk

**Web Site** : www.vtasl.gov.lk

**Auditors** : Auditor General  
  
Dept. of the Auditor General

**Bankers** : People's Bank  
  
Bank of Ceylon  
  
Commercial Bank

# Presentation

Hon. Dallas Alahapperuma

Minister of youth Affairs & skill Development,

Ministry of youth Affairs & skill Development,

" Nipunatha Piyasa"

No. 354/2,

Elvitigala Mawatha,

Colombo 05.

**Hon. Minister**

## **Annual Report 2011**

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

I submit herewith the Annual Report of the Vocational Training Authority of Sri Lanka in terms of section 25 of the vocational Training Authority of Sri Lanka Act no 12 of 1995 and section 14(2)of the finance Act No .38 of 1971.

Yours faithfully,

Dhammika Hewapathirana

Chairman,

Vocational Training Authority of Sri Lanka,

15.03.2012

## **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 standards.

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## Report of the Board of Directors

The Vocational Training Authority of Sri Lanka established under the Vocational Training Authority of Sri Lanka Act No. 12 of 1995 comprised of a network of 06 National Vocational Training Institutions, 23 District Vocational Training centers and 232 Rural Vocational Training centers is providing skill training to rural young boys and girls.

This institution functioning under the Ministry of youth Affairs and Skill Development had engaged in the following activities in the year 2011 and its progress is described in the following chapters.

- Providing Vocational Training to Young boys and girls by way of preparing vocational training programs and providing required training directly or from other institutions in order to achieve Vocational Skills.
- Conducting of National Vocational Tests, final Examinations and issue of National Vocational certificates.
- Implementation of research and Development Programs relating to vocational training.
- Providing Vocational career guidance and counselling.
- Implementation of training of trainers. Program in order to carry out vocational training programs effectively and efficiently.
- Provision of further training to youngsters who have obtained the vocational training, finding them employment and providing necessary facilities to start self employment.
- Conducting of workshops to improve technical skills by way of building up relationship with government and private sector Institutions.
- Extending Vocational Training to rural areas.

## **Achievements made by the Vocational Training Authority of Sri Lanka in the year 2011**

- Construction of 03 Training Centers in Mulativu, and Kilinochchi Districts through the aids received from the Canadian world University service (wusc).
- Commencement of 10 courses in the building in the North under the Canadian world University Service(wusc).
- Refurbishing of Buildings in Vocational Training Centers in Nuwara Eliya and Wandaramulle under aids from the government of the India (HMTI),supply of training equipment and giving training for 22 members of the staff by attaching them to Indian Training Institutions.
- Finding employment under training to 8102 students who completed training in the year 2010
- During the year 2011, 6,618 trainers were found employment, 98 persons were sent for the overseas employment, 593 for self employment and 5927 for local employment.
- With a view to build up relationship between the public sector and the private sector conducting 35 short term workshops to develop technical skills for 3029 persons in various fields in collaboration with the leading firms such as Alumex Private company , A. B. Mayurico; Lanka Tiles co , David Peiris co,Natures Beauty creation Co: and Oriflame Private company.
- Providing career guidance and counseling to school children, school leavers, parents and 108,607 trainers in the Vocational training field by conducting 1022 workshops through and the Island .
- Holding 39 Entreprunership Development training programmes and 31 programmes to make awareness in business matters with the participation of 1542 youths.
- Provision of necessary facilities to obtain approximately a sum of Rs .28 Million through people's Bank, Wayamba Development Bank and Ruhunu Development Bank to 160 Trainees in the self employment field.
- Refurbishing of buildings in the Mullativu District under UNICEF and starting 09 courses.

- Improvements to Hotel and Tourism field and there by contributing to the national Policy of providing job opportunites and creating skilled artists in that field.
- Expansion of information technology, beaucticulture and Hotel & Tourism so that trainees can get higher salary according to Mahinda Chinthana Foresight.
- Could be the pioneer in awarding National Vocational Qualification (NVQ) certificate from among the Vocational Training Institutes.
- Provision of Job opportunities to trainees in various fields by holding a special session about information technology in collaboration with the Association of Sri Lanka National Construction and Sri Lanka Hotel & Tourism Organization being the organizations in national level.

### **Proposed Progrmmes and Expected targets for the year 2012.**

- Training of 29,315 trainees to suit local and foreign labor market giving priority to Hotel & Tourism, Computer and Information Technology Community Development, repairs and maintenance of motor vehicles.
- Classification and Development of all existing centers with the aim of giving Vocational Training by improving the training surrounding.
- Establishment of 48 training Hubs in the field of constructions, Motor mechanism, hardware connected work, electricity, clothes and information technology in selected Vocational Training Centres.
- Making available training opportunity for youths with varying talents ,who are deprived of equal opportunities in society to find jobs and engage in self employment.
- Empowerment of skilled forces using modern management techniques, establishment of skilled youth societies, conducting of programs to divert apprentices to trained environment and establishment of social career guidance circles with a view to direct youths to professional training and find them employment.
- Conducting of selected training courses covering all prisons in the Island.
- Taking action to obtain national Vocational qualifications for all the courses In operation.



- Establishment of quality Management systems in all the training centers.
- Under the re structuring of training courses establishment of special Training centres in the field of Hotels & Tourism ,repair and maintenance of motor vehicles, clothing and garment, personality and community development.
- Establishment of new training centers in the Divisional secretariat Divisions  
Where there are no training centers at present under the concept of establishment of at least are training center for every Divisional secretary's  
  
Division in the country.
- Re-establishment of Centres in locations where facilities are available on the basis of one centre for each Divisional secretary's Division replacing the isolated centers where there are no facilities and less population.
- Implementation of Information technology Development programs with the Ministry of Education in Collaboration with VIRTUSA Institute in order to develop the Information Technology Education of school children.
- Updating and training of all academic and Non - academic staff taking in to consideration of the need of the service.



Dhammika Hewapathirana,  
Chairman,  
Vocational Training Authority of Sri Lanka.  
15.03.2012

## 02. Introduction

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

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

The Board of control of the Vocational Training Authority of Sri Lanka comprises of a chairman, vice chairman and 12 members appointed according to section 5 of the Vocational Training Authority of Sri Lanka Act No. 12 of 1995

01	Mr. Dhammika Hewapathirana, Attorney - at - low Vocational Training Authority of Sri Lanka	Chairman
02	Mr. Lesley Weeramantri Attorney - at - low Vocational Training Authority of Sri Lanka	Vice Chairman
03	Mr. P.Ranepura Additional Secretary, Ministry of Higher Education	Member
04	Mr. Herath Yapa Additional Commissioner General of Labour, Department	Member
05	Mrs. H.N.N. Gunasekara Director (Planning) Ministry of Industries and commerce	Member
06	Mr. K.M.M. Siriwardana Directed General Department of State Financial Policies	Member
07	Dr. Tissa Jinasena Chairman, National Apprenticeship and Technical Training Authority	Member

08	<p>Mr. A.R. Deshapriya</p> <p>Additional Secretary (Vocational Training)</p> <p>Ministry of Youth Affairs &amp; Skills Development</p> <p>(from 07-07-2011)</p>	Member
09	<p>Mr. Nimal Weerathunga</p> <p>Co - ordinator (Media &amp; Public Relations)</p> <p>Agri &amp; Agrorion Services Insurance Board</p>	Member
10	<p>Mr. K.C.A. Arunadewa Silva</p> <p>Co -coordinating secretary</p> <p>Ministry of Youth Affairs &amp; Skills Development</p> <p>from 20-06-2011</p>	Member
11	<p>Mr. Udaya Hittatiyage</p> <p>Managing Director, D.E. Technologies</p>	Member
12	<p>Mr. Keerthi Kaluarachchi - Attorney - at -Law</p>	Member
13	<p>Major Mangala Perera</p> <p>Co - ordinating Secretary</p> <p>Ministry of Youth Affairs &amp; Skill Development</p> <p>(From 15-07-2011 to 08-04-2011)</p>	Member
14	<p>Mr.U.G.K.Samarasekara</p> <p>Additional Secretary, Ministry of Youth Affairs &amp; Skill Development</p> <p>(From 15-07-2011 to 08-04-2011)</p>	Member

No. of Meetings of the Board of Directors conducted in the year 2011 - 12

No. of Audit and Management Committee Meetings held this year - 04

Chairman is working as the chief executive officer of the Vocational training Authority

of Sri Lanka and there is a staff of 1754 officers comprising of a vice chairman, 5 Directors to assist him

**SENIOR MANAGEMENT STAFF**

**Chairman** : Mr. Dhammika Hewapathirana,  
Attorney - at - low

**Vice Chairman** : Mr. Lesley Weeramanthri.  
Attorney - at - low

**Directors** : 1.Mr. C. Vidana Pathirana.  
2. Mr. G.M.P.A.Gallaba. (From 01-12-2011)  
3. Mr. K.J.Korelage.  
4. Mr. S.A.D.J.Chandrakumara.  
(Service Suspended)  
5.Mr.K.Sarath Ananda. (Acting)  
6. Mr. N.J.K.de Silva. (Acts) (From 20-06-2011)

**Deputy Directors** : 1.Mr. Mahinda Jayathilake.  
2.Mr. H.M.A.Herath. (Retired)  
3.Mr. W.D.Fernando.  
4.Mr.W.A.Ranaweera.  
5.Mr.Sampath Abegunasekara (From20-06-2011)

**Chief Internal Auditor** : Mr.H.U.Kariyavasam.

**Project Co-ordinator** : Mr.C.R.Samaraweera. (From 15-07-2011)

**Deputy Directors** :

1. Mr.N.D.P.Dhammika.
2. Mr.W.W.Soysa.
3. Mr.N.D.S.Navarathne.
4. Mr.D.R.S.L.Dasanayake.
5. Mr. U.K.Nanda.
6. Mr.H.W.R.P.Wijesekara
7. Mr. P.M.Perera.
8. Mr. T.D.S.Sangadasa.
9. Mr. A.K.Arachchige.
10. Mr. W.G.Wijerathne.
11. Mr. T.Vinodaraja.
12. Mr. A.A.Jabeer.
13. Mr. M.A.Kyum. (From 29-03-2011)
14. Mr. G.V.P.N.Perera.
15. Mr. E.A.D.S.Senarathne
16. Mr. H.W.Rohan Priyantha.(Actg)  
(From 01-01-2011)
17. Mr. W.W.llesinghe. (Actg)  
(From 01-01-2011)
- 18.Mr. A.M.A.Jayathissa. (Actg)

(From 01-01-2011)

19. Mr, G.D.Jayasinghe. (Actg)

(From 01-01-2011)

20. Mr. R.N.K.M.J.Senevirathne.

(From 01-01-2011)

21. Mr. G.G.Nimalsiri. (Actg)

(From 05-01-2011)

22.Mr. K.Milton. (Actg)

(From 01-01-2011)

23.Mr. M.P.T.Rathnayake. (Contract)

(From 01-01-2011)

24. Mrs. G.R.M.C.Kulathunge. (Actg)

(From 01-01-2011)

25. Mr. K.A.Lalithadeera. (Actg)

(From 01-01-2011)

26. Mr. H.P.Manamperi. (Actg)

(From 01-01-2011)

**Secretary to the Board of Directors / Legal Officer**

: Mrs. A.A.H.I. Amaratunga

The approved Cadre for Vocational Training Authority of Sri Lanka for the year 2011, is 1931. According to provisions in the Department of the Management Services number of employees recruited as at 31-12-2010 is 1754.

## DETAILS OF THE STAFF-2011

	Post	Approved Cadre	Staff at the end of year	No. of Vacancies at the end of the year
1	Director General	1	1	0
2	Director	5	4	1
3	Deputy Director	5	4	1
4	Chief Internal Auditor	1	1	0
5	Assistant Director	25	17	8
6	Senior Training Manager	10	6	4
7	Secretary of the Board of Directors / Legal Officer	1	1	0
8	Accountant	2	-	25
9	Training Manager	38	28	10
10	Administrative Officer	1	1	0
11	Secretary	5	8	-3
12	Manger (Transport)	1	0	1
13	Manager (Supplies)	1	1	0
14	Manager (Printing)	1	1	0
15	Audit Officer	1	1	0
16	Systems Analyst	1	0	1

17	Training Officer	33	28	5
18	Research Officer	2	2	0
19	Planning Officer	2	2	0
20	Research and Evaluation Officer	3	0	3
21	Investigating Officer	1	0	1
22	Accounts Assistant	22	26	4
23	Audit Assistant	4	4	0
24	Program officer	42	29	13
25	Career guidance Officer	4	1	3
26	Job placement Officer	24	18	6
27	Senior Instructor	26	24	2
28	Project Assistant	115	51	64
29	Chief Stores Officer	1	1	0
30	Chief Clerk	2	2	0
31	Supervisor (Printing)	1	1	0
32	Buildings Supervisor	1	0	1
33	Hostel Keeper	2	1	1
34	Instructor	1179	1147	32
35	Steno / Typist	5	5	0
36	Stores Officer	24	22	2
37	Clerk / Typist	5	5	0



38	Accounts Clerk	23	19	4
39	Audit Clerk	3	1	2
40	Shroff	1	1	0
41	Computer Operator	5	5	0
42	Compositor (Printing)	1	1	0
43	Reception Officer / Telephone Operator	2	2	0
44	Machine Operator (Printing)	1	1	0
45	Book Binder (Printing)	1	1	0
46	Printing Assistant	3	2	1
47	Driver	32	32	0
48	K.K.S	3	4	-1
49	Watcher	72	55	17
50	Store Keeper	3	2	1
51	Labourer	89	90	-1
52	Sanitary Labourer	3	2	1
53	Media Co-ordinator	-	1	-
	<b>Total</b>	<b>1931</b>	<b>1754</b>	<b>177</b>

Out of the staff of 1754, there are officers working on acting and contract using as follows.

<b>Posts</b>	<b>No. of Posts</b>	<b>Nature of the Posts</b>
Director	02	Acting
Deputy Director	01	Acting
Assistant Director	12	Acting
	01	Contract
Media Co-ordinator	01	Contract
Training Manager	09	Contract
Secretary	01	Contract
Accountant	01	Acting
Assistant Account	01	Contract
Training Officer	01	Contract
Programme Officer	01	Contract
Career guidance Officer	01	Contract
Instructor	550	Contract
Clerk /Typist	02	Contract
Watcher	04	Contract
Laborer	26	Contract

**04. Training of the Staff**

Special attention was drawn to the training of staff for the year 2011 and by way of the programmes organized to develop the knowledge, concepts and talents of the staff 49 officers for overseas training and 1139 officers for local training were participated.

Officers in each group mostly participated for more than two local training programs. Out of these officers 924 were of the Academic staff while 215 were officers of the non-academic staff.

