

# වාර්ෂික කාර්යසාධන වාර්තාව வருடாந்த செயலாற்றுபகை அறிக்கை Annual Performance Report



# 2021



නිපුණතා සංවර්ධන, වෘත්තීය අධ්‍යාපන, පර්යේෂණ හා නව නිපැයුම් රාජ්‍ය අමාත්‍යාංශය  
திறன்கள் அபிவிருத்தித் தொழிற்கல்வி ஆராய்ச்சி மற்றும் புத்தாக்க இராஜாங்க அமைச்சு  
State Ministry of Skills Development, Vocational Education, Research and Innovation

# **Annual Performance Report for the Year 2021**

## **State Ministry of Skills Development, Vocational Education, Research and Innovation**

### **Expenditure Head No – 421**

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## **Chapter 01**

### **Institutional Profile/Executive Summary**

The State Ministry of Skills Development, Vocational Education, Research and Innovation have been functioning as per the Extra Ordinary Gazette Notification No.2187/27 and dated 09.08.2020 of the Democratic socialist republic of Sri Lanka.

#### **1.1.Introduction**

The skilled workforce impacts to the efficiency of the industries and services sectors which provide direct contribution to the economy of Sri Lanka. Hence the future advancement of the vocational training sector would be a crucial fact for the social and economic development. With the aspiration of generating competent as well as national and international recognized certificate holders, to meet the labour requirements of the local and foreign industry sector which is being modernized swiftly, HE the President has nominated 2021- 2030 as the “Skills Decade”. As such, the State Ministry is in the effort of executing immediate actions required to increase gradually the annual number of trained trainees to the labour market through public and private sector vocational training centers and also implementing a new methodology to provide a formal training for them to reduce the unskilled workforce in the employments from 10% by the end of the year 2025.

Creating the platform to enhance the national economy through skilled workforce and researches & innovations while adhering to the policy framework of “Vistas of the Prosperity”, the Annual Action Plan 2021 was implemented with the strategies compiling, number of programmes relevant to skills education and to create a supportive background for the innovations. However, confront the existing health issue; the training center based education activities had collapsed for a long time during the year by reversing the expected targets of the vocational educational activities. The training institutions network functioning under the Ministry expected to intake 159,059 students for the year 2021. However, due to Covid – 19 epidemics, the student intake was limited up to 70,444 as at the end of the month of December 2021.

Amidst the epidemic situation vocational education sector too follow effective alternatives to continue the duties. Each training institution registered students for training courses through online and the theoretical facts of the training courses were carried out through online teaching. Actions were taken to provide a training for the teachers in order to ease this process.

Furthermore, Institutions were directed to do online teaching and to develop other facilities (Online platform). Loan facilities were granted to the students of Ocean University of Sri Lanka and University of Vocational Technology to purchase laptop computers via Peoples Bank. Steps have been taken to communicate courses facts through electronic and printed media and teaching training programmes in television channels is a special event. In addition to the education, same technology has followed to train assessors and inspectors.

Ministry had taken actions to aware each group of the society including the youth of the vocational training subsequent to their school education in order to double the amount of the students intakes. Necessary steps have been taken to do career guidance activities with the participation of each sector of the District administration.

The vocational training network is streamlining to provide vocational educational facilities for the vivid groups as youth, untrained professionals and the employees who aspire to update the knowledge in their own sector. In view of this, Recognition of Prior Learning (RPL), training via industrialists and flexible methods have been introduced.

As a strategy to confirm the employment opportunities, actions have been taken to conduct the training courses jointly with the industries and to develop infrastructure facilities required to them. Furthermore, with the combination of Foreign Employment Bureau and its State Ministry

Innovative research and development contribution to Sri Lanka is essential for re-stabilizing the Sri Lankan economy, ensuring national security and sustainable development in strategically important areas. Recognizing this situation, the State Ministry has made arrangements to make the best use of the funds allocated for it.

Accordingly, during the period under review in the field of research and innovation, the State Ministry has been able to carry out a number of activities such as selecting research that is of timely importance according to the appropriate methods and providing adequate provisions for them, Implementing various programs for scientific dissemination to broaden the public awareness of the importance of creativity and innovation for the economic growth of the country, activities required to promote innovation and expand commercialization and taking steps to strengthen international cooperation with various countries even in the face of the prevailing COVID epidemic.

A ceremony was organized at Temple Trees under the patronage of His Excellency the President to commemorate the National Science Day which coincided with the World Science Day which falls on November 10 as part of the Science Promotion Programs and launched the “National Innovation Mission (NIM)” under the theme “The present that gives life to dreams”.

Also, the National Innovation Agency (NIA) was established as prescribed by Act No. 22 of 2019 to create a better understanding of innovations in the areas of social, scientific and technological, security, environment and services and their impact on the country's economy is being investigated.

The Biofilm Biofertilizer (BFBF) project continues to be implemented in line with the Government's 'Government Organic Fertilizer Program' within the framework of the 'Vistas of Prosperity' policy, especially during the 2021 Yala season when BFBF was applied to 55,000 acres in the Kurunegala, Ampara and Polonnaruwa areas.

## **1.2.Vision and Mission**

### **Vision**

A highly skilled research-oriented innovative society

### **Mission**

Create the foundation for a regional innovation hub through developing a smart society equipped with knowledge, vocational skills and talents as well as a conducive national innovation eco-system

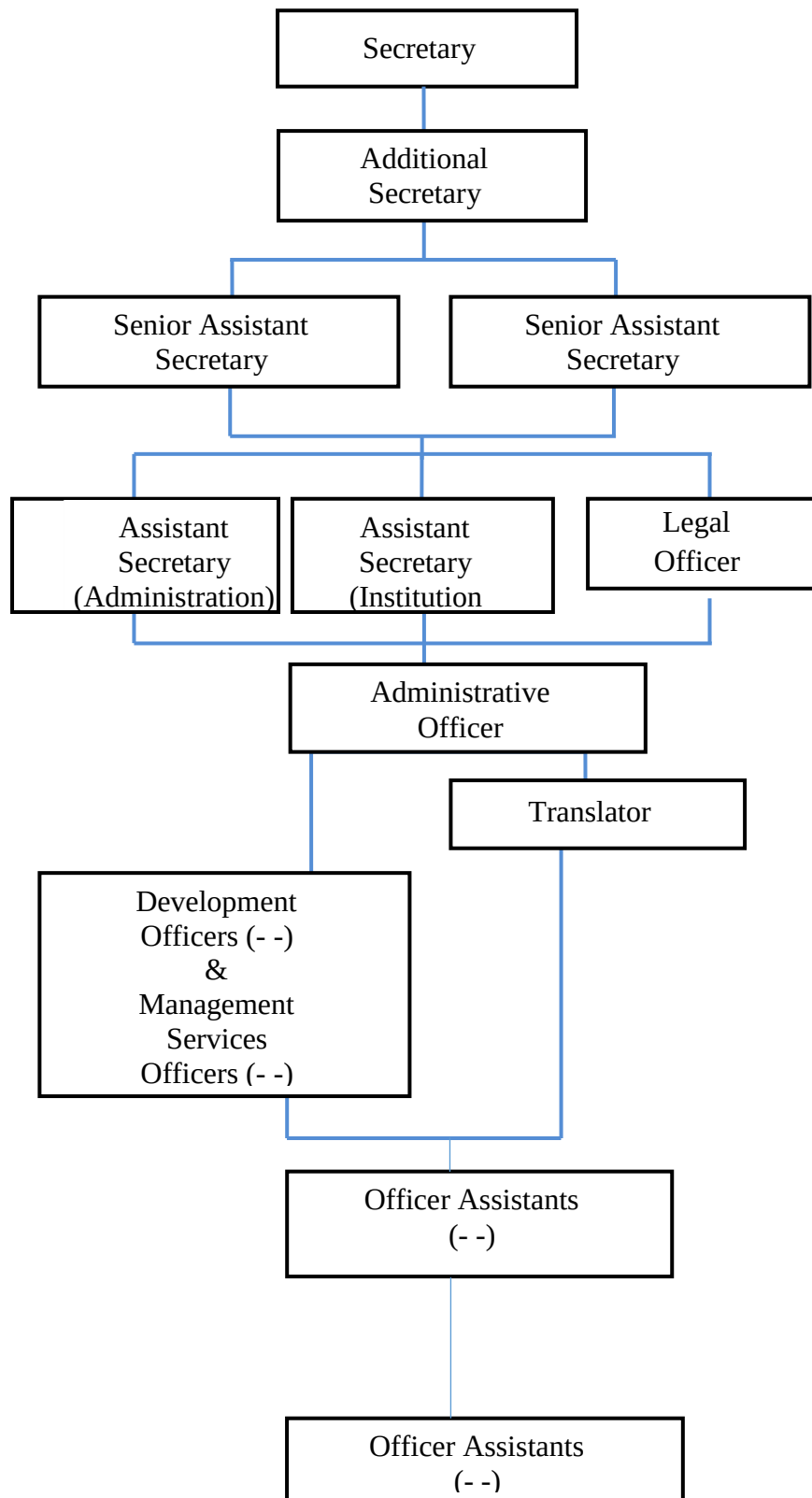


### **1.3.Key Functions**

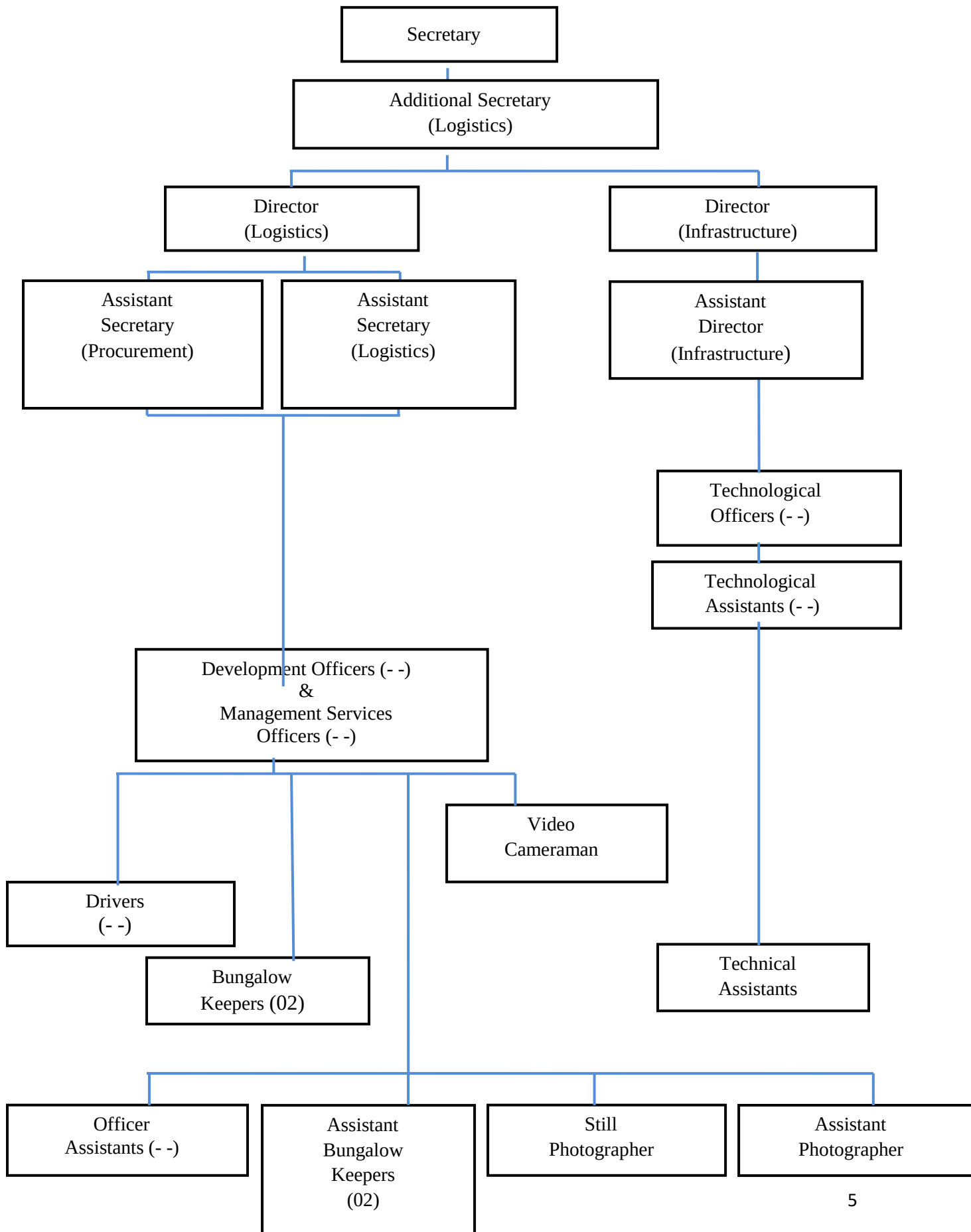
1. Provide technology and advanced vocational education disregarding educational qualifications
2. Subject all vocational training institutions to a systematic evaluation, and effect a complete physical and curriculum modification to suitable institutions and network all vocational training institutes under “One TVET” concept
3. Expand the Ceylon German Technical Training Institute
4. Increase the present scheme of 7 levels of National Vocational Qualification (NVQ) to 10
5. Provide education opportunities to pursue vocational education up to Postgraduate levels
6. Amend curricula related to vocational education to integrate soft skills by including Information Technology, English and other languages
7. Take measures to provide vocational education focused on domestic and foreign job markets
8. Establish Information Technology (IT) Entrepreneurship
9. Establish City Universities
10. Establish Mobile vocational and technical education services
11. Establish Sri Lanka as an Innovation Hub by maximizing the use of Internet of Things, Artificial Intelligence, Biotechnology, Robotics, Augmented Reality, Cloud Computing, Nanotechnology and 3D Printing
12. Make efficient the system to issue patents to researches for their innovations and to secure ownership to their research designs
13. Provide facilities to local research institutions to collaborate with the international research institutions
14. Provide tax reliefs to private enterprises contributing to research
15. Introduce domestic or foreign investors required for manufacturing under a domestic brand with innovation products
16. Formulate an efficient mechanism to channel innovations and research results to investors and relevant users

