Institution	-	Vocational Training Authority of Sri Lanka
Ministry	-	Ministry of Skills Development, Employments & Labor Relations
Address	-	"Nipunatha Piyasa", No 354 /2 Elvitigala Mawatha, Narahenpita Colombo 05
E - Mail Address	-	info@vtasl.gov.lk
Website	-	www.vtasl.gov.lk
Auditors	-	Auditor General Department of Auditor General
Bankers	-	Peoples Bank

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VISION

To be the most dynamic and innovative vocational training provider in Sri Lanka catering to the global employment market

MISSION

To facilitate the fulfilment of the international skilled employment demand by developing competencies in individuals through methods and technologies in vocational training and education.

We realize this mission by setting the highest standards in our services and facilities and focusing on global employability trends.

FUNCTIONS

- Prepare vocational training programmes and provide vocational training and skill to the youth with joining the external institutions.
- Conduct competency based final assessments, Issue National Vocational Qualification (NVQ) certificates, conduct Trade tests and Issue reports.
- Conduct National trade Tests and final tests and issue National Vocational Qualifications (NVQ) certificates.
- Monitoring Researches and development programmes relevant to vocational training.
- mplementation of Career Guidance programmes and Counseling.
- Provide further training for the vocational trained trainees, job placement and facilitate required facilities to commence self – employments.

ACKNOWLEDGEMENT

Dr. Seetha Arambepola
State Minister of Skills Development, Vocational Education, Research & Innovation
State Ministry of Skills Development, Vocational Education, Research & Innovation

“ Nipunatha Piyasa”
No. 354/2,
Elvitigala Mawatha,
Narahenpita,
Colombo 05

Hon. Minister,

Annual Report - 2018
Vocational Training Authority of Sri Lanka (VTASL)

I submit the Annual Report of the Vocational Training Authority of Sri Lanka for the year 2018, in terms of Section 25 of the Sri Lanka Vocational Training Authority Act No 12 of 1995 and Section 14 (2) C of the Financial Act No 38 of 1971.

Yours faithful

Eranga Basnayake
Chairman / CEO
Vocational Training Authority of Sri Lanka

INTRODUCTION & STRUCTURE

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

The Board of Governors of Vocational Authority of Sri Lanka is compiled with the Chairman, Vice Chairman including 10 members appointed as per the Section 5 of the Vocational Training Authority of Sri Lanka Act No 12 of 1995.Three Board of Governors were executed during the year 2018, indicated as follows.

Board of Directors
(30.01.2018 to 10.06.2018)

- **Dr. Lionel Pinto (Engineer)**
  Chairman
  Vocational Training Authority of Sri Lanka
- **Mr. Thilak Kariyawasam**
  Attorney – at – Law
  Vice Chairman
  Vocational Training Authority of Sri Lanka
- **Mrs. D.H.S. Pulleperuma**
  Director
  Ministry of Finance
- **Mr.R.P.A.Wimalaweera**
  Labor Commissioner
  Department of Labor
- **Mr. A.S. Hewage**
  Additional Secretary (School Affairs)
  Ministry of Education
- **Mr. A.H.M.U. Aruna Bandara**
  Director (Planning)
  Ministry of Industries &Commercial Affairs
- **Mr. Shehan Senavirathne**
  Chairman
  National Apprentice & Industrial Training Authority
- **Mr. Saman Senadeera**
  Attorney – at - Law
- **Dr. Lalith Liyanage (Engineer)**
- **Mr. Suresh De Mel**
- **Mr. Lukshman Sarath Weerakkody**

Board of Directors
14.06.2018 to 26.10.2018

- **Mr. Ravi Jayawardhane**
  Chairman
  Vocational Training Authority of Sri Lanka

- **Mr. Thisara Dhanushka Gunasinghe**
  Vice Chairman
  Vocational Training Authority of Sri Lanka

- **Mrs. D.H.S. Pulleperuma**
  Director
  Ministry of Finance

- **Mr. A.S. Hewage**
  Additional Secretary (School Affairs)
  Ministry of Education

- **Mr.R.P.A.Wimalaweera**
  Labor Commissioner
  Department of Labor

- **Mr. A.H.M.U. Aruna Bandara**
  Director (Planning)
  Ministry of Industries & Commercial Affairs

- **Mr. Saranga Alahapperuma**
  Chairman
  National Apprentice & Industrial Training Authority

- **Mr. Saman Senadeera**
  Attorney - at - Law

- **Mr. Suresh De Mel**

- **Mrs. Wasantha Perera**

- **Mrs. Magadhee Prathapasinghe**

Board of Directors
14.11.2018 to 31.12.2018

- **Mr. Prasanna Fernando**
  Chairman
  Vocational Training Authority of Sri Lanka

- **Mr. Thisara Dhanushka Gunasinghe**
  Vice Chairman
  Vocational Training Authority of Sri Lanka

- **Mrs. D.H.S. Pulleperuma**
  Director
  Ministry of Finance

- **Mr. A.S. Hewage**
  Additional Secretary (School Affairs)
  Ministry of Education

- **Mr.R.P.A.Wimalaweera**
  Labor Commissioner
  Department of Labor

- **Mr. A.H.M.U. Aruna Bandara**
  Director (Planning)
  Ministry of Industries &Commercial Affairs

- **Mr. Saranga Alahapperuma**
  Chairman
  National Apprentice & Industrial Training Authority

- **Mr. Prathap Fernando**

There were 08 meetings of Board of Directors were conducted during the year 2018.

REPORT OF THE BOARD OF DIRECTORS

- The Vocational Training Authority of Sri Lanka was established on 16th August 1995, under the Vocational Training Authority of Sri Lanka Act No 12 of 1995.
- The Authority implements a network of 226 vocational training centers consisted of 07 National Vocational Training Institutions, 22 District Vocational Training Centers, 191Regional Vocational Training Centers and 06 registered Prisons & Rehabilitation Centers in the year 2018 and conducted full time & part time 2,273 vocational training programmes for 36,667 youth. The Institution celebrated its 22 anniversary in this year.
- Achievements of the year 2018
- Provided full time vocational training for 32,474 youth who completed school education in 226 island wide training centers.
- Provided part time vocational training for 4,193 apprentices who are engaged in vocational trades and aspire to develop the career and those who are expected to access desirable careers.
- Issued 23,272 certificates as 19,354 National Vocational Qualification (NVQ) certificates, 2,477 Non – NVQ certificates and 1,441 certificates under Recognition of Prior Learning (RPL) system.
- Directed 8,023 trainees for the employments as 6,542 for local employment opportunities, 107 for foreign employment opportunities and 1,374 for self – employments.
- Obtained Quality Management certificates for 102 training centers.
- Prepared a common time table for all the courses and implemented the courses accordingly.
- Trained 95 trainees in construction craftsmen, wood technology craftsmen and plumber under the first step of 120 days expedite training programme of the Construction sector and trained 46 trainees by opening the National Vocational Training Center - Thalalla under its 2nd step.
- Commenced the construction work of National Vocational Training Center – Polonnaruwa which is being built under the funds of Netherland.
- Provided a subject associated training in South Korea to 18 instructors in the academic staff who attached to the training center – Orugodawaththa which is planned to commence the courses in year 2019.
- Provided entrepreneurship development training for 719 trainees by conducting 36 Entrepreneurship Development Training programmes and facilitated loan facilities of Rs. 61.39 Mn via State banks for 139 trainees to commence new enterprises under SEPI loan scheme.
- Directed 1,256 apprentices who are in the training for 46 industry observation trips in view of improving knowledge & skills.
- Conducted 32 Skills Promotion programmes under Public & Private Partnership (PPP) building programme and updated the new technological knowledge & skills of 2,640 vocational trained trainees.

- In view of enhancing the human resources, knowledge, attitudes and skills of the Institution, directed 724 of academic staff and 51 of the non – academic staff to the training.
- Aware 171,765 persons including school children, school leavers, parents, teachers on vocational training through conducting 3,356 island wide vocational Career Guidance programmes.
- Upgraded the quality of the courses through analyzing all the courses supervising information utilizing an internet software.
- Implementation of part time programmes on computer utilization and management for the officers of Ceylon Transport Board.
- Commenced the vocational training center in Agarapathana with the sponsorship of Premium Export Company of the Unilever Institute.
- Implementation the Elder Care Service Assistants course jointly with Help Age Sri Lanka Institution.
- In view of improve the skills of those who engage in the occupations in industries and to obtain national vocational qualifications, commenced short term training courses to award national vocational qualifications to each occupation in national level.
- As per a MoU signed between the VTASL and the Mahaweli Authority, initiated a programme to provide vocational training to the less income children who live in the 10 Mahaweli zones in the vocational training centers which are implementing under Vocational Training Authority of Sri Lanka and to award scholarship to them during the training period by the Mahaweli Authority.
- Trained electricians in Ceylon Electricity Board for the National Vocational Qualification (NVQ) level 4 certificate.

PROGRAMMES & TARGETS FOR THE YEAR 2019

- Provide full time vocational training for the 39,860 youth in island wide.
- Provide part time vocational training for 13,338 employees in vivid occupations and job seekers.
- Issue 19,000 certificates as 18,000 National Vocational Qualification (NVQ) certificates and 1,000 non – NVQ certificates.
- Commence 09 new courses in NVQ level 5 in Training Center – Orugodawaththa which established under the funds of Korean Development Bank.
    - CNC Technology
    - Robotic Technology
    - Pneumatics & Hydraulic Technology
    - Automobile Technology
    - Welding Technology
    - Electrical Technology
    - Electronic Technology
    - Mechatronic technology
    - Refrigeration & Air Conditioning Technology
- Aware 164,100 persons through 4,176 awareness programmes for island wide school students, school leavers, parents & teachers of vocational trainees and members of other social organizations.
- Conduct 25 entrepreneurship training programmes to inspire the successful trained trainees to commence enterprises and provide the financial facilities to commence enterprises and to develop the existing enterprises under Self Employment Provident Initiatives (SEPI) loan scheme
- Direct 9,100 for the employments as 7,800 trained apprentices for local employments and 500 for foreign employments and 1,000 for self - employments.
- Conduct 10 job fairs aiming employ the trained apprentices and to provide further training opportunities.
- In view of improving knowledge and skills of the trainees, organize 75 factory observation trips.
- Conduct 40 Skills Promotion programmes for 2,070 skilled craftsmen, aiming to update the vocational trainees in knowledge and technological skills of their sectors.
- In view of aware the new trends in the vocational training sector and identify the new trends in industry, conduct 04 awareness workshops for industry owners.
- Conduct 40 Skills Promotion programmes for 2,070 skilled craftsmen, aiming to update the vocational trainees in knowledge and technological skills of their sectors.
- As a pilot project of the "13 year continuous education" programme implemented by the Ministry of Education, provide vocational training for the students who study Technological subject stream in 42 selected schools in island wide.

Dr. Lionel Pinto (Engineer)
Chairman
Vocational Training Authority of Sri Lanka

HIGHER & SENIOR MANAGMENT STAFF

Chairman

1. Engineer (Dr.) Lionel Pinto (07.06.2017 -31.05.2018)
2. Mr. Ravi Jayawardhana (Attorney – at – Law) (14.06.2018 – 29.05.2018)
3. Mr. Prasanna Fernando (Since the date of 26. 11.2018)

Vice Chairman

1. Mr. Thilak Kariyawasam (Attorney - at - Law) (07.06.2017 -31.05.2018)
2. Mr. K. Thisara Dhanushka Gunasinghe (Since the date 26.07.2018)

Director General

Mrs. Chulangani Perera

Directors

1. Mr. W.A. Ranaweera
2. Dr. Siddhika G. Senarathne (Resigned from the service since 31.07.2018)
3. Mr. Saman Kulasooriya
4. Mr. H. U. Kariyawasam (Acting basis)
5. Mr. U.K. Nandha (Since the date 03.09.2018)
6. Mrs. S.M. Edirisinghe (Since the date 03.09.2018)
7. Mrs. G.H.P. Damayanthi (Since the date 01.08.2018 – Acting basis)

Chief Internal Auditor

1. Mr. G.M. Wijesinghe (Duty cover up) – (Retired on 29.04.2018)
2. Mr. R.P. Hettiarachchi (Duty cover up) – (Since the date 20.08.2018)

Deputy Directors

1. Mr. N.D.P. Dhammika
2. Mr. N.S.D. Nawarathne
3. Mr. A.K. Arachchige
4. Mr. E.A.D.S. Senarathne
5. Mr. G.V.P.N. Perera
6. Mr. R.N.K.M.J. Senavirathne
7. Mr. N.K. Ilesinghe
8. Mr. H.T.S. Wickckramathne (Resigned from the service on 01.08.2018)
9. Mr. H.W. Rohan Priyantha
10. Mr. M.M.N.B. Madurasinghe
11. Mr. D.R.S.L. Dasanayake
12. Mr. W.G.Wijerathne
13. Mr. H.P. Manamperi
14. Mr. A.M.t.S.Atigala
15. Mr. T. Vinodharaja
16. Mr. G.D. Jayasinghe (Retired from the service on 10.10.2018)
17. Mr. V. Kanagasundaram
18. Mr. H.A.P. Gunawardana
19. Mr. V.G. Nimalsiri (Since the date 01.03.2018)
20. Mr. P.N. Abeysinghe (Since the date 01.03.2018)
21. Mr. D.A.S. Athukorala (Since the date 01.03.2018)
22. Mr. R.M.R. Rathnayake (Since the date 01.03.2018)
23. Mr.B.H.A. Nelson
24. Mr. S. Maddegoda
25. Mr. M.G.G. Saman (Since the date 01.03.2018)
26. Mr. K.D.N. De Silva (Since the date 04.12.2018)
27. Mr. D.A. Jayarathne (Since the date 01.03.2018)
28. Mr. R. Sunil (Since the date 01.03.2018)
29. Mrs. N.M.V.K. Herath (Since the date 01.03.2018)
30. Mrs. P.J. Jayawardhana (Since the date 31.03.2018)
31. Mr. M.K.B. Jayathilaka (Since the date 31.03.2018)
32. Mr. M.B. Naleem (Since the date 30.05.2018)
33. Mrs. R. Pathirage (Since the date 15.08.2018)

Assistant Directors

1. **Mr. A.A. Jabeer**
2. **P.B.G.I.B. Weganthale**
3. **Mr. Radha Krishnan Madhurathan**
4. **Mr. K. Niranjan**
5. **Mr. A.A.W.G.R.R. Bandara**
6. **Mr. G.L.A. Peris**
7. **Mr. C.J. Vidhanapathirana**
8. **Mr. P.G. Prasanna**
9. **Mrs. H. Edirisinghe**
10. **Mr. A.A.D.T. Shantha**
11. **Mr. T.V.W. Dewapriya**
12. **Mr. U.G.J. Priyadhrshana**
13. **Mrs. R.D. Pradeepika**
14. **Miss J. Inoka U.G. Gunawardhana**
15. **Mr. E.J. Wijethunga**
16. **Mrs. W.M.A.S.L.Wijenayake**
17. **Mr. H.L. Sisira**
18. **Mr. W.K. Sumith**
19. **Mr. R. Ahilan**
20. **Mr. H.T.D.R.S. Wijesinghe**
21. **Mr. Thilina Ranasinghe**
22. **Mrs. G.D. Shayamali**
23. **Mr. C.D. Samaranayaka**
24. **Mrs. C.U.M. Kodithuwakku**
25. **Mr. Sunil Abeysinghe**
26. **Mr. G.K.D.C. Kumara**
27. **Mr. S.M.J. Suwendra**
28. **Mrs. S.M.M.K. Siyamudhali**
29. **Mrs. N.K. Ambagahawaththa**
30. **Mrs. D.C.O. Vithana**
31. **Mr. A.D.S. Samarasinghe**
32. **Mr. Jagath Nishantha**
33. **Mr. L.P.K.W. Weliwaththa**
34. **Mr. D.M.P.S. Athukorala**
35. **Mr. D.M. Yahampath**
36. **Mr. K.P.D.P. Sirisena**
37. **Mr. N.A.A.D. Nagahawaththa**
38. **Mr. M.P. Harashana Kusumsiri**
    (Since the date 3.03.2018)
39. **Legal Officer /**
    Secretary of the Director Board
    Miss W.G.E.M. Jinadasa

    (Resigned from the service on16.12.2018)

COMPOSITION OF THE STAFF

As per the provisions of the Department of Management Services, the composition of the staff of the Vocational Training Authority of Sri Lanka is 1,984 employees as at 31.12.2018 and the approved cadre for the year 2018 is 2,717.

