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வருடாந்த அறிக்கை

ANNUAL REPORT
2024

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இலங்கை தேசிய மனிதவள அபிவிருத்திச் சபை
National Human Resources Development Council of Sri Lanka

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பொது நிருவாக, மாகாண சபைகள் மற்றும் உள்ளூராட்சி அமைச்சு
Ministry of Public Administration, Provincial Councils and Local Government

Institutional Background

Institution	:	*NHRDC*
Ministry	:	Ministry of Public Administration, Provincial Councils and Local Government
Address	:	354/2, 7th Floor, Nipunatha Piyasa, Elvitigala Mawatha, Narahenpita, Colombo 05
E-mail address	:	chairman.nhrdc@gmail.com ,director.nhrdc@yahoo.com
Web site	:	www.nhrdc.gov.lk
Telephone No.	:	0112595680
Fax No.	:	0112595680
Auditor	:	Auditor General National Audit Office Battaramulla
Banker	:	Bank of Ceylon

Vision

A Dignified Citizen – An Advanced Human Resource

Mission

To promote, facilitate, monitor, evaluate and develop effective policies on Human Resources Development, aligned with the Government National Policy Framework and persuade key stakeholders to implement, for building a multi-skilled, productive, decent, and globally competitive nation with human dignity.

Values

- Teamwork
- Responsibility
- Creativity
- Ethics

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Massage of the Chairman

The National Human Resources Development Council of Sri Lanka (NHRDC) was established under provisions of the National Human Resources Development Council Act No. 18 of 1997 to perform a vital role in Human Resources Development (HRD). The main objective of the Council is to provide policy guidelines and advisory support on HRD to the relevant Minister and the government.

Upon assuming office as Chairman in January 2023, I, together with the staff, conducted an in-depth review of the duties, functions, responsibilities, and powers vested in the NHRDC under the Act. This process highlighted the critical importance of the National Human Resources Development Policy (NHRDP) and its recommendations in achieving the Council's objectives.

During the Council meetings in 2024, steps were taken to review the draft NHRD policy with contributions from the governing council members. Meanwhile, the government approved the National Education Policy Framework (NEPF) to transform the country's education system. Given that education serves as the foundation for HRD, the governing council conducted an extensive study of the NEPF and underscored the need for a new national HRD policy. For formulating this comprehensive task, the council approved to appoint an expert committee and Dr. Chandra Embuldeniya, founder and former Vice Chancellor of Uva Wellassa University, as the team leader for drafting the HRD policy in alignment with the NEPF. A validation workshop was also conducted with stakeholders to review the draft NHRD policy.

Furthermore, as the designated focal point by the Ministry of Foreign Affairs for HRD planning in the BIMSTEC region, NHRDC successfully prepared the BIMSTEC HRD Plan. Following the concurrence of member states, an Expert Group Meeting was held virtually on August 21–22, 2024, with the participation of experts from the respective countries. Representing Sri Lanka, I had the honor of chairing the meeting and leading the delegation. Subsequently, an Implementation Plan for 2024–2029 was drafted and circulated among members for their approval.

In support of HRD research and policy development, NHRDC has undertaken several research initiatives contributing to the sector i.e. Study on the Challenges that Affect the Effectiveness of 13 Years Guaranteed Education Program in Sri Lanka – 2024, Tracer Study on Employability of TVET Graduates – 2024, Labour Market Trends in Sri Lanka – 2024: Specific Focus on the Hotel & Tourism Industry of Sri Lanka.

In addition, NHRDC has published two publications namely Statistical Bulletin-2024 and Human Capital Insights – 2024 as e-Magazines.

Thusitha P. Wanigasingha
Chairman

1. INSTITUTIONAL BACKGROUND AND THE SCOPE

The National Human Resources Development Council of Sri Lanka (NHRDC) is an institution established under the provisions of the National Human Resources Development Council Act No. 18 of 1997 to play a significant role in Human Resource Development (HRD). It is responsible for assisting in initiating, promoting, and implementing policies related to HRD, prioritizing all activities within its mandate under the powers vested in the council.

Its primary objective is to provide policy guidelines and advice on HRD to the relevant Minister and the government.

1.1 Introduction to the Institution

The NHRDC, as a national-level consultative body, began as a unit of the Ministry of Youth Affairs on June 5, 1987. Subsequently, it was established as an independent statutory body under the purview of the Ministry of Science and Technology, subject to the provisions of the National Human Resources Development Council Act No. 18 of 1997.

Since then, this institution has been reassigned to various ministries over time. In 2000, it was placed under the Ministry of Technical Education and Vocational Training. In 2001, it was reassigned to the Ministry of Education and Cultural Affairs. Following a change in government, it was later transferred to the Ministry of Skills Development, Vocational and Technical Training, and in 2019, it came under the Ministry of National Policies, Economic Affairs, Resettlement and Rehabilitation, Northern Province Development, and Youth Affairs.

Having functioned under multiple ministries within a short period, the institution is currently operating under the purview of the Ministry of Public Administration, Provincial Councils, and Local Government.

1.2 Vision

A Dignified Citizen – An Advanced Human Resource

1.3 Mission

To promote, facilitate, monitor, evaluate and develop effective policies on Human Resources Development, aligned with the Government National Policy Framework and persuade key stakeholders to implement, for building a multi-skilled, productive, decent, and globally competitive nation with human dignity.

1.4 Objectives

The objective of the NHRDC is to create an institutional frame work suitable for providing policy guidelines to the government in respect of Human Resources Development. This institution is also responsible for Human Resources Development, process planning, policy review and improvement of the human resources capacity.

The duties and functions of the Council are as follows;

(I) To advise the Minister on national human resources policy in all its aspects, including the rationalization and co-ordination of sectoral human resources development concerning, or related to

a. Employment, training and education;
b. The application of science and technology;
c. The enhancement of quality of life;
d. The designing of social protection for disadvantaged groups of persons; and
e. Maintaining entitlements with economic reforms;

(II)To make recommendations to the Minister, on plans and programs on human resources development, in accordance with the national policy, for submission to the Government;

(III)To review and examine, periodically, the national human resources development policy, plans and programs in operation and where necessary, to recommend to the Minister, changes in such policy, plans and programs;

(IV)To monitor the implementation of human resources development plans and programs approved by the Government; and

(V) To implement any project related to any subject referred to in the Schedule to this Act, provided that, where such project relates to a subject which has been assigned to any other Minister, implementation shall be with the concurrence of that other Minister; and

(VI)To do all such other acts which in the opinion of the Council are necessary for, or conducive or incidental to, human resources development in accordance with the national objectives.

1.5 Authority of the Council

In terms of Section 16 (1), Sub section 16 (2) (1) of the Act of National Human Resources Development Council of Sri Lanka No 18 of 1997, the powers of the Council are as follows;

(a) to carry out such surveys, investigation studies and research as may be necessary for the discharge of the functions of the Council;

(b) to conduct public or private hearings with a view to ascertaining the opinion of experts, professionals or the general public, on matters relating to human resources development;

(c) to establish and maintain liaison with international agencies and other organizations outside Sri Lanka discharging functions similar to those discharged by the Council;

(d) To enter into and perform, all such contracts and agreements as may be necessary for the discharge of its functions under this Act;

(e) To arrange for the conduct of human resources development research by Institutions or individuals either in Sri Lanka or abroad;

(f) To establish and maintain an information data bank on human resources development and related fields in Sri Lanka and in other countries;

(g) To open and maintain, current, savings or deposit accounts, in any bank or banks;

(h) To accept and receive grants and donations, both movable and immovable;

(i) To take such steps as may be necessary to advance the skills of its officers, with view to developing a pool of expertise in all aspects of human resources development;

(j) To appoint such committees, expert groups and advisory bodies as may be necessary for the effective discharge of its functions;

(k) To call for, and obtain such information as the Council may deem necessary including statistics and data from Ministries, Government Departments, Public Corporations, Statutory Boards, Provincial Councils, Local Authorities and Private Sector Establishments; and

(l) To adopt all measures, which in the opinion of the Council are considered necessary for, conducive or incidental to, the discharge, exercise and performance, of the functions, powers and duties of the Council.

2. ORGANIZATION STRUCTURE OF THE HUMAN RESOURCES DEVELOPMENT COUNCIL

This Council operating under the purview of the Ministry Public Administration, Provincial Councils and Local Government, is consisted with a chairman and twenty members appointed under the provisions of the NHRDC Act No. 18 of 1997. Out of them, fifteen (15) persons are appointed ex-officio, while the remaining five (5) members are appointed by the minister. Those five members are appointed considering experience and skills in the relevant fields and out of them two (2) persons are from the private sector. However, the number of ex-officio members is subject to articles 44, 45, and 47 of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Minister has the authority under the Act to appoint one of the above five members as the Chairman, who also serves as the Chief Executive Officer of the organization. In terms of section 3(1) (a) to (o) of NHRDC Act No.18 of 1997, the ex-officio members of the council as at 31.12.2024 are as follows subject to Article 44 of the 1978 Constitution.

1. Secretary, Ministry in charge of the subject of Education and Higher Education
2. Secretary, Ministry in charge of the subject of Finance
3. Secretary, Ministry in charge of the subject of Health
4. Secretary, Ministry in charge of the subject of Technology
5. Secretary, Ministry in charge of the subject of Labour
6. Secretary, Ministry in charge of the subject of Public Administration,
7. Secretary, Ministry in charge of the subject of Youth Affairs
8. Secretary, Ministry in charge of the subject of Industrial Development
9. Secretary, Ministry in charge of the subject of Agriculture
10. Secretary, Ministry in charge of the subject of Plan Implementation
11. Chairman, National Education Commission
12. Chairman, Tertiary and Vocational Education Commission
13. Chairman, National Apprentice and Industrial Training Authority
14. Chairman, University Grants Commission
15. Director General, Tertiary and Vocational Education Commission

As of December 31, 2024, Mr. Thusitha P. Wanigasingha has been serving as the Chairman of NHRDC, while the Minister-appointed five members are yet to be appointed.

2.1. Details of the Attendance of the Council Members of the Governing Council in 2024

No	Details of the Council Member	2024.01.18	2024.04.04	2024.06.27	2024.08.15
01	Mr. Thusitha P. Wanigasingha, Chairman, NHRDC (Appointed by the Hon. Minister)	√	√	√	√
02	Mrs. Wasantha Perera/Mrs. Thilaka Jayasundara, Secretary to the Ministry in charge of the subjects of Education and Higher Education	√	√	√	√
03	Mr. R.P.A. Wimalaweera, Secretary to the Ministry in charge of the subject of Labour	√	-	-	-
04	Mr. W.W.P. Yasaratne, Secretary to the Ministry in charge of the subject of Public Administration	√	√	-	√
05	Dr. P.G Maheepala, Secretary to the Ministry in charge of the subject of Health	√	-	-	-
06	Mrs. Thilaka Jayasundara/Mr. Shantha Weerasinghe, Secretary to the Ministry in charge of the subject of Industrial Development	-	-	√	√
07	Mr. Janaka Dharmakeerthi, Secretary to the Ministry in charge of the subject of Agriculture	-	√	-	-
08	Dr. Dharmasri Kumaratunge, Secretary to the Ministry in charge of the subject of Industrial Development	√	√	√	√
09	Mr. Kanapathipillai Maheesan, Secretary to the Ministry in charge of the subject of Youth Affairs	√	√	√	√
10	Eng. B.K.U.A Wickramasinghe, Chairman, Tertiary and Vocational Education Commission	-	√	√	-
11	Prof. Harishchandra Abeygunawardena/Mrs. Padmini Ranaweera, Chairman, National Education Commission	-	√	√	√
12	Prof. Sampath Amaratunge, Chairman, University Grants Commission	-	-	-	√
13	Dr. K.A. Lalithadheera, Director-General, Tertiary and Vocational Education Commission	-	√	√	√
14	Mr. Ruchika Amarasekara, Chairman, National Apprentice and Industrial Training Authority	√	-	-	-
15	Ms. H.L.J.K Amarasekara, Deputy Director, Department of National Budget - Nominee of the Secretary to the Ministry in charge of the subject of Finance	√	-	√	√

16	Prof. Jayantha Lal Ratnasekara, Vice Chancellor, Uva Wellassa University (Appointed by Hon. Minister)	-	-	*	*
17	Prof. W. Hilary Elmo Silva, Prof. in Accounting, Faculty of Management Studies and Commerce, University of Sri Jayawardenapura (Appointed by Hon. Minister)	√	√	√	-
18	Mr. M.C.V. Rajanathan, Retired Senior Banker at HNB (Appointed by Hon. Minister)	√	√	√	-
19	Mrs. Muditha Samadhani Kiriwandeniya, Managing Director, SANASA International Pvt. Ltd. (Appointed by Hon. Minister)	√	√	√	-
	Total Participation	**12**	**12**	**12**	**10**

√ Participated. - Excused. * Resigned.

2.2. Council Decisions highlights – 2024

2.2.1 HR Policy

The Council noted the necessity of drafting a new National Human Resources Development (NHRD) Policy and it was recommended that aligning the NHRD policy with the Cabinet-approved National Education Policy Framework (NEPF 2023-2033) to ensure consistency. The NEPF, developed by a Cabinet Sub-Committee chaired by the President, was approved on April 24, 2023. The council members unanimously agreed drafting the new NHRD Policy based on the NEPF document and the mandate of the NHRDC.