## 1.4.Organizational Chart

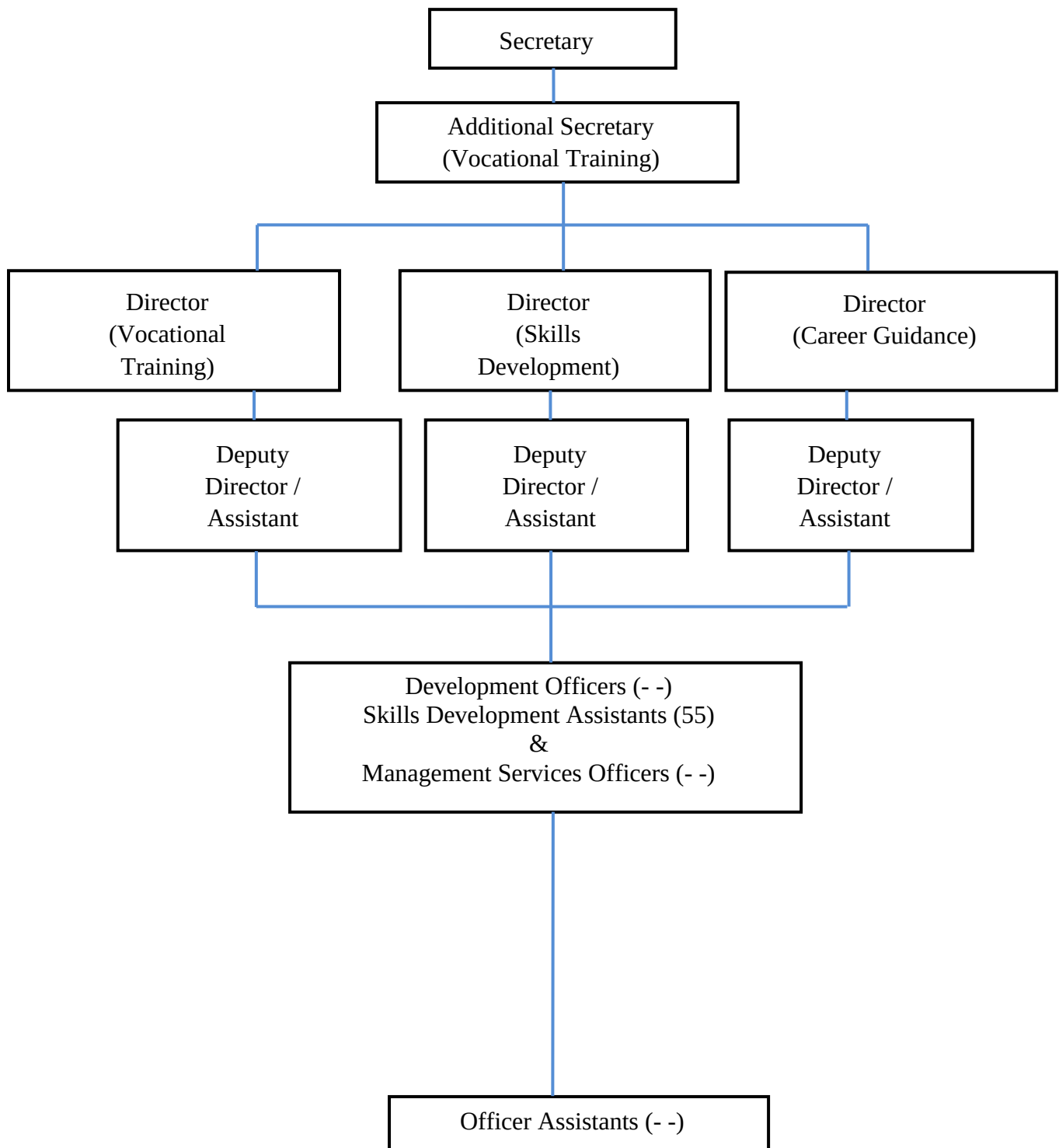
### Administration Division



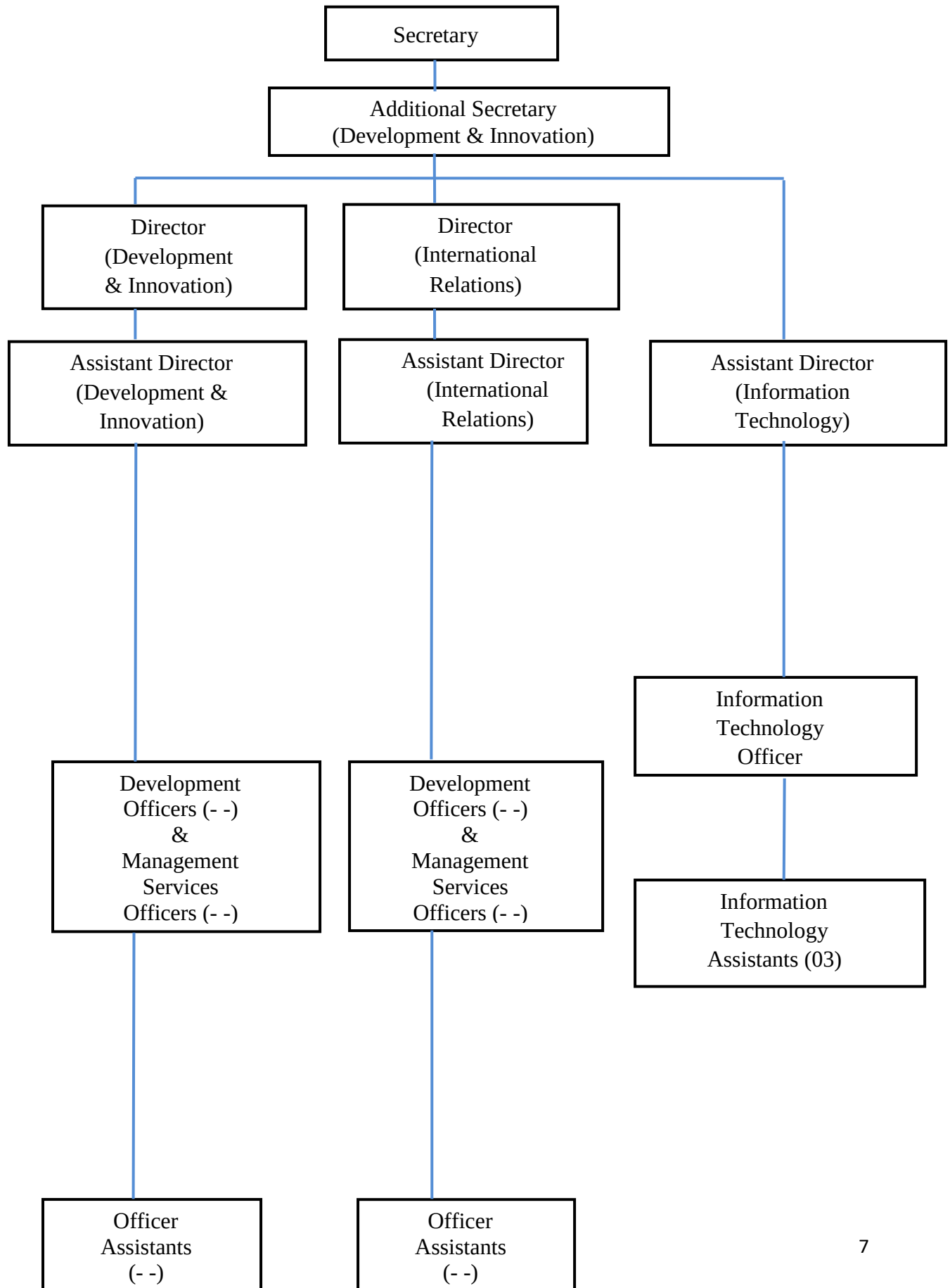
## Logistics Division



## Vocational Training Division

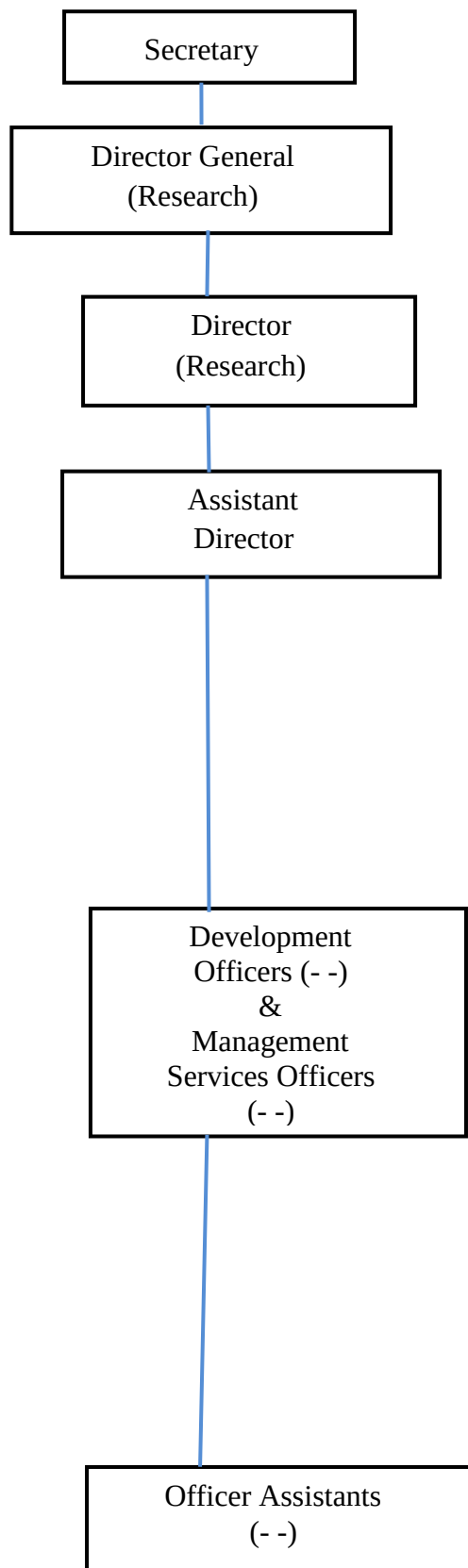


**Development & Innovation Division**

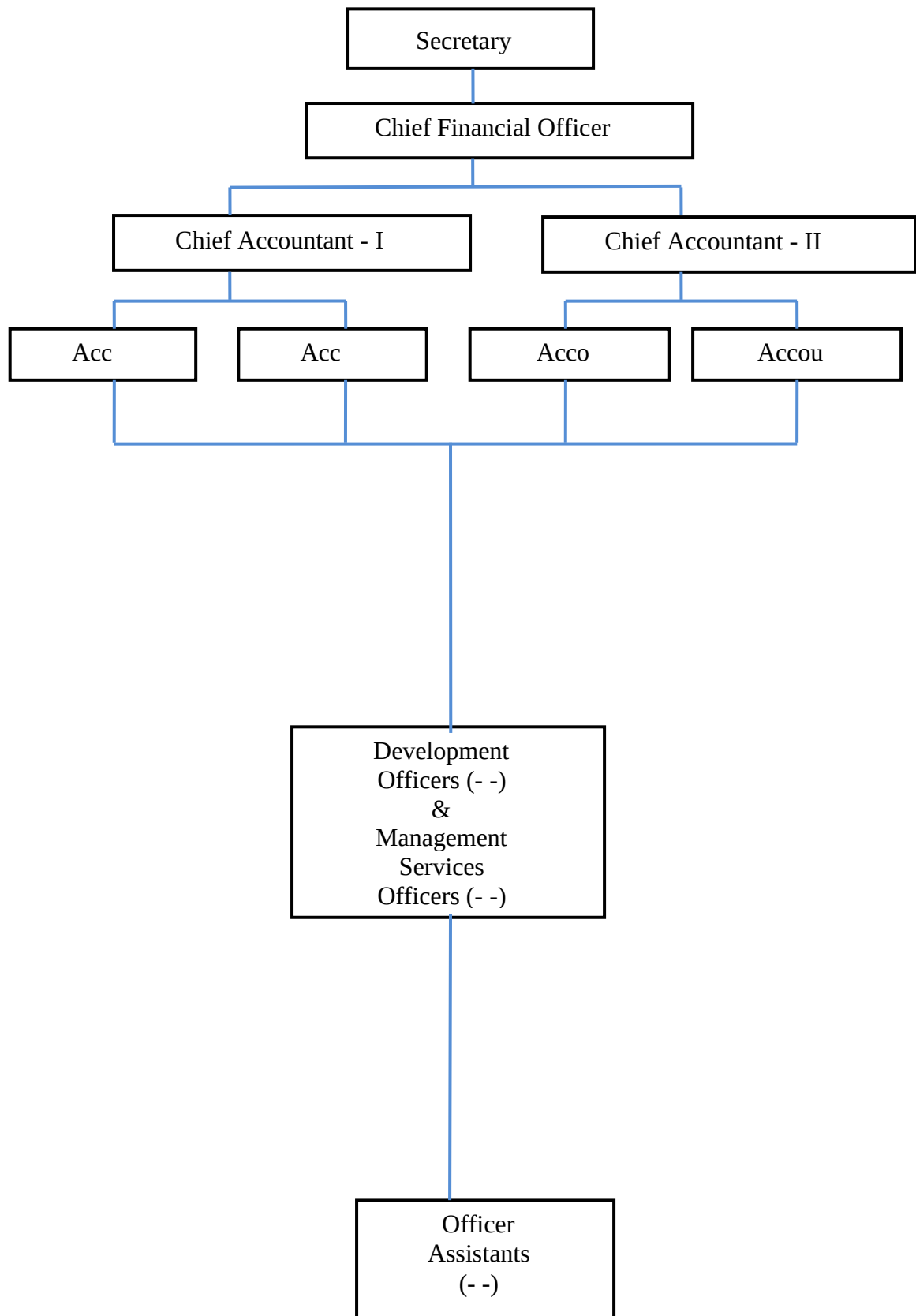




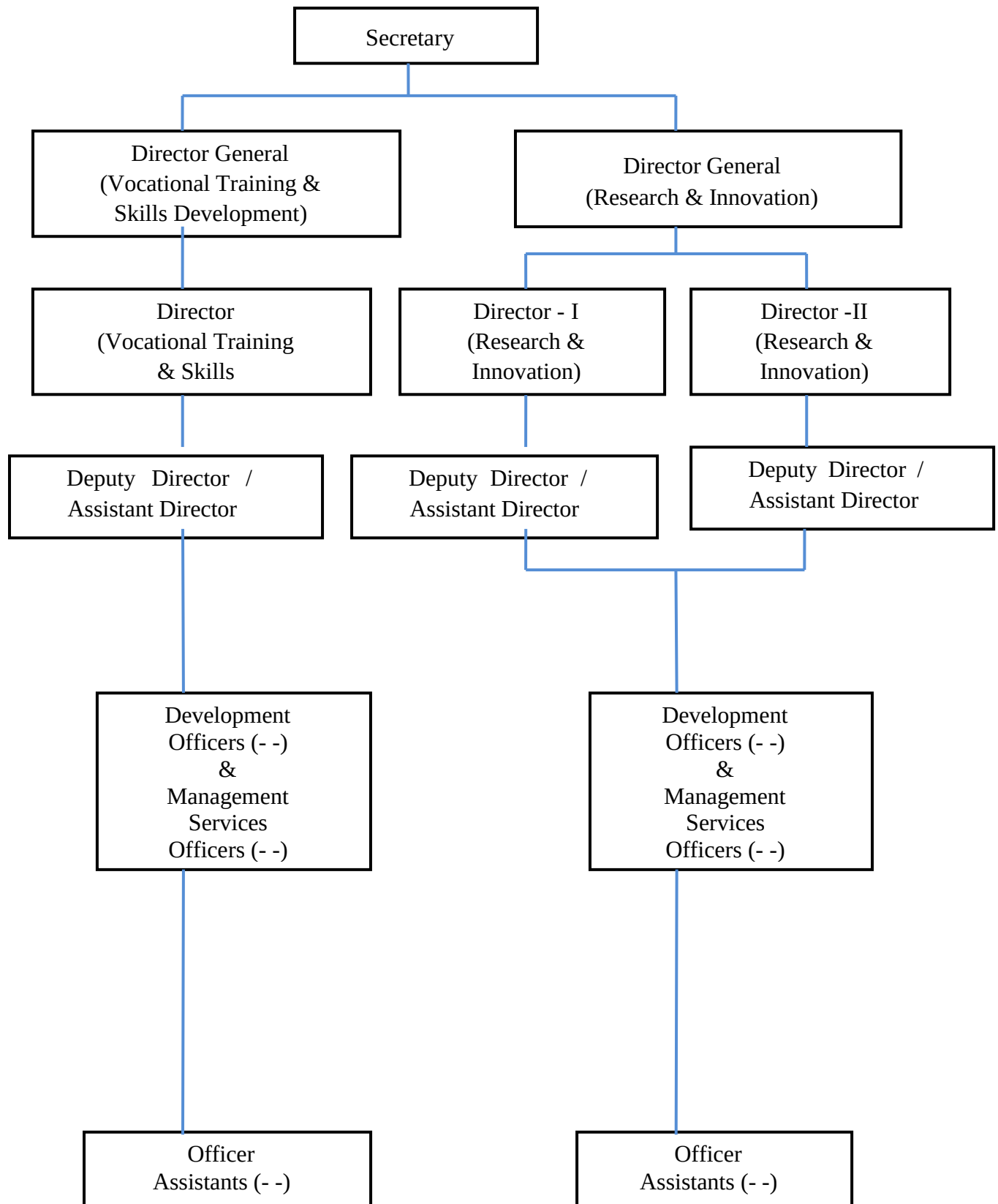
## Research Division



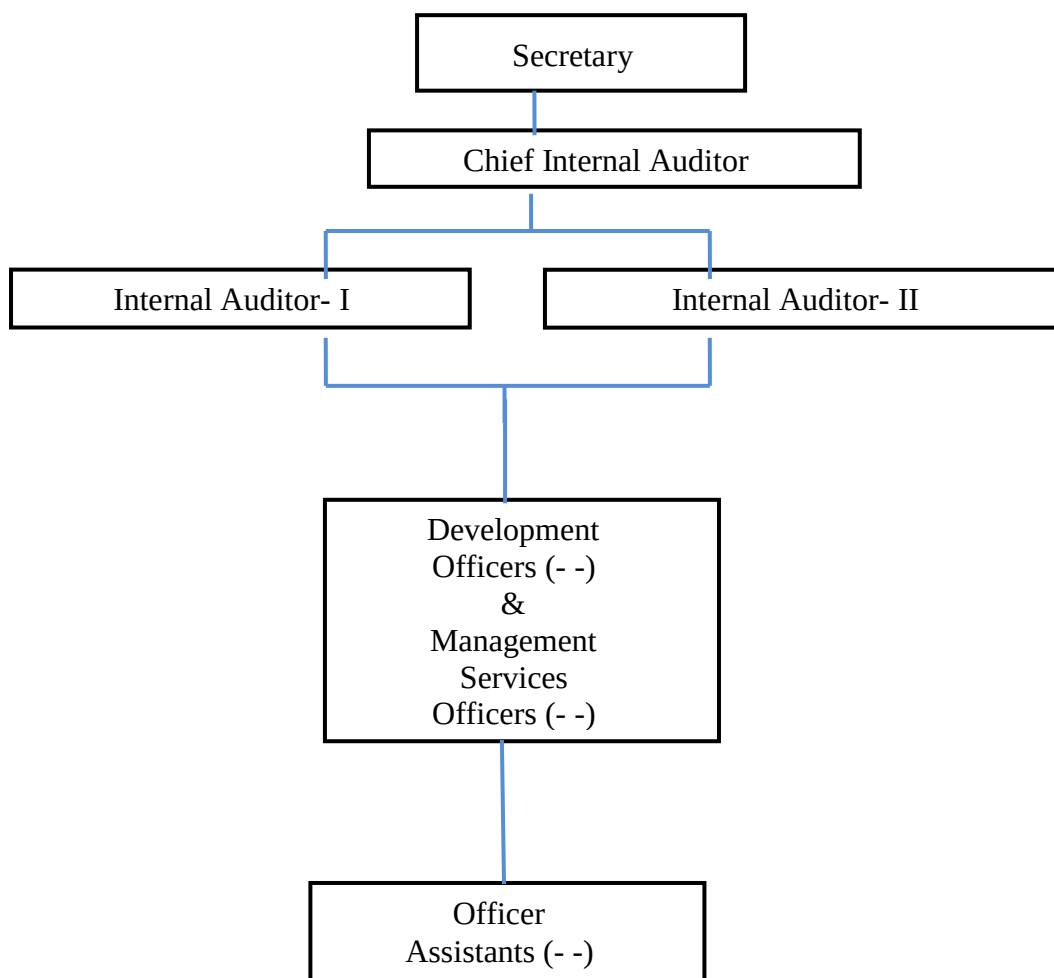
**Account Division**



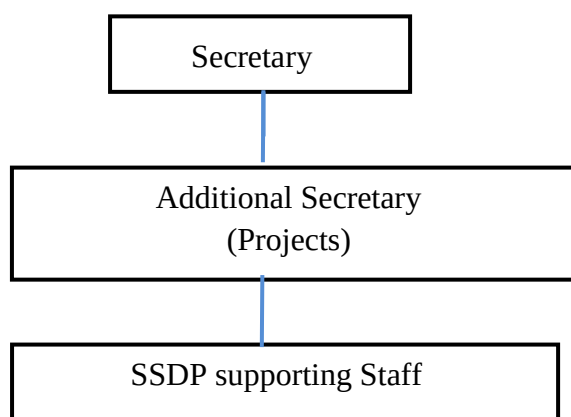
## Planning Division



### **Internal Audit Division**



### **Projects Division**



## 1.5 Department under the State Ministry

- Department of Technical Education and Training (DTET)

## 1.6 Institutions under the State Ministry

- Tertiary and Vocational Education Commission. (TVEC)
- Vocational Training Authority of Sri Lanka (VTA)
- National Apprentice & Industrial Training Authority (NAITA)
- Ceylon German Technical Training Institute (CGTTI)
- University of Vocational Technology (UNIVOTEC)
- Ocean University of Sri Lanka (OUSL)
- National Institute of Business Management (NIBM)
- National School of Business Management Ltd. (NSBM)
- Sri Lanka Institute of Printing (SLIOP)
- Arthur C. Clarke Institute for Modern Technologies (ACCIMT)
- National Engineering Research and Development Centre (NERDC)
- National Institute of Fundamental Studies (NIFS)
- National Research Council (NRC)
- National Science Foundation (NSF)
- Sri Lanka Inventors Commission (SLIC)
- Sri Lanka Planetarium

## 1.7. Details of the Foreign Funded Projects

| <b>Name of the Project</b>                                                | <b>Implementation Agency</b> | <b>Estimated cost of the project (Mn)</b> | <b>Project Duration</b>     |
|---------------------------------------------------------------------------|------------------------------|-------------------------------------------|-----------------------------|
| GTZ-vocational Training Sri Lanka Project                                 | German Government            | Euro 7 Mn                                 | July 2019 - June 2022       |
| USAID Youth Employment and Business Start-up (You Lead) Project Sri Lanka | United States                | \$ 18 Mn                                  | June 02, 2017- May 31, 2024 |

## **Chapter 02**

### **Progress and Future Outlook**

#### **2.1. Achievements of the Ministry in year 2021**

##### **2.1.1 Skills Development and Vocational Education Sector**

On par to the proposals submitted to the Parliament by Hon. Prime Minister as the Minister of Finance for the year 2021, an additional provision of Rs. 3000.0 Mn. has been granted to the State Ministry of Skills Development, Vocational Education, Research and Innovation to strengthen the vocational training institutions under the concept of “One TVET” in order to attract youth for the vocational training. The provision has been allocated to provide a bursary to the trainees, training of trainers, purchase technical equipment, maintenance and renovation of buildings immediately.

Accordingly, a resource assessment was carried out in the year 2020 in 80 training centers of the institutions which purview under the Ministry. Through analyzing the information, number of shortages has been identified in the existing centers. Similarly, it is also revealed that the less publicity for the vocational training among rural public has caused to lesser enrollment of trainees in rural vocational training centers. The Ministry has implemented following special programmes to fulfill those requisites and shortages subject to the above budget proposal.

- 26,737 trainees have been selected from five institutions as recipients adhering to the respective criteria under the bursary programme of “Nipunatha Sisu Saviya” implemented in order to inspire the trainees for the courses which have less demand. The actions for selecting recipients in other institutions are in progress. The Department of National Budget has allocated Rs. Mn. 360.0 for this purpose and distribute Rs. 142.37 Mn. among training institutions so far.
- A Committee was appointed to recommend the criteria required to provide an allowance for the instructors based on the performance and for the capacity building of the Academic staff. The recommendations have been submitted to the Department of Management Services for approval and concurrence received for pay in two stages. Actions have been taken to conduct training sessions for the instructors to provide awareness on online teaching.