	Designation	Approved staff	Staff as at the end of the year	Vacancies / Surplus at the end of the year	Service category
01.	Director General	1	1	0	HM 2 - 1
02.	Director	6	5	1	HM 1 - 1
03.	Chief Internal Auditor	1	0	1	
04.	Deputy / Assistant Director	86	70	16	MM 1 - 1
05.	Legal Officer	1	0	1	
06.	Internal Auditor	1	1	0	
07.	Engineer	1	0	1	
08.	Administrative Officer	2	2	0	
09.	Testing & Evaluation Officer	12	11	1	JM 1 -1
10.	Investigation Officer	1	1	0	
11.	Transport Officer	1	0	1	
12.	Supplies Officer	1	1	0	
13.	Printing Officer	1	0	1	
14.	Internal Auditor	3	2	1	
15.	System Analyst	1	0	1	
16.	Welfare Officer	1	1	0	
17.	Finance Officer	33	30	3	
18.	Senior Programme Officer	10	10	0	
19.	Training Officer	98	65	33	
20.	Research Officer	2	2	0	
21.	Planning Officer	2	2	0	
22.	Personal Assistant to Chairman	1	0	1	
23.	Personal Assistant*	7	5	0	
24.	Translator (Sinhala / English)	1	0	1	MA 5 - 2

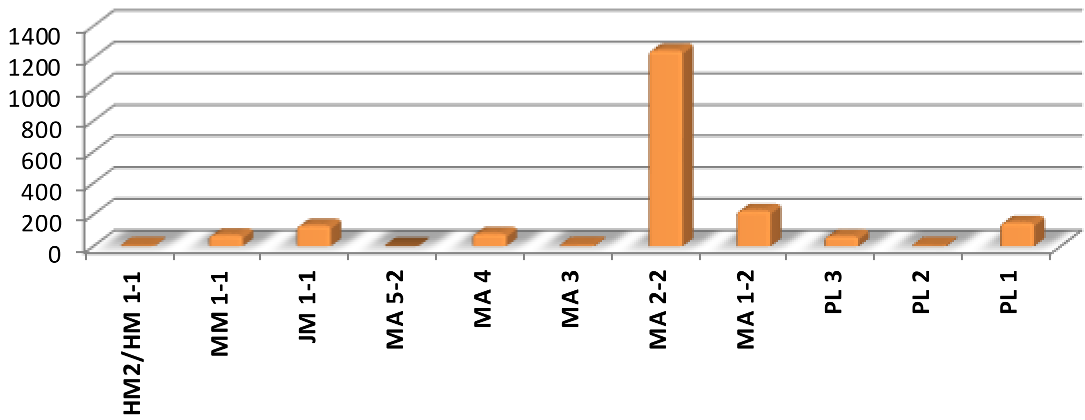
25.	Translator (Sinhala / Tamil)	3	0	3	
26.	Senior Instructor	201	14	187	MA 4
27.	Programme Officer	69	66	3	
28.	Audit Assistant	3	1	0	
29.	Project Assistant	34	9	0	MA 3
30.	Technical Assistant	3	1	2	
31.	Instructor	1,614	1,246	368	
32.	Sports Instructor	31	0	31	
33.	Planning Officer	1	0	1	
34.	Quantity Surveyor	2	0	2	
35.	Technical Officer (Civil)	5	0	5	
36.	Management Assistant	191	184	7	MA 1 - 2
37.	Assistant Instructor (LRUC)*	38	32	0	
38.	Compositor (Printing)	3	1	2	
39.	Hostel Keeper	2	0	2	
40.	Supervisor (Printing)	1	0	1	
41.	Supervisor (Building)	1	0	1	
42.	Driver	64	64	0	PL - 3
43.	Store Keeper	2	2	0	PL - 2
44.	Printing Assistant	3	2	1	
45.	Book Binder (Printing)	2	1	1	
46.	Machine Operator (Printing)	2	2	0	
47.	Office Assistant	8	5	3	PL - 1
48.	Watchers*	65	44	0	
49.	Labourers	95	101	0	
	Total	***2,717***	***1,984***	***683***	

COMPOSITION OF THE STAFF (AS PER THE SERVICE CATEGORY)

	Designation	Approved staff	Staff as at the end of the year	Vacancies / Surplus at the end of the year
01.	HM 2-1 Senior Manager HM 1 -1 Senior Manager	08	06	02
02.	HM – 1-1 Manager	89	71	18
03.	JM 1-1 Junior Manager	176	132	42
04.	MA 5 -2 Enforcing /Implementing Extension Officers	04	0	04
05.	MA 4 Operational / counselling Service	273	81	190 (*1 Personal)
06.	MN 3 associated Officers	34	09	0 (*9 Personal)
07.	MA 2 -2 Management Assistant - Technical	1656	1247	409
08.	MA 1-2 Management Assistant Non - Technical	236	217	13(* 33 personal)
09.	PL 3 Primary Skilled	64	64	
10.	PL 2 Semi Primary Skilled	09	07	02(* 02 Personal)
11.	PL 1 Non – Primary Skilled	168	150	03(*03 Personal)
	Total	*2,717*	*1,984*	*683*

* These posts have been approved in order to personal for the person who hold the position. Since then the post will be revocated.

SERVICE CATEGORY



IMPROVE THE KNOWLEDGE, ATTITUTDES & THE SKILLS OF THE STAFF

In the year 2018, it was able to participate the staff in relevant programmes under following categorization.

	Number of Programmes	Number participated
Academic	53	724
Non – Academic	16	51
Foreign	-	29

PROVISION OF VOCATIONAL TRAINING TO THE YOUTH THROUGH THE IMPLEMENTATION OF VOCATIONAL TRAINING PROGRAMMES

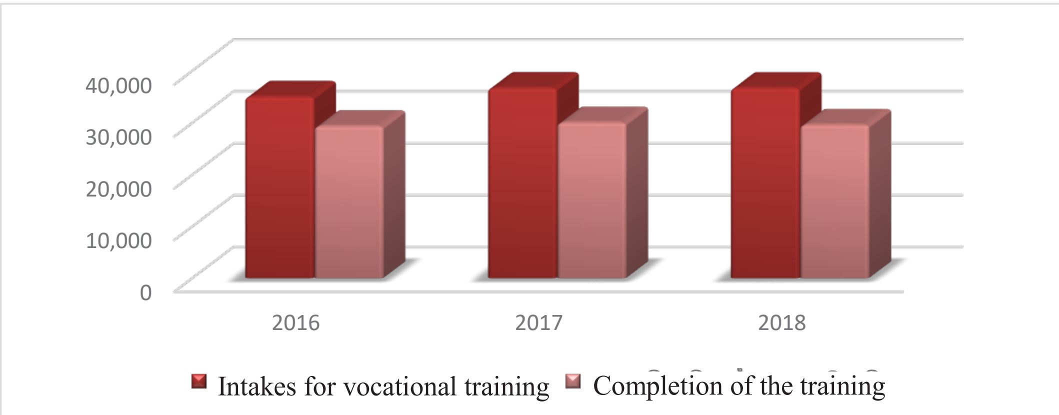
36,667 of apprentices have been trained in the Institutional training through 2,273 island wide training programmes comprising of 134 full time and part time courses in the year 2018. In addition to that, 3,359 were given the training through Skills Development Programmes and Entrepreneurships Programmmes. Accordingly, total number of 40,026 trainees were given the trainings during the year 2018.

Intakes for vocational training / completion of the training

Year	2016	2017	2018
Number intakes for training	35,013	36,695	36,667
Number completed training	29,364	30,056	29,616

* 2,997 trainees who admitted to the training in the year 2018 are scheduled to be completed the training in the year 2019.

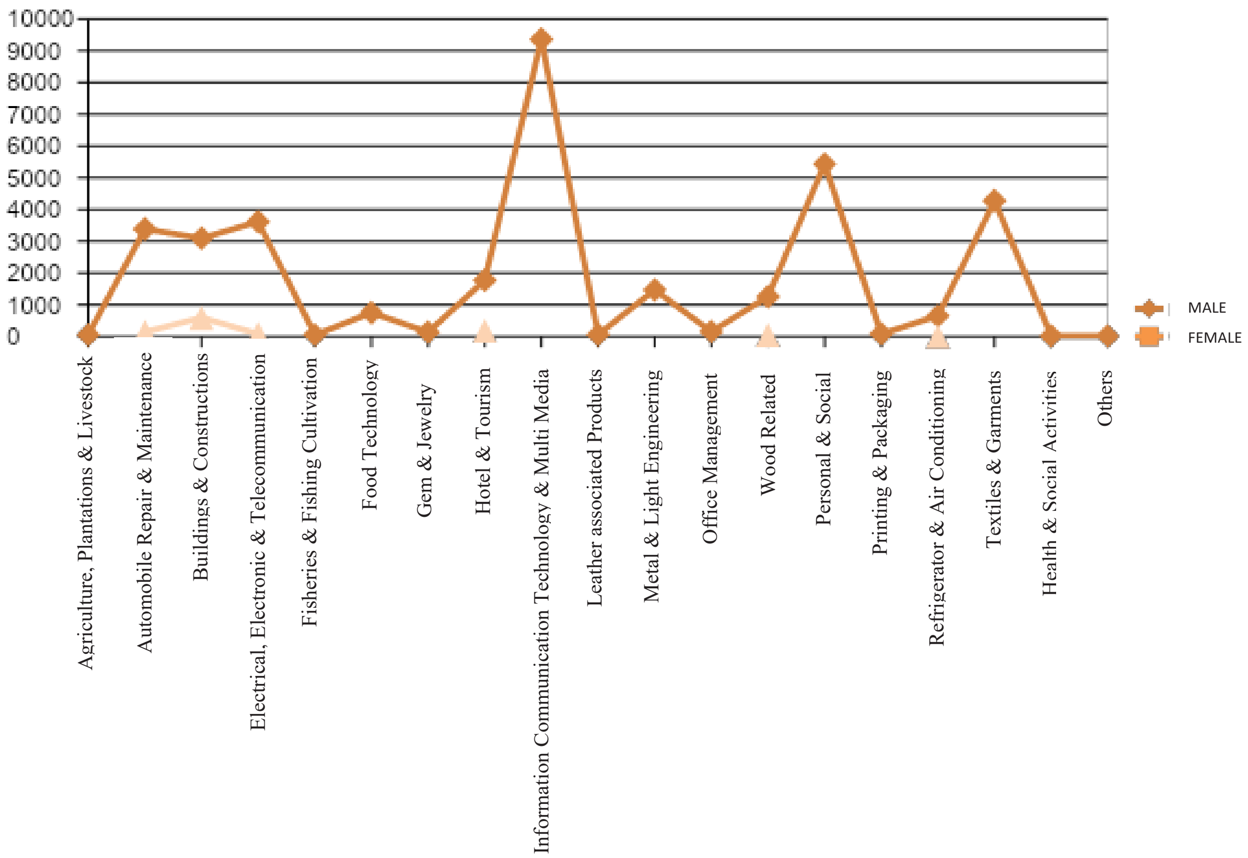
Intakes for vocational training / completion of the training



DEMAND OF THE APPRENTICES FOR TRAINING SECTORS – 2018

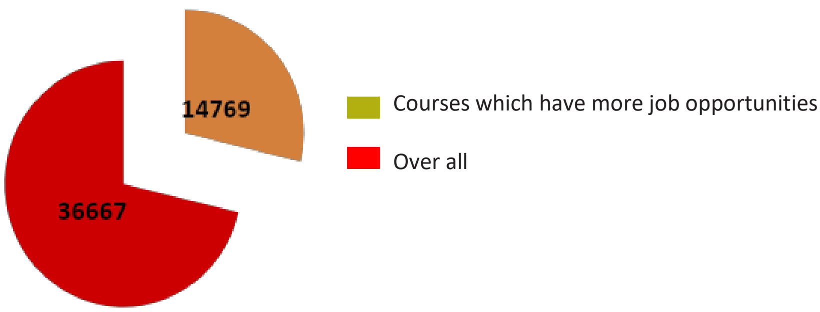
	Sector	No of enrolled apprentices (Institutional Training)			Percentage
		Girls	Boys	Total	
1.	Agriculture, Plantations & Livestock	15	31	46	0.13%
2.	Automobile Repair & Maintenance	3165	80	3245	8.85%
3.	Buildings & Constructions	3015	596	3611	9.85%
4.	Electrical, Electronic & Telecommunication	3842	106	3948	10.77%
5.	Fisheries & Fishing Cultivation	36	2	38	0.10%
6.	Food Technology	568	245	813	2.22%
7.	Gem & Jewellery	116	42	158	0.43%
8.	Hotel & Tourism	1961	265	2226	6.07%
9.	Information Communication Technology & Multi Media Technology	3523	5619	9142	24.93%
10.	Leather associated Products	29	29	58	0.16%
11.	Metal & Light Engineering	1369	7	1376	3.75%
12.	Office Management	10	130	140	0.38%
13.	Wood Related	1040	72	1112	3.03%
14.	Personal & Social	733	5121	5854	15.97%
15.	Printing & Packaging	56	36	92	0.25%
16.	Refrigerator & Air Conditioning	627	13	640	1.75%
17.	Textiles & Garments	799	3338	4137	11.28%
18.	Health & Social Activities	0	0	0	0
19.	Others	31	0	31	0.08%
	Total	20935	15732	36667	100.00%