Accordingly, the new NHRD policy was drafted by the Team Lead Dr. Chandra Embuldeniya, Founder and Vice Chancellor of the Uva Wellassa University and presented to the governing council. Thereafter, a validation workshop was conducted on 15th August 2024 at the SLIDA with the participation of the governing council members in attendance.

The governing council approved the draft NHRD Policy and its foundational framework. It was emphasized that the purpose of this workshop is to further refine the policy by conducting an in-depth analysis of each pillar, incorporating insights from academics and senior officials. This process will help strengthen the policy’s relevance to each pillar, as it has received many positive proposals and feedback. Additionally, it was decided to establish committees for each policy pillar to facilitate continuous review, engaging stakeholders from both the public and private sectors. The committees were proposed during the meeting, with the decision that the NHRDC would determine their composition as needed.

2.2.2. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Human Resources Development Plan

Sri Lanka, as the lead country for Science and Technology in BIMSTEC, has played a key role in advancing HRD (HRD) among member nations. The National Human Resources Development Council (NHRDC), with the approval of the Ministry of Foreign Affairs, drafted the Plan of Action for HRD in the region.

After circulation for member states' feedback, the first expert group meeting was held virtually on 21st –22nd August 2024, with participation from all BIMSTEC countries and the BIMSTEC Secretariat. Delegates presented their HRD contributions, and the meeting was chaired by Mr. Thusitha P. Wanigasingha, with Dr. Chandra Embuldeniya presenting the plan. Sri Lanka’s country presentation was delivered by Mrs. Himali Athaudage.

Following discussions, the Plan of Action was finalized, with a follow-up workshop scheduled for 2025 to finalize implementation. Sri Lanka will host the workshop, reaffirming its commitment to regional HRD collaboration within BIMSTEC. The council recognized and appreciated the NHRDC’s contributions to the BIMSTEC region.

2.2.3. Presentation of the National Education Policy Framework (NEPF) to the council

A review on National Education Policy Framework (NEPF) was presented by the Team Lead, Dr. Chandra Embuldeniya, who was appointed by NHRDC for this purpose.

The NEPF, approved by the Cabinet of Ministers in 2023, represents a pivotal document outlining the overarching vision, objectives, and strategies for reforming our nation's education system. Understanding the implications of the NEPF on HRD is crucial for the NHRDC, given our mandate to drive forward national initiatives in this domain.

During the presentation, following key points were discussed:

I. Overview of the National Education Policy Framework (NEPF)
    - Background and context of the NEPF
    - Objectives and goals articulated in the NEPF
    - Core components and proposed strategies for its implementation

II. Analysis of the NEPF

- Evaluation of the NEPF's potential impact on HRD
- Identification of opportunities and challenges in translating NEPF objectives into actionable plans
- Recommendations for aligning NHRDC's initiatives with the overarching goals of the NEPF

III. Role of NHRDC in Implementing the NEPF

- Articulation of NHRDC's mandate and responsibilities in the context of HRD
- Strategies for leveraging NHRDC's expertise and resources to support the effective implementation of the NEPF
- Opportunities for collaboration with relevant stakeholders to ensure coordinated efforts towards NEPF objectives

The council noted that the main purpose of this NEPF is to transform the existing education system in Sri Lanka over the upcoming 10 years for better outcomes.

In a significant step towards this, Mrs. Thilaka Jayasundara, Secretary to the Ministry of Education invited Dr. Chandra Embuldeniya, Team Leader for NHRD Policy Preparation at the National HRD Council (NHRDC), to conduct a workshop on the draft NHRD plan. This workshop, organized for institutions under the Ministry of Education, took place prior to the NEPF workshops to be carried out by them. It featured participation from Ministry of Education institutions and members of the NHRDC Council.

The workshop was held on 10th July 2024, from 9:00 AM to 12:00 Noon at the Auditorium on the 7th floor of the Ministry of Education, Isurupaya, Battaramulla. Notable attendees included Mrs. Thilaka Jayasundara, Secretary to the Ministry of Education, Mr. Thusitha P. Wanigasingha, Chairman of NHRDC, and Dr. Chandra Embuldeniya, Team Lead of NHRD Policy Preparation.

2.2.4. Research Initiatives for the Year 2024

The NHRDC has initiated several research activities for the year 2024 aimed at addressing key challenges and opportunities in Sri Lanka's education and labor sectors. These research initiatives are essential for informing policy decisions and fostering sustainable HRD.

I. Study on the challenges that affect the effectiveness of 13 years guaranteed education program in Sri Lanka – 2024
II. Tracer Study on Employability of TVET Graduates in Sri Lanka
III. Study on Labour Market Trends in Sri Lanka (Tourism Sector)- 2024

The Research Officers explained their proposals at the meeting, and the council acknowledges the importance of these research initiatives and their potential impact on policymaking and HRD in Sri Lanka.

2.2.5. Introductory Meeting with Secretary General of BIMSTEC

The council acknowledges the forthcoming visit of His Excellency Indra Mani Pandey, Secretary General of BIMSTEC, to Sri Lanka from 8th to 10th April 2024. This visit presents an important diplomatic engagement aimed at fostering regional cooperation.

NHRDC's participation in the introductory meeting with Secretary General Pandey on 8th April 2024 at 10:00 AM at the Prime Minister's Office in Colombo is noted. This engagement highlights NHRDC's commitment to promoting inclusive and sustainable HRD within the BIMSTEC framework.

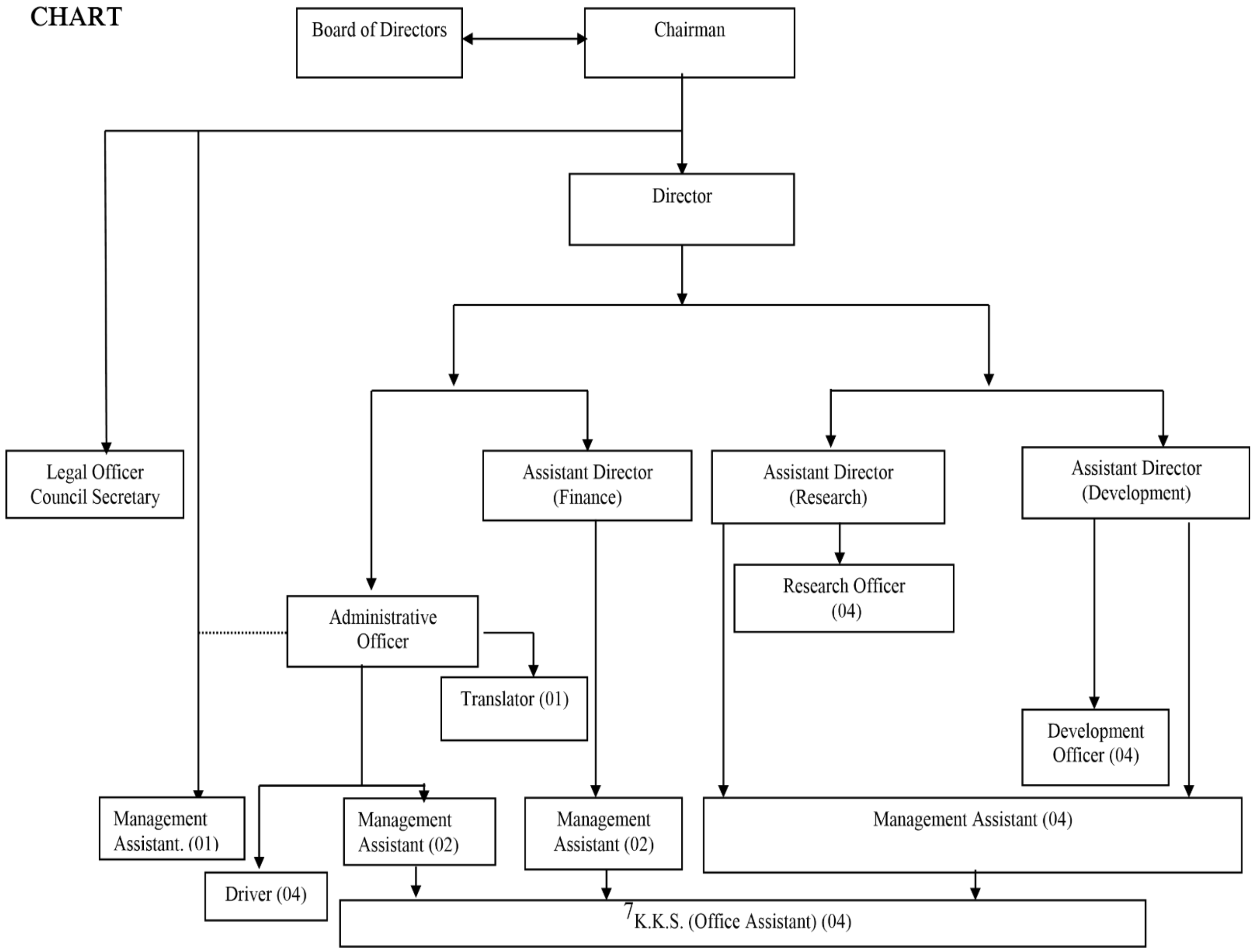
The council emphasizes the significance of NHRDC's role as the focal point for HRD within the BIMSTEC region and encourages active engagement to advance regional cooperation in HRD initiatives.

2.2.6 . Human Capital Summit 2024

Mr. Dinesh Weerakkody, former Chairman of NHRDC and an advisor to H.E. the President, has invited NHRDC to collaborate in organizing the Human Capital Summit 2024. The summit held on 18th July 2024 at Temple Trees as a one-day program. Council members acknowledged this event and received invitations for the event.

2.3. NHRDC ORGANIZATION CHART

CHART



3. NHRDC HUMAN RESOURCE

Designation	Approved cadre	Existing Cadre as at 31.12.2024	Vacancies as at 31.12.2024	Name
Chairman	01	01	-	Mr. Thusitha P. Wanigasingha
Director	01	-	01	-
Assistant Director	03	-	03	-
Council Secretary/ Legal officer	01	01	-	Mrs. G.G. Kasuni Uthpala
Research Officer	04	04	-	Mr. D. Senthilnadan Mr. R.D.C.S. Rajapaksha Mr. A.S.G.S. Bandara Mrs. H. W. Thushari
Administrative Officer	01	01	-	Mrs. K.V.S. Eranga
Translator	01	-	01	-
Development Officer	04	02	02	Mrs. R.Priyatharshini Mr.W. A. Chathuranga (Assigned by the Ministry of Public Administration, Provincial Councils and Local Government)
PA to Chairman	01	-	01	-
Management Assistant	08	04	04	Mr. C.R.Maddage Mrs. M.G.N. Dilhari Mrs. K.C.Muthumala Mrs. Asha Edirisingha
Driver	04	04	-	Mr. G.M.Pinnaduwa Mr. Terrance Piyal Mr. R.C.R. Jayawardena Mr. Gayan Jeewantha
Office Assistant	04	02	02	Mr. N. G.Nadun Maduranga Miss. A.Nayana Priyadarshani
Total	**33**	**19**	**14**	

3.1 Recruitments

As per the provision of the Department of Management Services, a staff of 33 has been approved for the Council but the existing staff was 19 as at 31.12.2024 with the Chairman.

Name	Designation	Date of Recruited
Mr.A.S.G.S.Bandara	Research Officer	01/02/2024
Mrs. H.W. Thushari	Research Officer	01/03/2024

3.2 Resignation

Name	Designation	Date of Resignation
Mrs. S.S.Kaluarachchi	Assistant Director (Finance)	22 /02/2024
Mrs. G.P.M. Saddhamangala	Management Assistant	26/02/2024
Mr.W.R.A.P. Granwil	Office Assistant	27/09/2024

3.3. Retirement

Name	Designation	Date of Retirement
Mrs.J.A.C.P. Jayasinghe	Deputy Director (Development)	29/09/2024

3.4 Local Training

With the view to enhance subject knowledge of staff of the NHRDC, local trainings were provided to them during the year under review.

The details of officers who attended the training programs during the year 2024 are as follows.

Name of the training	Name of the Officer/Group	Designation	Institute/ Resource person
Senior level Tamil Language course	Mrs.Kasuni Uthpala	Council Secretary/ Legal officer	Department of Official Languages
	Mrs. R.D.C.S. Rajapaksha	Research Officer	
Secondary/ Tertiary level Tamil Language course	Mrs. Sewvandi Eranga	Administrative Officer	Department of Official Languages
	Mrs.A.S.Edirisinghe	Management Assistant	
	Mrs. K.C.Muthumala	Management Assistant	
Primary level Tamil Language course	Mr. Terans Piyal	Driver	Department of Official Languages
	Mr.D.D. Gayan Jeewantha	Driver	
	Mr. R.C.R. Jayawardena	Driver	
QuickBooks Accounting software training	Mrs. K.C. Muthumala Mrs. Nadeesha Dilhari	Management Assistant Management Assistant	Softkey Systems (Pvt) Ltd
Funds released for the Masters of Law degree as the 2nd EB examination	Ms.G.G.Kasuni Uthpala	Council Secretary/ Legal officer	General Sir John Kotelawala Defence University

4. Audit and Management Committee Meetings - 2024

In 2024, the Audit & Management Committee met on three occasions and recommended management decisions to the council on the following matters.