**Details of each Training Progress is as follows:-**

**OVERSEAS TRAINING (Academic staff ) 2011**

<b>No</b>	<b>Scholarship</b>	<b>Country</b>	<b>No. Participated</b>
01	Entrepreneurship Development	India	01
02	CISCO Workshop.	Australia	02
03	Technical and Vocational Education Workshop	Singapore	01
04	Special Training on each field under HMTI Project	India	24
05	Vocational Training facilities of the state of Uganda.	Uganda	02

06	Staff Development programmes in Vocational Training field	Singapore	16
07	Economic benefits from skill development	Quarter	01
08	International Computer Network monitoring Seminar	State of Brunei	02
	Total		49

**LOCAL TRAINING (ACADEMIC STAFF) - 2011**

	Field of Training	No Participated
01	Education Psychology	70
02	Training of Instructors on Training Methodology	61
03	Training of Trainers	27
04	Course on Administrative Management and Purchasing Management	03
05	Training of new Instructors	52
06	Course on Electrical Technology	10
07	Workshop for testing productivity	19
08	Quality Circle Program	140
09	Training Program on Construction	42
10	Workshop on Quality Control	101
11	Training Program on Information Technology	26

12	Training Program for Assistant Instructors	32
13	Training Program to Promote Instructors to grade 1	334
14	Training Program on subject field (Instruction)	07
	<b>Total</b>	<b>924</b>

**LOCAL TRAINING (NON - ACADEMIC STAFF) -2011**

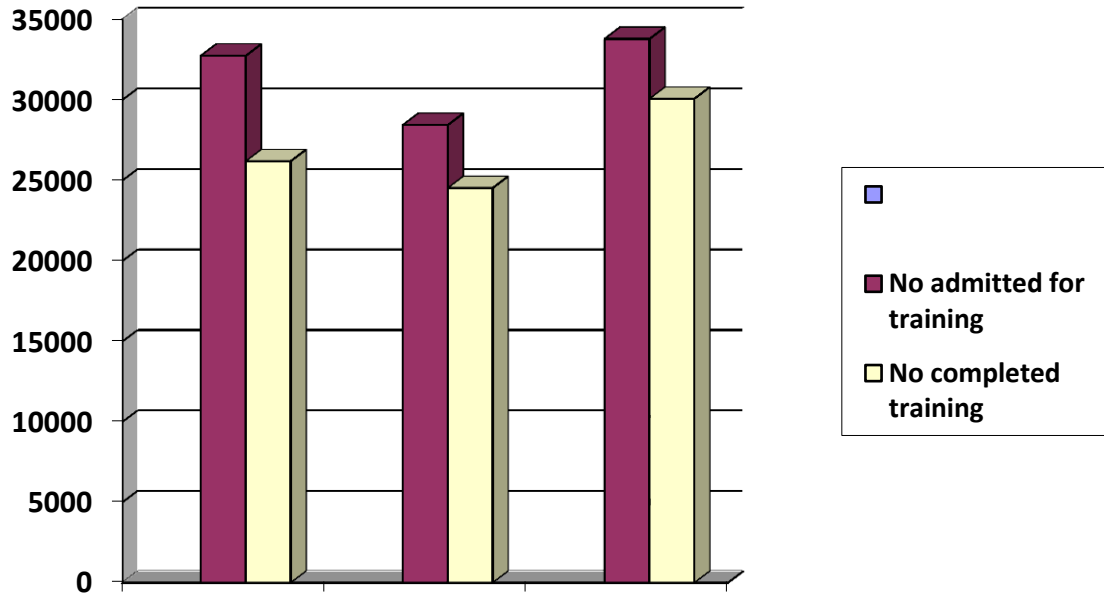
<b>No.</b>	<b>Training Program</b>	<b>No. Participated</b>
01	Development of Human Resources through proper Administration	01
02	Development of Human Resources	05
03	Training Workshop to minor staff	32
04	Workshop to Permanent staff	115
05	Development of Concepts	61
06	Transport Management	01
	<b>Total</b>	<b>215</b>

05. **VOCATIONAL TRAINING TO YOUTH THROUGH VOCATIONAL TRAINING PROGRAMS.**

18 Training courses were implemented under 15 Vocational training fields in 261 Training Centers established throughout the Island. Accordingly 33,792 apprentices were recruited for training in the year 2011, out of which 30,077 completed training. This number comprises the apprentices who were recruited for entrepreneurship Development programs and skills development programs.

**Admission / Leaving to Vocational Training**

Year	2009	2010	2011
No admitted for training	32,740	28,445	33,792
No completed training	26,200	24,537	30,077



**Courses Conducted by the Vocational Training Authority, Sri Lanka**

	<b>Field</b>	<b>Course and period</b>	<b>No. of apprentices</b>
01	Building and Construction	1. Aluminium Processor (08 months)	725
		2. Auto CAD (06 months)	62
		3. Constructionist (06 months)	629
		4. Construction Technician (12 months)	131
		5. Architect (12 months)	174
		6. Gardener (06 months)	183
		7. Carpenter (06 months)	05
		8. Plumber (06 months)	390
		9. Quantity Surveyor (12 months)	127
		10. Wood work Technician (building) (12 months)	72
02	Electrical, electronic and Communication	1. Electrical Motor winder (06 months)	430
		2. Electrician (06 months)	1884
		3. Electrician (12 months)	461
		4. Electrical motor winder (06 months)	12
		5. Repairer of household appliances (12 months)	178
		6. Equipment Technician (12 months)	38
		7. Repairer of mobile telephones (06 months)	68
		8. Repairer of office equipment	24
		9. Repair of radio, TV and affiliated equipment (12 months)	346



03	Agriculture and Livestock	1. Flowers and ornamental plants (06 months)	36
		2. Fruit and vegetable production (06 months)	95
		3. plant control and plant budder (06 months)	38
04	Repair and maintenance of moto vehicle	1. Agri equipment Technician (12 months)	71
		2. Agri equipment Technician (06 months)	48
		3. Motor vehicle Air-condition Technician (06 months)	39
		4. Motor vehicle Electrician (12 months)	125
		5. Motor mechanic (12 months)	631
		6. Motor vehicle painter (06 months)	103
		7. Motor vehicle fitter (06 months)	106
		8. Driver - Light vehicles (03 months)	550
		9. Driver - Heavy vehicles (03 months)	49
		10. Motor Boat Technician (Outer Engine) (12 months)	37
		11. Motor Boat Technician (Outer Engine) (06 months)	34
		12. Motor cycle Technician (03 months)	59
		13. Motor cycle Technician (06 months)	742
		14. Three wheeler Technician (06 months)	512
		3106	

5.	Information communication and multi media	1. Computer certification course (06 months)	1009
		2. CISCO (12 months)	141
		3. National Information Technology certification Course (06 months)	898
		4. National Information and communication Diploma certification course (12 months)	427
		5. Computer artist (06 months)	239
		6. Computer hardware Technician (06 months)	567
		7. Computer hardware Technician A+ (06 months)	148
		8. IC3 (06 months)	399
		9. Information Technologist (disabled)	5
		10. Information Technologist (06 months)	2595
		11. Internet and website processor (03 monts)	39
		6467	
6.	Printing & Packing	1. Offset Litho machine operator (12 months)	37
			37
7.	Hotel and Tourism Industries	1. Bakers (06 months)	288
		2. Cooks (06 months)	1048
		3. Reception Officer (06 months)	23
		4. Room boy (06 months)	1374
		5. Canteen employee (06 months)	900
		3633	

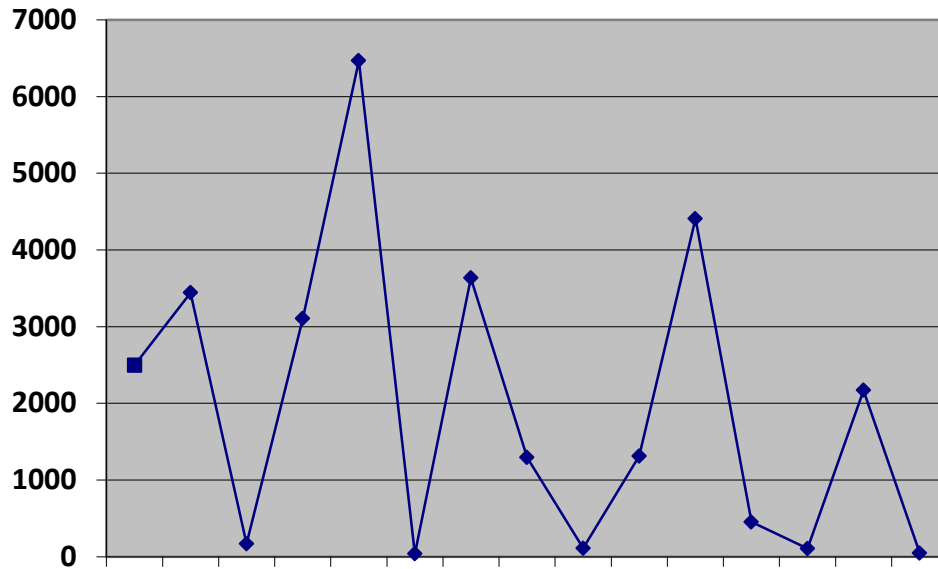
8.	Metal and minor Engineering	1. Brass Lathe/Sculptor (06 months)	18
		2. Metal processor (12 months)	36
		3. Fitter (General) (12 months)	32
		4. Machinist (General) (12 months)	241
		5. Welder (12 months)	190
		6. Welder (06 months)	177
			1294
9.	Gem and Jewellery	1. Gem cutter (06 months)	24
		2. Jewellery Technician (12 months)	41
		3. Jewellery stone Fitter (06 months)	46
			111
10.	Wooden products	1. Wooden carving Artist (06 months)	100
		2. Wood work Technician (Furniture) (12 months)	201
		3. Wood work Technician (Furniture) (06months)	992 19
		4. Production of wooden items (12 months)	
			1312

11.	Clothes and Garment	1. Fabric Cutter (03 months)	22
		2. Supervisor of Garment productions (06 months)	54
		3. Quality controller of Garment (06 months)	206
		4. High speed sewing machine Technicians (06 months)	285
		5. High speed sewing machine Technicians (03months)	1102
		6. Pattern makers (06 months)	199
		7. Curtain printers (06 months)	182
		8. Tailoring (men's) (06 months)	397
		9. Tailoring (Ladies) (06 months)	1933
		10. Work study Assistant (06 month)	27
		4407	
		453	
12	Refrigerator and Air conditioner	Refrigerator and air conditioning Technician (12 month)	
13	Others	Technical managment diploma (6 month)	46
14	Rubber, Plastic and Leather mixed products	Lethor Production (06 month)	107
15	Personal and social Development	1.Beauticulture (3 month)	1076
		2. Beauticulture - Disabled (03 month)	6
		3. Baber (gents) (6 month)	24
		4 Hair dresser (gents) ( 3 month)	908
		5 Per - School Teaching training (6 month)	15
		6 secratarialship (9 month)	141
Total			29251

**Demand in the Vocational Training Field - 2011**

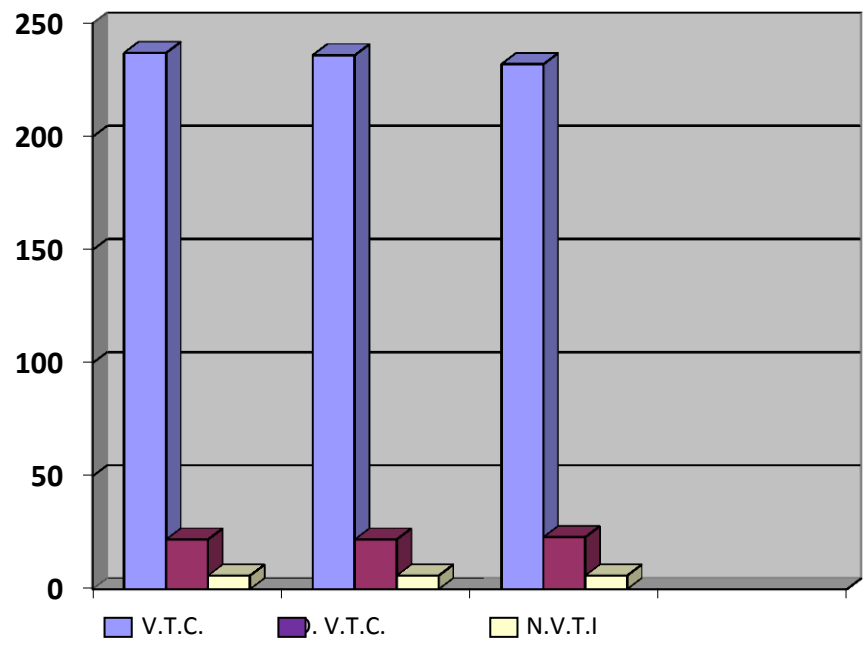
Field	No. of apprentices admitted
1. Building and Construction	2498
2. Electrical Electronic and Communication	3441
3. Agriculture and Livestock	169
4. Motor vehicle repair and Maintenance	3106
5. Information communication and multi media	6467
6. Printing and packing	37
7. Hotel and Tourist industry	3633
8. Iron and minor Engineering	1294
9. Gem and Jewelry	111
10. Timber products	1312
11. Clothes and Garments	4407
12. Refrigeration and air-conditioning	453
13. Others	107
14. Rubber plastic and leather productions	2170
15. Personal and social Development	46