- One of the key objectives of the Ministry is increasing the intake of students. As such, it is planned to recruit the external and contract basis staff required to cater more students, and the Department of Technical Education & Training and the Vocational Training Authority of Sri Lanka have identified the additional staff needed. The actions are in progress to implement new recruitments.
- In order to attract the youth for vocational training, the development activities to enhance the appearance of the buildings of Technical Colleges / District Vocational Training centers have been commenced according to a unique architectural plan under the “Tech Udana” programme. Accordingly, six vocational training centers were selected enhanced in the year 2021. The contract was awarded and the work has commenced in Homagama, Kurunegala, Kandy and Badulla Technical Colleges. The civil constructions of Technical Colleges in Matara and Maradana will be implemented by Sri Lanka Navy and the renovations are currently in progress.
- In order to increase the intake of the students for the courses having a high demand in the job market, it has been decided to develop the infrastructure facilities in vocational training centers of the institutions which purview under the Ministry. The rehabilitation and improvement activities of classrooms, workshops, laboratories, canteens, rest rooms, changing rooms,

sanitary units and students / teacher's quarters have been commenced and Rs. 481.80 Mn. has been allocated and the work has implemented for 82 projects proposed by five institutions in 38 centers.

- In view of providing technical knowledge to the students in vocational training sector in international standard, the training equipment and machineries are being provided to equip the workshops and laboratories. Rs. 218.0 Mn. has been allocated for equipment provision in four institutions. The necessity of equipment listed as per the priority, has been referred to the Ministry of Finance seeking the allocation of provisions through foreign grants.
- Proposals received to establish new regional centers are being under consideration and the Vocational Training Authority of Sri Lanka is carrying out the feasibility studies.
- Actions have been taken to promote the vocational education through the establishment of mobile vocational training and promotional units. As such awareness programmes were conducted through two mobile laboratory buses.
- In view of providing awareness and promoting skills education, the Sinhala language publication of "Skills Sri Lanka" official tabloid with the "Dinamina" newspaper and the Tamil language publication with the "Thinakaran" newspaper have been issued with effect from the months of March and July respectively. In addition to that, actions are being taken to telecast and broadcast TV and Radio promotional programmes.

### **Progress of Skills Development programmes**

- Ceremony to launch skills development programmes for 2021 was held under the theme of "Skills Sri Lanka" on 02nd March 2021 at the BMICH under the patronage of HE the President, Hon. Prime Minister, Hon. Minister of Education, Hon. State Minister and some Ministers. Launching of "Skills Sri Lanka" logo, enter in to collaborations with private sector on new training opportunities (Pizza Hut/ Orange/ Nursing School), student bursary awarding, introduce Mobile Training Units and presenting of the first edition of "Skills Sri Lanka" Newsletter to HE the President and Hon. Prime Minister were took place.
- World Youth Skills day 2021  
Commemoration of the World Youth Skills day was held this year with the presence of HE the President, Hon. Prime Minister, Hon. State Minister, Secretary to the HE the President, Secretary to the Hon. Prime Minister and Resources Persons of the Private sector under the theme of Establishment of City Universities. HE the President has entrusted the responsibility to the Ministry of Skills Development, Vocational Education, Research & Innovation to establish the City Universities through the Extra Ordinary Gazette No. 2209/14 dated 04.01.2021. As such HE the President has launched the Official Logo and Official website of City Universities at Presidential Secretariat on 15.07.2021 to mark the "World Youth Skills Day".
- Selected vocational education programmes have been telecasted in television channels in order to facilitate students to follow courses from home. It will be able to obtain NVQ certificate through distance learning mode as follows.
  - 03 programmes by Sirasa channel
  - 02 programmes by Derana channel
- The fourth step of the "13 Year Continuous Education Programme" was implemented in 382 schools. Through this programme, Ministry of Education has directed 11,985 students to vocational education.