- ❖ Action Plan - 2024
- ❖ Annual Report Draft – 2023
- ❖ Corporate Plan (2024 – 2028)
- ❖ Audit Report - 2023
- ❖ Final Accounts - 2023
- ❖ Internal Audit Reports
- ❖ Various management decisions related to the administration of the Council

From 1 st January to 31st December, 2024 the Audit & Management Committee consisted with the following members of the Council.

❖ 1st AMC meeting held on 07.02.2024

1. Mrs H.L.J.K. Amarasekara, Deputy Director, Ministry of Finance - Chairperson of the Committee
2. Dr. K.A. Lalithadheera, Director General, TVEC – Member of the Committee
3. Mrs. M.S.Kiriwandeniya - (Council Member) – Member of the Committee
4. Mr. S. P. Gamini , Chief Internal Auditor, Ministry Public Admin.– Observer
5. Mrs.W.P.C.S. Abeydheera, Audit Superintendent, Government Audit Division- Observer

❖ 2nd AMC meeting held on 12.06.2024

1. Mrs H.L.J.K. Amarasekara, Deputy Director, Ministry of Finance - Chairperson of the Committee
2. Dr. K.A. Lalithadheera, Director General / TVEC – Member of the Committee
3. Mrs. M.S.Kiriwandeniya - (Council Member) – Member of the Committee
4. Mr. N.P. Gamini, Chief Internal Auditor/Ministry of Public Admn. - Observer
5. Mrs.W.P.C.S. Abeydheera, Audit Superintendent /Government Audit Division- Observer

❖ 3rd AMC meeting held on 27.08.2024

1. Mrs H.L.J.K. Amarasekara, Deputy Director, Ministry of Finance - Chairperson of the Committee
2. Dr. K.A. Lalithadheera, Director General / TVEC – Member of the Committee
3. Mrs. M.S.Kiriwandeniys - (Council Member) – Member of the Committee
4. Mr. N.P. Gamini, Chief Internal Auditor/Ministry of Public Admn. - Observer
5. Mrs.W.P.C.S. Abeydheera, Audit Superintendent /Government Audit Division- Observer

5. PROJECTS DONE DURING THE YEAR 2024

5.1. HR Policy

Upon a thorough examination of policy no. 58-112 of the National Human Resources and Employment policy established in 2012, it was observed that relevant data are not readily available. The Council noted the absence of routine data collection in various aspects in Sri Lanka. Additionally, there is no proper centralized collection system. While some higher education and tertiary education institutes maintain systematically collected databases, this practice is not consistent across all institutes. The Council further observed that the collection of primary and secondary HRD related data poses challenges.

The Council noted the necessity of drafting a new National Human Resources Development (NHRD) Policy and it was recommended that aligning the NHRD policy with the Cabinet-approved National Education Policy Framework (NEPF 2023-2033) to ensure consistency. The NEPF, developed by a Cabinet Sub-Committee chaired by the President, was approved on April 24, 2023. The council members unanimously agreed drafting the new NHRD Policy based on the NEPF document and the mandate of the NHRDC.

Accordingly, the new NHRD policy was drafted by the Team Lead Dr. Chandra Embuldeniya, Founder and Vice Chancellor of the Uva Wellassa University and presented to the governing council. Thereafter, a validation workshop was conducted on 15th August 2024 at the SLIDA.

This workshop marked a significant step towards expediting the development of the National Human Resources Development (NHRD) Policy, aimed at ensuring a sustainable future for the nation. The workshop, held at Sri Lanka Institute of Development Administration (SLIDA), brought together key stakeholders, experts, and sectoral representatives to validate the draft NHRD Policy. This draft policy has been meticulously developed by the NHRDC through a series of preliminary studies and stakeholder consultations.

Mr. Thusitha Wanigasingha, Chairman of NHRDC, chaired the event, which was attended by approximately 80 participants from various sectors. The gathering provided a valuable platform for presenting the draft policy and gathering contributions to enhance its effectiveness. Dr. Chandra Embuldeniya, Team Lead for the policy preparation, presented the draft NHRD Policy to the participants. During the workshop, it was agreed to establish committees for each policy pillar as the next phase of this initiative, ensuring the policy's continuous improvement and relevance.

Governing Council Members who attended the workshop included: Mr. W.W.P. Yasaratne, Secretary, Ministry of Public Administration, Home Affairs, Provincial Councils & Local Government Mrs. Thilaka Jayasundara, Secretary, Ministry of Education Mr. Shantha Weerasinghe, Secretary, Ministry of Industries Dr. Dharmasri Kumaratunga, Secretary, Ministry of Technology Mr. Kanapathipillai Mahesan, Secretary, Ministry of Sports & Youth Prof. Sampath Amaratunge, Chairman, University Grants Commission Mrs. Padmini Ranaweera, Chairperson, National Education Commission Dr. K.A. Lalithadheera, Director General, Tertiary and Vocational Education Commission Ms. H.L.J.K Amarasekara, Deputy Director, Department of National Budget, Ministry of Finance.

The event also saw the participation of Mr. Nihal Ranasinghe, Secretary to the Ministry of Justice (former Secretary to the Ministry of Education), and Mr. K.A. Thilakarathna, Consultant for the Sectoral Oversight Committee on an Open and Accountable Government of the Parliament of Sri Lanka, who provided valuable insights during the discussions. Representing the private sector, delegates from the Chamber of Commerce, along with key stakeholders, attended the event.

The governing council approved the draft NHRD Policy and its foundational framework at this workshop. It was emphasized that the purpose of this workshop is to further refine the policy by conducting an in-depth analysis of each pillar, incorporating insights from academics and senior officials. This process will help strengthen the policy's relevance to each pillar, as it has received many positive proposals and feedback. Additionally, it was decided to establish committees for each policy pillar to facilitate continuous review, engaging stakeholders from both the public and private sectors. The committees were proposed during the meeting, with the decision that the NHRDC would determine their composition as needed.

5.2. BIMSTEC Human Resources Development Plan

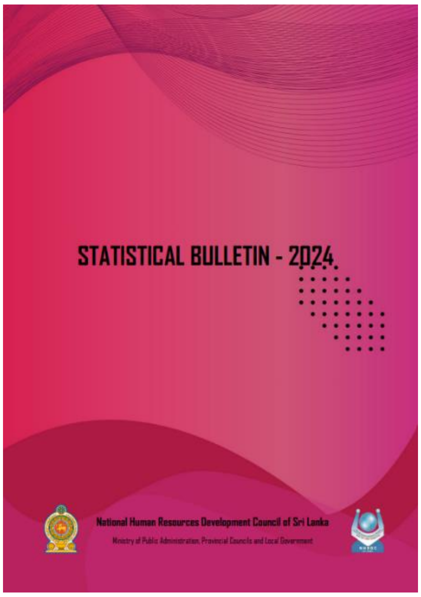
Sri Lanka, as the lead country for Science and Technology in the BIMSTEC region, has taken a significant step forward in advancing HRD (HRD) across member nations. As a key sub-sector under Science and Technology, HRD is vital for fostering regional collaboration and development.
The National Human Resources Development Council (NHRDC) of Sri Lanka, with the approval of the Ministry of Foreign Affairs, serving as the focal point for HRD, was tasked with drafting the Plan of Action for the BIMSTEC region.

The draft Plan of Action was successfully completed and subsequently presented to the governing council of NHRDC. Then it was circulated to the BIMSTEC Secretariat through the Ministry of Foreign Affairs for the comments/suggestions/concurrence. After receiving comments/suggestions/concurrence from the member stated the first expert group meeting was held virtually on 21^{st} and 22^{nd} August 2024. This meeting brought together distinguished delegates from BIMSTEC member countries, including Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand, as well as representatives from the BIMSTEC Secretariat.

Following in-depth discussions, the Plan of Action was finalized. It was also agreed that a follow-up workshop, aimed at finalizing the implementation plan, will be held in 2025. Sri Lanka, continuing its leadership role in Science and Technology within BIMSTEC, will host this important event.

This initiative underscores Sri Lanka's commitment to advancing regional cooperation in HRD, leveraging collective expertise and experience to build a stronger, more connected BIMSTEC region. Accordingly, the draft Implementation plan was prepared and circulated to the member states through the BIMSTEC Secretariat. By the end of 2024, Bhutan had provided its concurrence, while feedback from other member countries remained pending.

5.3. Statistical Bulletin - 2024 of NHRDC

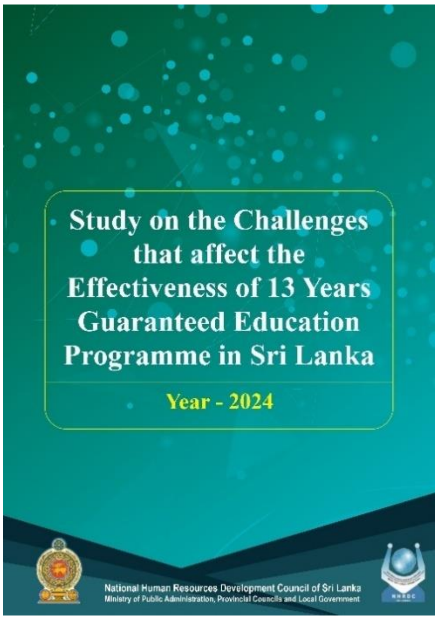


As per the vision of NHRDC, the management of NHRDC has been decided to publish a Statistical Bulletin annually to fulfill the information gap of relevant stakeholders regarding the Education and other vital Human Resources Development (HRD) sectors in Sri Lanka. In this regard, nine bulletins were published since the year 2015 and the latest bulletin has been published in the Year 2024.

Since 2023, a new chapter has been introduced to add vital HRD (HRD) statistics. Vital statistics on students' dropouts in each stage of Education & (Not in Education, Employment or Training) NEET group, vital statistics on Human Resources Development Index (HRDI) & HRDI Map of Sri Lanka for year 2022, and vital statistics on foreign employment opportunities received & job placements done, have been included to this new chapter. Also, several new statistical tables were included in to the previous General Education and Higher Education chapters as well.

This bulletin includes important statistics related to General Education, TVET and Higher education sectors and other vital HRD statistics. All the data were collected based on the secondary data sources available in the Websites, Central Bank Annual reports of Sri Lanka, University Statistics of University Grant Commission, annual Labour Market Information Bulletin of TVEC, Annual Performance Reports of Ministry of Education, Grade 5, G.C.E (O/L) and G.C.E (A/L) Performance of candidates reports of Department of Examination in Sri Lanka and Budget Estimate of Ministry of Finance, Statistics report of Sri Lanka Bureau of Foreign Employment and NHRDC Publications etc. Data and analysis done in this bulletin will be important to researchers, policy makers who have an interest in the General Education, Higher education, Skills and Vocational Education, and other vital Human Resources Development sectors in Sri Lanka.

5.4. Study on the Challenges that Affect the Effectiveness of 13 Years Guaranteed Education Program in Sri Lanka - 2024



In 2017 in Sri Lanka, 13 Years Guaranteed Education Program (13YGEP) was announced by the Government under an ambitious initiative to address the ‘drop out’ rates in school after the G.C.E (O/L) and provide students with a vocational training in order to improve their employability. This study examines the challenges to the program's effectiveness, and identifies trends in student intake, course completion, employability, and systemic barriers to the success of the program.

A mixed-methods approach was used to gather quantitative data across 337 schools in Sri Lanka and qualitative insights from interviews with educational administrators. Trends that were encouraging included a consistent increase in the intake of students from 6,098 in 2018 to 10,366 in 2022, with males outstripping female enrolment consistently. NVQ completion rates for Level 3 and 4 qualifications also increased, the number of graduates gaining these accreditations up by 58% in five years. While these are all good news, dropout rates continued to be an issue, with over 2,937 students dropping out of college in 2022 compared to 1,583 in 2018. However, this all had become compounded by external factors, such as the COVID-19 pandemic, exposing vulnerabilities in the system.

Employment outcomes were very slightly better, with graduate employment rates rising from 37.7 % in 2018 to 46.1 % in 2022. Among the most important issues were a shortage of well qualified vocational teachers, insufficient infrastructure and mismatch of the vocational curricula and labour market need. In addition, ineffective awareness campaigns around vocational education contributed to an under enrollment, and stigmatization. Then there were financial and logistical barriers which made things worse, especially for youngsters in rural areas who were able to encounter vocational centers and resources.

Moreover, there was no coordination between stakeholders including schools, vocational training institutes and education authorities. Limit opportunities for on-the-job training (OJT) and delays in certification prevented the program from enabling students to learn practical skills and be job ready. Moreover, little existed in terms of systems to measure student progress or track long-term outcomes related to student employability and this contributed to a lack of focus in measuring overall program impact.