### Demand for the Fields - 2011

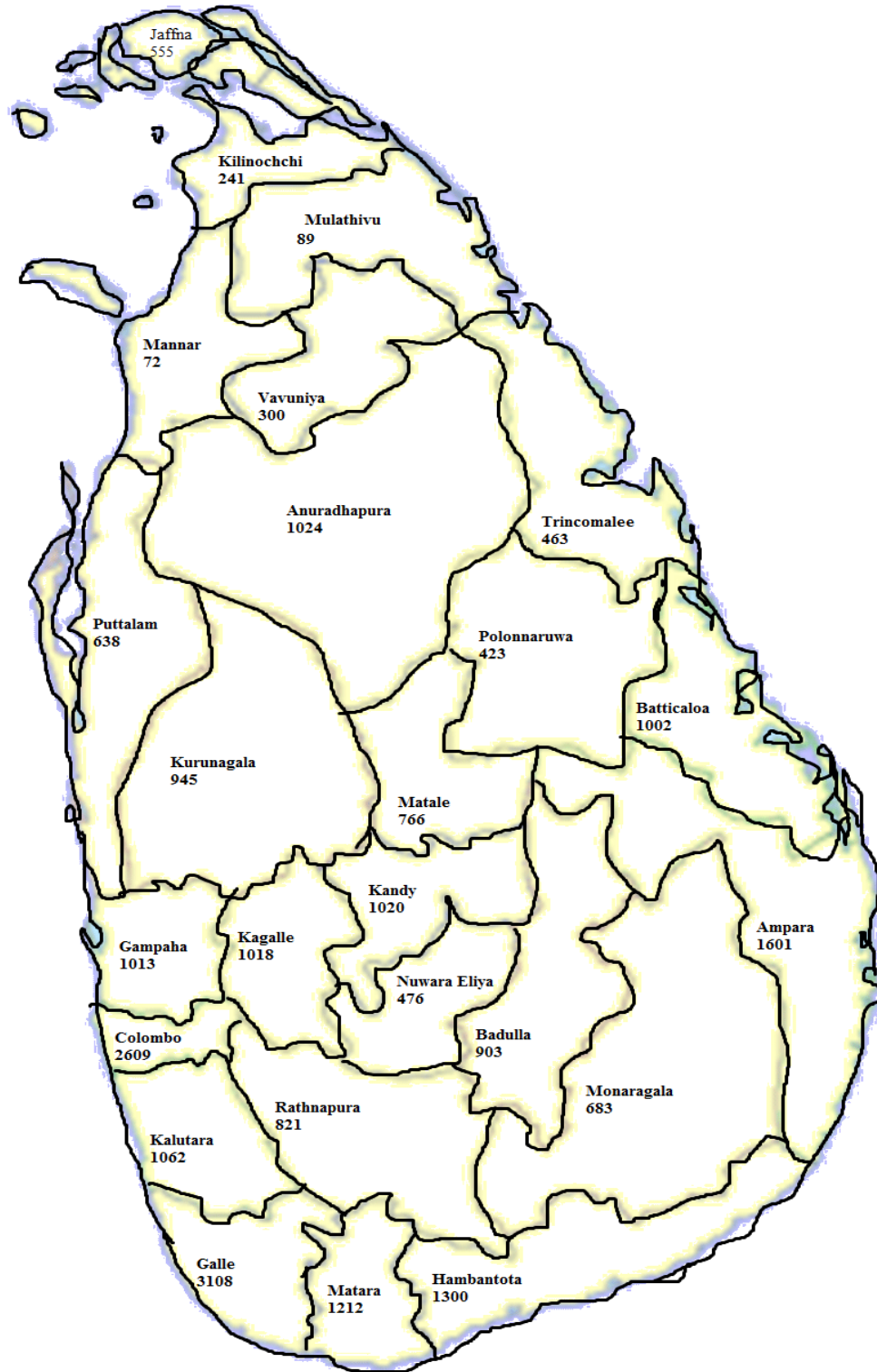


### Details about Centers

Year	2009	2010	2011
Vocational Training centres	237	236	232
District Vocational Training centres	22	22	23
National Vocational Training Institute	06	06	06
<b>Total</b>	<b>265</b>	<b>264</b>	<b>261</b>



**Expansion of Training Centers and No. of Apprentices - 2011**





## **06. Vocational Guidance and conducting of counseling programs**

Vocational Training Authority of Sri Lanka guides youth to select the field of trade suitable to them according to their choice and qualifications through career guidance and counselling units established throughout the Island.

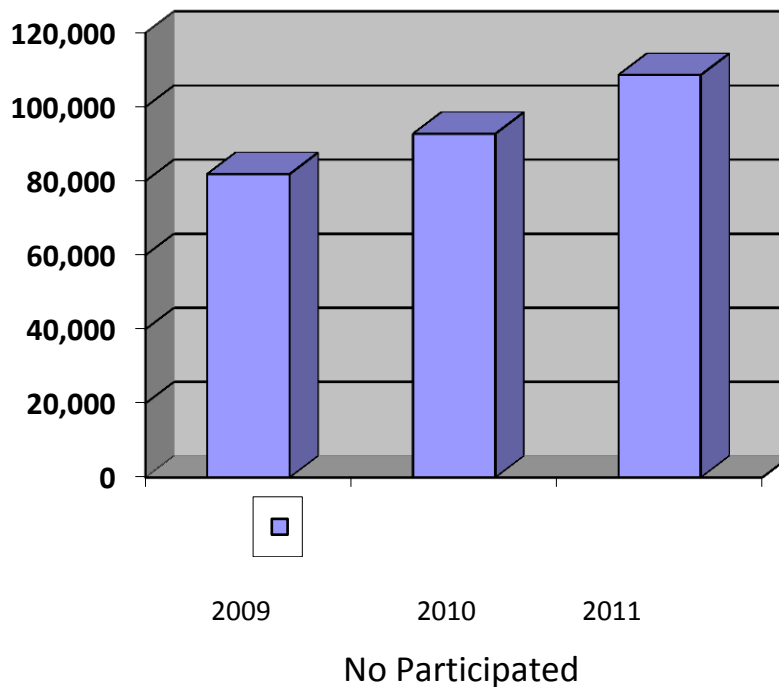
According to programs these programs in the year 2011, 108607 persons could be made aware through 2163 programs organized for students, school leavers, apprentices following Vocational Training, parents and field officers.

### **IMPLEMENTATION OF VOCATIONAL GUIDANCE PROGRAMS - 2011**

<b>Targeted group</b>	<b>No. of programs Conducted</b>	<b>No. participated</b>
Student	401	27068
School leavers	621	35977
Trainers	250	9507
Parents	319	15,997
Others	572	20058
<b>Total</b>	<b>2163</b>	<b>108,607</b>

### CONDUCTING OF VOCATIONAL GUIDANCE PROGRAMS

Year	2009	2010	2011
No. Participated	81,852	92,736	108607



#### **07. Finding Employment**

Under the finding employment program implemented on district level, 6618 Trainees were found employment. out of them 5927 were sent for local jobs 98 for foreign employment and 593 for self employment. In the process of implementing this program 62 local and foreign employment agencies were registered. By way of finding employment in such manner affecting Vocational Training Authority of Sri Lanka was able to contributed to the National Economy in a of Rs. 863 Million.

**Details of Finding Employment**

	<b>District / National Vocational Training Institute</b>	<b>Local</b>	<b>Foreign</b>	<b>Self</b>	<b>Total</b>
1	Head Office	144	9	-	153
2	N.V.T.I. - Narahenpita	182	2	13	197
3	N.V.T. I. - Orugodawatta	201	4	5	210
4	N.V.T. I. - Ratmalana	90	-	2	92
5	N.V.T. I. - Niyagama	158	7	15	180
6	N.V.T. I. - Baddegama	46	-	4	50
7	Colombo	347	3	20	370
8	Gampaha	304	4	46	354
9	Kalutara	371	3	34	408
10	Galle	349	1	23	373
11	Matara	123	2	1	126
12	Hambanthota	351	3	38	392
13	Badulla	246	1	4	251
14	Moneragala	115	1	15	131
15	Ratnapura	185	-	18	203
16	Kegalla	476	5	30	511
17	Kandy	500	18	57	575
18	Matale	284	12	56	352
19	Nuwara Eliya	254	-	14	268

20	Polonnaruwa	179	-	6	185
21	Anuradhapura	236	1	42	279
22	Kurunegala	222	-	70	292
23	Puttalama	153	7	9	169
24	Ampara	209	6	54	269
25	Trincomalee	102	9	14	125
26	Mirijjawila	65	-	3	68
27	Vavuniyawa	35	-	-	35
	<b>Total</b>	<b>5927</b>	<b>98</b>	<b>593</b>	<b>6618</b>

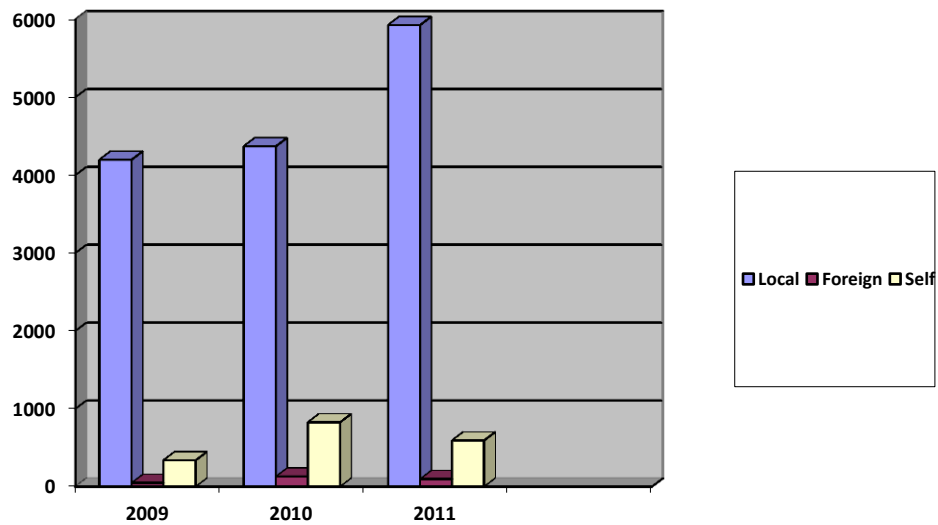
**CONTRIBUTION TO NATIONAL ECONOMY THROUGH FINDING EMPLOYMENT**

<b>Type</b>	<b>Finding jobs</b>	<b>Contribution to National Economy (Rs. Million)</b>
Local	5927	721,512
Foreign	98	41.556
Self	593	100.308
<b>Total</b>	<b>6,618</b>	<b>863.376</b>

- ❖ The number of persons found employment has been prepared after an approximate estimation of the income received per year.

**NO - PERSONS FOUND EMPLOYMENT**

year	Local	Foreign	Self	Total
2009	4197	47	338	4582
2010	4370	130	826	5326
2008	5927	98	593	6618



❖ Only the details with regard to the persons found employment by the Vocational Training Authority of Sri Lanka

**08 CONDUCTING OF WORKSHOPS TO IMPROVE SKILLS BY WAY OF BUILDING UP RELATIONSHIP WITH GOVERNMENT AND PRIVATE SECTOR INSTITUTIONS**

These programmes are implemented for those who are engaged in the Vocational Training field with a view to improve their knowledge and skills and to achieve modern technology and knowledge of the changing world. Accordingly 35 such programs could be conducted with the help of 06 Government and private Sector Institutions covering 06 fields and there by 3029 persons could improve their skills.

**PROGRESS OF SKILL DEVELOPMENT PROGRAMS**

<b>Program</b>	<b>No. of Programs</b>	<b>No. participated</b>	<b>Sponsorship Institution</b>
Laying of tiles	13	496	Lanka Tiles Co.
Beautyculture	13	2030	Natures Beauty Creations (Pvt) Co. Oriflame (Pvt) Co.
Repair of three wheeler and motor cycles	01	58	David Peiris (Pvt) Ltd.
Bakery	05	270	A.B. Mayri Co.
Construction	02	79	Holcim Lanka Co.
Electrician	01	46	ACL Cadre (pvt) Co.
<b>Total</b>	<b>35</b>	<b>3029</b>	

**09. SIGNING OF MEMOREANDUMS OF UNDERSTANDING**

On order to achieve the targets of the Vocational Training Authority of Sri Lanka 23 Memorandums of understanding were singed with Government and private Educational Institutions in the year 2011 with a view to improve Vocational Training Opportunities and also to improve the quality.

**FOLLOWING ARE SUCH MEMORUNDUMS OF UNDERSTANDING**

	Memorandum of Understanding	Institution
01.	Maintaining of Divulapitiya vocational Training Centers in Gampaha district.	Y.M.B.A Colombo
02.	Supply of equipment and office equipment to Hiripitiya and Dagama Vocational Training Centers in the kurunegala District.	Plan (Sri Lanka) Organization
03.	Converting the building belonging to YES Foundation in Senapura and Tissamaharamaya to Vocational Training Cenrers.	YES Foundation
04.	Web site Development project for Vocational Training Authority Sri Lanka.	Information and Communication Technology Institute (ICTA)
05.	Training of Youth in Batticola Districts in the field of carpentry, Woodwork, Plumbing, Electricity and Aluminium processing.	Chamber of Construction Industry

06.	Development to Wandaramulla and Ondatchimadam Vocational Training Centers in Batticaloa District by supplying modern machinery.	Indian government
07.	Training of 24 selected School Teachers in creation of web sites and hardware	Ministry and Education
08.	Training in high speed sewing machines	Bandix Casual wear (Gampaha) Co.
09.	Providing facilities to conduct Information Technology Courses to Develop the Skills of Sri Lanka youth.	Software and Services company (Sri Lanka organization)
10.	Providing buildings to open a Vocational Training Centers in Dickoya, Nuwara Eliya.	Watawala plantation Co.
11.	Conducting of Skill Development Training Courses for 120 Youths in Gampaha, Negambo and Puttalam Districts.	United Nations Food and Agri Industries Organizations.
12.	Providing a building of the District Co-operative Board to conduct a Hotel school in Thangalle, Hambantota.	Hambantota District cooperative Board Ltd.
13.	Provision of buildings to open a Vocational Training Centres in Kandy.	Kandy Y.M.B.A
14.	Promotion of Courses in relation to Hotel and Tourist Industry.	Tourism and Hotel (Sri Lanka organization)
15.	Finding employment to Apprentices who were trained in information Technology courses creation.	Virtusa Private Co.



16.	Opening and Conducting a Vocational Training Center in the buildings National Youth Brigade.	National Youth Brigade
17.	Conducting a beautyculture and hair dressing course in National Vocational Institute in Narahenpita with Veteran beautyculture artist Ranmali Gunawardena.	Ranmali Associated private company.
18.	Conducting of Commissioned training programmes by Microsoft (Sri Lanka)Co.	Microsoft (Lanka) Co.
19.	Releasing a building belonging to Dickwella pradeshiya sabha to conduct a Vocational Training Institute	Dickwella pradeshiya sabhawa
20.	Promotion of issuing IC3 Certificate to trainees of the Vocational Training Institute throughout the island.	Techone Global private company
21.	Promotion of construction courses and promotion of related Job opportunities.	National construction Society (Sri Lanka)
22.	Training of 500 artists in the Ampara district to suti the requirements of the foreign job market.	Sri Lanka Export Promotion Board
23.	Giving computer hardware A+ Training to officers of the Samurdhi Authority	Sri Lanka Samurdhi Authority

## **10. CONDUCT OF ENTREPRENEURSHIP DEVELOPMENT PROGRAM**

Entrepreneurship Development programs are conducted in order to give a guidance to those who involved in the field of Vocational Training for them to start small and middle level business. In the year 2011 by way of 39 such programs throughout this island, this service could be given to 754 persons. Further while undergoing Training in the Selected courses, by way of 31 programs titled "know about Business" 788 persons could achieve business knowledge and skills.

By way of the knowledge achieved from such programs, business plans could be prepared and 160 Apprentices who received Vocational Training in the year 2011 were able to get approximate 28 Million Rupees as loans from state banks such as People's bank, Ruhunu Development bank and thereby young Entrepreneurs could be strengthened by Vocational Training Authority of Sri Lanka.

### **CHALLENGES**

- ❖ Scarcity of instructors capable of attending to training work making use of modern technology and the difficulty in offering them a high salary.
- ❖ Minimizing the difference between the training fields and job opportunities.
- ❖ Inadequacy of capital and recurrent provisions allocated by the government as a job providing agency.
- ❖ Inability to grant equal facilities to all Vocational Training Institutes through out the country.
- ❖ Lack of monetary facilities to provide infrastructure facilities to Vocational Training centres.
- ❖ Wide publicity programs had to be launched to make aware the society of the importance of Vocational Training.
- ❖ Had to compete with the private sector Employment Agencies.
- ❖ As more facilities were given by non Governmental organization giving Vocational Training it was difficult to give facilities to that level.
- ❖ A great effort had to be made to attract youths for Vocational Training.
- ❖ There was not much tendency by the youths for courses in technical level for which there is high labour demand.