- Rs. 10.0 Mn. worth loans have been granted for students who get entrepreneurship development training under SEPI loan scheme and the cost as at 31.12.2021 is Rs.5.85Mn.
- Implementation of Multipurpose Development Task Force training programmes via National Apprentice & Industrial Training Authority (NAITA) for 100,000 beneficiaries in less income families jointly with the Presidential Task force. Under this, the training has already commenced for 34,000 beneficiaries.
- The implementation / promotion of vocational training programmes is in progress under the 7 Euro Mn funds received under “GIZ Vocational Training in Sri Lanka” project. This grant has been utilized to provide training material and equipment to Sri Lanka German Technical Training Institute (SLGTI), Kilinochchi and selected National Vocational Training Institutions (NVTI). The required actions have been taken to acquire the land where Matara regional center, is to be established, to this Ministry and referred to the approval of the Attorney General for signing the agreement with KEW which is the loan providing Institute of the government of Germany. Initial actions have been taken to make agreements for loan provision of Euro 15.7 Mn of the government of Germany.
- The Environment Evaluation Report is being prepared to build the new building for the Ocean University of Sri Lanka (OUSL) in Mattakkuliya. The project activities will be initiated in 2022.
- Required recommendations have been submitted to the Department of External Resources to obtain approval for Australian Dollar Mn. 12.0, the second step of S4IG project which functions under the grant assistance of Australia.
- Actions have been taken to submit required recommendations to the Department of External Resources to extend the duration period of YOULEAD Project for further 3 years. Through this USD 6.0 Mn. will be adapted to the Vocational Training sector as an additional grant.
- Career Guidance
  - The Career Guidance programme series initiated under “Find yourself YOU CAN Sri Lanka” with the objective of provide correct directive to find proud and satisfactory job in the job market after school education. Following programmes have been conducted under this initiative.
    - Conduct career guidance programmes through Channel Eye on September 27, 29 and 01.10.2021.
    - Conduct career guidance programmes through “Webinar” online system since 27 of September to 03rd October at 7.00 a.m to 8.00 a.m in each days with the contribution of entrepreneurs who succeeded the challenges to direct the youth to identify their skills and to become a perfect professional.
    - Conduct career guidance sessions covering all the Divisional Secretary Divisions with the resource contribution of Skills Development Assistants.
  - The official ceremony to launch “ YOU CAN Sri Lanka ” was held on 30<sup>th</sup> September 2021 under the patronage of Hon. Minister of Education. At this event;
    - launch website [www.youthjobs.lk](http://www.youthjobs.lk) for find Career Guidance solutions directly by youth



- MOU has been signed between the State Ministry of Skills Development, Vocational Education, Research and Innovation and the State Ministry of Child Development, Pre School & Primary Education, School infrastructure and School Services to provide vocational education to children in orphanage under the Department of Probation and Childcare Services.
- Conduct personal career guidance sessions for all the persons who visit NCGCC seeking career guidance. Through TP number 011- 2081808 provide vocational information and career guidance to them.
- Personal carrier guidance and awareness programmes were conducted for all students not eligible for University education through Skills Development Assistants attached to the Divisional Secretariats. The data was obtained from the Department of Examinations.
- Provide initial career guidance knowledge to the new graduates recruited to the Ministry before attaching them to the Divisional Secretariats by conducting 5-day training programme within the center itself.

**Programmes conducted by the National Career Guidance and Counseling Center since 31<sup>st</sup> January to 30<sup>th</sup> September 2021**

| Serial No | Date        | Venue                                        | Programme                                                                                                                            | Number of participants |
|-----------|-------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 01.       | 2021.01.11  | Tangerine Beach Hotel - Kalutara             | “Vocational Path for the Purpose of Learning” Teachers and Principals training programme – Ministry of Education                     | 90                     |
| 02.       | 2021.03.15  | Defense Services College - Colombo           | Students Motivation Programme on commencement of the schools in Western province on 15.03.21<br>-Year 11<br>-Year 5                  | 340<br>85              |
| 03.       | 2021.04.28. | National Career Guidance & Counseling Center | Online awareness for the newly recruited Development Officers on functions of the Ministry                                           | 12                     |
| 04.       | 2021.05.10  | Defence Services College - Colombo           | Online Career Guidance programmes for students who sat for the G.C.E. O/L exam and their parents to select G.C.E A/L subject streams | 320                    |
| 05.       | 2021.05.25  | Defence Services College - Colombo           | Online awareness programme for students who received G.C.E. A/L results and their parents on vocational training courses             | 92                     |
| 06.       | 2021.06.28  | Divisional Secretariat – Kalutara            | Online programme for introduction of psychometric test and assessment for fresh graduates                                            | 28                     |
| 07.       | 2021.07.13  | Education Division – Kalutara                | Online programme to select optional subjects for grade 10                                                                            | 158                    |

|     |            |                                            |                                                                           |                                                      |
|-----|------------|--------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------|
| 08. | 2021.05.10 | Gnanodaya Vidyalaya – Kalutara             | Online Career Guidance programme on vocational training courses after A/L | 296                                                  |
| 09. | 2021.08.11 | Vocational Training Authority of Sri Lanka | Future Chef programme – 2021 Soft Skills Development                      | FB live, VTA You Tube Channel                        |
| 10. | 2021.08.12 | Youth Day                                  | Skills Update Importance of Career Guidance 2021                          | FB Live Programm with the participation of 800 youth |

- Conduct 2,808 programmes for 50,383 recipients under following themes;
  - Awareness programme on vocational training for school leavers
  - Guidance programmes for school leavers to direct them for vocational training
  - Coordination programmes on industry sector job opportunities
  - Awareness programmes for Recognition of Prior Learning (RPL) system
  - Direct to apply for RPL system
  - Awareness programmes for public officers
  - Awareness programmes for parents
  - Awareness programmes for school students (G.C.E. O/L and A/L)
  - Conduct psychometric tests using practical Hardware copies
  - Other awareness programmes on vocational education.
  - Conduct 600 programmes through WhatsApp, viber, imo, messenger, Facebook, live, YouTube, zoom, webinar and other online methods and 6,100 recipients have participated in it.
- Conduct 5 main and 8 sub committees under District operational committees to upgrade the Tertiary and Technical Education and Vocational Training sector.

### 2.1.2 Research and Innovation Sector

- Establishment of the National Innovation Agency (NIA)

The National Innovation Agency (NIA) was established as mandated by Act, No. 22 of 2019 with the specific aim of promoting better understanding on innovations in the fields of social, science and technology, defense, environment and service, and their impact on the economy of the country. The Cabinet of the Ministers at its meeting held on 08.03.2021 decided to commence NIA by absorbing the Coordinating Secretariat for Science Technology & Innovation (COSTI) in to NIA and utilizing the personnel and other resources, including the allocated budget of COSTI to operationalize the National Innovation Agency. The first Steering Council Meeting of the National Innovation Agency was held on 29th of November, 2021, the Secretary to the President chairing the meeting as the mandatory Chairperson.

- Science and Technology Popularizing Program

- ❖ National Science Day

Conducted Events/ Programs in collaboration with Institutes affiliated to the State Ministry to Celebrate the National Science Day & National Science Week – 2021

A glamorous event was organized at Temple Trees to celebrate National Science Day-2021 with the participation of His Excellency the President as the chief guest and launched “National Innovation Mission” (NIM) with the theme of “ඕනෑම දේහය වර්තමානය (The present that gives life to dreams)”. Under this Mission, financial assistance and equipment was presented to nine selected schools covering the nine provinces to symbolize the establishment of a network of innovation laboratories for schools. Moreover, “Dasis award” was presented to the winners of Sahasak Nimavum-2020 competition organized by Sri Lanka Inventors Commission and launched the Oxygen Concentrator which is the most important and timely valuable instrument developed by NERDC.

The National Science Week- 2021 was organized by setting aside one day during the week for one particular main theme. Accordingly, the week of November 10 - 16 has been designated as National Science Day, Innovation Day, Space Technology Day, Patent Day, Energy Day, Innovation Promotion Day and Science Promotion Day respectively. In those days, a major themed program and concurrent programs were in operation with the participation of Hon. Cabinet Minister, Hon. State Minister and other executive officers of the field.

- Conducted an All Island Competition -Science for day-to-day life in partnership with the National Institute of Fundamental Studies, to coincide with the National Science Day Celebrations

The main objective of this competition was to promote science concepts among the school community and enhance their inquiring mind in science while making them inquisitive about the science behind our surroundings. The winners’ celebration of the competition was held successfully on 2021.11.15 at NIFS premises as a hybrid event on par with the National Science Week 2021. 156 awardees (including merit certificate holders), the outstanding educational zone and the best school were awarded at the ceremonial event. In addition, all the students who submitted books according to the guidelines were given a participation certificate. In addition, a small booklet containing the best concepts was distributed among them.

- Initiate & Develop the Vidya E-News website

This website was designed with the objective of giving a more technologically aligned facet to the Vidya newspaper which was published previously by this Ministry and as of now, 75% of the development work of the website has been finalized. In addition, internal and external parties have been informed to collect articles for publication on the website and articles are being received at present.

- Publishing paper articles on Skills Sri Lanka Newspaper

Provided 08 no. of articles in relation to Science, Research and Innovation to "Skills Sri Lanka" paper supplement.

- Implementation of the National Research & Development Framework ( NRDF)
  - ❖ Organizing of Awareness Programs among Relevant Stakeholders Targeting Research and Innovation Development
 

With a view to promoting local innovations, training programs have been conducted in collaboration with the Sri Lanka Inventors Commission targeting the Skills Development Assistants and Development Officers of the North Central, Uva, Western, Central and Southern provinces.
  - ❖ Contribution to the “Annual Research Review-2020” conducted by the National Institute of Fundamental Studies
 

The Annual Research Review provides scientists with an opportunity to demonstrate the high quality of the work they have carried out and to highlight the impact that their work has done on the citizens of Sri Lanka during the year 2020. It was held on 06th April 2021 at the Prof. Cyril Ponnampereuma Auditorium, NIFS, Kandy. Accordingly, it was selected 04 researchers under the theme of Most Outstanding Researchers 2020, 01 award for Service Award and 03 awards for Open Science Circle in Electronic Media
  - ❖ Three Minute Thesis (3MT) competition 2021 organized by the Young Scientists Association of National Institute of Fundamental Studies (YSA-NIFS)
 

This competition was organized for the third consecutive year by the YSA-NIFS, to create a platform for the graduate students at NIFS to showcase their research in an informative manner to a non-specialist audience within three minutes. Further it aims to develop their presentation skills and to communicate science in a language appropriate to a non-scientific audiences, which would be immensely beneficial in their careers. Considering the scientific value of this initiative, this Ministry contributed financially to the program.
- Facilitation of Research & Innovations
  - ❖ Initiate the “Research Management System” to review the research projects.
 

Developed a concept note for the initiating a Research Management System, Supervision and review of all Research undertaken by the institutes affiliated to the Ministry, Discussions have been held with relevant institutions (Ex. NSF, NRC, NIFS, COSTI) to find a mechanism being adopted by the institutes affiliated to the Ministry for the alignment of the Data Management System.
  - ❖ Review of research projects presented by the institutes under the State Ministry.
 

A mechanism has been proposed. An evaluation committee has been appointed for the evaluation of the research proposals identified by the research institutes. The committee will evaluate the selected research periodically until succeeding the proposed objectives. The State Ministry will observe proposed projects for the year 2022 submitted by the research institutions under the purview of the State Ministry.
  - ❖ Review of research projects for payment of Research Allowances as per the Management Services Circular No. 02/2014
 

Evaluated 09 research proposals, 09 interim reports and 04 final reports received to the Ministry by the Research Management Committee for the payment of Research Allowance as per the Management Services Circular No.02/2014

- International Collaboration

- ❖ Indo-Sri Lanka Joint Research Programme

The second phase of collaboration started in 2017 and 17 research projects were financially facilitated and 08 research projects were successfully completed by the end of 2021. Nine remaining projects are still in progress owing to the difficulties caused by COVID 19 outbreak. Research projects all together have produced 43 scientific publications in 2021. The third phase of collaboration started on 2019. 09 research projects and 03 workshops were selected after evaluation of 178 research proposals and 14 workshops proposals.

- ❖ PhD degrees in High-Energy Physics of the European Organization for Nuclear Research (CERN)

European Organization for Nuclear Research (CERN) had initiated a PhD programme in the area of High Energy Physics to offer fellowships to Sri Lanka. Sri Lankan scientists pursue their studies at CERN have published 72 scientific publications during 2021. Island-wide teacher training webinar programme on particle physics for advanced level physics teachers was initiated and they were conducted for Western, Eastern, Northern, Southern and Sabaragamuwa provinces. Videos have been prepared on particle physics for advanced level students and teachers. Also, a video created by the team of researchers in Sri Lanka side about CERN organization.

- ❖ Working Group of Safe Use of Chrysotile Asbestos in Sri Lanka

A working group was appointed including Russian and Sri Lankan counterparts as a result of the collaborations between our ministry and the Ural Chamber of Commerce of Russian Federation in order to understand the use of chrysotile asbestos in Sri Lanka. On the request of the two working groups of Sri Lanka and Russia, 04 research teams are working on positive and negative aspects of Asbestos, at industry, construction sites and end user levels in Sri Lanka.

08th working group meeting was held in Colombo, Sri Lanka from 10th to 24th April 2021 to discuss the progress of these researches.