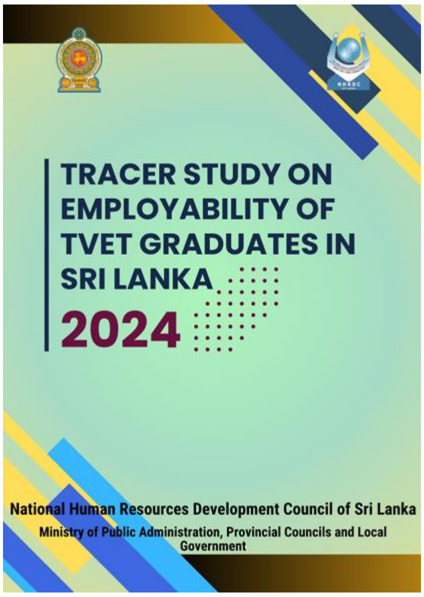
In order to address these challenges, several recommendations are made. Societal perceptions of vocational education and its value as a career pathway should be targeted as subjects worthy of change through awareness campaigns focused on creating that awareness. The recruitment drives and professional development programs which are vital if a shortage of good quality teachers is to be met. Enhancement would be achieved through investments in the infrastructure of vocational education, including the better classroom infrastructure, training equipment and digital resources. Moreover, scholarships, travel allowances, and attendance-based incentives can lower dropout rates; and better promote students from an economically deprived background.

The study adds support to the idea of the need to align vocational curricula to industry need (green technologies, healthcare, or information technology) in order to meet the variety of job markets. More underserved areas can be served by these vocational centers, which is more accessible and more retainable; part time or weekend courses can also be used. Processes of enrollment would be simplified, barriers in the selection tests (such as consideration of O/L qualifications for entering in to vocational courses) eliminated and widened participation to include everyone.

However, this study shows that the 13YGEP has immense capacity to ameliorate unemployment and skill gaps in Sri Lanka, if the systemic challenges are adequately taken into account.

On the basis of these findings, implications are to make contributions to the global debate on taking vocational streams in secondary education, and to inform policymakers and educators in developing countries. If targeted reforms are pursued, the 13YGEP can serve as a model for labor market aligned educational initiatives that will offer equitable access to quality education and increased jobs prospects for youth in Sri Lanka.

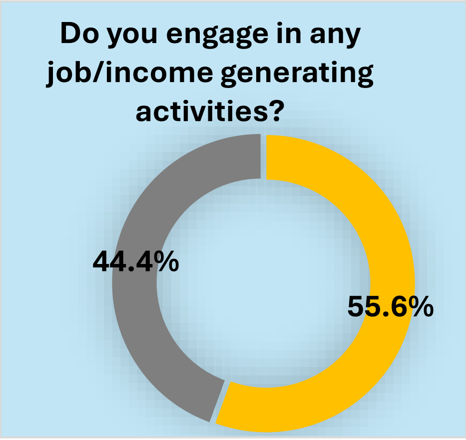
5.5. Tracer Study on Employability of TVET Graduates – 2024



NHRDC has conducted the 'Tracer Study on Employability of TVET Graduates - 2024'. The Main Objective is to identify the employability of TVET Graduates, and Secondary Objectives are: to identify the employment rate of TVET graduates, to find the influencing factors on Employability, and to analyse the current state of TVET graduates' unemployment in Sri Lanka. And propose recommendations for bridging the gap between the TVET sector and industry demands to enhance youth employability.

This report examines the employability of Technical and Vocational Education and Training (TVET) graduates in Sri Lanka, analysing key challenges, trends, and opportunities in aligning vocational training with labour market demands. It is based on a comprehensive tracer study involving graduates from public institutions such as VTA, NAITA, DTET and NYSC across four districts (Jaffna, Galle, Kalutara, and Ampara) who completed training in 2021. In order to achieve the study objectives, both primary and secondary data were collected for analytical purposes. Under the primary data collection NHRDC research team conducted a structured questionnaire survey from a sample of 1238 TVET Graduates who had completed their NVQ level. Moreover, the data were obtained from 1207 out of 1238 students in this study. This was 97.49 per cent of the total data collection. Apart from the data analysis validation meeting was conducted with the Research Cell of TVEC and relevant representatives of Institutions. The research highlights critical factors influencing employability and offers actionable recommendations for policy and institutional improvements. This study was conducted by D.Senthilnathan for NHRDC.

Key findings of the Studies: Youth Employment and Gender Disparities:



Youth unemployment remains a pressing issue in Sri Lanka, with a significant mismatch between TVET graduates' skills and market demands 55.6% of TVET graduates were engaged in job or income-generating activities, and 44.4% unemployed. However, 60% of them future education, 27% the unable to find jobs and 6% of youth are expecting foreign employment. Moreover, 67.2 % males were employed and 32.8% females were unemployed.

Gender disparities shape career preferences among TVET graduates in Sri Lanka.

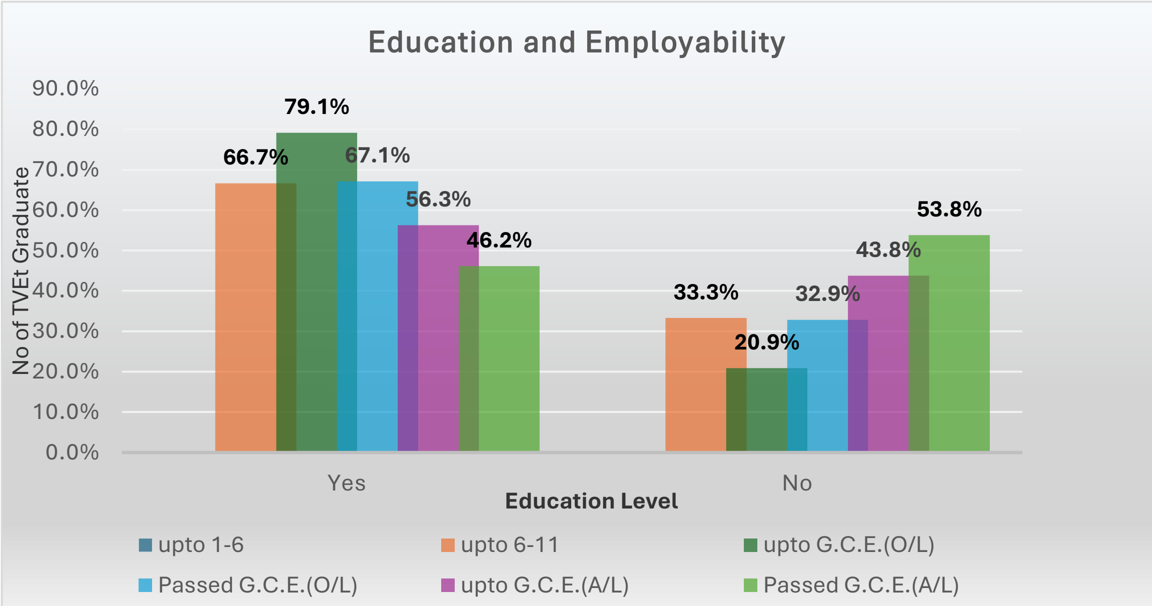
Men favor foreign employment for better pay and growth, while women prefer private-sector jobs for inclusivity and flexibility. Government jobs appeal more to women for stability and work-life balance, while men lean towards entrepreneurship.

Main reason for unemployment				
Main reason	**Jaffna**	**Ampara**	**Galle**	**Kalutara**
Unable to find a job	31.3%	29.8%	21.2%	30.5%
For further education	58.3%	63.3%	68.7%	59.3%
Much far away from home, if job opportunities are available	1.0%	.5%	0.0%	0.0%
Insufficient training period	0.0%	0.0%	.5%	0.0%
Expecting the Foreign employment opportunities	6.3%	4.3%	8.1%	8.5%
I do not like to do a job	1.0%	.5%	1.0%	0.0%
Due to cultural barriers	0.0%	1.1%	.5%	1.7%
Other	2.1%	.5%	0.0%	0.0%

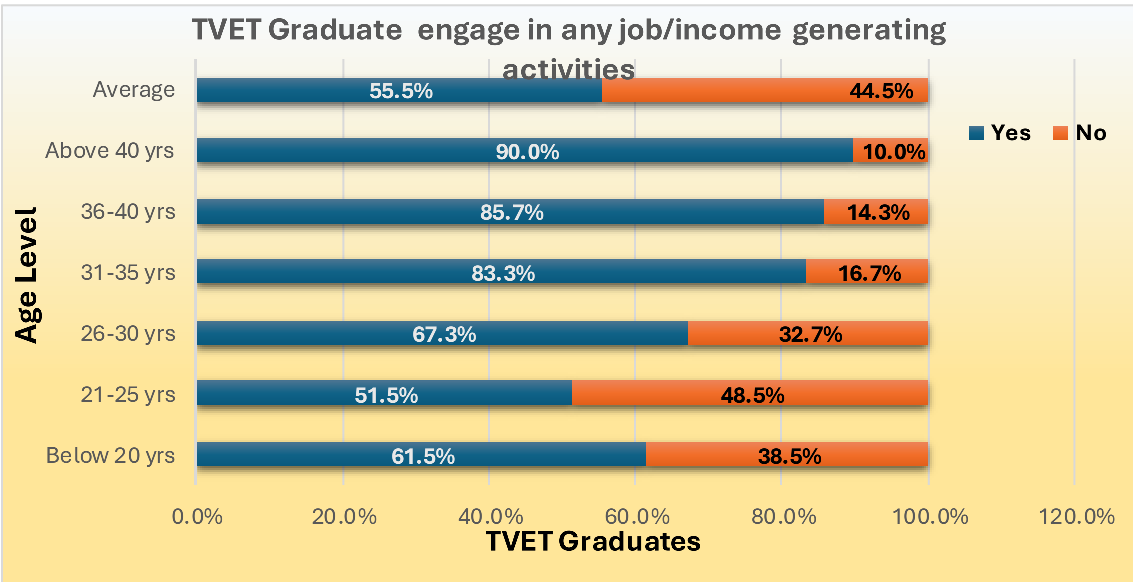
The key factors influencing the selection of candidates for jobs in Sri Lanka:

Key factors for job selection in Sri Lanka include English and computer literacy, reputation of the training institution, quality of the course, and field of training. Other professional qualifications and personality highlight the importance of adaptability, soft skills, and job-specific expertise in a globalized market.

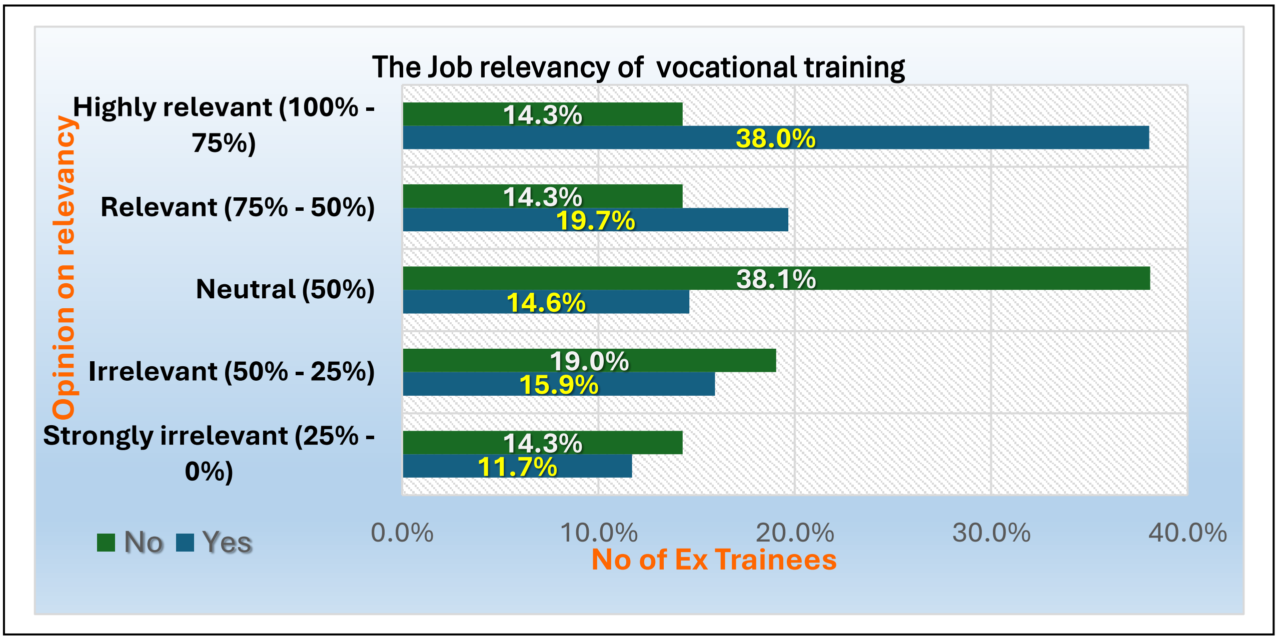
Education level and Employability: TVET programs in Sri Lanka effectively boost employability, particularly for individuals with formal education. Those educated up to G.C.E. (O/L) have the highest employability (79.1%), while higher employability rates in NVQ Level 4, and Level 5.



Age and Employability: Age limit above 40, TVET graduates have higher employment rates, with 90% engaged in income-generating activities, age limit 36-40, with 85.7% and age limit 31-35, 83.3 % are engaged income income-generating activities, respectively. This highlights the role of experience and stability. Younger graduates face challenges, suggesting a need for targeted training, mentorship, and entry-level opportunities.