**Vocational Training Authority of Sri Lanka**  
**Audit and Management Committee**  
**Performance - 2011**

(01) **Committee Members**

Mr.U.G.K. Samarasekara	- Chairman of the committee	}	Till February 2011
Mr.Herath Yapa	- Member of the committee		
Mr. Nimal Weerathunga	- Member of the committee		
Mr.K.H.M Siriwardena	- Chairman of the committee	}	After February 2011
Mr.Herath Yapa	- Member of the committee		
Mr. Nimal Weerathunga	- Member of the committee		

(02) No. of Meetings conducted - 04

during the year

Some of the important decisions taken by the Audit and Management Committee during the year 2011 are set out below.

1. As the value of the buildings constructed in the lands be duly vested on the Vocational Training Institute of Sri Lanka has not been included to the Register of fixed assets action to be taken to include such value to the fix Assets Registrar.
2. Referring the audit queries and replies to such queries for review by the Audit and Management committee and expedite action to rectify them.
3. Expedite action to make a hand book with regard to administrative matters and a hand book on financial matters of the Vocational Training Institute of Sri Lanka and refer it for the approval of the General Treasury.
4. Review the progress of the steps taken to avoid the mistakes and shortcomings pointed out by the internal Audit Reports.

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03. Statement of the Financial Position as at 31st December 2011	38
04. Statement of the Financial Performance for the year ended 31st December 2011	39
05. Cash Flow Statement for the year ended 31st December 2011	40
06. Statement of Changes in Net Assets for the year ended 31st December 2011	41
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**FORWARD**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER 2011  
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

<b>1.2 Income</b>	<b>Budgeted (Rs)</b>	<b>Income Earned Net (Rs)</b>
Income	72,000,000.00	97,977,834.91

<b>1.1 Government Grant</b>	<b>Allocation</b>	<b>Amount Released (Rs)</b>
Tresury Grant - Recurrent	810,000,000.00	807,600,000.00
Tresury Grant - Capital	600,000,000.00	457,500,000.00
Ministry Fund	350,000,000.00	72,446,781.85
UNICEF	11,780,240.40	11,780,240.40
TVEC - Fund	9,277,010.00	9,277,010.00
WUSC	2,284,786.00	2,284,786.00
HMTI	1,613,127.72	1,613,127.72
Regional Fisheries	1,057,500.00	1,057,500.00
<b>Total</b>	<b>1,786,012,664.12</b>	<b>1,363,559,445.97</b>

During the year under review a total grant of 1,363,559,445.97 was released to the Authority by the Treasury and the Ministry, the details are given below.

The Financial Statements for the year ended 31<sup>ST</sup> December 2011 are presented herewith for the approval of the Board of Directors.

The following documents are included :

01. Statement of Financial position as at 31<sup>ST</sup> December 2011
02. Statement of Financial performance for the year ended 31<sup>ST</sup> Dec.2011
03. Cash flow statement for the year ended 31<sup>ST</sup> December
04. Statement of changes in Net Assets for the year ended 31<sup>ST</sup> December 2011
05. Notes to the Financial Statement



Dhammika Hewapathirana

Chairman

Hemali Edirisinghe

Assistant Accountant

**STATEMENT OF THE BOARD OF DIRECTORS  
ON FINANCIAL FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2011  
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

The Financial Statements of the Vocational Training Authority of Sri Lanka for the financial year ended 31<sup>ST</sup> December 2011 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 1995 and the finance Act. No. 38 of 1971.

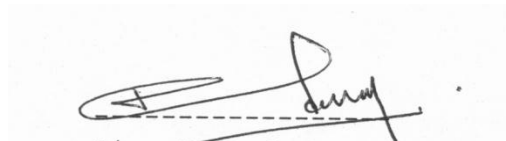
Financial rules and procedures prescribed by the vocational Training Authority of Sri Lanka have been complied with, and the systems of controls have been maintained as far as practicable to ensure & safeguard the assets and effectiveness and efficiency of the transactions. To best of our knowledge, the Financial Statements for the year ended 31<sup>ST</sup> December 2011 have been prepared satisfactorily and exhibits a true and fair view of the Financial position of the Vocational Training Authority of Sri Lanka.



Dhammika Hewapathirana

Chairman

Vocational Training Authority of Sri Lanka



Director of the Board

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA

STATEMENT OF FINANCIAL POSITION AS AT 31<sup>st</sup> DECEMBER 2011

	Note	2011 (Rs.)		2010 (Rs.)	
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Property plant and equipment	2	4,937,789,921.86		4,806,995,684.20	
Capital Work in progress	3	70,945,141.57		25,281,530.72	
<b>Other Financial Assets</b>					
Fixed Deposit		25,000.00	5,008,760,063.43	<u>25,000.00</u>	4,832,302,214.92
<b>Current Assets</b>					
Inventories	4	22,466,182.82		18,255,911.77	
Receivables	5	32,431,994.51		49,625,212.30	
Staff Loans	6	38,871,607.32		37,813,510.62	
Cash and cash equivalent	7	89,181,574.70	<u>182,951,359.35</u>	<u>112,895,321.00</u>	<u>218,589,955.69</u>
<b>TOTAL ASSETS</b>			<b><u>5,191,711,422.78</u></b>		<b><u>5,050,892,170.61</u></b>
<b>EQUITY &amp; LIABILITIES</b>					
Accumulated Surplus (Deficit)		(517,240,667.91)		(493,129,667.33)	
Gov. Grant - Capital	8	36,186,670.71	(481,053,997.20)	<u>56,466,698.12</u>	(436,662,969.21)



<b>Non - Current Liabilities</b>				
<b>Differed Income Grant</b>	9	3,076,670,595.75		2,898,412,747.24
<b>Revaluation Surplus</b>		2,319,991,544.97		2,319,991,544.97
<b>Provision for Gratuity</b>	10	172,574,957.88	5,569,237,098.60	<u>132,691,552.50</u> 5,351,095,844.71
<b>Current Liabilities</b>				
<b>Payables</b>	11	93,492,356.26		107,927,361.37
<b>Accrued expenses</b>	12	10,035,565.12	103,527,921.38	<u>28,531,933.74</u> 136,459,295.11
<b>TOTAL EQUITY &amp; LIABILITIES</b>			<b><u>5,191,711,022.78</u></b>	<b><u>5,050,892,170.61</u></b>



Dhammika Hewapathirana  
Chairman



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

**VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED**  
**31ST DECEMBER 2011**  
**(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)**

Description	2011 (Rs.)	2010 (Rs.)
<b><u>Operating Revenue</u></b>		
Recurrent Grant	807,600,000.00	669,400,000.00
Differed Income Grant	335,897,669.71	361,971,822.28
<b><u>Other Income</u></b>		
Other Income	13 81,157,916.70	69,842,362.96
Production Unit Income (Net)	14 16,819,918.21	11,674,017.29
Fund Received For Special projects	15 74,810,730.81	87,331,718.48
	<u>1,316,286,235.43</u>	<u>1,200,219,921.01</u>
<b><u>Operating Expenses</u></b>		
Staff Cost	16 563,088,826.34	504,643,596.69
Travelling	17 12,528,714.28	4,837,752.84
Supplies and consumable used	18 24,880,653.31	15,710,588.57
Maintenance	19 35,122,467.68	18,879,833.72
Contractual services	20 88,965,576.24	67,491,059.93
Staff Training	7,481,327.92	5,620,285.80
Promotional & Carrier Guidance	38,151,727.94	14,717,692.69
Job placement, Research & Entrepreneurship	21 3,276,942.25	3,725,093.44
Depreciation	335,897,669.71	361,971,822.28

<b>Other operating expenses</b>	22	150,008,639.90	113,088,048.87
<b>Expenditure on Special projects</b>	23	74,810,730.81	87,331,718.48
<b>Finance Cost</b>	24	406,625.17	468,291.73
<b>Total operating expenses</b>		<b><u>1,334,619,901.55</u></b>	<b><u>1,198,485,785.04</u></b>
<b>Net Surplus /(Deficit) for the period</b>		(18,333,666.12)	1,734,135.97
<b>Statements of Accumulated Surplus/Deficit</b>			
<b>Balance as at 1st January</b>		(493,129,667.33)	(496,962,809.16)
<b>Prior Year Adjustment</b>	25	(5,777,334.46)	2,099,005.86
<b>As Restated</b>		(498,907,001.79)	(494,863,803.30)
<b>Net surplus/(deficit) for the period</b>		(18,333,666.12)	1,734,135.97
<b>Balance as at 31st December</b>		<b>(517,240,667.91)</b>	<b>(493,129,667.33)</b>

**VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2011**

	<b>2011 (Rs.)</b>	<b>2010 (Rs.)</b>
<b><u>Operating Activities</u></b>		
surplus (deficit) for the period	(18,333,666.12)	1,734,135.97
Prior year adjustment		
Adjustment for:		
Depreciation	335,897,669.71	361,647,822.28
Amortization of deferred income grant	(335,897,669.71)	(361,647,822.28)
Gratuity provision	28,488,585.04	19,197,253.12
Gratuity paid	(6,823,470.21)	(7,267,008.82)
Prior year adjustment	(5,777,334.46)	2,099,005.86

(Increase) / Decrease in receivables	17,193,217.79		(29,163,939.40)	
(Increase) / Decrease in Staff Loans	(1,058,096.70)		(3,597,080.53)	
Increase/(Decrease) in payable	(14,435,005.11)		42,862,679.81	
Increase/(Decrease) in accrued expenditure	(277,678.07)		958,295.38	
(Increase)/Decrease in inventories	(4,210,271.05)	<u>13,099,947.23</u>	<u>3,736,201.98</u>	<u>28,825,407.40</u>
<b>Net cash flow from operating activities</b>		<b>(5,233,718.89)</b>		<b>30,559,543.37</b>
<b><u>Investing Activities</u></b>				
Purchases of property plant & Equipment	(466,691,907.37)		(1,062,095,691.99)	
Work in Progress	<u>(45,663,610.85)</u>		<u>(9,414,342.53)</u>	
<b>Net cash flows from investing activities</b>		<b>(512,355,518.22)</b>		<b>(1,071,510,034.52)</b>
<b><u>Financing Activities</u></b>				
Government Grant Capital	457,500,000.00		230,000,000.00	
Other Income Grant	<u>36,375,490.81</u>		<u>873,250,018.29</u>	
<b>Net cash flow from Financing Activities</b>		<b>493,875,490.81</b>		<b>1,103,250,018.29</b>
<b>Net increase/decrease in cash &amp; cash Equivalents</b>		<b>(23,713,746.30)</b>		<b>62,299,527.14</b>
<b>Cash &amp; cash equivalents at beginning of period</b>		<b>112,895,321.00</b>		<b>50,595,793.86</b>
<b>Cash &amp; cash equivalents at end of period</b>		<b>89,181,574.70</b>		<b>112,895,321.00</b>

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31st DECEMBER 2011

Description	Accumulated Fund	Government Grant Capital	Differed Income Grant	Revaluation Surplus	Gratuity Provision	Total
Balance as at 1st January 2010	<u>(496,962,809.16)</u>	<u>22,166,071.75</u>	<u>2,150,682,802.8</u> 4	<u>2,319,991,544.9</u> 7	<u>138,979,598.75</u>	<u>4,134,857,209.1</u> 5
Prior year Adjustmet	2,099,005.86					2,099,005.86
Grant received during the year		230,000,000.00			19,197,253.12	249,197,253.12
Amount transferred to differed income Grants		(195,699,373.63)	1,068,949,391.9 2			873,250,018.29
Amortization for the year			(321,795,447.52)			(321,795,447.52)
Surplus / ( Deficit ) for the year	1,734,135.97					1,734,135.97
Payment for the year					(7,267,008.82)	(7,267,008.82)
Accrued for the year						
Balance as at 31st December 2010	<u>(493,129,667.33)</u>	<u>56,466,698.12</u>	<u>2,897,836,747.2</u> 4	<u>2,319,991,544.9</u> 7	<u>150,909,843.05</u>	<u>4,932,075,166.0</u> 5
Balance as at 1st January 2011	(493,129,667.33)	56,466,698.12	2,897,836,747.2 4	2,319,991,544.9 7	150,909,843.05	4,932,075,166.0 5
Opening balance Adjustments	(5,777,334.46)	-	576,000.00			(5,201,334.46)
Adjusted Opening balance			2,898,412,747.2 4			2,898,412,747.2 4
Grant received during the year		457,500,000.00			28,488,585.04	485,988,585.04

Amount transferred to differed income Grants	(477,780,027.41)	514,155,518.22			36,375,490.81
Amortization for the year		(335,897,669.71)			(335,897,669.71)
Surplus / ( Deficit ) for the year	(18,333,666.12)				(18,333,666.12)
Payment for the year				(6,823,470.21)	(6,823,470.21)
Opening balance Adjustments					
Balance as at 31st December 2011	(517,240,667.91)	36,186,670.71	3,076,670,595.7	2,319,991,544.9	5,088,183,101.4
		5	7	172,574,957.88	0

## Notes to the Financial Statements

### 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 **04** to **25** 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 asset and Cash flow statement, together with the accounting policies and notes (the financial statements) have been prepared in compliance with the Sri Lanka Accounting Standards (SLAS) issued by the Institute of Chartered Accountants of Sri Lanka.

##### 1.4.2 Basis of preparation

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

##### 1.4.3 Comparative Information

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

#### 1.5 **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 on reducing balance method by providing depreciation in the year of purchase. The following depreciation rates are applied.

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

c) Capital Work-in progress

Projects are valued at cost of work completed.

1.6.4 Receivables

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

1.6.5. Cash and Cash equivalents

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

**1.7 Liabilities and provisions**

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

1.7.2 Staff 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.

**Notes to the Financial Statements**

**2.2 Unvalued Land & Building**

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

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

The Valuation of the above Land & buildings will be accounted in the year 2012

2. The following Buildings are constructed on funds from Skills Development project

at lands which are not belongs to VTA. The valuation of the above land & building will be included in year 2012.