- ❖ Agreements and MoUs signed and initiated

The Ministry has involved in 12 Memorandum of Understandings with 10 countries so far. 02 Memorandum of Associations will be signed in near future.

- Project on Prototype Manufacturing of Solar Panels

This Project is being implemented by three Universities namely; University of Kelaniya, University of Peradeniya and University of Jaffna. Technical support is being provided by the National Institute of Fundamental Studies (NIFS) specially for related R&D.

Under this programme, three awareness programmes were conducted for 177 students of 03 schools in Gampaha and Gampola

NVQ level 4 programme was continued for recruited 136 candidates at 9 NAITA centres island wide. The advanced training programme was conducted for 84 NVQ trainees at Hambanthota Solar Park. The second batch of the NVQ solar technicians training programme was started at Galle, Rathnapura and Matara NAITA centres. Pre-assessments were conducted for 76 candidates in December. Started training assessors to assess NVQ programme.

A Programme was held at the University of Kelaniya to Celebrate the National Science Week by the project covering the following segments.

- Importance of Renewable Energy and Solar Energy
  - Presentation on fabricating CdTe thin film solar cells in our laboratories
  - Live demonstration of a laboratory scale solar cell fabricated by the project
  - Demonstrations of various uses of Solar Energy
  - Award of Course Completion letters to trainees of the First Solar Technicians Training Programme
- Improving degraded soil through developing fertilizer and soil management

BioFilm Biofertilizer (BFBF) was applied to 55,000 ac in Kurunegala, Ampara & Polonnaruwa in particular during Yala season of this year 2021, and Rhizobium Biofertilizer (RBF) was distributed to 8939 ac of soybean, 5277 ac of mung bean, 250 ac of groundnut, 140 ac of clover and 290 ac of vegetable bean cultivations during the same season. Field trials were started for Maha 2021/2022 season. BFBF was distributed to 110,000 acres of paddy cultivation in the government's organic fertilizer program.

NIFS is in the process of facilitating the application of Biofilm bio fertilizer in paddy culture in collaboration with the National Fertilizer Secretariat and the Department of Agriculture (DOA) of the Ministry of Agriculture under the government's free fertilizer distribution program.

- Coordinating Secretariat for Science, Technology and Innovation (COSTI)

- ❖ Intellectual Property (IP) & Technology Transfer programs

A webinar session was conducted by Technology Innovation Support Center (TISC) at COSTI on Intellectual Property rights, Patenting requirements & process for the staff of University of Visual & Performing Arts. The session was organized by the University Business Linkage Unit of the University.

- ❖ Patent Search & Drafting Virtual Training Program

Five days virtual training program was conducted by Technology Innovation Support Center (TISC) at COSTI on patent search & drafting for research team of Hayleys Dipped Product Pvt. Ltd. The participants were trained on patent search techniques, patent drafting procedures and strategies.

- ❖ Developed criteria to evaluate the “innovative export product of the year” for EDB Presidential Export awards, (for 2018, 2019, 2020 & 2021) and contributed as evaluators in the selection committee

- ❖ EIE mentoring program 2021- Coordinated with EIE and non-EIE institutes and 20 technologies were submitted to WIPO for the next mentoring program; WIPO support on Patent Landscape Analysis - A discussion was started to create patent landscape reports on identified technology areas.

❖ Institutional Intellectual Property Policy development program

A programme was launched for the Universities and Institutes which are not under Enabling Innovation Environment (EIE) project by World Intellectual Property Organization (WIPO) in collaboration with COSTI. General Sir John Kotelawala Defense University (KDU), University of Jaffna, Rubber Research Institute (RRI), and National Institute of Post-Harvest Management (NIPHM) were privileged to be part of this for the first time’

❖ KIPO/KIPA Appropriate Technology Development Project 2021

The Korean Invention Promotion Association (KIPA) in collaboration with Korean Intellectual Property Office (KIPO) conducts a project titled, “Appropriate Technology” in order to facilitate the sustainable economic growth of developing countries. The project targets to develop Appropriate Technologies in developing countries with financial and technical assistance by Korean government to improve the quality of life in rural communities.

With respect to the Development of community water purification systems – Three Reverse Osmosis/Ultrafiltration in combination with red clay filtration technology of Industrial Technology Institute (ITI) were installed – Palagala Ultra filtration and RO plants at Padikaramaduwa, Galenbindunuwewa, Hinguruwewa GND. The funds received from KIPA/ KIPO was allocated accordingly to the water board and ITI for the project development.

During a visit of Korean officials in Last quarter of 2021, required spare parts were handed over for the next three years to the COSTI and National Water Board.

• Sri Lanka Planetarium

❖ Science Popularization Program

Following activities were carried out to popularize Astronomy and Space Science among school children as well as general public.

| Method of Popularization             | No. of Programs    | No. of Beneficiaries |
|--------------------------------------|--------------------|----------------------|
| Planetarium shows                    | 46                 | 3,351                |
| Out-Door program / Online webinars   | 19                 | 12,500               |
| TV Programmes / Awareness Programmes | 2                  | Island-wide          |
| Astro Kids & Astro IT Classes        | 7 classes per week | 120                  |

## 2.2. Future Targets

- “Nipunatha Udana 2022” programme is scheduled to be commenced centralizing various provinces with a view to enhance the overall activities in the vocational training institutions and accordingly it has planned to do the physical development in the training institutions and curriculum development. The first step of this programme will be commenced in North Western province.
- Infrastructure development in selected Vocational Training Centers.
- Skills allowance for instructors in vocational education institutes.
- Scholarship scheme for students in vocational education.
- Introduce a Green Channel for increase efficiency in research material importation.
- Introduce Triple Tax reduction on private sector investment on R&D.
- Expansion of Incubation facilities in selected education institutions (Universities, Technical Colleges, schools, etc.).
- Development of facilities for effective Online training delivery.
- Proceed with future actions to construct the National Vocational Training Center – Matara under Rs 15.7 Mn grants of the Government of Germany.
- Revise the Act of Ceylon German Technical Training Institute in order to establish Sri Lanka German Technical Colleges.
- Future actions are planned for the agreement of IETI – Katubedda project.
- Obtain volunteer service required for vocational institutes under Volunteer programme of JAICA.
- Establish District Coordinating Committees in each district to upgrade the technical education and vocational training sector.
- Regulate the career guidance in schools through awareness of principals and the teachers who are the in charge of the Career Guidance.
- Expand the Career Guidance activities in Divisional Secretary Divisions through capacity development of Skills Development Assistants.
- Implementation of career guidance programmes for the children in Samurdhi beneficiary families under the program of “Empower 200,000 Samurdhi families”.
- Facilitating R&D aligned with National policy Framework —Saubhagyaye Dekma and SDGs.
- Achieving higher ranking the Global Innovation Index (GII) and Global Competitiveness Index (GCI)
- Improving state of the Art STI ecosystem and research institutes.
- Increasing No. of research institute/industry research collaboration projects.
- Establishing a well-organized mechanism to monitor research and development progress of the country.



## 2.3. Challenges

- Inadequate state funding for Research and Innovation sector
- Lack of updated policies and strategies to ensure private sector contribution to the Research and Development sector in the country
- Delays in patenting process.
- Research commercialization issues
- Issues in retaining professionals in research institutes as a result of government remuneration system.
- Brain drain of scientists and researchers
- Weak industry -university-research institute tie-ups
- Insufficient Business cells/startups/parks/maker space for graduates to start S & T industry (small scale)
- Inadequate international collaborations
- Inadequate competitive research outcome to compete globally

  
Chief Accounting Officer  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Date: 30/6/2022

M.N. Ranasinghe  
Secretary  
Ministry of Education  
"Isurupaya"  
Pelawatta, Battaramulla

## Chapter 03

# Overall Financial Performance for the Year ended 31<sup>st</sup> December 2021

## 3.1 Statement of Financial Performance

| Statement of Financial Performance<br>for the period ended 31 <sup>st</sup> December 2021 |      |                 |                 |           | ACA -F |
|-------------------------------------------------------------------------------------------|------|-----------------|-----------------|-----------|--------|
|                                                                                           |      |                 |                 |           | Rs.    |
| Budget 2020                                                                               | Note | Actual<br>2021  | Restated 2020   |           |        |
| - Revenue Receipts                                                                        |      | -               | -               |           |        |
| - Income Tax                                                                              | 1    | -               | -               | ACA-1     |        |
| - Taxes on Domestic Goods & Services                                                      | 2    | -               | -               |           |        |
| - Taxes on International Trade                                                            | 3    | -               | -               |           |        |
| - Non Tax Revenue & Others                                                                | 4    | -               | -               |           |        |
| - Total Revenue Receipts (A)                                                              |      | -               | -               |           |        |
| - Non Revenue Receipts                                                                    |      | -               | -               |           |        |
| - Treasury Imprests                                                                       |      | 2,253,696,328   | 3,036,934,739   | ACA-3     |        |
| - Deposits                                                                                |      | 95,089,307      | 68,298,457      | ACA-4     |        |
| - Advance Accounts                                                                        |      | 27,594,361      | 62,122,440      | ACA-5     |        |
| - Other Main Ledger Receipts                                                              |      | -               | -               |           |        |
| - Total Non Revenue Receipts (B)                                                          |      | 2,376,379,996   | 3,167,355,636   |           |        |
| - Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)                               |      | 2,376,379,996   | 3,167,355,636   |           |        |
| - Remittance to the Treasury (D)                                                          |      | 393,180         | 51,601,212      |           |        |
| - Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)                                 |      | 2,375,986,816   | 3,115,754,424   |           |        |
| - Less: Expenditure                                                                       |      |                 |                 |           |        |
| - Recurrent Expenditure                                                                   |      |                 |                 |           |        |
| 621,350,000 Wages, Salaries & Other Employment Benefits                                   | 5    | 554,610,095     | 510,418,222     | ACA-2(ii) |        |
| 229,400,000 Other Goods & Services                                                        | 6    | 149,422,143     | 172,685,557     |           |        |
| 6,192,815,000 Subsidies, Grants and Transfers                                             | 7    | 5,010,959,318   | 5,273,552,280   |           |        |
| - Interest Payments                                                                       | 8    | -               | -               |           |        |
| - Other Recurrent Expenditure                                                             | 9    | -               | -               |           |        |
| - Total Recurrent Expenditure (F)                                                         |      | 5,714,991,556   | 5,956,656,060   |           |        |
| - Capital Expenditure                                                                     |      |                 |                 |           |        |
| 1,024,760,000 Rehabilitation & Improvement of Capital Assets                              | 10   | 645,141,068     | 107,666,400     | ACA-2(ii) |        |
| 1,372,975,000 Acquisition of Capital Assets                                               | 11   | 1,185,959,780   | 1,855,656,014   |           |        |
| 1,054,500,000 Capital Transfers                                                           | 12   | 573,990,477     | 638,345,120     |           |        |
| 10,000,000 Acquisition of Financial Assets                                                | 13   | 5,846,132       | 86,248,460      |           |        |
| 28,400,000 Capacity Building                                                              | 14   | 15,261,378      | 155,931,280     |           |        |
| 513,890,000 Other Capital Expenditure                                                     | 15   | 307,289,146     | 1,235,101,309   |           |        |
| - Total Capital Expenditure (G)                                                           |      | 2,733,487,980   | 4,078,948,582   |           |        |
| - Deposit Payments                                                                        |      | 11,195,368      | 20,786,074      | ACA-4     |        |
| - Advance Payments                                                                        |      | 26,323,360      | 12,375,672      | ACA-5     |        |
| - Other Main Ledger Payments                                                              |      | -               | -               |           |        |
| - Total Main Ledger Expenditure (H)                                                       |      | 37,518,728      | 33,161,746      |           |        |
| - Total Expenditure I = (F+G+H)                                                           |      | 8,485,998,264   | 10,068,766,388  |           |        |
| - Balance as at 31st December J = (E-I)                                                   |      | (6,110,011,448) | (6,953,011,964) |           |        |
| - Balance as per the Imprest Reconciliation Statement                                     |      | (6,110,011,448) | (6,953,011,964) | ACA-7     |        |
| - Imprest Balance as at 31st December                                                     |      | -               | -               | ACA-3     |        |



### 3.2 Statement of Financial Position

ACA-P

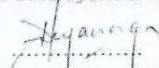
#### Statement of Financial Position As at 31<sup>st</sup> December 2021

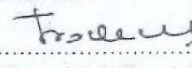
|                                     | Note       | Actual<br>2021<br>Rs | Actual<br>2020<br>Rs |
|-------------------------------------|------------|----------------------|----------------------|
| <b>Non Financial Assets</b>         |            |                      |                      |
| Property, Plant & Equipment         | ACA-6      | 5,537,758,620        | 5,544,420,133        |
| <b>Financial Assets</b>             |            |                      |                      |
| Advance Accounts                    | ACA-5/5(a) | 71,326,302           | 72,597,303           |
| Cash & Cash Equivalents             | ACA-3      | -                    | -                    |
| <b>Total Assets</b>                 |            | <b>5,609,084,922</b> | <b>5,617,017,436</b> |
| <b>Net Assets / Equity</b>          |            |                      |                      |
| Net Worth to Treasury               |            | (171,465,568)        | (86,300,628)         |
| Property, Plant & Equipment Reserve |            | 5,537,758,620        | 5,544,420,133        |
| Rent and Work Advance Reserve       | ACA-5(b)   | -                    | -                    |
| <b>Current Liabilities</b>          |            |                      |                      |
| Deposits Accounts                   | ACA-4      | 242,791,870          | 158,897,931          |
| Imprest Balance                     | ACA-3      | -                    | -                    |
| <b>Total Liabilities</b>            |            | <b>5,609,084,922</b> | <b>5,617,017,436</b> |

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 06 to 117 and Notes to accounts presented in pages from 118 to 137 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

  
Chief Accounting Officer  
Name :  
Designation :  
Date : 24.02.2022

  
Accounting Officer  
Name :  
Designation :  
Date : 24.02.2022

  
Chief Financial Officer/ Chief Accountant/  
Director (Finance)/ Commissioner (Finance)  
Name : K. V. S De Silva  
Date : 23.02.2022

Professor K. Kapila C.K. Perera  
Secretary  
Ministry of Education  
Narathenpita,  
Colombo 05.