The relevance of Vocational Training and Job: Half of the (53%) TVET Graduates reported positive job outcomes, suggesting that vocational training has a positive impact on employability. This indicates that vocational training can be effective in equipping individuals with skills that are marketable and in demand, enabling them to secure jobs or start their income-generating activities. However, the results are not overwhelmingly positive, as nearly half (47%) of the trainees did not find the training relevant to their employment needs.



Working sector and earnings: The majority of graduates (64%) are working in the private sector, 17% of them have their own account and 7% are entrepreneurs (SMEs), and 12% are in the public sector. Most (70%) of those currently employed have previous work experience. Among those who completed the vocational training course, the majority (43%) received Rs. 41,000 above their monthly salaries. While 25% of them get a salary between Rs 30,000-40,000. However, 16% TVET graduates earn less than Rs. 20,000. This is not a good sign; the industry and concerned stakeholders should define the standard of salary and facilities that will sustain the image of TVET.

Sector	Monthly income earned through the current employment/task (Income in Rs.)					
	Less than Rs. 20,000	20,001 – 25,000	25,001 – 30,000	30,001 – 35,000	35,001 – 40,000	More than 41,000
Public Sector	4.1%	2.7%	6.8%	9.6%	8.2%	68.5%
Private Sector	9.6%	8.4%	9.6%	15.2%	15.7%	41.5%
NGO/INGO	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%
Own account Worker	41.7%	11.7%	7.8%	5.8%	3.9%	29.1%
Entrepreneur (SME)	34.9%	0.0%	7.0%	16.3%	9.3%	32.6%
Others	11.8%	5.9%	5.9%	5.9%	0.0%	70.6%

Enhanced Career Guidance: Expand access to career counselling, particularly in underperforming districts, to better prepare students for employment opportunities. A survey on obtaining career guidance before enrolling in a course reveals significant variation across districts. In Jaffna, 72.4% of individuals sought guidance, indicating a strong awareness of its benefits, while in Ampara, this figure was even higher at 86.6%. Conversely, Kalutara (29.4%) and Galle (55.7%) demonstrated lower engagement with career guidance, suggesting a need for increased awareness and access to such services in these areas. These disparities underscore the importance of promoting career counselling to create more equitable opportunities nationwide.

Did you obtain career guidance before following this course?		
District	Yes	No
Jaffna	72.4%	27.6%
Ampara	86.6%	13.4%
Galle	55.7%	44.3%
Kalutara	29.4%	70.2%

Barriers to Employment: Lack of formal career guidance, limited industry collaboration, and regional economic disparities hinder employment opportunities for TVET graduates.

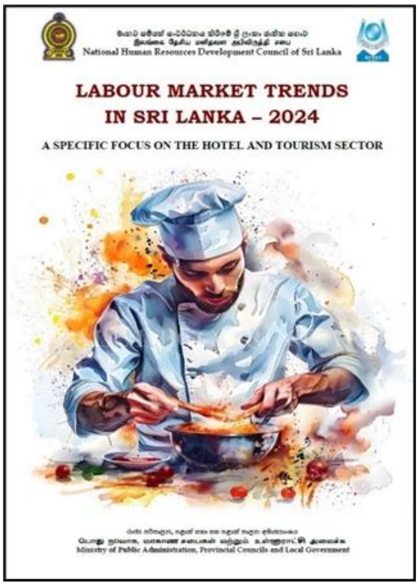
After analyzing all the information collected, the study identified issues and recommendations.
Curriculum Alignment: Strengthen alignment between vocational training curricula and industry demands, particularly in high-growth sectors such as IT and renewable energy.

Gender-Inclusive Policies: Implement targeted interventions to encourage female participation in technical fields and apprenticeships.

Industry Collaboration: Foster stronger partnerships between training institutions and industries to improve OJT opportunities and job placements.

Soft Skill Development: Incorporate comprehensive soft skill training to enhance graduates' adaptability, teamwork, and problem-solving abilities.

5.6. Labour Market Trends in Sri Lanka – 2024: Specific Focus on the Hotel & Tourism Industry of Sri Lanka



The labour force is fundamental to a country's economic development and overall well-being. Its size and productivity directly impact economic output and growth potential. A skilled and well-educated workforce fosters innovation, technological advancement, and competitiveness in the global market. Countries with productive labour forces are better positioned to attract foreign investment, engage in international trade, and integrate into global value chains. Additionally, a robust labour force promotes inclusive economic growth by creating opportunities for all segments of society, including women and marginalized groups, thereby reducing poverty and inequality.
According to the Sri Lanka Labour Force Survey Annual Report 2022, the estimated household population aged 15 years and above is 17.16 million, comprising 7.91 million males and 9.25 million females. The total labour force stands at 8.55 million, with 5.58 million males and 2.97 million females. The Labour Force Participation Rate (LFPR) is 49.8%, with male participation at 70.5% and female participation at 32.1%. The working-age population is divided into the economically active (employed and unemployed) and economically inactive (students, homemakers, retirees, disabled individuals, and potential labour force). In 2022, 42.9% of the workforce was employed in the private sector, 33.1% were own-account workers, and 15.1% were in the public sector.

To understand current and future labour market trends, the National Human Resources Development Council (NHRDC) is conducting a survey, focusing particularly on Sri Lanka’s hotel and tourism industry. Tourism has historically been a leading foreign exchange earner and remains vital to the economy. The hospitality sector, encompassing hotels, homestays, restaurants, and other tourism services, is integral to national income. The tourism sector contributes 4.3% to Sri Lanka’s GDP, accounts for 13.3% of total foreign exchange earnings, and provides direct and indirect employment to around 450,000 individuals.

However, the increasing migration of skilled workers seeking foreign employment has led to a domestic labour shortage, particularly in the hotel and tourism industry. The Sri Lanka Foreign Employment Bureau reported a 4.2% decline in outbound migrant workers, from 310,955 in 2022 to 297,664 in 2023. This trend underscores the need for strategic workforce development to sustain the industry's growth and competitiveness.

This research employs a mixed-method approach, combining qualitative and quantitative data collection. Primary data is sourced from hotel and tourism stakeholders, along with institutions like the Sri Lanka Vocational Training Authority and Tertiary and Vocational Education Commission, to assess industry-related training programs and workforce entry rates. Secondary data is obtained from government reports and industry publications. A sample of 108 establishments from 484 SLTDA-registered tourist accommodations was surveyed across the Western, Southern, and Central provinces using questionnaires, interviews, and focus groups. Data analysis was conducted using SPSS and Excel, employing descriptive statistics and thematic content analysis to identify key trends and challenges.

According to the sample data, the current workforce in the Hotel and Tourism sector is as follows.

Kitchen Department (22.9%)			
Occupation	**Total No of Employees (%)**	**Male (%)**	**Female (%)**
Commies 1-3	863 (42.0%)	803 (93.0%)	60 (7.0%)
Chef de Party	404 (19.7%)	389 (96.3%)	15 (3.7%)
Trainees	982 (18.6%)	262 (68.6%)	120 (31.4%)
Sous Chef	203 (9.9%)	193 (95.1%)	10 (4.9%)
Stewards	202 (9.8%)	137 (67.8%)	65 (32.2%)
Food & Beverages Department (18.0%)			
Occupation	**Total No of Employees (%)**	**Male (%)**	**Female (%)**
Waiters	1030 (63.7%)	762 (74.0%)	268 (26.0%)
Trainees	299 (18.5%)	202 (67.6%)	97 (32.4%)
Stewards	114 (7.1%)	81 (71.1%)	33 (28.9%)
Barmans	88 (5.4%)	88 (100.0%)	0 (0.0%)
Pastry Chef	85 (5.3%)	64 (75.3%)	21 24.7(%)
Front Office Department (8.9%)			

Occupation	Total No of Employees (%)	Male (%)	Female (%)
Receptionists	467 (58.4%)	192 (41.1%)	275 (58.9%)
Guest Service Officer	99 (12.4%)	63 (63.6%)	36 (36.4%)
Trainees	93 (11.6%)	61 (65.6%)	32 (34.4%)
Reservation Officers	83 (10.4%)	45 (54.2%)	38 (45.8%)
Cashiers	57 (7.1%)	39 (68.4%)	18 (31.6%)
Housekeeping Department (19.8%)			
Occupation	**Total No of Employees (%)**	**Male (%)**	**Female (%)**
Room Attendants	1075 (60.4%)	746 (69.4%)	329 (30.6%)
Trainees	402 (22.6%)	284 (70.6%)	118 (29.4%)
Laundry Workers	184 (10.3%)	114 (62.0%)	70 (38.0%)
Housekeeping Supervisor	120 (6.7%)	105 (87.5%)	15 (12.5%)
Maintenance Department (11.6%)			
Occupation	**Total No of Employees (%)**	**Male (%)**	**Female (%)**
Garden Workers	538 (51.7%)	401 (74.5%)	137 (25.5%)
Trainees	183 (17.6%)	130 (71.0%)	53 (29.0%)
Pool Attendees	151 (%)	151 (100.0%)	0 (0.0%)
Technicians	100 (9.6%)	100 (100.0%)	0 (0.0%)
Engineers	68 (6.5%)	68 (100.0%)	0 (0.0%)
Admin/ HR/ Finance (13.5%)			
Other (5.3%)			

The kitchen department is heavily male-dominated, with most roles having over 90% male employees. Commies 1-3 make up the largest group (863 employees), where women represent only 7%. Similarly, Chef de Party and Sous Chef roles have 96.3% and 95.1% male employees, respectively, indicating that women face challenges in advancing to higher culinary positions. However, there is a noticeable female presence among trainees (31.4%) and stewards (32.2%), suggesting increasing female participation in entry-level roles. The overall workforce structure in this department suggests that gender inclusivity and career progression for women remain significant challenges.

This department has a relatively better gender balance compared to the kitchen. Waiters form the largest group with 1,030 employees, where 26% are female. However, bartending (88 employees) remains an entirely male-dominated profession, with 0% female participation, likely due to cultural perceptions and industry norms. Pastry chefs (24.7% female) have a higher female presence than other culinary roles, which may indicate growing interest among women in specialized cooking fields. Stewards and trainees in this department also reflect a more balanced gender distribution, showing a shift towards inclusivity in food service roles.

The front office department shows the highest female representation, especially in receptionist roles (58.9% female). This indicates that women are more likely to be hired for guest-facing roles, possibly due to perceptions of hospitality and customer service skills. However, other positions such as guest service officers (36.4% female) and cashiers (31.6% female) still have a male majority. The presence of trainees (34.4% female) in this department suggests that the sector is welcoming more women into administrative and guest relations roles.

Traditionally, housekeeping is perceived as a female-dominated sector, but the data contradicts this notion, showing that 69.4% of room attendants and 70.6% of trainees are male. This suggests a shift in workforce trends, where men are increasingly taking on housekeeping duties.
Laundry workers (38% female) and housekeeping supervisors (12.5% female) show varying levels of female participation, but the low percentage of women in supervisory positions indicates potential barriers in career advancement for women in this department.

The maintenance department is one of the most male-dominated areas in the hotel and tourism industry. Garden workers (74.5% male), technicians (100% male), engineers (100% male), and pool attendants (100% male) demonstrate a complete lack of female representation in technical and outdoor roles. While some female presence is noted among trainees (29% female) and garden workers (25.5% female), traditional gender roles continue to influence hiring practices in this department. Women may face barriers in entering these physically demanding roles due to societal expectations and limited training opportunities.

The workforce distribution in Sri Lanka's hotel and tourism sector shows a clear gender divide, where men dominate technical, culinary, and maintenance roles, while women are more present in guest-facing and administrative roles. The low percentage of women in leadership and specialized positions suggests a need for more inclusive policies and career development programs. However, the growing presence of female trainees in multiple departments indicates a gradual shift towards gender diversity in the sector. Addressing training, workplace policies, and cultural perceptions will be essential for achieving a more balanced workforce in the future.

When considering the high-demand job opportunities in the hotel industry, the kitchen department has the highest demand (35.1%), emphasizing the importance of culinary services. The F&B department follows (22.8%), reflecting the significance of dining experiences, while housekeeping (16.6%) underscores the need for cleanliness. Maintenance professionals (13.1%) play a key role in facility upkeep, and the front office (6.2%) focuses on guest relations. Ayurvedic Therapists (4.6%)

indicate a niche in wellness services, while Accounting and Executive roles (1.5%) have the lowest demand. The industry prioritizes guest-facing roles, highlighting the need for training programs in high-demand areas like culinary arts and service, aligning with operational needs and emerging tourism trends.

This research highlights key reasons for employee departures in the hotel industry. Over 60% left for foreign jobs, likely due to better salaries or career growth. Another 16% switched to other sectors, possibly due to dissatisfaction or new aspirations. Around 10% cited a mismatch between their skills and job roles. Distance from the workplace caused 6% to leave, while 4% pursued further education. Only 3% left due to contract expiration. These trends emphasize the need for better retention strategies, skill alignment, and improved working conditions to reduce workforce attrition.

