



Institution - Sri Lanka Vocational Training Authority

Ministry - Ministry Of Skills Development and Vocational Training

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No 354/2,
Elvitigala Mawatha,
Narahenpita,
Colombo 05

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Auditors - Auditor General
Department of Auditor General

Banker - Peoples Bank

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★ **Vision** ★

To be the pioneer institution in Sri Lanka that provides effective and creative training which fulfill the requirements of the global job market.

★ **Mission** ★

To make facilities to cater to the demand of global trained labour needs by adopting modern methodologies and technologies in the vocational training and education field. We will achieve this mission targeting the global employment trends by maintain our services and facilities at highest standards.

★ FUNCTIONS ★

- Prepare vocational training programmes and provide vocational training and skills required for the youth joining with external institutions.
- Conduct final assessments based on competencies, issue National Vocational Qualifications (NVQ), conduct trade tests and issue reports.
- Conduct National Vocational tests and final tests and issue National Vocational Qualifications (NVQ) certificates.
- Direct researches and development programmes on vocational training.
- Implement Career Guidance programmes and provide counselling.
- Provide further training for the youth who received vocational training and provide required facilities for job placements and to commence self- employments.

ACKNOWLEDGEMENT

Hon. Chandima Weerakkody – Attorney - at - Law
Minister of Skills Development and Vocational Training
“Nipunatha Piyasa”
No 354 /2
Elvitigala Mawatha
Narahenpita
Colombo 05

Hon. Sir,

Annual Report - 2017
Sri Lanka Vocational Training Authority

As per the 25th clause of the Sri Lanka Vocational Training Authority Act No 12 of 1995 and the Article 14(2) c of the Financial Act No.38 of 1971, the Annual Report of the Sri Lanka Vocational Training Authority – 2017 is submitted herewith.

Yours
Faithfully,

Dr. Lionel Pinto (Engineer)
Chairman / Chief Executive Officer
Sri Lanka Vocational Training Authority

Introduction and structure

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

As per the Clause 5th of the Sri Lanka Vocational Training Authority Act No.12 of 1995 the Board of Directors of the Sri Lanka Vocational Training Authority is consisted of a Chairman, Vice Chairman including 10 members and 11 members who appointed earlier.

Board of Directors upto 19.05.2017

- Major General Gamini Hettiarachchi
Chairman, Sri Lanka Vocational Training Authority
- Mr. R.M.D.K.G.N.B. Ranathunga
Director
Department of Treasury
- Dr. Jayantha Balasooriya
Deputy Education Director
(Policies and Planning Division)
- Mr. Anton Perera
Additional Secretary
(Commerce)
Ministry of Industries and Commercial Affairs
- Mr. A.Palitha De Silva
- Mr. Sugath Handunge –
Attorney At - Law
Vice Chairman
Sri Lanka Vocational Training Authority
- Mrs. Chandani
Amarathunga
Labor Commissioner
Department of Labor
- Mr. A.U.C. Athukorala
Chairman
National Apprentice and Industrial Training Authority
- Mr. A.D. Ranjith
- Mr. H.M. Siriwimal Herath
- Mr. Nilan Wickramasinghe

The number of Director Board meetings conducted in year 2017 was 10 and the number of Audit Management Committee meetings conducted in year 2017 was 02.

Board of Directors appointed since 30.08.2017

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

Report of the Governing Board

Sri Lanka Vocational Training Authority was established in 16th August 1995 under the Vocational Training Act No 12 of 1995.

The Institution is consisted of 07 National Vocational Training Institutions, 22 District Vocational Training Centers and 198 Vocational Training Centers implementing regionally, 06 registered Prison and Rehabilitation Centers and web of Vocational Training Centers and conducting 2094 full time and part time courses and provides the service for 36695 youth. The Authority has celebrated its 21st century in this year.

Achievements of the year 2017

- * Conduct the first Diploma awarding ceremony at Bandaranayaka Memorial International Conference Hall (BMICH) on 19th October 2017 for 475 apprentices who completed the courses in Information and Communication, Quantity Survey and Cosmetology in NVQ level 5 relevant to 2012- 2015 time periods.
- * Provide full time vocational training for 32,805 youth in 227 islandwide training centers, those who completed the school education.
- * Provide part time vocational training for 3,890 apprentices who expected to access the intended employment and to the vocational development of the persons who engaged in vocational training sectors.
- * Issue total 24,811 certificates as 21,184 in National Vocational Qualifications, 1560 certificates as Non NVQ and 2,067 as RPL certificates. This is a 47% growth from the number of certificates of 15,700, to be expected to issue within this year.
- * Refer 5378 trained trainees for local employment opportunities and 146 trained trainees for foreign employment opportunities and another 1137 for self employments and economically empowered 6,661 trainees through it.
- * Conduct 24 entrepreneurship development training programmes and provide entrepreneurship development training for 486 persons and provide state loans of Rs. 85.45 Mn. for 179 trained trainees to commence new enterprises under Self Employment Provident Initiatives (SEPI) loan scheme.
- * Organize 62 industry observation tours in view of upgrade the knowledge and skills of the apprentices who received the training.
- * Under the Public and Private Partnership (PPP) Development Program, conduct 44 skills Development programmes and upgrades the knowledge on modern technology and skills of 3,175 vocational training trained trainees.
- * Issue 143 certificates relevant to NVQ level 03 through RPL Assesment system under the national programme of "Yowunpura 2017" held in Trincomalee.
- * Carried out final assessment for 135 assessments relevant to NVQ level 03 through RPL assessment system under Skills Sector Development Programme (SSDP).

- * With a view to develop the knowledge, skills and attitudes, trained 279 of academic staff and 329 in non academic staff through various training programmes and refer 41 for foreign training programmes.
- * Conduct 3,664 career guidance programmes and aware 176,943 on vocational training.
- * As a special promotion programme to develop the conductivity of the Sri Lanka Vocational Training Authority and to recruit apprentices, conducive bill boards have been fixed in island wide selected 47 railway stations and 12 buses which belongs to Sri Lanka Vocational Training Authority and 7 buses of Sri Lanka Transport Board in Sinhala and Tamil medium with the sponsorship of GIZ.
- * Carried out 4 feasibility studies on identifying the courses in the industry sector which has more demand according to districts and commence and conduct the the training centers for long time in successful manner.
- * Established Quality Management Systems in 47 training centers in view of providing quality vocational training.
- * Prepared the Child care syllabus and commenced training courses.
- * Developed 10 vocational training centers spending Rs. 56.23 Mn under the Treasury provisions and budget proposals.
- * Developed 15 vocational training centers spending Rs. 198.37 Mn under the Skills Sector Development Programme.
 - In view of developing the fashion Designing Technology, commenced the training activities of the Fashion Designing Technician course using Leuctra System software with an agreement signed between the Apparel Technologies.
 - With the financial support of the Korean Development Bank, commenced the construction activities of the training centre – Orugodawaththa to conduct the NVQ level 5 courses.
- * Commenced the Fashion Designing Technician course. (NVQ Level 5 – 6)
- * Included the English subject to the vocational training courses and conduct NVQ level 1, 2 part - time courses.
- * Obtained the accreditation from Tertiary and Vocational Education Commission for 42 courses implemented under the National Vocational Qualification (NVQ) framework. The number of accredited courses is 1,021 at present.
 - As per an agreement between Sri Lanka Transport Board, part - time training courses on enterprises planning and computer knowledge through island - wide training centers for 5,000 employees of the Sri Lanka Transport Board had been implemented.
- * Provided vocational training with free of charge by spending Rs. 146.16 Mn. from the Budget proposals of year 2017 and developed soft skills of the trainees.

- * With a view to build the public – private partnerships ;
 - As an initiative step to create a demand in the construction sector, actions have been taken with joining the SIAM CITY CEMENT(Lanka) Limited to pay an intensive of Rs. 4,000 – 10,000 for developing the construction courses in Puttalam district.
 - Developed the Vocational Training Centre – Boossa with the agreement made between the Associated Motor Ways (Pvt) Ltd and commenced the training courses in the Motor mechanic sector.
 - Conducted courses with the agreement signed between Don Bosco Institution.
 - Established 03 Microsoft Academy joined with Sri Lankan representative Sanjey Private Limited of the Microsoft Institution.
 - Implemented the Motor Mechanic Technician course with a view to upgrade the life style of 40 unemployed youth selected in rural areas joining with IDEAL Motors Private Limited.
 - Trained 10,000 apprentices and 150 instructors in 35 Vocational training centers with the agreement of “ORACEL Academy Sri Lanka” Institution.
 - The Nature Beauty Creation Institution has provided Rs. 2 Mn valued training material for the Beautician course which implemented in island wide.
 - Signed an agreement of MOU with the Colombo Institute of Logistic Management with a view to implement courses relevant to Logistic Management.
 - Commenced the Optician training course with the agreement made between the Wickckramarachchi Audio Vedio Institution.
 - Conducted training courses on Hotel and Tourism sector in Vocational Training Center (Pothuvil) with an agreement made between the Jetwing Institution.
 - Commenced the Vocational Training Center – Agarapathna in Nuwara Eliya with the agreement of Premium Exports Ceylon Limited to enhance the life style of the youth associated in Estates.
 - Through the vocational training center – Kaithady, provided vocational training facilities for the Nuffield School for the deaf and blind in Kaithady to the children who required special needs.
 - Commenced special electrician course (NVQ Level 4) for the employees in Electricity Board.

- * Transformed 120 apprentices in construction, plumber and capentry of the construction sector, to skilled technicians and set up a task force to commence a pilot project, in 05 training centers in Western Province to placing them in jobs with pride.

Programmes and targets for the year 2018

- * Train 120 apprentices in masonry, plumber and carpentry within 120 days pilot programme to produce skilled technicians.
- * Provide full time vocational training for 31,560 islandwide youth.
- * Provide part time vocational training for 4,475 employees and job expectants.
- * Obtain the accreditation of Tertiary and Vocational Education Commission for 98 courses.
- * Establish Quality Management System (QMS) in 60 Training Centers.
- * Establish Quality Improving System (QIS) in 50 training centers.
- * Accreditate the Cosmetology course and commenced in Training centers.
- * Commence the Wheel Alignment Technician course which is essential for the Motor vehicles repairs and maintenance sector, in Thalalla and Niyagama Training centers.
- * Commence the E – Commerce training center under the fund of China government.
- * Develop and implement 13 selected training centers as Enterprises Planning Units.
- * Aware 138,320 people including island wide school students, school leavers, trained trainees, parents, teachers and other members of social organizations, through 3,952 awareness programmes on Career Guidance.
- * In view of motivate to commence the enterprises, conduct 21 entrepreneurship training programmes for the trained trainees who completed the training successfully and facilitate financial facilities to commence the enterprises and develop the existing enterprises under the SEPI loan scheme.
- * Direct 7,600 trained trainees for local employments and 500 for foreign employments and 1000 for self – employments.
- * Conduct 8 job markets in view of place the trained trainees in jobs and to provide further training opportunities.
- * Organize 60 industry observation trips in view of improving the knowledge and skills of training apprentices.
- * Conduct 40 skills promotion programmes for 1,600 skilled craftment in view of update the knowledge and technological skills of the trained trainees of vocational training.

Dr. Lionel Pinto (Engineer)

Chairman / Chief Executive Officer

Sri Lanka Vocational Training Authority

Superiors and Senior Management staff

Chairman

1. Dr. Lionel Pinto (Engineer) (Since 07.06.2017)
2. Major General Gamini Hettiarachchi (Retired) (up to 06.06.2017)

Vice Chairman

1. Mr. Thilak Kariyawasam (Attorney – at – Law) (Since 07.06.2017)
2. Mr. Sugath Handunge (Attorney – at – Law) (up to 06.06.2017)

Director General

Mrs. Chulangani Perera

Directors

1. Mr. W.A. Ranaweera
2. Mrs. Siddhika G.Senarathne
3. Mr. H.U.Kariyawasam (Acting)
4. Mr. U.K. Nandha (Acting) Since 02.02.2017.
5. Mrs. S.M.Edirisinghe (Acting) Since 13.06.2017
6. Mr.K.J.Koralage (Retired from 22.01.2017)
7. Mr. Saman Kulasooriya (Released to the Office of the Prime Minister for 1 year period)

Chief Internal Auditor

Mr. P.M. Wijesinghe (Attend to duties)

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. Senarathna
5. Mr. G.V.P.N. Perera
6. Mr. R.N.K.M.J. Senavirathna
7. Mr.N.K. Elesinghe
8. Mr. H.T.S. Wickckramarathna
9. Mr. H.W.Rohan Priyantha
10. Mr. M.M.N.B. Madhurasinghe
11. Mr. D.R.S.L.Dasanayake
12. Mr. W.G. Wijeraththna
13. Mr. H.P. Manamperi
14. Mr. A.M.T.S. Atigala
15. Mr. T. Vinodharaja
16. Mr. A.M.A. Jayathissa (Retired from 16.08.2017)
17. Mr. G.D. Jayasinghe
18. Mr. V. Kanagasundaram
19. Mr. H.A.P. Gunawardha

Assistant Directors

1. Mr. A.A. Jabeer
2. Mrs. G.R.M.C. Kulathunga
(Retired since 09.04.2017)
3. Mr. P.B.G.I.B. Weganthale
4. Mr. Radha Krishnan Madhurathan
5. Mr. K. Niranjan
6. Mr. A.A.W.G.R.R. Bandara
7. Mr. V.G.Nimalsiri
8. Mr. P.N. Abeysinghe
9. Mr. P.L.A. Peris
10. Mr. D.A.S. Athukorala
11. Mr. R.M.R.Rathnayake
12. Mr. B.H.A. Nelson
13. Mr. S. Medhdhegoda
14. Mr. C.J. Vidhanapathirana
15. Mr. M.G.G. Saman
16. Mr. K.D.N. De Silva
17. Mr. D.A.Jayarathne
18. Mr. R. Sunil
19. Mrs. G.H.P. Damayanthi
20. Mrs.N.M.V.K. Herath
21. Mrs. P.J. Jayawardhana
22. Mr. M.K.B. Jayathilake
23. Mr.N.B.Naleem
24. Mrs. R. Pathirage
25. Mr. P.G. Prasanna
26. Mrs. H. Edirisinghe
27. Mr. A.A.D.T. Shantha
28. Mr. T.V.W. Dewapriya
29. Mr. U.G.J. Priyadharashana
30. Mrs. R.D. Pradeepika
31. Miss J. Inoka U.G. Gunawardhana
32. Mr. E.J. Wijethunga
33. Mr. W.M.A.S.L. Wijenayake
34. Mr. H.L. Sisira
35. Mr. W.K.Sumith Wasantha
36. Mr.R.Abhilan
37. Mr. H.T.D.R.S. Wijesinghe
38. Mr. Thilina Ranasinghe
39. Mrs. G.D.Shayamalee
40. Mr. C.D. Samaranayake
41. Mrs. C.U.M. Kodithuwakku
42. Mr. Sunil Abeysinghe
43. Mr.G.K.D.C. Kumara
44. Mr. S.M.J. Suvendra
45. Mr. S.M.M.K. Siyamudhali
46. Mr. N.K. Ambagahawaththa
47. Mr.D.C.O. Vithana
48. Mr. A.D.S. Samarasinghe
49. Mr. A.P. Jagath Nishantha
50. Mr. L.P.K.W.Weliwaththa
51. Mr. D.M.P.S. Athukorala
- 52.Mr. D.M. Yahampath
- 53.Mr. K.P.D.P. Sirisena
- 54.Mr. N.A.A.D. Nagahawaththa
- 55.Miss. W.G.T.M.Jinadasa
(Legal Officer / Director Board secretary)
- 54.Mr. N.A .A. Nagahawaththa
- 55.Miss. W.G.E.M. Jinadasa
(Legal Office/ Secretary Director Board)
- 56.Mr. R.P. Hettiarachchi – Internal Auditor

Composition of the staff

As per provisions of the Department of Management Services 2008 employers in each positions are engaged in service as at 31.12.2017. The approved cadre of the Sri Lanka Vocational Training Authority for the year 2017 is 2582.