Deepa Liyanage  
Secretary  
State Ministry of Skills Development,  
Vocational Education, Research & Innovation  
Nipunatha Pivasa, 354.2, Rivitigala Mawatha,  
Narathenpita, Colombo 05.

K. V. S. DE SILVA  
Chief Finance Officer  
State Ministry of Skills Development,  
Vocational Education, Research & Innovation  
Nipunatha Pivasa, 354.2, Rivitigala Mawatha,  
Narathenpita, Colombo 05.

### 3.3 Statement of Cash Flows

ACA-C

#### Statement of Cash Flows for the Period ended 31<sup>st</sup> December 2021

|                                                                               | 2021<br>Rs.            | Actual<br>Restated 2020<br>Rs. |
|-------------------------------------------------------------------------------|------------------------|--------------------------------|
| <b>Cash Flows from Operating Activities</b>                                   |                        |                                |
| Total Tax Receipts                                                            | -                      | -                              |
| Fees, Fines, Penalties and Licenses                                           | -                      | -                              |
| Profit                                                                        | -                      | -                              |
| Non Revenue Receipts                                                          | 25,299,767             | 14,169,723                     |
| Revenue Collected on behalf of Other Revenue Heads                            | -                      | -                              |
| Imprest Received                                                              | 2,253,696,328          | 3,036,934,739                  |
| Recoveries from Advance                                                       | 24,537,781             | 19,170,869                     |
| Deposit Received                                                              | 95,089,307             | 68,298,432                     |
| <b>Total Cash generated from Operations (a)</b>                               | <b>2,398,623,183</b>   | <b>3,138,573,764</b>           |
| <b>Less - Cash disbursed for:</b>                                             |                        |                                |
| Personal Emoluments & Operating Payments                                      | 694,935,218            | 635,510,925                    |
| Subsidies & Transfer Payments                                                 | 147,336,318            | 26,251,260                     |
| Expenditure incurred on behalf of Other Heads                                 | 4,930,020              | 81,250,369                     |
| Imprest Settlement to Treasury                                                | 393,180                | 51,601,212                     |
| Advance Payments                                                              | 25,732,935             | 8,279,885                      |
| Deposit Payments                                                              | 11,195,368             | 20,786,049                     |
| <b>Total Cash disbursed for Operations (b)</b>                                | <b>884,523,040</b>     | <b>823,679,700</b>             |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(a)-(b)</b>                     | <b>1,514,100,143</b>   | <b>2,314,894,064</b>           |
| <b>Cash Flows from Investing Activities</b>                                   |                        |                                |
| Interest                                                                      | -                      | -                              |
| Dividends                                                                     | -                      | -                              |
| Divestiture Proceeds & Sale of Physical Assets                                | -                      | -                              |
| Recoveries from On Lending                                                    | -                      | -                              |
| <b>Total Cash generated from Investing Activities (d)</b>                     | <b>-</b>               | <b>-</b>                       |
| <b>Less - Cash disbursed for:</b>                                             |                        |                                |
| Purchase or Construction of Physical Assets & Acquisition of Other Investment | 1,514,100,143          | 2,314,894,064                  |
| <b>Total Cash disbursed for Investing Activities (e)</b>                      | <b>1,514,100,143</b>   | <b>2,314,894,064</b>           |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(d)-(e)</b>                     | <b>(1,514,100,143)</b> | <b>(2,314,894,064)</b>         |
| <b>NET CASH FLOWS FROM OPERATING &amp; INVESTMENT ACTIVITIES (g)=(c)+(f)</b>  | <b>-</b>               | <b>(0)</b>                     |
| <b>Cash Flows from Financing Activities</b>                                   |                        |                                |
| Local Borrowings                                                              | -                      | -                              |
| Foreign Borrowings                                                            | -                      | -                              |
| Grants Received                                                               | -                      | -                              |
| <b>Total Cash generated from Financing Activities (H)</b>                     | <b>-</b>               | <b>-</b>                       |
| <b>Less - Cash disbursed for:</b>                                             |                        |                                |
| Repayment of Local Borrowings                                                 | -                      | -                              |
| Repayment of Foreign Borrowings                                               | -                      | -                              |
| <b>Total Cash disbursed for Financing Activities (I)</b>                      | <b>-</b>               | <b>-</b>                       |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)</b>                    | <b>-</b>               | <b>-</b>                       |
| <b>Net Movement in Cash (K) = (G) -(J)</b>                                    | <b>-</b>               | <b>(0)</b>                     |
| Opening Cash Balance as at 01 <sup>st</sup> January                           | -                      | -                              |
| Closing Cash Balance as at 31 <sup>st</sup> December                          | -                      | -                              |

### **3.4 Notes to the Financial Statements**

#### **Basis of Reporting**

##### **1. Reporting Period**

The reporting period for these Financial Statements is from 01st January to 31<sup>st</sup> December 2021.

##### **2. Basis of Measurement**

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

##### **3. Recognition of Revenue**

Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

##### **4. Recognition and Measurement of Property, Plant and Equipment (PP&E)**

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

##### **5. Property, Plant and Equipment Reserve**

This reserve account is the corresponding account of Property Plant and Equipment.

##### **6. Cash and Cash Equivalents**

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2021.

### **3.5 Performance of the Revenue Collection**

Not applicable

### 3.6 Performance of the Utilization of Allocation

| Type of Allocation | Allocation    |                | Actual Expenditure | Allocation Utilization as a % Final of Allocation |
|--------------------|---------------|----------------|--------------------|---------------------------------------------------|
|                    | Original      | Final          |                    |                                                   |
| Recurrent          | 6,550,800,000 | 7,043,565,000  | 5,714,991,556      | 81%                                               |
| Capital            | 2,769,600,000 | 4,004,525,000  | 2,733,487,980      | 68%                                               |
| Total              | 9,320,400,000 | 11,048,090,000 | 8,448,479,536      | 76%                                               |

### 3.7 In terms of FR 208 grant of allocations for expenditure to this Department/District Secretariat/provincial Council as an agent of the Other Ministries/Department

| Serial No. | Allocation Received from which Ministry/Department                    | Purpose of the Allocation                              | Allocation |           | Actual Expenditure | Allocation Utilization as a % Final of Allocation |
|------------|-----------------------------------------------------------------------|--------------------------------------------------------|------------|-----------|--------------------|---------------------------------------------------|
|            |                                                                       |                                                        | Original   | Final     |                    |                                                   |
| 1          | Ministry of Education                                                 | 13 Years Guaranteed Education                          | 2,926,775  | 2,926,775 | 2,926,775          | 100%                                              |
| 2          | Dep. Of Pension                                                       | Gov. Officers Advance B outstanding balance settlement | 226,912    | 226,912   | 226,912            | 100%                                              |
| 3          | Ministry of Public Services, Provincial Councils and Local Government | Salary for Graduate Trainees                           | 1,776,333  | 1,776,333 | 1,776,333          | 100%                                              |
| Total      |                                                                       |                                                        | 4,930,020  | 4,930,020 | 4,930,020          | 100%                                              |

### 3.8 Performance of the Reporting of Non-Financial Assets

| Asset Code | Description              | Balance as per Board of Survey report as at 31.12.2021 | Balance as per Financial position report as at 31.12.2021 | Yet to be Accounted | Reporting progress as at |
|------------|--------------------------|--------------------------------------------------------|-----------------------------------------------------------|---------------------|--------------------------|
| 9151       | Non Residential Building | 1,648,514,058                                          | 1,648,514,058                                             |                     | 100%                     |
| 9152       | Machinery & Equipment    | 1,232,126,422                                          | 1,232,126,422                                             |                     | 100%                     |
| 9153       | Land                     | 1,494,318,140                                          | 1,494,318,140                                             |                     | 100%                     |
| 9154       | Intangible Asset         | -                                                      | -                                                         |                     | -                        |
| 9155       | Biological Assets        | -                                                      | -                                                         |                     | -                        |
| 9160       | Work in Progress         | 1,162,800,000                                          | 1,162,800,000                                             |                     | 100%                     |
| 9180       | Lease Assets             | -                                                      | -                                                         |                     | -                        |

### 3.9 Auditor General's Report

VOT/A/MSDVT/FA/2021

May 31<sup>st</sup>, 2022

Director General  
Department of Public Accounts

#### **Concise Report of the Auditor General on the Financial Statements of the State Ministry of Skills Development, Vocational Education, Research and Innovation for the year ended 31<sup>st</sup> December 2021 in terms of Section 11(1) of the National Audit Act, No 19 of 2018**

#### **1. Financial Statement**

##### **1.1 Opinion**

The audit of financial statements of the State Ministry of Skills Development, Vocational Education, Research and Innovation for the year ended 31<sup>st</sup> December 2021 comprising the statement of financial position as at 31<sup>st</sup> December 2021, and the Statement of Financial Performance and the Cash flow Statement for the year then ended 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. My Comments and observations with regard to this financial statement, being forwarded to the State Ministry of Skills Development, Vocational Education, Research and Innovation in terms of section 11(1) of the National Audit Act No: 19 of 2018, appear in this report. The Auditor General's report due for submission in terms of section 10 of the National Audit Act No:19 of 2018 read in

conjunction with the article 154(6) of the constitution of the Democratic Socialist Republic of Sri Lanka, will be tabled in Parliament in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the State Ministry of Skills Development, Vocational Education, Research and Innovation as at 31<sup>st</sup> December 2021 and of its financial performance and its cash flows for the year then ended in accordance with the generally accepted accounting principles.

## **1.2 Basis for Qualified Opinion**

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

## **1.3 Responsibilities of the Accounting Officer with regard to the Financial Statements**

The Accounting Officer is responsible for the preparation of the financial statements that give a true and fair view in accordance with the generally accepted accounting principles and the provisions of the Section 38 of the National Audit Act No:19 of 2018, and to determine the internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. As per Section 16(1) of the National Audit Act No:19 of 2018, the Ministry 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 Ministry.

In terms of the provisions of the sub section 38(1)(c) of the National Audit Act, the Chief Accounting Officer should provide assurance that an effective internal control system has been prepared and is in effect and the effectiveness of the said system should be reviewed from time to time in order to effect necessary changes for the effective maintenance of the system.

## **1.4 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 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 judgement and maintain professional skepticism throughout the audit. I also,

- Identify and assess the risk 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 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 presentations.
- Evaluate the overall presentation of the financial statements, that it represents the structure and the underlying transactions and events that made up the content, in a manner that achieves fair presentation.

I communicated with the Accounting Officer regarding, among other matters, significant audit findings, including any deficiencies in internal control that I identified during my audit.

## **1.5 Report on other legal and Regulatory Requirements**

I wish to state the following facts as per the requirement of Section 6(1)(d) of the National Audit Act No:19 of 2018.

- (a) The Financial Statements is consistent with the preceding year.
- (b) The recommendations made by me in respect of the financial statements of the preceding year had been effected.

## **1.6 Comments on financial statements**

### **1.6.1 Non maintenance of Registers and Books**

It was observed in sample audits that the Ministry has failed to maintain the below mentioned registers, with certain registers not being properly maintained and updated.

| <b>Type of Register</b> | <b>Relevant Regulation</b>                                    | <b>Observation</b>                                                                                                                                                                                                                                          |
|-------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Register of Liabilities | Financial Regulations 447(4) &(5) The register of liabilities | had not been updated and maintained in manner that the remaining liabilities and deferred liabilities are identifiable at the end of each month by the inclusion of a reference to documents such as the relevant order corresponding to the liability etc. |

## **2. Financial review**

### **2.1 Management of expenditure**

As estimates for securing necessary funds had not been prepared in terms of Financial Regulation 50, and conforming to the Action Plan which was prepared with the objective of achieving the goals and targets of the Ministry, following instances where allocations remained unspent were observed.

(a) Recurrent expenditure

None of the funds provided for 08 recurrent vote subjects under annual estimates amounting to Rs. 11,100,000 had been utilized.

(b) Capital expenditure

A total of Rs.63,400,000 allocated to 15 capital vote subjects had remained totally unspent.

(c) Transfer of over allocated excess provisions to other vote subjects through Financial Regulation 66

Due to the lack of a planned procedure in making allocations, a sum of Rs.11,250,000 out of excess provisions which amounted to Rs.16,502,944 relevant to 08 recurrent vote subjects and a sum of Rs.374,581,000 out of excess provisions which amounted to Rs.459,138,915 relevant to 20 capital vote subjects, were transferred to other vote subjects through Financial Regulations 66, which ranged from 25% to 100%.

(d) Obtaining provisions from other votes for under allocations

As a result of not adhering to a proper plan in preparing estimates, a sum of Rs.327,656,000 relevant to 09 vote subjects was obtained from other vote subjects through Financial Regulations 66, the amount of which ranged from 28% to 100%.

(e) Transfer of underutilized provisions as per Financial Regulations

Due to the transfer of funds under Financial Regulations 66 without adhering to a proper plan, a sum of Rs.1,958,354 remained unspent out of a total of 14,916,000 relevant to 05 vote subjects transferred under Financial Regulations 66, the amount of which ranged from 19% to 40%.

### **2.2 Advance account balances**

The following observations are made with regard to the advance B account of public officers bearing head 421 subject no.42101.

An outstanding loan balance of Rs.522,270 as at 31<sup>st</sup> December 2021 was observed which had occurred due to officers vacating their posts and retiring with the outstanding period ranging from 03 years to 21 years.

### **2.3 Entering into Liabilities and Commitments**

The following observations are made.

(a) Even though all liabilities should be entered as per Public Accounts Circular 255/2017, liabilities to the value of Rs.220,967 had not been entered in the financial statements for the year under review.

(b) As the Ministry is held accountable for the manner in which public funds allocated under Ministry expenditure head have been spent, copies of contractual agreements on provision of services and constructions, have to be submitted for audit in terms of

Financial Regulations 702(3). However, written evidence have not been presented to ascertain the liability balance amounting to Rs.40,902,951 as at 31<sup>st</sup> December of the year under review, of contractual value made in 13 instances for the purpose of developing technical colleges under the physical resources development programme of the vocational education and promotion institutions which commenced in the year under review.