RECRUITMENT FOR THE TRAINING - 2018

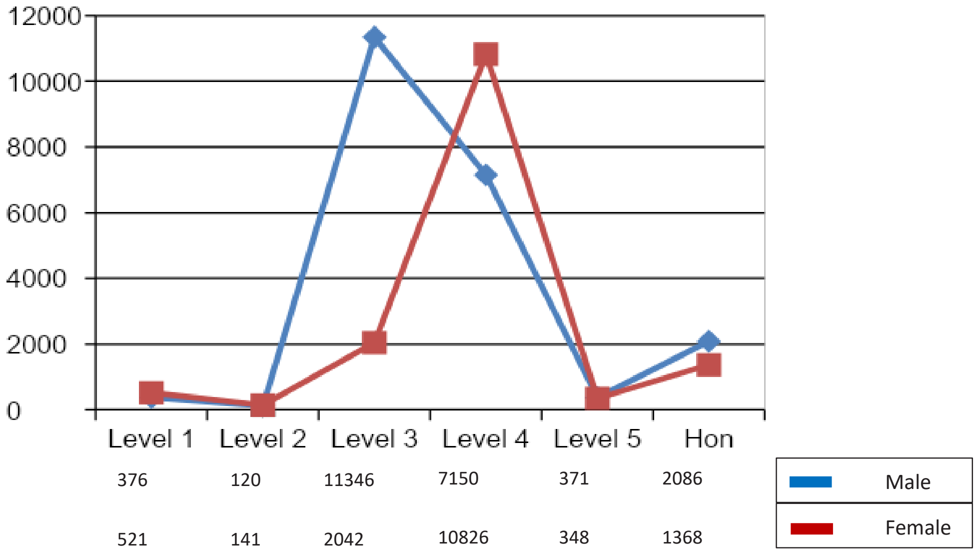


The number of apprentice's intake to the courses which have more employment opportunities and labour market demand is 40% from total enrolment.

Sector	Male	Female	Total	Percentage
Automobile Repairing & Maintenance	3,165	80	3,445	8.85
Buildings & Constructions	3,006	592	3,598	9.81
Electrical, Electronic & Telecommunication	3,842	106	3,948	10.77
Hotel & Tourism	1,961	265	2,226	6.07
Wood Associated	1,040	72	1,112	3.03
Refrigeration & Air Conditioning	627	13	640	1.75
Total	13,641	1,128	14,769	40.28



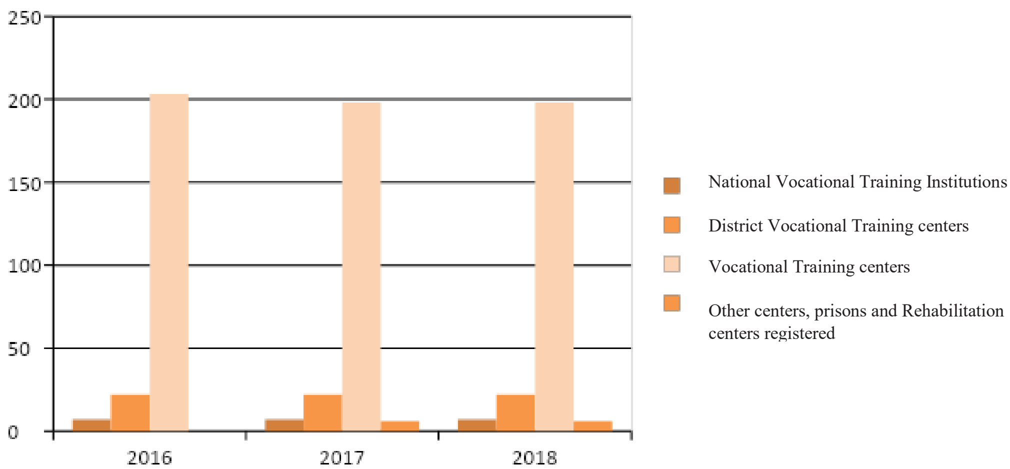
ENROLMENT TO THE TRAINING -2018



DISTRIBUTION OF THE TRAINING CENTERS

The number of training centers Functions Island widely in the year 2018 is as follows. In addition to that, vocational training has conducted in 16 centers in Prisons, 02 centers in rehabilitation centers.

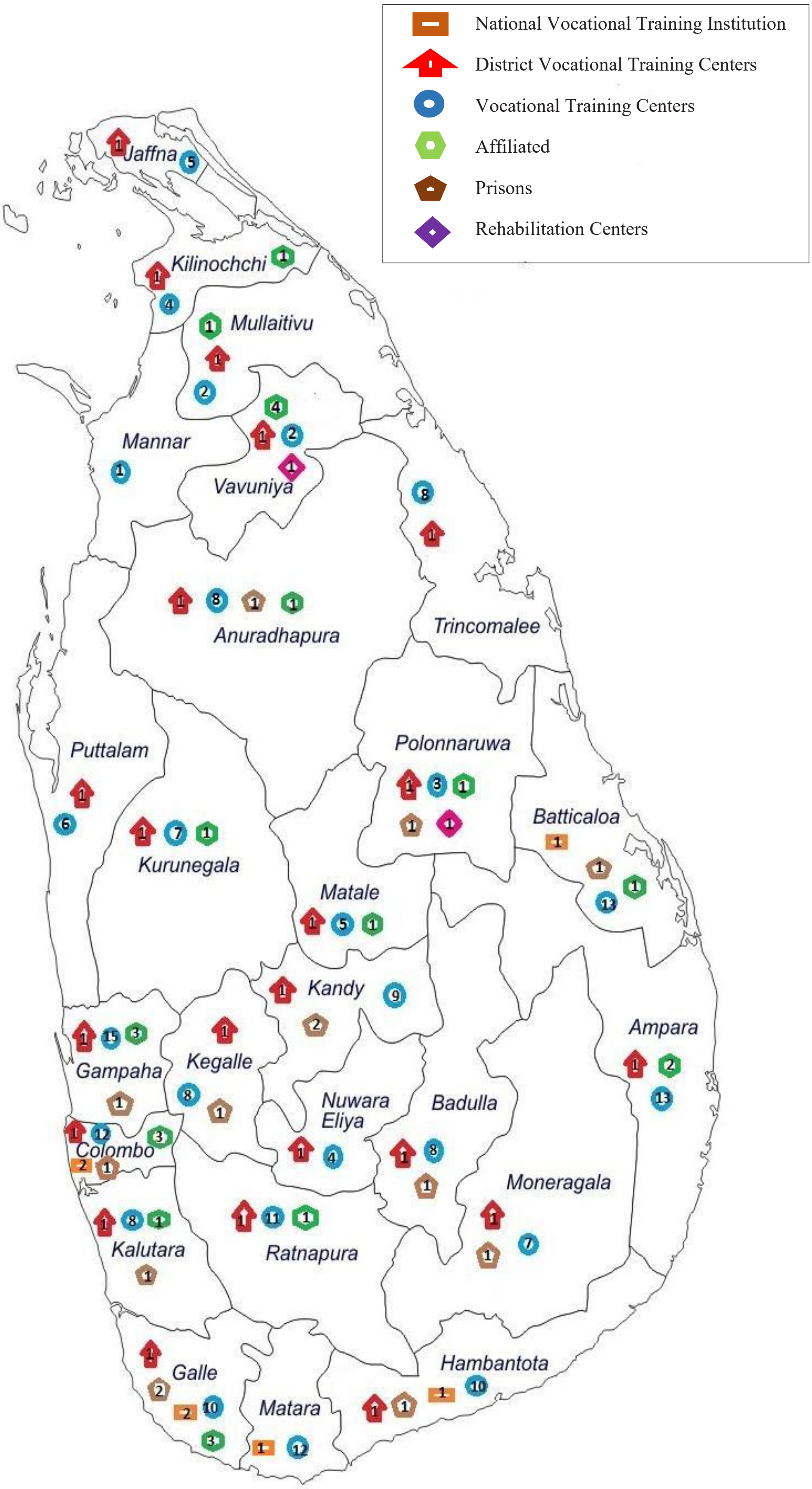
Training centers	2016	2017	2018
National Vocational Training Institutions	07	07	07
District Vocational Training centers	22	22	22
Vocational Training centers	203	198	191
Other centers, prisons and Rehabilitation centers registered in the Tertiary & Vocational Education Commission	-	06	06
Total	232	233	226



DISTRIBUTION OF THE VOCATIONAL TRAINING CENTERS IN 2018

Province	District	Number of Institutions						Total
		NVTI	DVTC	VTC	AT	PC	Reh	
Western	Gampaha	-	1	15	3	[1]	-	17
	Colombo	2	1	12	3	[1]	-	16
	Kalutara	-	1	8	1	1	-	09
North Western	Puttlam	-	1	6	-	-	-	07
	Kurunegala	-	1	7	1	-	-	08
North	Jaffna	-	1	5	0	-	-	06
	Kilinochchi	-	1	4	1	-	-	05
	Mulativu	-	1	2	1	-	-	03
	Mannar	-	-	1	-	-	-	01
	Vavuniya	-	1	2	4	-	[1]	04
East	Trincomalee	-	1	8	-	-	-	09
	Baticaloa	1	1	13	1	1	-	14
	Ampara	-	1	13	2	-	-	14
South	Galle	2	1	10	3	2	-	13
	Matara	1	-	12	-	-	-	13
	Hambantota	1	1	10	-	1	-	13
Sabaragamuwa	Kegalle	-	1	8	-	1	-	09
	Rathnapura	-	1	11	1	-	-	12
Uva	Badulla	-	1	8	-	[1]	-	09
	Monaragala	-	1	7	-	1	-	08
Central	Kandy	-	1	9	-	2	-	10
	Matale	-	1	5	1	-	-	06
	Nuwara Eliya	-	1	4	-	-	-	05
North Central	Anuradhapura	-	1	8	1	1	-	11
	Polonnaruwa	-	1	3	1	[1]	[1]	6
	Total	**7**	**22**	**191**	**24**	**14**	**2**	**226**

NVTI - National Vocational Training Institution
DVTC - District Vocational Training Centers
VTC - Vocational Training Centers
At - Affiliated
PC - Prisons
Reh - Rehabilitation Centers
[ ] - Centers registered as training centers in TVE


National Vocational Training Institution
District Vocational Training Centers
Vocational Training Centers
Affiliated
Prisons
Rehabilitation Centers
Jaffna
Kilinochchi
Mullaitivu
Mannar
Vavuniya
Anuradhapura
Trincomalee
Puttalam
Polonnaruwa
Kurunegala
Batticaloa
Matale
Kandy
Gampaha
Kegalle
Ampara
Nuwara Eliya
Badulla
Colombo
Moneragala
Kalutara
Ratnapura
Hambantota
Galle
Matara

VOCATIONAL TRAINING TESTS & ASSESSMENTS

The trained trainees are evaluated through an Assessment System of Vocational Training Authority of Sri Lanka and award certificates for them. Rs 5 Mn is incurred annually for this. Accordingly, the number of certificates issued by carrying out assessments in the year 2018 is as follows.

	Training centers	2016	2017	2018
01	National Vocational Qualification (NVQ)	18,000	19,354	> 100
02	Non – National Vocational Qualification	1,000	2,477	> 100
03	Recognition of Prior Learning (RPL)	1,200	1,441	> 100
	Total	20,200	23,272	> 100

CAREER GUIDANCE & COUNSELLING

The Vocational Training Authority of Sri Lanka directs the youth to select suitable vocational sectors according to their preferences and qualifications. A set of qualified officials perform island wide carrier guidance programmes to provide the assistance to the youth to select vocational trades as per their preferences and qualifications. The programmes implemented in the year 2018 is as follows.