	Designation	Approved cadre	Staff at the end of the year	Vacancies / Excess at the end of the year	Service category
01	Director General	1	1	0	HM 2-1
02	Director	6	3	3 Actg	HM1-1
03	Chief Internal Auditor	1	1	0	
04	Deputy / Assistant Director	86	73	13	MM 1-1
05	Legal Officer	1	1	0	
06	Internal Auditor	1	1	0	
07	Engineer	1	0	1	
08	Administrative Officer	2	2	0	JM 1-1
09	Testing and Evaluation Officer	12	11	1	
10	Investigation Officer	1	1	0	
11	Transport Officer	1	0	1 Actg	
12	Supplies Officer	1	1	0	
13	Printing Officer	1	1	0	
14	Internal Audit officer	3	3	0	
15	System Analyzer	1	0	1	
16	Welfare Officer	1	1	0	
17	Accounts Officer	33	33	0	
18	Senior Programme Officer	10	10	0	
19	Training Officer	88	48	40	
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	176	14	162	MA 4
27	Programme Officer	69	69	0	
28	Audit Assistant*	3	1	0	
29	Project Assistant*	34	9	0	MA 3
30	Technical Assistant	3	1	2	346 (contract)MA 2-2
31	Instructor	1514	1235	279	
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	191	0	2 (contract) MA 1-2
37	Assistant Instructor (LRUC)*	38	33	0	
38	Type Setter (Printing)	3	1	2	
39	Employee incharge of circuits	2	1	1	
40	Supervisor (Printing)	1	0	1	
41	Supervisor (Building)	1	0	1	
42	Drivers	64	64	0	PL 3
43	Store man*	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 Aid	8	5	3	PL 1 (*1 contract)
48	Watcher*	65	48	0	
49	labourer	95	95	0	
	Total	2582	1974	523	

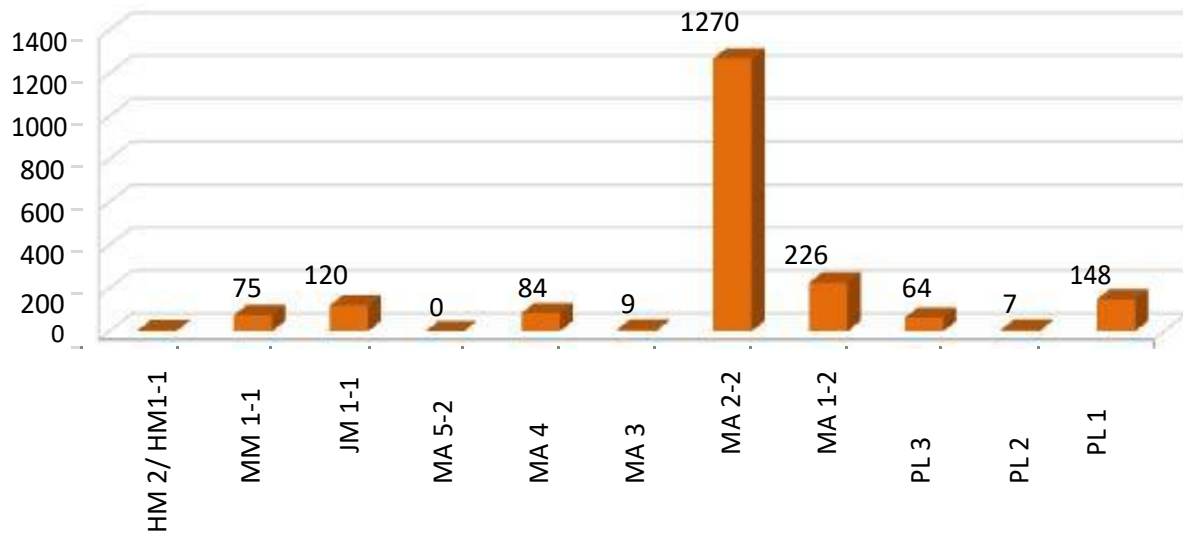
* The post has been approved in order to personal for the person who is in the post at present. Thereafter the post will be revoked.

Composition of the staff (As per the service category)

	Designation	Approved cadre	Cadre as at the end of the year	Vacancies / excess at the end of the year
01	HM 2- Senior Management HM 1-1 Senior Management	08	05	03
02	MM 1-1 Management	89	75	14
03	JM 1-1 Junior Management	166	120	44
04	MA 5-2 Authorized/Operational/ distributed officers	04	0	04
05	MA 4 Operational / Consultancy services	248	84	162 (*1 Personal)
06	MA 3 Associated Officers	34	09	0 (*9 Personal)
07	MA 2-2 Management Assistant - Technological	1556	1236	320
08	MA 1-2 Management Assistant - Non - Technological	236	226	5 (*33 Personal)
09	PL 3 Craft level	64	64	
10	PL 2 Primary - Semi craft level	09	07	02 (*02 Personal)
11	PL 1 Primary - Non craft level	168	148	03 (*03 Personal)
	Total	2582	1974	557

* The post has been approved in order to personal for the person who is in the post at present. Thereafter the post will be revoked.

Service Category



Develop knowledge, attitudes and skills of the staff

The staff could be able to participate in relevant programmes under following category in the year 2017.

Academic	279
Non - Academic	329
Foreign	50



Provide Vocational Training for the youth through Vocational training programmes

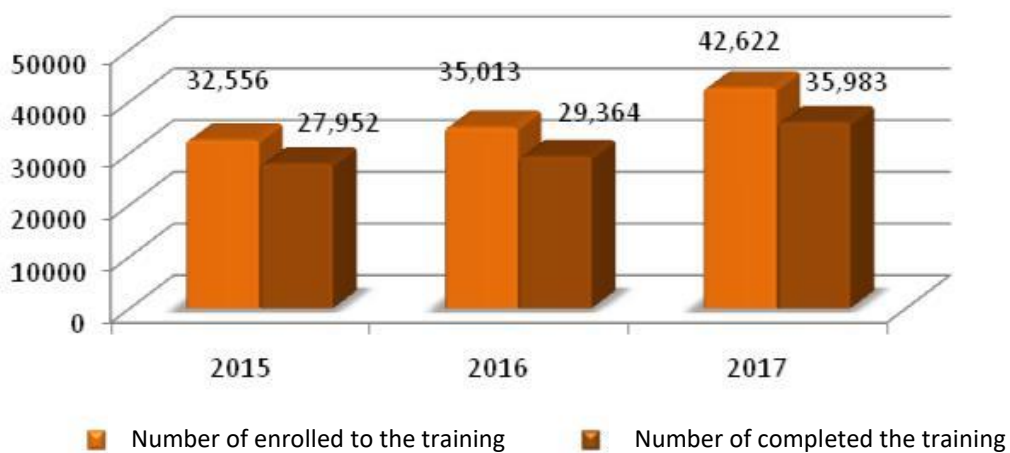
2,094 training programmes including 127 full time and part time courses have been implemented island wide in the year 2017 and the apprentices who obtained the institutional training was 36,695. This was a 16% growth in comparing to the year 2016. Additionally, the trainees trained through skills development programmes and entrepreneurship programmes were 5,927. Accordingly, the total number of trained trainees in year 2017 was 42,622.

Enrolement in the vocational training / completion of the training

Year	2015	2016	2017
Number of enrolled in the vocational training	32,556	35,013	42,622
Number of completed the training	27,952	29,364	35,983

* 3,521 apprentices were enrolled for the training and scheduled to be completed the training in the year 2017.

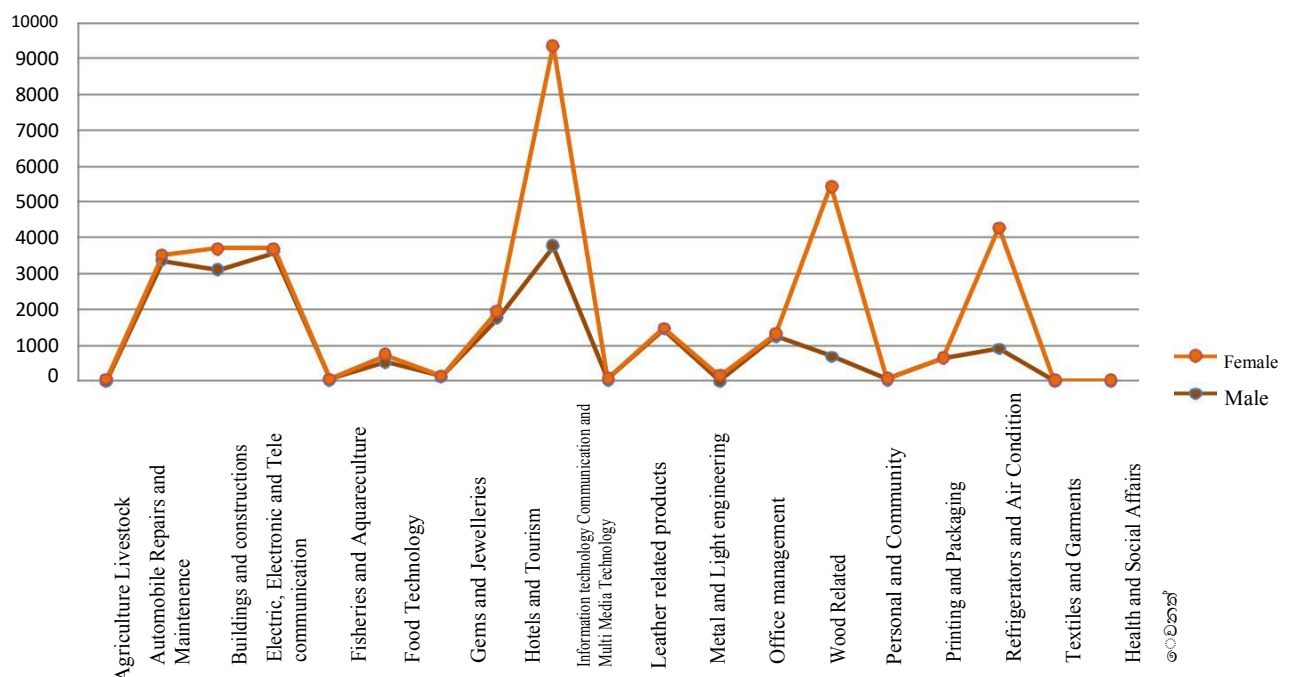
Enrolement in the vocational training / Completion



Demand of the apprentices for the training sectors- 2017

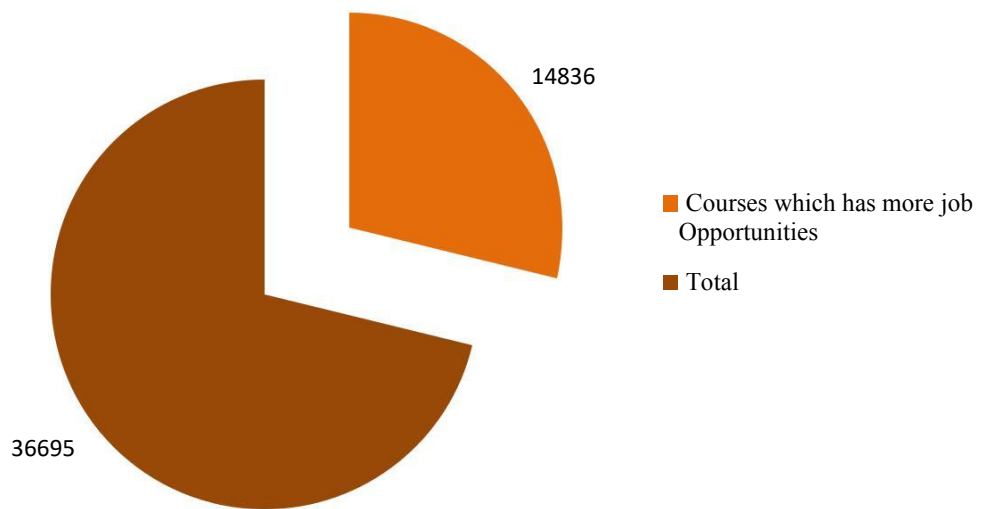
	Training sector	Number of enrolled apprentices (Institutional training)	Percentage
1	Agriculture and Live Stock	53	0.14
2	Repairing and Maintenece of Motor vehicles	3527	9.61
3	Buildings and Constructions	3692	10.06
4	Electric, Electronic and Tele communication	3695	10.07
5	Fisheries and Aquareculture	48	0.13
6	Food Technology	749	2.04
7	Gems and Jewelleries	138	0.38
8	Hotels and Tourism	1955	5.33
9	Information Technology Communication and Multi Media Technology	9360	25.51
10	Leather Related products	58	0.16
11	Metal and Light Engineering	1470	4.01
12	Office Management	152	0.41
13	Wood Related	1309	3.57
14	Personal and Community	5436	14.81
15	Printing and Packaging	80	0.22
16	Refrigerators and Air Condition	658	1.79
17	Textiles and Garments	4276	11.65
18	Health and Social Affairs	20	0.05
19	Others	19	0.05
	Total	36695	

Enrolement for the Training - 2017

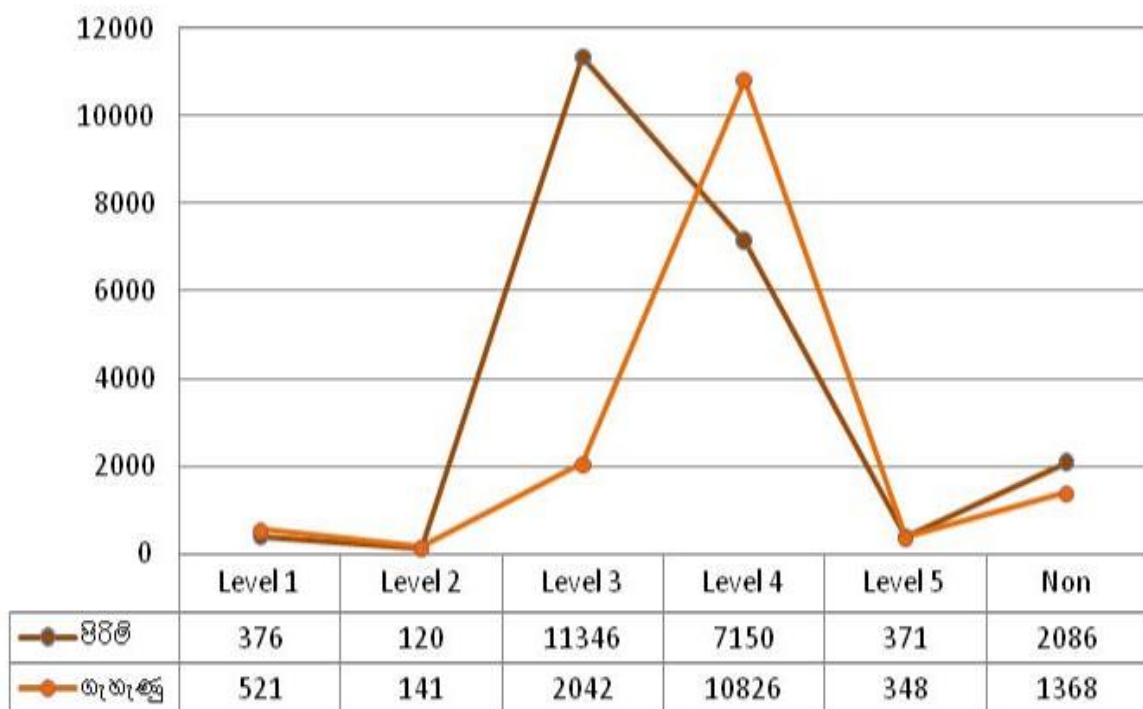


The number of apprentices enrolled for the courses which has more demand for the job opportunities in labor market, is 40% from the total enrolment.