- Vocational Training Center Bingiriya - Kurunegala
- Vocational Training Center Veyangoda - Gampaha
- Vocational Training Center Yakkalamulla - Galle
- Vocational Training Center Niyagama - Galle
- Vocational Training Center Ruwanwella - Kegalle
- Vocational Training Center Kantale - Trincomalee
- Vocational Training Center Hambantota - Hambantota
- Vocational Training Center Waskaduwa - Kalutara
- Vocational Training Center Haldumulla - Badulla
- Vocational Training Center Welimada - Badulla
- Vocational Training Center Wellawaya - Monaragala
- Vocational Training Center Bibila - Monaragala
- Vocational Training Center Mihintale - Anuradhapura
- Vocational Training Center Galnewa - Anuradhapura
- Vocational Training Center Thabuththegama - Anuradhapura
- Vocational Training Center Rajanganaya - Anuradhapura
- Vocational Training Center Minneriya - Polonnaruwa
- Vocational Training Center Yatiyanthota - Kegalle
- Vocational Training Center Kilinochchi - Jaffna
- Vocational Training Center Rathmalana - Colombo

**3.** The following Motor vehicle used by VTA which has not been valued as the legal ownership of them were not transferred. The valuation of these vehicle will be accounted in the year 2012

- 18 - 5640
- 32 - 2835
- 301 - 8720
- 56 - 4622
- 56 - 1622
- 56 - 4644
- 56 - 4647
- 53 - 5210
- 53 - 0490
- 53 - 6168
- 32 - 2836
- 31 - 3142
- 64 - 1602
- 32 - 2835
- 32 - 2837
- 33 - 9402
- 64 - 9724
- 64 - 3186
- 31 - 6449

	Rs .	Rs .
	2011	2010
<b>3 <u>Capital Work in Progress</u></b>		
Anuradhapura	1,859,269.65	4,866,475
Kegalle	0.00	1,128,036
Head Office	0.00	2,925,677
Kandy	4,943,829.74	2,293,086
Hambantota	3,584,998.45	0
Narahenpita	14,717,968.64	2,174,806
Kalutara	0.00	4,351,994
Galle	927,000.00	2,124,133
Marawila	444,010.90	0
Niyagama	4,883,721.05	0
Matara	5,920,982.72	0
Nuwara Eliya	2,177,374.79	652,214
Gampaha	2,142,680.30	1,311,971
Matale	2,280,440.00	898,918
Batticaloa	16,015,975.70	1,183,429
Colombo	0.00	1,370,790
Badulla	545,783.72	0
Ampara	2,608,871.13	0
Mulathive	6,995,532.70	0
Monaragala	896,702.08	0
	<u>70,945,141.57</u>	<u>25,281,530.72</u>
<b>4 <u>Inventories</u></b>		
Training Materials	15,844,619.33	13,189,406.63
Stationary	6,240,638.26	4,205,879.34

Raw Materials (Printing)	265,741.48	854,351.80
Other Consumables	115,183.75	6,274.00
	<u>22,466,182.82</u>	<u>18,255,911.77</u>
	<u><u>22,466,182.82</u></u>	<u><u>18,255,911.77</u></u>

**5 Receivables**

Advances for programs	918,038.18	2,149,206.14
Deposit for compansation	485,778.72	485,778.72
Deposits	202,000.00	102,000.00
Ministry of Vocational Training & Rural Industrial	4,097,520.24	4,097,520.24
Miscellanious Debtors	10,000.00	10,000.00
Shortage of income	260,500.00	224,030.00
Receivable course fees	25,491,261.38	17,847,467.50
Prepayments	1,600,000.00	1,202,837.70
Receivable Income	100,200.00	725,095.56
Ministry of yourth affirs	-	21,173,175.36
Receivable project fund	3,264,079.82	2,873,221.56
Salary Advance	-	30,000.00
State Organizations	4,144,544.97	4,144,544.97
Trade & Other receivables	2,980,518.24	5,682,781.59
	<u>43,554,441.55</u>	<u>60,747,659.34</u>
Less:- Provision for Bad Debts	11,122,447.04	11,122,447.04
	<u>32,431,994.51</u>	<u>49,625,212.30</u>
	<u><u>32,431,994.51</u></u>	<u><u>49,625,212.30</u></u>

- 63 - 0316
- 62 - 2015
- 62 - 4815



- 26 - 8167
- WP QD - 3612

	2011	2010
	Rs .	Rs .
<b>6 <u>Staff Loans</u></b>		
Balance at the beginning of the year	37,813,510.62	34,216,430.09
Add: Loans granted during the year	30,470,826.04	28,584,032.16
	<u>68,284,336.66</u>	<u>62,800,462.25</u>
Less: Repayments during the year	29,412,729.34	24,986,951.63
Balance at the end of the year	<u>38,871,607.32</u>	<u>37,813,510.62</u>
<b>7 <u>Cash &amp; Cash Equivalents</u></b>		
Cash in transit	3,113,743.31	21,738,350.33
Gold coins	104,000.00	73,200.00
<b><u>Cash at Banks</u></b>		
Peoples Bank	62,073,135.45	68,297,443.28
Bank of Ceylon	6,608,490.56	349,414.31
Commercial Bank	14,290,732.50	21,407,864.31
Petty Cash Imprest		
Cheque in hand	2,985,932.88	971,333.76
Cash in hand	5,540.00	57,715.01
	<u>89,181,574.70</u>	<u>112,895,321.00</u>

- 7.1 Two gold coins has received as rewards from Seylan Bank. Each gold weight is 8.02 gram and each gold value is 22.03 karat.

8 Government Grant - Capital

Balance at the beginning of the year	56,466,698.12	22,166,071.75
Add: Grants received during the year	<u>457,500,000.00</u>	<u>230,000,000.00</u>
	<b>513,966,698.12</b>	<b>252,166,071.75</b>
Less: Transfers to Differed Income Grant	<u>477,780,027.41</u>	<u>195,699,373.63</u>
Balance at the end of the year	<b><u>36,186,670.71</u></b>	<b><u>56,466,698.12</u></b>

	2011	2010
	Rs.	Rs.
<b>9 Differed Income Grant</b>		
Balance at the beginning of the year	2,898,412,747.24	2,150,682,802.84
Add: Transfers during the year 9.1	<u>514,155,518.22</u>	<u>1,068,949,391.92</u>
	<b>3,412,568,265.46</b>	<b>3,219,632,194.76</b>
Less: Amortized for the year	<u>335,897,669.71</u>	<u>321,795,447.52</u>
Balance at the end of the year	3,076,670,595.75	2,897,836,747.24
add:closing balance adjustment	<u>0.00</u>	<u>576,000.00</u>
	<u><u>3,076,670,595.75</u></u>	<u><u>2,898,412,747.24</u></u>
<b>Transfers to Differed</b>		
<b>9.1 Income</b>		
Government Grant - Capital	477,780,027.41	195,699,373.63
Other Grants	36,375,490.81	873,250,018.29
	<u><u>514,155,518.22</u></u>	<u><u>1,068,949,391.92</u></u>

**10 Provision for Gratuity**

Balance at the beginning of the year	150,909,843.05	138,979,598.75
Add: Charge for the year	28,488,585.04	19,197,253.12
	<u>179,398,428.09</u>	<u>158,176,851.87</u>
Less: Payments during the year	6,823,470.21	7,267,008.82
	<u>172,574,957.88</u>	<u>150,909,843.05</u>
Less: Accrued 2011/2012	0.00	18,218,290.55
	<u>172,574,957.88</u>	<u>132,691,552.50</u>

2011

2010

Rs.

Rs.

**11 Payables**

Audit Fees	750,000.00	400,000.00
Cashier Deposit	25,000.00	25,000.00
Employee Provident Fund	6,394,005.10	5,626,557.52
Employee Trust Fund	959,100.77	842,502.48

Deposit	235,250.00	119,500.00
Lecture fees	870,050.00	776,310.00
Other Creditors	10,446,472.06	26,970,146.11
Project funds Payable	15,469,865.30	31,762,009.30
Ranmalee Associated International Pvt Ltd	0.00	100,000.00
Received in Advance	1,060,100.00	520,000.00
Refundable Tender Deposit	1,918,832.04	2,630,786.99
Retention Money	10,436,234.71	7,114,339.93
Staff Incentive payable	94,280.00	83,410.00
Stationary	33,430.00	13,500.00
Trade Creditors	44,104,257.01	28,465,657.13
Unpaid Salary & Wages	680,585.23	1,423,627.54
W & O.P	14,894.04	0.00
Withholding Tax	0.00	1,054,014.37
	<b>93,492,356.26</b>	<b>107,927,361.37</b>

	2011	2010
	Rs.	Rs.
<b>12 <u>Accrued expenses</u></b>		
Carrier Guidance	58,554.00	36,555.00
Electricity	863,842.18	1,053,590.44
Examination & Evaluation	411,313.15	246,017.10
Fuel & Lubricant	257,195.00	32,650.00
Gratuity	0.00	18,218,290.55
Part Time Expenses Payable	1,452,892.15	1,022,279.36
Janitorial Services	147,087.50	21,200.00
Job Placement	0.00	70,000.00
Maintenance	906,431.82	424,468.59
News papers & periodicals	23,240.00	6,880.00
Other	552,545.36	848,084.26
Other Allowance	70,202.00	127,600.00
Overtime & Holidaypay	680,517.72	326,971.63
Quality Management Payable	3,034.00	0.00
Postage	0.00	59,262.06
Promotional Activities	1,640,611.20	408,636.00
Rent, Rates & Taxes	96,503.55	243,000.00

Season tickets	687,373.77	982,667.84
Security Charges	0.00	516,986.40
Staff Traing	8,260.00	0.00
Stipend	1,424,755.59	1,746,434.29
Telephone	56,486.52	1,351,559.16
Transport	14,400.00	21,400.00
Travelling	384,055.75	228,620.06
Vehicle hire charges	40,000.00	118,804.00
Water	256,263.86	419,977.00
	<hr/>	<hr/>
	<b>10,035,565.12</b>	<b>28,531,933.74</b>
	<hr/> <hr/>	<hr/> <hr/>

	2011	2010
	Rs .	Rs .
13 <b><u>Other Income</u></b>		
Auction Income	381,603.26	906,094.00
Course fees	69,878,707.50	57,661,909.80
Enterprenure Development programmes	9,000.00	50,100.00
Exam fees	32,050.00	0.00
Fines	179,195.74	129,841.00
Finish goods	33,507.00	16,015.00
Gold Coin Income	30,800.00	7,750.00
Hall Income	615,981.52	937,875.00
Hostel Fees	205,900.00	315,200.00
Insurance claim	33,917.00	0.00
Katharagama circuit Bangalow	115,600.00	119,100.00
Loan Interest	1,139,915.15	1,359,453.19
Miscellaneous	1,420,739.53	1,902,099.97



Non Refundable Tender deposit	1,044,000.00	395,500.00
Registration fees	5,499,850.00	4,947,250.00
Rent	490,150.00	1,008,000.00
Supply Registration	47,000.00	86,175.00
	<b>81,157,916.70</b>	<b>69,842,362.96</b>
	<b>2011</b>	<b>2010</b>
	<b>Rs.</b>	<b>Rs.</b>

**14 Production Unit Income**

Academy of Hair & Beauty	218,308.69	1,182,834.06
Aluminium Partition	26,041.40	0.00
Carpenter	57,821.50	76,865.50
Exam Fees	150,511.90	70,302.25
Hotel School	717,149.32	451,165.00
Koggala	37,500.00	-47,503.00
Maintanace	262,960.40	0.00
Other	288,878.83	293,610.06
Part time	13,510,664.98	5,898,339.26

Printing School -Galle	0.00	6,940.88
Printing School -Narahenpita	(147,599.46)	1,190,293.79
Trade test	576,774.00	587,340.25
Vehicle Service	184,098.25	212,181.10
Record Book income	714,740.40	1,751,648.14
RPL	222,068.00	0.00
	<hr/>	<hr/>
	<b>16,819,918.21</b>	<b>11,674,017.29</b>
	<hr/> <hr/>	<hr/> <hr/>

2011

2010

Rs.

Rs.

**15 Funds on Special Projects**

HMTI Project	0.00	0.00
Inter Labour Organization	364,434.12	1,627,104.75
Niyagama Special Project	0.00	71,036,019.49
Other Project	0.00	1,238,404.65
LC Disability Resource Centre	0.00	67,672.00
TVEC	168,191.39	79,650.00

World Vision	655,019.83	468,327.55
WUSC	7,642,240.19	12,814,540.04
USAID	1,756,113.00	0.00
Unicef	4,454,483.68	0.00
Forut	4,097,848.24	0.00
Ministry of Youth Affaires	55,551,357.86	0.00
Regional Fisheries Livelihood Programme	121,042.50	0.00
	<b>74,810,730.81</b>	<b>87,331,718.48</b>
<b>16 <u>Staff Cost</u></b>		
E.P.F. & E.T.F.	54,391,200.39	48,961,748.75
Other Allowance	15,092.44	390,150.00
Pension Contribution	34,058.69	77,217.79
Salaries & overtime	480,159,889.78	435,583,925.03
Staff Gratuity	28,488,585.04	19,630,555.12
	<b>563,088,826.34</b>	<b>504,643,596.69</b>

	2011	2010
	Rs .	Rs .
<b>17 <u>Travelling</u></b>		
Domestic	6,936,946.60	4,768,576.44
Foreign	5,591,767.68	69,176.40
	<u>12,528,714.28</u>	<u>4,837,752.84</u>
	<u><u>12,528,714.28</u></u>	<u><u>4,837,752.84</u></u>
<b>18 <u>Supplies and Other Consumables</u></b>		
Stationary & Office Requisites	10,402,960.74	6,295,142.12
Fuel & Lubricant	13,180,278.39	9,098,599.26
Others	1,297,414.18	316,847.19
	<u>24,880,653.31</u>	<u>15,710,588.57</u>
	<u><u>24,880,653.31</u></u>	<u><u>15,710,588.57</u></u>
<b>19 <u>Maintenance</u></b>		
Vehicle	7,986,251.69	8,894,714.98
Plant & Machinery	8,386,224.71	4,324,387.43
Building	18,749,991.28	5,660,731.31
	<u>35,122,467.68</u>	<u>18,879,833.72</u>
	<u><u>35,122,467.68</u></u>	<u><u>18,879,833.72</u></u>
<b>20 <u>Contractual Services</u></b>		
Audit Fees	350,000.00	272,769.75
Advertisement	2,125,898.08	670,239.52
Consultation and Professional Fees	0.00	95,000.00
Electricity	36,029,878.56	31,564,959.06
Hire Charges	3,668,156.33	1,432,909.93
Insurance	2,603,184.61	1,862,383.54

Janitorial service	4,885,123.35	2,878,745.41
News Papers & Periodicals	471,315.00	387,779.00
Postal Charges	1,002,367.15	959,804.03
Rent	2,970,063.79	2,426,537.17
Security Charges	14,054,549.93	9,099,996.01
Staff Welfare & Other	1,282,331.94	37,237.20
Telephone Charges	9,239,880.53	7,124,641.85
Transport	2,822,633.20	1,594,682.87
Water	7,460,193.77	7,083,374.59
	<b>88,965,576.24</b>	<b>67,491,059.93</b>

2011

2010

Rs.

Rs.