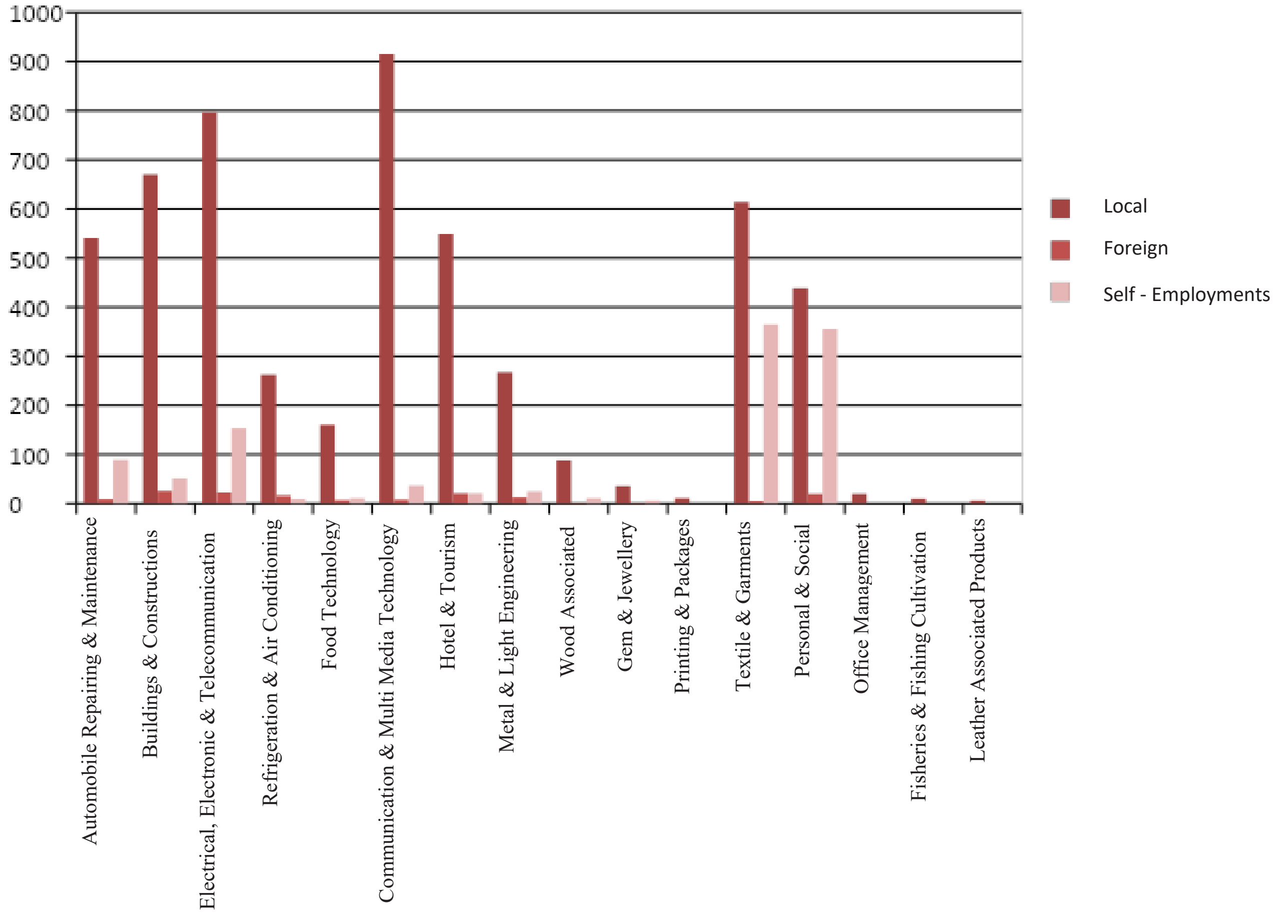
CAREER GUIDANCE & COUNSELLING

Local & foreign employments registered in the Vocational Training Authority of Sri Lanka (VTASL)

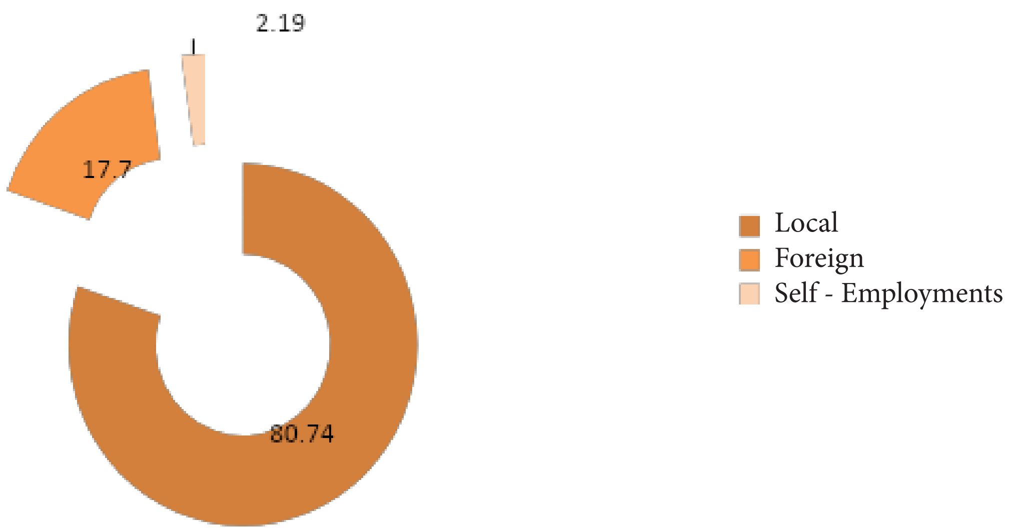
Target group	Number of programmes conducted	Number participated
School students	956	53,315
School leavers	513	28,699
Trainees	790	35,864
Parents	569	24,192
Others	501	23,391
Total	3,329	165,461

The job placing unit directed 8,023 trainees in the institutions for direct employments and self – employments to fulfill the labour market requirements during the year 2018.

No	Training sector	Number of trained trainees placed in employments			
		Local	Foreign	Self	Total
01.	Buildings & Constructions	868	12	140	1,020
02.	Automobile Repairing & Maintenance	723	20	82	825
03.	Electrical, Electronic & Telecommunication	671	19	166	856
04.	Refrigeration & Air Conditioning	247	7	16	270
05.	Food Technology	188	4	15	207
06.	Communication & Multi Media Technology	1408	8	61	1,477
07.	Hotel & Tourism	666	18	14	698
08.	Metal & Light Engineering	267	9	33	309
09.	Wood Associated	167	1	40	208
10.	Gem & Jewellery	22	-	2	24
11.	Printing & Packages	49	1		50
12.	Textile & Garments	732	3	385	1,120
13.	Personal & Social	488	4	406	898
14.	Office Management	30	1	6	37
15.	Fisheries & Fishing Cultivation	16	-		16
16.	Leather Associated Products	-	-	1	1
17.	Agricultural Crops	-	-	7	7
	Total	6542	107	1374	8,023



JOB PLACEMENT



CONTRIBUTION GIVEN TO THE NATIONAL ECONOMY THROUGH JOB PLACEMENT

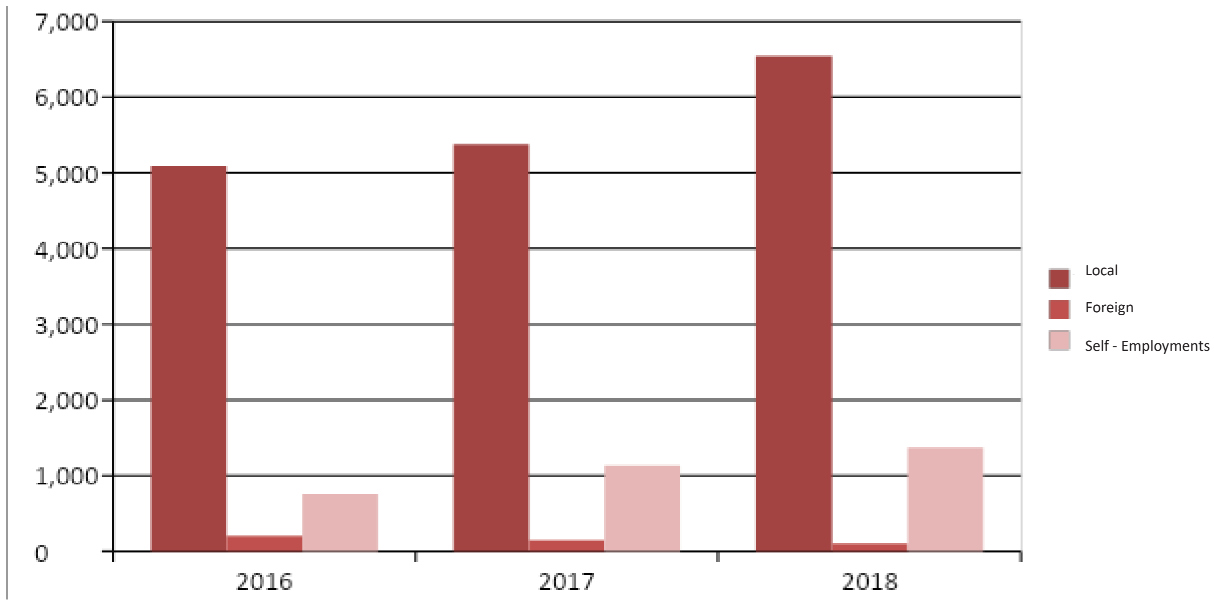
Category	No of employed	Contribution to the National economy (Rs. Million)
Local jobs	6,542	203.22
Foreign jobs	107	6.85
Self – Employments	1,374	39.92
Total	8,023	249.99

Prepared on the basis of the information of Labor Market Bulletin of the Tertiary and Vocational Education Commission (TVEC) and as per the data issued by the Institutions which placed the trainees in the jobs on estimating approximately the income earned by the trainees within one year who placed in employments for the year 2018)

Year	Local	Foreign	Self	Total
2016	5,091	204	757	6,052
2017	5,378	146	1,137	6,662
2018	6,542	107	1,374	8,023

(Information of the trainees placed in jobs are only by the Vocational Training Authority of Sri Lanka)

JOB PLACEMENT



PROGRAMMES IMMPLEMENTED JOINTLY WITH THE PUBLIC & PRIVATE INSTITUTIONS

Category	No of Programmes	No. of participated	Sponsoring institution
Lying of Tiles	09	372	Lanka Tiles Company
Beauty Culture	11	1,681	Nature Beauty Creation Forever Skin Naturals
Aluminium Fabrication	7	282	Alumex Company Ltd. Swistech Aluminium
Motor Bicycle & Three-wheelers Repairing	3	165	David Pieris Company
electrician	1	100	AB Mauri Company Keels Food
Wood Technology	1	40	ACL Cables
Total	32	2,640	

CONDUCT ENTERPRENEURSHIP DEVELOPMENT PROGRAMMES

Encourage the youth entrepreneurs and improve their entrepreneurship skills and give hands to them is the main objective of the Sri Lanka Vocational Training Authority.

Accordingly, VTASL conducted 36 entrepreneurship development training programmes and provided entrepreneurship development training for 719 persons. Similarly, facilitated loan facilities of Rs. 61.39 Mn for 139 trainees through public banks to commence new enterprises under Self Employment Provident Initiatives (SEPI) loan scheme.

CHALLENGES

1. Shortage of sufficient monetary and physical resources to meet the demand created through the commencement of delivering free education.
2. No much tendency of the youth for the courses which have high labour demand in the industrial sector.
3. More efforts have to be taken to attract the youth for the vocational training.
4. Due to the availability of more facilities in the vocational providers in the non-government organizations and other institutions than the public sector vocational training providing centers, high competition has created.
5. Implementation of the work competitively with the private sector institutions which provides vocational training.
6. Launch wide publicity programmes to aware the society on the importance of vocational training and to develop attitudes.
7. Insufficient financial facilities to provide infrastructure facilities for vocational training centers.
8. Failure to provide equal level facilities to each vocational training center which implement island widely.
9. Insufficient capital and recurrent provisions allocated by the government for VTASL as a service providing institution.
10. Minimize the mismatch between the training sectors and the demand for the employments.
11. To enhance the quality of the training courses, dearth of instructors with knowledge, skills, ability to teach, using modern technology and failure to pay high level salaries for them.
12. Tendency to vacate the posts by the essential instructors who required to provide a quality training, due to non-receive of sufficient salaries and other facilities for them.
13. Insufficient resources to absorb modern technological training methods to the courses implementing at present.

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
PERFORMANCE OF THE AUDIT AND MANAGEMENT COMMITTEE MEETING – 2018

There were 04 Audit and Management committee meetings have been conducted during the year 2018 and the composition of the members of the said meeting is as follows.

Members of the Committee

Mrs. D.H.S. Pulleperuma	-	Chairman of the Committee & the member of the Board of Directors
Mr. Saman Senadeera	-	Member of the Committee & member of the Board (Attorney – At- Law) of Directors
Mr. R.R.A. Wimalaweera	-	Member of the Committee & member of the Board of Directors

Since the date 23.08.2018

Mrs. D.H.S. Pulleperuma	-	Chairman of the Committee & the member of the Board of Directors
Mr. Saman Senadeera	-	Member of the Committee & member of the Board (Attorney – At- Law) of Directors
Mr. Aruna Bandara	-	Member of the Committee & member of the Board of Directors

Since the date 12.12.2018

Mrs. D.H.S. Pulleperuma	-	Chairman of the Committee & the member of the Board of Directors
Mr. Saman Senadeera (Attorney – At- Law)	-	Member of the Committee & member of the Board of Directors
Mr. Prathap Fernando	-	Member of the Committee & member of the Board of Directors

The important decisions taken by the Audit & Committee meeting during the year 2018 are as follows.

- Strengthen the procedures & systems with avoiding the shortages and weaknesses pointed out by the Audit Reports on existing procedures & systems.
- Followed formal procedure to prepare the answers through reviewing the drafted answers for the government audit inquiries.
- Review the audit plans & audit programmes and provide the required guidance to implement it.
- Provide required instructions to conduct the Accounts policy and other affairs of the Authority in optimum level.

FORWARD

FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2018
Vocational Training Authority of Sri Lanka

During the year under review a total grant of Rs.2,224,973,880 was released to the Authority by the Treasury, Ministry, Skill Sector Development Project and other Organizations the details are given below.
In addition to that VTA has earned its own income for part Time Courses.

Government Grant	Allocation (Rs)	Amount Released (Rs)
Treasury Grant – Recurrent	1,485,000,000	1,446,600,000
Income	61,752,319	61,752,319
Special Allowance for EPF & ETF(2006 – 2015)	33, 873,000	33,873,000
Treasury Grant – Capital	200,000,000	183,340,000
Skill Sector Development Project	706,950,000	329,084,264
Ministry of Skill Development & Vocational Training	164,945,756	164,945,756
Other	5,378,541	5,378,541
Total	**2,657,899,616**	**2,224,973,880**

The Financial Statements for the year ended 31st December 2018 are presented here with for the approval of the Board of Directors.
The following Component is included with the Financial Statement:

01. Statement of Financial Position as at 31st December 2018
02. Statement of Financial Performance for the year ended 31st Dec.2018
03. Cash flow statement for the year ended 31st December 2018
04. Statement of changes in Net Assets for the year ended 31st December 2018
05. Notes to the Financial Statement

J.A.D.S. Nishamani
Director - Finance (වැඩබලන)

Chulangani Perera
Director General

Damitha Wikramasinghe
Chairman/CEO

STATEMENT OF THE CHARIMAN ON BEHALF OF THE BOARD

THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2018 VOCATIONAL TRAINING AUTHORITY OF SRI LANKA

The Financial Statements of the Vocational Training Authority of Sri Lanka for the financial year ended 31st December 2018 have been prepared in accordance with the Sri Lanka Public Sector Accounting Standards and in the form and manner specified by the Vocational Training Authority of Sri Lanka Act No. 12 of 1995 and the Finance Act. No. 38 of 1971.

Financial rules and procedures prescribed by the Vocational Training Authority of Sri Lanka have been complied with, and the systems of controls have been maintained as far as practicable to ensure & safeguard the assets and effectiveness and efficiency of the transactions. To best of knowledge, the Financial Statements for the year ended 31st December 2018 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka.