Sector	Male	Female	Total	Percentage
Repair and Maintenance of Motor Vehicles	3,384	143	3,527	9,61
Buildings and Constructions	3,098	594	3,692	10,06
Electric, Electronic and Tele Communication	3,614	81	3,695	10,07
Hotels and Tourism	1,771	184	1,955	5,33
Wood Related	1,256	53	1,309	3,57
Refrigerators and Air Conditioning	652	6	658	1,79
Total	13,775	1,061	14,836	40,43



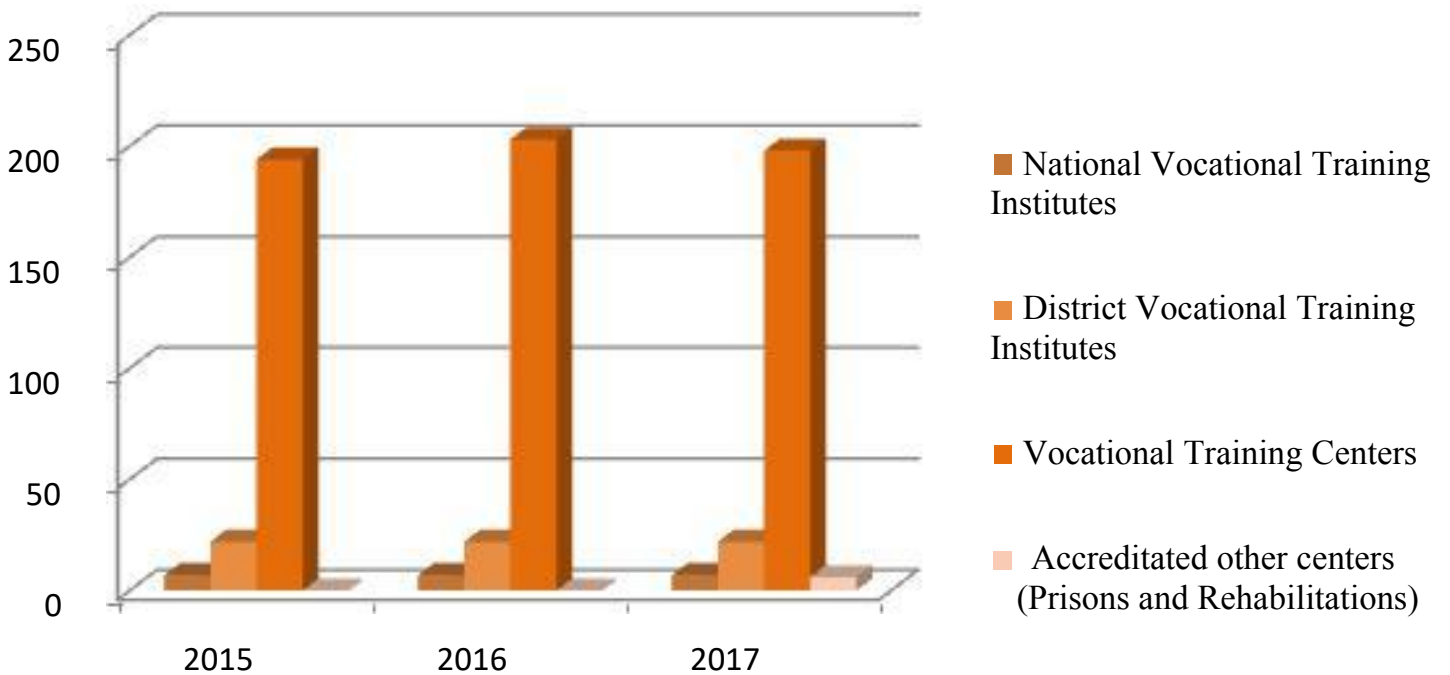
Enrolement to the training - 2017



Distribution of Training Centers

The number of island wide implemented training centers in year 2017 is as follows. Additionally, 16 Prisons and 02 rehabilitation centers have been conducted the vocational training courses.

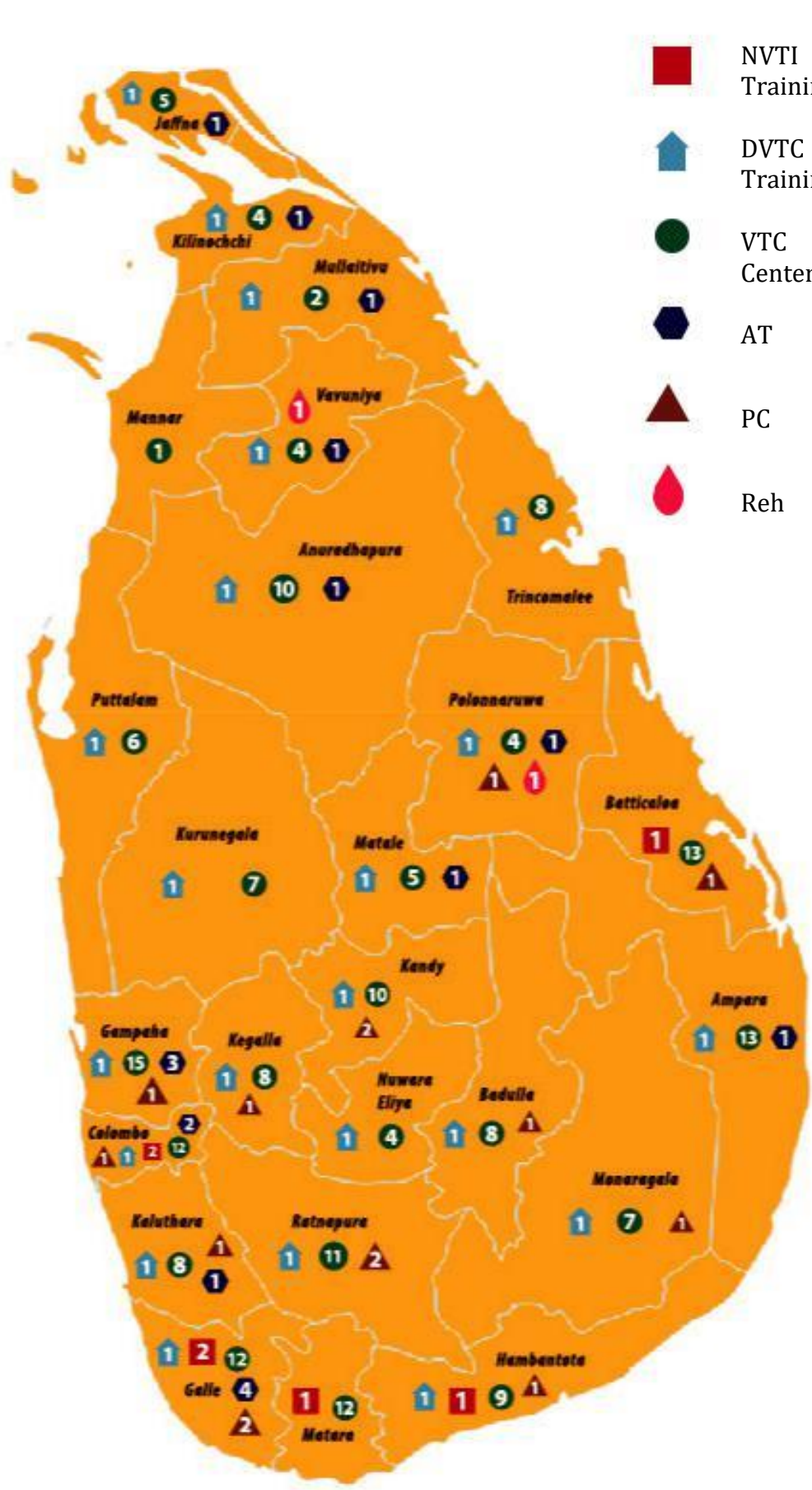
Year	2015	2016	2017
National Vocational Training Institute	07	07	07
District Vocational Training Centers	22	22	22
Vocational Training Centers	194	203	198
Other centers accredited in Tertiary and Vocational Education Commission (Prisons and Rehabilitations)	-	-	06
Total	223	232	233



Distribution of vocational training centers - 2017

Province	District	Number of Institutions						Total
		NVTI	DVTC	VTC	AT	PC	Reh	
Western	Gampaha	-	1	15	3	[1]	-	17
	Colombo	2	1	12	2	[1]	-	16
	Kaluthara	-	1	8	1	1	-	09
North Western	Puttalam	-	1	6	-	-	-	07
	Kurunegala	-	1	7	-	-	-	08
Northern	Jaffna	-	1	5	1	-	-	06
	Kilinochchi	-	1	4	1	-	-	05
	Mulativu	-	1	2	1	-	-	03
	Mannar	-	-	1	-	-	-	01
	Vavunia	-	1	4	1	-	[1]	06
Eastern	Trincomalee	-	1	8	-	-	-	09
	Bataloa	1	-	13	-	1	-	14
	Ampara	-	1	13	1	-	-	14
Southern	Galle	2	1	12	4	2	-	15
	Matara	1	-	12	-	-	-	13
	Hambantota	1	1	9	-	1	-	12
Sabaragamuwa	Kegalle	-	1	8	-	1	-	09
	Rathnapura	-	1	11	-	2	-	12
Uva	Badulla	-	1	8	-	[1]	-	09
	Monaragala	-	1	7	-	1	-	08
Central	Kandy	-	1	10	-	2	-	11
	Matale	-	1	5	1	-	-	06
	Nuwara Eliya	-	1	4	-	-	-	05
North Central	Anuradhapura	-	1	10	-	1	-	11
	Polonnaruwa	-	1	4	1	[1]	[1]	7
	Total	7	22	198	17	16	2	233

- NVTI - National Vocational Training Institutes
 DVTC - District Vocational Training Centers
 VTC - Vocational Training Centers
 AT - Affiliated
 PC - Prisons
 Reh - Rehabilitation Centers
 [] - Centers accredited in TVEC as training centers



- NVTI - National Vocational Training Institutes
- ▲ DVTC - District Vocational Training Centers
- VTC - Vocational Training Centers
- ◆ AT - Affiliated
- ▲ PC - Prisons
- Reh - Rehabilitation Centers



Vocational Training Tests and evaluations

The Vocational Training Authority of Sri Lanka evaluated trained trainees through an evaluation method and committed them into certificate holders. Annually more than Rs 5 million spends for this. Accordingly, the number of certificates issued through evaluations in the year 2017 is as follows.

No	Category	Evaluated number		
		Target	Progress	%
01	National Vocational Qualifications (NVQ)	15500	21184	136
02	Non National Vocational qualifications (Non NVQ)	1000	1560	156
03	Recognition of Pre Learning (RPL)	1000	2067	206
Total		17500	24811	141

The total number of issued certificates in this year shows 27% growth when compare to the year 2016 and the Vocational Training Authority of Sri Lanka is in the first palce among other vocational training sector institutes which issued National Vocational Qualification (NVQ) certificates.

Issuing National Vocational Qualification certificates - 2016

No	Institution	Male	Female	Total
01	Department of Technical Education and Training (DTET)	2306	1116	3425
02	National Apprentices and Industrial Training Authority (NAITA)	6633	3336	9969
03	Vocational Training Authority of Sri Lanka (VTA)	8986	5285	14271
04	National Youth Services Council (NYSC)	531	1119	1650
05	Private Institutions	5216	5199	10415
Total		23675	16055	39730

Source - Labour Market Bulletin (TVEC)

Career Guidance and Counselling

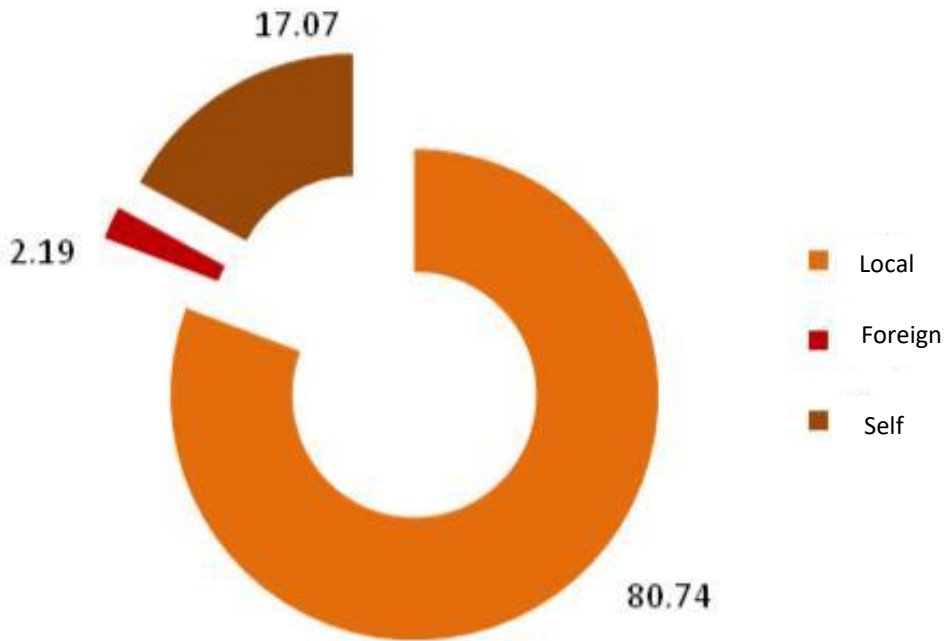
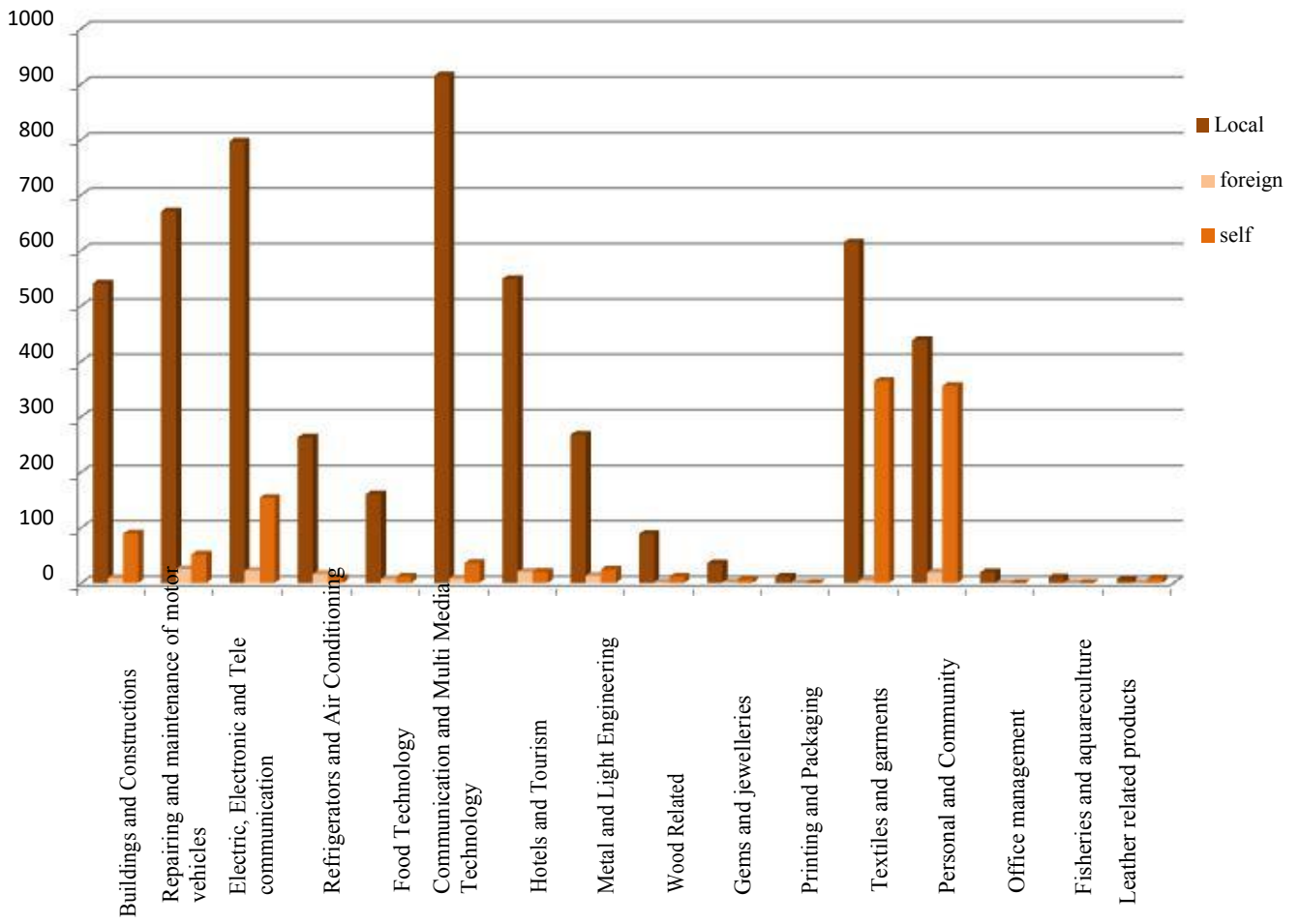
Provide guidance to the youth to select vocational trades as per the interest of the youth and their qualifications is another task of the Sri Lanka Vocational Training Authority. Accordingly, a qualified staff conducts career guidance programmes to guide the youth to select vocational trades as per their own preferences and qualifications. As such the programmes implemented in the year 2017 is as follows.

Group of Target	Number of conducted programmes	Number of participated
School students	1159	64684
School leavers	608	32883
Trainees	581	24875
Parents	571	24123
Others	238	14113
Total	3157	160678

Job placement

The Job Placing Unit referred 6661 trained trainees in the year 2017 to the employments in direct and self employments manner in order to meet the labour market requirements from local and foreign employment Institutions which have been registered in the Sri Lanka Vocational Training Authority.