21 Job placement, Research & Entrepreneurship

Curriculum Development	521,447.00	313,978.00
On the Job Training & Monitoring	219,295.00	164,780.69
Entrepreneurship Programs	1,130,630.00	1,614,141.00
Job Placement	887,275.00	967,964.75
Private public partnership	518,295.25	560,607.00

Research & Tracer Study	0.00	103,622.00
	<u>3,276,942.25</u>	<u>3,725,093.44</u>
<b>22 Other Operating Expenses</b>		
<b>Tools &amp; Consumables</b>	18,206,602.96	4,937,383.15
Bad Debts	4,999,600.00	2,415,750.00
Examination & Evaluation	11,389,262.76	4,812,648.47
Honorarium	1,434,996.65	590,443.89
IT Examination Fees	0.00	170,250.00
Legal Fees	43,975.04	981,437.00
Miscellaneous	2,721,726.82	2,615,969.53
Quality Management Accreditation	653,989.50	690,038.50
Season Tickets	7,401,705.78	5,935,971.11
Special Training Programme	817,117.00	476,785.50
Stipend Allowance	16,528,957.91	19,291,465.62
Training Materials	85,810,705.48	70,169,906.10
	<u>150,008,639.90</u>	<u>113,088,048.87</u>
	<u>2011</u>	<u>2010</u>
	Rs.	Rs.

23 Expenditure on Special Projects

Inter Labour Organization	364,434.12	1,627,104.75
Other Projects	0.00	1,238,404.65
LC Disability Resource Centre	0.00	67,672.00
TVEC	168,191.39	79,650.00
World Vision	655,019.83	468,327.55
Niyagama Special Project	0.00	71,036,019.49
WUSC	7,642,240.19	12,814,540.04
USAID	1,756,113.00	0.00
Unicef	4,454,483.68	0.00
Forut	4,097,848.24	0.00
Ministry of Youth Affairs	55,551,357.86	0.00
Regional Fisheries Livelihood Programme	121,042.50	0.00
	<hr/>	<hr/>
	<b>74,810,730.81</b>	<b>87,331,718.48</b>
	<hr/> <hr/>	<hr/> <hr/>

24 Finance Cost

Bank Charges	406,625.17	468,291.73
	<hr/>	<hr/>
	<b>406,625.17</b>	<b>468,291.73</b>
	<hr/> <hr/>	<hr/> <hr/>

## 25. Prior Year Adjustment

25.1 Funds received on various projects other than budgetary votes which have been completed in past years. However savings of funds Rs 7,011,857.75 in these projects were crediting to their accounts up to 31.12.2010. These savings of funds could have not been refunded as their project offices were closed down. It is transferred these savings of project funds to income of previous years.

25.2 Encashment of unutilized medical leave for the year 2010 Rs 14,294,925.38 has been paid in year 2011. This was not provided in the accounts for the year 2010.

25.3 Long outstanding unclaimed refundable tender deposits and unclaimed retention money payable Rs. 1,455,983.89 and Rs. 49,749.28 respectively are transferred to income of previous years.

## 26. Commitments and Contingencies

- a) Litigation against the Authority  
The court cases pending were as follows

	<u>31.12.2011</u>	<u>31.12.2010</u>
Provincial High Court of Appeal	02	01
Appeal Court	01	--
District Court	01	02
Labour Tribunal	03	--
	<hr/>	<hr/>
	07	03
	<hr/>	<hr/>

- b) Capital Commitments  
There were no material capital commitments as at 31.12.2011



20-12-2012

Auditor General,  
Auditor General's Department,  
No.306/72, Polduwa Rd.,  
Battaramulla.

Report of the Auditor General on the Financial Statements of the Vocational  
Training Authority of Sri Lanka for the year ended 31 December 2011 in terms of  
Section 14 (2) C of the Finance Act, No. 38 of 1971

The following answers are presented to you on the Audit Inquiry no. JP/E/VTA/FA/11, dated 30-11-2012, forwarded to us by you on the above matter.

2.2.1.1 Agreed

In future, actions will be taken to re arrange such adjustments comparatively to the relevant accounting year.

2.2.1.2. Not agreed

It has been mentioned under notes to the accounts 1.6.1 that accounting the values less than 2000.00 under tools and equipments is the policy of the authority. Accordingly such purchasing have been accounted under this.

2.2.1.3. Not agreed

These contingent liabilities have been revealed under notes to the accounts No. 26. since it is impossible to identify the liability values sufficient to made financial allocations, the allocation of provisions for this will be difficult.

#### 2.2.2.1 (a) Not agreed

Since the effective life and long term existence of those vehicles increases due to each expenses incurred, that expenditure was capitalized by identifying it as an improvement of capital expenditures.

#### 2.2.2.2 Agreed

All the expenditures will not be the expenditures in the nature of the capital expenditure as mentioned. By re analyzing those expenditures, we have identified that capital expenditure and recurrent expenditure should be corrected as Rs. 885,480.00 as Rs. 953,927.00.

#### 2.2.2.3. Agreed

Arrangements will be made to calculate the allocations for remuneration as at 31.12.2012 and to correct them.

#### 2.2.2.4 Not agreed

Since the name board mentioned in the quarry is not the one which was prepared for the long term use of the Authority and it has been just prepared for the ceremonies, arrangements were not taken to capitalize them.

#### 2.2.2.5 Agreed

Actions will be taken in this regard in the future.

#### 2.2.2.6 Agreed

Actions will be taken to identify the fixed assets included in the value of Rs. 68,372,904.00 obtained from the project and to correct them in year 2012.

#### 2.2.2.7 Not agreed

According to the notes to the Account No. 1.6.1, these equipments have been accounted under tools and equipment. These payments have been made by the recurrent payments voucher No. 1.6.1

#### 2.2.2.8 Agreed

Reasons for that are submitted as follows. Actions will be taken to adjust Rs. 4,999,000.00 in the future correctly. The basis of calculation Rs. 2,932,340.00 cannot be agreed

#### 2.2.2.9 Not agreed

According to the Procurement procedure, it has been offered to the Priyawardhana Associated Chartered Accountancy Institute for the verification of fixed assets. Accordingly, at the time of verification fixed assets, these books have not been identified under fixed assets. Therefore the value of these books has not been shown in the accounts. However, these books will be maintained after they are formally documented.

#### 2.2.2.10 Agreed

Actions will be taken to rectify them.

#### 2.2.2.11 Not agreed

The expenses incurred in such functions, are recognized in re present. Arrangements have been made to store the goods accepted after the completion of the said task and to use in similar situation. In this future, arrangements will be made to develop a formal procedure and to re-use them again in such ceremonies.

#### 2.2.3 Not agreed

In the audit quarry, while the value recorded in the ledger kept in the head office is the sum of the recurrent expenses and capital expenses, only therecurrent expenses has been depicted as the balance in accordance with he ledgers of the institutes. In this case, that value will be adjusted if the capital expenditure of the institutes is taken into consideration.

#### 2.2.4.1 Agreed

Allocations were made so since it had been problematical to settle those indebted balances. Actions will be taken to furnish a return to the Board of Directors in order to get a final decision in this regard.

#### 2.2.4.2 Agreed

Arrangements will be made to separately identify the balances and to find the possibility of settling them and to settle them and in case of failure to do so; actions will be taken to obtain instructions after furnishing a return before the Board of Directors.

#### 2.2.4.3 Agreed

Although it is difficult to get the information in this regard the amount of advance Rs.129, 773 since the relevant officers, except one officer, are not in the service, the rest of the other advances have been settled at the beginning of year 2012. Actions will be taken to furnish the unsettled advances before the Administrative Board in order to take a decision. Instructions have been given to the relevant officers to take actions to maintain the payment of advances and to settle them with a proper management by applying a regular procedure in granting advances.

#### 2.2.4.4 Agreed

Other creditors amounts except one creditor (Priyawardhana Associate) , has been settled out of the balance of creditors' amounts within this balance amount have been settled.

#### 2.2.5 Agreed/Not agreed as follows

		Agreed/Not Agreed	Reason
1	Land	Not agreed	Authority possesses the documents to confirm the ownership of many lands. Arrangements will be made to furnish the existing documents.
2	Proceedings	Not agreed	Has been referred to auditing.
3	Fixed deposits	Not agreed	Has been referred to the audit branch earlier.
4	Stock	Not agreed	All the documents in relation to the stocks have been referred for auditing along with final accounts.
5	Confirmation of the receivable balance	Agreed	Actions will be taken to confirm the balances.
6	Cash in transit	Not agreed	The method of balance preparation has been referred for auditing.
7	Confirmation of bank balance	Not agreed	It has been informed to refer the letters by the authority for the bank to confirm the balance and to refer them to the Auditor General. We have received those bank confirmations and they have been referred for the auditing.

8	Cheques in hand	Not agreed	The schedule has been referred for auditing.
9	Balance payable	Not agreed	The detailed schedule have been furnished along with the time analysis.
10	Accrued expenses	Not agreed	The detailed schedule has been furnished.
11	Expenditure (Selesene)	Not agreed	This is a programme launched in collaboration with the Tourist Promotion Board. Accordingly, the amount received from that institute has been paid as an installment payment out of the amount payable to Selesene institute.
12	Land	Agreed	The details relevant to purchasing have been completed. Voucher No. 105 has been attached.
13	Vehicle repairing	Agreed	It will be corrected in year 2012.

#### 2.2.6.1

Accepted. While there was a delay in preparation of summary reports since it had to obtain the details from remote districts, those reports have been prepared in order to refer the Government Audit Branch by now.

#### 2.2.6.2

Accepted. Following conditions should be completed in order to pay the remuneration for the officers who have concluded their service.

1. Computation of remuneration -  $\frac{\text{Total earning}}{2} \times \text{Period of service (complete years)}$

2

(The remuneration will be computed after exceeding a period of 5 years of service)

11. Is there any recoverable from the officer

111. Has any discontinuation of service taken place?

iv. Have all the properties in his custody handed over?

v. Has the report of the Internal Auditor been received depicting the exemption from responsibilities?

In order to pay the gratuity for any officer who resigns from the service, all the matters pertaining to above conditions should be completed.

(c) Not accepted.

As no loss in this regard has been specifically identified it has only been revealed by the notes of the accounts.

(d) Not accepted.

Rs. 33.7 millions has been balanced in the accounts as the value of buildings that were destroyed by Tsunami. (Journal notes 183) Lands, buildings and motor vehicles are revealed in account notes and steps will be taken to enter them in accounts after the transfer of property rights.

(e) This report could not be presented due to a defect in the computer system. But steps will be taken to present it in future.

#### 2.2.3 Shortcomings in accounts

(a) The amount entered in the working progress accounts that has been incurred for the renovation of the fifth floor will be corrected in the accounts of the year 2011.

(b) The Centre Rapid Development Projects have initiated these development activities in the month of December 2010 and payments had been made after the completion of those activities which are balanced in the final accounts of the year 2010. Accordingly all the development activities have been commenced in the year 2010.

(c) Not accepted.

The amount of VAT due from the two companies which constructed the training centres under US aids has been entered under the credit of the account.

(d) Not accepted.

The expenses incurred by us are entered in the accounts and steps will be taken to enter them in accounts upon reassessment after the transfer of these vehicles.

(e) Steps will be taken to correct this in the accounts of the year 2011.

(f) The retained tax upon payments has been entered in the due order and steps have been taken to reimburse them to the Inland Revenue Department.

(g) Not accepted.

Capital allocations have not been used to purchase this computer software.

(h) Not accepted.

The value of the buildings that is provided to us by the Niyagama project has been correctly entered into the accounts.

(i) A substantial amount from the total amount to be recovered for the nopay leaves as mentioned in the audit inquiry has been recovered by 31/12/2010. Though the balance amount is not a due amount by the accounts of 31/12/2010, all the amounts indicated upto now have been recovered.

(j) We can not agree on the amount due from officers mentioned in the audit inquiry and steps will be taken to recover that amount from the relevant officers after it is correctly calculated.

(k) Not agreed.

This condition is not reflected in the recurrent expenses accounts of each district in the year under review. (The building maintenance ledgers of each district are attached herewith.)

#### 2.2.4 Unreconciled Accounts

(a) Not accepted.

The financial statements do not reveal the difference between the value of buildings shown in the financial accounts and the value as per assets revaluation.

(b) Not accepted.

There is no difference between the total sum of the balance of the bank current accounts mentioned in the financial statements and balance in cash books as you have indicated.

(c) The sum of Rs. 361,647,822 that is entered in the deferred revenue of the financial statements has also been entered under depreciations and it does not have any effect on the total financial result. It is accepted that the way this be presented should be corrected.

#### 2.2.5 Unidentified balances

The capital grants received from the Treasury has been added to the balance of the capital grants account brought forward from the last year and they will be spent for the capital affairs of this year and the balance amount is not returned to the Treasury by the end of the year. That balance will be used for the capital purchasing of the next year.

#### 2.2.6 Accounts Receivable and Payable

(a) There are several very old debtor balances included in the debtor balance totaling Rs. 60,747,659.34 and Rs. 11,122,447.04 from that value has been included as doubtful debts and steps will be taken to write off that amount in future.

(b) Since the officers who are relevant to the advance amount of Rs. 129,773 are not in the service at the moment, it has been difficult to obtain information in this regard. But this balance will be covered within next year with the approval of the Board of Directors. The total balance of the advances has been paid off.

(c) A sum of Rs. 11,122,447.04 has not been written off from accounts as bad debt and it has only been reserved as doubtful debt with the approval of the Board of Directors.

(d) We have in our possession the files we had presented to the Ministry on these balances and the value mentioned in the financial statements is accurate accordingly.

(e) There are no outdated balances within the creditor balance of Rs. 28,465,657 which is included in the payable balances.

(f) Steps will be taken to settle these amounts in the year 2011.

(g) The sum of Rs. 1,962,181 due by the German Technological Institute (GTZ) to the project has not been claimed by that project and steps will be taken to enter that amount as income for the next year.



(h) This is not reflected in the account statements.

(i) These unpaid salaries will be adjusted in the accounts of this year.

#### 2.27 Lack of Evidence for Audit

Not accepted.

Property Plant Equipment/ Computer Hardware and Software The Fixed Assets Register of the Vocational Training Authority of Sri Lanka has been maintained by a computer system and as there are a large number of fixed asset items, there is a difficulty to obtain their printed copies. But details of every purchase of fixed assets in all the years are presented to the audit by now. The details on the purchase of fixed assets in the year 2010 have been presented to the audit on 08/03/2011 and the list of fixed assets can be examined at any moment via the internet. Reports were prepared on stock and fixed assets by verifications at the end of every year and the stock verification reports were called to the head office to confirm the stock balance of the Final Accounts. These reports were presented for audit as the Fixed Assets Verification Reports were not presented for audit in the previous year and they were not requested by the audit in the year 2010. Fixed Assets Verification Reports of some districts have been received by the head office for examination. And steps can be taken to call for the other verification reports in future if required.

#### Lands

The title deeds of all the lands that belong to the Authority are in the administration division and they had been produced at every time as requested by the audit.

#### Work-in- Progress

Reports on the continued work had been produced to the audit on 08/03/2011. The detailed files on them are with construction division and can be produced at any required instance.

#### Fixed deposits

This fixed deposit is the bond deposit of the cashier of the head office and its fixed deposit certificate can be produced at any required instance.

### Stock

Reports have been prepared after stock verification at the end of every year and the district stock verification reports and head office stock verification reports have been presented for audit.

### Receivable Balance

Detailed reports on the receivable balances have been provided to the audit at every requested instance and you have also presented audit inquiries based on these reports. (JF/F/VTA/AQ/2010/42)

### Employee Board Loans

The detailed registries on the employee board loans have been produced for audit on 08/03/2011.