To identify the supply of labour market related to the hotel and tourism sector, the research considered the student enrollments in NVQ courses conducted by Government and private institutions. Cookery leads with 16,413 enrollments, reflecting high demand for culinary skills in tourism and food services. F&B follows with 5,516 enrollments, emphasizing the need for skilled personnel in food service operations. Housekeeping (2,015 enrollments) remains essential but sees moderate interest. Management-related courses, such as Event/Hospitality/Travel & Tour Management (639 enrollments), attract fewer students, indicating a preference for operational over managerial roles. Specialized roles like Barista (388), Guest Relations (178), and Waiter/Steward (255) also have lower enrollments, possibly due to limited career growth perceptions. QSR Crew Member (158) has the lowest enrollment, likely due to low pay and advancement opportunities. The trends suggest a strong focus on service-oriented roles, highlighting the need to diversify training programs to include management, digital skills, and sustainability. Aligning vocational training with industry demand is crucial for balanced workforce development.

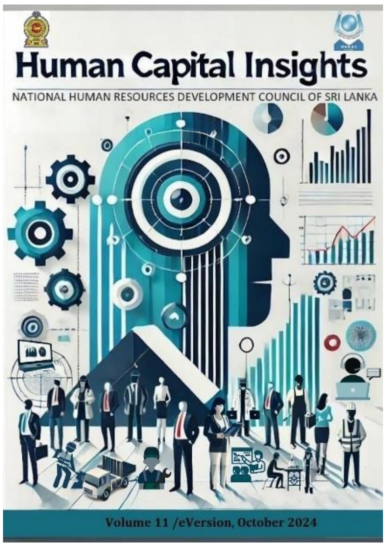
The study has highlighted the wellness tourism sector as a growing segment within Sri Lanka's broader tourism sector. Utilizing both primary and secondary data, the research examines its current status, characteristics, and potential for profitability. To meet present and future demand, the study explores essential measures for industry development. Enhancing revenue from wellness tourism requires Sri Lanka to highlight its unique attractions while improving infrastructure and facilities to support growth, positioning the country as a premier wellness destination.

After analysing all the information collected, the study identified several issues and possible recommendations. Key issues and recommendations are as follows.

Issues
i. **Labour Migration and Shortages**: High levels of skilled and unskilled labour migration, combined with a shortage of skilled workers, strain the industry.
ii. **Workforce Instability**: High employee turnover and low female workforce participation undermine workforce stability.
iii. **Skills Gaps and Training**: A lack of development of specialized workers, attitudinal weaknesses of apprentices, and limited access to vocational training, especially in rural areas, create a skills gap.
iv. **Mismatch between Education and Industry Needs**: There is a mismatch between the educational output and the actual needs of the hotel and tourism sector.
v. **Labour Market Disparities**: Labour demand varies across different regions, with limited awareness programs for newcomers and apprentices, and language barriers adding to the challenge.
vi. **Tourism Seasonality and Informal Accommodations**: The industry faces seasonal fluctuations in demand, and the prevalence of unregulated homestays and informal accommodations negatively impacts formal businesses.
vii. **Investment and Infrastructure Deficiencies**: Declining local investment, poor infrastructure, and limited development of new tourist destinations hinder growth.
viii. **Tourism Marketing and Promotion**: Inadequate marketing and promotional strategies, coupled with a lack of public awareness, prevent the tourism sector from reaching its full potential.
ix. **Tourist Services and Coordination**: Inadequate digital services, and poor coordination between the government and private sector limit tourism efficiency.
x. **Environmental and Sustainability Challenges**: Failure to capitalize on eco-tourism opportunities and environmental degradation from unregulated development threaten the long-term sustainability of tourism.
Recommendations
i. **Economic Stabilization and Policy Reforms**: Implement economic policies to stabilize the industry and promote long-term growth.
ii. **Talent Retention and Workforce Development**: Develop strategies to retain local talent, alongside comprehensive workforce development programs.
iii. **Gender Equality and Workforce Inclusion**: Promote gender equality and inclusion initiatives to improve workforce diversity and participation.

iv. **Specialized Workforce Development**: Create a second layer of specialized workers through improved training and skill-building programs.
v. **Attitude and Awareness Programs**: Implement attitude development programs and enhance awareness initiatives to better prepare apprentices and newcomers.
vi. **Improving Vocational Training**: Align vocational training with industry needs, expand access to rural areas, and incorporate language learning into these programs.
vii. **Seasonality Mitigation and Homestay Regulation**: Mitigate the impact of seasonality in tourism and regulate the integration of homestays into the formal tourism sector.
viii. **Tourism Infrastructure and Niche Markets**: Encourage investment in tourism infrastructure, incentivize development, and focus on niche tourism markets.
ix. **Sustainability and Eco-Tourism**: Prioritize environmental sustainability and promote eco-tourism opportunities.
x. **Digital Integration and Government Coordination**: Modernize marketing strategies through digital technologies and enhance coordination between the government and private sector for better industry outcomes.

5.7. Human Capital Insights e Magazine – 2024



Human Capital Insights e Magazine is a digital magazine focusing on human capital insights and developments carried out by the NHRDC. This was Published and accessible on the NHRDC website (www.nhrdc.gov.lk)

5.8. Asia Corporation Dialog

Since 2024, the NHRDC serves as the focal point for the HRD sector in the Asia Cooperation Dialogue (ACD) along with the Ministry of Education.

5.9. Highlights of the programs

1. Validation Workshop on National Human Resources Development (NHRD) Policy for a Sustainable Future conducted by NHRDC on 15th August 2024 at SLIDA.

2. Sri Lanka Leads BIMSTEC in Finalizing Plan of Action for Human Resource Development held on August 2024

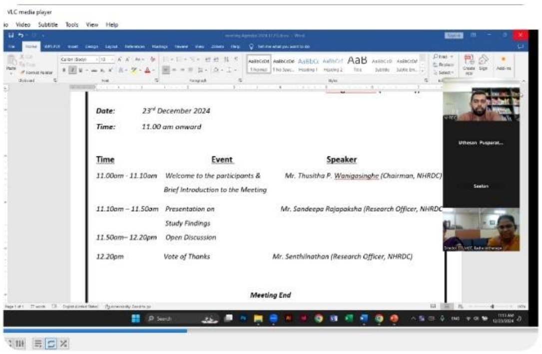
3. NHRDC Engages in Discussions to Review Draft National Human Resources Development Policy held on 14th October 2024

4. NHRDC Advances HRD Implementation Plan for BIMSTEC: Discussions with Education Ministry Key to Finalizing Draft held on 21st October 2024

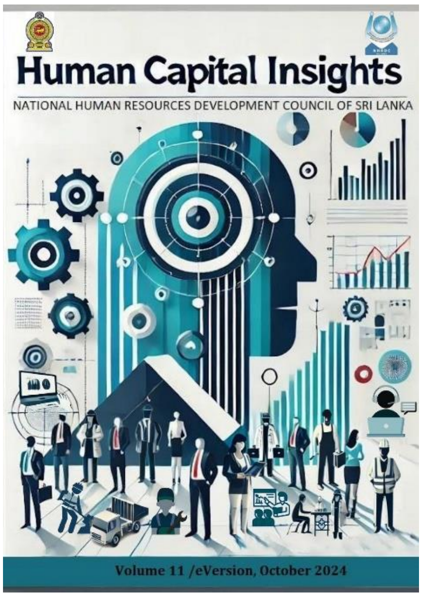
5. Progressive Discussions on BIMSTEC HRD Plan Refinement with Ministry of Education Officials held on 29th October 2024

6. NHRDC Holds Validation Meeting on Tracer Study for Employability of TVET Graduates in Sri Lanka held on 18th December 2024.

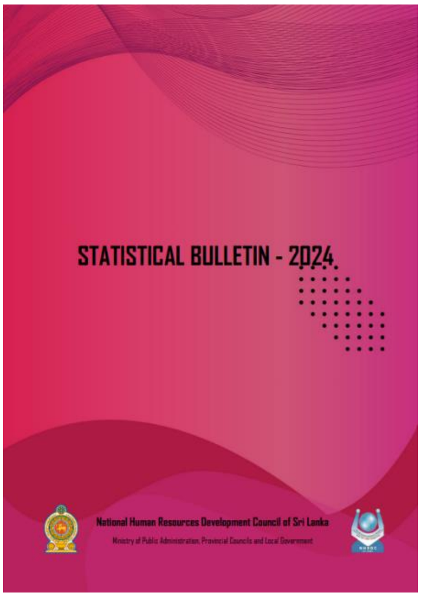
7. Meeting on Validation of Research Findings (Study on the Challenges that Affect the Effectiveness of the 13 Years Guaranteed Education Program in Sri Lanka – 2024) held on 23rd December 2024



6. PUBLICATIONS OF NHRDC DURING THE YEAR 2024

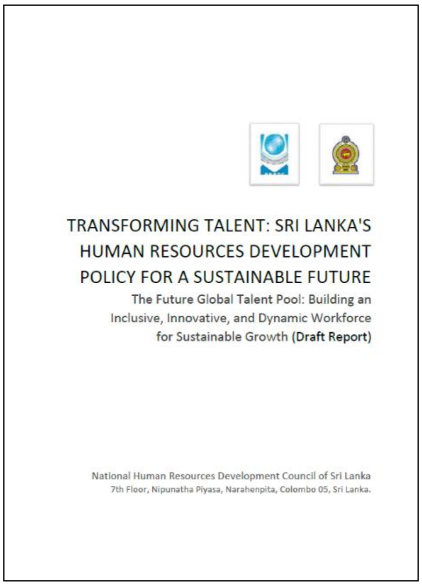


Human Capital Insights

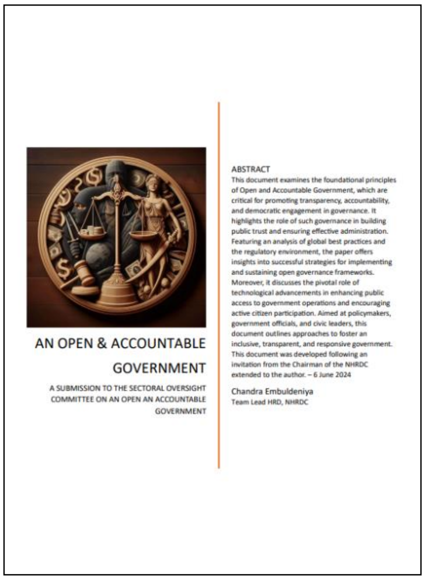


Statistical bulletin – 2024

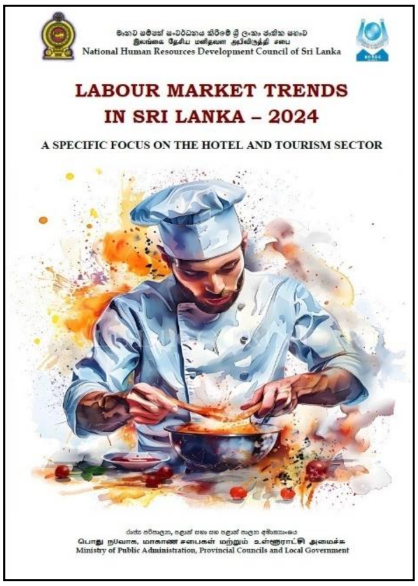
Sri Lanka Human Capital Summit Conference Report – 2024



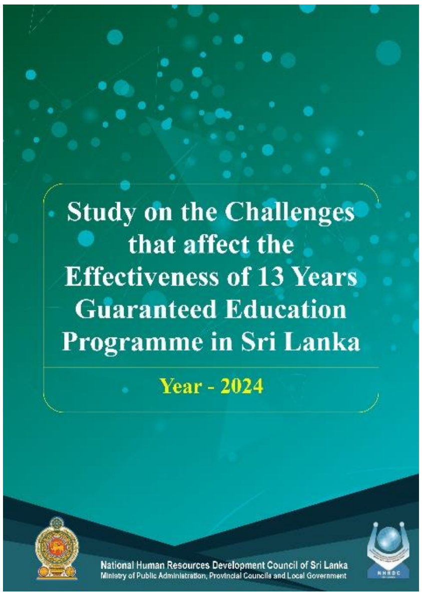
Draft NHRD Policy



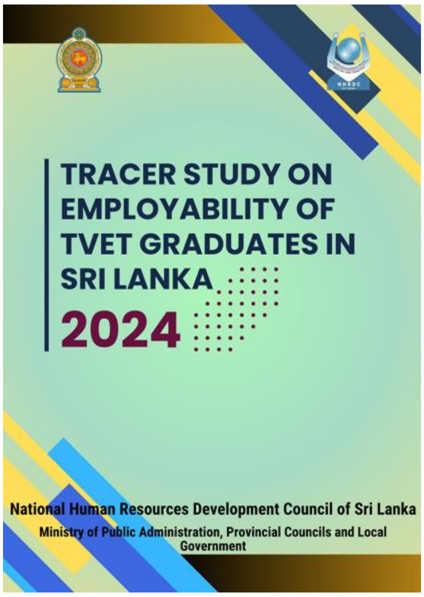
An Open and Accountable Government



Labour Market Trends In Sri Lanka - 2024



Study on the Challenges that Affect the Effectiveness of 13 Years Guaranteed Education Program in Sri Lanka - 2024