No	Training area	Number of placed in jobs			
		local	foreign	self	total
01.	Building and Constructions	540	9	89	638
02.	Repairing and maintenance of motor vehicles	670	25	51	746
03.	Electric, Electronic and Tele Communication	796	22	153	971
04.	Refrigerators and Air Conditioning	262	16	9	287
05.	Food Technology	160	7	11	178
06.	Communication and Multi Media Technology	915	8	36	959
07.	Hotels and Tourism	548	20	20	588
08.	Metal and Light Engineering	267	13	24	304
09.	Wood Related	88	1	11	100
10.	Gems and Jewelleries	35	1	6	42
11.	Printing and Packaging	11	0	0	11
12.	Textiles and Garments	613	5	364	982
13.	Personal and Community	438	19	355	812
14.	Office Management	19	0	0	19
15.	Fisheries and Acquaculture	10	0	0	10
16.	Leather related products	6	0	8	14
	Total	5378	146	1137	6661



Contribution towards the National Economy through providing Job placement opportunities

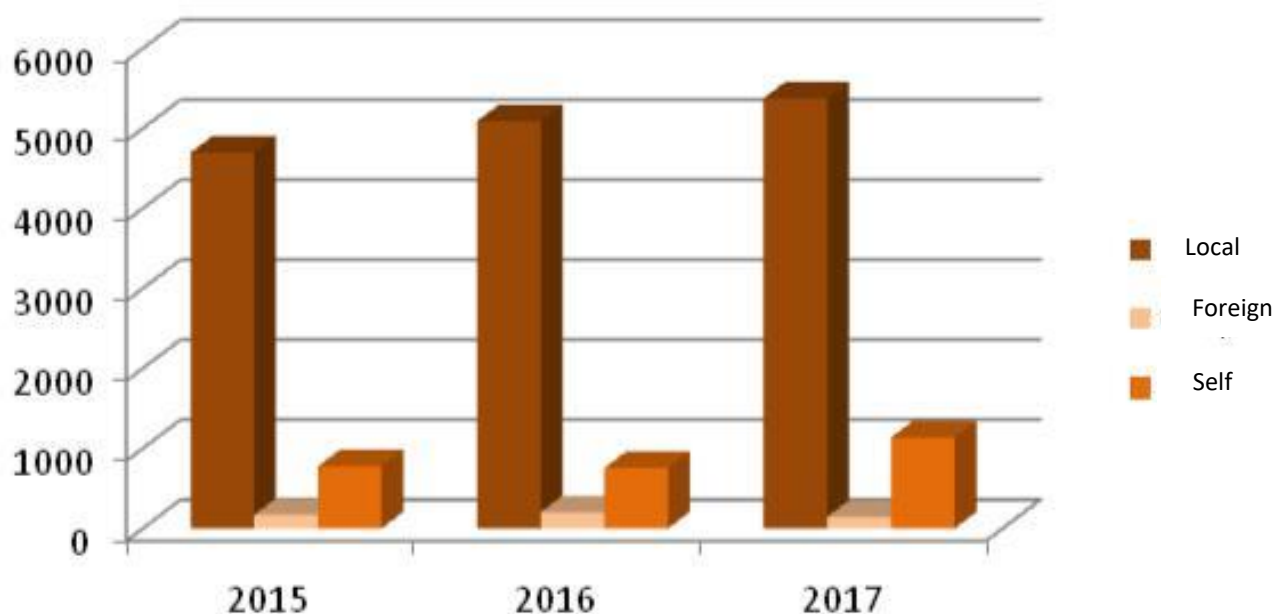
category	Number of placed in jobs	Contribution towards the National Economy (Rs.Mn)
Local employments	5378	1921.31
Foreign employments	146	116.19
Self employments	1137	428.81
Total	6661	2466.31

* (On the information of Labour Market Bulletin of the TVEC and Job placed Institutions, the income earned by the trained trainees during a one year period, who placed in jobs within the year 2017, the above income details have been calculated and prepared approximately.)

	local	foreign	self	Total
2015	4,696	169	776	5,641
2016	5,091	204	757	6,052
2017	5,378	146	1,137	6,662

(Only the information of job placement by the Sri Lanka Vocational Training Authority.)

Job Placement



Programmes carried out by public and private partnership

Programme	Number of programmes	Number of participated	Sponsoring Institution
Tiling	10	405	Lanka Tiles Cooperation
Beautyculture	12	1784	Nature Beauty Creation / Forever Skin Naturals
Aluminium Fabrication	12	473	Alumex Company / Swiss Tec Aluminium
Motor Cycles and Three wheelers Repairing	04	233	David Peris Company
Bakery Products	04	162	AB Mayuri Company / Keels Food
Electrician	02	118	ACL Cables
Total	44	3175	

Conduct Entrepreneurship Programme

Encouraging the youth entrepreneurs and improve their entrepreneurship abilities and provide the assistance to them, is the key objective of the Sri Lanka Vocational Training Authority.

2752 entrepreneurship trained apprentices have trained through the Treasury Provisions and the funds of the Skills Sector Development Project during the year 2017 and additionally, 23 trainers have been trained. Provided loans facilities for 179 persons who expected to commence self employments from small enterprises loans of amount of Rs. 85.45 Mn through State banks.

Entrepreneurship Programmes - 2017

Group	Number of training programmes	Number of participated	Sponsorship
Training trainees	24	486	Treasury Provisions
	22	498	SSD Programme
Trained trainees who expect to commence enterprises	57	1768	SSD Programme
Train trainers	01	23	SSD Programme

Challenges

- No sufficient financial and physical facilities to the demand arisen after the commencement of courses with free of charge.
- No more trend of the youth to the courses with craft level which has high labour demand in the industry sector.
- More trials have to be taken to attract the youth for the vocational training.
- Face to a high competition with the non government organizations and other institutions of vocational training since the inadequate facilities available with compare to them.
- Should have to be competitive with the institutions that provide vocational training.
- Broad publicity programmes should have to be launched to aware the society on the importance of vocational training and to develop attitudes.
- No adequate financial facilities to provide infrastructure facilities for the vocational training centers.
- Inability to provide equal facilities for each training center implemented in island wide.
- Inadequate capital and recurrent provisions allocated by the government for the VTA as an Institution which provides the services.
- Minimize the mismatch between training areas and the job demand.
- Dearth of instructors with knowledge, ability, experience to implement the training activities by using new technology to develop the quality of the training activities and the inability to provide high salaries for them.

FORWARD**FINANCIAL STATEMENT FOR THE YEAR ENDED
31ST DECEMBER 2017****Vocational Training Authority of Sri Lanka**

During the year under review a total grant of Rs. 2,103,412,397.13 was released to the Authority by the Treasury, Ministry, Skill Sector Development Project and other Organizations.

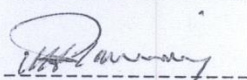
In addition to that, VTA has earned its own income from part Time Courses. The details are given below.

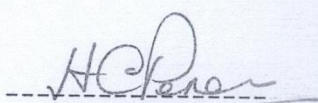
1.1 Government Grant	Allocation (Rs)	Amount Released (Rs)
Treasury Grant - Recurrent	1,305,195,000.00	1,243,627,000.00
Ministry - Recurrent	150,000,000.00	124,146,500.00
Income	10,000,000.00	42,808,491.56
Special Allowance for EPF & ETF(2006 - 2015)	67,746,000.00	67,746,000.00
Treasury Grant - Capital	160,000,000.00	141,000,000.00
Skill Sector Development Project	799,000,000.00	431,917,607.54
Ministry of Skill Development & Vocational Training	52,320,000.00	23,215,188.46
Other	28,951,609.57	28,951,609.57
Total	2,573,212,609.57	2,103,412,397.13

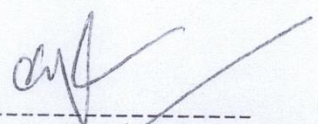
The Financial Statements for the year ended 31st December 2017 with following components are presented here with for the approval of the Board of Directors.

Component of the Financial Statement:

01. Statement of Financial Position as at 31st December 2017
02. Statement of Financial Performance for the year ended 31st Dec.2017
03. Cash flow statement for the year ended 31st December 2017
04. Statement of changes in Net Assets for the year ended 31st December 2017
05. Notes to the Financial Statement


H.U. Kariyawasm
Director (Finance)


Chulangani Perera
Director General


Eng. (Dr.) Lionel Pinto
Chairman/CEO

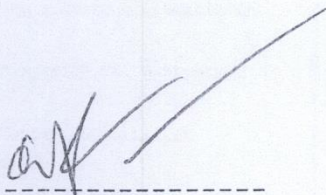
Date: -

STATEMENT OF THE CHARIMAN ON BEHALF OF THE BOARD

THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2017
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA


The Financial Statements of the Vocational Training Authority of Sri Lanka for the financial year ended 31st December 2017 have been prepared in accordance with the Sri Lanka Accounting Standards and in the form and manner specified by the Vocational Training Authority of Sri Lanka Act No. 12 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 2017 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka.

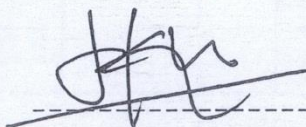


Chairman/CEO
On behalf of the Board of Directors
Vocational Training Authority of Sri Lanka

Date: -



Director of the Board



Director of the Board

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

	Note	2017 (Rs.)		2016 (Rs.)	
ASSETS					
Non - Current Assets					
Property Plant and Equipment	2	5,227,442,549.68		5,330,639,585.32	
Capital Work in progress	3	211,008,032.78		90,229,551.49	
Other Financial Assets					
Fixed Deposit			5,438,450,582.46	25,000.00	5,420,894,136.81
Current Assets					
Inventories	4	28,614,548.21		28,570,273.97	
Receivables	5	90,640,452.75		32,781,572.35	
Staff Loans	6	47,151,819.23		44,838,181.41	
Cash and Cash equivalent	7	62,377,124.97	228,783,945.16	158,485,123.25	264,675,150.98
TOTAL ASSETS			5,667,234,527.62		5,685,569,287.79
EQUITY & LIABILITIES					
Accumulated Surplus (Deficit)		(800,736,885.49)		(662,725,978.73)	
Revaluation Surplus		2,319,991,544.97		2,319,991,544.97	
Gov. Grant - Capital	8	13,472,995.59		41,073,032.86	
Differed Income Grant	9	3,612,371,847.75	5,145,099,502.82	3,525,654,108.23	5,223,992,707.33
Non - Current Liabilities					
Provision for Gratuity	10	369,317,480.50	369,317,480.50	306,151,954.50	306,151,954.50
Current Liabilities					
Payables	11	115,635,953.30		130,078,518.69	
Accrued expenses	12	37,181,591.00	152,817,544.30	25,346,107.27	155,424,625.96
TOTAL EQUITY & LIABILITIES			5,667,234,527.62		5,685,569,287.79

The Significant Accounting Policies and the notes from pages 11 to 25 from and intergral part of these financial statements.

Certification

We Certify that the above Financial Statements give a true and fair view of affairs as at December 31st 2017 and its surplus/(Defecit) for the year ended December 31st 2017

H.U.Kariyawasam
Director Finance

Chulangani Perera
Director General

Eng.(Dr)Lionel Pinto
Chairman/CEO

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 2017
(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

Description	Note	2017 (Rs.)	2016 (Rs.) (restated)
<u>Operating Revenue</u>			
Recurrent Grant - Treasury		1,311,373,000.00	1,286,473,000.00
Recurrent Grant -Ministry		124,146,500.00	
Differed Income Grant		391,658,290.56	397,269,169.33
<u>Other Income</u>			
Other Income	13	15,585,489.59	162,511,058.88
Production Unit Income (Net)	14	27,223,001.97	16,654,668.05
Fund Received For Special projects	15	170,201,432.45	183,442,634.76
Total Revenue		2,040,187,714.57	2,046,350,531.02
<u>Operating Expenses</u>			
Staff Cost	16	1,178,946,782.88	1,029,757,756.74
Travelling	17	16,854,072.80	12,635,948.30
Supplies and consumable used	18	38,894,473.76	31,200,501.73
Maintenance	19	31,781,580.92	34,147,205.06
Contractual services	20	162,318,073.91	146,287,710.67
Training material		108,104,905.28	92,250,834.64
Staff Training		3,159,306.60	4,276,341.81
Promotional & Carrier Guidance		18,764,912.42	15,111,270.23
Job placement, Research & Entrepreneurship	21	12,187,281.00	12,556,755.36
Depreciation		391,658,290.56	397,269,169.33
Other operating expenses	22	39,268,294.68	53,927,245.60
Expenditure on Special projects	23	170,201,432.45	183,442,634.76
Finance Cost	24	163,513.16	207,089.01
Total Operating expenses		2,172,302,920.42	2,013,070,463.24
Net Surplus /(Deficit) for the period		(132,115,205.85)	33,280,067.78
Statements of Accumulated Surplus/Deficit			
As at 1st January as reported previously		(662,725,978.73)	(752,188,530.98)
Prior Year Adjustment	25	(5,895,700.91)	56,182,484.47
As at 1st January as Restated		(668,621,679.64)	(696,006,046.51)
Net surplus/(deficit) for the period		(132,115,205.85)	33,280,067.78
Balance as at 31st December		(800,736,885.49)	(662,725,978.73)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st DECEMBER 2017

	2017 (Rs.)	2016 (Rs.)
<u>Operating Activities</u>		
Surplus /(deficit)for the period	(132,115,205.85)	33,280,067.78
Prior year adjustment		
Adjustment for:		
Depriciation	391,658,290.56	397,269,169.33
Amortization of deffered income grant	(391,658,290.56)	(397,269,169.33)
Gratuity provision	74,985,951.80	(56,687,929.47)
Gratuity paid	(11,820,425.80)	(10,984,024.03)
Prior year adjustment	(5,895,700.91)	56,182,484.47
(Increase) / Decrease in receivables	(57,858,880.40)	(4,923,174.12)
(Increase) / Decrease in Staff Loans	(2,313,637.82)	525,562.25
Increase/(Decrease) in payable	(14,442,565.39)	39,302,739.98
Increase/(Decrease) in accrued expenditure	11,835,483.73	4,358,339.59
(Increase)/Decrease in inventories	(44,274.24)	1,756,058.34
Net cash flow from operating activities	(137,669,254.88)	62,810,124.79
<u>Investing Activities</u>		
Purchases of property plant & Equipment	(289,613,789.28)	(468,772,908.25)
Work in Progress	(120,778,481.29)	38,690,795.58
Fixed Deposit	25,000.00	
Net cash flows from investing activities	(410,367,270.57)	(430,082,112.67)
<u>Financing Activities</u>		
Government Grant Capital	141,000,000.00	111,500,000.00
Other Income Grant	310,928,527.17	323,520,112.10
Net cash flow from Financing Activities	451,928,527.17	435,020,112.10
Net increase/decrease in cash & cash Equivalents	(96,107,998.28)	67,748,124.22
Cash & cash equivalents at beginning of period	158,485,123.25	90,736,999.03
Cash & cash equivalents at end of period	62,377,124.97	158,485,123.25

**VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31ST DECEMBER**

Description	Accumulated Fund	Government Grant Capital	Differed Income Grant	Revaluation Surplus	Total
Balance as at 1 st January 2016	(752,188,530.98)	36,138,943.05	3,492,008,442.35	2,319,991,544.97	5,095,950,399.39
Opening balance Adjustments	56,182,484.47				56,182,484.47
Opening balance reststed	(696,006,046.51)	36,138,943.05	3,492,008,442.35	2,319,991,544.97	5,152,132,883.86
Grant received during the year		111,500,000.00			111,500,000.00
Amount transferred to differed income Grants		(106,565,910.19)	430,086,022.29		323,520,112.10
Amortization for the year			(397,269,169.33)		(397,269,169.33)
Surplus / (Deficit) for the year	33,280,067.78				33,280,067.78
Balance as at 31 st December 2016	(662,725,978.73)	41,073,032.86	3,524,825,295.31	2,319,991,544.97	5,223,163,894.41
Balance as at 1 st January 2017	(662,725,978.73)	41,073,032.86	3,524,825,295.31	2,319,991,544.97	5,223,163,894.41
Opening balance Adjustments	(5,895,700.91)	(1,152,534.36)	828,812.92		(6,219,422.35)
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 31 st 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

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.