### Cash in Transit

The detailed schedules for this are prepared and they have been produced for audit on 08/03/2011.

### Bank balance- People's Bank

The combined balance sheet has been prepared and produced for audit.

### Bank balance- Commercial bank- Bank balance- Bank of Ceylon

Written requests have been sent to the relevant banks to receive balance verifying letters. The audit division directly receives those balance verifying letters and all the balance verifying letters received by us have been provided for audit.

### Cheques in Hand

The Accounts division has all the details on the cheques in hand and they can be produced at any instance.

### Allocation of remuneration

The remuneration schedules with regard to the allocations of remunerations have been presented for audit on 08/03/2011.

### Payable Balances

The relevant schedules on payable balances and the creditor time analysis have been presented for audit and you have also provided audit inquiries based on those reports.

Accumulated expenses

The detailed schedules on the accumulated expenses have been provided for audit on 08/03/2011.

Other revenue

The receipts with regard to the other revenue of the head office have been presented for audit on 10/05/2011 and the district office receipts can be produced for audit depending on the requirements.

Transport expenses/ Supplies and other consumer expenses/ maintenance expenses/ contract services/ Expenses for job based research and entrepreneur special projects/ revenue, financial expenses

The cash books, paying vouchers and ledgers on these expenses have been presented for audit on 10/05/2011.

Legal fees

Case details and files are in the custody of the secretary of Board of Directors and can be forwarded at required instances.

2.2.7

(a) These allocations were used for the development of the centres and the expenditure estimates for them have been prepared. The district centres were renovated according to them.

(b) Not accepted.

All the information on the 212 journals of the year under review has been presented and the discrepancies have also been noted. Further information on this has also been presented with the letter dated 13/06/2011.

(c) Financial Statements, Income and Expenditure Cash books, Journal Notes, Ledger and Bank Reconciliation Reports of the national and district centres, have been submitted for audit.

(d) Correcting the incorrect entering of the amount earned by the district office as revenue not as revenue.

2.2.8 Not providing answers to the audit inquiries and requests for information

(a) Eight of the audit inquiries out of 41 in the year 2010 were presented by 30<sup>th</sup> of June 2011. Answers to 13 audit inquiries were presented by 7 September 2011.

Five of the audit inquiries out of 10 in the year 2009 were presented by 30<sup>th</sup> June 2011.

Three of the audit inquiries out of 10 in the year 2008 were presented by 30<sup>th</sup> June 2011.

(b) Steps will be taken to provide answers to the letters of request of information needed for the audit.

2.2.9 Non-compliance with Laws, Rules, Regulations and Management Decisions

(a) Accepted.

(b) As per the Payment of Gratuities Act, No. 12 of 1983 employees of the Vocational Training Authority are at service in all the offices around the island and after an employee has left the service, a considerable time is spent to obtain information about the sum of money that is due from that employee to the Authority.

It is hereby informed that prompt steps will be taken in future to obtain information of employees who leave the service and provide them with gratuities within one month of his leaving as per the Payment of Gratuities Act, No. 62 of 1992.

(c) According to Financial Regulations this amount has been spent for the development of the centres and they are adjusted in accounts as capital expenditures. Apart from the balance of Rs. 129,773 from the AdvanceAccounts Balances that is shown in the Final Accounts, the remaining balances are duly settled. Bank Reconciliations have been prepared on due dates and they can be produced for audit at any required instance.

After the accident of the cab vehicle numbered 59-0267 that belongs to the Ampara district office, it has been decided to recover money from the responsible officers by the appointment of a committee. Necessary actions have been taken with the approval of the Board of Directors to proceed with regard to the accident of the vehicle numbered 19-9958.

Steps have been taken to provide the running charts of 23 vehicles out of 58 inquired vehicles after they were requested by the government audit division in the year 2010. They have not made any request for the remaining 35 running charts and the running charts can be provided at any instance. Likewise we have taken steps to provide the running charts of the year 2011 to the government audit division at every three month without their request.

(d) It is accepted that according to the Circular dated 11 October 2002, vehicles should be hired on the maximum rent of Rs. 40,000 per month. However, as the prices of vehicles are higher at present than 2002, it is accepted that there were instances on which this maximum rent limit had to be exceeded. The vehicles numbered 50-4858 and 64-6565 were not hired by our institute. The vehicle numbered 65-8998 is removed from hire at present.

(e) Not accepted.

This is a highly irresponsible statement. Actions have been taken to perform in accordance with the institutional Circulars by the use of the Procurement Guidelines which were used as the guidelines for our constructions. The inquired matters have been fulfilled.

(f) It is shown that the government auditors do not have an understanding about the nature of the institute that is under their review. The Public Administration Circulars are not applicable to state statutory authorities. However for the benefit of the institute a committee has been appointed with my approval to examine the fuel consumption of vehicles and further steps will be taken.

(g) Official vehicles are reserved for four Directors and the Media Coordinator for official purposes. A vehicle is released for the Media Coordinator for media matters. The Vocational Training Authority of Sri Lanka is an A Grade institute and it is the largest institute to supply skilled workers to the job market. We are producing annually an amount of 25,000 apprentices after the successful completion of training courses and even the whole university system only releases annually a less number than this amount. However transport facilities have also been provided for officers below the rank of Directors for official purses in other semi- governmental institutions.

(h) The vehicle reserved for the Director (Finance) is hired on monthly rental basis. Its contractual running distance is 2500 KM and Rs. 18 is charged for every additional kilo meter. Therefore the vehicles numbered 59-0289 and 64-0565 are deployed for the official purposes of the Director (Finance) with the aim of retaining their running distance within the contractual running distance of 2500KM.

The vehicles numbered PB-6243 and KI-2564 were used by me on days when my official vehicle numbered KI-3601 was sent for repair to the agent company. In addition to this, these two vehicles had been used for official duties outside office of the other officers.

Apart from the vehicles reserved for the Deputy Chairman, the reserved vehicles numbered PB-6243 and KI 2564 had been used alternatively at times when his official vehicles were under repair. And the above two vehicles were also used for official duties outside office.

(l) This Public Administration Circular does not apply to our institute which is an Authority. However the former Chairman's approval had been taken for this.

(j) The Establishment Code

(k) (i) The relevant officers have been released for those institutions as per the written requests made by the President's Secretariat and Secretaries of the Ministries.

(ii) The Vocational Training Authority is not a government department. It is not entitled to any government holidays. Therefore the Establishment Code is not applied and though we have volunteered to use it as a guide, we are not bound by it. Only the Shops and Office Employees Act applies to us.

Therefore the payment of 1 ½ hour over time for one hour based on that, is correct.

(iii) We have not yet produced this type of report to the Auditor General.

(iv) Not agreed.

The guarantor's 40% limitation from salary is a compulsory requirement when employees' apply for loans.

3

3.1.2 (a) Not agreed.

This total amount has been paid in the year 2010 under the approval of the Board of Directors with a direction by the Court.

(b) The total payment has not been made yet and the steps will be taken to recover the total retained tax at the time the final payment is made.

(c) A large part of the transfer of lands and buildings are being conducted at present and accordingly the following land transfers are completed.

District	Name and Address of the Vocational Training Centre
Hambantota	Vocational Training Centre, Welipitiya, Middeniya.  National Vocational Training Centre Mirijjawila.
Polonnaruwa	Vocational Training Centre, Nagalakanda Vihara mawatha, Minneriya
Moneragala	Vocational Training Centre, Kumaradasa Mawatha, Wellawaya
Moneragala	Vocational Training Centre, Mahiyangana Road, Bibila
Badulla	Rural Vocational Training Centre, Diwithotawela Welimada
Badulla	Rural Vocational Training Centre, Kiriwanagama Road, Haldummulla
Gampaha	Katana Vocational Training Centre, Kaludiyawatta Baeline Road Kadirana South

Colombo	Vocational Training Centre, Galagedara Padukka
Kalutara	Rural Vocational Training Centre, Panapitiya
Gampaha	District Vocational Training Centre, Bandaranayaka Road Veyangoda
Badulla	Vocational Training Centre, Abegoda Bandarawela
Hambantota	Vocational Training Centre, Eraminiyaya Junction Angunakolapelassa
Anuradhapura	Vocational Training Centre, Mahawilamula Thabuththegama
Trincomalee	District Vocational Training Centre, Yowun Mawatha Kantale

(d) The double cab vehicle shown in the inquiry has been transferred by the Ministry for the use of the Authority. Therefore the Authority had repaired and used it. The expenditure incurred for the repair need not be recovered from the Ministry and these repairs had been done with the approval of the Tender Board of the Authority.

(e) The 2009 audit had shown that these accounts have been inert and as these projects are concluded, this sum of money was used to provide loans to the employees in the year 2010.



(f) The approval of the Board of Directors is not required for the establishment of the Task Force. However the approval of the Board of Directors was required to use and transfer the sum of money that is allocated under various Expenditure Heads to continue the activities that were initiated by the Task Force. Accordingly, the approval for the use of money was obtained by this. The expected role of the Task Force was fulfilled within 1 ½ months of its establishment. Though a monthly progress report was required to be presented to the Board of Directors on the activities performed by the Task Force, such report had been presented one time and at every time the Assistant Director of that section was questioned verbally by the Board of Directors, he had presented about the progress.

### 3.2.1 Performance

(a) All the information requested for the audit was provided. The points mentioned in the inquiry can not be accepted.

(b) The sum of money earned by the registration of apprentices is shown in accounts and according to this the number of apprentices enrolled is correct.

(c) There is no record of any other single institute or government or private sector institute in Sri Lanka that conducts more than 5000 job placements annually and such number of high job placement should be commended. Though the statistics, as inquired, reveal a decrease in job placements, there is no substantial reduction in job placements. And this has occurred as a result of not including the following job placements in the above statistics.

- The job placements done by consultants not being included in statistics.
- The number of jobs sought by the apprentices on their own not being included in statistics.

Another obstacle for job placement is that the reluctance of the apprentices who reside in outstations to migrate to the Colombo district where job opportunities are available and their weakness in English language proficiency.

(d) The presented information with statistics is incorrect. The correct operative plan is as followed.

	Target	Performance
Registration of Job Placement Companies	74	100
Job Market	10	13
Educating the Factory Owners	25	13

(e) Accepted.

(f) The number of apprentices enrolled in the year 2010, mentioned here as 17,310 was incorrect. It should be corrected as 23,344. Though the documents presented by you shows an increase in the number of apprentices enrolled for the carpenter (building) course as 42 in 2009 and 92 in 2010, you have interpreted it as a decrease in the number of enrolments of apprentices. The incorrect entering of the number of enrolled apprentices in the year 2010, has provided a wrong interpretation of the trainings in our institution.

(g) Though the inquired programmes were conducted as expected, provision of loan facilities is decreased due to the following factors.

- The reluctance of the apprentices who participate in entrepreneurship development training programmes to obtain loans
- The inability of the apprentices, who are willing to obtain loans, to fulfill Bank conditions such as bonds and securities.
- Facing legal impediments with regard to loan expected areas ( Eg. wood technology)

(h) The inquiry contains information only.

### 3.2.2 Management Inefficiencies

(a) (i) The tender has been awarded to the supplier selected by the Tender Board after calling for quotations after obtaining a list of five suppliers.

(ii) The contract was separated as two stages due to the fact that the first stage of preparing the framework of the office premises and the second stage included the furnishing of internal decorations such as furniture, carpet and curtains. Though the first stage was to be done within the premises, the initial steps of the second stage were to be done outside the institution and this was carried out in this manner to minimize time consumption.

(iii) There were two Technical Evaluation Committee Reports and recommendations have been provided to the correct value of Rs. 1,341,347.25 in one report and to the other value of Rs. 1,242,485.20 in the second report which had a mathematical error. The reduced value of Rs. 98,862.05 has occurred as a result of the prior mentioned mathematical error.

(iv) The second Technical Assessment Committee has conducted a meeting on a date after 22<sup>nd</sup> November 2010 and a discrepancy between the dates has occurred due to the omission of amending the quotation opening date for the second time when the same copy of first technical assessment committee report was amended in the computer.

(v) Only five items out of 28 items in the Job List are applied for constructions. Painting, fixing doors and bottom belts and removing the quarter arranged for taking lunch were done day and night and internal reservations and reconstruction activities have rapidly been done. All the other remaining items are internal decorative goods such as furniture, electric and computer equipments and carpets. All these items are brought pre- packed. Though an institutional invoice was issued as soon as all these goods were brought into the premises, payments had been made on 22/12/2010 only after the due completion of the work. But the date of completion of the second stage has been mistakenly mentioned in the Final Payment Certificate as 29/12/2010. The correct date of payment is 22/12/2010.

(vi) The materials removed in the renovation activities are listed and a separate file has been maintained. The cost for the renovation of the fifth floor is shown in the Final Accounts under the work-in- progress. The value of the materials removed in the renovation has already been noted to enter into the Final Accounts of 2011.

(vii) The contract was not only for the renovation of buildings. As the office equipments were made to suit the office premises, the furniture could not be purchased from a manufacturing company. Therefore the contract given to this company was to decorate the office to suit the premises.

(b) Not disclosing accurate information- The opinion on his is not clear. Not identifying the ownership of vehicles- This is an irresponsible statement. Not conducting Open Biddings - This is also an irresponsible statement. According to the 2.14.1 of the Procurement Guidelines it is sufficient to have three quotations from 3 institutions under the market price reconciliation system. Paying of Rs. 18 for every excess kilo meter- This is not a fault. Any cab service company imposes such conditions.

Not crossing the cheques- Though it is not correct to issue a cheque without crossing it as per the Financial Regulations, there are instances when cheques are issued without crossing on the request made by payee. At such instances payments are made only after a confirmation that the correct payee is being paid. The vehicle is owned by the officer who uses it- This is also an irresponsible statement. The Clause 1.12 of the Chapter XLVII is applied to the government officers only. The employees of the Vocational Training Authority are not government employees.

(c) As per the 2.14.1 of the Procurement Guidelines the registration of suppliers of the Institute of Constructing Training and Development (ICTAD) is not compulsory. The department Procurement has been engaged on committee basis by identifying the construction of partition walls, ceilings, preparing the electric circuits and fixing the doors and windows as the first stage and constructing the internal decorations of the two laboratories, carpeting the floors and modifying the walls as a final touch as the second stage. Though the telephone numbers of the company, for which the contract was given, were included in the other two companies we had not awarded the contract to those two companies. Quotations for both these stages were called on the same day with the aim of receiving the goods for the second stage as soon as the conclusion of affairs of the first stage. The apprentice daily record books confirm that they were engaged in practical trainings at computer laboratories on 24/01/2011 as shown in the work completion Certificate. Therefore it is evident that this is an irresponsible statement.

(d)(i) Out of the four contracts under review, quotation formats had been issued to five registered contractors for the contracts number 1 and 4. Quotation formats are issued to less than five contractors for the contract number 2 and 3. However as a cost around Rs. 90,000 had to be spent for one paper advertisement, the requirements on the Clause (3.4) (c) were not fulfilled and the contract has been awarded after considering that by the Tender Board. At the same time we have issued BID documents only to the suppliers who are registered in the ICTAD.