Chairman/CEO
On behalf of the Board of Directors
Vocational Training Authority of Sri Lanka

Director of the Board

Director of the Board

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2018

	Note	2018 (Rs.)		2017 (Rs.)	
ASSETS					
Non - Current Assets					
Property Plant and Equipment	2	5,830,056,398.85		5,227,442,549.68	
Capital Work in progress	3	115,235,502.89		211,008,032.78	
Other Financial Assets					
Fixed Deposit		40,000,000.00	**5,985,291,901.74**		**5,438,450,582.46**
Current Assets					
Inventories	4	27,904,820.52		28,614,548.21	
Receivables	5	113,672,700.51		90,640,452.75	
Staff Loans	6	46,249,594.80		47,151,819.23	
Cash and Cash equivalent	7	153,866,894.02	**341,694,009.85**	62,377,124.97	**228,783,945.16**
TOTAL ASSETS			**6,326,985,911.59**		**5,667,234,527.62**
EQUITY & LIABILITIES					
Accumulated Surplus (Deficit)		(929,679,627.94)		(800,736,885.49)	
Revaluation Surplus		2,483,219,190.99		2,319,991,544.97	
Gov.Grant - Capital	8	17,554,429.60		13,472,995.59	
Differed Income Grant	9	4,007,794,657.66	**5,578,888,650.31**	3,612,371,847.75	**5,145,099,502.82**
Non - Current Liabilities					
Provision for Gratuity	10	437,388,627.00	**437,388,627.00**	369,317,480.50	**369,317,480.50**
Current Liabilities					
Payables	11	266,824,747.80		115,635,953.30	
Accrued expenses	12	43,883,886.48	**310,708,634.28**	37,181,591.00	**152,817,544.30**
TOTAL EQUITY & LIABILITIES			**6,326,985,911.59**		**5,667,234,527.62**

The Significant Accounting Policies and the notes from pages 14 to 29 from and intergral part of these financial Statements.

J.A.D.S. Nishamani

Damitha Wikramasinghe
Chairman/CEO

Chulangani Perera
Director General

Certification
We Certify that the above Financial Statements give a true and fair view of affairs as at December 31st 2018 and its surplus/(Defecit) for the year ended December 31st 2018

The Board of the Management is responsible for the preparation and presentattion of these Financial Statements.The Financial Statements were approved by the Board of Management and Signed on their behaf.

Director of the Board

Director of the Board

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER 2018

Description	Note	2018 (Rs.)	2017 (Rs.)
Operating Revenue			
Recurrent Grant - Treasuary		1,480,473,000.00	1,311,373,000.00
Recurrent Grant -Ministry		-	124,146,500.00
Differed Income Grant		141,350,858.16	391,658,290.56
Other Income			
Other Income	13	17,564,571.78	15,585,489.59
Production Unit Income (Net)	14	44,187,747.46	27,223,001.97
Fund Received For Special projects	15	195,649,018.02	170,201,432.45
Total Revenue		**1,879,225,195.42**	**2,040,187,714.57**
Operating Expenses	16		
Staff Cost	17	1,166,516,572.98	1,178,946,782.88
Travelling	18	16,937,635.07	16,854,072.80
Supplies and consumable used	19	32,811,472.24	38,894,473.76
Maintenance	20	32,424,798.38	31,781,580.92
Contractual services		171,602,514.21	162,318,073.91
Training material		107,665,068.33	108,104,905.28
Staff Training	21	4,691,010.50	3,159,306.60
Promotional & Carrier Guidance		14,381,460.84	18,764,912.42
Job placement, Research & Entrepreneurship	22	11,517,911.56	12,187,281.00
Depreciation	23	141,350,858.16	391,658,290.56
Revaluation loss	24	73,100,211.56	
Other operating expenses		39,401,314.37	39,268,294.68
Expenditure on Special projects		195,649,018.02	170,201,432.45
Finance Cost		121,787.51	163,513.16
Total Operating expenses		**2,008,171,633.73**	**2,172,302,920.42**
Net Surplus /(Deficit) for the period		**(128,946,438.31)**	**(132,115,205.85)**
Statements of Accumulated Surplus/Deficit			
As at 1st January as reported previously		**(800,736,885.49)**	**(662,725,978.73)**
Prior Year Adjustment	25	3,695.86	(5,895,700.91)
As at 1st January as Restated		**(800,733,189.63)**	**(668,621,679.64)**
Net surplus/(deficit) for the period		**(128,946,438.31)**	**(132,115,205.85)**
Balance as at 31st December		**(929,679,627.94)**	**(800,736,885.49)**

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2018

	2018 (Rs.)		2017 (Rs.)	
Operating Actvities				
Surplus /(deficit)for the period		**(128,946,438.31)**		**(132,115,205.85)**
Prior year adjustment				
Adjustment for:				
Depriciation	141,350,858.16		391,658,290.56	
Amortization of deffered income grant	(141,350,858.16)		(391,658,290.56)	
Gratuity provision	81,550,013.98		74,985,951.80	
Gratuity paid	(13,478,867.48)		(11,820,425.80)	
Revaluation loss	73,100,211.56			
Prior year adjustment	3,695.86		(5,895,700.91)	
(Increase) / Decrease in receivables	(23,032,247.76)		(57,858,880.40)	
(Increase) / Decrease in Staff Loans	902,224.43		(2,313,637.82)	
Increase/(Decrease) in payable	151,188,794.50		(14,442,565.39)	
Increase/(Decrease) in accured expenditure	6,702,295.48		11,835,483.73	
(Increase)/Decrease in inventories	709,727.69	**277,645,848.26**	(44,274.24)	**(5,554,049.03)**
Net cash flow from operating activities		**148,699,409.95**		**(137,669,254.88)**
Investing Actvities				
Purchases of property plant & Equipment	(653,837,272.87)		(289,613,789.28)	
Work in Progress	95,772,529.89		(120,778,481.29)	
Fixed Deposit	(40,000,000.00)		25,000.00	
Net cash flows from investing activities		**(598,064,742.98)**		**(410,367,270.57)**
Financing Activities				
Government Grant Capital	193,767,341.81		141,000,000.00	
Other Income Grant	347,087,760.27		310,928,527.17	

Net cash flow from Financing Activities		**540,855,102.08**		**451,928,527.17** **(96,107,998.28)**
Net increase/decrease in cash & cash Equivalents		**91,489,769.05**		
Cash & cash equivalents at beginning of period		**62,377,124.97**		**158,485,123.25**
Cash & cash equivalents at end of period		**153,866,894.02**		**62,377,124.97**

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31st DECEMBER 2018

Balance as at 1st January 2017	**(662,725,978.73)**	**41,073,032.86**	**3,525,654,108.23**	**2,319,991,544.97**	**5,223,992,707.33**
Opening balance Adjustments	(5,895,700.91)	(1,152,534.36)			(7,048,235.27)
Opening balance reststed	(668,621,679.64)	39,920,498.50	3,525,654,108.23	2,319,991,544.97	5,216,944,472.06
Grant received during the year		141,000,000.00			141,000,000.00
Amount transferred to differed income Grants		(167,447,502.91)	478,376,030.08		310,928,527.17
Amortization for the year			(391,658,290.56)		(391,658,290.56)
Surplus / (Deficit) for the year	(132,115,205.85)				(132,115,205.85)
Balance as at 31st December 2017	**(800,736,885.49)**	**13,472,995.59**	**3,612,371,847.75**	**2,319,991,544.97**	**5,145,099,502.82**
Balance as at 1st January 2018	(800,736,885.49)	13,472,995.59	3,612,371,847.75	2,319,991,544.97	5,145,099,502.82
Opening balance Adjustments	**3,695.86**	**10,427,341.81**			**10,431,037.67**
Opening balance reststed	(800,733,189.63)	23,900,337.40	3,612,371,847.75	2,319,991,544.97	5,155,530,540.49
Grant received during the year		183,340,000.00		163,227,646.02	346,567,646.02
Amount transferred to differed income Grants		(189,685,907.80)	536,773,668.07		347,087,760.27
Amortization for the year			(141,350,858.16)		(141,350,858.16)
Surplus / (Deficit) for the year	(128,946,438.31)				(128,946,438.31)
Balance as at 31st December 2018	(929,679,627.94)	17,554,429.60	4,007,794,657.66	2,483,219,190.99	5,578,888,650.31

01 - ACCOUNTING POLICIES

1.0 **Corporate Information**

1.1 Vocational Training Authority of Sri Lanka (VTASL) is a Statutory Board Incorporated in Sri Lanka under the Act No. 12 of 1995 of Vocational Training Authority of Sri Lanka.

1.2 The principal place of business is situated at No. 354/2, 'Nipunatha Piyasa', Elvitigala Mawatha, Narahenpita,Colombo 05.

1.3 During the year, the principal activity of the Authority was providing of vocational training to students.

1.4 **General Policies**

1.4.1 Statement of Compliance

The Statement of financial position, statement of financial performance, statement of changes in net asset and cash flow statement, together with the accounting policies and notes to the financial statements have been prepared in compliance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

1.4.2 Basis of preparation

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

1.4.3 Comparative Information

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

1.4.4 The notes to the financial statements on pages **04** to **25** form an integral part of the financial statements.

1.4.5 The value presented in the financial statements are in Sri Lanka Rupees unless otherwise indicated. The significant accounting policies are shown below.

1.4.6 Events after the balance sheet date

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

1.5 **Taxation**

No provisions for income tax is made as the Authority is not expected to earn profits which operate on Government funds.

1.5.1 Deferred tax

The tax effect for timing difference has not occurred according to the taxation policy of the Authority. Therefore, the deferred taxation is not provided.

1.6 **Valuation of Assets and Their Measurement Bases**

1.6.1 **Recognition of Property, Plant & Equipment**

Cost of an item of Property, Plant & Equipment should be recognized when,

a)It is probable that future economic Benefits associated with the asset will flow to the Vocational Training Authority.

b) Cost of the asset to the Vocational Training Authority can be measured reliably

The capitalization threshold of Vocational Training Authority is Rs. 2,000/-. However, identification of Property, Plant & Equipment not only depends on the capitalization threshold but the following facts should also be considered.

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

1.6.2 Inventories

Inventories are valued at lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. The costs incurred in bringing inventories to its present location and condition are accounted on FIFO basis as follows:

1. Training materials -at cost
2. Stationeries -at cost
3. Raw materials (printing) -at cost
4. Other consumables -at cost

1.6.3. Property , Plant and Equipment

a) Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Items of property, plant and equipment are derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognizing of the asset is included in the income statement in the year the asset is derecognized.

b**)** **Deprecation**

Provision for depreciation has been calculated by providing depreciation in the year of purchase. the following depreciation rates are applied.

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

c) Capital Work-in progress
Projects are valued at cost of work completed.

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

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

1.7 Liabilities and provisions

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

1.7.2 Staff Retirement Gratuity

The liability for retirement gratuity is computed on the basis of half (1/2) a month salary for each completed years of service in respect of all employees.

However, as per the Payment of Gratuity Act No. 12 of 1983 the liability arises only upon completion of five (05) years continued service.

The Gratuity liability is not assessed on Projected Unit Credit Method as the Gratuity liability is funded by General Treasury. No fund has been created in respect of this liability.

1.7.3 Defined Contribution Plans

Employees Provident Fund & Employees Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respecting statutes and regulations.

1.7.4. Government Grants and Subsidies.

a) Government grant on which the organization depends for its expenditure are being accounted on receipt basis. Grant related to recurrent expenditure are being presented as a credit to the income and expenditure account whereas the grant related to capital expenditure are being credited to Capital Grant Account.

b) Initially grants received form donor agencies related to the assets are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to the Differed Income Grant and subsequently amortized during the useful life time of the asset.

1.7.5 Provisions and Contingent Liabilities

Provisions are made for all obligations existing as at the Balance Sheet date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed under note 27 to the financial statements unless the outflow of resources is remote.

1.8 Income & Expenditure Statement

1.8.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

a) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c) Income from training courses

Students fees for training courses are recognized on an accrual basis.
d) Income from student production units

The income of student production units are recognized on an accrual basis.
e)Rental Income
Rental income is recognized on an accrual basis over the term of the lease.
f) Other income is recognized on an accrual basis

1.8.2 Expenditure Recognition

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

2. Property, Plant & Equipment

	Note	2018 Revaluation Rs.	2017 Written down Value Rs.
Motor Vehicles		187,802,750.00	50,674,107.85
Furniture & Office Equipment	2.1	215,374,974.38	239,596,278.63
Training Equipment	2.2	750,284,956.66	724,185,952.79
Computer Equipment		103,426,200.31	152,305,107.62
		1,256,888,881.35	1,166,761,446.89

2.1 As per Re - Classification Furniture & Office Equipments includes the following

Furniture & Fittings	98,258,578.73	182,147,544.46
Office Equipment	117,116,395.65	57,448,734.17
	215,374,974.38	239,596,278.63

2.2 As per Re - ClassificationTraining Equipments includes the following

Training Equipment	750,284,956.66	689,201,958.13
Electrical Equipment	2,484,927.82	
Plant & Machinery	32,499,066.84	
	750,284,956.66	724,185,952.79

2.3 Reconciliation of Value of Fixed Assets

	As per Revaluation as at 31.12.2018	Written down Value as at 31.12.2018	Difference
Motor Vehicles	187,802,750.00	50,674,107.85	137,128,642.15
Furniture & Office Equipment	215,374,974.38	239,596,278.63	(24,221,304.25)
Training Equipment	750,284,956.66	724,185,952.79	26,099,003.87
Computer Equipment	103,426,200.31	152,305,107.62	(48,878,907.31)
	1,256,888,881.35	1,166,761,446.89	90,127,434.46

Notes to the Financial Statements

2 Property, Plant & Equipment

	Land	Building & Improvement	Motor Vehicles	Furniture & Office	Training Equipment	Computer Equipment	Total
Cost or Valuation							
At the beginning of the year	1,760,857,327.81	3,370,822,978.49					5,131,680,306.30
Revaluation			187,802,750.00	215,374,974.38	750,284,956.66	103,426,200.31	1,256,888,881.35
Additions during the year	15,799,079.13	452,201,600.55	1,656,387.57	42,711,329.72	103,925,608.70	37,543,267.20	653,837,272.87
At the end of the year	1,776,656,406.94	3,823,024,579.04	189,459,137.57	258,086,304.10	854,210,565.36	140,969,467.51	7,042,406,460.52
Accumulated Depreciation							
At the beginning of the year	-	1,070,999,203.51					1,070,999,203.51
Charge for the year		129,415,710.70	367,577.34	2,022,300.78	7,660,442.73	1,884,826.61	141,350,858.16
At the end of the year	-	1,200,414,914.21	367,577.34	2,022,300.78	7,660,442.73	1,884,826.61	1,212,350,061.67
Written Down Value							
As at 31st December 2018	1,776,656,406.94	2,622,609,664.83	189,091,560.23	256,064,003.32	846,550,122.63	139,084,640.90	5,830,056,398.85
As at 31st December 2017	1,760,857,327.81	2,299,823,774.98	50,674,107.85	239,596,278.63	724,185,952.79	152,305,107.62	5,227,442,549.68