Notes to the Financial Statements

2 Property, Plant & Equipment

	Land	Building & Improvement	Motor Vehicles	Furniture & Fittings	Training Equipment	Office Equipment
<u>Cost or Valuation</u>						
At the beginning of the year	1,758,758,726.44	3,331,745,320.70	299,509,825.43	272,959,665.54	1,942,455,990.29	114,892,740.94
Additions during the year	2,098,601.37	39,077,657.79	1,747,450.00	48,802,977.63	149,408,709.20	2,289,256.15
At the end of the year	1,760,857,327.81	3,370,822,978.49	301,257,275.43	321,762,643.17	2,091,864,699.49	117,181,997.09
<u>Accumulated Depreciation</u>						
At the beginning of the year		949,955,846.93	233,691,798.30	119,376,482.66	1,230,362,251.83	45,371,079.38
Charge for the year		121,043,356.58	16,891,369.28	20,238,616.05	172,300,489.53	14,362,183.54
At the end of the year		1,070,999,203.51	250,583,167.58	139,615,098.71	1,402,662,741.36	59,733,262.92
<u>Written Down Value</u>						
As at 31st December 2017	1,760,857,327.81	2,299,823,774.98	50,674,107.85	182,147,544.46	689,201,958.13	57,448,734.17
As at 31st December 2016	1,758,758,726.44	2,381,789,473.77	65,818,027.13	153,583,182.88	712,093,738.46	69,521,661.56

2.1 Adjustment to the Opening Balance

Cost				Depreciation	
Assets Category	Opening Balance Before Adjustment	Adjustment made	Opening Balance After Adjustment	Assets Category	
Motor Vehicles	298,580,398.43	929,427.00	299,509,825.43	Motor Vehicles	
Furniture & Fittings	272,736,558.18	223,107.36	272,959,665.54	Furniture & Fittings	
Total	571,316,956.61	1,152,534.36	572,469,490.97	Total	

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	2017	2016
		Rs.	Rs.
3	<u>Capital Work in Progress-Buildings</u>		
	Ampara	99,442.00	99,442.00
	Anuradapura	17,636,270.56	3,216,293.70
	Badulla	5,980,021.34	475,778.37
	Batticaloa	158,850.00	158,850.00
	Colombo	2,811,638.29	4,108,793.41
	Gampaha	15,451,056.64	5,113,792.27
	Galle	54,125,144.87	17,511,596.07
	Hambantota	19,053,095.65	18,893,980.70
	Jaffna	5,372,084.95	4,881,477.70
	Kandy	597,183.96	651,415.23
	Kalutara	11,803,640.99	4,556,090.07
	Kegalle	11,006,826.00	4,451,260.57
	Kurunegala	11,197,276.48	5,892,496.36
	Matara	431,662.03	273,395.00
	Mathale	5,186,260.25	-
	Monaragala	27,280,161.07	5,970,380.77
	Nuwara Eliya	14,857,478.63	7,965,454.41
	Rathnapura	7,959,939.07	6,009,054.86
		211,008,032.78	90,229,551.49
4	<u>Inventories</u>		
	Training Materials	21,156,683.90	21,916,262.21
	Stationary	6,050,791.05	5,904,978.19
	Other Consumables	1,407,073.26	749,033.57
		28,614,548.21	28,570,273.97
5	<u>Receivables</u>		
	Advances for programs	60,250.00	344,105.00
	Advance payment for Land	18,032,000.00	
	Mobilization advance for construction	51,104,293.87	
	Deposits	559,750.00	559,750.00
	Ministry of Vocational Training & Rural Industrial	3,548,334.94	3,930,931.24
	Receivable course fees	17,141,025.00	19,458,199.10
	Receivable salary	355,573.67	679,882.55
	Shortage of income	11,732.00	11,732.00
	State Organizations	1,964,635.71	3,035,710.16
	Trade & Other receivables	3,233,673.21	11,266,498.70
	Vehicle Service Income Receivables	142,155.00	461,405.00
		96,153,423.40	39,748,213.75
	Less:- Provision for Bad Debts	(5,512,970.65)	(6,966,641.40)
		90,640,452.75	32,781,572.35

Notes to the Financial Statements

	Note	2017	2016
		Rs.	Rs.
6	<u>Staff Loans</u>		
	Balance at the beginning of the year	44,838,181.41	45,363,743.66
	Add: Loans granted during the year	48,626,012.02	45,279,105.65
		93,464,193.43	90,642,849.31
	Less: Repayments during the year	(46,312,374.20)	(45,804,667.90)
		47,151,819.23	44,838,181.41
	Balance at the end of the year	47,151,819.23	44,838,181.41
7	<u>Cash & Cash Equivalents</u>		
	Gold coins	104,000.00	104,000.00
	<u>Cash at Banks</u>		
	Cash in hand	30,120.00	35,545.00
	Cheque in hand	123,600.50	487,160.00
	Peoples Bank	62,119,404.47	157,858,418.25
		62,377,124.97	158,485,123.25
7.1	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.		
8	<u>Government Grant - Capital</u>		
	Balance at the beginning of the year	41,073,032.86	36,138,943.05
	Less:-Opening balance Adjustment	(1,152,534.36)	
	balance as reststed	39,920,498.50	36,138,943.05
	Add: Grants received during the year	141,000,000.00	111,500,000.00
		180,920,498.50	147,638,943.05
	Less: Transfers to Differed Income Grant	(167,447,502.91)	(106,565,910.19)
	Balance at the end of the year	13,472,995.59	41,073,032.86

Notes to the Financial Statements

	Note	2017	2016
		Rs.	Rs.
11 Payables			
Audit Fees		1,493,435.00	993,435.00
Cashier Deposit		-	25,000.00
Course fee payable		801,552.40	4,047,151.40
Deposit		111,000.00	128,500.00
Employee Provident Fund		15,175,420.51	15,515,306.90
Employee Trust Fund		2,276,313.78	2,327,296.34
Lecture fees		6,719,687.50	3,091,600.00
Other Payables		7,668,475.42	11,849,030.05
Project funds Payable		14,114,848.97	21,028,772.00
Received in Advance		544,575.00	798,200.00
Refundable Tender Deposit		1,621,303.51	2,049,356.51
Retention Money		20,474,765.13	23,928,862.47
Salary payable		1,328,976.79	287,607.05
Staff Incentive payable		124,050.00	38,200.00
Student insurance scheme	11.1	37,883,500.00	38,354,000.00
Trade Creditors		5,186,177.93	3,691,563.32
Mobile phone reserve			1,818,537.09
W & O.P		111,871.36	106,100.56
		115,635,953.30	130,078,518.69

11.1 Student insurance scheme

At the bigining of the year	38,354,000.00	24,905,500.00
Add :-Contribution during the year	37,000.00	13,948,500.00
	38,391,000.00	38,854,000.00
Less :- Payments during the year	(507,500.00)	(500,000.00)
Balance at end of the year	37,883,500.00	38,354,000.00

Notes to the Financial Statements

	2017	2016
Note	Rs.	Rs.
12 <u>Accrued expenses</u>		
Carrier Guidance	167,930.00	171,190.00
Electricity	2,704,517.47	2,188,615.30
Examination & Evaluation	343,142.00	677,400.00
Fuel & Lubricant	99,000.00	8,903.00
Janitorial Services	1,164,190.00	602,937.40
Maintenance	1,888,912.81	2,017,703.72
News papers & periodicals	15,770.00	30,760.00
On The Job Training Payable	153,500.00	42,500.00
Overtime & Holidaypay	970,857.54	1,052,956.89
Part Time Expenses Payable	19,092,252.77	4,931,902.90
Promotional Activities	350,901.00	3,236,096.57
Rent, Rates & Taxes	299,025.84	334,468.17
Season tickets	1,503,392.24	781,266.90
Security Charges	3,261,194.82	3,794,772.20
Stipend	2,509,000.00	1,869,300.00
Telephone	1,398,632.46	2,750,772.62
Transport	34,000.00	65,900.00
Travelling	663,254.10	524,881.95
Water	562,117.95	263,779.65
	37,181,591.00	25,346,107.27

Notes to the Financial Statements

	Note	2017	2016
		Rs.	Rs.
13 Other Income			
Auction Income		1,907,145.18	2,147,364.50
Course fees		1,782,800.00	131,818,200.00
Canteen income		247,625.00	235,900.00
Company registration		66,500.00	54,000.00
Daily Diary		2,000.00	3,225,000.00
Enterprenure Development programmes		134,000.00	66,000.00
Fines		766,404.86	61,956.00
Hall Income		1,224,450.00	2,005,430.00
Hostel Fees		286,500.00	223,500.00
Katharagama circuit Bangalow		439,230.00	446,585.00
Loan Interest		1,892,726.47	1,765,256.36
Miscellaneous		2,200,308.00	2,219,406.44
Non Refundable Tender deposit		506,500.00	791,500.00
Record Book		5,000.00	5,629,600.00
Registration fees		34,800.00	8,952,300.00
Sale Finish goods		358,352.85	287,098.75
Savings A/C Interest		1,661,747.23	1,455,361.83
Supplier Registration		944,500.00	519,400.00
English Book Income		580,200.00	607,200.00
Exam Fees		544,700.00	-
		15,585,489.59	162,511,058.88

Notes to the Financial Statements

Note	2017	2016
	Rs.	Rs.
14 <u>Production Unit Income</u>		
Earning 10%	894,310.50	594,733.25
Income from Part time courses	17,920,717.96	8,098,127.27
Printing School -Narahenpita	72,698.93	1,655,574.82
Recognition of prior learning (RPL)	7,484,909.48	5,257,709.43
Sipsala bojun narahenpita	-	16,446.50
Trade test	23,444.00	16,500.00
Thalalla restaurant	96,709.31	107,906.75
T - Shirt income	-	181,450.00
Vehicle Service	62,040.00	108,360.05
Other Production Income	668,171.79	617,859.98
	27,223,001.97	16,654,668.05

Notes to the Financial Statements

Note	2017	2016
	Rs.	Rs.
15 <u>Funds on Special Projects</u>		
Ministry of Youth Affaires & Skills Development - A/L student programme	41,300.00	130,725.00
Skill sector development project	141,890,720.82	153,114,359.42
Funds on GIZ	74,260.00	609,531.99
Funds on ILO	2,272,720.17	5,114,231.17
Funds on Budget Proposal	23,215,188.46	23,608,531.18
Funds on WUSC Project	2,703,288.00	865,256.00
Funds on District Secretariat Galle	3,955.00	
	170,201,432.45	183,442,634.76
16 <u>Staff Cost</u>		
E.P.F. & E.T.F.	202,544,440.55	166,084,956.43
Other Allowance	341,168,211.00	404,872,812.05
Salaries & overtime	560,248,180.53	458,799,988.26
Staff Gratuity	74,985,950.80	-
	1,178,946,782.88	1,029,757,756.74

Notes to the Financial Statements

	Note	2017	2016
		Rs.	Rs.
17	<u>Travelling</u>		
	Accommodation Expenses	473,310.00	653,293.00
	Domestic	7,013,762.10	7,370,473.58
	Foreign	7,346,403.20	3,040,313.57
	Varification Expenses	2,020,597.50	1,571,868.15
		16,854,072.80	12,635,948.30
18	<u>Supplies and Other Consumables</u>		
	Fuel & Lubricant	15,619,887.73	13,553,344.51
	Others	2,012,302.04	2,017,800.99
	Stationary & Office Requisites	15,037,198.50	10,249,669.23
	printed Materials	6,225,085.49	5,379,687.00
		38,894,473.76	31,200,501.73
19	<u>Maintenance</u>		
	Building	11,575,232.28	10,426,012.39
	Office Equipment	834,578.21	0.00
	Plant & Machinery	6,845,968.13	9,515,292.54
	Vehicle	12,525,802.30	14,205,900.13
		31,781,580.92	34,147,205.06
20	<u>Contractual Services</u>		
	Advertisement	4,318,234.50	4,429,622.25
	Audit Fees	500,000.00	500,000.00
	Consultation & Professional Fee	707,201.93	960,000.00
	Electricity	49,697,300.81	47,614,556.80
	Hire Charges	3,851,087.32	400,000.00
	Insurance	3,578,375.74	2,779,876.62
	Janitorial service	11,844,076.00	8,755,895.04
	News Papers & Periodicals	491,002.00	485,743.00
	Postal Charges	1,270,647.10	1,328,322.97
	Rent , Rates & Taxes	7,576,249.70	7,316,886.85
	Security Charges	38,504,707.03	36,180,587.36
	Staff Welfare & Other	2,340,367.00	1,042,578.70
	Telephone Charges	23,730,250.74	21,883,045.90
	Transport	2,950,982.00	2,616,785.00
	Water	10,957,592.04	9,993,810.18
		162,318,073.91	146,287,710.67

Notes to the Financial Statements

Note	2017	2016
	Rs.	Rs.
21 <u>Job placement, Research & Entrepreneurship</u>		
Curriculum Development	504,705.00	311,585.00
On the Job Training & Monitoring	9,107,155.00	9,526,318.00
Entrepreneurship Programs	819,189.51	1,000,748.25
Job Placement	712,442.89	931,487.61
Research & Tracer study	294,770.00	376,228.00
Private public partnership	749,018.60	410,388.50
	12,187,281.00	12,556,755.36
22 <u>Other Operating Expenses</u>		
Discount 10 %	-	64,000.00
Discount Cost For Training Courses 50 %	-	2,844,650.00
Examination & Evaluation	3,644,629.00	6,190,224.46
Free Courses Cost	-	1,942,300.00
Honorarium	647,600.00	1,040,200.00
Approved Dropouts	-	3,074,889.00
Legal Fees	172,250.00	185,250.00
Miscellaneous	6,058,840.32	5,826,632.65
Quality Management Accreditation	2,294,508.07	1,950,254.30
Season Tickets	5,733,874.03	5,245,260.94
Special Training Programme	335,586.00	757,565.50
Stipend Allowance	19,341,763.00	22,022,263.45
Tools & Consumables	992,384.26	2,431,255.30
Unrecovered insurance from students	-	298,500.00
unsettled course fees	-	54,000.00
Training Monitoring	46,860.00	-
	39,268,294.68	53,927,245.60

Notes to the Financial Statements

	Note	2017	2016
		Rs.	Rs.
23	<u>Expenditure on Special Projects</u>		
	Ministry of Youth Affaires & Skills Development - A/L student programme	41,300.00	130,725.00
	Skill sector development project	141,890,720.82	153,114,359.42
	Expenditure for GIZ	74,260.00	609,531.99
	Expenditure for ILO	2,272,720.17	5,114,231.17
	Expenditure for Budget Proposal	23,215,188.46	23,608,531.18
	Expenditure for WUSC Project	2,703,288.00	865,256.00
	Funds on District Secretariat Galle	3,955.00	
		170,201,432.45	183,442,634.76
24	<u>Finance Cost</u>		
	Bank Chages	163,513.16	207,089.01
		163,513.16	207,089.01

Notes to the financial statement

25. Prior year Adjustment

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

Description	Dr	Cr	Net Effect
Retention Money		1,171,969.10	
Rehabilitation of Vehicle		929,427.00	
Advance Payment For Mobile		1,818,537.09	
Drop Out	9,815,634.10		
TOTAL	9,815,634.10	3,919,933.19	5,895,700.91

As a result of the above adjustments, the surplus of Rs. 33,280,067.78 related to the year 2016 will be decreased as Rs. 27,384,366.87 in 2017.

26. Commitments and Contingencies

a) Litigation against the authority

The court cases pending were as follows

Court		
	31.12.2017	31.12.2016
Supreme Court	02	02
District Court	01	01
Labor tribunal	02	01
Labor Department inquiries	01	-
Total	06	04

b) Capital Commitments

There were no material capital commitments as at 31.12.2017

27. Adjustment for cost of Unusable assets (Property, Plant, & Equipment)

Already auction items identify in the assets verification held in year 2013,2014,2015,2016 and 2017 and some of items are auction & destroyed in 2014, 2015 and 2016 the book value of the above item will be adjusted to property plant & equipment (Fixed Assets) in the year 2018.

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. TVEC project fund payable

Balance of the TVEC project as at 31st December 2014 Rs. 10,427,341.81 which was granted accreditation to the courses. Up to now related course equipment's already has been purchased, therefore, those equipments value will be adjusted in year 2018.

30. Net deficit for the period

In the statement for year 2017, there is a deficit of Rs. 132 million and following reasons contributed for the above deficit

1. Gratuity provision of Rs.74 million was already deducted as expenditure
2. Full amount of the total allocated treasury funds for 2017 was not released to the authority.