Tracer study on Employability of TVET Graduates In Sri Lanka

	Note	2024		2023		Budgeted In LKR
ASSETS						
Current assets						
Cash and cash equivalents	1	-		21,743,215.23		100,062.82
Receivables	2	98,871.32		87,060.82		900,000.00
Inventories	3	890,244.74		1,146,937.87		-
Prepayments	4	-		232,040.60		-
Other Current assets	5	3,826,699.51		3,520,934.05		3,900,000.00
		4,815,815.57		26,730,188.57		4,900,000.82
Non-current assets						
Infrastructure, plant and equipment	6	8,002,767.39		7,796,468.50		8,030,000.00
Vehicles	6	34,391,734.08		25,235,415.14		34,400,000.00
Other non-financial assets	6	-		-		-
Intangible assets						
Software	6	-		-		-
		42,394,501.47		33,031,883.64		42,430,000.00
Total assets		47,210,317.04		59,762,072.21		47,330,062.82
LIABILITIES						
Current Liabilities						
Payables	7	925,648.17		997,220.52		931,275.00
Short-term Provisions	8	40,062.82		40,062.82		40,062.82
		965,710.99		1,037,283.34		971,337.82
Non-current liabilities						
Employee benefits	9	4,572,762.5		4,392,017.50		4,600,000.00
		4,572,762.5		4,392,017.50		4,600,000.00
Total Liabilities		5,538,473.49		5,429,300.84		5,571,337.82
Net assets		41,671,843.55		54,332,771.37		41,758,725.00
NET ASSESTS/EQUITY						
Capital contributed by						
Contributed Capital		3,000,000.00		3,000,000.00		3,000,000.00
Revaluation Reserve		47,243,390.98		34,247,905.90		47,243,390.98
Government Grant – Capital		13,896,408.50		13,896,,408.50		13,896,408.50
Accumulated Surplus/(Deficit)		(22,467,955.93)		3,188,456.97		(22,381,074.48)
Total Net assets/equity		41,671,843.55		54,332,771.37		41,758,725.00

7. STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31st 2024

I certify that above Financial Statements comply with the requiremets of Sri Lanka Public Sector Accounting Standards published by Institute of Chartered Accountants of Sri Lanka.

…………

U.L.L.Kumari

Assistsnt Director (Finance) (Acting)

Date : 27/02/2025

The Accounting policies and Notes on pages5 to 13 from are integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements.These Financial Statements were approved by the Board of Directors and signed on their behalf.

……………

Chairman ~~NHRDC~~

Date: 27/02/2025

……………

Member of the Council

Date : 27/02/2025

Padmini Ranaweera
Chairperson
National Education Commission
1st Floor, Block 5, BMICH,
Bauddhaloka Mawatha, Colombo 07
Sri Lanka.

……………

Member of the Council

Date : 27/02/2025

Dr. K. A. Lalithadheera
Director General
Tertiary & Vocational Education Commission
"Nipunatha Piyasa"
3rd Floor, No. 354/2, Elvitigala Mawatha,

8. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER, 2024

In LKR

	Note	2024		2023		Budgeted
Revenue						
Government Grant Recurrent	10	6,600,043.00		25,787,000.00		27,500,000.00
Government Grant – Capital	11	2,504,735.00		3,800,000.00		9,500,000.00
Other revenue	12	1,276,831.69		1,035,823.46		-
Total Revenue		**10,381,609.69**		**30,622,823.46**		**37,000,000.00**
Expenses						
Wages, salaries and employee benefits	13	19,153,056.10		17,337,016.78		19,087,000.00
Grants and other transfer payment	14	1,960,078.15		633,598.75		5,500,000.00
Supplies and consumables used	15	1,174,609.28		982,404.47		902,000.00
Depreciation and amortization expense	6	6,561,793.29		6,778,240.66		-
Travelling, Subsistence & Allowances	16	446,650.00		309,520.00		485,000.00
Utility and Services	17	4,182,868.98		4,286,908.23		4,496,000.00
Maintenance Expenses	18	1,806,270.83		1,143,788.83		1,970,000.00
Other expenses	19	710,696.37		456,647.50		560,000.00
Deficit on Foreign training programs	20	63,600.00		64,800.00		70,000.00
Total Expenses		**36,059,623.00**		**31,992,925.22**		**33,070,000.00**
Surplus/(deficit) for the period		**(25,678,013.31)**		**(1,370,101.76)**		**3,930,000.00**

9. STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

In LKR

	Attributable to Owners of the Controlling Entity					
	Contributed Capital	**Revaluation Reserve**	**Differed Income Grant**	**Government Grant - capital**	**Accumulated Surpluses/ (deficits)**	**Total net assets/equity**
Balance at January 01, 2023 B/F	3,000,000,.00	34,700,042.90	4,091,027.82	9,152,501.50	(284,661.37)	50,658,910.85
Prior year adjustments – Expenses recording errors –Vehicle depreciation	-	-	-	-	(208,770.00)	(208,770.00)
Computer Depreciation					69,562.00	69,562.00
Under recording of opening inventory					(900,000.00)	(900,000.00)
Over recognition of Revaluation profit		(452,137.00)			452,137.00	
Write off Differed income account			(4,091,027.82)		4,091,027.82	
Government Grant – balance 2022				(1,256,093.00)	1,256,093.00	
Surplus / Deficit for the period					(1,370,101.76)	(1,370,101.76)
Depreciation adjustment on office equipment				-	83,170.28	83,170.28
Capitalization of PB 0286 Cab				6,000,000.00		6,000,000.00
Balance at December 31, 2023 carried forward	**3,000,000.00**	**34,247,905.90**	**-**	**13,896,408.50**	**3,188,456.97**	**54,332,771.37**
Balance at January 01, 2024 C/F	3,000,000.00	34,247,905.90	-	13,896,408.50	3,188,456.97	54,332,771.37
Vehicle Revaluation Reserves		12,995,485.08				12,995,485.08
Prior year adjustments - depreciation recording error vehicle					1,308.25	1,308.25
depreciation recording error Furniture & Fit					15,694.47	15,694.47
depreciation recording error Computer					2819.21	2819.21
depreciation recording error Other Assets					1778.48	1778.48
Surplus / Deficit for the period					(25,678,013.31)	(25,678,013.31)

Balance at December 31, 2024 carried forward	**3,000,000.00**	**47,243,390.98**	**-**	**13,896,408.50**	**(22,467,955.93)**	**41,671,843.55**

10. CASH FLOW STATEMENT

Consolidated Cash Flow Statement for year ended 31st December,2024

In LKR

CASH FLOWS FROM OPERATING ACTIVITIES	**2024**		**2023**
Surplus/(deficit)	(25, 678, 013.31)		(1,370,101.76)
Non-cash movements			
Depreciation	6,561,793.29		6,778,240.66
Gratuity Expenses	1,473,047.50		457,487.50
Audit Fee	399,448.00		-
Interest on Staff Loan	(142,149.72)		(153,378.30)
FD interest	(409,280.82)		(726,359.59)
(Increases) /Decreases in Consumable Store	256,693.13		830,568.64
(Increases) /Decreases in Pre payments	232,040.60		(149,900.81)
(Increases) /Decreases in Staff Loans	(305,765.46)		136,122.66
(Increases) /Decreases in Other Advances	-		10,001.02
Increases) /Decreases in Other receivables	(11,810.50)		(46,998.00)
Increases/ (Decreases) in Payables	(71,572.35)		(90,880.47)
Adjustment	(174,696.84)		-
Assets write off	156,528.37		-
Over provision of Expenses	(39,448.00)		-
Audit Fee	(689,448.00)		-
Under recording of opening inventory	-		(900,000.00)
Gratuity paid	(1,292,302.50)		(247,012.50)
Net cash flows from operating activities	**(19,734,936.61)**		**4,527,789.05**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Computers	(1,488,000.00)		(9,500,.00)
Purchase of Electrical Fixture	(26,000.00)		-
Vehicle repairs	(1,286,035.98)		(706,655.00)
Purchase of other assets	(168,954.00)		-
FD interest	409,280.82		726,359.59
Interest on Staff Loan	142,149.72		153,378.30
Net cash flows from investing activities	**(2,417,559.44)**		163,582.89
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities	**-**		**-**
Net increase/(decrease)in cash and cash equivalents	(21,743,215.23)		4,691,371.94
Cash and cash equivalents at beginning of period	21,743,215.23		17,051,843.29
Cash and cash equivalents at end of period	-		**21,743,215.23**
Notes to the Cash Flow Statement			-

Cash on hand and balances with banks			
Bank of Ceylon A/C 165197	-		11,424,352.45
People’s Bank A/C No 119100120409161	-		318,862.78
Fixed deposit	-		10,000,000.00
	-		**21,743,215.23**

11. NOTES

In LKR

		2024		2023		Budgeted
Cash and cash equivalents	**1**					
Bank of Ceylon A/C 165197		-		11,424,352.45		-
People's Bank A/C No 119100120409161		-		318,862.78		-
Fixed deposit		-		10,000,000.00		-
		-		**21,743,215.23**		**-**
Receivables	**2**					
Nimal Bopage (Ex-Chairman)		40,062.82		40,062.82		40,062.82
Other receivable		58,808.50		46,998.00		60,000.00 -
		98,871.32		**87,060.82**		**100,062.82** -
Inventories	**3**					
Consumable Stores		890,244.74		1,146,937.87		900,000.00 -
		890,244.74		**1,146,937.87**		**900,000.00** -
Prepayments	**4**					
Vehicle Insurance		-		232,040.60		- -
		-		**232,040.60**		- -
Other Current assets	**5**					
Staff Loan - Distress		3,826,699.51		3,520,934.05		3,900,000.00 -
Festival Advances		-		-		- -

		3,826,699.51		**3,520,934.05**		**3,900,000.00** **-**
Depreciation and amortization expense	**6**	6,561,793.29		6,778,240.66		**-**

Property, Plant & equipment (Note 06)

In LKR

	Furniture &		Office Equip		Electrica		Computers		Software		Vehicles		Books		Other Asse		Buildings & Structur	
Reporting Period 2024.01.01 To 2024.12.31	2024	2023	2024	2023	202	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening Balance	5,272,1	5,272,1	3,148,9	3,148,92	14,5	14,57	1,872,4	1,862,9	1,189,5	1,189,5	32,258,4	25,551,	118,52	118,52	1,145,1	1,145,1	6,531,2	6,531,265.68
Additions	-	-	-	-	26,0	-	1,488,0	9,500.0	-	-	1,380,90	6,706,6	-	-	168,95	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	12,995,4	-	-	-	-	-	-	-
Disposals	(31,68	-	(100,66	-	(68	-	(175,00	-	-	-	(10,714,	-	-	-	(9,480.	-	-	-
Closing Balance	5,240,4	5,272,1	3,048,2	3,148,92	39,8	14,57	3,185,4	1,872,4	1,189,5	1,189,5	35,920,4	32,258,	118,52	118,52	1,304,5	1,145,1	6,531,2	6,531,265.68
Accumulated Depreciation (Year Beginning)	3,669,3	3,149,8	3,148,9	2,927,23	14,5	14,57	335,76	30,978.	1,189,5	1,174,6	7,022,9	1,702,5	82,99	71,13	1,091,8	977,35	1,962,9	1,636,395.18
Adjustments											(1,308.2	208,77	-	-	-	-	-	-
Depreciation (As per Statement	528,90	519,54		304,866.0	28.4	-	357,39	374,34	-	14,895.	5,221,37	5,111,6	11,852	11,852	115,67	114,51	326,56	326,563.28
Less Accumulated Depreciation on Disposals / Adjustments	(20,82	-	(100,66	(83,170.2	(68	-	(52,46	(69,56	-	-	(10,714,	-	-	-	(6,636.	-	-	-
Closing Balance	4,177,4	3,669,3	3,048,2	3,148,92	13,9	14,57	640,69	335,76	1,189,5	1,189,5	1,528,66	7,022,9	94,842	82,99	1,200,9	1,091,8	2,289,5	1,962,958.46
Net Carrying Amount	1,062,9	1,602,7	-	-	25,9	-	2,544,7	1,536,6	-	-	34,391,7	25,235,	23,681	35,534	103,67	53,237	4,241,7	4,568,307.22

In LKR

	Note	2024		2023		Budgeted
Payable	**7**					
Accrued expenses		924,373.17		955,795.52		930,000.00
Stamp Duty		1,275.00		1,425.00		1,275.00
		925,648.17		**997,220.52**		**931,275.00**
Short-term Provisions	**8**					
Provision for doubtful DebtN.Bopage		40,062.82		40,062.82		40,062.82
		40,062.82		**40,062.82**		**40,062.82**
Employee benifit	**9**					
Gravity Provision		4,572,762.50		4,392,017.50		4,600,000.00
		4,572,762.50		**4,392,017.50**		**4,600,000.00**
Government Grant - Recurrent	10	6,600,043.00		25,787,000.00		27,500,000.00
Government Grant - Capital	11					
Government Grant – Development Activities		2,504,735.00		3,800,000.00		9,500,000.00
		2,504,735.00		**3,800,000.00**		**9,500,000.00**