Notes to the Financial Statements

2.2 Unvalued Land & Buildings

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

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

The valuation of the above Land & buildings is ongoing, after getting the values, those value will be accounted in the year 2018

2. The following Buildings are constructed on funds from skill Development Project at lands which are not belongs to VTA. The valuation of the above land & building will be included in year 2018

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

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
3 *Capital Work in Progress-Buildings*			
Ampara			99,442.00
Anuradapura			17,636,270.56
Badulla		334,750.50	5,980,021.34
Batticaloa		158,850.00	158,850.00
Colombo		2,811,638.29	2,811,638.29
Gampaha			15,451,056.64
Galle		10,511,167.47	54,125,144.87
Hambantota		19,053,095.65	19,053,095.65
Jaffna			5,372,084.95
Kandy		1,926,156.00	597,183.96
Kalutara		3,964,497.60	11,803,640.99
Kegalle		27,976,749.74	11,006,826.00
Kurunegala		20,976,077.02	11,197,276.48
Matara			431,662.03
Mathale		5,186,260.25	5,186,260.25
Monaragala			27,280,161.07
Nuwara Eliya		21,456,853.94	14,857,478.63
Rathnapura		879,406.43	7,959,939.07
		115,235,502.89	**211,008,032.78**
4 *Inventories*			
Training Materials		21,573,634.45	21,156,683.90
Stationary		5,166,462.07	6,050,791.05
Other Consumables		1,164,724.00	1,407,073.26
		27,904,820.52	**28,614,548.21**
5 *Receivables*			
Advances for programs		39,920.00	60,250.00
Advance payment for Land		37,034,992.50	18,032,000.00
Mobilization advance for construction		10,810,226.46	51,104,293.87
Deposit for compulsation		3,227,736.75	
Deposits		864,750.00	559,750.00
Ministry of Vocational Training & Rural Industrial		3,548,334.94	3,548,334.94
Receivable course fees		17,172,700.00	17,141,025.00
Receivable salary		563,415.31	355,573.67
Shortage of income		11,732.00	11,732.00
State Organizations		1,964,635.71	1,964,635.71
Trade & Other receivables		43,684,369.07	3,233,673.21
Prepayments			149,823.42
Vehicle Service Income Receivables		113,035.00	142,155.00
		119,185,671.16	**96,153,423.40**
Less:- Provision for Bad Debts		(5,512,970.65)	(5,512,970.65)
		113,672,700.51	**90,640,452.75**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
6 *Staff Loans*			
Balance at the beginning of the year		47,151,819.23	44,838,181.41
Add: Loans granted during the year		45,772,869.76	48,626,012.02
		92,924,688.99	**93,464,193.43**
Less: Repayments during the year		(46,675,094.19)	(46,312,374.20)
Balance at the end of the year		**46,249,594.80**	**47,151,819.23**
7 *Cash & Cash Equivalents*			
Gold coins		104,000.00	104,000.00
Cash at Banks			
Cash in hand		1,898.10	30,120.00
Cheque in hand		280,200.00	123,600.50
Peoples Bank		153,480,795.92	62,119,404.47
		153,866,894.02	**- 62,377,124.97**

Two gold coins have been received by the Authority as rewards from Seylan Bank. Each gold coin weight is 8.02 grams and each gold value is 22.03 karat.

	Note	2018 Rs.	2017 Rs.
8 *Government Grant - Capital*			
Balance at the beginning of the year		13,472,995.59	41,073,032.86
Less:-Opening balance Adjustment		10,427,341.81	(1,152,534.36)
balance as reststed		23,900,337.40	39,920,498.50
Add: Grants received during the year		183,340,000.00	141,000,000.00
		207,240,337.40	**180,920,498.50**
Less: Transfers to Differed Income Grant		(189,685,907.80)	(167,447,502.91)
Balance at the end of the year		**17,554,429.60**	**13,472,995.59**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
9 Differed Income Grant			
Balance at the beginning of the year		3,612,371,847.75	3,525,654,108.23
Add: Transfers during the year	9.1	536,773,668.07	478,376,030.08
		4,149,145,515.82	4,004,030,138.31
Less: Amortized for the year		(141,350,858.16)	(391,658,290.56)
Add:- Opening balance adjustment			
Balance at the end of the year		**4,007,794,657.66**	**3,612,371,847.75**
9.1 Transfers to Differed Income			
Government Grant - Capital		189,685,907.80	167,447,502.91
SSDP Grants		315,102,728.25	287,031,140.77
Other Grants		31,985,032.02	23,897,386.40
		536,773,668.07	**478,376,030.08**
10 Provision for Gratuity			
Balance at the beginning of the year		369,317,480.50	306,151,954.50
Add: Provision Made During the year		81,550,013.98	74,985,951.80
		450,867,494.48	381,137,906.30
Less: Payments during the year		(13,478,867.48)	(11,820,425.80)
Balance at the end of the year		**437,388,627.00**	**369,317,480.50**

Notes to the Financial Statements

		Note	2018 Rs.	2017 Rs.
11	***Payables***			
	Audit Fees		1,113,163.00	1,493,435.00
	Course fee payable		481,550.00	801,552.40
	Deposit		111,000.00	111,000.00
	Employee Provident Fund		14,459,097.45	15,175,420.51
	Employee Trust Fund		2,169,151.72	2,276,313.78
	Lecture fees		7,402,208.50	6,719,687.50
	Other Payables		15,770,213.38	7,668,475.42
	Min.of Youth Affairs & Dev. - 13 Years		148,289,641.92	
	Project funds Payable		2,234,109.00	14,114,848.97
	Received in Advance		1,164,775.00	544,575.00
	Refundable Tender Deposit		1,916,165.01	1,621,303.51
	Retention Money		27,493,622.18	20,474,765.13
	Salary payable		1,442,782.77	1,328,976.79
	Staff Incentive payable		221,000.00	***124,050.00***
	Student insurance scheme	11.1	37,872,250.00	37,883,500.00
	Trade Creditors		4,638,675.87	5,186,177.93
	W & O.P		45,342.00	111,871.36
			266,824,747.80	**115,635,953.30**
11.1	***Student insurance scheme***			
	At the bigining of the year		37,883,500.00	38,354,000.00
	Add :- Contribution during the year		37,000.00	
			37,883,500.00	38,391,000.00
	Less :- Payments during the year		(11,250.00)	(507,500.00)
	Balance at end of the year		**37,872,250.00**	**37,883,500.00**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
12 Accrued expenses			
Carrier Guidance		200,773.16	167,930.00
Electricity		3,571,955.92	2,704,517.47
Examination & Evaluation		1,799,127.00	343,142.00
Fuel & Lubricant		9,113.75	99,000.00
Janitorial Services		1,066,875.00	1,164,190.00
Maintenance		2,465,045.53	1,888,912.81
News papers & periodicals		41,250.00	15,770.00
On The Job Training Payable		692,750.00	153,500.00
Overtime & Holidaypay		2,210,023.06	970,857.54
Part Time Expenses Payable		16,052,285.17	19,092,252.77
Promotional Activities		1,279,378.00	350,901.00
Rent, Rates & Taxes		790,334.36	299,025.84
Season tickets		1,514,767.49	1,503,392.24
Security Charges		3,663,057.30	3,261,194.82
Stipend		3,792,200.00	2,509,000.00
Telephone		2,890,618.16	1,398,632.46
Transport		178,050.00	34,000.00
Travelling		826,968.45	663,254.10
Water		839,314.13	562,117.95
		43,883,886.48	**37,181,591.00**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
13 Other Income			
Auction Income		1,762,155.70	1,907,145.18
Course fees		1,095,000.00	1,782,800.00
Canteen income		356,500.00	247,625.00
Company registration		23,000.00	66,500.00
Daily Diary		800.00	2,000.00
Enterprenure Development programmes		122,000.00	134,000.00
Fines		2,878,734.96	766,404.86
Hall Income		1,423,025.00	1,224,450.00
Hostel Fees		11,000.00	286,500.00
Katharagama circuit Bangalow		496,060.00	439,230.00
Loan Interest		1,954,406.26	1,892,726.47
Miscellaneous		5,082,779.85	2,200,308.00
Non Refundable Tender deposit		532,500.00	506,500.00
Record Book		-	5,000.00
Registration fees		11,700.00	34,800.00
Sale Finish goods		398,500.48	358,352.85
Savings A/C Interest		1,239,809.53	1,661,747.23
Supplier Registration		89,100.00	944,500.00
English Book Income		87,500.00	580,200.00
Exam Fees		-	544,700.00
		17,564,571.78	**15,585,489.59**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
14 Production Unit Income			
Earning 10%		1,783,483.91	894,310.50
Income from Part time courses		29,880,481.26	17,920,717.96
Printing School -Narahenpita		390,449.20	72,698.93
Recognition of prior learning (RPL)		11,117,238.11	7,484,909.48
Trade test		-	23,444.00
Thalalla restaurant		-	96,709.31
Vehicle Service		6,975.00	62,040.00
Other Production Income		1,009,119.98	668,171.79
		44,187,747.46	**27,223,001.97**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
15 *Funds on Special Projects*			
Ministry of Youth Affaires & Skills Development - A/L student programme			41,300.00
World Skill Day Programme		281,300.00	
Skill sector development project		189,957,728.77	141,890,720.82
Funds on GIZ		108,155.00	74,260.00
Funds on ILO		129,900.00	2,272,720.17
Funds on Mahaweli Authority		4,000,000.00	
Funds on WUSC Project		122,000.00	2,703,288.00
Funds on Ministry Carrier Guidence		119,450.00	
Funds on Ex. Combatants		609,486.00	
Funds on Ministry - 13 Years		312,748.25	
Funds on World Food Organization		8,250.00	
Funds on Budget Proposal			23,215,188.46
Funds on District Secretariat Galle			3,955.00
		195,649,018.02	**170,201,432.45**
16 *Staff Cost*			
E.P.F. & E.T.F.		163,482,396.56	202,544,440.55
E.T.F. Surcharge		5,641,480.00	
Other Allowance		251,094,018.05	341,168,211.00
Salaries & overtime		664,748,664.39	560,248,180.53
Staff Gratuity		81,550,013.98	74,985,950.80
		1,166,516,572.98	**1,178,946,782.88**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
17 *Travelling*			
Accomodation Expenses		671,249.00	473,310.00
Domestic		7,664,002.68	7,013,762.10
Foreign		6,158,098.39	7,346,403.20
Varification Expenses		2,444,285.00	2,020,597.50
		16,937,635.07	**16,854,072.80**
18 *Supplies and Other Consumables*			
Fuel & Lubricant		18,831,710.93	15,619,887.73
Others		2,039,971.94	2,012,302.04
Stationary & Office Requisites		10,951,483.17	15,037,198.50
printed Materials		988,306.20	6,225,085.49
		32,811,472.24	**38,894,473.76**
19 *Maintenance*			
Building		10,505,478.82	11,575,232.28
Office Equipment		896,340.32	834,578.21
Plant & Machinery		8,901,942.42	6,845,968.13
Vehicle		12,121,036.82	12,525,802.30
		32,424,798.38	**31,781,580.92**
20 *Contractual Services*			
Advertisement		3,324,218.75	4,318,234.50
Audit Fees		1,200,000.00	500,000.00
Consultation & Professional Fee		-	707,201.93
Electricity		53,303,348.88	49,697,300.81
Hire Charges		4,251,920.00	3,851,087.32
Insurance		2,974,536.56	3,578,375.74
Janitorial service		13,070,560.74	11,844,076.00
News Papers & Periodicals		533,867.50	491,002.00
Postal Charges		1,378,554.83	1,270,647.10
Rent , Rates & Taxes		8,808,218.26	7,576,249.70
Security Charges		42,241,631.59	38,504,707.03
Staff Welfare & Other		4,385,837.00	2,340,367.00
Telephone Charges		23,142,540.54	23,730,250.74
Transport		2,252,901.39	2,950,982.00
Water		10,734,378.17	10,957,592.04
		171,602,514.21	**162,318,073.91**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
21 *Job placement, Research & Entrepreneurship*			
Curriculum Development		483,700.00	504,705.00
On the Job Training & Monitoring		9,199,500.00	9,107,155.00
Entrepreneurship Programs		517,488.16	819,189.51
Job Placement		681,435.40	712,442.89
Research & Tracer study		75,541.00	294,770.00
Private public partnership		560,247.00	749,018.60
		11,517,911.56	**12,187,281.00**
22 *Other Operating Expenses*			
Examination & Evaluation		3,405,293.00	3,644,629.00
Honorarium		453,550.00	647,600.00
Legal Fees		240,276.00	172,250.00
Miscellaneous		6,159,823.87	6,058,840.32
Quality Management Accreditation		1,408,085.10	2,294,508.07
Season Tickets		6,195,875.78	5,733,874.03
Special Training Programme		435,873.00	335,586.00
Stipend Allowance		19,352,250.00	19,341,763.00
Tools & Consumables		1,616,458.62	992,384.26
Training Monitoring		133,829.00	46,860.00
		39,401,314.37	**39,268,294.68**

Notes to the Financial Statements

	Note	2018 Rs.	2017 Rs.
23 Expenditure on Special Projects			
Ministry of Youth Affaires & Skills Development - A/L student programme		-	41,300.00
World Skill Day Programme		281,300.00	
Skill sector development project		189,957,728.77	141,890,720.82
Expenditure for GIZ		108,155.00	74,260.00
Expenditure for ILO		129,900.00	2,272,720.17
Expenditure for Mahaweli Authority		4,000,000.00	
Expenditure for WUSC Project		122,000.00	2,703,288.00
Expenditure for Ministry Carrier Guidence		119,450.00	
Expenditure for Ex. Combatants		609,486.00	
Expenditure for Ministry - 13 Years		312,748.25	
Expenditure for World Food Organization		8,250.00	
Expenditure for Budget Proposal		-	23,215,188.46
Expenditure for District Secretariat Galle		-	3,955.00
		195,649,018.02	**170,201,432.45**
24 Finance Cost			
Bank Chages		121,787.51	163,513.16
		121,787.51	**163,513.16**

25. *Prior year Adjustment*

Following over and under Provision of expenses were adjusted as prior year adjustment.

Description	Dr	Cr	Net Effect
Staff Training		500,000.00	
Over Provisions		288,545.86	
Drop Out – Part Time	784,850.00		
TOTAL	**784,850.00**	**788,545.86**	**3,695.86**

As a result of the above adjustments, the Surplus of Rs. 132,115,205.85 related to the year 2017 will be decreased as Rs.132,111,509.99 in 2018.