Vocational Training Authority of Sri Lanka
Trial Balance as at 31st December 2017

Description	Dr.	Cr.
Acquisition of Capital Assets		
Acquisition of Land & Land improvement	1,760,857,327.81	
Acquisition of Buildings and Improvement	3,370,822,978.49	
Acquisition of Computer Equipments	496,890,369.84	
Acquisition of Electrical Equipments	8,644,825.81	
Acquisition of Furniture & Fittings	321,762,643.17	
Acquisition of Motor Vehicles	301,257,275.43	
Acquisition of Office Equipments	117,181,997.09	
Acquisition of Plant & Machinery	106,334,608.05	
Acquisition of Training Equipments	2,091,864,699.49	
Provision For Depreciation		
Provision For Dep. Buildings and Improvement		1,070,999,203.51
Provision For Dep. Computer Equipments		344,585,262.22
Provision For Dep. Electrical Equipments		6,159,897.99
Provision For Dep. Furniture & Fittings		139,615,098.71
Provision For Dep. Motor Vehicles		250,583,167.58
Provision For Dep. Office Equipments		59,733,262.92
Provision For Dep. Plant & Machinery		73,835,541.21
Provision For Dep. Training Equipments		1,402,662,741.36
Capital Work in Progress		
Work in Progress - Building structures	211,008,032.78	
Investment		
Fixed Deposit		
Inventories		
Training Material	21,156,683.90	
Stationary	6,050,791.05	
Other Consumables	1,407,073.26	
Other Receivables		
Advances For Programms	60,250.00	
Advance payment for Land	18,032,000.00	
Mobilization advance for construction	51,104,293.87	
Deposits	559,750.00	
Ministry of Yourth Affairs & Skills Deve	3,548,334.94	
Vehicle Service Income Receivable	142,155.00	
Receivable Course Fee	17,141,025.00	
Salary Receivables	355,573.67	
Shortage Of Income	11,732.00	
State Organization	1,964,635.71	
Trade & Other receivables	3,233,673.21	
Provision for Bad Debts		5,512,970.65
Staff Loan		
Distress Loan	46,610,569.22	
Festival Advance	541,250.01	
Cash & Cash Equivalent		
Gold coin	104,000.00	
Bank Accounts		

Ampara	592,048.76	
Anuradhapura	107,992.11	
Badulla	227,266.63	
Batticaloa	1,594,023.38	
Colombo	132,018.90	
Galle	769,597.46	
Gampaha	33,736.40	
Hambantota	9,062.14	
Head Office.	48,424,767.57	
Jaffna	472,618.73	
Kalutara	372,224.66	
Kandy	257,800.61	
Kegalle	697,663.06	
Killinochchi	607,109.33	
Kurunegala	189,901.37	
Matale	506,828.78	
Matara	97,972.43	
Monaragala	544,253.84	
Nuwaraeliya	880,327.23	
NVTI - Baddegama	336,692.99	
NVTI - Mirijjawila	393,277.89	
NVTI - Narahenpita	1,150,219.81	
NVTI - Niyagama	609,362.20	
NVTI - Orugodawaththa	109,992.52	
NVTI - Rathmalana	505,688.40	
NVTI - Thalalla	234,748.50	
Polonnaruwa	90,541.07	
Puttalam	462,665.25	
Rathnapura	574,962.36	
Trincomalee	216,249.72	
Vavuniya	917,790.37	
Cash-in-hand	30,120.00	
Cheque in hand	123,600.50	
Government Grant Capital		13,472,995.59
Government Grant (Treasury) - Recurrent		1,311,373,000.00
Government Grant (Ministry) - Recurrent		124,146,500.00
Differed Income Grant - Recurrent		391,658,290.56
Reserves & Surplus		
Differed Income Grant		3,612,371,847.75
Provision for Grauity		369,317,480.50
Revaluation Surplus		2,319,991,544.97
Payables		
Audit Fee Payable		1,493,435.00
Course Fee Payable		801,552.40
Deposit		111,000.00
E.P.F Payable		15,175,420.51
E.T.F. Payable		2,276,313.78
Lecture Fees Payable		6,719,687.50
Other Payables		7,668,475.42
Project Funds Payable		14,114,848.97
Received in Advance		544,575.00
Refundable Tender Deposit		1,621,303.51
Retention Money		20,474,765.13

Salary Payable		1,328,976.79
Staff Incentive Payable		124,050.00
Student insurance payable		37,883,500.00
Trade Creditors		5,186,177.93
W & O P Payable		111,871.36
Accrued Expenses		
Carrier Guidance Accrued		167,930.00
Electricity Accrued		2,704,517.47
Examination & Evaluation Accrued		343,142.00
Fuel & Lubricant Accrued		99,000.00
Janitorial Service Accrued		1,164,190.00
Maintenance Accrued		1,888,912.81
News Papers & Periodicals Accrued		15,770.00
On The Job Training Accrued		153,500.00
Overtime & holidaypay Accrued		970,857.54
Part Time Expenses Accrued		19,092,252.77
Promotional Expenses Accrued		350,901.00
Rent,Rates & Taxes Accrued		299,025.84
Season Tickets Accrued		1,503,392.24
Security Charges Accrued		3,261,194.82
Stipend Allowance Accrued		2,509,000.00
Telephone Charges Accrued		1,398,632.46
Transport Accrued		34,000.00
Traveling Accrued		663,254.10
Water Accrued		562,117.95
Other Income		
Auction Income		1,907,145.18
Course fee		1,782,800.00
Canteen Income		247,625.00
Company registration		66,500.00
Daily Diary		2,000.00
Enterpriniourship Programme		134,000.00
Fines		766,404.86
Hall Income		1,224,450.00
Hostel Fee		286,500.00
Katharagama Circuit Banglow		439,230.00
Loan Interest		1,892,726.47
Miscellaneous Income		2,200,308.00
Non Refundable Tender Deposit		506,500.00
Record Book		5,000.00
Registration Free		34,800.00
Finished Good Sales		358,352.85
Savings A/C Intetrest		1,661,747.23
Supply Registration		944,500.00
English Book Income		580,200.00
Exam Fees		544,700.00
Production Unit Income		
10% Earnings		894,310.50
Part Time Courses		17,920,717.96
Printing School Narahenpita		72,698.93
RPL		7,484,909.48
Trade Test		23,444.00
Thalalla Restuarent		96,709.31

Vehicle Service		62,040.00
Other Production Unit		668,171.79
Funds On Special Projects		
Funds on A/L Students		41,300.00
Funds on SSDP		141,890,720.82
Funds on GIZ		74,260.00
Funds on ILO		2,272,720.17
Funds on Budget proposal from ministry		23,215,188.46
Funds on WUSC Project		2,703,288.00
Funds on District Secretariat Galle		3,955.00
Staff Cost		
E.P.F. Expenses	162,033,010.14	
E.T.F. Expenses	40,511,430.41	
Other Allowance(Staff Cost)	341,168,211.00	
Salaries & Overtime	560,248,180.53	
Staff Gratuity	74,985,950.80	
Surcharge for gratuity		
Travelling		
Accomodation Expenses	473,310.00	
Travelling - Domestic	7,013,762.10	
Travelling - Foreign	7,346,403.20	
Varification Expenses	2,020,597.50	
Supplies and Other Consumables		
Fuel & Lubricant Charges	15,619,887.73	
Other Supllies	2,012,302.04	
Stationary & Office Requisites	15,037,198.50	
Printed Materials	6,225,085.49	
Maintenance		
Maintenance of Building	11,575,232.28	
Maintenance of Plant & Machinery	6,845,968.13	
Maintenance of vehicle	12,525,802.30	
Maintenance of Office Equipment	834,578.21	
Contractual Service		
Advertisement	4,318,234.50	
Audit Fees	500,000.00	
Electricity Charges	49,697,300.81	
Hire Charges	3,851,087.32	
Insurance	3,578,375.74	
Janitorial Service	11,844,076.00	
News Papers & Periodicals	491,002.00	
Postal Charges	1,270,647.10	
Rent,rates & taxes	7,576,249.70	
Security Charges	38,504,707.03	
Staff Welfare & Other	2,340,367.00	
Telephone Charges	23,730,250.74	
Transport	2,950,982.00	
Water Bill	10,957,592.04	
Consultation & Professional Fee	707,201.93	
Job Placement, Research & Enterpreneurship		
Curriculum Development	504,705.00	
On the Job Training & Monitoring	9,107,155.00	

Entrepreneurship Programs	819,189.51	
Job Placement	712,442.89	
Research & Tracer Study	294,770.00	
Private Public Partnership	749,018.60	
Other Operating Expenses		
Examination & Evaluation	3,644,629.00	
Honorarium	647,600.00	
Legal Fees	172,250.00	
Miscellaneous expenses	6,058,840.32	
Quality Management & Accrediation	2,294,508.07	
Season Tickets	5,733,874.03	
Special Training Programme	335,586.00	
Stipend Allowance	19,341,763.00	
Tools & Consumables	992,384.26	
Training Monitoring	46,860.00	
Expenditure On Special Projects		
Expenditure for A/L Students	41,300.00	
Expenditure for SSDP	141,890,720.82	
Expenditure for GIZ	74,260.00	
Expenditure for ILO	2,272,720.17	
Funds on Budget proposal from ministry	23,215,188.46	
Expenditure for WUSC Project	2,703,288.00	
Expenditure for District Secretariat Galle	3,955.00	
Finance Cost		
Bank Chages	163,513.16	
Training Materials	108,104,905.28	
Staff Training - Capacity Deve.	3,159,306.60	
Promotional Expenses	16,501,720.42	
Carrier Guidance	2,263,192.00	
Depreciation	391,658,290.56	
Profit & Loss A/C	662,725,978.73	
Prior Year Adjustment		3,919,933.19
Approved Dropouts 2015	3,135,407.60	
Approved Dropouts 2016	6,680,226.50	
	11,865,766,207.02	11,865,766,207.02



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

VTY/E/VTA/1/17/17

මගේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

09 November 2018

The Chairman,
Vocational Training Authority of Sri Lanka

Report of the Auditor General on the Financial Statements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2017 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 25 of the Vocational Training Authority of Sri Lanka Act, No.12 of 1995. My comments and observations, which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act, appear in this report.

1.2 Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.



1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



2. Financial statements

2.1 Qualified Opinion

In my opinion, except for the effect of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2. Comments on Financial Statements

The following observations are made.

(a) Sri Lanka Accounting Standard - 08

Even though, material prior period errors should be retrospectively corrected in the accounts, in terms of paragraph 41 and 42 of the standard, on the contrary, the payment of contributions relating to the period 2006 - 2015 made to the Employees Provident Fund totalling Rs.67,746,000 by the Authority had been accounted in the statement of financial performance as an expense of the year under review and as such the deficit of the year had been overstated by that amount.

(b) Sri Lanka Accounting Standard - 16

(i) Depreciation of an asset begins when it is available for use in terms of paragraph 55 of the standard. On the contrary a depreciation policy had been identified that depreciation was made for the entire year of purchase.



- (ii) In terms of paragraph 51 of the standard, the residual value and the useful life of an asset should be reviewed at the end of every financial year and if any difference arisen, it should be disclosed as changes in accounting estimates. However, the Authority had not made such adjustments and the accounting policy had not been disclosed by notes in terms of the standard.
- (iii) In terms of paragraph 29 of the standard, accounting of all Property, Plant and Equipment should be selected either the cost method or the revaluation method but the Authority had recognised both accounting methods as accounting policies in accounting.
- (iv) When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required in terms of paragraph 34 of the standard but any assets, whatsoever, had not been revalued since the year 2018.

(c) Sri Lanka Accounting Standard - 18

The accounting policy followed in the recognition of the operating revenue earned by a service providing entity should be disclosed in detail as stated in the standard in terms of paragraph 20 of the standard. However, the accounting policy on the recognition of part time Training Course income had not been recognised as required by the standard.

(d) Sri Lanka Accounting Standard - 19

In terms of paragraph 57 of the standard, the employees gratuity liability as at the end of the year under review should be computed and accounted on the basis of forecasted unit credit method, but the Authority had computed the gratuity provision based only on the last salary drawn by the employee and the service period.



2.2.2 Accounting Deficiencies

The following observations are made.

- (a) Expenditure totalling Rs.119,577,661, comprising a sum of Rs.27,021,229 payable to the Employer Provident Fund relating to the period from January 2006 to May 2015 and a sum of Rs.6,755,307 payable to the Employees Trust Fund as employers contributions and the surcharge of Rs.13,539,553 payable thereto and the employees contributions of Rs.72,261,572 of the Employees Provident Fund had not been brought to accounts as payables.
- (b) Expenses of Rs.254,364 incurred in respect of the year 2018 relating to 07 service agreements and the expenses of Rs.423,750 not recognised as accrued expenses of the year 2016 but spent in the year 2017 had been brought to accounts as expenses of the year under review.
- (c) Even though, the modernization of the Pothuvill and Rockhill Vocational Training Centres had been completed and the related expenditure had been capitalised, the expenditure of Rs.240,470 incurred for the transfer of three-phase meters to some other places relating to that modernization had further remained in the work-in-progress account.
- (d) The repair work of the roof and the truss of the motor mechanical workshop building at the Godakawela Vocational Training Centre had been completed in the year 2016 but the expenses of Rs.278,887 spent thereon had been included in the works-in-progress Account as at 31 December 2017 without being capitalised to the relevant assets account.
- (e) A sum of Rs.93,500 incurred for making a plaque for the commencement of a course at Panapitiya Training Centre had been included in the works-in-progress account.

2.2.3 Contingent Liabilities

Even though, it was ordered on a decision given by a Labour Tribunal on 23 August 2018 relating to a court case sued against the Authority by an employee to pay a compensation of Rs.3,227,737, provisions thereon had not been made in the accounts. Furthermore, necessary disclosures had not been made in the accounts in respect of 7 court cases filled by employees against the Authority and one case filed by the Authority against an employee.

2.2.4 Accounts Receivable and Payable

The following observations are made.

- (a) Loan balances of Rs.3,548,335 and Rs.527,436 receivable from the Ministry of Vocational Training and Rural Industries, remained for more than 17 years and the Nation Apprenticeship and Industrial Training Authority remained for 14 years respectively had not been recovered even by the end of the year under review.
- (b) A balance of Rs.1,437,200 due from the Laksala closed down now remained outstanding for more than 12 years had to be recovered. The Chairmen of the Authority had informed me that as the receivable balances stated in paragraph(a) and (b) above could not be recovered, the approval of the Treasury was sought to write off those balances.
- (c) The shortage of revenue amounting to Rs.11,732 brought forward since the year 2011 at the District Office, Galle had not been settled even by the end of the year under review.
- (d) A sum of Rs.1,875,747 payable to a private entity in respect of purchase of fixed assets in the year 2012 had not been settled even during the year under review, due to deficiencies in procurement process.



- (e) Contributions of Widows and Orphans Fund amounting to Rs.111,871 payable to 10 officers from 2004 to 2017 had not been settled even by the end of the year under review.

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

The following non-compliances were observed.

Reference to Laws, Rules, Regulations etc.

Non-compliance

- | | |
|--|---|
| (a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka. | |
| (i) Financial Regulation 110 | A register of losses had not been maintained in the Head Office and the District Offices in terms of Financial Regulations. |
| (ii) Financial Regulation 188 (2) | Despite 2 cheques valued at Rs.49,644 deposited in the year 2009 were not realised even by 31 December 2017, action had not been taken thereon. |
| (iii) Financial Regulation 272(3) | Originals of 13 payment vouchers totalling Rs.4,651,292 and the related bills were not made available to audit. |
| (iv) Financial Regulation 502(2) | An updated register of fixed assets had not been maintained in terms of Financial Regulation. However, the Chairmen of the Authority had informed me that the preparation of a new computerized register of fixed assets had been commenced in the year 2017 and 90 per cent of the work thereof had been completed by 18 September 2018. |



(v) Financial Regulation 571

Retention money totalling Rs.8,817,754 payable to two contractors and suppliers remained for more than 2 years and the refundable deposit of Rs.584,996 had not been settled or taken into revenue.

2.4 Transactions not supported by adequate authority

The following observations are made.

- (a) Even though, the Treasury approval should be obtained for the establishment of a fund in terms of paragraph 3.1 of the Public Finance Circular No.PF/423 of 22 December 2006, an Insurance Fund had been established without the approval of the Treasury and out of the money collected from apprentices at Rs.500 during the period 2014 to 31 December 2017, a total sum of Rs.37,883,500 had been deposited in a bank account of the authority and an insurance indemnity of Rs.507,000 had been paid during the year under review.
- (b) (i) The International Labour Organization had entered into an agreement to grant a sum of Rs.32,229,600 as an aid on 04 September 2015 with the Vocational Training Authority of Sri Lanka for the Development of 12 courses in Batticalo, Vauniya, Mannar and Ampara Districts. However, the concurrence of the Treasury had not been obtained in terms of paragraph 2 of the State Accounts Circular No.30/94 of 20 April 1994 on granting foreign Aid.
- (ii) Furthermore, the foreign aid granted by the International Labour Organization had not been given through the expenditure Head of the Line Ministry, in terms of paragraph 4.4.1 of this circular.



- (c) Contrary to the paragraph 4.5 of Chapter XIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka and without the approval of the Treasury, combined allowances at Rs.2,500 per day for staff officers and at Rs.2,000 per day for other officers had been paid for night out accommodation facilities who performed field duties on the approval of the Board of Directors.

3. Financial Review

3.1 Financial Result

According to the financial statements presented, the financial result of the year under review had been a deficit of Rs.132,115,206 as against a surplus of Rs.33,280,068 for the preceding year thus deterioration of financial results by Rs.165,395,274 in the year under review as compared with the preceding year. Even though, the receipt of recurrent grants for the year under review had exceeded by Rs.24,900,000 as compared with the previous year and a sum of Rs.124,146,500 had been received from the Ministry for recurrent grants, decrease of other income by Rs.146,925,569 and increase of personnel emoluments by Rs.149,189,026 had mainly attributed to the above deterioration.