In LKR

	Note	2024		2023		Budgeted
<u>Other revenue</u>	**12**			-		-
Miscellaneous income		1,027.60		9,986,15		-
Distress Loan Interest		142,149.72		153,378.30		-
FD Interest		409,280.82		726,359.59		-
Other income		724,373.55		146,099.42		-
		1,276,831.69		**1,035,823.46**		-
Wages, salaries and employee benefits	**13**					
Salaries & wages		9,870,430.31		10,693,801.01		9,930,000.00
Cost of Living Allowance		3,457,110.34		1,806,740.00		3,475,000.00
Telephone Allowance		231,517.24		231,266.66		232,000.00
Fuel Allowance		602,185.00		618,425.00		600,000.00
EPF		1,516,296.83		1,415,337.51		1,520,000.00
ETF		376,950.58		358,477.52		380,000.00
Over time		293,116.01		287,881.59		300,000.00
Adjustment Allowance		1,043,793.10		1,158,166.66		1,050,000.00
Professional allowance		288,609.19		309,433.33		300,000.00
Gratuity Expenses		1,473,047.50		457,487.50		1,300,000.00
		19,153,056.10		**17,337,016.78**		**19,087,000.00**

In LKR

	Note	2024		2023		Budgeted
Grants and other transfer payment	**14**					
Public sector cadre review				68,410.00		-
13 Years Guaranteed Education		156,150.00		-		265,000.00
BIMSTEC		122,416.88		-		300,000.00
Strenghthen NHRDC staff development		187,125.20		66,515.00		390,000.00
Statistical Bulletin		197,650.00		176,105.00		200,000.00
Human Capital Insight		-		6,000.00		10,000.00
HRD Policy		675,404.37		305,288.75		1,835,000.00
Labour Market		497,121.70		-		1,000,000.00
Tracer Study TVET		124,210.00		-		1,000,000.00
HRD index		-		11,280.00		-
Data Catelog		-		-		500,000.00
		1,960,078.15		**633,598.75**		**5,500,000.00**
Supplies and consumables used	15					
Stationary & office equipment		323,253.13		154,703.27		62,000.00
Fuel & lubricant		851,356.15		827,701.20		840,000.00
		1,174,609.28		**982,404.47**		**902,000.00**
Travelling, Subsistence & Allowances	16					
Local Travelling & Subsistence		105,650.00		103,720.00		110,000.00
Allowance for Audit Members		70,200.00		54,000.00		75,000.00
Board Members Allowances		270,800.00		151,800.00		300,000.00
		446,650.00		**309,520.00**		**485,000.00**

In LKR

	Note	2024		2023		Budgeted
Utility and Services	17					
Rates		68,991.98		50,400.00		69,000.00
Electricity		1,389,556.67		1,465,795.75		1,400,000.00
Water		80,822.85		46,069.44		100,000.00
Telephone charges & Rental		124,528.75		135,544.55		113,000.00
Postage & telex charges		4,900.00		10,410.00		5,000.00
Janitorial service		480,004.18		438,127.86		475,000.00
Security Service		1,482,109.16		1,429,575.30		1,355,000.00
Internet		157,155.00		167,546.79		150,000.00
Other utility & Other Service		394,800.39		543,438.54		829,000.00
		4,182,868.98		**4,286,908.23**		**4,496,000.00**
Maintenance Expenses	18					
Rep. & main. of vehicles		1,167,801.00		439,854.00		1,300,000.00
Vehicle Insurance		471,104.83		216,217.68		500,000.00
Rep. & main. of plant,machinery & equipment		46,020.00		-		48,000.00
Rep. & main. of Office Equipment		119,455.00		237,488.00		120,000.00
Rep. & main. of Other Assets		1,890.00		250,229.15		2,000.00
		1,806,270.83		**1,143,788.83**		**1,970,000.00**
Other expenses	19					
Audit fee		399,448.00		335,000.00		400,000.00
Refreshment		154,720.00		121,647.50		160,000.00
Assets write off		156,528.37		-		-
		710,696.37		**456,647.50**		**560,000.00**
Profit (Loss) on Foreign Training Programs						
Revenue	20	-				
Expenses		63,600.00		64,800.00		70,000.00
		63,600.00		**64,800.00**		**70,000.00**

12. NOTES, COMPRISING A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

12.1. NHRDC

Established under the Act No 18 of 1997. Under the power vested in the institution, it gives priority to all activities pertaining to Human Resource Development and implements policies for Human Resources Development.

12.2. Rendering of Accounts and Authorization to issue Financial Statements

As per the section 14 of Finance Act (No. 38 of 1971), NHRDC as a public corporation shall, immediately after the end of each financial year of the corporation, prepare a draft annual report on the exercise, discharge and performance by the corporation of its powers, functions and duties during that year and of its policy and program. Such report shall set out any directions given by the appropriate Minister to the corporation during the year. Copies of such report shall, within four months after the end of that year, be submitted to the appropriate Minister and to the Minister of Finance (if he is not the appropriate Minister), the Minister of Planning and the Auditor-General.

As per the section 14 of Finance Act (No. 38 of 1971), the accounts of a public corporation for each financial year shall be submitted to the Auditor-General for audit within two months after the close of that year along with any report on the accounts which the Auditor General may require to be submitted in the manner specified by him. Any such corporation which contravenes or fails to comply with the preceding provisions of this sub-section shall be guilty of an offence under this Act and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees.

12.3. Statement of Compliance

Accounting policy of the NHRDC is prepared in accordance with the Sri Lanka Public Sector Accounting Standards published by Institute of Chartered Accountants of Sri Lanka.

12.4. Measurement Basis

Financial Statements of the Council are prepared under the historical cost conversion, except for the revaluation carried out in year 2008,2011,2014, 2016, 2022 and 2023 by Department of Valuation of Sri Lanka and independent valuers respectively, for certain Furniture and Fittings, Office Equipment, Electrical Fixtures and Equipment, Computers, Vehicles and other Assets.

12.5. Bases of Assets Valuation

12.5.1 Properties, Plant & Equipment are stated at cost/valuation less accumulated depreciation.

12.5.2 Depreciation is charged on all property, plant and equipment to systematically distribute the cost of fixed assets over its estimated useful life by periodic charges to expense.

12.5.3 No depreciation is provided in the year of purchased and full year depreciation is provided in the year of disposal for assets purchased prior to the year 2009 and from year 2009 onwards depreciation is computed based on the date of purchase/ date of disposal of each asset.

12.5.4 Consumable stocks are measured at the lower of cost and net realizable value.

12.6. Depreciation

Classes of Assets and depreciation rates are as follows. Classes of Assets are determined according to the nature and their usage of the entity.

Building & Structures	05%
Furniture & Fittings	10%
Office Equipments	10%
Electrical Fixtures & Equipments	20%
Computers	20%
Computer Software	25%
Vehicles	20%
Books	10%
Other Assets	10%

12.7. Assets Write off / Destroy

Assets such as Furniture & Fittings, Office Equipment, Computers, Electrical Fixture and other assets have been Written off. Necessary approvals were taken from the Board and the Accounting & Management Committee and for the above asset written off.

12.8. Accounting for Government Grant

Recurrent Grant and Capital Grant received from the General Treasury are used to meet the recurrent and capital expenditure of the NHRDC respectively.

Recurrent grant and the amount incurred on Research and Development Activities (NHRDC activities) charged to the Statement of Financial Performance of the year they incurred. Capital grant has taken in to the Equity and an amount equal to the depreciation charged during the year is recognized as income on a systematic basis over the useful life of capital assets. Differed income grant account write off and total capital grant for the year 2023 charged to the statement of financial performance.

12.9. Retirement Benefit Cost

12.9.1 Defined Contribution Plan – EPF & ETF

All employees who are eligible for Employee Provident Fund (E.P.F) contribution and Employee Trust Fund (E.T.F) contribution are covered by relevant contribution funds, with respective statues and regulations. All contributions have been remitted to E.P.F and E.T.F as per rules & regulations of E.P.F and E.T.F Acts.

12.9.2 Retirement Gratuity

Provision is made in the financial statements for retiring gratuity, which may fall due for payments under the payment of gratuity Act No 12 of 1983 in accordance with Accounting Standard on of “Employee Benefits” for all employees. The gratuity liability is not externally funded or actuarially valued.

12.10. Financial Performance

All costs incurred in its operation and maintenance of capital assets has been charged to revenue. The Deficit/Surplus of the revenue expenditure has been arrived after making provision for all known liabilities and depreciation of assets.

12.11. Cash Flow Statement

Statement of Cash flow is prepared using indirect method which is a prescribed by section 27 of Sri Lanka Public Sector Accounting Standard No 02.

12.12 Vehicles assigned by the Ministry

Vehicle number WP- PD 6170 chassis number JNICJUD22Z0116541 has been allocated by The Ministry of National Policies and Economic affairs, to NHRDC from 01.02.2016. This has been recognized as asset during the year 2022 based on the insurance value.

Vehicle number PB 0286 chassis number JNICJUD22Z0-081892 has been allocated by The Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government to NHRDC from 05.07.2023 and recognized as asset.

13. Audit Report 2024

VOT/F/NHRDC/1/2024/09 6th May 2025

Chairman,

National Human Resources Development Council of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Human Resources Development Council of Sri Lanka for the year ended 31 December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Human Resources Development Council of Sri Lanka ("Council") for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance for the year then ended, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Council for the year ended 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) In accordance with paragraph 49 of Sri Lanka Public Sector Accounting Standard 7, when revaluing an item of property, plant and equipment, the entire class of property, plant and equipment to which the asset belongs should be revalued. But during the revaluation of motor vehicles by the Council, a motor vehicle costed for Rs.2,739,500 had not been revalued.

(b) Since useful life time of the non-current assets had not been reviewed annually in terms of Paragraph 65 of the Sri Lanka Public Sector Accounting Standard 07, computer softwares costed for Rs.1,189,567 were further in use despite being fully depreciated. As such, action had not been taken to revise the said estimated error in the financial statements in terms of Sri Lanka Public Sector Accounting Standard 03.

(c) Based on the valuation report provided by the Government Valuation Department in December 2024 regarding vehicle insurance, the accounts had been kept as if the vehicles with a net value of Rs. 18,804,515 had been revalued for Rs.31,800,000. As such, the revaluation reserve and motor vehicle cost were overstated by Rs.12,995,485 in the financial statements.

(d) Due to the capitalization of Rs.1,341,400, incurred for vehicle repairs during the year under review and the corresponding provision for depreciation of Rs.52,496 being recorded in the accounts, the deficit and fixed assets for the year were understated and overstated by Rs.1,288,904 respectively in the financial statements.

(e) The fixed deposit worth of Rs.10,000,000, which was encashed during the year under review, was not shown as a cash inflow from investing activities in the cash flow statement.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Annual Report 2024 of the institution

The other information comprises the information included in the council's 2024 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I conclude that this other information is quantitatively incorrect, based on the other information I obtained prior to the day of this audit report and the work I have done, I need to report that fact. I have nothing to report in this regard.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Council is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Council.

1.5 Auditor’s Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the basis for qualified opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Council as per the requirement of section 12(a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6(1)(d)(iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention enough to make the following statements;

2.2.1 To state that any member of the governing body of the Council has any direct or indirect interest in any contract entered into by the Council which are out of the normal cause of business as per the requirement of section 12(d) of the National Audit Act, No. 19 of 2018

2.2.2 To state that the Council has not complied with any applicable written law, general and special directions issued by the governing body of the Council as per the requirement of section 12(e) of the National Audit Act, No. 19 of 2018.

2.2.3 To state that the Council has not performed according to its powers, functions and duties as per the requirement of section 12(g) of the National Audit Act, No. 19 of 2018 except for following observation.

<u>Powers, Functions and Duties Observations</u>

The Human Resource Development Act No. 18 of 1997

(i) Section 14(1)

Prepare a National Human Resource Development policy and review it periodically. Even though 26 years had been passed since the establishment of the National Council, the final result of the task of formulating a policy for the Development of National human Resources, one of its primary objectives, was unable to reach even by 31December 2024.

(ii) In terms of Sections 16(2)c and 16(2)e of the said Act, to establish and maintain an Information Data Bank on Human Resources Development in related fields which helps to fulfill the basic objective of the Council. A data bank has not been maintained even by 31 December 2024.

(iii) Section 10(5)

Formalize the working procedure to be followed in relation to holding meetings and carrying out the activities of those meetings. No formal procedure had been approved for holding meetings of the National Council, which consisted of 20 members, and only 04 meetings were held in the year 2024.

2.2.4 To state that the resources of the Institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

2.3 Other Matters

(a) The vehicle valued for Rs.6,300,000, which had been given to the council by a ministry in 2023, was unable to take over to the council even by 14 March 2025.

(b) The post of Director of the National Council has been vacant since 23 April 2021, the post of Assistant Director (Research) since 31 October 2020, the post of Assistant Director (Finance) since 22 February 2024 and the post of Assistant Director (Development) since 29 September 2024. Officers had been appointed on an acting basis from time to time to cover the work of those posts. It was unable to recruit new officers for those vacant positions until 14 March 2025.

(c) Although the financial statements show that there was no cash book balance as on 31 December 2024, 03 cheques worth Rs. 100,000 written on that date, with a validity period of only 30 days, were held without being issued until March 2025.

G.H.D Dharmapala
Auditor General (Acting)