(ii) Not accepted. This statement has made without any proper reading of the terms of the tender. The tender has been awarded to the contractor based on the lowest bid. It is a sum of Rs. 1,199,015.42 that is a deduction of 13% discount from the amount of Rs. 1,386,145. It is not the amount of Rs. 1,298,808 as mentioned in the inquiry. The Technical Assessment Committee can not consider any discount that was not given by the contractor. There is the possibility of one contractor to forward the

discounts mentioned in the BID Document and another contractor not to forward the same. The contractor who had forwarded the discounts has had presented those discounts even before the opening the tender. Accordingly there is no any loss occurred as mentioned in the inquiry. When a contractor has considered a contract amount with deducting a not given discount, this matter can even be brought before Courts by the other contractors. The inquiry should have been done after a thorough study.

(iii) Not accepted.

The contract was formed on 29 handed over to the contractor on 08/12/2010. The constructions were to be completed within four month from that date, i.e. by 08/04/2011. But the construction work was not done as expected due to the floods that affected most parts of the island. However when the site was inspected on the goods needed for the construction had been gathered and the construction work had been resumed. On the second inspection of the site conducted on 13/06/2011, around 55% of the construction work had been completed. The relevant contractor had completed the work mentioned in the Bill of Quantity and handed over the constructions on 07/07/2011.

(iv) A sum of Rs. 4,967,063 had been paid by 23/02/2011, the date mentioned in the inquiry the work had to be extended for 60 days (on two occasions) during the contracted period due to heavy rain and floods. Meteorological reports were also taken into consideration for this matter. The construction work was not completed even by March 2011 and as the work was not completed by the due date, the Assistant Director- Constructions has sent a letter to this company on 25/02/2011 stating that a fine would have to be imposed for each delayed date. The fine will be recovered at the final payment. This task is not yet completed.

(e) The Technical Evaluation Committee has been 4 ½ months delayed on this item due to the fact that the suppliers had not provided samples which should complete the quality of our goods including specifications. The sections of the syllabus that were not covered due to the lack of the necessary equipments will be covered by the further training.

(f) (i) A sum of Rs. 25,565,039.00 was estimated for 192 centers by the existed budget allocations by the amendment of the Action Plan of the year 2010 with the aim of implementing the 2011 Training Plan. The relevant budget allocations were made based on the estimates provided by the district office in consideration with the building and the classification of classes.

(ii) Work in the washing area is completed. Materials needed for the construction of a safe fence around the premises have been bought by the balance amount. The other construction works are under progress at present.

(iii) There is no such inquiry.

(iv) The renovation of the roof of the centre is completed after the preparation of the estimates and calling of quotations under the rapid development programme of centers.

(v) Is been contracted.

The district centre has not purchased the material with this regard and the issued checks are withheld by the head office. The Chief Internal Auditor is conducting an investigation on this.

(v) As mentioned in the inquiry the 20 litres of paint, obtained under the "Rapid Environment Decorating Programme of the Beautiful Gampaha" were insufficient to paint 4600 square feet buildings of the centre and some more paints had to be purchased again. An estimate was prepared and paint was purchased for a sum of Rs. 28, 413 and the balance of the amount Rs. 40,000 allocated to the development of the centres was reimbursed in the district accounts. Rs. 60,000/= was spent for the partition of classrooms and all renovations have also been completed.

(vi) As mentioned in the inquiry, actions were taken to obtain allocations under the concept of renovation of training centres to the partitioning of classrooms and construction of a dressing room which had been in need. But a reception counter and 4 chairs were purchased as per the instructions of the Tertiary Education Commission to conduct the Beauticulturist course and Hairdressers Course on NVQ 4 level and to maintain a Beauticulture centre in the same level. As a result of that the Beauticulturist and Hairdressers Course has obtained the accreditation level of 4 from 26/05/2011.

(vii) Although the renovations were delayed due to the island wide heavy rain, all the renovations have been completed by the beginning of the year 2011.

(viii) The sum of Rs. 3,357,746.00, as mentioned in the inquiry, is for a new construction in the Talbot Town Vocational Training Centre and the allocation of Rs. 2,356,601.00 had also been made for the internal renovation of the computer lab.

The specifications and plans on the renovation of the computer laboratory are filed in the district office in Talbot Town, Galle.

(ix) There is no inquiry on this number.

(x) The funds to the district offices are allocated on the basis of the budget estimates and the definite capital allocations which are provided at the beginning of the year. Though funds can be provided by the definite identification of the capital expenditure, the funds for the recurrent expenditure cannot be provided as such. Funds for both capital and recurrent expenditure are provided to the districts at the same time by the head office. Therefore it is not correct to consider this excess amount only as capital expenditure.

(g) The inquired course has been transferred to another area by the programme on placing training courses in districts based on the national standard system. The irregularity of the electricity system in the centre has occurred due to an imbalance of the "loads" in the electric system. As this course is moved to another place there is no need to do any corrections as inquired.

(h) Steps will be taken to produce information on the expenditure for the training of employees that were not presented for the audit in the year under review. A 10 day course was conducted at the National Training Centre in Narahenpita in the weekends, by the employment of resource persons from our own institution for 10 instructors who were identified under the practical programme for the improvement of technical skills of the instructors. A sum of Rs. 181,800 was spent for this. A four day extended training programme was conducted in the Thomson Electric and Motor Engineers Company for the instructors of the electric motor winding courses.

(i) As per the Cabinet Paper No. 05/0555/018/002, dated 07/04/2005 approval has been given to the institutions under the Ministries to transfer printings to the Youth Services Ltd outside the tender procedures. Accordingly this action has been taken by the institution.

(j) Transport facilities should be provided in a way that provides an effective contribution to the transportation of the officers (group transportation) of the institution by the used vehicles. If single person transportation is conducted an excess expenditure has to be incurred as per the running kilo meters. As one group vehicle among these, provides transportation facilities to the government Auditor, it is further stated that it has exceeded the limitations on distance based on the Circulars.

(ii) This jeep vehicle has been sent to the Matara Preethi Motors for repair for a sum of Rs. 4,45,294 as per the due tender procedures. An estimation of Rs. 65,000.00 has been provided by the same garage for the fixing of a new differential as it was required in the process of repair. Though there was a higher price for this, the Director General decided that the vehicle could not be taken to another company which had bided a lower price as the vehicle was already under repair. At the same time a new vehicle had to be hired for the district office for the excess period of time if this was done by another garage. Therefore the differential was fixed by the same garage.

(iii) The dates on the bills are not mentioned due to a mistake of the company which had presented the bills.

(iv) A sum of Rs. 62,407.50 has been paid on 29/07/2009 to the Dimo Company (Agent Company) for the repair. After five months from that repair on 04/12/2009, the V belt has been broken. Though a request was made to the company to do the repair free as claiming that this had occurred as a result of a fault of the previous repair, it was refused by that company and we had bear the cost for this repair.

### 3.2.3 Operating Inefficiencies

(a) Answers are provided by the report of 2009-14 (2)

(b) Answers are provided by the report of 2009-14 (2)

(c) Insurance coverage has not been obtained for this three-wheeler and the motor cycle and therefore action will be taken to inform the Department of Registration of Motor Vehicles and to remove the registered numbers of those vehicles from usage.

(d) This is an inquiry of year 2009 and it is difficult to provide answers to the relevant year since it is being included once again in the report of 2010-14 (2) as the year of review and as a result of wasting time of our officers for that matter there will not be adequate time available to answer the inquiries.

(e) The 3.2.3 (C) answer mentioned above for the second time is applicable.

(f) Inquiry regarding conducting Courses



(i) It is difficult to provide answers since it has not been clearly mentioned as to which time and the stage the amount of apprentices have been obtained for the courses subjected to the inquiry.

(ii) The dropout rate around 14 % of apprentices from courses for various reasons is due to some unavoidable reasons in the vocational training field.

(iii) There were defects on the matters stated in the inquiry and the rectifications are mentioned below with explanations for those defects.

	Centre	Course	Officers employed	Explanations
1	Dehiattakandiya	Tailor	K.C.Kumari C.K.Kodithuwakku	The same lady officer is addressed by these two names. Information is not correct accordingly.
2	Thirukkovil	Computer operator	M.I.M.Raees	Only a carpenter instructor is employed by this name.
			A.B.M.M.Jabeer	The plumbing instructor was resigned from service. These

#### 3.2.4 Administrative Inefficiency

(a) The amount of an Rs.808, 890/- mentioned in the Inquiry for the purchase of course materials in Gampaha District is incorrect. The correct value is Rs. 3,423,238.67.

(b) Inquired details are not clear.

#### 3.2.5 Resources of the Authority given to other Government Institutions

(a) (i) These eight officers were released on the requests made by Presidential Secretariat and the secretaries to Ministers. Four of them had not been released on salary re-imburement basis.

(ii) The person bearing the service number 733 namely (K.G. Sisira Kumara) has obtained an appointment at the Vocational Training Authority with effect from 01<sup>st</sup> July 1996. As mentioned in the Inquiry, due to a mistake in the information presented by us on 25<sup>th</sup> January 2011, it was stated that the salaries were being paid by the Vocational Training Authority from that day onwards. Therefore the appointment date should be corrected as 01<sup>st</sup> July 1996 and salaries were being paid from that day onwards.

Service No 69 – This person was being employed at the Ministry of Labour and Vocational Training from 11<sup>th</sup> October 1995 and on written advice of Secretary to Hon. Minister, a clerical appointment had been given by the Vocational Training Authority with effect from 10<sup>th</sup> October 1995.

(iii) Not accepted. This person was released to Samurdhi Authority with effect from 12<sup>th</sup> March 2008 on salary re-imbusement basis. Although it was mentioned in the Audit Inquiry that the salaries were being paid by the Vocational Training Authority from January 2009 to May 2010, those salary re-imburements were being continued until April 2011.

(b) The vehicles numbered 64-9724, KI-2563, KI-2565, GV-8588 that are belong to the Authority, were released to the Assistant Officers of the Chief Counting Officer at Ministry of Youth Affairs and Skill Development. As mentioned on the Inquiry only two Maruti vehicles numbered of KD-4331 and HZ-8481 out of five vehicles obtained on rent basis are being currently used. The rest of three vehicles are already being removed from tent basis.

### 3.2.6. Slow moving idle and underutilized assets.

(a) Not accepted.

There is no such Current Account balance which was not utilized for any of the functions in the year under review.

(b) There was a case filed against the driver of the double cab vehicle bearing No. 59-0627, which was met with an accident and the driver has been acquitted from all charges. An Internal Inquiry was carried out regarding the said double cab vehicle and it has been recommended to recover the loss from the officers who are responsible.

As the investigations regarding the motor car bearing No. 19-9958 was not carried out successfully so far, the relevant inquiry has been initiated by a committee appointed on my advice.

Repairs of the lorry bearing No. 26-8167 was deferred as adequate allocations were not approved in the previous years, but the relevant repairs were completed in 2010 and it has been used.

(c) The reasons for late commencement of courses are reporting for duty after maternity leave and transfer of apprentices to other centers where courses can be conducted effectively due to the insufficient participants for courses.

(d) The officer who served as the Receptionist of the Authority had taken maternity leave from the end of the year 2010 and after reporting to the duty she had obtained a short term transfer because of the infant child.

(e) Measures are being carried out for the initial wiring which is needed to obtain three phase electricity and action will be taken to provide electricity as soon as possible.

(f) Inquired matters are also mentioned under the Clause 3:2:2 (g) and the same reply is applicable for this as well.

(g) Not accepted. Training materials are not idle. According to a policy decision of the Ministry, the High Speed Sewing Machine Operator Course at Kandana Vocational Training Center is functioning at the Brandix company in Genehimulla, Weligampitiya with collaboration with the Brandix company. The Household Electric Equipment Repair Course at the Welisara Vocational Training Center which is closed, has been transferred to the Vocational Training Center at Divulapitiya.

### 3.2.7 Identified Shortages

(a) A manufacturing unit of Aluminum Processing Maintenance, Air conditioner and deep freezer repairing, Computer repairing and Vehicle repairing was not carried out in Ambepussa Vocational Training Centre in the year under review. Although the Koggala Hotel School revealed a loss of Rs. 41,503, when taking all the manufacturing units together, it reveals a profit of Rs. 11,674.017.

(b) Not accepted. The products produced by the Pansilgoda Vocational Training Centre have been transported to the District Centre as the products from the practical exercises of the apprentices.

(c) Internet facilities from Sri Lanka Telecom Company were obtained only for a network connection which can be used only at the office premises. Since that fixed line network connection could not be used for the duties outside the permanent office and due to the slow connection of the internet access, (HSDPA) High Speed Mobile Internet Connection was obtained from the Dialog Private Company on my approval.

(d) The sum of money that was not covered by an insurance policy for vehicle accidents that had taken place in the previous year, cannot be recovered from the relevant officer. In this regard- After the vehicle, bearing No. 31-6449, met with an accident, the repair charges were covered from the insurance company with a due amount of Rs. 15,000. That amount had been sustained by the owner of the garage. After the vehicle, bearing No. 56-4644, met with an accident the repair charges covered from the Insurance Company was less than the estimate of the garage. The balance had been sustained by the owner of the garage. Since the driver of the vehicle, numbered 64-1602, who was driving it at the time of the accident was punished by the Court and the Assistant Director of Kandy had not mentioned anything about his driving in this statement, as it seems that there is no need to punish the driver for the second time, it was not decided to recover the amount which was not covered from the insurance.

5.1 Arrangements can be made to provide details

5.2 Accepted. Corrections have been made. A strategy in order to check the monthly progress of the Action Plan has prepared by now.

5.3 Actions will be taken in the future to correct the agreed facts.

5.4 The audit queries of the government and relevant answers were reviewed at the meetings No. 51,52 and 53 of the Audit and Management Committee. In addition to that, the activities of the Audit branch have been subjected to final reviewing at the Committee No. 53.

Since the Report. 13 (7) (A) and Report 14 (2) were reviewed by the Board of Governors; it was not referred to the Audit and Management Committee again.

As per the letter No. 2/1/10/5/1 dated 13<sup>rd</sup> of June 2011, issued by the Additional Secretary (Administration and Finance) to the Ministry of Youth Affairs and Skill Development, the Accountant and Internal Auditor; Mrs. R.M.D.M. Kumari has participated up to the 49 meeting of the audit and Management Committee held on 27.06.2011 and since that officer was on maternity leave on 25.08.2011 on which 50<sup>th</sup> meeting of the committee was held, she was not called for the meeting. However, Public Enterprise PED/31 has not mentioned that a representative of the ministry should participate in the Audit and Management Committee meetings.

Colonel S.R.P. Rathnayake (R.W.P.R.S.P.)  
Chairman,  
Vocation Training Authority of Sri Lanka

.....  
Chairman,  
Vocational Training Authority of Sri Lanka.