## 2.4 Noncompliance with rules and regulations

Instances where noncompliance with rules and regulations was observed in sample audit inspections are as follows.

| <b>Rules and Regulations<br/>Referred To</b>                                                                   | <b>Noncompliance</b><br>-----                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Financial Regulation Code of the Democratic Socialist Republic of Sri Lanka                                |                                                                                                                                                                                                                                                                                                                                               |
| (i) Financial Regulations 214                                                                                  | Even though authorizing officers and certifying officers should inspect registers on liabilities on a regular basis in order to ensure the availability of funds and the regular receipt of bills, the register on liabilities presented for audit had not been prepared in a manner that it could be inspected.                              |
| (ii) Financial Regulations 756, 757, and 1647 (b)                                                              | Even though annual surveys had to be conducted on vehicles and additional equipment the said task had not been performed.                                                                                                                                                                                                                     |
| (iii) Financial Regulations 1646                                                                               | Even though daily running charts of each month together with the original of the monthly summary on travel should be forwarded to the Auditor General before the 15th of the succeeding month, the Ministry had failed to comply with the said requirement in respect of 22 vehicles out of a vehicle pool 27 vehicles owned by the Ministry. |
| (b) Public Finance Circular No.03/2015 dated 14 <sup>th</sup> July 2015                                        | Delay in settling fuel and various advances granted in 19 instances, had prevailed for a period of 01 to 04 months. Even though this situation was brought to light on a prior occasion, it has not been rectified even at present.                                                                                                           |
| (c) Guidance on project management and contract management issued by the Ministry of Finance in February, 2017 | The Ministry had failed to maintain payment registers and records (Format No.CA 33, CA 34, CA 51,53) on registers and formats required to be maintained by the funding agency as prescribed under category No.02                                                                                                                              |

- |                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(d) Public Administration Circular No.09/2009 of 17<sup>th</sup> June 2009</p>                                                                                                                                                                                  | <p>Even though all public servants including Minister's staff, Secretaries to Ministries and heads of institutions are required to confirm the arrival and departure to and from their workplaces through the finger scanners, even a single officer of the Minister's staff had not complied with the above regulation. Without obtaining such confirmation of their arrival and departure, a payment of Rs. 9,212,498 had been made to the respective officers as salaries and allowances during the year 2021.</p>                                                                                                                                                                                                                                                                                                     |
| <p>(e) Phase II agreement of Self Employment Promotion Initiative (SEPI) Loan scheme of 29<sup>th</sup> March 2016</p> <p style="margin-left: 40px;">i. section (f) of para 3.2</p> <p style="margin-left: 40px;">ii. section (b) of para 2.2 of the agreement</p> | <p>Even though the Central Bank is tasked with the responsibility of submitting the accounts relating to the SEPI Loan Scheme-Phase II to the Auditor General, within three months of completion of the 2<sup>nd</sup> accounting year, it has not been complied with from 2016 even up to the present.</p> <p>Even though all applications for loans were required to be submitted through the Ministry, the banks granting the loans had taken action to select the loan recipients, themselves in contradiction of the said requirement from 2016 to 2021. Accordingly, loans amounting to Rs. 491,134,875 have been granted to 1109 beneficiaries out of 1295 registered beneficiaries and it was disclosed at the audit that the granting of loans in this manner had continued even up to the day of the audit.</p> |

### **3. Operational Review**

#### **3.1 Performance**

The following observations are made.

- (a) In terms of the Tertiary and Vocational Education Act.No.20 of 1990 in order to conduct National Vocational Qualification (NVQ) level courses, such courses require registration and if learning and training conforming to higher standards recognized both locally and at international level, it is essential that such courses are granted accreditation. However, 343 applications received from institutions under the purview of the Ministry for the duration from 2018 up to 18<sup>th</sup> January 2022, had not been accredited up to the date of this report and proper attention had not been given to the accreditation of courses conducted by the private sector institutions in order to increase the standards of such courses.
- (b) i. Under the Self Employment Promotion Initiative (SEPI) Loan Scheme initiated in two phases with a view to assisting in the economic empowerment of the youths who had received vocational training and also rendering a helping hand to the skilled youth forces, loans amounting to Rs.76,241,000 have been granted to 170 loan recipients during the course of the year 2019. However, no loan applications had been registered in the year 2020. A sum of Rs.90 million has been estimated for the grant of these loans for the year

under review. The Ministry, due to their inability to find number of targeted beneficiaries and lack of a proper financial plan, had taken action to transfer Rs.80 million from the allocated sum, which amounts to 89%,to another vote subject and had registered only three loan recipients granting 05 lakhs each totaling to 1.5 million.

- ii. As per the loan agreement loans can be granted for the purchase of basic equipment and raw materials to start self employed businesses ,nearly 38% of the loan recipients had obtained loans for the purpose of expanding their existing businesses while nearly 14% had taken no attempt at starting a business or at continuing an existing business utilizing the loan.The objectives envisaged of this loan scheme had not been met due to the lengthy period of time taken to grant the loan as the Ministry's intervention and follow up had not been duly supervised, the banks not paying due attention to SEPI loans and their lack of awareness and the grant of loans at an interest rate exceeding that of the loan scheme.

### **3.1.1 Failure to achieve the envisaged level of completion**

The following observations are made.

- (a) Even though a total of Rs.100 million has been allocated in respect of the year under review for the project for establishing 05 City Universities, identified under special priorities in the Gazette No.2209/14 dated 04<sup>th</sup> January 2021,work relating to initial constructions and acquisition of lands in respect of only 03 universities had been initiated as at the end of the year under review of which the financial progress amounted to 6.11%.
- (b) With a view to doubling the number of students pursuing vocational education by expanding the vocational training opportunities for youth communities, provisions to the value of Rs.500 million for a bursary scheme to benefit 55,000 students pursuing vocational training has been targeted under the budget proposals of the year under review, only 26,730 students have been granted bursaries as at the end of the year under review. The progress of the said project stood at 28%.

### **3.1.2 Delays in Project Implementation**

The following observations are made.

- (a) As per a cabinet decision dated 20<sup>th</sup> June 2017, approval has been granted for the establishment of the University College-Kinniya in the Trincomalee district under the sectoral development project at an estimated cost of Rs.434 million. Even though Rs.8,931,683 had been spent in 2019 as initial expenses for the construction of a hostel for the university staff, this amount has become an unproductive expense since sufficient funds for the year 2021 had not been available with the sectoral development project.
- (b) As per a cabinet decision made in 2017, approval had been granted for the construction of a student dormitory at the Ceylon German Training Institute, Kilinochchi, to accommodate 400 students at a total cost of Rs.300 million. Even though a sum of Rs.6,028,015 has been spent on consultancy fees for the proposed project in 2018,the project work had been delayed due to several factors, i.e., delay in selecting a consultant for designing, contract and construction management and post construction supervision, limited financial provisions allocated to skills sectoral development sector in 2018 and 2019,delay in the procurement work.

- (c) A proposal for the establishment of a Social Innovation Lab at a cost of Rs.80 million ,had been made with the cabinet approval in 2017,which had been scheduled to commence in 2018 and conclude at the end of the same year. A concurrence was reached and signed by the Secretary to the Ministry and Director/United Nation's Development Programme (UNDP) in Sri Lanka.Rs.35 million have been granted for the operational work of the project from 2017 up to 2018.These agreements have expired by 31<sup>st</sup> December 2020 and even though instructions have been sought from the Ministry of Finance on the future work in this regard, the sum of Rs.35 million already spent had become an unproductive expense by the end of the year under review.

### **3.1.3 Projects which had not achieved any progress despite release of funds**

- (a) I. On the cabinet approval granted in February,2016 for the establishment of the National Science Centre, a payment of Rs.280 million had been made to the Urban Development Authority for the acquisition of the block of land required for the purpose. Despite this payment being made, no action had been taken to transfer the ownership of the land to the Ministry even at the end of the year under review.Even though it had been proposed under Descriptive Targets targeting 07 instances to finalize the construction of the centre within 24 months at an estimated cost of Rs.2,819,711,538,also in the year under review ,the said construction work had not been commenced.
- II. An estimate to the value of Rs.7,837,061 from the National Engineering Research and Development Centre had been sent to the Additional Secretary (Research) by the letter dated 05<sup>th</sup> March 2020 for the purpose of erecting a protective fence around the said land in building the proposed centre.On account of the delay of 03 months which occurred in submitting the same to the Director (Science, Research & Development),the provisions granted under interim account to fulfill the relevant tasks had to be made use of for other activities ,resulting in the failure to begin construction work on the fence until the month of January 2022.
- (b) 06 special priority fields have been identified in respect of the Research and Innovation Division proceeding with the vision to transforming the country in to a developed nation by 2030 through science, technology and innovation for which Rs.80 million have been allocated for 05 identified projects in the year under review.Rs.7.68 million have been spent towards achieving the envisaged objectives which stood at 9.6% of the planned amount.

### **3.2 Uneconomic Transactions**

Even though the cab which met with an accident on 22<sup>nd</sup> May 2018 had been brought to the Ministry on 27<sup>th</sup> September 2018 after undergoing repairs, it was once again taken to the garage on the request of the driver on 15<sup>th</sup> of October 2018 to undergo repairs at a cost of Rs.51,000 and was brought back to the Ministry on 12<sup>th</sup> of January 2021.Accordingly,the said vehicle had remained unproductive at a garage for a period of nearly 27 months, merely to undergo a minor repair.

W.M.P.A. Fonseka  
Senior Assistant Auditor General  
For Auditor General

Copy to: Secretary-Ministry of Education (State Ministry of Skills Development, Vocational Education, Research and Innovation)

## Chapter 04

### Performance Indicators

#### 4.1.1. Performance indicators (Based on the Action Plan)

| Specific Indicators                                                                | Actual output as a percentage (%) of the expected output |         |         |
|------------------------------------------------------------------------------------|----------------------------------------------------------|---------|---------|
|                                                                                    | 100%-90%                                                 | 75%-89% | 50%-74% |
| Students intake in TVET programs                                                   |                                                          |         | √       |
| Financial Investment for TVET Sector                                               |                                                          | √       |         |
| Curricular Development                                                             | √                                                        |         |         |
| National Competency Stranded                                                       | √                                                        |         |         |
| Progress of Implementing Action Plan                                               |                                                          | √       |         |
| No. of research grants awarded                                                     | √                                                        |         |         |
| No. of joint researches/research-industry tie-ups established                      |                                                          |         | √       |
| No. of local/international patents acquired                                        |                                                          |         | √       |
| No. of programs conducted in relation to science popularization                    | √                                                        |         |         |
| Entrepreneurship driven research papers published                                  |                                                          |         | √       |
| No. of technology transfer agreements signed locally/internationally               |                                                          |         | √       |
| Research products commercialized locally/internationally                           | √                                                        |         |         |
| No. of inventions financially supported for commercialization                      |                                                          |         | √       |
| No of science related publications published in relation to science popularization | √                                                        |         |         |
| No. of technology transferred for to Small & Medium scale entrepreneurs            | √                                                        |         |         |

## Chapter 05

### Performance of the achieving Sustainable Development Goals (SDG)

#### 5.1. Indicate the Identified Respective Sustainable Developments Goals

| Goal                                                                                                     | Target                                                                                                                                                                                                                                                         | Indicator of the achievement                                                                                                                                                                                                                                                                                                                                                       | Progress of the Achievement % |        |        |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|--------|
|                                                                                                          |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                    | 0-49                          | 50-74  | 75-100 |
| 4. Ensure inclusive and equitable quality education and promote life long learning opportunities for all | 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university                                                                                                            | 4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months by sex <ul style="list-style-type: none"> <li>Percentage of Female</li> <li>Percentage of Male</li> <li>Intake</li> </ul>                                                                                                                                   | √                             | √<br>√ |        |
|                                                                                                          | 4.4 By 2030, substantially increase the number of youth and adults who have relevant Skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.                                                                      | 4.4.1 Proportion of youth and adults with information and Communications technology (ICT) skills, by type of skills.                                                                                                                                                                                                                                                               |                               |        | √      |
|                                                                                                          | 4.5 By 2030 eliminate gender disparities in education and ensure equal access to all levies of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situation. Scholarship | 4.5.1 Parity indices (Female/Male, Rural/Urban, Bottom/Top wealth quintile and others such as disability status indigenous peoples and conflict affected, as data become available) for all education indicators on this list that can be disaggregated. <ul style="list-style-type: none"> <li>Percentage of Disabled</li> <li>Percentage of Scholarship beneficiaries</li> </ul> | √                             | √      |        |



|                                                                                                             |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                   |  |   |   |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--|---|---|
| 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all      | 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university                                                                                                                                                                                                      | 4.3.1 is "Participation rate of youth and adults in formal and non-formal education and training. |  |   | √ |
| 8 Decent Work and Economic Growth                                                                           | 8.2 Diversify, innovate and upgrade for economic productivity                                                                                                                                                                                                                                                                                            | 8.2.1 Annual growth rate of real GDP per employed person                                          |  | √ |   |
| 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending | 9.5.1 "Research and development expenditure as a proportion of GDP"                               |  |   | √ |
|                                                                                                             | 9. b. Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities                                                                                                                       | 9.b.1 "Proportion of medium and high-tech industry value added in total value added"              |  |   | √ |
| 17 Partnerships for the Goals.                                                                              | 17.6 Knowledge sharing and cooperation for access to science, technology and innovation                                                                                                                                                                                                                                                                  | 17.6.1 Fixed Internet broadband subscriptions per 100 inhabitants, by speed                       |  | √ |   |

## Challenges

- Low priority given to investments in Research and Development over the past several years
- Lack of robust network consisting of Government institutions, regulators, Research Institutions, Universities, Enterprises, Consultancy Firms and Professional/Business groups
- Inadequate skilled human resources
- Lack of favorable Research and Innovation ecosystem
- Issues in retaining professionals in research institutes as a result of government remuneration system.
- Brain drain of scientists and researchers