26. *Commitments and Contingencies*

a) Litigation against the authority

The court cases pending were as follows

Court	31.12.2018	31.12.2017
Supreme Court	1	2
Appealed Court	1	1
High Court	1	-
District Court	1	-
Labor tribunal	1	2
Labor Department inquiries	-	1
Total	**5**	**6**

b) Capital Commitments

There were no material capital commitments as at 31.12.2018

27.Adjustment of Unusable items Cost of Property, Plant, & Equipment

Already auction items identify in the asset verification held in year 2013,2014,2015,2016,2017 and 2018 and some of items are Auction & destroyed in 2014, 2015,2016,2017 and 2018 the Book value of the above items will be adjusted to Property Plant & Equipment (Fixed Assets) in the year 2019.

28. Bad debts Provision

Out of the bad debts Provision amounting Rs. 5,512,970.65 a sum of Rs.3,548,334.94 due from Ministry of Youth Affairs & Skills Development and Security service receivables for which a decision is expected due cause.

29. Miscellaneous Income

Pettigalawatta and Kaikawala Construction works were terminated due to breach of the contract and Performance Bonds of both Contractors were encashed and Miscellaneous income

30. E.P.F & E.T.F Contribution

The Employers Contribution of EPF and ETF for the period of 2006 January to 2015 May relevant to cost of living allowances had been already paid.

There is a surcharge on ETF as out of the 5 installments had been paid in 2018 and another 7 installment yet to be paid which is amounting Rs. 7,898,073.41

31. Net Deficit for the Period

In the Statement for Year 2018, there is a deficit of Rs.55 million and following reasons contributed for the above deficit

Gratuity provision of Rs. 81 million was already deducted as expenditure

Vocational Training Authority of Sri Lanka
Trial Balance as at 31st December 2018

Description	Dr.	Cr.
Acquisition of Capital Assets		
Acquisition of Land & Land improvement	1,776,656,406.94	
Acquisition of Buildings and Improvement	3,823,024,579.04	
Acquisition of Computer Equipments	140,969,467.51	
Acquisition of Furniture & Fittings	258,086,304.10	
Acquisition of Motor Vehicles	189,459,137.57	
Acquisition of Training Equipments	854,210,565.36	
Provision For Depreciation		
Provision For Dep. Buildings and Improvement		1,200,414,914.21
Provision For Dep. Computer Equipments		1,884,826.61
Provision For Dep. Furniture & Office Equipment		2,022,300.78
Provision For Dep. Motor Vehicles		367,577.34
Provision For Dep. Training Equipments		7,660,442.73
Capital Work in Progress		
Work in Progress - Building structures	115,235,502.89	
Investment		
Fixed Deposit	40,000,000.00	
Inventories		
Training Material	21,573,634.45	
Stationary	5,166,462.07	
Other Consumables	1,164,724.00	
Other Receivables		
Advances For Programms	39,920.00	
Advance payment for Land	37,034,992.50	
Mobilization advance for construction	10,810,226.46	
Deposits for Compulsation	3,227,736.75	
Deposits	864,750.00	
Ministry of Yourth Affairs & Skills Deve	3,548,334.94	
Vehicle Service Income Receivable	113,035.00	
Receivable Course Fee	17,172,700.00	
Salary Receivables	563,415.31	
Shortage Of Income	11,732.00	
State Organization	1,964,635.71	
Trade & Other receivables	43,684,369.07	
Prepayments	149,823.42	
Provision for Bad Debts		5,512,970.65

Description	Dr.	Cr.
Staff Loan		
Distress Loan	45,693,844.80	
Festival Advance	555,750.00	
Cash & Cash Equivalents		
Gold coin	104,000.00	
Bank Accounts		
Ampara	155,249.60	
Anuradhapura	484,012.65	
Badulla	295,565.32	
Batticaloa	675,606.83	
Colombo	305,133.65	
Galle	414,596.22	
Gampaha	94,696.41	
Hambantota	8,215.77	
Head Office.	142,926,624.51	
Jaffna	569,211.87	
Kalutara	118,893.73	
Kandy	75,178.38	
Kegalle	40,732.88	
Killinochchi	526,188.12	
Kurunegala	158,267.41	
Matale	1,025,618.61	
Matara	32,265.34	
Monaragala	15,421.55	
Nuwaraeliya	896,857.63	
NVTI - Baddegama	56,285.15	
NVTI - Mirijjawila	238,514.43	
NVTI - Narahenpita	442,932.12	
NVTI - Niyagama	522,744.78	
NVTI - Orugodawaththa	99,992.52	
NVTI - Rathmalana	337,159.54	
NVTI - Thalalla	17,527.92	
Polonnaruwa	1,392,484.79	
Puttalam	231,005.00	
Rathnapura	196,299.87	
Trincomalee	375,220.88	
Vavuniya	752,292.44	
Cash-in-hand	1,898.10	
Cheque in hand	280,200.00	
Government Grant Capital		17,554,429.60
Government Grant (Treasuary) - Recurrent		1,480,473,000.00
Differed Income Grant - Recurrent		141,350,858.16
Reserves & Surplus		
Differed Income Grant		4,007,794,657.66
Provision for Grauity		437,388,627.00

Description	Dr.	Cr.
Revaluation Surplus		2,483,219,190.99
Payables		
Audit Fee Payable		1,113,163.00
Course Fee Payable		481,550.00
Deposit		111,000.00
E.P.F Payable		14,459,097.45
E.T.F. Payable		2,169,151.72
Lecture Fees Payable		7,402,208.50
Other Payables		15,770,213.38
Project Funds Payable		2,234,109.00
Min. of Youth Affairs & Development -13 years		148,289,641.92
Received in Advance		1,164,775.00
Refundable Tender Deposit		1,916,165.01
Retention Money		27,493,622.18
Salary Payable		1,442,782.77
Staff Incentive Payable		221,000.00
Student insurance payable	1,012,750.00	38,885,000.00
Trade Creditors		4,638,675.87
W & O P Payable		45,342.00
Accrued Expenses		
Carrier Guidance Accrued		200,773.16
Electricity Accrued		3,571,955.92
Examination & Evaluation Accrued		1,799,127.00
Fuel & Lubricant Accrued		9,113.75
Janitorial Service Accrued		1,066,875.00
Maintenance Accrued		2,465,045.53
News Papers & Periodicals Accrued		41,250.00
On The Job Training Accrued		692,750.00
Overtime & holidaypay Accrued		2,210,023.06
Part Time Expenses Accrued		16,052,285.17
Promotional Expenses Accrued		1,279,378.00
Rent,Rates & Taxes Accrued		790,334.36
Season Tickets Accrued		1,514,767.49
Security Charges Accrued		3,663,057.30
Stipend Allowance Accrued		3,792,200.00
Telephone Charges Accrued		2,890,618.16
Transport Accrued		178,050.00
Traveling Accrued		826,968.45
Water Accrued		839,314.13
Other Income		
Auction Income		1,762,155.70
Course fee		1,095,000.00
Canteen Income		356,500.00
Company registration		23,000.00
Daily Diary		800.00

Description	Dr.	Cr.
Enterpriniourship Programme		122,000.00
Fines		2,878,734.96
Hall Income		1,423,025.00
Hostel Fee		11,000.00
Katharagama Circuit Banglow		496,060.00
Loan Interest		1,954,406.26
Miscellanious Income		5,082,779.85
Non Refundable Tender Deposit		532,500.00
Record Book		
Registration Free		11,700.00
Finished Good Sales		398,500.48
Savings A/C Intetrest		1,239,809.53
Supply Registration		89,100.00
English Book Income		87,500.00
Exam Fees		
Production Unit Income		
10% Earnings		1,783,483.91
Part Time Courses		29,880,481.26
Printing School Narahenpita		390,449.20
RPL		11,117,238.11
Vehicle Service		6,975.00
Other Production Unit		1,009,119.98
Funds On Special Projects		
Funds on World Skill Day		281,300.00
Funds on SSDP		189,957,728.77
Funds on GIZ		108,155.00
Funds on ILO		129,900.00
Funds on Mahaweli Authority		4,000,000.00
Funds on WUSC Project		122,000.00
Funds on Ministry Carrier Guidence		119,450.00
Funds on Ex. Combatants		609,486.00
Funds on Ministry - 13 Years		312,748.25
Funds on World Food Organization		8,250.00
Staff Cost		
E.P.F. Expenses	130,797,365.11	
E.T.F. Expenses	32,685,031.45	
E.T.F. Surcharge	5,641,480.00	
Other Allowance(Staff Cost)	251,094,018.05	
Salaries & Overtime	664,748,664.39	
Staff Gratuity	81,550,013.98	
Travelling		
Accomodation Expenses	671,249.00	
Travelling - Domestric	7,664,002.68	
Travelling - Foreign	6,158,098.39	

Description	Dr.	Cr.
Varification Expenses	2,444,285.00	
Supplies and Other Consumables		
Fuel & Lubricant Charges	18,831,710.93	
Other Supllies	2,039,971.94	
Stationary & Office Requisites	10,951,483.17	
Printed Materials	988,306.20	
Maintenance		
Maintenance of Building	10,505,478.82	
Maintenance of Plant & Machinery	8,901,942.42	
Maintenance of vehicle	12,121,036.82	
Maintenance of Office Equipment	896,340.32	
Contractual Service		
Advertisement	3,324,218.75	
Audit Fees	1,200,000.00	
Electricity Charges	53,303,348.88	
Hire Charges	4,251,920.00	
Insurance	2,974,536.56	
Janitorial Service	13,070,560.74	
News Papers & Periodicals	533,867.50	
Postal Charges	1,378,554.83	
Rent,rates & taxes	8,808,218.26	
Security Charges	42,241,631.59	
Staff Welfare & Other	4,385,837.00	
Telephone Charges	23,142,540.54	
Transport	2,252,901.39	
Water Bill	10,734,378.17	
Consultation & Professional Fee		
Job Placement, Research & Enterpreneurship		
Curriculum Development	483,700.00	
On the Job Training & Monitoring	9,199,500.00	
Entrepreneurship Programs	517,488.16	
Job Placement	681,435.40	
Research & Tracer Study	75,541.00	
Private Public Partnership	560,247.00	
Other Operating Expenses		
Examination & Evaluation	3,405,293.00	
Honorarium	453,550.00	
Legal Fees	240,276.00	
Miscellaneous expenses	6,159,823.87	
Quality Management & Accrediation	1,408,085.10	
Season Tickets	6,195,875.78	
Special Training Programme	435,873.00	
Stipend Allowance	19,352,250.00	
Tools & Consumables	1,616,458.62	

Description	Dr.	Cr.
Training Monitoring	133,829.00	
Expenditure On Special Projects		
Expenditure for World Skill Day Programme	281,300.00	
Expenditure for SSDP	189,957,728.77	
Expenditure for GIZ	108,155.00	
Expenditure for ILO	129,900.00	
Expenditure for Mahaweli Authority	4,000,000.00	
Expenditure for WUSC Project	122,000.00	
Expenditure for Ministry Carrier Guidence	119,450.00	
Expenditure for Ex. Combatants	609,486.00	
Expenditure for Ministry - 13 Years	312,748.25	
Expenditure for World Food Organization	8,250.00	
Expenditure for District Secretariat Galle		
Finance Cost		
Bank Chages	121,787.51	
Training Materials	107,665,068.33	
Staff Training - Capacity Deve.	4,691,010.50	
Promotional Expenses	12,799,113.18	
Carrier Guidance	1,582,347.66	
Depreciation	141,350,858.16	
Profit & Loss A/C	1,148,719,580.99	347,982,695.50
Prior Year Adjustment		788,545.86
Approved Dropouts 2017	704,950.00	
Approved Dropouts 2016	79,900.00	
Revaluation Loss	73,100,211.56	
Total	**10,703,537,758.63**	**10,703,537,758.63**

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මගේ අංකය / எனது இல. / My No. VTY/E/VTA/01/18/19   ඔබේ අංකය / உமது இல. / Your No.   දිනය / திகதி / Date 2020 ඔක්තෝම්බර් 19 දින

Chairman
Vocational Training Authority of Sri Lanka

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

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1. Financial Statements

1.1 Adverse Opinion

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

In my opinion, because of the significance of the matters discussed in the basis for Adverse Opinion section of my report, the accompanying financial statements do not give a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka as at 31 December2018, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව   இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.   No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34   +94 11 2 88 72 23   ag@auditorgeneral.gov.lk   www.naosl.gov.lk

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1.2 Basis for Adverse Opinion

(a) In accordance with paragraph 47 of the Sri Lanka Public Sector Accounting Standards 07, property, plant and equipment should be revalued in every 03 or 05 years but land and building costed Rs. 4663 million shown in the financial statements of the Authority had not been revalued since 2008. As such, fair value of these land and building had not been shown in the financial statements.

(b) In accordance with paragraph 49 of the Sri Lanka Public Sector Accounting Standards 07, if an item of property, plant and equipment is revalued the assets belongs to the entire class of asset shall be revalued. However, 39 motor vehicles and 25 bicycles costed for Rs. 4,496,902 had not been revaluated as at 31 December 2018.

(c) In accordance with paragraph 60 of the Sri Lanka Public Sector Accounting Standards 07, the relevant depreciation basis should be identified in such a way as to accurately represent the useful life time of property, plant and machinery and in accordance with paragraph 74, the depreciation method used should represent the utilization pattern of the asset. Even though the useful life time had been taken into account by the Authority in the revaluation of assets as on 31 December, the depreciation policy had not been revised based on the effective lifetime of those assets.

(d) As per paragraph 22 of Sri Lanka Public Sector Accounting Standards 08, provision had not been made in the financial statements for the due surcharge amounted to Rs. 7,898,073 to be paid to the Employees' Trust Fund.

(e) As per the paragraph 61 of the Sri Lanka Public Sector Accounting Standards 19, a reliable estimate should be made using actuarial techniques in measuring post-employee benefits. Contrary to that the Authority had measured the employee benefits based on the last salary and length of the service of employees and had not made adjustments to the employee benefit liability balance as per the Paragraph 65 of the standard. Further, due to errors in calculating of gratuity allocation, over calculation of Rs. 2,135,660 had been made and accounted for, and the deficit for the year had been overstated by that amount.