In the analysis the financial results of the year under review and the preceding 4 years, a surplus in the year 2016 and deficits in the other years had indicated. The contribution of the Authority after consideration of employees remuneration and depreciation on non-current assets in the year 2013 amounted to Rs.1,023,595,450 and it had become Rs.1,438,489,867 in the year 2017. The contribution of the Authority had increased up to 2016 but it had dropped by Rs.31,818,127 in the year 2017.

4. Operating Review

4.1 Performance

4.1.1 Planning

- (a) The Corporate Plan prepared for the period 2014-2018 by the Authority had not been updated.



- (b) The objective of the Skills Sector Development Project was to prepare a human resources development plan, including Skills Based Promotions to the Authority and staff allowances. Nevertheless, such a plan had not been prepared until the end of the year under review and even a data base in respect of the qualification levels of instructors had not been maintained.

4.1.2 Operations and Review

The following observations are made.

- (a) The Authority had not conducted formal surveys in respect of demand and supply of Labour Market since several years and the attention had also not been drawn to maintain international relationship.
- (b) It was planned to enrol 37,239 apprentices during the year 2017 for full time and part time training programs belonging to 1,544 courses relating to 19 field and 2094 programs in 19 fields had been conducted and 36,695 apprentices had been enrolled therefor. Particulars are given below.

Field	2016		2017	
	No.of targeted enrolment of Apprentices	Actual No.of Apprentices enrolled	No.of targeted enrolment of Apprentices	Actual No.of Apprentices enrolled
- Information Technology Communication and Multi-Media Technology	7,890	7,439	8,440	9,360
- Personnel and Social	3,930	4,453	4,875	5,436
- Textiles and Garments	4,840	3,842	4,630	4,276
- Electrical electronic and Telecommunication	3,850	3,316	3,790	3,695
- Buildings and constructions	3,630	3,091	3,655	3,692
- Balance 14 fields	11,320	9,396	11,849	10,236
Total	35,460	31,537	37,239	36,695



The following observations are made.

- (i) As compared with the year 2016, it was observed that targeted enrolments in the year 2017 had increased by 1,779 out of which 1,495 had been increased in Information Technology and Personnel Development (Beauty Culture and Hair Dressing) but not in other main Vocational fields. Accordingly, it was observed that the Authority had not planned training programs, in accordance with the Labour Market requirements. As compared with the previous year, enrolment of apprentices had improved by 5,158 or 16 per cent and the drop out of courses had increased by 04 per cent as compared with the preceding year.
- (ii) During the year under review, 920 apprentices had been enrolled for the information Technology and Personal development courses, exceeding the target. It was further observed that exemption of fees from all courses in terms of government policy had caused thereto.
- (iii) Due to dearth of instructors and the causes, 354 programs belonged to full time courses planned and 215 programs belonged to part time courses had not been conducted. Of them, 56 and 52 programs had been in the fields of Motor Vehicle repairs and maintenance and building constructions respectively which were highly demand fields.
- (iv) Part time courses such as hotel and tourism, metal and light Engineering, fisheries and aqua culture planting planned to be conducted during the current year had not been conducted due to non-rendering of instructors and insufficient payments etc.



- (v) Attention of the Authority had not been paid to increase enrolments for Vocational Training Sectors such as wood related products, gem and jewellery, printing and packaging, metal and light engineering and lather footwear products related products and to introduce new areas in terms of social needs.
- (vi) It was observed that the number of courses and enrolments in the District Centres of Manner and Mullithivu and the National Centres of Batticalo, Baddegama and Mirijjawila had been very low level as compared with the capacity of those centres and action had not been taken to increase enrolments in such Districts and National Centres.
- (vii) The most number of dropouts of courses amounting to 289 was observed in Ampara District and it represented 12 per cent of the total enrolments.

(c) The following observations are made in respect of job placements

- (i) The target of the job placement in the year 2017 amounted to 8300 but the actual placements amounted to 6,661.
- (ii) Job placements in the year 2017 had dropped by 28 per cent as compared with that of the year 2016. A proper system was no available in the Authority to improve the foreign employment placements, based on the foreign job market and the foreign employment placements had been as low level as 02 per cent of the whole job placements.
- (iii) Even though, the local job placements had improved by 6 per cent as compared with the previous year, it had dropped as compared with the target by 23 per cent.



- (iv) The top place in the priority in terms of job placements as per field had sustained electrical, Electronic and Telecommunication fields, representing 971 and it had been 15 per cent as a percentage of overall job placements. However, it was observed that job placements in the field of gem and jewellery, printing and packaging, fisheries and aqua planting, lather related products had been even less than 01 per cent of the overall job placements. The courses related those fields had not been prepared and presented in terms of periodical requirements.
- (v) Job placements of trainees passed out from the training of Authority had not been followed up and a data base in that regard was not available in the Authority and as such the correctness of number of job placements could not be established in audit.
- (d) The following observations are made in respect of the functions of the Research and Development Division.
- (i) Even though, a sum of Rs.1.5 million had been allocated to complete 4 researches and studies in respect of research and development of the Authority for the year under review, only one study had been completed during the year under review.
- (ii) Research on “trater study on persons acquired Vocational Training – Kurunegala, Anuradhapura and Polonnaruwa Districts 2014/2015” included in the action plan of the year 2017 had not been conducted.



- (iii) The study to inquiry into causes why the instructors of the Authority vacate the service and the research study on the identification of reasons to decrease the participation of trained beneficiaries who had completed the training of the Authority in the final evaluation and to minimise the tendency of obtaining certificates had to be completed during the year 2017 but those studies had been at a primary stage.
- (iv) Five feasibility studies, not included in the Action Plan for the year 2017 had been conducted by the Planning, Research and Development Division during the year under review. Even though, the main objective of the research division is to conduct research and studies by identifying periodical requirements in the Vocational Training field, a sufficient attention was not paid in that connection.
- (e) A sum of Rs.1 million had been provided for the rehabilitation of lands in other districts and the rehabilitation had been carried out in Hingurangoda Vocational Training Centre, National Centre at Narahenpita and lands in Anuradhapura District office by incurring an expenditure of Rs.2,098,601. A sum of Rs.1,098,601 had been spent, exceeding the allocated amount.

4.2 Management Activities

The following observations are made.

- (a) It was observed that security officers employed in security services at the Head Office of the Vocational Training Authority of Sri Lanka and its district centre during the year 2017 had served continuously for periods ranging from 5 to 28 days. Therefore, it was observed that the service of a security officer could not be performed as expected and it would be contradictory to the provisions in Labour Laws.



- (b) A sum of Rs.322,232 had been paid out of the Authority's Fund in respect of damages caused to a third party by a motor vehicle met with an accident on 20 February 2017 and the value of loss had not been reimbursed from the relevant insurance company.
- (c) Due to delay in making payment of Rs.27,098,089 as 3 per cent contributions to the Employees Trust Fund Board on cost of living allowances for the period 2006 to May 2015 on behalf of employees of the Authority, a surcharge of Rs.13,549,044 had been imposed by the Employees Trust Fund Board on 07 July 2017. The Director General of National Budget had informed in the year 2016 that this money should be recovered from the responsible officers for the delay. Accordingly, the Chief Financial Officer of the Ministry had directed that the manner how to recover the surcharge be informed. Nevertheless, the Authority had not taken action to initiate disciplinary action against those officers being identified. Despite, no budgetary provision was available for the payment of surcharge in the Authority, the Finance Division had put up the Board paper No.02 on 24 July 2018 and sought the approval of the Board of Directors to complete the payments in 12 instalments.

4.3 Operating Activities

The following observations are made.

- (a) A motor vehicle had been obtained from a private entity on rent basis during the period from 27 October 2017 to 27 November 2017 for the Vice Chairmen of the Authority. As payments had been made for 601 km in excess of the distance travelled stated in the running chart, an overpayment of Rs.21,035 had been made. Despite, this motor vehicle had not been operated in November 2017 in terms of running charts, a sum of Rs.74,500 had been paid for 780 liters of fuel.

- (b) Despite, a motor vehicle had been assigned to the Chairmen of the Authority, a motor vehicle had been taken on rent basis at a monthly rental of Rs.90,000. A sum of Rs.54,267 had been spent for the supply of fuel in excess of the fuel limit approved for the assigned vehicle of the Chairmen.
- (c) Fixed assets, disposed of subsequent to the year 2009 had not been adjusted to the Register of fixed assets. Even though, 185,948 items of fixed asset items belonged to 9 classes of assets costing Rs.8,576 million as at 31 December 2017 existed, a coding system for the identification of individual item physically was not in use by the Authority. As such the physical existence of assets stated in the register of fixed assets could not be determined.
- (d) A sum of Rs.10,427,342 given by the Tertiary and Vocational Education Commission during the period 2011 to 2014 for the purchase of training, equipment had not been used for that purpose and shown in the financial statements as payable balances, instead.

4.4 **Idle and Under- utilized Assets**

The following observations are made.

- (a) The Ashok Leyland Bus costing Rs.1,500,000, the written down value of which amounted to Rs.112,627 as at 31 December 2017 had retained in the District Office premises of Anuradhapura for more than 2 years without being used and another Ashok Leyland Bus costing Rs.1,100,000, the written down value of which amounted to Rs.82,593 as at 31 December 2017 had been parked in the premises of the Ampara Nindavur Vocational Training Centre for more than one year without being used.

- (b) As the applicants had not applied for the heavy vehicles training in the Galle District Koggala Vocational Training Centre, the training functions had not been commenced and as such the bus attached thereto in the year 2016 for training functions had been parked in the premises of the Training Centre, being idle for more than one year.

4.5 Personnel Administration

The following observations are made.

- (a) The officer who held the post of Chief Internal Auditor had been appointed for the Post of Director Finance since 05 May 2015 for acting on full time basis and he had been confirmed in that post since 03 September 2018. Therefore, the Chief Internal Auditor post had fallen vacant since May 2015 but the Authority had not taken action to recruit a qualified permanent officer for that post.
- (b) The approved and actual cadre of the Authority as at 31 December 2017 stood at 2,371 and 1,876 respectively, being vacancies of 557. Out of vacancies, 441 had been the instructors and as such the number of target training programs could not be conducted. In approving the scheme of recruitments 149 posts in secondary and primary levels had been given, personal to those officers and the actual number of posts thereof amounted to 98.

5. Sustainable Development

5.1 Reaching Sustainable Development Goals

Every public entity should act in accordance with the 2030 agenda of the United Nations on Sustainable Development but the Vocational Training Authority of Sri Lanka was not aware about how to act in respect of the functions come under the preview of the scope of the Authority.



6. Accountability and Good Governance

6.1 Internal Audit

In terms of Management Audit Circular No.DMA/2009(i) dated 09 June 2009 and Financial Regulation 133, audit programmes should be prepared and implemented, so that the achievement of objectives expect by establishing internal audit units as stated in paragraph 7 of the above circular. Even though, an internal audit unit had been established in the year under review, consisting of 12 officers, it was observed that the objectives expected to be achieved in operating that unit had not been fulfilled, as weaknesses in planning audit programmes, implementation and follow up action thereon and engagement of pre-audit work.

6.2 Procurements and Contract Process

6.2.1 Procurements

The following observations are made.

- (a) According to the guideline 6.3.3 of the government procurement guidelines 2006, the responsibility of the bid opening rests with the Procurement Committee but an audit test check observed that the appointment of the bid opening committee members had been done by the Director (Human Resources and Administration) of the Authority.
- (b) The agreed contract period of the modification of Wellawayawatta Training Centre had been terminated as at 10 June 2017, but the works had not been completed and action had not been taken to get the period of performance bond extended in terms of guideline 5.4.8(b) of procurement guidelines of 2006.



- (c) In terms of Procurement Guideline 2.7.5 of the government procurement guidelines of 2006, a person with the subject knowledge should be appointed to the Departmental Procurement Committee but an officer with the knowledge of subject matter was not included in the procurement committee of the modification of Wellawayawattea District Training Centre contract.
- (d) Even though, the Deputy Director of the National Vocational Training Institute at Narahenpita had informed the Director (Administration) of the Authority on 23 January 2017 that the canteen should be given on lease basis to an external party by calling for competitive biddings, the appointment of Technical Evaluation Committee therefor had delayed for 7 months.
- (e) Even though, a supplier had been named and presented to the Procurement Committee on 20 November 2017 with the recommendations of the Technical Evaluation Committee after being called for bids the decision of the Procurement Committee had not been given even by 31 August 2018 and the reasons for the delay in giving the decision were not made available to audit. As a result, a new supplier had not been selected even up to the date of audit on 31 August 2018 and the canteen had been operated by the former supplier himself.
- (f) The renter of the canteen operated the canteen even up to the date of audit on 31 August 2018 since the year 2011, deviating from procurement process and even without business registration certificate had written to a letter to the Vice Chairmen of the Authority on 05 November 2017 stating that he had presented the highest rent and as he had not been given the opportunity of operating the canteen and requested a legitimacy. Even though the confidentiality of the procurement process should be protected in term of guideline 1.4.1 of the government procurement guidelines 2006 it was observed that the related parties had not protected the confidentiality of the procurement process as they had disclosed information on bid awarding process to external parties before being given the procurement decisions.



6.2.2 Weaknesses in Contract Administration

The following observations are made.

- (a) An agreement had been entered into on 19 August 2016 for the modernization of the Wellawayawatta Training Centre and the construction works should have been completed by 10 June 2017. However, after a delay of 124 days, the Authority had taken over the building on 11 October 2017 subject to rectify the defects, but the full demurrage charges had not been recovered for the number of days being delayed.
- (b) An agreement had been entered into with a private company on 07 October 2013 for the construction of a workshop building for the Mirijjawila National Vocation Training Centre, with a contractual value of Rs.42,613,557 and the work thereof should have been completed by 31 December 2014. However, the value of work done as at that date amounted to Rs.19,353,158 and due to non-handing over the building being completed the work, the construction work had been suspended since 05 January 2015. This matter was referred to a Reconciliation Board by the private company, being disagreed with that decision. According to the final bill prepared by the Authority on the instructions of a consultancy firm on 25 October 2015 a sum of Rs.3,819,000 had to be recovered from the contract company. Even though, bids had been called for again on 08 April 2016 to get the balance work completed by another construction company, the Procurement Committee met on 27 October 2016 had decided to suspend the bid evaluation process of the second call of the bid as a result of not taking a final decision in respect of the first contractor. However, the construction work of contract had been suspended for more than 3 years.



- (c) (i) An agreement had been entered into on 25 April 2017 for Rs.17,679,003 for the modification of the District Training Centre building, at Kaikawala, Matale to be completed within 180 days under the Skills Sector Development Project. While being modernised the part of concrete to which iron carps were fixed had been removed un protectively and the lack of proper supervision of an experienced supervisor the old building had been damaged and this was observed at an inspection carried out on 08 June 2017 by the Director of the construction Division of the Authority. In the preparation of original estimates it was planned to build a concrete beam on the bricks column and to fix iron carps on it. However, it was informed that new concrete column had to be constructed due to being damaged the columns when the roof was removed. Accordingly, the columns when the roof was removed. Accordingly, the approval of the Chairman was obtained to make new concrete posts at a cost of Rs.1,170,000 within the 10 per cent contingency cash limit of Rs.1,707,900 but the approval of the procurement committee had not been obtained. However, action had not been taken to recover this loss from the officers negligently performed this task.
- (ii) The concrete period of the above contract had been extended up to 10 April 2018 on the request of the contractor on such reasons that bad weather condition, reluctance to serve by workers due to threats of unidentified villages, non-payment of additional money for extra works, delays in providing information for the change of roof and delays in making payments etc. It was observed that non-provision of proper consultancy service for the extension of contract period, non-identification of boundaries properly in designing, delays in the presentation of designs had caused to this situation.



- (iii) Even though, the construction period was scheduled to be completed as at 31 January 2018, required workforce had not been used since the beginning of the project and the required raw materials were not supplied to the work site on time even though the consultancy entity and the Authority had informed the contractor from time to time. As such, the construction progress as stated in the progress Report had been only 60 per cent and the construction works were not completed even by 31 July 2018.
- (d) (i) A contract agreement had been entered into on 24 October 2014 valued at Rs.110,355,000 for the modernisation of Hotel school, Ahangama and the work should have been completed in 240 days. However, it had not been completed and handed over even by 31 December 2017. It had been modernised by changing designs from time to time as fully equipped hotel with 13 rooms modernized as luxurious rooms with a swimming pool.
- (ii) It was decided to modernize the kitchen subsequently, which was not included in the primary modification plan and the work had been awarded to another contractor on 23 December 2017 at a value of Rs.4,920,314 and due to be completed as at 12 January 2018. As the Authority not provided required designs and instructions had caused to construction delay and the period had been extended again up to 05 June 2018.
- (iii) The construction of a hotel school, the contract value of which amounted to Rs.162,707,530 under the Skills Sector Development Project funds near a separate location had been commenced on 02 February 2017 and the construction work should have been completed as at 01 August 2018 as per the agreement but the work was not completed as well. As a result, four courses holted in the year 2014 could not be started even by the year 2018 and as such the objectives of the Authority and the Skills Sector Development Project could not be achieved.