## Chapter 06

### Human Resource Profile

#### 6.1. Cadre Management

|           | Approved Cadre | Existing Cadre | Vacancies/(Excess) |
|-----------|----------------|----------------|--------------------|
| Senior    | 53             | 40             | 13                 |
| Territory | 06             | 04             | 02                 |
| Secondary | 532            | 463            | 69                 |
| Primary   | 78             | 63             | 15                 |

#### 6.2. Human Resource Development

| Name of the Programme                                                | No. of trained officers | Duration of the Programme                               | Total investment (Rs.) |         | Nature of the programme | Output / obtained knowledge                                                                                                                                                                               |
|----------------------------------------------------------------------|-------------------------|---------------------------------------------------------|------------------------|---------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                      |                         |                                                         | Local                  | Foreign |                         |                                                                                                                                                                                                           |
| National Diploma in Career Guidance (Sri Lanka Foundation Institute) | 11                      | 2021.01.01 - 2021.12.31 (12 Months)<br>Week end courses | 660,000.00             |         | Local                   | Develop the knowledge, skills and attitudes relevant to the Career Guidance of the Skills Development Assistants' who engaged in filed duties of the Ministry and their capacity development              |
| Diploma Course in Psychological Counselling (University of Ruhuna)   | 03                      | 2021.01.01 – 2021.12.31 (12 months)<br>Weekend courses  | Rs. 180,000.00         |         | Local                   | Develop the knowledge, skills and attitudes relevant to the Career Guidance & Counseling of the Skills Development Assistants' who engaged in filed duties of the Ministry and their capacity development |
| Diploma Course in Counselling (University of Kelaniya)               | 03                      | 2021.01.01 - 2021.12.31 (12 months)<br>Weekend courses  | Rs.189,750 .00         |         | Local                   | Develop the knowledge, skills and attitudes relevant to the Career Guidance & Counseling of the Skills Development Assistants' who                                                                        |

|                                                                                           |    |                                                     |                |  |       |                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------|----|-----------------------------------------------------|----------------|--|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                           |    |                                                     |                |  |       | engaged in filed duties of the Ministry and their capacity development                                                                                                                                    |
| Diploma Course in Counseling (University of Ruhuna)                                       | 01 | 2021.01.01 – 2021.12.31 (12 months) Weekend courses | Rs. 60000.00   |  | Local | Develop the knowledge, skills and attitudes relevant to the Career Guidance & Counseling of the Skills Development Assistants' who engaged in filed duties of the Ministry and their capacity development |
| Diploma Course on National Career Guidance (Sri Lanka Foundation Institute)               | 02 | 2021.01.01 – 2021.12.31                             | Rs. 120,000.00 |  | Local | Develop the knowledge, skills and attitudes relevant to the Career Guidance & Counseling of the Skills Development Assistants' who engaged in filed duties of the Ministry and their capacity development |
| MSc. In Construction Project Management Programme (MSc. Program) (University of Moratuwa) | 01 | 2021.02.01 - 2021. 12.31 Week day – Friday          | Rs.400,000 .00 |  | Local | Professional capacity development                                                                                                                                                                         |
| Prepare files and official letters                                                        | 83 | 2021.12.22 (01 day)                                 | Rs. 7540.00    |  | Local | Capacity development of the officers of the Ministry                                                                                                                                                      |
| Master of financial economics – 2021 (University of Colombo)                              | 01 | 2021 -2022                                          | Rs. 192,000.00 |  | Local | Professional capacity development                                                                                                                                                                         |

|                                                                                                          |    |                                     |                |                              |       |                                   |
|----------------------------------------------------------------------------------------------------------|----|-------------------------------------|----------------|------------------------------|-------|-----------------------------------|
| Master of Human Resource management (MHRM) (University of Colombo)                                       | 01 | 2021- 2022                          | Rs. 310,000.00 |                              | Local | Professional capacity development |
| Advance Certificate Course in Public Procurement & Assest Management (Distant Learning Center Ltd) (DLC) | 01 | 2021.09.29. -2021.12.15             | Rs. 30000.00   |                              | Local | Professional capacity development |
| The Project for human Resource Development Scholarship programme (JDS) Meiji, University Tokyo, Japan    | 01 | 2021.09.20 – 2023.10.31 (02 years ) |                | U\$\$ 600 Sterlin g Pound 75 |       | Professional capacity development |

## Chapter 07

### Compliance Report

| No.        | Applicable Requirement                                                                                   | Compliance Status<br>(Complied/<br>Not Complied) | Brief explanation for<br>Non Compliance | Corrective actions<br>proposed to<br>avoid non-compliance in<br>future |
|------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------|
| <b>1</b>   | <b>The following Financial statements/accounts have been submitted on due date</b>                       |                                                  |                                         |                                                                        |
| 1.1        | Annual financial statements                                                                              | Complied                                         |                                         |                                                                        |
| 1.2        | Advance to public officers account                                                                       | Complied                                         |                                         |                                                                        |
| 1.3        | Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)                                 | Not Applicable                                   |                                         |                                                                        |
| 1.4        | Stores Advance Accounts                                                                                  | Not Applicable                                   |                                         |                                                                        |
| 1.5        | Special Advance Accounts                                                                                 | Not Applicable                                   |                                         |                                                                        |
| 1.6        | Others                                                                                                   | Not Applicable                                   |                                         |                                                                        |
| <b>2</b>   | <b>Maintenance of books and registers (FR445)/</b>                                                       |                                                  |                                         |                                                                        |
| <b>2.1</b> | Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018 | Complied                                         |                                         |                                                                        |
| 2.2        | Personal emoluments register/<br>Personal emoluments cards has been maintained and update                | Complied                                         |                                         |                                                                        |
| 2.3        | Register of Audit queries has been maintained and update                                                 | Complied                                         |                                         |                                                                        |
| 2.4        | Register of Internal Audit reports has been maintained and update                                        | Complied                                         |                                         |                                                                        |
| 2.5        | All the monthly account summaries (CIGAS) are prepared and submitted to the                              | Complied                                         |                                         |                                                                        |
| 2.6        | Register for cheques and money orders has been maintained and update                                     | Complied                                         |                                         |                                                                        |
| 2.7        | Inventory register has been maintained and update                                                        | Complied                                         |                                         |                                                                        |
| 2.8        | Stocks Register has been maintained and update                                                           | Complied                                         |                                         |                                                                        |

|           |                                                                                                                                                                   |          |  |  |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 2.9       | Register of Losses has been maintained and update                                                                                                                 | Complied |  |  |
| 2.10      | Commitment Register has been maintained and update                                                                                                                | Complied |  |  |
| 2.11      | Register of Counterfoil Books (GA — N20) has been maintained and update                                                                                           | Complied |  |  |
| <b>03</b> | <b>Delegation of functions for financial control (FR 135)</b>                                                                                                     |          |  |  |
| 3.1       | The financial authority has been delegated within the institute                                                                                                   | Complied |  |  |
| 3.2       | The delegation of financial authority has been communicated within the institute                                                                                  | Complied |  |  |
| 3.3       | The authority has been delegated in such manner so as to pass each transaction through two or more officers                                                       | Complied |  |  |
| 3.4       | The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package | Complied |  |  |
| <b>4</b>  | <b>Preparation of Annual Plans</b>                                                                                                                                |          |  |  |
| 4.1       | The annual action plan has been                                                                                                                                   | Complied |  |  |
| 4.2       | The annual procurement plan has                                                                                                                                   | Complied |  |  |
| 4.3       | Approval of the budget per the Financial Circular no 38 of 1971 for the respective                                                                                |          |  |  |
| 4.4       | The annual Internal Audit plan has been prepared                                                                                                                  | Complied |  |  |
| 4.5       | The annual estimate has been prepared and submitted to the NBD on due date                                                                                        | Complied |  |  |
| 4.6       | The annual cash flow has been submitted to the Treasury Operations Department on time                                                                             | Complied |  |  |
| 4.7       | Forwarding the quarter repots to the treasury by relevant due dates                                                                                               | Complied |  |  |
| <b>5</b>  | <b>Audit queries</b>                                                                                                                                              |          |  |  |
| 5.1       | All the audit queries has been replied within the specified time by the Auditor General                                                                           | Complied |  |  |
| <b>6</b>  | <b>Internal Audit</b>                                                                                                                                             |          |  |  |
| 6.1       | The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019   | Complied |  |  |

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| 6.2      | All the internal audit reports have been replied within one month                                                                                                                                                                                    | Complied     |                                                   |                                 |
| 6.3      | Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018                                                                                | Complied     |                                                   |                                 |
| 6.4      | All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)                                                                                                                           | Complied     |                                                   |                                 |
| <b>7</b> | <b>Audit and Management Committee</b>                                                                                                                                                                                                                |              |                                                   |                                 |
| 7.1      | Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019                                                                                                                               | Not Complied | Conducted only 2 AMC due to the covid 19 pandemic | Minimum 4 AMC will be conducted |
| <b>8</b> | <b>Asset Management</b>                                                                                                                                                                                                                              |              |                                                   |                                 |
| 8.1      | The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017                                                                      | Complied     |                                                   |                                 |
| 8.2      | A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular | Complied     |                                                   |                                 |
| 8.3      | The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016                                                                                             | Complied     |                                                   |                                 |
| 8.4      | The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular                                                                   | Complied     |                                                   |                                 |
| 8.5      | The disposal of condemn articles had been carried out in terms of FR 772                                                                                                                                                                             | Complied     |                                                   |                                 |

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| <b>9</b>  | <b>Vehicle Management</b>                                                                                                                                                                                                                    |                |                                                                                         |                                                                                         |
| 9.1       | The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date                                                                                                       | Complied       |                                                                                         |                                                                                         |
| 9.2       | The condemned vehicles had been disposed of within a period of less than 6 months after condemning                                                                                                                                           | Not Complied   | Even though the committee was appointed actions were not taken due to Covid 19 pandemic | Planned to appoint a new member for the committee since one member has been transferred |
| 9.3       | The vehicle logbooks had been                                                                                                                                                                                                                | Complied       |                                                                                         |                                                                                         |
| 9.4       | The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident                                                                                                                                       | Complied       |                                                                                         |                                                                                         |
| 9.5       | The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016                                                                              | Not Complied   | Fuel testing was not done due to the Covid Pandemic                                     | Planned to do the fuel Testing by appointing a committee in the 1 <sup>st</sup> week of |
| 9.6       | The absolute ownership of the leased vehicle log books has been transferred after the lease term                                                                                                                                             | Complied       |                                                                                         |                                                                                         |
| <b>10</b> | <b>Management of Bank Accounts</b>                                                                                                                                                                                                           |                |                                                                                         |                                                                                         |
| 10.1      | The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date                                                                                                                                 | Complied       |                                                                                         |                                                                                         |
| 10.2      | The dormant accounts that had existed in the year under review or since previous years settled                                                                                                                                               | Not Applicable |                                                                                         |                                                                                         |
| 10.3      | The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month | Complied       |                                                                                         |                                                                                         |
| <b>11</b> | <b>Utilization of Provisions</b>                                                                                                                                                                                                             |                |                                                                                         |                                                                                         |
| 11.1      | The provisions allocated had been spent without exceeding the limit                                                                                                                                                                          | Complied       |                                                                                         | -                                                                                       |



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| 11.2      | The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)  | Complied       |  |  |
| <b>12</b> | <b>Advances to Public Officers</b>                                                                     |                |  |  |
| 12.1      | The limits had been complied with                                                                      | Complied       |  |  |
| 12.2      | A time analysis had been carried out on the loans in arrears                                           | Complied       |  |  |
| 12.3      | The loan balances in arrears for over one year had been settled                                        | Complied       |  |  |
| <b>13</b> | <b>General Deposit Account</b>                                                                         |                |  |  |
| 13.1      | The action had been taken as per F.R.571 in relation to disposal of lapsed deposits                    | Complied       |  |  |
| 13.2      | The control register for general deposits had been updated and maintained                              | Complied       |  |  |
| <b>14</b> | <b>Impress Account</b>                                                                                 |                |  |  |
| 14.1      | The balance in the cash book at the end of the year under review remitted to TOD                       | Complied       |  |  |
| 14.2      | The ad-hoc sub impress issued as per F.R. 371 settled within one month from the completion of the task | Complied       |  |  |
| 14.3      | The ad-hoc sub impress had been issued exceeding the limit approved as per F.R. 371                    | Complied       |  |  |
| 14.4      | The balance of the impress account had been reconciled with the Treasury books monthly                 | Complied       |  |  |
| <b>15</b> | <b>Revenue Account</b>                                                                                 |                |  |  |
| 15.1      | The refunds from the revenue had been made in terms of the regulations                                 | Not Applicable |  |  |
| 15.2      | directly credited to the revenue account without credited to the deposit account                       | Complied       |  |  |
| 15.3      | Returns of arrears of revenue forward to the Auditor General in terms of FR 176                        | Complied       |  |  |
| <b>16</b> | <b>Human Resource Management</b>                                                                       |                |  |  |
| 16.1      | The staff had been paid within the approved cadre                                                      | Complied       |  |  |
| 16.2      | All members of the staff have been issued a duty list in writing                                       | Complied       |  |  |

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| 16.3      | All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017                                                                                                                          | Complied |  |  |
| <b>17</b> | <b>Provision of information to the public</b>                                                                                                                                                                          |          |  |  |
| 17.1      | An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation                                                           | Complied |  |  |
| 17.2      | Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or | Complied |  |  |
| 17.3      | Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act                                                                                                                              | Complied |  |  |
| <b>18</b> | <b>Implementing citizens charter</b>                                                                                                                                                                                   |          |  |  |
| 18.1      | A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management        | Complied |  |  |
| 18.2      | A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular           | Complied |  |  |
| <b>19</b> | <b>Preparation of the Human Resource Plan</b>                                                                                                                                                                          |          |  |  |
| 19.1      | A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.                                                                           | Complied |  |  |
| 19.2      | A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan                                                                   | Complied |  |  |
| 19.3      | Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid                                                                                                | Complied |  |  |

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| 19.4      | A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular | Complied |  | • |
| <b>20</b> | <b>Responses Audit Paras</b>                                                                                                                                                                                                                       |          |  |   |
| 20.1      | The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified                                                                                                                      | Complied |  |   |