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(f) Even though from 06 acres, 01 Rood and 13.2 perches land belonged to the Vocational Training Authority of Sri Lanka, 02 acres, 03 rood and 7.6 perches had been transferred to the National Apprenticeship and Industrial Training Authority in the year 2015, the book value of Rs.202,278,158 had not been removed from the land value in the Financial Position Statement as at 31 December 2018. Also, the land extends of 02 acres, 03 roods, and 38.38 perches received by Vocational Training Authority of Sri Lanka had not valued and accounted for. Further, the value of 91 government lands which the Authority maintains it's centers had not been valued and shown in the financial statements even till the date of 31 December 2018.

(g) Due to non-calculation of depreciation expenditure for the year in respect of 4 types of revalued assets as at 31st December of the year under review, depreciation and differed income for the year under review was under stated by Rs.211,926,365 and the capital grant account was over stated by that amount. Also, due to the revaluation surplus of two categories of assets was under stated by Rs. 157,565,717 and revaluation deficit of two categories of assets was over stated by Rs. 54,420,648, the deficit of the year was over stated by Rs. 54,420,648.

(h) Due to errors in the calculation of cumulative depreciation provision for buildings as at 31 December 2018, the balance in that account was over calculated by Rs.43,119,356 and the building depreciation expenditure for the year under review was under calculated by Rs. 2,733,488 and, therefore, the carrying amount of the Building under non-current assets was under stated by Rs. 40,385,868 and the deficit of the year under stated by Rs. 2,733,488 in the financial statements.

(i) Due to non-consideration of cost of living allowance in calculating the contribution to the Employees Provident Fund and Employees Trust Fund from the year 2006 to May 2015, the outstanding contribution amounted to Rs. 33,776,537 and the surcharge amounted to Rs. 5,641,480 had been paid during the year under review and was accounted for as an expense for the year under review instead of make adjustment to the previous year deficit.

(j) Assets total valued for Rs. 211,713,535, procured on credit basis during the year under review under the Skills Sector Development Project and the Thirteen Year Continuing Education Fund had omitted from the accounts and, therefore, non-current assets for the year under review was under stated by that amount and depreciation expenses for the year was under stated by Rs. 5,878,664 in the financial statements. Also, the balance of the differed income account was under stated by Rs. 5,878,664 and the balance of the differed income grant account was under stated by Rs. 187,622,028 in the financial statements.

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

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

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

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

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Authority 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 Authority.

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 of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka

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Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

2. Report on Other Legal and Regulatory Requirements

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

- Except for the effect of the matters described in the Basis for Adverse Opinion, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have not been kept by the Authority as per the requirement in section 12 (a) of the National Audit Act, No. 19 of 2018.

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

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

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

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

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

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	Reference to law/ direction	Description
(a)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka Financial Regulation 1646	Running charts of 19 vehicles relevant to the year 2018 using by the head office of the Authority and 22 vehicles using in the district offices had not been submitted for audit even by September 2019 and a sum of Rs. 1,742,025 had been spent on fuel for those vehicles during the year under review.
(b)	Public Administration circular No. 09/2009 (i) dated 17 June 2019	Contrary to the circular, 19 employees of the Authority had not recorded the arrival and departure times of the fingerprint machine.
(c)	Paragraph 3.1 of Public Administration Circular No. 30/2016 of 29 December 2016	Even though fuel consumption of every vehicle should be checked in every 12 months or after running of 25,000 km, fuel consumption had not been checked with respect to the vehicles of the Vocational Training Authority from the year 2016 to September 2019.
(d)	Paragraph 8.3.9 of the Public Enterprise Circular No. PED / 12 of 02 June 2003	Contrary to the reference circular, 02 vehicles each of the Authority had been released for the duties of the Minister and the Line Ministry and a sum of Rs. 712,870 had been spent for fuel by the Authority during the year under review.

- To state that Authority has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

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NATIONAL AUDIT OFFICE
NAOSL

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

(a) Exceeding the estimate included in the approved procurement plan for the year under review training equipment worth of Rs.4,133,000 had been procured for the Automotive Course of the Vocational Training Authority of Sri Lanka. This procurement was a re-ordered in violation of Section 3.6 of the Procurement Guidelines and the Departmental Procurement Committee had acted beyond the financial limit mentioned in Procurement Supplement 33 dated 15th March 2017.

(b) Construction of a workshop building in Mirijjawila National Vocational Training Center with a contract value of Rs. 42,613,557 was scheduled to commence in 2013 and be completed by 31 December 2014. However, after completion works valued for Rs. 19,353,158 the construction works were suspended with effect from 05 January 2015 on the base of breach of contract. Action had not been taken to recover a total sum of Rs. 3,819,000 due to the Authority by the Construction Contractor. Due to action had not been taken to restart the construction activities even by 18 July 2019, the building was becoming unusable condition as the construction had been abandoned for more than four years. .

(c) When removing the roof of the building without assessing the strength of the existing building during the renovation of the Matale Kaikawala District Training Centre, which was planned to renovate by repairing the roof of the building at a cost of Rs. 17,445,822 in 2017, due to the fact that the brick columns of the building were separated from the foundation and a sum of Rs. 1,170,000 (VAT-free) had been approved under the extra work with the rates ranged from 43 percent to 100 percent which was higher than the BOQ rates, to renovation of the building with new concrete columns.

Further, the National Procurement Agency should have been notified immediately under Section 8.11 of the Procurement Guidelines about the defaulting contractors but the Authority had not acted accordingly even by 30 January 2019.

3. Other Audit Observations

(a) According to the detailed action plan prepared from the year 2014 to year 2020, It was planned to modernize 90 training centers of the Vocational Training Authority of Sri

Lanka by the end of 2016 and construct 20 new training centers by the end of 2017 under the Skills Sector Development Project Funds at a cost of Rs. 7,430 million. However, 25 training centers had been modernized and only construction works of 03 training centers had been completed as at 31 December 2018.

(b) Due to changes to the preliminary plans and delays in the construction of the renovation works of Ahangama Hotel School which were carried out under the Skills Sector Development Project, 04 courses could not be conducted for more than 03 years. Although renovation works were completed on 08 March 2018 at a cost of Rs. 121,809,064, the operations in the hotel had not been commenced until 30 September 2019. Further, training equipment costed Rs. 28,158,840 and office equipment costed Rs. 9,397,178 were procured from the year 2015 to year 2018, mentioning that needed for the practical training of the courses.

(c) The Vehicle Maintenance Unit of the Authority, which had been in operation since 2011 with the objective of providing on-the-job training for students of the vocational training courses and repair of vehicles owned by the Authority, was closed down from 31 December 2018 without obtaining formal approval, despite its effective contribution to the institution's performance. 3,136 square feet building which was maintained by the Vehicle Maintenance Unit, at an estimated value of Rs. 4,312,000, and the part of the land have been used for a vehicle painting course since the year 2020.

(d) 1117 training equipment items valued for Rs. 8,362,833 procured from the year 2016 to July 2019 under Sectoral Skills Development Funds, Treasury Funds and World Labour Organization (ILO) Funds were retained in the main stores of the Authority without being distributed to the relevant training centers. The warranty periods given for this equipment had expired within the stores itself. It was revealed at the test check conducted on 09 August 2019, out of that 83traning equipment items valued for Rs. 426,452 were misplaced.

(e) Even though a sum of Rs. 9,280,000 had been paid to the Land Reforms Commission On 20 April 2018 based on the agreement reached with the Land Reforms Commission in August 2013 for acquiring of 3 roods and 31 perches from Wanarajawatta land for the construction of Nuwara-Eliya District Training Centre, the land had not been legally acquired by the Authority and no action had been taken to build the District Training Centre even by 31 December 2019.

(f) Arrangements have not been made to conduct 64 training programs in 09 full time courses and 39 part time courses in the year 2018 which were planned to be conducted in 13 vocational training areas during the year under review.

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(g) Due to Employees' Trust Fund contribution had been calculated without cost of living allowance of the Vocational Training Authority of Sri Lanka from the year 2006 to May 2015, a surcharge of Rs. 13,290,711 had been paid from the Treasury funds given for salaries and wages in the years 2018 and 2019.

(h) A land block extent of 02 roods and 33.50 perches from the land called Welewatta in Henakaduwa in Hambantota District was purchased at a cost of Rs. 5,823,000 on 30 December 2010, but was remained idle without utilizing for any work even by 24 February 2020.

(i) Even though a total sum of Rs. 1,831,817 had been paid to a semi-government institution to obtain consultancy services for construction of renovation works of 04 centres in the year 2014 and year 2017, the renovation works of those centres had not been commenced even by 22 February 2020 and this amount had been accounted under works-in-progress for long time.

(j) The construction works of new building, by demolishing the old building where the Galle District Printing School was located, had commenced in October 2016 with an engineering estimate of Rs. 36,347,620 and should have been completed on 23 September 2018. The construction works was suspended on 28 August 2018 due to non-completion of construction work on time. Also, action had not been taken to get transfer the ownership of the land by the Authority until December 2019. Further, the printing machine which was procured for training at a cost of Rs. 15 million in the year 2007 was placed idle since 03 April 2018 in the new building, which had been partially constructed. The printing course is being conducted in a leased building from October 2017 due to construction delays and a sum of Rs. 803,000 had been paid as rent from that month to July 2019.

(k) 416 journal entries ranged from Rs. 774 to Rs 74,407,442 were approved by the officers of the financial division of the institution irrespective of the applicable limits during the year under review due to powers had not been delegated, recognizing the limitations of approving journal entries in relation to financial statements, was observed as a weakness of the internal control of the Authority.

W.P.C. Wickramaratne
Auditor General

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Answers for the report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2018 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1.2

(a.) All the lands, buildings of the Authority have been handed over to the Department of Valuation for re- valuation activities and the final accounts will be adjusted after conclusion of those affairs.

(b.) A committee has already been appointed to obtain recommendations for this and the future actions will be taken after receiving the relevant recommendations.

(c.) The depreciations have been carried out based on the life time of the property and the depreciation method which is the theory policy of the Authority. It has planned to take actions in accordance with Accounting standard when doing re- valuations in future.

(d.) Since a court case has been filed by the Employee trust Fund, the payments have been carried out based on annual benefits for employees. The Treasury has not allocated separate financial provisions for this.

(e.) Large cost have to be incurred to follow this process and actions will be taken to act finding further facts for this in future.

(f.) The assessment activities of the lands and buildings have been handed over to the Department of Valuation and this value will be written off from the books after said actions.

(g.) Actions have been taken to accurate when presenting the Final Accounts of year 2019.

(h.) Actions have been taken to accurate when presenting the Final Accounts of year 2019.

(i.) Since the provisions have been received from the Treasury as premiums, the payments have been carried out as per the years which received the funds and adjusted as a cost.

(j.) These balances have been accurate when re- presenting the Final Accounts in 2019.

2.)

(a.) Actions have been taken to enter all the vehicles running charts since the year 2019. Monthly running charts are already being entered regularly.

(b.) Instructions have been given to all the employees of the Authority to mark the regular arrivals and departures in the finger print machine in due times. Formal actions have been taken to adhere the said rules.

(c.) Fuel test has already been carried out and the report has handed over to the Transport Unit.

(d.) Vehicles have been provided to the Line Ministry for official duties as per the service requirement and the actions have already been taken to re – obtain those vehicles.

(a.) Due to the reasons of, rejection of purchasing the training equipment via Technical Evaluation Committee by using the provisions of Treasury in year 2018, no presentation of quotations, rejection in the final technical evaluation, inability to purchase vehicles for the Driving Schools, Rs.10 Mn has saved from the provisions of the respective year. Except to the estimate approved Procurement Plan, on a request made by the Director (Training), Rs. 4,133,000 has been utilized to purchase training equipment for the Automotive course. Similarly, since it has to be concluded the purchasing process during the relevant year and a necessity arisen to purchase those before the commencement of courses, the purchasing have been carried out based on 50% as per the 3.5 and 3.6 of the Procurement Guideline. In view of this the approval of the Procurement Committee of the Department has been obtained and kindly informed that the approval limit of the Department Procurement Committee also been increased upto Rs. 100 Mn in terms of Additional 33 effected since 15.03.2017 in the Procurement Guideline. When comparing the devaluation of rupee during the first purchasing to 50% purchasing, the financial disadvantage has not been occurred to the Authority. However, further informed that the purchasing of equipment under 50% has already been stopped.

(b.) Event though, it was expected to complete the remaining construction work of this project and utilize in the years 2017, 2018 and 2019, the project was failed due to un-receiving of expected provisions. In the year 2020 the project constructions were re – commenced on the provisions of Skills Sector Development programme. It is proposed that the amount of Rs. 3,819,000.00 could be recovered through Project Withhold value and through re – valuating the property belongs to the Contract Institution.

(c.) There is no shortage in the store rooms when doing physical examinations. The equipment have distributed to all the centers as scheduled.

3.

(a.) Renovation projects in 27 training centers have already been completed.

Work has completed in new 4 centers and utilized.

Work of another two new centers is scheduled to be completed at the end of this year.

Quotations have been called twice to commence the work in new center, Panadura and the procurement activities have been finalized.

(b.) The training hotel is already under functioning and this premise is also utilized to conduct the various programmes, meetings, residential programmes of the Vocational Training Authority of Sri Lanka.

(c.) Full time courses

Even though it has planned to commence the part time courses, the Authority has not achieved the target due to following reasons. Therefore, on the request of various Institutions the Training Division has taken actions to commence few of the part time courses by entering to MOUs.

- Incomplete the minimum number of apprentices required in the estimate for part time courses.
- Issues in recruiting qualified instructors.
- Inconveniences to order compulsory conduction of part time courses to instructors.
- Insufficient payments for a training hour which pays for an instructor in part time courses.
- No opportunity to conduct part time courses since the instructors have to refer for trainings in UNIVOTEC and other institutions since it is an institutional requirement to obtain NVQ level 5 qualifications instead of NVQ level 4.
- Non willingness of the instructors who teach full time courses to participate in part time courses due to personal reasons.

(d.) This building has purchased for future development activities of the center. If this purchase has not been carried out there is no access to the Vocational Training center. Further if this land has purchased by another party and does a construction it would be an issue for the appearance of the center. Therefore, it is strategically important to purchase this land by VTA. This land is already been utilized for external and daily activities of the apprentices in Vocational Training center - Henakaduwa

(e.) Land transfer affairs are already in final step. All the files have referred to the Ministry of Land and it will take actions to transfer the land to Ministry of Skills Development. Ministry will transfer the land formally to VTA.

The development activities of this land are currently carried out by the Authority. As such the renovation and development activities of Pettigalawaththa were commenced. The contract institution has completed the work and the courses are already being implemented by installing a printing machine.

(f.) Actions have been taken to sign the Journal notes by Director (Finance) since the year 2020.