- (e) Despite, it was not planned to commence training courses in the Hotel School, training equipment valued at Rs.10,931,904 had been purchased by the Authority in the years 2015 and 2016 for the Bakery, Restaurant employees, Stuarts, cookery courses and given to the Galle District office. The physical verification carried out by the auditors on 05 May 2018 observed that due to non-availability of accommodation facilities in the District office for storing of those goods, they had been kept in 3 Vocational Training Centres and in the model Hotel school premises where modernization was being done without being used and unprotectively, un systematically and being idle. The warranty period of certain goods were lapsed and goods such as bed sheets, towels etc. had destroyed as stored unprotectively. Moreover, those goods had not been posted to the inventory books of the Galle District office and a survey of goods had also not been conducted by a Board of Survey in the years 2015, 2016 and 2017.
- (f) A stock of hotel equipment valued at Rs.6,767,868 purchased during the year 2017 and furniture valued at Rs.6,758,049 had been given to the Ahangama Hotel. As the modernization had not been completed and the knowledge to operate a Hotel was not available in the Authority, those goods and equipment had become idle. The land where the hotel was constructed belonged to the Southern Province Tourist Bureau and according to the agreement, the land had been given only to operate a training centre and as such the ability to operate a hotel had been problematic in audit.



6.3 Budgetary Control

The following observations are made.

- (a) The budget relating to the year under review had been revised in the year 2018 after being incurred expenditure and the approval of the Board of control therefor had been obtained on 27 February 2018. Accordingly, action had not been taken to revise the budget being reviewed periodically when incurring expenditure and as such it was observed that the budget had not been made use of as an effective instrument of management control.
- (b) Variances between 14 to 100 per cent were observed between the budgeted recurrent and capital expenditure and actual expenditure and as such the budget had not been used as an instrument of management financial control.

6.4 Unresolved audit paragraphs

Any action whatsoever had not been taken by the Authority in respect of the following deficiencies pointed out in my previous report.

- (a) A cab belonged to the Authority had met with an accident in the year 2003 and a Committee to inquire into that had been appointed only after 6 years in February 2009. According to that inquiry report, it was recommended that, out of the loss of Rs.421,000 incurred due to accident, a sum of Rs.185,333 from the driver the balance of Rs.235,667 from another 4 officers and the loss of spare parts valued at Rs.135,000 from the officers in charge of the vehicles had to be recovered. However, those recommendations had not been implemented even by 30 October 2017. Action in terms of Financial Regulations had not been taken in respect of the accident of the vehicle even up to the year 2015 and the vehicle was now not in a repairable position.



- (b) A sum of Rs.7,500,000 was received in February 2012 from the Sri Lanka, Tourist Promotion Bureau to be paid to the ‘Salacine’ institute for the celebration of World Tourist Day in the year 2011. The balance money of Rs.1,000,000 after making relevant payments had been taken to the revenue of the Authority without the approval of the Board of Directors in the year 2015 and action had not been taken to get the approval therefor even in the year under review.
- (c) The Kegalle District office had paid a sum of Rs.101,650 in 02 instances for the purchase of 9 toners in the years 2015 and 2016 based on fake invoices. Despite, the goods were not received to the stores, they had been posted to the stock books as receipts as per instructions of the management. The cheques had been issued in the name of another person, not stated in the payment vouchers. It was further observed that this money had been credited to a joint account of the cheque issuing officer and the female officer who dealt with purchasing and handling cheques. Even though, the Authority had conducted a preliminary inquiry and finished, the final inquiry was being conducted even by 31 July 2018.
- (d) Salaries totalling Rs.1,711,961 had been paid to an interdicted and prosecuted officer in the year 2011 on the grounds of cash discrepancies during the period 2011 to 2013 without approval and action had not been taken in this regard even by the end of the year under review.

7. **Systems and Controls**

The weaknesses in systems and controls were brought to the notice of the Director General of the Authority from time to time. Special attention is needed in respect of the following areas of controls.



Areas of systems and control

Observations

(a) Personnel Administration

- Recruitment of officers who had not satisfied the minimum qualification of recruitments.

- Not recruited permanent officers for vacancies and officers engaged in acting basis for a long period, instead.

(b) Assets Management

- Non-maintenance of a proper register of fixed assets.

- Non -use of code numbers for the identification of asset items.

- Existence of idle assets.

- Inventerization of all assets and safety of assets not ensured.

(c) Financial Control

- Segregation of functions not implemented in a manner not subjected to internal check.

- Supervision not performed systematically.

(d) Accounting

- Change of journal entries without proper approval.

(e) Contract Administration

- Performance bonds not extended prior to the expiration.



(f) Performance

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Auditor General

H.M.Gamini Wijesinghe
Auditor General

- Non-provision of specific boundaries of lands in which buildings are constructed and facilities and instructions to contractors.
- Contract works not supervised.
- Not taking action required for performance, targets, reconciliation and variances.

- 2.2.1 (a) All the payments had already been paid.
- 2.2.1 (b) (i) Rectified.
- 2.2.1 (b) (ii) Had been rectified in year 2018.
- 2.2.1 (b)(iii) Will be rectified accordingly.
- 2.2.1 (b) (iv) Will be rectified accordingly.
- 2.2.1 (b) Actions had been taken accordingly.
- 2.2.1 (c) Actions had been taken accordingly.
- 2.2.2 (a) Actions had been taken accordingly.
- 2.2.2 (b) Will be rectified accordingly.
- 2.2.2 (b) Will be rectified accordingly.
- 2.2.2 (c) Will be rectified accordingly.
- 2.2.2 (e) Will be rectified accordingly.
- 2.2.3 Cases filed against the Authority

Number of the court case	Current situation
SCFR 161 /2014	Referred to settle down. As per the order dated 08.11.2018, the petitioners had revoked the court case. Actions could be taken to close the file.
SCFR / 309/ 2014	Further hearing is scheduled to be held on 23.03.2020.
2/AD/3668/201	Appeal has been filed by the Authority against the order to close the case.
9/NE/24/2017	Further hearing is scheduled to be held on 21.01.2020.
CA/Writ/307/2 018	Scheduled to be heard on 04.03.2020.
DMR/ 1029/2014	Scheduled to be heard on 02.03.2020.
HCLT/99/18	Scheduled to be heard on 21.01.2020.

- 2.2.4 (a) Actions will be taken in future.
- 2.2.4 (b) Actions will be taken in future.
- 2.2.4 (c) Will be rectified accordingly.
- 2.2.4 (d) Payments will be done after the rectification of the file.
- 2.2.4 (e) Actions will be taken accordingly in future.
- 2.3 (a) (i) Will be rectified accordingly.
- 2.3 (a) (ii) Remained as same.
- 2.3 (a) (iii) Had been rectified.
- 2.3 (a) (iv) Had been rectified.
- 2.3 (a) (v) Will be rectified in future.
- 2.4 (a) Will be rectified in future.
- 2.4 (b) (i) Project has already been concluded.
- 2.4 (b) (ii) Project has already been concluded.
- 2.4 (c) Payments are being carried out as such up to now.
- 3.1 Actions have been taken to control the expenditure.
- 4.1.1 (a) Commenced to prepare a Corporate Plan for the period of 2020 – 2025.
- 4.1.1 (b) Ministry prepares Development Plan for SSDP project in each year.
- 4.1.2 (a) Research for attracting youth population for the courses has been commenced in 2019. Through it, new courses have also been identified.
- 4.1.2 (b) Taken actions have already been implemented.

4.1.2 (b) (i) I Actions have been taken to increase the capacity of the apprentices in each course through Training Plan in year 2019 and planned to carry out a formal monitoring through Online Monitoring System and Monitoring teams.

(ii) Actions have been taken to conduct the special short term courses for filling the gaps required for the skills development of the employees who engaged in industries and award a certificate of Record of Achievement (ROA) by conducting assessment with covering up the one or few units of the National Skills Standard in relevant occupation.

4.1.2 (b) (ii) In terms of Director Board Memorandum No 214/02, approval has been granted to charge fees for the registration of apprentices, daily record books, progress reports of trainees.

4.1.2 (b) (iii) In addition to the training programmes conducted in year 2018, actions have been taken to commence courses and training programmes in more demandable sectors in the labour market like motor vehicle repairing & maintenance and construction of buildings by joining the other public and private institutions.

4.1.2 (b) (iv) Necessary actions will be taken to conduct more number of courses in 2019 than the number of short term courses conducted in the sectors of Hotels and Tourism, Metal & Light Engineering in the year 2018. Additionally, it has planned to commence training activities by 09 new courses in Vocational Training Center – Orugodawaththa proposed to be opened in the year 2019.

4.1.2 (b) (v) Advertisements had been published to recruit qualified instructors through printing and electronic medias and after recruitments of those instructors, it is possible to commence the courses by considering the applications of apprentices.

4.1.2 (b) (vi) These courses are monitoring by the Monitoring teams of Training Divisions and Online Monitoring System and the suitable actions will be taken in the relevant review meetings.

4.1.2 (b) (vii) Actions had been taken to minimize the drop outs of apprentices and increase the job placements.

4.1.2 (c) (i) Job placement target for year 2017 was 8,300 and out of it 6,661 were placed in employments. This was 609 increment than the year 2016 (6,661 – 6,050). Similarly. The target for year 2018 was all the trainees who completed the courses and actions have been taken to increase more number in the year 2017.

4.1.2 (b) (ii) 1,924 apprentices were aware through 20 programmes in district wise and 07 programmes for Programme Officers were conducted joining with Foreign Employment Bureau to increase the foreign employments in the year 2017.

- The institutions which provides foreign employments were registered and through it implemented a job placing programme.
- Invited the foreign employees and identify the issues like gaps existing in the training.

4.1.2 (b) (iii) Maximum job placements up to now, have been carried out in the year 2017 and the actions will be taken to increase more job placements in future.

4.1.2 (b) (iv) The Ministries and the institutions specified for these sectors are available and no adequate demand from the apprentices for our institutions. Tertiary and Vocational Education Commission (TVEC) has the responsibility to update the courses.

4.1.2 (b) (v) The follow up information on job placements are being carried out in district level through programme officers. Similarly, the details of these trainees who are in job placements will be entered to the “Management Information System (MIS)” since 2018.

4.1.2 (c) (i) Two researches studies have been commenced for the year 2019 subject to the provisions allocated.

4.1.2 (c) (ii) A research study on vocational training followers has commenced in the year 2019.

4.1.2 (c) (iii) The research studies relevant to institutional performance will be conducted continuously.

4.1.2 (c) (iv) The feasibility studies have to be carried out based on the requirement of the Institution. Meanwhile the researches will be implemented subject to the limits of the provisions.

4.1.2 (e) Informed to take actions as per the provisions allocated for the land rehabilitations and without exceeding the limit of expenditure.

4.2 (a) Relevant Heads of the Districts and the institutions which provide service are instructed to act as per the Labour Ordinances.

4.2 (b) Reminder has been sent to Insurance Company on 31.12.2019 in this regard.

4.2 (c) All the payments have been carried out.

4.3 (a) The vehicle No KI -2564 has already been given to the District Office – Badulla and the vehicle No CBI – 8163 has given to the Vice Chairman.

4.5 (b) The vehicle No KI -3601 has already been given to the District Office – Trincomalee and the vehicle No CBI – 1166 has given to the Chairman.

4.3 (c) Will be rectified accordingly.

4.3 (d) Rectified.

4.4 (a) The committee appointed in this regard, has decided to provide this bus for the training activities of motor mechanic courses.

4.4. (b) Administration Division has already taken action to bring the relevant bus under the Head Office.

4.5 (a) Even though the applications have been published in the news papers to recruit the Chief Internal Auditor with obtaining the approval of the Department of Management Services, the qualified officers have not been presented for the interviews.

4.5 (b) The accuracy of the data is maintained and the recruitments are carrying out in a formal manner. The qualifications of the recruitment procedure have forwarded to the Department of Management to revise.

5.1 Development Programmes are in progress for the relevant programmes, with the participation of officers of the Authority as representatives.

6.1 Planned the annual audit affairs and implemented so as to cover all the districts.

6.2.1 (a) Actions will be taken in compliance to the 6.3.3 of the Procurement Guideline and currently the Chairman of the Procurement Committee opens the quotations.

6.2.1 (b) The construction activities of this building has completed and undertaken on 11.10.2017 and since then it's maintenance period was up to 11.10.2018. The contract institution had renovated some of the shortcomings existed in the building during the said period and subsequently the payments have been done for those and accounted it under Retained Money. The building is being utilized for the training activities since 11.10.2017.

6.2.1 (b) As per the 2.7.5 of the Procurement Guideline, the Secretary of the Ministry appoints the members of the procurement committees.

6.2.1(c)/ 6.2.1 (e) /6.2.1 (f) Quotations have re-called and since then this canteen has given to a new supplier.

6.2.2 (a) As per the 6.2.1 the construction activities of this building has completed and handed over to the Authority. The maintenance period has been concluded (01 year) and retained money also has already been settled down. Currently, the building is being utilized.

6.2.2 (b) Even though this project was planned to re-commence on 2019 (based on SSDP funds), the task was not implemented due to the limitation of SSDP funds in year 2019.

Yet in the year 2020, SSDP is intended to do the construction activities of this by giving priority. The provisions have not been provided during the first quarter and the second step of this project will be commenced after obtaining the approval for the provisions.

6.2.2 (b) (i)/ 6.2.2 (b) (ii) The Head of the Department will give the approval for those, except special occasions, since the said officer has the authority to approve the variables subject to the 10% limit of Indefinite Finance stipulated in 8.13.4 – A in Supplement -14 of Procurement Guideline, dated 03.10.2017.

6.2.2 (b) (iii) Extension period has given for the contract since 31.01.2018 based on reasonable facts. But the contract has suspended on 10.10.2018 due to continuous delay. Therefore a new contract was awarded as the second step of this project in the year 2019 and completed the remained activities.

The final bill of the said contract has not already been paid and after having paid the said bill, actions will be taken to charge the amount which should be charged from the previous contract institution and pay the retained amount to them.

6.2.2 (c) (i) This Hotel School has already been completed in several steps and currently the gas pipe system is being installed as the final step. But the Authority conducts meetings and programmes with accommodations in this Hotel Training Institute under existing facilities and after completing the installation of gas pipe system and other requirements, actions will be taken to provide further training facilities for the apprentices by conducting it as a systematical hotel.

6.2.2 (c) (ii) This Hotel School has already been completed in several steps and currently the gas pipe system is being installed as the final step. But the Authority conducts meetings and programmes with accommodations in this Hotel Training Institute under existing facilities and after completing the installation of gas pipe system and other requirements, actions will be taken to provide further training facilities for the apprentices by conducting it as a systematical hotel.

6.2.2 (c) (iii)The construction activities of this Hotel Training School has concluded in the year 2019 and commenced the training activities in 05 courses since January 2020, as planned.

6.2.2 (e) Due to lack of store room facilities for training equipment, actions have been taken to store equipment temporally in Training centers in Koggala, Ahangama and Hikkaduwa. The lists of bed linens, towels are included in the inventory of Hotel School - Ahangama

6.2.2 (f) Conduct as a hotel currently.

6.3 (a) Taken actions accordingly.

6.3 (b) Actions have been taken to minimize the variations in Capital Expenditure and Recurrent Expenditure.

6.4 (a) Due to the delay of appointing the Board of Directors for a long time, this fact could not be presented to the Director Board. A decision will take after the submission of this matter to the Board of Directors in future.

6.4 (b) Rectified.

6.4 (c) Conduct formal inquiry and has implemented the disciplinary actions for relevant accused officers.

6.4 (d) The court case No DMR/1029/2014 filed against to recover the salaries paid for the officer who interdicted from the service due to financial frauds, is scheduled to be heard on 02.03.2020.

An appeal case No HCLT/99/18 has been filed in the High Court, Colombo by the Authority with the approval of Board of Directors to recharge the Rs. 32,27736.75 paid as the salary as per the order of the case No 2/AD/1029.2013 filed by him in the Labour Tribunal. The case is scheduled to be heard on 21.01.2020.

7 (a) Actions have been taken to do formal recruitments. The qualifications of Scheme of Recruitment (SOR) have forwarded to revise. Actions have been taken to solve the issues through it.

7 (b) Will be rectified accordingly.

7 (c) Will be rectified accordingly.

7 (d) Rectified.

7 (e) It was informed to grant the contracts before expire the instructions and securities relevant to the contractors and the officers have been appointed as teams to supervise each contract.

7 (f) Necessary actions have been implemented to fulfil the targets of performances.